
Annual Report 2021



**BELL
FOOD
GROUP**



LEADING IN FOOD

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Alternative performance indicators

In its annual reports, interim reports and notices to investors and analysts, the Bell Food Group uses alternative performance indicators that are not defined by the Accounting and Reporting Recommendations (Swiss GAAP FER). The alternative performance indicators used by the Bell Food Group are explained in the separate publication "Alternative performance indicators" and are adjusted to the Swiss GAAP FER key figures.

www.bellfoodgroup.com/report-en



Online:

www.bellfoodgroup.com/report-en

Who we are and what we do

The Bell Food Group is one of the leading processors of meat and convenience products in Europe and the market leader in Switzerland. This company steeped in tradition was established in 1869 when Samuel Bell opened his first butcher's shop in the inner city of Basel.

Today, the product range includes fresh meat, poultry, charcuterie and seafood as well as ultra-fresh, fresh and non-perishable convenience products. These include salads, sandwiches, pasta, sauces and spices, and a wide range of plant-based meat alternatives. With the brands Bell, Eisberg, Hilcona, Hügli and other speciality brands, the Group meets a diversity of customer needs. More than 12 000 employees in 15 countries work hard every day to prepare top-quality products that give great pleasure to millions of consumers.

Business areas

Bell Switzerland

Switzerland

Product ranges:
Fresh meat, poultry,
charcuterie, seafood

Sales in CHF billion	2.1
Locations	13
Employees	3 571

Bell International

Belgium, Germany, France,
Austria, Poland, Spain, Hungary

Product ranges:
Poultry, charcuterie

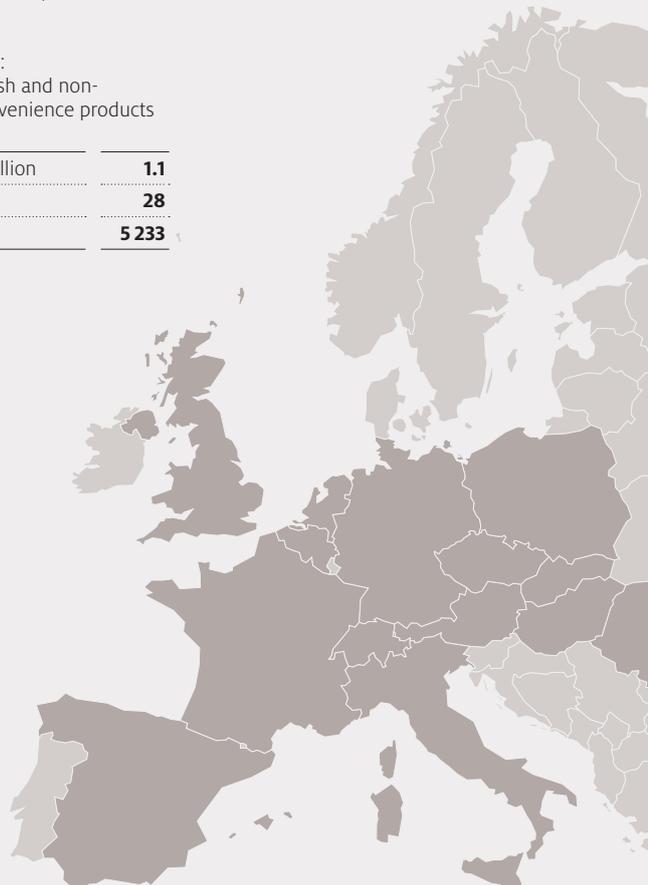
Sales in CHF billion	1.0
Locations	23
Employees	3 529

Convenience

Germany, Principality of
Liechtenstein, United Kingdom,
Italy, the Netherlands, Austria,
Poland, Romania, Switzerland,
Spain, the Czech Republic,
Hungary

Product ranges:
Ultra-fresh, fresh and non-
perishable convenience products

Sales in CHF billion	1.1
Locations	28
Employees	5 233





We shape the future

Joyful, competent and responsible, the Bell Food Group wants to be one of the best food companies in Europe. The Bell Food Group has defined three strategic thrusts until 2025.

Our strategic thrusts 2021–2025

Strengthen our core business

Meat products

Be an expert, innovative full-range provider with regional specialities

Focus: Switzerland

Air-dried ham

Meet customer requirements with expertise and productive capacity

Focus: Europe

Poultry

Achieve above-average growth with organic products

Focus: DACH

Grow with convenience and vegetarian products

Fresh convenience

Exploit expertise and capacity and grow with customers through innovation

Focus: DACH

Vegetarian products

Meet growing customer demand with more innovative products

Focus: DACH

Smart cuisine

New solutions and cooperation initiatives for more added value

Focus: Food service DACH

Invest in efficiency and productive capacity

Investment programme Switzerland

Modernisation of Oensingen

Improved logistics, more automation and increased efficiency for meat products

Expansion of Schaan

Expansion and increased automation for fresh convenience production and logistics

Consolidation of locations for Eisberg Switzerland

Focusing of production capacities in Dällikon and Essert-sous-Champvent

Focus: Switzerland

Cross-utilisation within the Group

Exploit Group synergies

Focus: Europe

Investment programme Switzerland – for a productive future

Modernisation of Oensingen

Deep-freeze warehouse
Automated, energy-efficient high-bay warehouse with 30 000 storage bins

Central logistics platform
Hub for efficient logistics and distribution

Slicing centre
New building for centralised slicing and packing of charcuterie

New cattle slaughterhouse
Modernisation and safeguarding of meat production facilities

Expansion of Schaan

Facility development plan
The production infrastructure at Hilcona's headquarters in Schaan is being modernised and expanded in several phases

New building for fresh pasta
The new extension for fresh pasta was completed in the reporting year

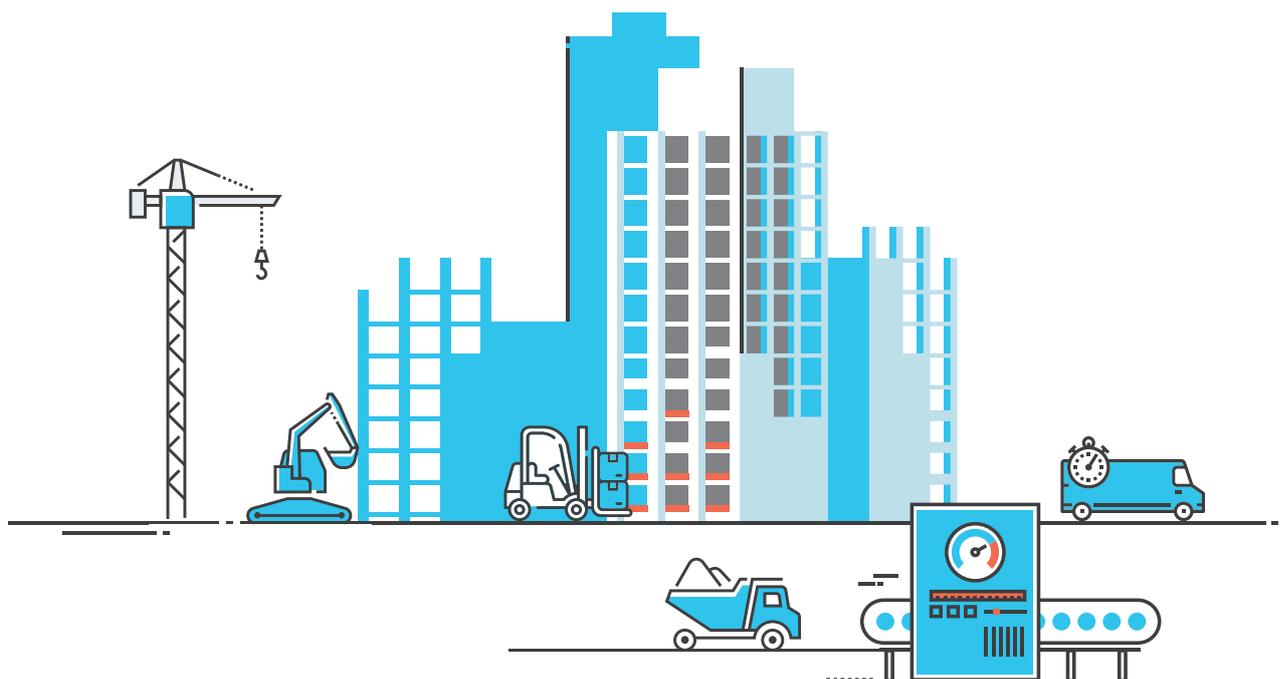
Production of vegetarian food
Vegetarian products will be produced in the former production rooms in the future

Operational logistics
Expansion of operational logistics will start in 2022

Consolidation of locations for Eisberg

Expansion of main locations
The sites in Dällikon and Essert-sous-Champvent are being modernised and expanded

Focusing of production capacity
Production activities in Dänikon and Villigen will be progressively discontinued until 2026





We take responsibility – ESG at the Bell Food Group

The Bell Food Group respects the needs of humans, animals and nature when developing its product ranges and designing its business processes. In doing so, it follows superordinate scientific and internationally accepted guidelines and takes a holistic view of its value chain in order to make a positive contribution to the achievement of the UN's sustainability goals.

Sustainability organisation

The Board of Directors is the supreme decision-making body, while the CEO of the Bell Food Group manages the implementation of the sustainability strategy together with the senior strategic management, the Group Executive Board and the heads of the business areas and divisions.

The Sustainability Competence Centre plays an advisory role in the sustainability organisation.

Sustainability communication

As the Bell Food Group attaches importance to transparent and comprehensive communication on sustainability, it informs its stakeholders of its sustainability performance and the progress made in sustainability management every year by way of a detailed and transparent sustainability report drawn up in compliance with the standards of the Global Reporting Initiative (GRI).

Sustainability as a topic is systematically approached on different levels in line with the ESG criteria and integrated as a key component into the internal and external corporate communication processes. Communication is at the same time an integral component of the sustainability strategy. The Bell Food Group also engages in a regular dialogue with crucial stakeholders in all its markets and constantly expands this commitment. And finally, the sustainable value added by our products is also included at different levels in our brand communication.

Sustainability reporting

As part of our value system, the sustainability strategy serves as one of the pillars for the Bell Food Group's entrepreneurial behaviour. For the Bell Food Group, corporate responsibility means assuming responsibility and including the impact on humans, nature and the environment in all business processes. The Bell Food Group thus applies an integrative approach to its sustainability reporting in this annual report. The latest information about corporate responsibility is therefore no longer presented in a separate chapter, but directly in the respective chapters and labelled separately.

Detailed information about our commitment to sustainability is published in the Bell Food Group's sustainability report in accordance with the criteria of the Global Reporting Initiative (GRI). The 2021 sustainability report will be published in May 2022.

More information about corporate responsibility is also available on our website at www.bellfoodgroup.com/cr.

Sustainability strategy of the Bell Food Group

Our sustainability strategy forms the foundation of our commitment to sustainability. The sustainability strategy was revised in the reporting year and covers eight relevant fields of action as well as the organisational framework conditions for their implementation and control. The new strategy expands the sustainability commitment to include the entire value chain.

Important topics and ambitions

The topics important to our sustainability commitment were identified with the help of a materiality matrix and include the following eight topics. One ambition and a number of different objectives were defined for each topic.

The Bell Food Group's sustainability commitment encompasses the **entire value chain.**

Governance

1 – Governance

Across its entire value chain, the Bell Food Group stands for fair and ethical corporate governance and responsible tax policies, prevents corruption and allows its employees to participate in the workplace.

Objective: By 2026, we will include ESG criteria in our comprehensive risk and financial management system.

Social responsibility

2 – Employment conditions

All employees of the Bell Food Group (incl. persons who are not directly employed) and important suppliers receive country-specific living wages (according to the Global Living Wage Coalition), and employment conditions are secured in accordance with international agreements (incl. ILO standards) and local laws.

Objective: As an attractive employer, we offer modern employment conditions and actively promote compliance with human rights across our supply chain by requiring 100 % of our direct suppliers from risk countries to maintain valid social standards by 2026.

3 – Safety and health at the workplace

Across the value chain, the Bell Food Group promotes a positive working environment which does not negatively impact the physical and mental health of the employees.

Objective: By 2026 we will have raised our system for managing safety and health at the workplace to a uniform standard throughout the Bell Food Group.

Environmental responsibility

4 – Animal welfare

Across the value chain, animal welfare standards that go beyond the legal requirements are promoted and secured by independent certification whenever possible. A Group-wide animal welfare policy is defined. The Bell Food Group is constantly increasing its share of sales of products that meet higher animal welfare standards, and it promotes animal welfare on an ongoing basis.

Objective: By 2022, we will have implemented a Group-wide animal welfare policy defining minimum animal welfare* standards for all companies. By 2026, 60 % of our animal raw materials from Switzerland and 37 % of those used in the entire Bell Food Group will be certified by an animal welfare label.

*Based on the animal welfare concept of Five Freedoms.

5 – Disposal/recycling

The Bell Food Group closes substance cycles, avoids the disposal of waste along the value chain and uses fully recyclable packaging.

Objective: By 2026 we will have reduced the operational food waste to less than 1 % and at least 50 % of our packaging will be recyclable.

6 – Water

The Bell Food Group minimises water consumption for its processes and in areas suffering from water stress, and makes sure that its business processes do not affect water quality (chemical parameters), both at the level of the Bell Food Group and all upstream units.

Objective: By 2026, we will minimise our water consumption by 10 % in non-risk areas and by 50 % in risk areas.

7 – Greenhouse gas emissions and energy

As far as the reduction of its greenhouse gas emissions is concerned, the Bell Food Group follows the 1.5° target according to SBTi (Science Based Targets initiative) and focuses on the reduction of energy consumption, the use of renewable energy carriers and other measures. The Bell Food Group is aiming for climate neutrality in its operations (scopes 1 and 2) by 2035 and across the entire value chain (scopes 1–3) by 2050.

Objective: By 2026, we will have reduced absolute greenhouse gas emissions (scopes 1 and 2) by 21 % compared to 2021.

8 – Ecosystems

The Bell Food Group avoids negative effects on biodiversity and species diversity and sets positive points of emphasis for the improvement and recovery of ecosystems. It follows a zero deforestation strategy, protects fish stocks, and promotes soil health and species diversity.

Objective: By 2026, 72 % of our seafood range will be certified by recommended/greatly recommended labels according to the WWF. We also aim to increase sales of organic products to CHF 370 million by 2026.

8

The Bell Food Group's sustainability strategy defines **eight important topics.**

Important events 2021

Successful 2021 financial year for the Bell Food Group

In the reporting year, the Bell Food Group repeated the success achieved in the previous year and posted a very good result. Once again, the main contributor to the pleasing financial year was the strong retail business with meat and convenience products in the home market of Switzerland. At CHF 4.2 billion, net revenue was up 3.4 percent on the previous year, while the adjusted annual profit improved by 10.0 percent to CHF 129.5 million. All business areas contributed to the good result.

+3.2%

Operating growth in sales revenue.

+3.4%

Operating growth in net revenue.

+2.5%

Operational progress at EBIT level.

Good performance by all business areas

Bell Switzerland

Thanks to its strong retail business, the business area Bell Switzerland once again posted a good result for all product groups. The poultry and seafood segments in particular were on a growth track. The partial return of shopping tourism impacted business performance, but not yet on a par with prepandemic levels.

+2.2%

Operating growth in sales revenue.

Bell International

The business area Bell International continued to enjoy the fruits of its focus on sustainable poultry and air-dried ham. In the air-dried ham segment, Bell International held its own in a contracting market thanks to an attractive product range. The sale of poultry products offering sustainable added value saw good growth.

+3.5%

Operating growth in sales revenue.

Convenience

In the reporting year, the business area Convenience recovered slightly from the previous difficult year. The main contributors were the strong retail business in Switzerland and the recovery of sales in the food service and to-go channels. Vegetarian and vegan products posted gratifying growth rates.

+6.6%

Operating growth in sales revenue.

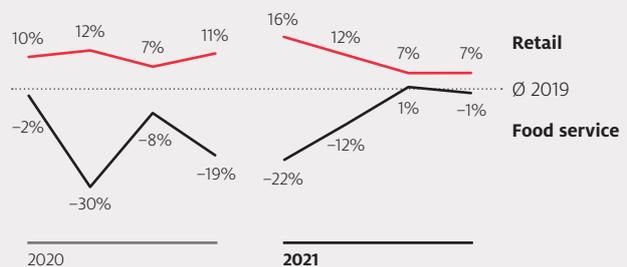
“Coronavirus effect” remains noticeable

The measures to curb the spread of the coronavirus changed the eating and consumption habits of the population, which had a strong impact on the business performance of the Bell Food Group. The result was a substantial increase in retail sales and noticeable losses for the food service sales channel and out-of-home food products. These effects were still very noticeable in the first quarter of 2021. The effects of the coronavirus pandemic lessened with the easing of the measures in spring and summer, with the result that food service sales improved again. This development was halted once more with the outbreak of the Omicron variant in the last quarter.



Development of channel mix

Change in retail and food service sales compared to the average for 2019



The measures to curb the pandemic resulted in the volatile development of the channel mix in 2020 and 2021.

+25 %

Pleasing growth in business with meat alternatives.

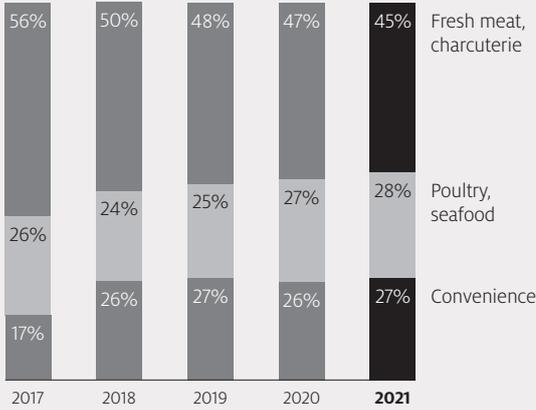
Vegetarian products on a growth path

The Bell Food Group generates some 22 percent of sales revenue with vegetarian products. These include salads, fruit and vegetables, sandwiches, sandwich spreads, menu components, muesli, tofu and meat alternatives. In the DACH region, classic meat alternatives such as tofu, plant-based meat alternatives, side dishes and hummus are on a growth path. In the reporting year, sales of these products rose by around 25 percent. The vegan meat alternatives offered by our “The Green Mountain” start-up grew even more strongly and gained substantial market share. The range has been expanded with new products such as vegetarian steak and vegetarian veal schnitzel. Distribution has also been expanded to Germany and Austria.

Key figures

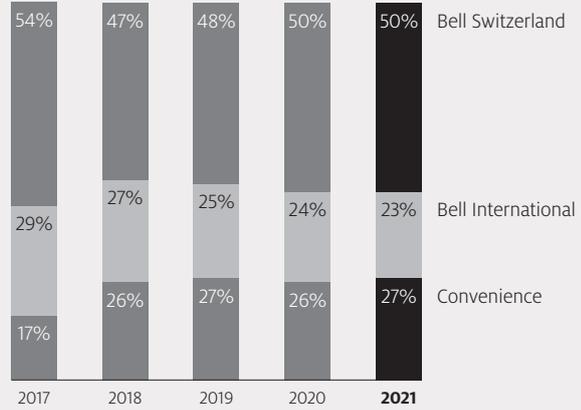
Breakdown of sales by product group

in %



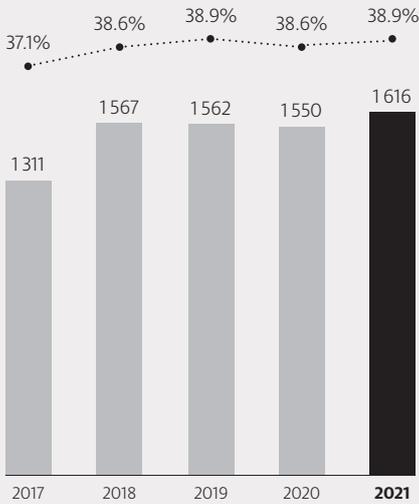
Breakdown of sales by business area

in %



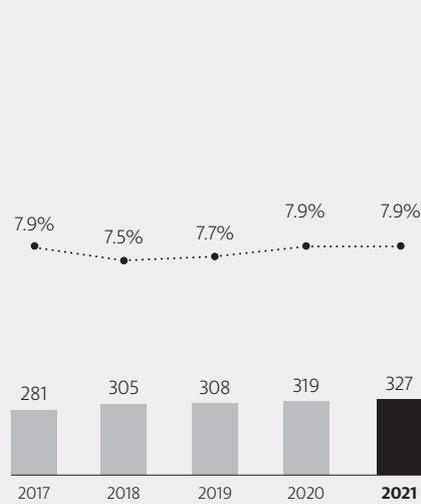
Gross operating income adjusted

in CHF million and in % of net revenue



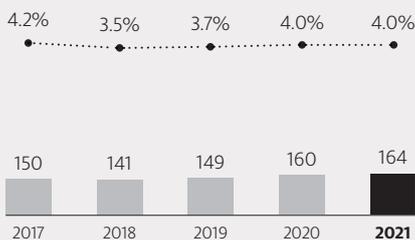
EBITDA adjusted

in CHF million and in % of net revenue



EBIT adjusted

in CHF million and in % of net revenue



Annual profit adjusted

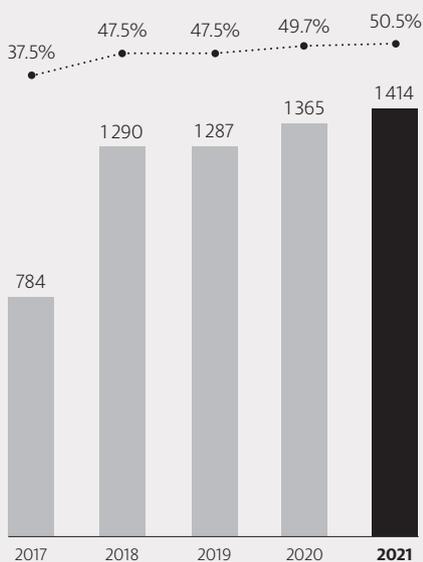
in CHF million and in % of net revenue



Derivation of key figures and adjusted figures according to separate publication «Alternative performance measures».

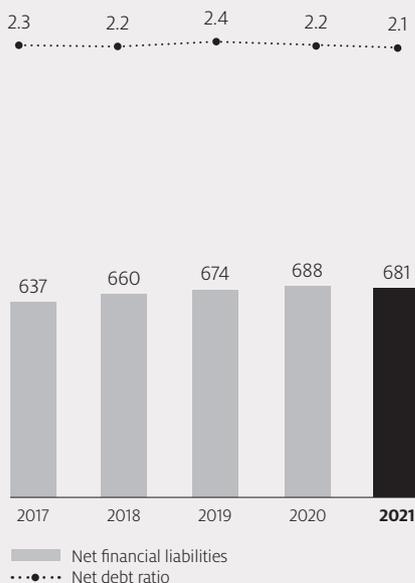
Equity

in CHF million and in % of total assets



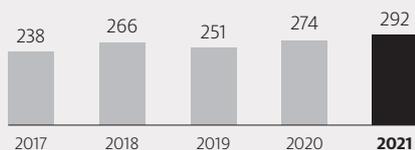
Net financial liabilities

in CHF million



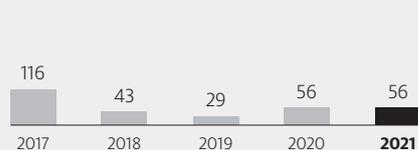
Operating cash flow before change in net current assets

in CHF million



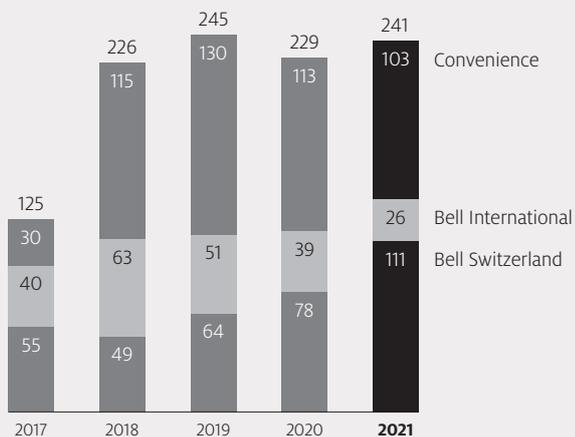
Operating free cash flow

in CHF million



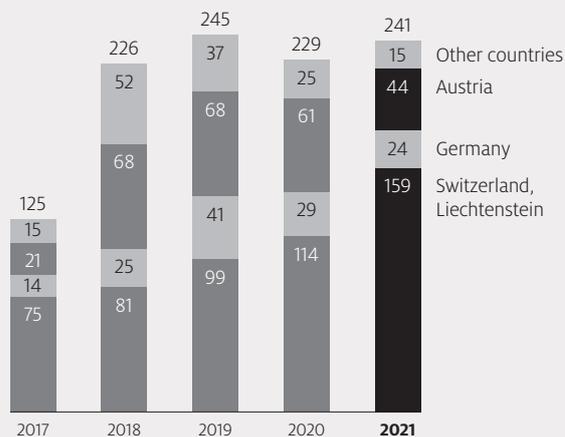
Operating investments split by business area

in CHF million



Operating investments split by country

in CHF million

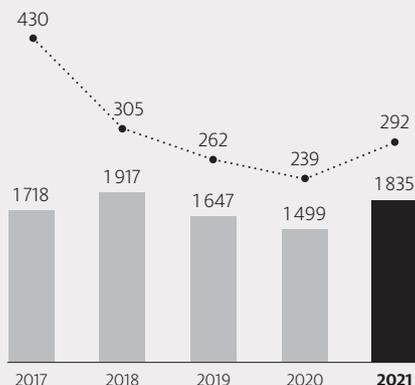


Derivation of key figures and adjusted figures according to separate publication «Alternative performance measures».

Key figures

Market capitalisation and share price

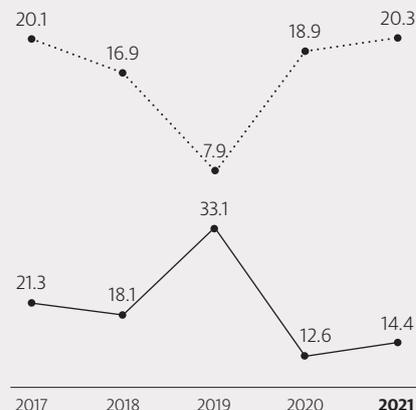
in CHF



Market capitalisation as of 31.12. in CHF million
Share price as of 31.12.

Key figures per share

in CHF

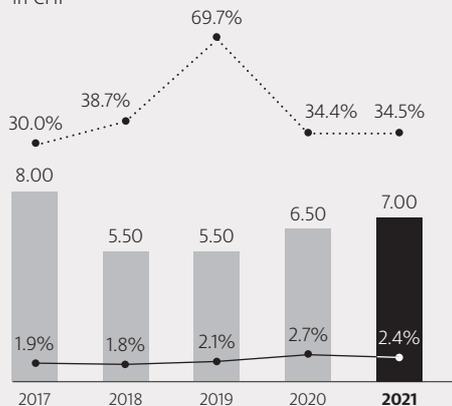


Net profit per share
Price/earnings ratio

The net profit per share for the previous years were adjusted by the effect of the capital increase in 2018 to improve comparability.

Distribution per share

in CHF



Distribution per share
Distribution ratio
Dividend yield

Following the dividend increase of CHF 1.00 in the previous year, an increase of CHF 0.50 to CHF 7.00 will be proposed to the Annual General Meeting due to the good group result. The payout ratio is thus 34.5 percent of annual profit, in line with our target of around 30 percent.

50 percent of the dividend for 2021 will be paid from the reserves from capital contributions. As distributions from reserves from capital contributions are not subject to withholding tax, Swiss private investors will benefit from a tax-free payment.

Capital structure as of 31.12.

		2017	2018	2019	2020	2021
Share capital	CHF million	2.00	3.14	3.14	3.14	3.14
Divided into number of registered shares	Number in 1 000	4 000	6 286	6 286	6 286	6 286
Nominal value per registered share	CHF	0.50	0.50	0.50	0.50	0.50

Share details

Share details	31 596 632
ISIN	CH0315966322
Legal Entity Identifier (LEI)	50670090YSFJ2732TD58
Trade	SIX Swiss Exchange
Symbol SIX	BELL; Bell N; Bell.SW
Current share price	www.bellfoodgroup.com

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Editorial

The groundwork for the future has been laid



Joos Sutter
Chairman of the Board of Directors



Lorenz Wyss
Chairman of the Group Executive Board

Dear Shareholders

In the previous year, the outbreak of the coronavirus pandemic presented our society with the greatest challenge ever. We all had to find some way of coping with this global crisis. This was anything but easy, and each and every one of us had to make a contribution. It was only by working together that we were able to counter the effects of the pandemic and protect the basic values of our society.

As a company, we also had to make our contribution to stop the spread of the coronavirus pandemic. It was a great challenge to protect the health of our employees as best as possible while still meeting our supply mandate as a manufacturer of food products. At the same time, the official measures to curb the pandemic had a noticeable effect on the consumption and eating habits of the population. While the food service channel and the to-go and fresh convenience segments suffered severely from the restricted mobility, demand in the retail channel rose sharply.

These effects shaped the 2020 financial year and were still very apparent in the first half of 2021, but varied greatly from country to country. In spring and summer, there were some easings in the pandemic measures. The population's mobility increased, restaurants could reopen and events could be held again. It was also noticeable, however, that the opening of the borders led to a partial return of shopping tourism. Markets in the second half of the year were overshadowed by strong fluctuations in demand and volatile raw material prices. The outbreak of the Omicron variant in the last quarter of the year led to a worsening of the coronavirus situation again.

We are very thankful that we so far have been able to master this challenge thanks to the great commitment of our employees and our broadly supported business model and that we generally coped well with the coronavirus pandemic. It has been shown that our strategic position is strong enough to allow us to master a global crisis such as the coronavirus pandemic. The pandemic also accelerated various internal programmes and projects and changed some processes and working methods for the good. On balance, the Bell Food Group is emerging strengthened from this challenging time.

Investments in the future

Over the past two years, our core business in Switzerland has proven to be a solid foundation. In the Swiss retail market in particular we posted considerable growth. It is one of our strategic initiatives to strengthen our productive capacity in Switzerland and to make adjustments to meet the future requirements of our customers. Substantial investments are being made to enable us to meet this objective. More than CHF 600 million are being invested in the modernisation and expansion of the production infrastructure at the Oensingen location. Construction work has started on a new, highly automated deep-freeze warehouse, a central logistics platform and a slicing centre. These new buildings will ensure the faster, more efficient distribution of fresh products to our Swiss customers. We will also be able to reduce the energy needed for cooling and storage by some 50 percent. The planning application for the new cattle slaughtering facility in Oensingen was submitted in the reporting year. Construc-

tion is scheduled to start in 2022. The planned investments at Hilcona's headquarters in Schaan (LI) and at Eisberg Switzerland are going in the same direction. As part of a multi-year facility development plan, some CHF 120 million are being invested in the modernisation of the production infrastructure in Schaan. The first phase was implemented in the reporting year with a new building that substantially expands the capacity to produce fresh filled pasta. The planned second phase is to expand the operational logistics. At Eisberg, production capacity is being concentrated in the facilities in Dällikon and Essert-sous-Champvent. These two locations will be modernised and expanded in the coming years for a total investment of around CHF 35 million. The two locations in Villigen and Dänikon will be closed gradually by 2026. With this concentration we want to strengthen the long-term position of Eisberg as the leading provider of convenience salads, fruit and vegetables in Switzerland. We are convinced that with these investments we are establishing the infrastructure for our core business in Switzerland for the coming decades and sustainably securing our drivers of revenue in the long term.

Sustainability at the Bell Food Group

We adopted our sustainability strategy for the next five years in the reporting year. This strategy defines eight important sustainability topics. An ambition and specific and measurable objectives and subobjectives were defined for each topic. We based these on the Sustainable Development Goals of the United Nations and on one of our three missions: "We take responsibility."



We have an inclusive understanding of sustainability and consider sustainability aspects in all our decisions. We will therefore provide more comprehensive information about our sustainability progress via our communication channels in future. Further information about our sustainability commitment and the progress made in the achievement of our objectives can be found in our sustainability report, which is published annually in May.

Higher distribution

The Bell Food Group had a successful financial year in 2021 and repeated the previous year's excellent performance. We are therefore requesting the Annual General Meeting to increase the distribution again this year by CHF 0.50 to CHF 7.00 per share. Thus the distribution ratio equals 34.5 percent of the annual result. 50 percent of the distribution will be paid from the capital reserves and 50 percent from the annual profit of the Bell Food Group.

Outlook

The effects of the coronavirus pandemic on the business performance of the Bell Food Group were still present, but not to the same extent than in the previous year. Markets will remain volatile and unpredictable for the foreseeable future. We expect sales in the food service and retail channels to approach pre-pandemic levels this year. This will primarily benefit the Convenience business area, which already showed clear signs of recovery in the reporting year. This business area will thus resume its role as the Group's driver of growth. However, the business area Bell Switzerland will be unable to sustain the strong performance of the past two years to the same extent, in particular if shopping tourism, which returned in part in the reporting year, should continue in the coming year. This core business, however, will continue to make a substantial contribution to the Group's success. The business area Bell International will support this development by making further progress and rationally enhancing the strategic focus of the Bell Food Group.

Dear shareholders, we would like to thank you for the trust you have placed in us. Special thanks are also due to our employees, who work with great commitment and much know-how for our company every day. And last but not least, we would like to thank our business partners for the successful and respectful cooperation.

Joos Sutter
Chairman of the Board of Directors



Lorenz Wyss
Chairman of the Group Executive Board



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Situation report

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Business activities

Broadly supported business model

The Bell Food Group is one of the leading meat processors and convenience specialists in Europe. The company domiciled in Basel in Switzerland is the market leader in Switzerland as well as the leader in some product segments in several European countries. Its range of products includes meat, poultry, charcuterie and seafood as well as ultra-fresh, fresh and non-perishable convenience products. These include salads, sandwiches, fresh meals, pasta, sauces and dressings, menu components and spices. The Bell Food Group has 64 locations in 15 European countries. With the brands Bell, Eisberg, Hilcona, Hügli and other speciality brands, the Bell Food Group meets the diverse needs of many customers in the retail, food service and food processing industry.

with Bell in Switzerland. Süddeutsche Truthahn AG is a significant provider of top-quality regional turkey products in Bavaria. The Bell Food Group is the biggest manufacturer of poultry products from programmes with higher animal welfare standards in the DACH countries. Bell is thus one of the most important producers of organic poultry in Europe.

Bell is one of the most important **producers of organic poultry in Europe.**

Sales by product group

Fresh meat	22 %
Charcuterie	23 %
Poultry	22 %
Seafood	5 %
Convenience	27 %

Sales for meat and vegetarian products

Meat products	78 %
Vegetarian products	22 %

Sales for retail and food service/industry

Retail	74 %
Food service/industry	26 %

Products and core markets – comprehensive meat and convenience supplier

Fresh meat, poultry, charcuterie and seafood

In our core market of Switzerland, the Bell Food Group produces and processes **fresh** beef, veal, pork and lamb. Our own meat production is supported with targeted purchases of meat and game ready for processing from suppliers inside and outside of Switzerland. The offer includes a complete range of self-service and over-the-counter products for the retail trade as well as special product ranges specifically developed for the food service sector and food-processing industry. In Switzerland, Bell is the market leader or holds a leading position in most product groups.

In Switzerland and Austria, Bell has an **integrated production process for poultry** and controls the entire value chain, from the egg to the final, ready-to-serve poultry product. The Bell Food Group is an important provider of chicken products with market leader Hubers Landhendl in Austria and a leading provider

In **charcuterie**, the Bell Food Group covers more or less all segments in Switzerland, including scalded sausages, cured sausages, cured meat products and dried meat. With regional facilities in a number of countries, Bell can offer the international market a specialised range of charcuterie specialities from its own production. The focus falls on regional air-dried ham and cured sausage specialities, including many specialities with protected geographical status such as Black Forest ham, Bündnerfleisch and Saucisson d’Auvergne. In Germany, the Bell Food Group is the market leader in the air-dried ham segment. In France and Spain, the company is one of the leading providers of regional cured sausage and air-dried ham specialities. We are an important provider of cured and scalded sausages in Poland.

In Switzerland, the Bell Food Group is the biggest provider of **seafood** and very successfully markets fresh domestic and imported fish, crustaceans, seafood and frozen products. The product range mostly comes from sustainable sources and is aimed at self-service and over-the-counter sales by Swiss retailers as well as the food service sector.



We shape the future.

The specialist for fresh convenience

Hilcona and Eisberg are the specialists for fresh convenience in the DACH region and introduce many new products to the market every year. They will further strengthen this position in the future.

Convenience

The Bell Food Group is a pioneer in the production and marketing of innovative convenience products. Thanks to their performance capacity, the Convenience divisions are competent category partners to many retail and food service customers. The product portfolio comprises ultra-fresh convenience products such as salad meals, sandwiches and wraps for the to-go segment. Fresh convenience products include ready-made meals, cut salads, pasta, sauces and menu components. Non-perishable convenience products include bouillons, sauces, desserts and spices.

The Eisberg division specialises in the production of freshly cut salads and is the leading provider in this segment in Switzerland and Eastern Europe. Market entry into Austria and Germany has been secured with the new facilities in Marchtrenk (AT) and Bad Wünnenberg (DE). In addition to convenience salads, the company offers a wide selection of herbs as well as cut fruit and vegetables. The portfolio is completed by innovative products such as smoothie mixes, fruit juices and salad dressings.

The Hilcona division produces fresh, frozen and non-perishable convenience products such as fresh meals, various pasta creations, sandwiches, tinned food and many other products for retail and food service customers. Hilcona also has a competence centre for vegetarian and vegan products. This agile facility manufactures innovative products such as tofu made from organic Swiss soya and plant-based meat alternatives for burgers, meatloaf, mince and tartare. Hilcona is the market leader in its segment in Switzerland and a significant provider of fresh pasta in Germany and Austria. Hilcona also operates in France and the Benelux countries.

Hügli is the specialist for non-perishable convenience products. These include soups, sauces, bouillons, seasoning mixes, dressings and dips, desserts, functional foods, chilled herb products, menu components, as well as vegetarian and vegan products. Most ranges are

available as dry or liquid products. Hügli provides deliveries to the food service sector, manufactures products for brand companies and the retail sector as well as the food-processing industry, and distributes its own brand products, primarily products certified to be organic. In its home markets of Switzerland and Germany, Hügli is a leading provider of non-perishable convenience products. Hügli also has production plants in Italy, Spain, the UK, the Netherlands and the Czech Republic. The international network of production facilities is supplemented by its own sales organisations in Austria, Hungary, Slovakia and Poland.

Customers and sales channels – from supermarkets to takeaways

The Bell Food Group services countless customers in the retail channel, food service sector and food-processing industry. The company delivers its products to retailers of varying sizes, from large supermarkets to regional markets and speciality and convenience shops. Customers in the food service sector include system caterers, industrial caterers (canteens, hospitals, nursing homes, etc.), hotels, takeaways and traditional restaurants. As a rule, these customers are supplied through the wholesale cash-and-carry and delivery channels. In the convenience sector, the Bell Food Group also operates specialised sales organisations and internal logistics solutions. For the food-processing industry, the company delivers specific food components to other manufacturers of food products.

Customer satisfaction

To ensure the sustainable success of our products and services, it is crucial for us to know how their quality is rated. The Bell Food Group systematically measures customer satisfaction every year by way of a standardised online questionnaire. This allows a better comparison and structuring of the results. Consumer feedback received via the customer hotline, social media and our website is also analysed and evaluated.

Bell Switzerland conducts a survey on the quality of its products, services and support for all relevant customers every two years. Another customer survey was carried out in 2021 as scheduled. Overall, customer satisfaction was good. Individual critical feedback was addressed and appropriate measures were initiated.

Procurement and suppliers – quality starts with the raw materials

For the Bell Food Group, quality management starts with the selection of the best raw materials. We prefer suppliers who meet our requirements for sustainable business practices, fulfil our quality criteria and can guarantee the availability of processed raw materials. Sustainability is an explicit component of our procurement strategy, from the selection of our suppliers to the consumption of materials. Framework agreements are concluded with all important suppliers. As part of a comprehensive approach to supplier management, all suppliers are audited once a year. The Bell Food Group strives to build a close relationship with its long-standing and productive suppliers.

Whenever possible, the raw materials for salads are procured from regional producers in the catchment area of the production plants. At the Eisberg production facility opened in 2019 in Marchtrenk in Austria, some two-thirds of the suppliers of fruit and vegetables are located in Austria. A team of Eisberg specialists assists all suppliers with on-site advice and support. Eisberg operates its own purchasing office in Spain, one of Europe's biggest vegetable and fruit production countries. Thanks to a strong procurement network covering a number of countries, Eisberg can meet demands in its usual top quality even in adverse weather conditions.

Hilcona grows its own raw materials through its subsidiary Hilcona Agrar. Where this is impossible, Hilcona works together with long-standing suppliers. 60 percent of its vegetables come from around 350 contract farmers in Switzerland and Liechtenstein. Only certified Swiss organic soya is used for the production of its tofu products. At the Marchtrenk (AT) facility, a large share of the raw materials comes from regional producers.

The Bell Food Group works closely with its long-standing suppliers.

Elements such as animal husbandry and feeding methods are important criteria in meat production. The Bell Food Group has defined clear basic rules for the purchase of slaughter animals, meat and fish in corresponding guidelines. Domestic sources are preferred, taking into account the own quality standards and availability. The route taken by the meat is fully documented and can be traced all the way from receipt of the raw materials to the individual consumer units.



We take responsibility.

Focus on qualified professionals

Over the past years, the Bell Food Group has invested a great deal in order to improve the personnel recruitment process for applicants. These efforts were rewarded in 2021 when Bell and Hilcona for the second year in a row took the first two places in the food category in «Best Recruiters», the largest personnel recruitment study in Switzerland.

Employees – people are of central importance

At the Bell Food Group, more than 12 000 employees of around 100 nationalities make sure that the wide range of products is distributed fresh to the market each day. The Bell Food Group offers jobs of many different descriptions, from food specialist to commercial specialist, from IT specialist to operational employee.

The Bell Food Group defines itself as a dynamic international food producer with regional roots. As a responsible employer, we promote the personal development of our employees. The HR strategy has been drawn

up for the entire Group and sets out uniform processes, including staff acquisition and development. Other focal threads are occupational health management and talent management. The Group's performance as an employer is measured by a number of key indicators as well as by regular employee surveys.

Since 2018, the Bell Food Group has systematically surveyed all Group employees about their work satisfaction every two years. The results are evaluated and provide input for any improvement measures that may be required. The second employee survey had to be postponed by a year because of the coronavirus pandemic and was carried out in the reporting year.

Bell Food Group employees

	2020	2021
Number of employees		
Average number of employees expressed as full-time equivalents ¹	12 043	12 333
Number of employees as of 31.12. in persons	11 744	12 052
Number of employees as of 31.12.		
Bell Switzerland	3 504	3 571
Bell International	3 469	3 529
Convenience	5 070	5 233
Proportion of full-time employees	75 %	67 %
Proportion of part-time employees	25 %	33 %
Proportion of men	61 %	61 %
Proportion of women	39 %	39 %
Proportion of women in management	26 %	26 %
Number of nationalities	98	99
Age structure		
up to 30 years	20 %	18 %
31–50 years	52 %	54 %
51 and above	28 %	28 %
Education and training		
Trainees	157	157
Number of training days	13 385	9 467

¹ including temporary staff from third-party companies.



We shape the future.

Vegetarian products on the advance

The range of vegetarian and vegan products was expanded further in the reporting year. "The Green Mountain" start-up posted middle three digits growth rates for its vegan meat alternatives. Production capacity for vegetarian and vegan product ranges is being expanded at Hilcona's headquarters in Schaan.

The Bell Food Group as employer

At the Bell Food Group, people take central stage: with their individual skills, their needs and our joint objectives. We want our employees to enjoy coming to work and to make a contribution to our mutual success. We provide an open and people-friendly working environment that is marked by mutual recognition. The company and the employees pursue the following performance characteristics:

People like to eat well, and sharing a meal is an important part of our culture. It is our passion to give pleasure to people with top-class food. This is how we make an important contribution to their quality of life.

Those who work for the Bell Food Group are masters in their field. Making an active contribution, tackling new tasks and setting things in motion is not only allowed here, it is expected. Everybody joins forces to bring in the new and allow us to achieve our objectives. This is how we set an example in the food industry – as a company, as a team, as professionals.

We appreciate our employees, their personal commitment and their different strengths and skills. And we want to accompany, support and promote each of them individually – at all levels, in all areas. Because those who can make the best of themselves also do their best for the Bell Food Group. This is how we become better, together.

Everything we do is good and has been a guarantee for the best quality for more than 150 years. We accompany, support and inspire our customers, partners and consumers with our broad-based skill set, finely honed craftsmanship and solid financial foundation. This is why you can count on us – now as well as in the future.

Organisation – effective and efficient

Bell Food Group Ltd is the umbrella organisation of the company. The Group is headquartered in Basel (CH), where the company was founded in 1869. The Bell Food Group is organised into three operational business areas and a service business area for Finance/Services. Cross-Group functions such as HR, IT and corporate services are organised into central units. The operating activities are primarily organised decentrally in close proximity to the customers and markets. The Bell Food Group's organisation is supplemented by a number of competence centres. Specialists from the different divisions are involved in these topic-specific competence centres, where they are responsible for know-how transfer, synergy identification and exploitation, and the optimisation of cross-organisational processes.

The Bell Food Group is present in 15 European countries with its production facilities, logistics platforms and sales offices. The individual production facilities are specialised and focus on a defined range of products. The Bell Food Group also has regional facilities for the manufacture of local charcuterie specialities for important designations of origin.

The Bell Food Group comprises the business areas Bell Switzerland, Bell International, Convenience and Finance/Services.

The Bell Switzerland business area with its production plants offers a complete range of meat, poultry, charcuterie and seafood. Meat production and maturation are centralised in Basel for pork and in Oensingen for beef. Poultry and seafood are each processed in an individual plant. National charcuterie production is located in Basel, while regional specialities are mainly prepared in Churwalden, Gossau, Chermignon and Chesaux. These include a large number of specialities with protected geographical status. The facilities in Schlieren and Geneva focus on food service product ranges.

The Bell International business area consists of the Bell Germany, Bell Western/Eastern Europe and Hubers/Süttag divisions. The Bell Germany division focuses on its strong position in the segment for German and international air-dried ham products. Organisationally, the production plants in Spain specialising in Spanish charcuterie belong to the Bell Germany division. Production plants for regional air-dried ham specialities are located in Seevetal (DE), Edewecht (DE) and Schiltach (DE). In Spain, Bell International has two production plants for Serrano ham in Fuensalida and Casarrubios del Monte as well as a plant specialising in Iberian charcuterie products in Azuaga.

The Bell Western/Eastern Europe division is responsible for the activities in France and Poland as well as the trading business in Belgium, Hungary and Romania. In France, Bell produces various regional cured sausage and air-dried ham specialities at its plants in Teilhède, Riom, Saint-Symphorien-sur-Coise, Virieu-le-Grand and Aime. In Poland, local charcuterie specialities such as kielbasa and cabanossi are manufactured in Niepołomice for the Polish and Hungarian markets. This division also incorporates the worldwide export business which focuses on marketing various product ranges from all business areas outside of Europe.

The Hubers/Süttag division comprises the poultry business in Austria and Germany. The Pfaffstätten (AT) facility specialises in the slaughtering and cutting of chickens. Hubers is the market leader in organic and maize-fed chicken in Austria. Turkeys are slaughtered and cut at the Ampfing facility in Germany.

The business area Convenience comprises the Eisberg, Hilcona and Hügli divisions. Eisberg is a company specialising in the production of convenience salads; it has production plants in Switzerland and in Austria, Hungary, Poland and Romania. Some of the raw materials are procured through a purchasing office in Spain. Hilcona manufactures a broad range of fresh convenience products in its production facilities in Schaan (LI), Orbe (CH) and Bad Wünnenberg (DE). It markets these products primarily in Switzerland and Germany as well as other European countries. "The Green Mountain" in Landquart (CH) specialises in the manufacture of vegetarian and vegan meat alternatives. Hügli has over ten production plants in Switzerland, Germany, Italy, the Czech Republic, Spain, the UK and the Netherlands and is the biggest provider of non-perishable convenience products in Europe. The international network of production facilities is supplemented by its own sales organisations in Austria, Hungary, Slovakia and Poland.

The business area Finance/Services is the matrix organisation for the whole Bell Food Group. The finance officers of the individual divisions and countries cover the local remit and requirements and report directly to the central organisation at headquarters. More information about the organisation as well as the organisational chart of the Bell Food Group can be found in the chapter on corporate governance on pages 48 and 49.

Innovation management – culinary competence with ideas

The Bell Food Group offers a range of more than 20 000 products. In addition to the standard product range, new developments and innovations play an important role. Every year, many more than 2 000 new products are launched throughout the Group, ranging from simple recipe adjustments such as a new marinade, a new pizza topping or a seasonal pasta filling to totally new product concepts that take longer to develop.

Within the Bell Food Group, the requirements that have to be met by the innovation process differ according to segments. For the air-dried ham segment and traditional charcuterie specialities such as Saucisson Vaudois or Bündnerfleisch, craftsmanship and traditional manufacturing procedures are much more important than product innovations, while the innovation rate for new product segments such as to-go convenience or plant-based meat alternatives is very high. For this reason, the individual divisions are usually responsible for the innovation process. Specialists from different divisions work together on certain product developments, such as the Smart Cuisine initiative for food service, thus pooling their subject expertise.

Product innovations primarily serve two important functions. Firstly, to add variety and invigorate the standard product range with exciting new products for a limited period, and secondly, to develop new products, concepts and product ranges in order to establish them on the market in the long term.

In the food sector, packaging is an important element of the innovation process. Factors such as product protection, shelf life, help in preparation, material usage and sustainability play an important role and are constantly monitored and adapted to customer requirements. New technologies are incorporated into this process as much as possible. Successful packaging concepts from the different countries are introduced in other countries whenever possible.

New products and product ranges

The Bell Food Group is guided by its strategic thrusts in the development of new product concepts. Trends and consumer needs are identified with the help of instruments such as food scouting and consumer surveys, and are systematically integrated into the innovation process. Seasonal specialities also play an important role. Entire product lines are only sold during the barbecue season, for example. The Bell Food Group has defined three trends for its product innovation.



We love the good things.

Innovation with enjoyment

The innovation specialists at the Bell Food Group launch around 2 000 new products every year. In this regard, we are guided by customer needs, trends and our strategic thrusts. However different these products may be, they all have a common objective: we want to give pleasure to all consumers.

Vegetarian and vegan

Vegetarian and vegan products are popular, in particular among young and trendy consumers. Although market volumes are still relatively small, all signs are pointing towards growth. The Bell Food Group sees great potential in this segment and is therefore selectively pushing ahead with the development of new products and product ranges.

More convenience

When mobility was restricted during the coronavirus pandemic, the classic art of cooking at home enjoyed a revival. The trend towards products that involve a higher degree of preparation and ready-to-serve products for eating at home and on the move will continue in the medium to long term. At the same time, consumer demands regarding taste and the quality of the processed ingredients are rising. The product developers at the Bell Food Group do not believe in compromising on taste. A challenge which they master time and again.

Regionality and sustained added value

Regionality and sustainability are becoming ever more important in the manufacture of fresh food. This refers to the manufacturing process, the raw materials that are used as well as sustainable packaging solutions. Wherever possible, the Bell Food Group prefers agricultural raw materials provided by regional suppliers. Where this is not possible, suppliers are given clear guidelines. Animal welfare is a topic of central importance. The Bell Food Group is one of the biggest manufacturers of meat products that meet higher animal welfare standards in Europe. In packaging, the focus falls on innovative packaging solutions and the reduction of materials, in particular plastic.

A selection of innovations in 2021

→ Eisberg is one of the specialists for plant-based products at the Bell Food Group. A number of new vegetarian and vegan products were brought onto the market in 2021. To-go bowls with falafel, sweet potato or quinoa were launched in Switzerland. Snacks and sandwiches with vegan cheese were introduced to the markets in Germany and Austria, and a number of mixed salads incorporating kale were launched in Eastern Europe. New, smaller packaging formats for singles were also introduced.

→ The innovative start-up “The Green Mountain” by Hilcona Taste Factory expanded its product portfolio with plant-based meat alternatives. In the reporting year, vegan steaks, vegan barbecue sausages, vegan chicken breasts and vegan veal schnitzels were added to the product range.

→ Hilcona expanded its range of ultra-fresh products with the new “Freshly Made” muesli and ready-to-serve meals.

→ Bell Switzerland added braised beef, ossobucco and roast shoulder of veal to its successful meat convenience range. With the new sous-vide technology, these products are very easy to prepare and meet impressive culinary standards.

→ The successful “Super Griller” barbecue sausage was developed by apprentices in Basel and is manufactured in the same city from Swiss meat.

→ The guarantee of product safety takes centre stage when it comes to food packaging, with plastic playing a pivotal role. To reduce the use of plastic, the Bell Food Group is constantly on the lookout for innovative alternatives. At the beginning of 2021, Bell Switzerland successfully introduced the established German folding box concept to the Swiss market. Bell Germany received the Green Star Award of “Kompack” for the new folding box made from recyclable polypropylene. Hilcona and Eisberg replaced plastic bowls by paper ones for the new “Freshly Made” products and Buddha bowls. Eisberg Hungary now only uses recycled plastic materials (rPET) for its salad bowls. Hügli uses reusable Gastronorm bowls for a number of products for the food service channel.

→ In the reporting year, Hügli launched new stock and bouillon products for the premium segment food service. A top-quality convenience product range for at-home consumption consisting of express pasta and rice pudding products in practical Doypack bags was also brought onto the market.

Brand management

The Bell Food Group has a superordinate brand strategy and structures its brands into strategic brands and speciality brands. Brand management at the business areas is aligned to the brand strategy as well as the needs and benefits relevant to the end consumer, and implements the defined strategies and measures. All brands are clearly positioned with regard to brand values, and product groups and distribu-

tion channels are clearly differentiated. The Bell Food Group also has great expertise in the manufacture of many different trade brands.

Depending on the relevance of a brand in the respective country, the full range of marketing instruments is used for brand management, from media advertising (TV, print, OOH), point-of-sale activities and sales promotions to trade fairs, sponsoring/events and online marketing and social media.

Meat brands



Convenience brands



Strategy

Vision and missions

In a world in which everything is in flux, we interpret change as an opportunity. We want to develop so that, together with our customers and partners, we can make our food manufacturing processes more responsible and sustainable. In doing so, we are constantly on the lookout for convincing products and solutions that offer added value – open, curious and with a fine understanding of future needs and requirements. We love trying out new things and we take the lead – with great entrepreneurial daring on the strength of a solid business foundation. We combine experience, finely honed craftsmanship and a diverse skill set to turn both big and small ideas into reality. We make a difference everywhere we are engaged, further our customers as reliable partners and shape the future of our industry. Step by step, we are working to achieve our vision: Together to the top.

Three missions designed to differentiate our company were defined for the Bell Food Group:



We love the good things.

Everything we do is good and has been a guarantee for the best quality for more than 150 years. We accompany, support and inspire our customers, partners and consumers with our broad-based skill set, finely honed craftsmanship and solid financial foundation. This is why you can count on us – now as well as in the future.



We shape the future.

We do not simply accept things the way they are, but constantly challenge ourselves and our customers to make things better and to find solutions for known as well as new challenges. This is how we anticipate and energetically shape the future.



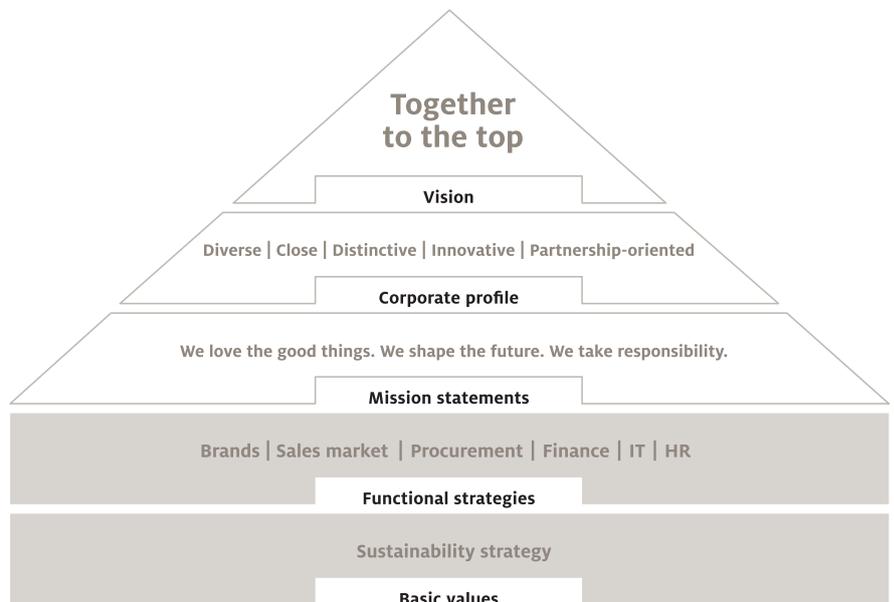
We take responsibility.

It is our responsibility to think and act sustainably. We know that there is still much to do, and we do everything we can to improve a little bit every day. We want to set a good example and contribute to a life in harmony with our environment.

Functional strategies

Our functional strategies (superordinate corporate strategies) are derived from our vision, corporate guiding principles and missions. The missions apply to the entire Bell Food Group. In addition, every division formulates individual, company-specific missions based on its performance characteristics, thus making its own contribution to the achievement of the superordinate vision.

The functional strategies serve as Group-wide guidelines when it comes to our sales markets, brands, procurement, finances, information technologies and employees while still providing sufficient leeway to accommodate company-specific and regional differences. As the basis of our corporate conduct, the sustainability strategy forms an integral part of all strategic considerations.



Corporate profile

When it comes to achieving our vision, we are guided by the collected rules of conduct that define our binding corporate philosophy. The corporate guiding principles are rounded out by our Code of Conduct, the framework for our detailed internal compliance guidelines.

Diverse

We appreciate and consistently promote a diversity of cultures and skill sets. This diversity continues to inspire us and help us think outside the box.

Close

We keep up with the times. We are familiar with the needs of our employees, customers and society, cultivate an open exchange of views and get involved. This is how we move forward, together.

Distinctive

We convince our customers with our competence and great ability to perform. In doing so, we always strive to provide the best quality while remaining sustainable. We set benchmarks in the production of food and guarantee a host of pleasurable experiences.

Innovative

We do our work every day with much curiosity and entrepreneurial foresight. We recognise opportunities and tackle new things with courage, consistency and passion. This is how we inspire our customers and break new ground.

Partnership-oriented

We invest in long-term, eye-to-eye relationships that challenge and promote us all. Trust, reliability and fairness are the key success factors in this respect, allowing us to make a difference, together.

Business development

The Bell Food Group had a very good financial year in 2021 and repeated the previous year's excellent performance. Once again, the main contributor to the good business performance was the strong core business with meat and convenience products in the home market of Switzerland. All business areas contributed to the encouraging result.

The coronavirus pandemic had a noticeable effect on the business results of the Bell Food Group in the reporting year, too. The first quarter was overshadowed by the measures to curb the pandemic and the resulting losses in the food service sales channel and out-of-home consumption segment. These losses were able to be compensated by the retail channel. This benefited all business areas, and in particular the core business with meat and meat products in Switzerland.

With the easing of the coronavirus measures in spring and summer, the effect of the coronavirus pandemic on business performance lessened temporarily. Food service sales recovered slowly, while retail sales contracted, albeit less than expected. Markets exhibited some uncertainty and caution. In the second half of the year, rising prices for plant raw materials, auxiliary and packaging materials as well as energy made an impact. Seen overall, demand was volatile throughout the reporting year, and this situation was exacerbated by the outbreak of the Omicron variant in the last quarter of 2021. As a result, the share of retail sales increased again towards the end of the year while the food service share contracted.

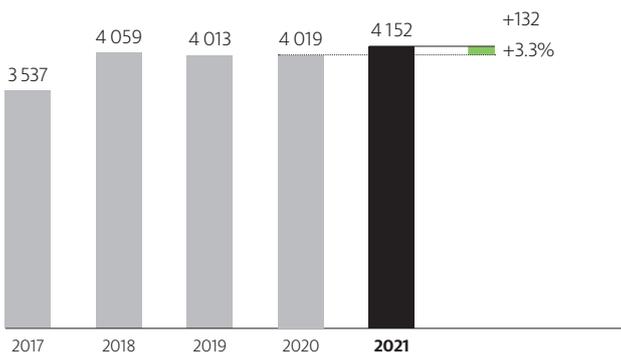
Setting a strategic course for the future

Important prerequisites for the Bell Food Group's successful financial year were the broadly supported business model and a clear strategic focus. It has been shown that a solid and profitable core business with meat and convenience products in the home market of Switzerland is of central importance to the development of the Bell Food Group. This mainstay made a decisive contribution to the company's ability to successfully master the challenges of the coronavirus pandemic. As we want to continue to develop our profitable core business in the long term, we have initiated various investments in the expansion and modernisation of the production and logistics infrastructure in Switzerland. In this way, we can secure our productive capacity and the foundation of the Bell Food Group in the long term.

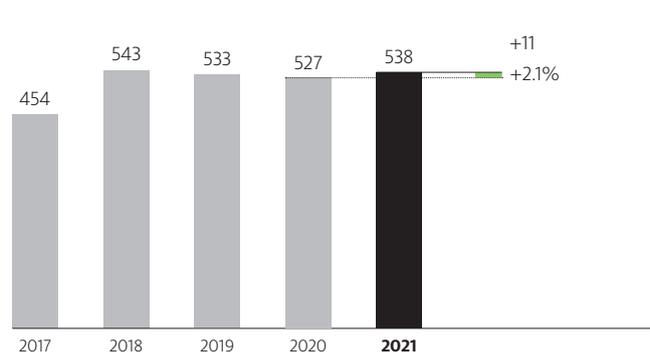
Overview of 2021 financial year

In the 2021 financial year, the Bell Food Group posted net revenue of CHF 4.2 billion, which was up around CHF 132 million on the previous year. Organic growth amounted to 3.4 percent. The Bell Food Group thus enjoyed impressive average organic growth over the past three years of 2.9 percent per year.

Net revenue
in CHF million



Sales volume
in million kg



Operating growth

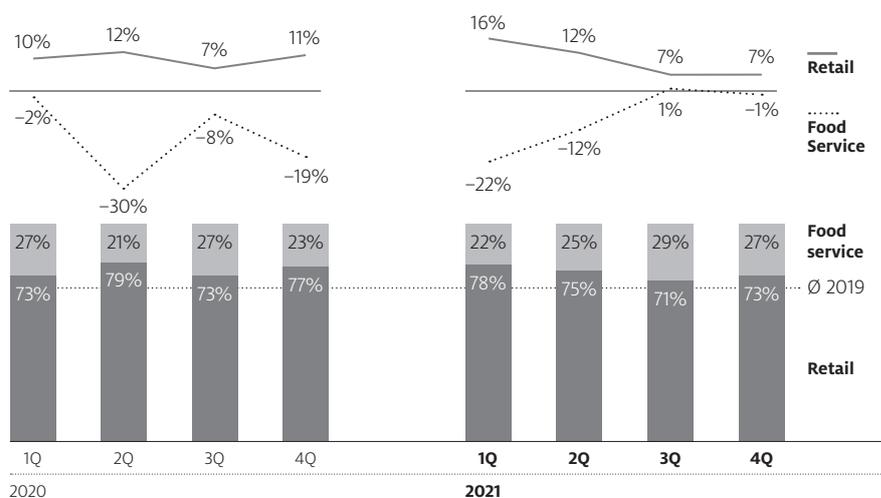
	Net income in CHF million	Volume in million kg
2020	4 019	527
Exchange rate	12	-
inorganic	-17	-6
organic	137	17
2021	4 152	538
Operating growth	3.4%	3.1%

The rise in sales volume is partly due to the new production facility in Marchtrenk in Austria, which now also enables the Bell Food Group to deliver fresh convenience products to the German and Austrian markets. It was also possible to increase sales volume in the traditional business areas. The breakdown of the sales figures confirms the predicted shift from retail to food service during the first three quarters of 2021. The share of sales posted by the retail business continuously declined since the beginning of the 2021 financial year and is now approaching prepandemic levels again. This development signals a year-on-year recov-

ery for the business area Convenience with its strong exposure to the food service segment. On balance, however, the normalisation of the revenue breakdown is taking longer than assumed, and the outbreak of the Omicron variant in the last quarter of 2021 put further brakes on this development. As consumers in Switzerland shopped less in the neighbouring countries than before the pandemic, shopping tourism increased less than expected. The business area Bell Switzerland in particular was able to exploit this opportunity and posted a pleasing result. Restaurants also continued to be cautious and ordered smaller volumes at shorter notice.

Development of channel mix

Food service and retail sales; change from 2019



The gross profit margin also reflects the change in the channel mix. The gross profit was CHF 1.6 billion, which represents an organic improvement of CHF 66.9 million. The gross profit margin increased by 0.3 percentage points to 38.9 percent. The increased utilisation of our new production facilities combined with the general sales growth led to an increase in personnel and overhead costs. While personnel costs, partly driven by volumes, remained within our expectations, rents, energy, maintenance and transport in particular affected the overhead costs. The higher rents are explained by the slight increase in stock levels and the takeover of staff apartments. Stock levels and

thus also rents will decline again as the situation with regard to the coronavirus pandemic normalises. In addition to the increase in production volumes, the rise in energy costs put a burden on us in all countries. Energy efficiency measures introduced at all locations could only cushion this inflation, but could not compensate for it. We are currently not seeing any counter-effect and also expect costs to be higher in the near future. Rising requirements for hygiene, technology and information technology as well as the fact that some facilities in Switzerland are growing old translate into an increase in maintenance costs. The rise in transport costs is entirely due to the higher net revenue.

Operational progress and exceptionals in 2021 in CHF million

	Impact on:		
	EBITDA	EBIT	Annual profit
Reported	325.7	162.4	127.4
Reorganisation of the Eisberg facility in Villigen	1.1	2.1	2.1
Exceptionals	1.1	2.1	2.1
Adjusted	326.8	164.5	129.5
Previous year, adjusted	318.7	160.4	117.7
Operational progress		4.1	11.8
Operational progress in %		2.5%	10.0%

+2.5%

At CHF 164.5 million, adjusted EBIT is up CHF 4.1 million year-on-year.

+10.0%

At CHF 129.5 million, the adjusted annual profit is up CHF 11.8 million year-on-year.

EBIT after deduction of depreciation is CHF 162.4 million. EBIT adjusted for exceptionals of CHF 2.1 million is CHF 164.5 million. In operational terms, the Bell Food Group is up CHF 4.1 million or 2.5 percent on the previous year.

Exceptionals

EBIT 2021 is burdened by the reorganisation of the Eisberg facility in Villigen. The Villigen location is being closed and the activities are being transferred to other locations. A restructuring provision of CHF 1.1 million was formed for this purpose. As the location's non-current assets of CHF 1.0 million were also value-adjusted, the total EBIT effect is CHF 2.1 million. In the previous year, EBIT was burdened by CHF 4.8 million due to a legal case in France and value adjustments to the tangible assets.

Annual profit

Due to higher currency losses, the financial result is some CHF 0.5 million lower than in the previous year. This is offset by higher income from investments in associated companies. The annual after-tax profit is CHF 127.4 million. Adjusted for exceptionals, the annual profit amounts to CHF 129.5 million. As such, the adjusted profit increased by CHF 11.8 million or 10.0 percent in spite of the volatile and sometimes difficult framework conditions. This is the highest annual profit in the history of the Bell Food Group.

Consolidated balance sheet

The Bell Food Group's total assets amount to CHF 2.8 billion, which is up around CHF 53 million on the previous year. The increase in assets is due, on the one hand, to the tangible assets, where the higher investments exceeded the depreciation. On the other hand, the current assets also increased slightly, but various effects compensated for one another. Accounts receivable declined due to a reduction in the term of payment, while inventories increased during the reporting year.

Dividend

7.00 CHF

Given the successful financial year, the distribution should be increased from CHF 6.50 to CHF 7.00 per share.

As regards the liabilities, the increase in total assets mainly affected equity. The equity ratio is 50.5 percent (+0.8%), thus amounting to CHF 1.4 billion. Compared to the end of 2020, the shift from non-current to current financial liabilities amounted to some CHF 190 million. This shift is primarily related to a bond of CHF 175 million that will fall due in May 2022. The Bell Food Group is planning to refloat this bond in order to finance the planned investments. The net financial liabilities amount to CHF 681 million, while the net debt ratio is 2.1, which is below the maximum threshold of 2.5.

Financial statements of Bell Food Group Ltd and dividend distribution

Bell Food Group Ltd reported a result of CHF 17.9 million in accordance with the Swiss Code of Obligations. Following the dividend increase of CHF 1.00 in the previous year, the good result for the Group means that the Annual General Meeting will again be asked to approve an increase of CHF 0.50 to CHF 7.00. This brings the distribution ratio to 34.5 percent of the Group result, which is in line with our target of around 30 percent. 50 percent of the total distribution of CHF 44.0 million will be paid from the capital contribution reserve. The remaining 50 percent will be distributed from the annual result of Bell Food Group Ltd.

Investments

In the context of the strategic thrusts of the Bell Food Group, productive capacity in the home market of Switzerland is a central element for business success. Thanks to its long-standing tradition and established customer relationships, the Group earns by far the biggest share of revenue in the Switzerland sales market. This strong core business gives the Bell Food Group the security it needs to plan its investments in competitive products and services. To safeguard its productive capacity and secure its profitabil-

ity for many years to come, the Bell Food Group has initiated an investment programme for CHF 750 to CHF 850 million. The entire investment programme is currently scheduled to run until 2025. It is the nature of such big projects that changes may occur over time with regard to project planning, application procedures, implementation or framework conditions. In its annual reporting, the Bell Food Group will report on an ongoing basis about its project progress and any project amendments.

The investment programme for Switzerland comprises:

Securing of the Swiss meat market and logistics – modernisation of Oensingen

The production infrastructure at the Oensingen location is being renovated and developed further.

Planned developments include a slicing centre, order-picking platform and deep-freeze warehouse. A new cattle slaughterhouse to replace the current one will also be built. The investment volume is expected to total CHF 600 to 680 million. The project primarily pursues three objectives:

Renewal of facilities for beef production

Two-thirds of the agricultural land in Switzerland can only be used for grazing. Dairy and beef production traditionally has strong roots in Switzerland and will in future also play an important role in providing the population with protein. Bell Switzerland is the leading provider of beef in Switzerland. The current centrally located cattle slaughterhouse in Oensingen has been running at full capacity for many years and has reached its estimated useful life. The new building shall replace the current building, optimise the production processes and allow further progress in the fields of animal welfare, hygiene and productivity. In this way, Bell Switzerland will secure its position as leader in this segment for many years to come.

Establishment of a central slicing and order-picking platform

The new building shall house a slicing centre where charcuterie products can be sliced and packaged for self-service in retail and wholesale outlets. The current slicing capacities are exhausted and have to be renewed. The slicing activities that are currently being done at the different production facilities will also be centralised. This will create free space at these locations which can be used to make production more efficient or for new product ranges. The current logistics infrastructure of Bell Switzerland is also decentralised, sometimes approaching the end of its useful life or already over its capacity. With a new logistics platform we can centralise our logistics infrastructure so that we can make deliveries to our business partners from a single platform. In addition to providing a better service, we also expect processes to become faster. This will mean, among other things, that products will reach the consumers earlier and will thus have a longer shelf life. In this way, the Bell Food Group can help to avoid food waste.

Insourcing of external warehouses and expansion of deep-freeze capacities

Construction work has already begun on a new deep-freeze warehouse that will make it possible to insource the decentralised external storage facilities. This will eliminate external rents. The new building will also provide additional deep-freeze capacities and make it possible to offer new order-picking solutions. The new warehouse will make it possible to cut energy costs by around 50 percent.

Securing of the Swiss convenience market

Over the past few years, the Bell Food Group acquired a number of convenience companies. As these also operate in the Switzerland sales market, their acquisition by the Group allowed them to further expand this business. In addition to the expansion and modernisation of our productive capacity in the Swiss convenience market, the idea is also to create new capacities for forward-looking product ranges, such as vegetarian and vegan products. Investments are expected to total CHF 150 to 170 million and they pursue the following objective:

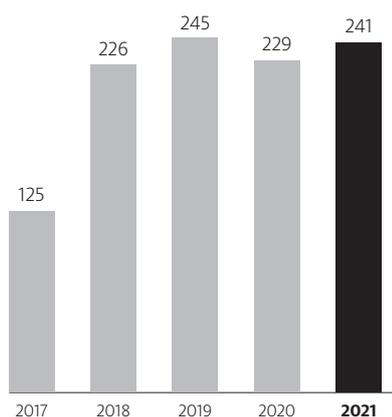
Expansion of Schaan

Hilcona's headquarters in Schaan (LI) is being expanded as part of a multi-year facility development plan. The first phase was completed in the reporting year with a new extension for fresh stuffed pasta. After renovation work, the freed-up production space will be used in future to produce vegetarian and vegan products. The planned second phase is to expand the operational logistics.

Consolidation of locations for Eisberg Switzerland

Through its acquisitions, the Eisberg division now has four production locations in Switzerland. The production facilities will soon require investments in order to maintain their productive capacity. The decision was therefore taken to expand production at the Dällikon and Essert-sous-Champvent locations and to concentrate production at these two locations. As part of this site consolidation, the production activities in Villigen and Dänikon will be integrated into these two locations in the short to medium term. By bundling the activities, we can reduce the investment volume and optimise the production and logistics processes.

Operational investments 2017–2021 in CHF million



Financial framework conditions

For the period from 2021 to 2025, the Bell Food Group is planning to invest an average of some CHF 300 million per year in projects as well as in regular modernisation and replacement programmes. This includes the construction and financing of the cattle slaughterhouse by the Bell Food Group. The original plan was to use a separate company for this purpose. It should be noted that these are average amounts per year. The actual figures for the specific years will deviate from these amounts. The focus of the Bell Food Group falls on meeting the total investment budget of CHF 1.5 billion over the period from 2021 to 2025.

Given the investment programme, the Bell Food Group is assuming at the time of preparation of this report that the bonds in circulation will be refloated in the coming years. The Bell Food Group will provide information about the type and form of external financing when it is time for the process to be carried out.

In the coming years, we will integrate our operating free cash flow in our reporting to make it possible to assess our liquidity situation. The Bell Food Group is planning to finance the operational investments from its core business. If important framework conditions should change and lead to a sustained reduction in operating cash flow, the investment programme will be adjusted.

Project progress

Investments in the 2021 financial year totalled CHF 241.0 million. CHF 68.8 million were invested in the investment programme in Switzerland. Modernisation and replacement investments totalled CHF 172.2 million over the last twelve months.

The following investments were made in the investment programme Switzerland in 2021:

Progress with the investment programme Switzerland in 2021 in CHF million

Description	2021
Expansion of deep-freeze capacities	27.0
Central slicing and order-picking platform	20.6
Renewal of the cattle slaughterhouse	5.9
Modernisation of Oensingen	53.6
Expansion of Schaan	14.2
Consolidation of locations for Eisberg Switzerland	1.1
Investment programme Switzerland	68.8

Investment volumes 2021–2025 in CHF million

Description	2021–2025	from 2022 p.a.
Modernisation of Oensingen	600–680	
Expansion of Schaan	120–130	
Consolidation of locations for Eisberg Switzerland	30–40	
Investment programme Switzerland	750–850	120–200
Modernisation & replacement	650–750	140–160
Investment volumes	1 500	
of which already invested in 2021	241	

Business area Bell Switzerland

Bell Switzerland offers a wide range of meat, poultry, charcuterie and seafood. Bell produces and processes fresh beef, veal, pork and lamb. In charcuterie, Bell covers more or less all segments and offers a wide range of regional specialities. In integrated poultry production, Bell controls the entire value chain. Bell is also the biggest provider of seafood in Switzerland.

Locations

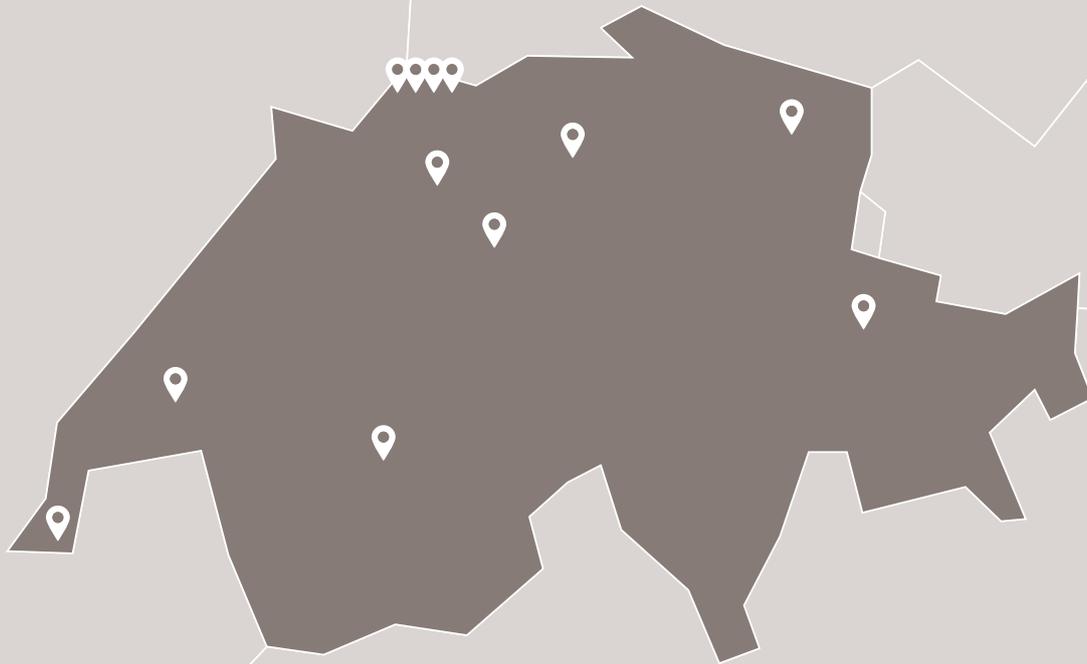
13

Sales revenue
in CHF million

2 125

Employees

3 571





We shape the future.

Strategic thrusts for Bell Switzerland – update 2021

Invest in efficiency and productive capacity

The profitable core business with meat, charcuterie, poultry and seafood has proven to be a secure asset during the coronavirus pandemic and is one of the strategic focal points of the Bell Food Group. In Oensingen, more than CHF 600 million is being invested in the modernisation of the production infrastructure and the centralisation of warehousing and distribution capacities. With these investments, Bell Switzerland wants to meet the future requirements of its business partners for powerful production and logistics processes, and strengthen its future market position and thus the profitability of its core business for many years to come.



We take responsibility.

Sustainability projects and highlights in 2021

Exploit waste heat

In 2021, a new high-performance heat pump was installed in the poultry production facility in Zell to replace the former thermal incineration plant. This saves around 300 000 litres of heating oil per year.

Reduce food waste

The export of animal by-products to foreign countries was expanded with the cooperation of Centravo in the reporting year. Exports to China in particular gained momentum to reach an astounding volume of some 3 750 tonnes. Bell Switzerland contributed in this way to the reduction of food waste.

Strengthen our core business

The brand portfolio in Switzerland was revived further. The positioning of the main brand Bell was honed and all marketing activities were realigned to this new positioning. In Switzerland, the Bell brand is the strongest meat brand with regard to recognition and image. In addition, the Cher-Mignon brand focusing on charcuterie specialities from Valais was relaunched.

The product range was expanded further. The already wide range of barbecue sausages was expanded by twelve new products. The “Super Griller”, which was developed and manufactured by the apprentice butchers, enjoyed particular success. During the reporting year, the successful meat convenience product range for the retail channel was expanded by three new slow-cooked specialities. Thanks to a new sous-vide technology, these products meet impressive culinary standards. A similar technology was also used to develop and market a new range for the food service segment.

Save on packaging material

The folding box concept that is already well established in Germany was successfully introduced in Switzerland in the reporting year. Compared to traditional packaging, folding boxes save approximately 50 percent in plastic.

50%

Compared to traditional packaging, some 50 percent in packaging material can be saved with the **folding box**.

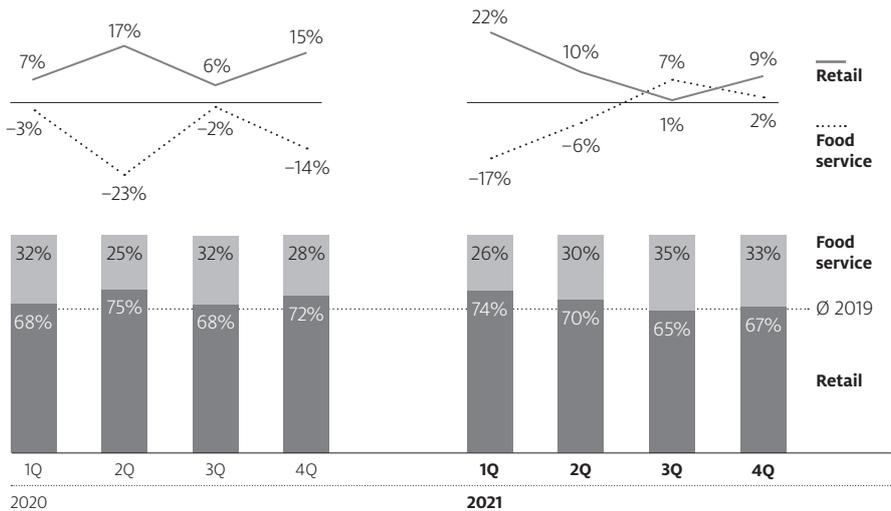
Bell Switzerland – good financial year thanks to high productive capacity

The business area Bell Switzerland had another excellent financial year. The main driver of the successful performance was the retail business, which remained stable at a high level in the first half in particular. The easing of the coronavirus measures in spring and summer affected the business area Bell Switzerland.

The food service channel strengthened considerably in the reporting year, but has not yet returned to prepandemic levels. The opposite development in the retail channel was also noticeable, and this was further strengthened by shopping tourism. Although shopping tourism also increased after the opening of the borders in spring, it has not yet returned to the level of 2019. With the outbreak of the Omicron variant, the channel mix shifted towards retail again towards the end of the year.

Development of channel mix

Food service and retail sales; change from 2019



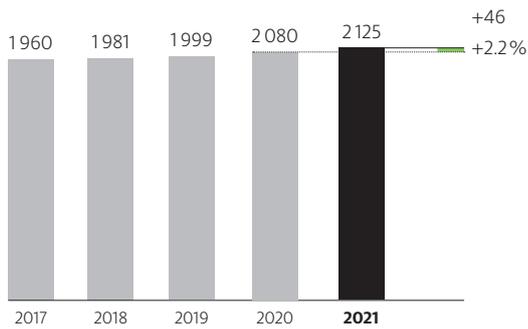
+2.2%

Bell Switzerland organically improved its sales revenue by CHF 45.7 million.

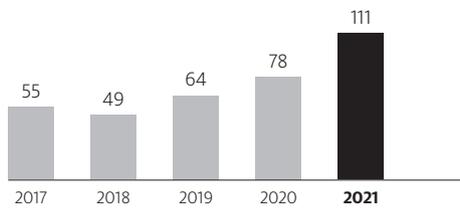
Sales revenue for the business area Bell Switzerland amounted to CHF 2.1 billion, which is up CHF 45.7 million or 2.2 percent on the previous year. Sales volume equalled 127.5 million kilograms and was up 0.9 million kilograms (+0.7%) on the prior-year period. Particular success was enjoyed by the poultry and seafood product groups, which have posted solid growth for many years and which by now make a substantial contribution to the profitability of the business area Bell Switzerland.

The seasonal business was irregular. Easter sales recovered substantially compared to the weak, pandemic-driven prior year. The rainy summer meant that the barbecue season, which is relevant to the business area Bell Switzerland, fell below expectations. Another reason for the rather below-average performance during the summer months can probably be found in the increased travelling done by Swiss people, which could not be compensated by foreign tourists. The Christmas business on the other hand did very well.

Sales revenue
 in CHF million



Operational investments
 in CHF million



Operating growth

	Sales revenue in CHF million	Sales volume in million kg
2020	2 080	127
Exchange rate	-	-
inorganic	-	-
organic	46	1
2021	2 125	127
Operating growth	2.2%	0.7%

Employees

Number of FTEs as at 31.12.2021

3 571

↑ **67 FTE**

↑ **1.9%**

Business area

Bell International

The Bell Food Group has many production facilities for regional air-dried ham and cured sausage specialities in Germany, France, Spain and Poland. In Germany and Austria, the Bell Food Group operates integrated poultry production. The focus falls on sustainable poultry products. The Bell Food Group is the biggest producer of organic poultry in Europe.

Locations

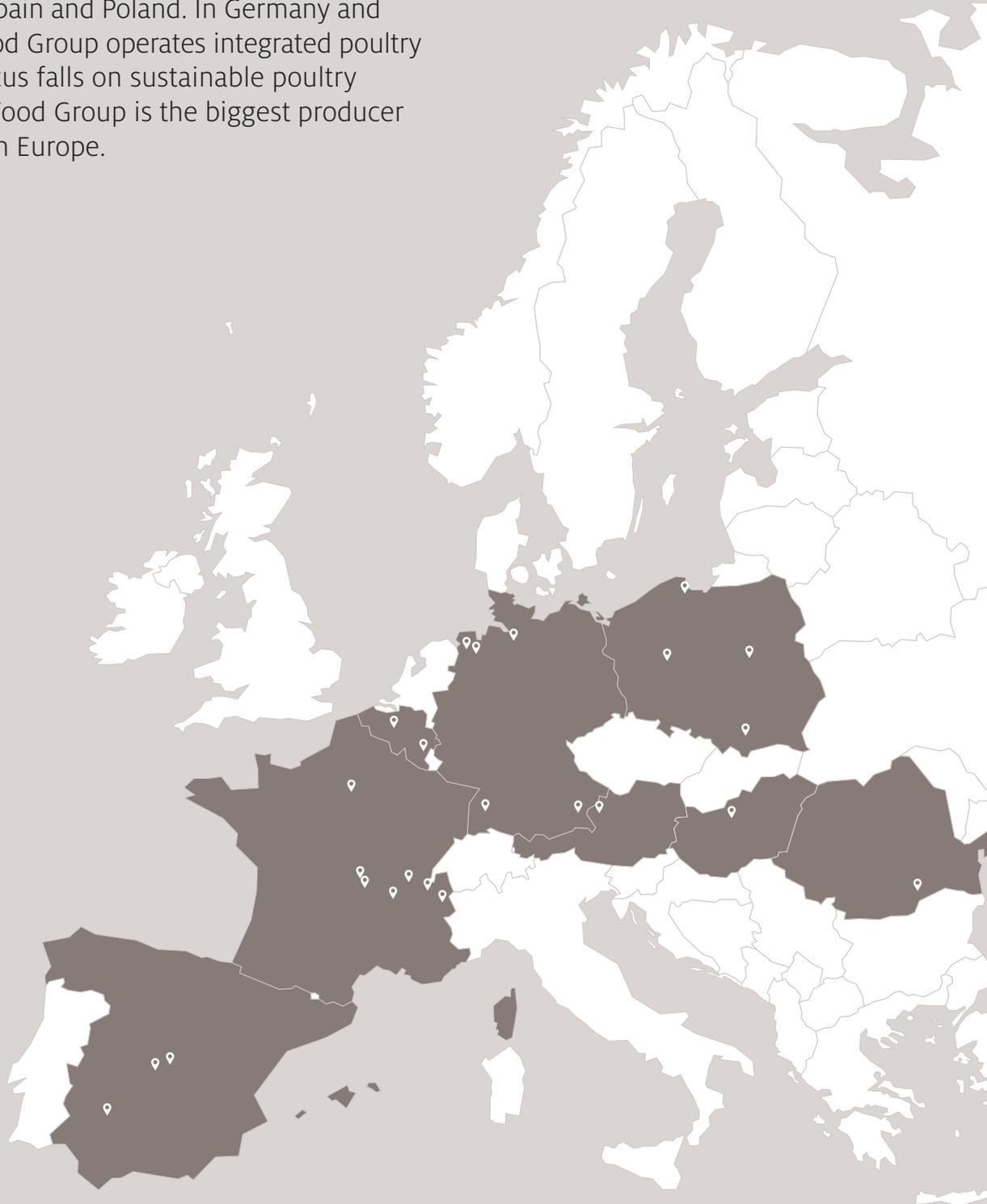
23

Sales revenue
in CHF million

1 002

Employees

3 529





We shape the future.

Strategic thrusts for Bell International – update 2021

Strengthen our core business

As part of our focus on air-dried ham, we are further expanding our market leadership in Germany with consumer-friendly packaging solutions and a wide range of products. A total of more than 60 million folding boxes were sold in 2021. We want to gain further market share in Spain and Portugal with our new production capacities. Our wide range of regional specialities from our own production strengthens our hand in this regard.

For poultry, we focus on the ongoing expansion of capacities for programmes with higher animal welfare standards in order to meet the constantly rising demand. Our great expertise, experience and track record in this segment are important success factors.



We take responsibility.

Sustainability projects and highlights in 2021

Expansion of organic products

Bell International further increased sales of organic poultry products to 17 percent in 2021.

Sustainable packaging solution

In the reporting year, the folding boxes that are so popular in Germany were further improved with the use of polypropylene for charcuterie products. This makes it possible to save 37 tonnes of plastic per year. Bell Germany received the Green Star Award in Austria as well as the renowned WorldStar Award from the World Packaging Organisation for its sustainable packaging solution in 2021.

Renewable energy

Photovoltaic plants that will deliver more than 3 000 megawatt hours of electricity per year are being installed in all production facilities of Bell Spain.

Bell International – further progress in a volatile market environment

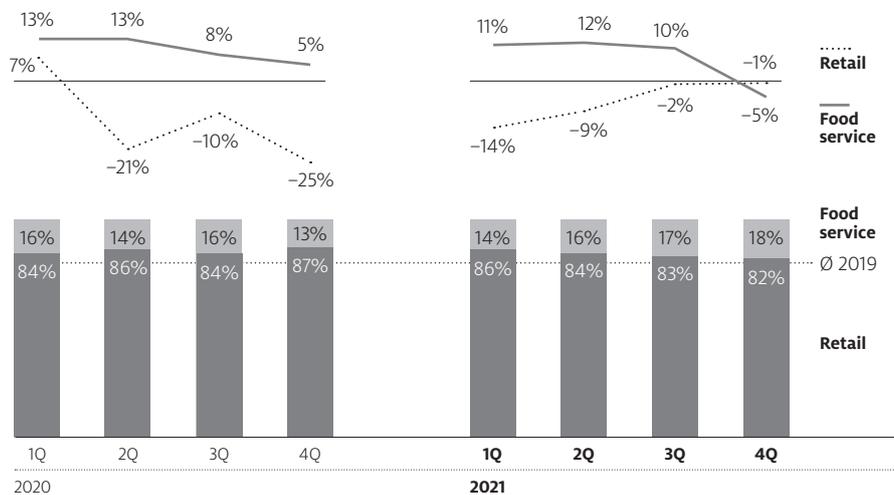
The business area Bell International successfully continued the upward trend of the past few years. Thanks to the strategic focus on the two core competencies air-dried ham and sus-

tainable poultry products and a product range that focuses strongly on creating added value, the business area Bell International has by now reached a stable level of profitability and contributes to the success of the Bell Food Group.

Owing to the small food service segment, the business area Bell International was affected

Development of channel mix

Food service and retail sales; change from 2019



less severely by the negative impact of the coronavirus pandemic. However, the retail segment is still being impacted by the distortions caused by the coronavirus pandemic. Order volumes fluctuated strongly and posed additional challenges to production planning. To this must be added volatile raw material prices for poultry and pork in Europe and a substantial increase in procurement costs, primarily driven by massive increases in feed costs.

Seen overall, the business area Bell International held its own in a challenging environment. At 208.8 million kilograms, sales volume was 3.7 percent higher (+7.7 million kg) than in the previous year. Sales revenue rose by CHF 34.5 million to CHF 1.0 billion (+3.5%). The good news is that all divisions made progress and contributed to the good result.

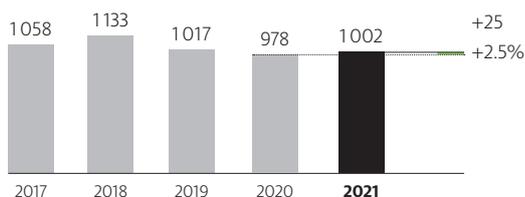
Growth for poultry products offering sustainable added value

The market for poultry products in Austria and Germany has developed well. Products with sustainable added value achieved above-average growth. Generally speaking, topics such as animal welfare and sustainable meat production have become more relevant. This applies in particular to Germany, where large retailers are increasingly using animal welfare as a sales argument. The Bell Food Group laid a good foundation with its strategic positioning as the biggest producer of organic poultry in Europe. The already high share of products with sustainable added value was able to be expanded substantially in the reporting year. Sales also developed positively.

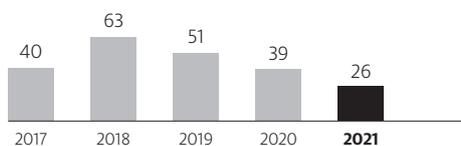
+3.5%

Bell International organically improved its sales revenue by CHF 34.5 million.

Sales revenue in CHF million



Operational investments in CHF million



With regard to costs, the situation was challenging in the reporting year. A sharp increase in the prices of the raw materials needed for feed, sometimes more than 50 percent, led to higher raw material prices. Our consistent demand for GMO-free feed may limit our feed sources, but it underlines our commitment to regional agriculture. The costs of energy, packaging and consumables also rose sharply, partly because of coronavirus-related problems in product availability.

Air-dried ham holds its own in a contracting market

The European market for air-dried ham suffered a general contraction, but we won market share thanks to innovative products and packaging solutions. The demand for Mediterranean spe-

cialties and practical packaging formats was good. The division Bell Germany therefore repeated its good performance of the previous year in the reporting year. The manufacturing facilities for air-dried ham and Iberico specialties in Spain, which are part of the division Bell Germany, made an important contribution to this success. It was particularly encouraging that market share could also be won in the home market of Spain in the reporting year to support the strong German business.

Raw material prices for pork, which are of relevance to the Bell Food Group, were very volatile in Europe in the reporting year. This development was mainly driven by external factors such as China's suspension of imports of European pork, the coronavirus pandemic

and the related fluctuations in demand. Prices for pieces of ham were also higher than general compared to the previous year. In contrast, more expensive ranges such as air-dried ham are generally less exposed to short-term price pressure by customers than standard product ranges.

In spite of the difficult market situation, Bell France and Bell Poland made encouraging progress in the reporting year. This was in large part due to the strategic site consolidation launched last year, for example the sale of the facilities in Saint-André (FR) and Zellik (BE) and the consistent focus on value-adding product ranges and distribution. On balance, the Bell Food Group's earnings situation with regard to air-dried ham and charcuterie was stable.

Operating growth

	Sales revenue in CHF million	Sales volume in million kg
2020	978	207
Exchange rate	8	-
inorganic ¹	-18	-6
organic	34	8
2021	1 002	209

Operating growth **3.5%** **3.7%**

¹ No companies were acquired or sold in 2021. The inorganic effect is derived from the sale of the Perbál production facility in the previous year.

Employees

Number of FTEs as at 31.12.2021

3 529

↑ **60 FTE**
 ↑ **1.7%**

Business area Convenience

The Bell Food Group is a pioneer in the manufacture of innovative convenience products and offers a wide range of ultra-fresh, fresh and non-perishable convenience products. This includes pasta, sandwiches, cut salads, sauces and bouillons. A special focus falls on the production and marketing of vegetarian and vegan products.

Locations

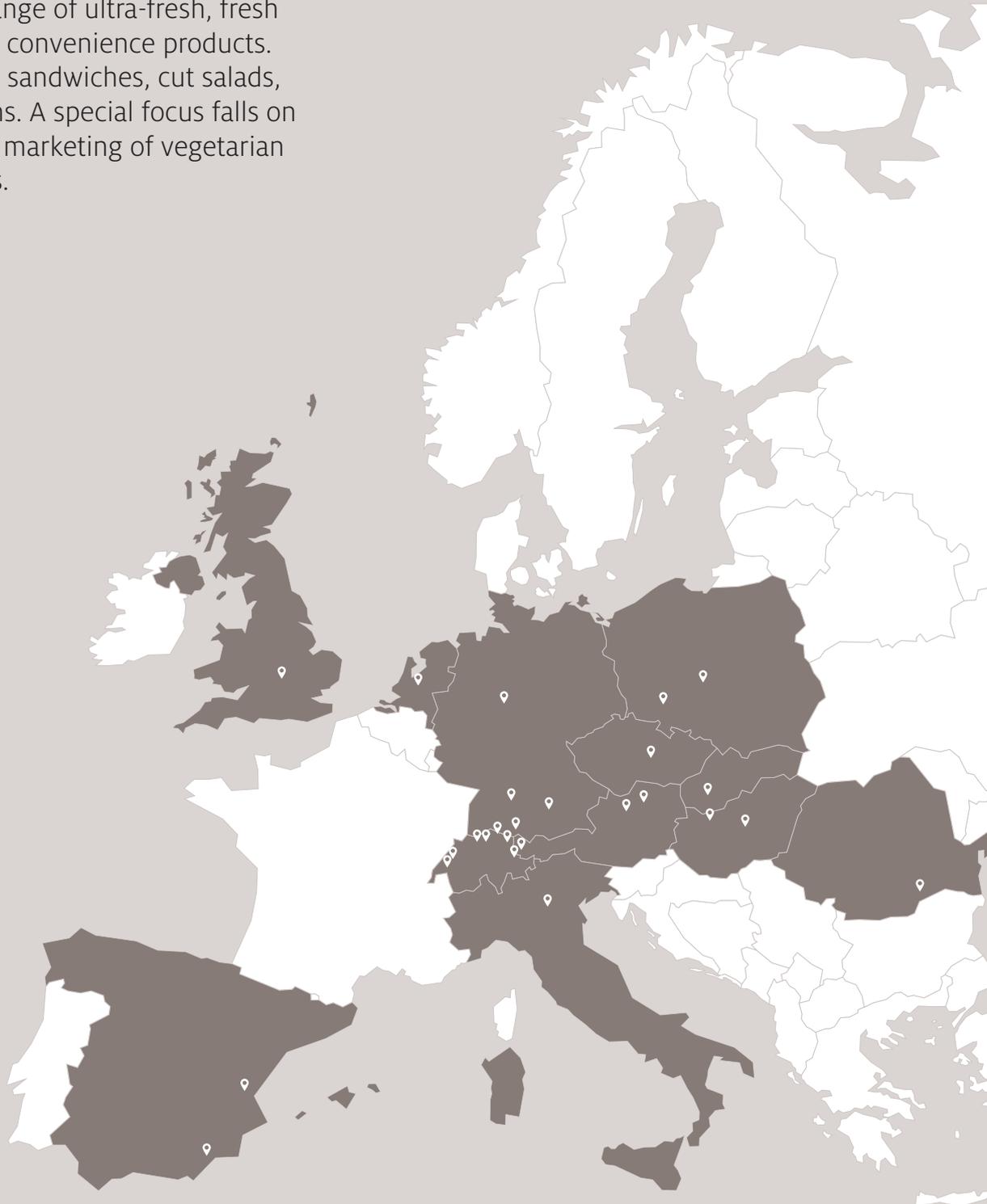
28

Sales revenue
in CHF million

1 137

Employees

5 233





We shape the future.

Strategic thrusts for Convenience – update 2021

Grow with convenience and vegetarian products

The new facility in Marchtrenk (AT) managed to increase its sales in the reporting year, even though the coronavirus pandemic had put the brakes on its ambitious plans. The third production hall for poultry and vegetable convenience products was commissioned in the reporting year. The Bell Food Group remains convinced that the DACH region offers significant potential for growth in the fresh convenience segment.

Sales of vegetarian and vegan products more than doubled. “The Green Mountain” start-up for vegan meat alternatives gained substantial market share. The range was expanded in the reporting year by various products, for example a vegan veal schnitzel.



We take responsibility.

Sustainability projects and highlights in 2021

Alternative sources of protein

The Bell Food Group joined forces with three competitors to found the Swiss Protein Association (SPA) in the reporting year. This association promotes the production of top-quality and competitive alternative sources of protein. These are defined by the SPA as protein-rich products that do not come from traditional animal sources.

By now, the range of vegetarian/vegan products for the retail and food service channels sold under own and third-party brands comprises more than 200 products. Distribution has also been expanded considerably, including as a result of the entry into the German food retail and food service markets.

Our vegetarian competence centre Hilcona Taste Factory in Landquart (CH) boasts pronounced expertise in the development of meat alternatives. Thanks to convincing recipes that won several awards, new business partners were acquired.

We are further expanding our production capacities for the vegetarian product ranges as part of a new facility development plan in Schaan (LI) and installed a new wet extruder in Landquart (CH) in autumn 2021.

Invest in efficiency and productive capacity

Eisberg Switzerland is concentrating its production in Dällikon and Essert-Sous-Champvent and will expand these locations in the coming years. The locations in Villigen and Dänikon will be closed down.

The facility development plan for Hilcona in Schaan (LI) comprises a number of projects for the modernisation and expansion of production and logistics. Phase 1 was concluded in autumn 2021 with the modernisation of the production of fresh pasta. Phase 2 is expected to start in mid-2022 and will focus on the expansion of the operational logistics.

Hügli is concentrating the production of salad dressings, mayonnaise and dips at its headquarters in Steinach (CH) and will invest in the expansion of the production infrastructure over the next three years.

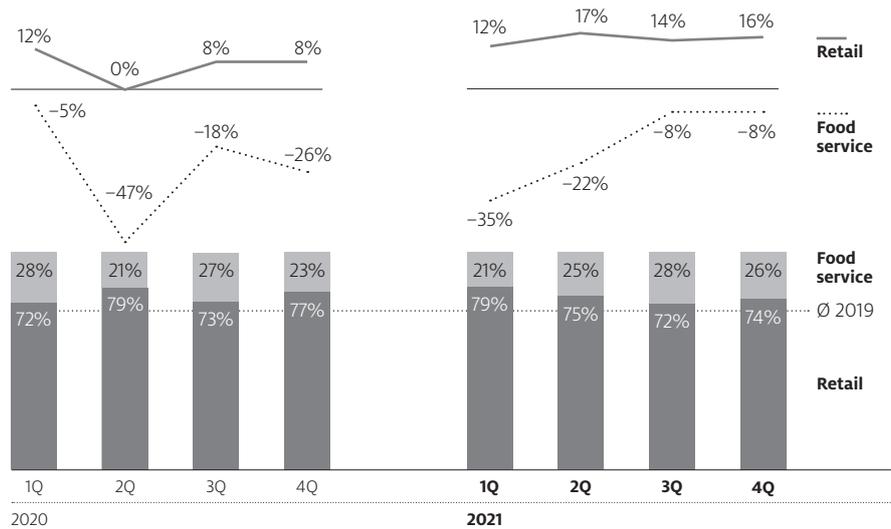
Convenience – recovery thanks to strong Swiss retail business

After a difficult prior year with substantial losses in revenue in the food service and fresh convenience segments, the business area Convenience recovered again in the reporting year. The most important drivers were the strong retail business in Switzerland and the easing of the coronavirus measures in spring and

summer. The business with plant-based meat alternatives did very well and once again posted double-digit growth rates in the reporting year. The implementation of a number of projects was also accelerated. The organisational structure was made more flexible, and processes were simplified by adjusting and aligning distribution to the German market. The cost structures were also made more flexible in reaction to the changed framework conditions.

Development of channel mix

Food service und retail sales; change from 2019



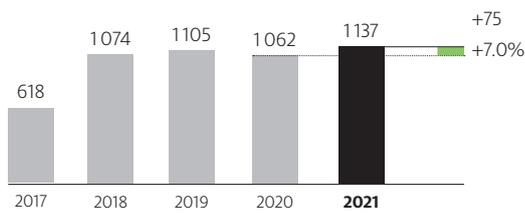
+6.6%

Convenience organically improved its sales revenue by CHF 70.2 million.

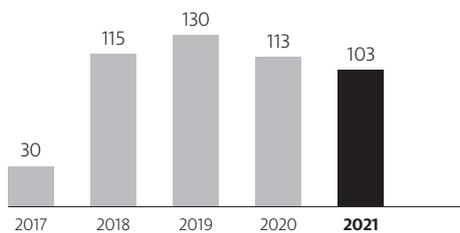
The negative impact of the coronavirus pandemic was most keenly felt in the business area Convenience. This was very noticeable in the first quarter of 2021, even though the fallout of the coronavirus measures differed from country to country. Owing to its strong exposure to the food service channel and out-of-home consumption segment, the business area Convenience benefited most from the easing of the coronavirus measures in the second quarter of 2021.

The emerging progress in the business area Convenience in the first half of 2021 continued in the second half of the year. Sales revenue improved by 6.6 percent to CHF 1.1 billion (+CHF 70.2 million). At 208.3 million kilograms, sales volume rose by 10.4 million kilograms or 5.3 percent. In addition to the home market of Switzerland, the good performance of cut salads in Eastern Europe also contributed to the upswing.

Sales revenue
 in CHF million



Operational investments
 in CHF million



Operating growth

	Sales revenue in CHF million	Sales volume in million kg
2020	1 062	198
Exchange rate	4	-
inorganic	-	-
organic	70	10
2021	1 137	208
Operating growth	6.6%	5.3%

Employees

Number of FTEs as at 31.12.2021

5 233

↑ **163 FTE**

↑ **3.2%**

Sales increased with the roll-out of the new fresh convenience facilities for the German and Austrian markets in Marchtrenk (AT) and Bad Wünnenberg (DE). However, the development of the fresh convenience market in Austria and Germany has not yet reached the ambitious level that was planned before the coronavirus

pandemic. Thanks to the existing customer base, it was slightly easier to list new products in Austria than in Germany, where the trade remains cautious about accepting new product ranges. In Bad Wünnenberg, the production portfolio was expanded by ready-to-serve meals for the retail and food service channels.

Risk report

The Bell Food Group's business results and development are shaped by important external factors that can only be influenced by the company to a limited extent and therefore also harbour certain risks. Two of these important factors are the prices for raw materials and consumer behaviour.

Prices for raw materials

The cost of raw materials and supplies accounts for more than 60 percent of net revenue. Raw materials make up the biggest share by far. For animal raw materials, the Bell Food Group's success is determined by the prices for cattle products and pork in Switzerland, and by the prices for pork and poultry in Europe. Market prices are highly volatile and can change at short notice due to availability, regulatory market intervention, speculation, animal epidemics or short-term changes in consumer habits. The availability of certain raw materials was limited during the coronavirus pandemic. This affected GMO-free feed for poultry in Europe, which became around 50 percent more expensive in the reporting year.

The inclusion of inflation in sales prices is difficult, in particular for charcuterie and poultry. Fierce competition in the processing and retail segments makes it difficult to increase sales prices quickly, while competitive pressure usually kicks in faster when the prices for raw materials fall. For plant raw materials, the effects of weather conditions on the harvest play an important role. Weather effects such as heavy rain or drought have a huge impact on the availability, price and quality of plant raw materials. The rainy and comparatively cool summer again caused problems with availability in the reporting year and led to higher prices for lettuces and vegetables from Europe. To secure the procurement of the high-quality raw materials needed for our products, the Bell Food Group is constantly testing options for binding upstream services to the company more strongly.

Consumer behaviour

In our markets, consumption largely depends on consumer sentiment and the development of purchasing power. In our core market Switzerland, the euro-Swiss franc exchange rate has a direct impact not only on the already pronounced shopping tourism, but also on the development of the economy and consumer sentiment. Reports about animal epidemics or food scandals can also have a strong impact on short-term consumption. These fluctuations differ according to country and cultural circles, and are difficult to predict. In some markets, regulatory interference also causes noticeable changes in consumer behaviour. We defend ourselves against such risks by constantly adjusting our product ranges to market needs and placing the greatest emphasis on sustainability and the quality of our raw materials.

In the context of the climate debate, the consumption of meat is increasingly discussed in critical terms in some sectors of the media and the public. In this regard, public attention is increasingly turning towards the topics of sustainability and animal welfare. This trend accelerated further and also has an impact on the Bell Food Group. We counter these risks by consistently implementing the objectives of our sustainability strategy and actively accepting our responsibility for people, animals and the environment along the entire value chain.

The measures to curb the coronavirus pandemic affected the population's consumption habits. Reduced mobility and the closure of restaurants led to a reduction in out-of-home consumption and people shopped more and dined at home. With the easing of the coronavirus measures in spring and summer, the situation more or less returned to what it was before the coronavirus pandemic, but not quite to the same extent. In the second half of 2021 in particular, these factors caused short-term fluctuations in demand and made planning very difficult. We adjusted our planning processes to cope with this situation as best as possible.

Engagement at Mosa Meat

Mosa Meat is the world's leader in the manufacture of cultivated beef mince. By now, the Dutch start-up already employs more than 100 biologists, engineers and researchers. In 2020, the Bell Food Group invested an additional EUR 5.0 million in the next financing round of Mosa Meat. These financial resources were used to build an industrial pilot facility and to further develop its production technology. The plan is to start the approval process in 2022.

Outlook

The impact of the coronavirus pandemic on the business performance of the Bell Food Group lessened with the easing of the coronavirus measures in spring and summer 2021. However, the effects of the pandemic were very noticeable until the end of the year. This took the form of short-term and difficult-to-predict fluctuations in demand and partly also higher costs, in particular for poultry feed, plant raw materials and energy. We are expecting the effects of the coronavirus pandemic to lessen during 2022 and that the situation will slowly return to normal. It cannot yet be foreseen, however, what form this normalisation will take. It is possible that certain changes in consumer behaviour triggered by the coronavirus pandemic will remain in the long term and will have a sustained impact on the business performance of the Bell Food Group.

It became clear during the coronavirus pandemic that the Bell Food Group is well positioned with its broadly supported business model, and that it is on the right track with its strategic thrusts. The core business with meat and convenience products in the Swiss retail market has proved to be a profitable mainstay. We are convinced that we can strengthen and secure our position as leader going forward with our far-reaching investments in the Swiss production locations of Bell, Hilcona and Eisberg.

In spite of a decline in the profitable retail sales, the business area Bell Switzerland had another good financial year in 2021. One important factor was the development of shopping tourism, which recovered in the reporting year but has not yet returned to prepandemic levels. We expect shopping tourism to increase further in the coming year, causing a slight contraction in retail sales. As a result, the business area Bell Switzerland will be unable to sustain the excellent performance of the past two years to the same extent.

In the business area Bell International, the strategic focus on the core competencies air-dried ham and poultry continued to pay off. Given the growing relevance of the topic of animal welfare in Europe, we see further growth potential for poultry products with sustainable added value in particular. This area was expanded further in the reporting year.

The business area Convenience showed signs of recovery in the reporting year after the coronavirus-driven slump. However, the difficult framework conditions meant that we have not yet been able to achieve our ambitious growth targets in the international fresh convenience business. We remain convinced of the growth potential and the quality of our products and services, and expect the business area Convenience to become an important driver of growth for the Bell Food Group again in the coming years.

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Corporate governance

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Corporate governance

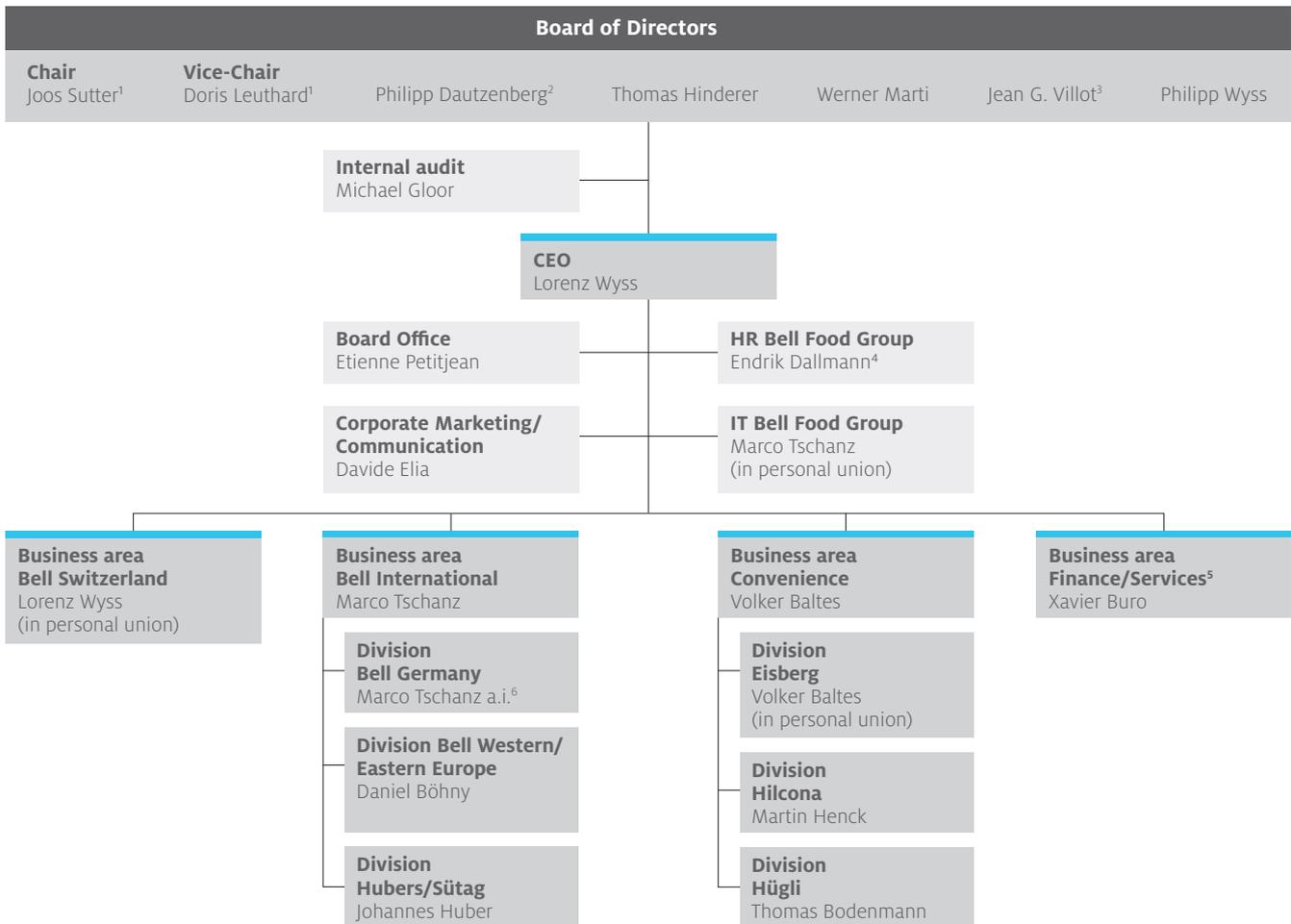
Corporate governance is a central management component at the Bell Food Group and serves as the guideline for the strategic and business decisions taken by the Board of Directors and the Group Executive Board. The Bell Food Group follows the Swiss Code of Best Practice for Corporate governance issued by economie-suisse, the umbrella organisation representing the Swiss economy, and complies with SIX Exchange Regulation Ltd's Directive on Information relating to Corporate governance (DCG).

Group structure and shareholders

Group structure

Bell Food Group Ltd is the parent company of the Bell Food Group and has its registered office in Basel (Switzerland). It is listed on the SIX Swiss Exchange (securities number 31596632; ISIN CH0315966322; ticker symbol BELL). The shares were listed on the stock exchange mainly to access a broader capital market and to pay tribute to the broad customer base of the Bell Food Group. Market capitalisation as at 31 December 2021 was CHF 1 835 million.

Organisational chart as at 31 December 2021



Group Executive Board

1 Hansueli Loosli left the Board of Directors after the Annual General Meeting on 23 March 2021. Joos Sutter was elected Chair at the same Annual General Meeting. Doris Leuthard took over as Vice-Chair.
 2 Philipp Dautzenberg was elected as a new member of the Board of Directors by the Annual General Meeting on 23 March 2021.
 3 Jean G. Villot will leave the Board of Directors after the next Annual General Meeting.
 4 Endrik Dallmann took over from Bernhard Lengacher as Head of HR Bell Food Group on 1 March 2021.
 5 The business area Finance/Services is responsible for the whole Bell Food Group.
 6 Marco Tschanz took over from Christian Schröder as interim Head of Division Bell Germany on 13 August 2021.

The major shareholdings included in the scope of consolidation of the Bell Food Group are listed in the notes to the consolidated financial statements on pages 93 and 94 by company name, domicile, sphere of activity, method of consolidation, capital stock and participation quota. Bell Food Group Ltd is the only listed company among the companies included in the consolidated financial statements.

Bell Food Group Ltd is a holding company. It is responsible for the management of the Bell Food Group, which consists of the business areas Bell Switzerland, Bell International, Convenience and Finance/Services. The latter exercises its function for the whole Group. The Board of Directors has delegated the operational management to the Group Executive Board, which consists of the CEO and the heads of the business areas.

Shareholders

The Coop Group Cooperative in Basel is the principal shareholder of the Bell Food Group and owns around 66 percent of the shares. This cooperation dates back to 1913, when the public limited company Samuel Bell Söhne entered into an alliance with the Union of Swiss Consumer Associations, today's Coop. Coop listed a first and second tranche of 20 percent each of the shares on the stock exchange in 1995 and 1997, respectively.

As at 31 December 2021, the Bell Food Group had 6 516 shareholders entered in its share register, of which 6 129 are natural persons and 387 legal entities. Measured by the number of shares held, the shares recorded in the share register represent the shareholders as follows:

Number of shares	Number of registered shareholders	Number of shares recorded in share register
1-10	1 355	6 534
11-100	3 556	155 112
101-1 000	1 453	357 502
1 001-10 000	139	380 800
10 001-100 000	11	333 728
> 100 001	2	4 408 473
Total	6 516	5 642 149

On 31 December 2021, Bell Food Group Ltd held 8 042 treasury shares (0.13 %). Shares pending registration as at 31 December 2021 amounted to 643 563 (10.24 %).

Significant shareholders

According to article 120 of the Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading (FinMIA), Bell Food Group Ltd has to disclose shareholdings in the company of a reportable person or group that reach, fall below or exceed

the thresholds of 3 %, 5 %, 10 %, 15 %, 20 %, 25 %, 33⅓ %, 50 % or 66⅔ % of the voting rights of Bell Food Group Ltd. The company received one disclosure notification from significant shareholders or groups of shareholders during the reporting year.

	Reason for notification	Investment	Publication date
J. Safra Sarasin Investmentfonds Ltd, Basel	Purchase	3.13 %	12.11.2021

Disclosure notifications can be viewed on the website of SIX Exchange Regulation at <https://www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html>. As shareholders only have to notify the

company and SIX Swiss Exchange when their voting rights reach, fall below or exceed one of the above thresholds, the current participation quota of significant shareholders may differ from the last notification.



The Articles of Association of Bell Food Group Ltd can be found at www.bellfoodgroup.com/statutes-en.

The organisational regulations are available at www.bellfoodgroup.com/organisation-en.

Unless stated otherwise, status as at 31 December 2021.

On 31 December 2021, Bell Food Group Ltd was aware of the following significant shareholders holding at least 3 percent of the share capital:

	Number of shares	Share	Publication date
Coop Group Cooperative, Basel	4 166 796	66.29%	10.10.2008
J. Safra Sarasin Investmentfonds Ltd, Basel	196 523	3.13%	12.11.2021

Cross-shareholdings

There are no cross-shareholdings between Bell Food Group Ltd and other stock companies.

Capital structure

Share capital

The company's share capital is fully paid up and equates to CHF 3 142 856. It is divided into 6 285 712 registered shares with a nominal value of CHF 0.50 each. There is neither conditional nor authorised share capital.

Changes in capital

There were no changes in capital during the past three reporting years.

Shares, participation and dividend-right certificates

All registered shares issued by Bell Food Group Ltd have a nominal value of CHF 0.50 each and are fully paid up. Each share has one vote. However, shareholders can only exercise their voting rights if they are entered in the share register of Bell Food Group Ltd with voting rights. All registered shares are entitled to a dividend, except the treasury shares held by the company. Shareholders are not entitled to have certificates for registered shares printed out and delivered.

Bell Food Group Ltd has no outstanding participation certificates or dividend-right certificates.

Information about the shares can be found on page 10.

Restriction of transferability and nominee entries

According to the Articles of Association, the transfer of registered shares as property or usufruct requires the permission of the Board of Directors. The Board of Directors may delegate all or some of its powers in this regard. The Board of Directors can refuse to register a buyer as a shareholder if the buyer does not expressly confirm that they have acquired the

shares in their own name and on their own behalf, or if the entry of a buyer in the share register would lead to a natural person or legal entity directly or indirectly holding more than 5 percent of the share capital.

Convertible bonds, bonds and options

Bell Food Group Ltd has no outstanding convertible bonds or options. Information about the bonds is provided on page 83 of the notes to the consolidated financial statements.

Board of Directors

The Board of Directors is the highest governing body of Bell Food Group Ltd. It regularly reviews the composition of the Board and makes sure that the experience, skills and know-how required to carry out its tasks are available. The material competencies that have to be available to the Board of Directors include, among others, industry experience, experience in management and international business matters, and in-depth subject expertise in finance, law and M&A.

The Annual General Meeting elects the members of the Board of Directors, its Chair and the members of the Compensation Committee individually for a term of office up to the end of the next Annual General Meeting. Natural persons who have not yet reached 70 years of age are eligible for election. The members of the Board of Directors and the Compensation Committee are nominated by the Board of Directors as recommended by the Chair. According to the Articles of Association, the Board of Directors must consist of a minimum of three members, and the Compensation Committee of at least two members. Re-election is possible.

Members of the Board of Directors

The Board of Directors of the Bell Food Group consists of seven members. There was one change in the reporting year. After twelve years, the Chair, Hansueli Loosli, did not stand for re-election and left the Board of Directors after

the Annual General Meeting on 23 March 2021. Philipp Dautzenberg was elected to the Board of Directors for the first time by the same Annual General Meeting. Joos Sutter, the previous Vice-Chair, took over as Chair from Hansueli Loosli. Doris Leuthard became Vice-Chair.

Composition of the Board of Directors

as at 31 December 2021

	Nationality	Year of birth	Function	Compensation Committee	Assumption of office
Joos Sutter	CH	1964	Chair	–	AGM 2020
Doris Leuthard	CH	1963	Vice-Chair	–	AGM 2019
Philipp Dautzenberg	CH, DE	1969	Member	–	AGM 2021
Thomas Hinderer	DE	1958	Member	Chair	AGM 2020
Werner Marti	CH	1957	Member	–	AGM 2009
Jean G. Villot	CH, FR	1952	Member	–	AGM 2018
Philipp Wyss	CH	1966	Member	Member	AGM 2018

Other activities and interests

None of the Board members worked for a company of the Bell Food Group in an executive capacity during the reporting period, or did so in the previous three financial years. The Coop Group Cooperative, Basel, owns the majority of the shares and voting rights of Bell Food Group Ltd and is represented on the Board of Directors. Joos Sutter and Doris Leuthard sit on the Board of Directors of the Coop Group Cooperative, while Philipp Wyss is on the Executive Board of the Coop Group Cooperative. Philipp Dautzenberg is Chair of the Executive Board of Transgourmet Switzerland Ltd, a subsidiary of the Coop Group Cooperative.

The members of the Board of Directors do not have any material business relationships with Bell Food Group Ltd or other companies of the Bell Food Group. There are customer and supplier relationships as well as other business relationships between the companies of the Coop Group and the Bell Food Group.

Regulations regarding the number of permitted activities

Members of the Board of Directors may be engaged in the highest governing and executive bodies of no more than twelve legal entities outside the Bell Food Group Ltd. A maximum of three of these twelve legal entities may be listed on the stock exchange or be obliged to register with the Commercial Register or a corresponding foreign register. Only positions in companies that neither control nor are controlled by Bell Food Group Ltd are relevant. Mandates in different companies belonging to one and the same corporate group count as one mandate.

Members of the Board of Directors



Joos Sutter

Education and training

Lic. oec. HSG, University of St. Gallen;
Swiss diploma in auditing; Zurich

Current position

Chairman of the Board of Directors of
Coop Group Cooperative; since 2021

Other board member mandates

- AgeCore Ltd, Geneva
- Coop Mineraloel AG, Allschwil; Chairman¹
- Coop Patenschaft für Berggebiete, Basel; Chairman¹
- Swiss Household Services Ltd, Oberbüren; Vice-chairman¹
- Transgourmet Holding AG, Basel¹
- Two Spice Ltd, Zurich¹

Other functions and offices

- CPV/CAP Coop Pension Fund, Basel; Chairman of the Board of Trustees¹
- Pension Fund Jumbo, Dietlikon; Chairman of the Board of Trustees¹

Professional career

- Chairman of the Executive Committee; Coop Group Cooperative and Head of Retail Business Unit of Coop Cooperative, Basel; 2011–2021
- Member of the Executive Committee; Coop Group Cooperative and Head of the Trading Business Unit; Coop Cooperative, Basel; 2010–2011
- Head of the Interdiscount Division; Coop Group Cooperative, Basel; 2005–2009
- Various management positions; Interdiscount, Jegenstorf; 1999–2005
- Head of Finance/Personnel; Import Parfümerien AG, Zurich; 1996–1999
- Auditor; PricewaterhouseCoopers, Zurich; 1991–1996



Doris Leuthard

Education and training

Attorney-at-law

Current position

Vice-chairwoman of the Board of
Directors of Coop Group Cooperative;
since 2021

Other board member mandates

- Coop Mineraloel AG, Allschwil, Basel¹
- Stadler Rail AG, Bussnang
- Transgourmet Holding AG, Basel¹

Other functions and offices

- ETH Foundation, Zurich; member of the Board of Trustees
- Europa Forum Luzern, Lucerne; Co-Chair
- Swiss Digital Initiative Foundation, Geneva; Chair of the Board of Trustees
- Umweltpreis der Wirtschaft, Lucerne; Jury Chair
- Venture, Zurich; member of the Board of Trustees

Professional career

- Federal Councillor; 2006–2018; in this position, head of the Federal Department of Economic Affairs (2006–2010) and the Federal Department of Environment, Transport, Energy and Communications (2010–2018), Vice-President of the Swiss Confederation (2009 and 2016), President of the Swiss Confederation (2010 and 2017)
- Leader of the Swiss Christian Democratic People's Party (CVP); 2004–2006
- National Councillor of the canton of Aargau; 1999–2006
- Grand Councillor of the canton of Aargau; 1997–2000
- Partner at Fricker Attorneys-at-Law, Wohlen; 1991–2006



Philipp Dautzenberg

Education and training

Dr. oec. HSG, University of St. Gallen

Current position

Chairman of the Executive Committee,
Transgourmet Switzerland Ltd; since 2009

Other board member mandates

- Casa del Vino SA, Dietlikon; Chairman¹
- Vinattieri Ticino SA, Mendrisio; Chairman¹
- Vini Zanini SA, Mendrisio; Chairman¹

Other functions and offices

- Pension Fund Transgourmet Switzerland Ltd, Moosseedorf; Chairman¹

Professional career

- Various positions; Metro Group, Düsseldorf, Germany:
 - Managing Director; Makro Cash & Carry Portugal, Lisbon, Portugal; 2007–2008
 - Makro Cash & Carry United Kingdom, Manchester, United Kingdom; 2004–2007
 - Spokesman of the Management Board; Schaper Cash & Carry GmbH, Hanover, Germany; 2001–2003
 - Head of Corporate Development/E-Commerce; Metro Cash & Carry Germany, Düsseldorf, Germany; 1999–2001
- Various positions; Tengelmann Group, Mülheim an der Ruhr, Germany; 1996–1999



Thomas Hinderer

Education and training

Training as an industrial clerk, Certified
business administrator (with a diploma
from a university of applied sciences)

Current position

Various mandates

Other board member mandates

- Apetito AG, Rheine, Germany; Chairman of the Supervisory Board
- Hochland SE, Heimenkirch, Germany
- Pfeifer und Langen Industrie- und Handels-KG, Cologne, Germany

Other functions and offices

- Apetito Catering BV & Co KG, Rheine, Germany; Chairman of the Advisory Board
- Erco GmbH, Lüdenscheid, Germany; Chairman of the Advisory Board
- Gerolsteiner Brunnen GmbH & Co. KG, Gerolstein, Germany

Professional career

- Chairman of the Executive Board; Eckes AG, Nieder-Olm, Germany; 2005–2020
- President and CEO; Eckes Granini Group, Nieder-Olm, Germany; 2005–2020
- Chairman and CEO of the Central Management Board; Unternehmensgruppe Theo Müller, Aretsreid, Germany; 2001–2005
- Various management positions; Bestfoods Germany, Heilbronn, Germany; 1992–2001
- Various positions; B. Birkel & Söhne, Weinstadt, Germany:
 - Marketing Manager; 1988–1990
 - Head of Marketing Pasta; 1990–1992
- Product Manager; Vileda GmbH, Weinheim, Germany; 1986–1988
- Assistant Brand Manager and Junior Product Manager; Ritter Sport GmbH, Waldenbuch, Germany; 1984–1986



Werner Marti

Education and training
 Attorney

Current position
 Law office; since 1988

Other board member mandates

- Alp Transit Gotthard AG, Lucerne; Chairman
- Other board member mandates with various SMEs

Other functions and offices

- None

Professional career

- Proprietary law office in Glarus; since 1988
- National Councillor of canton Glarus; 1991–2008. In this position member of the Finance Commission (Chairman 2004/2005), the Commission for Communication, Transport and Telecommunications as well as various ad hoc commissions
- Price controller; 1996–2004
- Councillor of canton Glarus; Directorate of Internal Affairs (Directorate of the Economy); 1990–1998
- Associate/partner in a law office; 1983–1987



Jean G. Villot

Education and training
 Dr. oec.

Current position
 None

Other board member mandates

- None

Other functions and offices

- None

Professional career

- Chairman of the Board of Directors; Hügli Holding Aktiengesellschaft, Steinach; 2010–2018
- CEO and Delegate of the Board of Directors; Hügli Holding Aktiengesellschaft, Steinach; 2003–2010
- Managing Director; Hügli Nahrungsmittel GmbH, Radolfzell, Germany; 1997–2002
- Managing Director; Hügli Nahrungsmittel AG, Steinach; 1990–1997
- Independent management consultant; 1990
- Various functions for Prognos AG, Basel; 1980–1990, last position as member of the Management Board
- Various functions for Michelin Reifenwerke AG, Karlsruhe, Germany; 1972–1974



Philipp Wyss

Education and training
 Business diploma, butcher

Current position
 Chairman of the Executive Committee, Coop Group Cooperative; since 2021 and Head of Retail Business Unit of Coop Cooperative; 2021

Other board member mandates

- AgeCore Ltd, Geneva
- Marché Restaurants Schweiz AG, Dietlikon; Chairman¹
- Transgourmet Holding AG, Basel¹
- Two Spice Ltd, Zurich¹

Other functions and offices

- None

Professional career

- Vice-Chairman of the Executive Committee; Coop Group Cooperative and Head of Marketing/Purchasing Business Unit; Coop Cooperative, Basel; 2012–2021
- Head of Retail Business Unit and Head of Central Switzerland-Zurich Sales Region; Coop Cooperative, Basel, and Member of Executive Committee; Coop Group Cooperative, Basel; 2009–2011
- Coop Sales Head of Central Switzerland-Zurich Region; Dietikon; 2008–2009
- Head of Fresh Produce Category, Deputy Head of Marketing/Purchasing Business Unit; Coop Cooperative, Basel; 2004–2008
- Category Manager for Meat, Fish, Fresh Convenience; Coop Cooperative, Basel; 1997–2003
- Senior Product Manager and Proxy; Federation of Migros Cooperatives, Zurich; 1993–1997
- Sales Manager; Sempione Gehrig AG, Klus; 1990–1992

¹ Part of the Coop Group.

Internal organisation and areas of responsibility

The Board of Directors is responsible for the strategic and financial management of the Bell Food Group and supervises the persons entrusted with the conduct of business. It may pass resolutions on all matters that are not reserved by law or the Articles of Association to the Annual General Meeting.

The Board of Directors defines the corporate strategy, issues the required instructions and oversees all the activities of the Bell Food Group, while the Group Executive Board is responsible for the operating business. The Board of Directors reviews business planning, in particular the annual, multi-year and investment plans as well as the corporate objectives. The Board also identifies opportunities and risks, and initiates any measures that are required. The areas of responsibility of the Board of Directors and the Group Executive Board are set forth in detail in the organisational regulations. The organisational regulations were revised most recently on 1 April 2020. These are available on the Bell Food Group's website at www.bell-foodgroup.com/organisation-en.

In addition to its non-transferable responsibilities and powers, the Board of Directors decides on mergers, litigation and contracts of special importance, capital investments in excess of CHF 5 million and acquisitions and sales of real estate and companies. The Board determines the Bell Food Group's corporate structure and is responsible for hiring, discharging and overseeing company managers and executives. It adopts the corporate policy and associated objectives and strategies, and monitors their implementation. The Board also decides about the acceptance of board member mandates outside of the Bell Food Group by members of the Group Executive Board as well as the granting of surety, guarantees and loans to third parties from CHF 1 million and derivative transactions from CHF 10 million.

The Board of Directors usually meets seven times a year, every second month. Special meetings to discuss strategic transactions and other transactions that might have a considerable impact are held as and when needed. The meetings are regularly attended by the CEO and the CFO. The heads of the business areas Bell International and Convenience and other members of management are invited to attend discussions on specific topics as needed. No external advisors were engaged in the reporting year.

In the reporting year, the Board of Directors held seven ordinary meetings and one constitutive meeting. It also passed two resolutions by circular letter. Because of the coronavirus pandemic, two ordinary meetings were held by way of video conference. The ordinary meetings lasted 9 hours and 15 minutes on average in the reporting year. The attendance rate was 100 percent.

In addition to the usual day-to-day business, the Board of Directors concentrated on the following subjects and projects in the reporting year:

- Impact and effects of the coronavirus pandemic on the Bell Food Group
- Investment programmes as part of the development plans for the facilities of Hilcona in Schaan (LI), Hubers in Pfaffstätt (AT) and Bell in Switzerland, where the building projects for the cattle slaughterhouse, slicer centre and central logistics platform in Oensingen (CH) were approved
- Approval of Eisberg Switzerland's facility development plan
- Business development and strategic focus of Eisberg Austria's Marchtrenk (AT) location and Hilcona's location in Bad Wünnenberg (DE)
- Takeover of Aryzta's sandwich business in Switzerland
- Adoption of a new brand strategy for the Bell Food Group and a sales market strategy for the business area Bell Switzerland

The Board of Directors undergoes a self-evaluation every two years during which the individual Board members have to complete questionnaires about the strategy, culture, competencies, organisational structure and governance. The last self-evaluation took place in December 2020 and confirmed the Board's functionality.

Board committees

The Board of Directors has delegated some tasks to the Compensation Committee. The Board of Directors is responsible for observing the recommendations outlined in the *economiesuisse* guidelines regarding the function and remit of any other committees. This makes it easier to retain an overview and takes account of majority shareholder structures.

Compensation Committee

The Compensation Committee comprises at least two members who are elected individually for a term of one year by the Annual General Meeting. Only members of the Board of Directors are eligible. The Compensation Committee submits proposals on the type and amount of compensation to be paid to the members of the Board of Directors and the Group Executive Board for approval to the Board of Directors. These amounts must fall within the limits of the maximum amount approved by the Annual General Meeting. The Group Executive Board may not participate in the discussion about the compensation for its members. However, the CEO submits a proposal on the amount of compensation to the other members of the Group Executive Board. The Compensation Committee annually revises and assesses the company's compensation system. The Board of Directors has adopted regulations governing the composition, organisational structure and powers of the Board committee.

On 23 March 2021, the Annual General Meeting reelected Thomas Hinderer and Philipp Wyss as members of the Compensation Committee until the next Annual General Meeting. At the constitutive meeting, Thomas Hinderer was appointed Chair of the Compensation Committee by the Board of Directors.

The Compensation Committee meets upon invitation of the Chair as often as business requires, but at least once a year. Meetings last one to two hours on average. One meeting attended by all members of the Committee was held in the reporting year.

Members of the Compensation Committee do not receive any separate fee as their payment is included in the normal Board member fee.

No external advisors were consulted.

Information channels and control instruments of the Group Executive Board

The CEO and CFO regularly report about the course of business to the Board of Directors. The Chair of the Board of Directors is in close contact with the Group Executive Board and usually meets with the CEO once a month.

The CFO submits a management report (MIS) to the Board every month and prepares a report consisting of a consolidated and a division income statement, key indicators and analyses. Financial reporting is a permanent component of the Board meetings. Deviations are discussed and the measures that may be required are implemented.

Internal control system

The Bell Food Group operates a comprehensive internal control system (ICS) on the basis of the internationally acknowledged COSO framework. This was restructured and standardised in 2018, and implemented step by step at all units of the Bell Food Group in the following years. Controls focus even more sharply on asset protection and financial reporting. Institutionalised assessments measure the quality of the internal control system. Every year, the results of these assessments are compiled in a report, and binding measures are defined for areas where potential for improvement has been identified.



The Code of Conduct can be found at
www.bellfoodgroup.com/code-en

The data privacy statement is available at
www.bellfoodgroup.com/privacy-en

Internal audit

In addition to the statutory auditors, internal audit monitors compliance with the guidelines and regulations as an independent body on behalf of the Board of Directors and checks the expedience of control instruments and the organisational structure and procedures as well as the effectiveness of the internal control system. It accompanies the development of new business processes and modifications to existing business processes in a controlling or advisory function and supports the Group Executive Board in the achievement of its objectives by making recommendations for improvements to business processes. Internal audit pursues a risk-oriented approach to auditing. Findings are documented and communicated to the Chair of the Board of Directors. The implementation of measures is monitored.

Internal audit coordinates its auditing activities and maintains a close exchange of information with the statutory auditors.

Compliance

Bell Food Group Ltd has adopted the concept of all-inclusive integrity and compliance with the laws as a central tenet of its corporate culture. Management does not condone corruption or breaches of competition laws in any form. A central compliance system for the whole Group designed to prevent, identify and react to breaches is in place. The focus falls on anti-trust law and the Bell Food Group's preventive measures in this area. Employees at all relevant levels are regularly trained in order to improve their understanding of the topic of compliance. Awareness and knowledge of this topic should exclude the potential for misconduct early on. The topic of integrity is constantly highlighted as part of an ongoing dialogue.

The Bell Food Group has its own Code of Conduct. This framework condenses many existing guidelines and describes the rules that are binding for the company and all its employees in their interaction with one another as well as with their business partners. In 2020, a code of conduct for members of the Board of Directors of Bell Food Group Ltd was adopted that sets out their duties in the execution of their mandate.

Data privacy is part of compliance and this topic was restructured in terms of content and personnel in 2018 in line with changed statutory framework conditions in the European Union. Data privacy guidelines were adopted, a white paper with standards, organisational charts, processes and recommendations was drawn up, and intensive training courses to raise awareness of the topic were held.

Risk management

The Bell Food Group applies structured risk management. As a food manufacturing company, the risk situation can be described as stable overall. As part of the risk management process, the Board of Directors, Group Executive Board and Executive Boards of the business areas assess the major risks every year.

The Bell Food Group generally defines risk as possible events or actions that could lead to a deviation from the defined objectives or strategy implementation. Positive deviations are seen as opportunities and negative deviations are deemed to be risks. Opportunities are integrated into the strategy process, while negative deviations are analysed during the risk management process. The risks are assessed for probability of occurrence and quantitative impact in the event of occurrence.

A full survey of the possible risks is carried out every three years. The risks that are relevant for the Bell Food Group are identified and measures are formulated to reduce the probability of occurrence and/or the impact of the potential risks as far as possible. Every measure is given a responsible owner. In the years between the full surveys, the Board of Directors and Group Executive Board monitor the status of the measures and carry out current assessments. As part of the risk management process of the Bell Food Group, risks that could potentially cause a loss of more than a specified amount at EBIT level within three years are actively managed. The relevant amount of loss for these large risks is CHF 5 million for the business area Bell Switzerland and CHF 1 million for the other divisions. Safeguards and measures are implemented to protect the company against risks that cannot be influenced or that can only be influenced to a limited extent.

In 2021, a new risk assessment was performed at Hügli and risk management controlling was carried out at Bell Switzerland, Bell International, Eisberg and Hilcona. Management has identified a sudden increase in raw materials prices, shifts in agricultural policies and changed consumer needs as major risks.

The financial market risks are limited to foreign currency exposure, in particular in the eurozone.

Internal audit carried out general health checks to identify the operational risks associated with new acquisitions, and management defined and implemented the required measures.

More information about risk assessment is provided on page 44.

Group Executive Board

Members of the Group Executive Board

The Group Executive Board consists of the CEO and the heads of the business areas Bell International, Convenience and Finance/Services.

Information about the organisational structure of the Bell Food Group can be found on pages 20 and 21.

Composition of the Group Executive Board as at 31 December 2021

	Nationality	Year of birth	Function	Appointment to Group Executive Board
Lorenz Wyss	CH	1959	Chair (CEO)	April 2011
Volker Baltes	DE	1963	Member	July 2019
Xavier Buro	CH	1969	Member (CFO)	July 2019
Marco Tschanz	CH	1975	Member	March 2015

Regulations regarding the number of permitted activities

According to the Articles of Association, members of the Group Executive Board may be engaged in the highest governing and executive bodies of no more than two legal entities that are legally obliged to be registered with the Commercial Register or a corresponding foreign register. Of these, no more than one may be a listed company. Only positions in companies that neither control nor are controlled by Bell Food Group Ltd are relevant. Mandates in different companies belonging to one and the same corporate group count as one mandate.

Board member mandates within the Bell Food Group are not disclosed in the annual report for companies that are fully consolidated by Bell Food Group Ltd.

Compensation, shareholdings and loans

All information about the compensation paid to members of the Board of Directors and the Group Executive Board of Bell Food Group Ltd is provided in the compensation report that starts on page 61.

Members of the Group Executive Board



Lorenz Wyss

Education and training
Butcher; business diploma;
Certified meat industry technician;
Master of Business Administration ZFH

Current position
Chairman of the Group Executive Board (CEO) and Head of Bell Switzerland Division; with the Bell Food Group since 2011; in this position since 2011

Board member mandates

- GVFI Ltd, Basel
- Proviande Cooperative, Bern

Other functions and offices

- Hermann Herzer Foundation, Basel

Professional career

- Managerial positions at Coop Cooperative, Basel:
 - Head of Category Management Fresh Products/Gastronomy; 2008–2011
 - Head of Food Procurement/Scheduling; 2004–2008
 - Head of Purchasing Pool for Fresh Products; 1998–2004
 - Market Group Head, Meat/Catering and Frozen Products; 1995–1998
- Managerial positions at Gehrig AG, Klus:
 - Head of Sales/Operations (Deputy Managing Director); 1992–1995
 - Technical Director; 1987–1991
 - Head of Operations/HR; 1983–1984
- Department Head at Jenzer AG, Arlesheim; 1978–1981



Volker Baltes

Education and training
Commercial specialist

Current position
Head Business Area Convenience and Head of Eisberg Division; with the Bell Food Group since 2019; in this position since 2019

Board member mandates

- None

Other functions and offices

- Bundesvereinigung der deutschen Ernährungsindustrie, Berlin, Germany; Member of the Executive Board

Professional career

- Business Executive Officer Chilled Culinary Nestlé Deutschland AG and Chairman of the Executive Board of Herta GmbH, Germany; 2013–2019
- Managerial functions with Campofrío Food Group, Germany; 2011–2013
 - Managing director Germany, Austria, Scandinavia and Member of the international leadership team; 2012–2013
 - Managing Director Germany and Austria; 2011–2012
- Managing Director Yakult Honsha Co, Germany; 2003–2011
- Managerial functions with Campbell Soup Company, Germany; 1999–2003
 - Marketing Director and member of the Executive Board of; 1999–2003
 - Marketing Manager, Base Business, Marke Erasco; 1999–1999
- Several managerial positions with Dr. Oetker, Germany; 1990–1998



Xavier Buro

Education and training
Certified business economist
(university of applied sciences)

Current position
Head Business Area Finance/Services; with the Bell Food Group since 2019; in this position since 2019

Board member mandates

- None

Other functions and offices

- None

Professional career

- Member of the Executive Board Finances Transgourmet Central and Eastern Europe, Transgourmet/Selgros, Riedstadt, Germany; 2014–2019
- Member of the Executive Board Finances Fegro/Selgros, Neu-Isenburg, Germany; 2012–2013
- Member of Finances/Services Organizational Area Projects, Coop Cooperative, Basel; 2008–2012
- Project Manager Organizational Area Projects Finance/Services, Coop Cooperative, Basel; 2003–2008
- Senior Consultant, eBusiness and Operational Transformation Consultant BearingPoint, Zurich; 2000–2003
- Associate Director, Corporate Sourcing Business Analyst UBS AG, Basel; 1999–2000
- Corporate Sourcing Analyst International Mobility Programm UBS AG, New York und Stamford, United States; 1997–1999
- Customer advisors Retail Banking UBS AG, Sion; 1995–1997
- Project agreement, Control and Business Information Zyma SA, Nyon; 1994–1995



Marco Tschanz

Education and training
Certified business economist
(university of applied sciences),
Rochester-Bern Executive MBA

Current position
Head of Bell International business area and Head of IT Bell Food Group; with the Bell Food Group since 2014; in this position since 2019

Board member mandates

- Centravo Holding AG, Zurich
- Mosa Meat B.V., Maastricht, the Netherlands

Other functions and offices

- CPV/CAP Coop Pension Fund, Basel; member of the Board of Trustees and Chair of the Investment Committee

Professional career

- Head of Finance/Services (CFO) Bell Food Group Ltd, Basel, 2014–2019
- Managerial positions with Swisscom:
 - Head of the IT Cloud Programme Swisscom; 2014
 - Chief Financial Officer Swisscom Switzerland; 2013–2014
 - Head of Controlling/CFO Network/IT and Wholesale; 2009–2013
 - Head of Controlling/CFO Private Customers; 2007–2009
 - Head of Controlling/CFO SMEs; 2006–2007
- Various managerial positions in the financial field; 2000–2006
- Auditing/project controlling at various companies; 1998–1999
- Head of HR and Finance at Marex AG, Bienne; 1995–1997



The minutes and voting results of the Annual General Meeting can be consulted on the Bell Food Group's website at www.bellfoodgroup.com/assembly-en.

Co-determination rights of shareholders

Restrictions on voting rights and proxies

Each share has one vote, whereby the right to vote is suspended for the treasury shares held by Bell Food Group Ltd. The voting right can only be exercised if the shareholder is registered as a shareholder with voting rights in the share register of Bell Food Group Ltd.

According to the Articles of Association, shareholders may be represented by another shareholder at the Annual General Meeting. Shareholders may also be represented by the independent proxy elected by the Annual General Meeting every year. The independent proxy exercises the proxy voting rights assigned to them by shareholders in accordance with instructions. If they have not received any instructions, they abstain from the vote. The independent proxy can also be appointed and given instructions electronically.

Because of the extraordinary situation caused by the spread of the coronavirus, the 2021 Annual General Meeting took place without the personal attendance of the shareholders for the second year in a row. Voting rights could only be exercised by giving instructions to the independent proxy. At the Annual General Meeting on 23 March 2021, the independent proxy represented 4 720 632 votes or 75.1 percent of the share capital. The minutes and voting results of the Annual General Meeting can be consulted on the Bell Food Group's website at www.bellfoodgroup.com/assembly-en.

Insider trading and trade blackouts

Members of the Board of Directors and employees of the Bell Food Group who know about matters that are relevant to the share price, such as insider information or other sensitive information that can have a material effect on the price of the listed shares of Bell Food Group Ltd, are not permitted to buy or sell shares of Bell Food Group Ltd or derivatives on these shares, disclose sensitive information, and encourage or urge other people to buy or sell shares of Bell Food Group Ltd or derivatives on these shares for as long as the insider information or sensitive information has not been made public or until the insider information is no longer relevant to the share price.

General trade blackouts also apply in the run-up to the publication of Bell Food Group Ltd's financial results. The blackouts apply for eight weeks before the announcement of the consolidated annual results and the Board of Directors' dividend proposal and for six weeks before the announcement of the half-year results. The first two hours of trading on the day of the publication of one of the above are also subject to a trade blackout.

The trade blackouts apply to the members of the Board of Directors of Bell Food Group Ltd, the members of the Group Executive Board, the heads of the business areas, the members of senior management, and the employees in the accounting, controlling, investor relations and share register departments. The members of the Board of Directors, the members of the Executive Board, the employees in the financial services, accounting and controlling organisational units of the parent company, Coop Group Cooperative, and Coop Cooperative also have to comply with the trade blackouts. The persons affected will always receive a personal letter to inform them of the trade blackout.

Quorum

The Annual General Meeting constitutes a quorum regardless of the number of shares represented. Insofar as nothing to the contrary is prescribed by the law, the Annual General Meeting passes its resolutions and holds its elections by a relative majority of the share votes cast, with abstentions not counting as votes cast.

Invitation to the Annual General Meeting and minutes

The Board of Directors convenes the Annual General Meeting at least 20 calendar days before the date of the meeting by publishing an invitation in the Swiss Official Gazette of Commerce. Invitations can also be sent out by letter to all registered shareholders entered in the share register.

Shareholders or groups of shareholders who represent shares with a nominal value of 10 percent of the share capital may request that an item be added to the agenda. A request to add an item to the agenda must be submitted in writing at least 45 days prior to the meeting, specifying the subject to be discussed and the proposals.

Entries in share register

The shares with voting rights entered in the share register are entitled to vote at the Annual General Meeting. To ensure a proper procedure, the Board of Directors at its discretion defines a reference date for determining the voting rights, which is usually a few days prior to the Annual General Meeting. This date is published on the Bell Food Group's website at www.bellfoodgroup.com/agenda-en and is also mentioned in the invitation to the Annual General Meeting.

Change of control clause and defensive measures

There are no statutory restrictions and regulations.

Statutory auditor

KPMG AG, Basel; since 2019

Auditor in charge:

Jürg Meisterhans, auditor in charge since 2020

At the recommendation of the Board of Directors, the statutory auditor is elected by the Annual General Meeting every year. Re-election is possible.

The Board of Directors oversees the activities of the statutory auditor. The auditors brief the Chair of the Board of Directors on the results of their audit three times every year. They also report to all members of the Board once every year.

The performance of the auditors is assessed by the Chair of the Board of Directors, the CEO and the CFO on the basis of comprehensive assessment criteria. The focus falls on the audit team's technical competence, assertiveness, independence and interaction with our internal units. Other external factors also affect the assessment.

The activities of the statutory auditor comprise its legal and statutory obligations, including an evaluation of the existence of the internal control system (ICS).

Auditors' and other fees in CHF thousand	2021	2020
Auditing services	857	862
Near-audit fees	92	67
Tax consulting	4	59
Total	953	988

Information policy

Every year in February, Bell Food Group Ltd publishes an annual report on the results for the previous year. In August, it publishes an interim report on the results for the first half of the current year. Both reports provide information on the business operations and results of the Bell Food Group. Current developments are announced in media releases and notices published on the company's website.

The Bell Food Group website contains an archive with all annual reports, interim reports and ad hoc press releases.

Annual reports and interim reports:

www.bellfoodgroup.com/report-en

Press releases:

www.bellfoodgroup.com/mediarelease-en

Code of Conduct:

www.bellfoodgroup.com/code-en

Registration with distribution list

for press releases:

www.bellfoodgroup.com/maillinglist-en

Sustainability report of the Bell Food Group:

www.bellfoodgroup.com/cr-en

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Compensation report

The compensation report sets out the discretionary competence and describes the compensation paid to the members of the Board of Directors and the Group Executive Board and provides information on the shares they hold in Bell Food Group Ltd.

The report complies with the provisions of the Ordinance against Excessive Remuneration in Listed Companies Limited by Shares (ERCO) and the related provisions of the Swiss Code of Obligations. The compensation report essentially follows the recommendations of the Swiss Code of Best Practice for Corporate governance

issued by *economiesuisse*, the umbrella organisation representing the Swiss economy, and the SIX Exchange Regulation Ltd's Directive on Information relating to Corporate governance (DCG), and also takes account of the Articles of Association, the organisational regulations and the regulations of the Compensation Committee of Bell Food Group Ltd.

Unless stated otherwise, the compensation report refers to the 2021 financial year. Compensation payments are recognised when they occur.

Compensation policy and process

The compensation system of the Bell Food Group has been designed to attract and retain qualified and motivated specialists and manag-

ers. Compensation is determined by taking the legitimate interests of the employees, the Group and the shareholders into account.

Responsibility for determining the compensation

	Power of approval	Application
Compensation system	Board of Directors	–
Maximum compensation for the Board of Directors and the Group Executive Board	Annual General Meeting	on application of the Board of Directors
Compensation for the Board of Directors	Board of Directors	on recommendation of the Compensation Committee
Compensation for the CEO	Board of Directors	on recommendation of the Compensation Committee
Compensation for the members of the Group Executive Board (excl. CEO)	Board of Directors	on recommendation of the Compensation Committee, taking account of the CEO's proposal



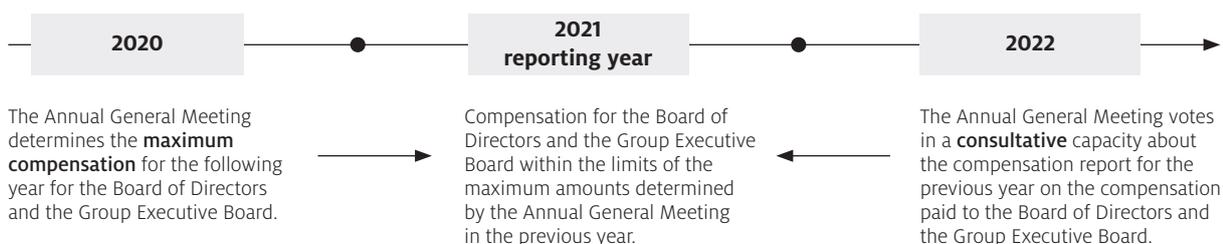
Articles of Association:
www.bellfoodgroup.com/statutes-en

Organisational regulations:
www.bellfoodgroup.com/organisation-en

The Board of Directors is responsible for approving the general employment conditions, the salary systems and profit-sharing schemes. On application by the Compensation Committee, the Board of Directors also approves the compensation for the members of the Board of Directors and the Group Executive Board.

In doing so, it takes account of the maximum total amounts in compensation to the Board of Directors and the Group Executive Board approved in advance by the Annual General Meeting for the next financial year. The Annual General Meeting also votes in an advisory capacity on the compensation report for the past financial year.

Power to approve compensation of Annual General Meeting



The principles that apply to the compensation of the members of the Board of Directors and Group Executive Board are set out in articles 27 and 28 of the articles of Association. Under these provisions, the members of the Board of Directors receive a fixed fee without any variable components. This fee is at the lower end of the scale compared to other listed companies in Switzerland.

The compensation paid to the members of the Group Executive Board consists of a fixed basic salary and a variable component (profit share) that depends on the achievement of earnings and individual objectives. In addition, the Group Executive Board members receive a fixed expenses allowance and a company car. The basic salary is paid in cash, and the variable component is paid 50 percent in cash and 50 percent in shares of Bell Food Group Ltd. The shares are issued with a discount of 20 percent and may not be sold for a period of four years. The shares cannot be sold, pledged or otherwise encumbered by third-party rights during the vesting period.

The members of the Board of Directors and the Group Executive Board are not obliged to hold a minimum number of shares of Bell Food Group Ltd.

The Annual General Meeting approved the following maximum compensation for the reporting and the following year:

in CHF	2021 (reporting year)	2022
Board of Directors	800 000	800 000
Group Executive Board	3 500 000	3 500 000

The compensation to be paid is based on seven Board members and four Group Executive Board members.

Compensation for the Board of Directors

Members of the Board of Directors only receive a fixed fee for their activities. This fee depends on the individual function (Chair, Vice-Chair, member); it is recommended by the Compensation Committee and is approved by the Board of Directors at its discretion.

The fee is paid in cash and includes a flat rate of 10 percent for expenses. Social contributions (employee's share) are levied on 90 percent of the basic fee.

Basic fee

The gross annual fee payable to the members of the Board of Directors is:

Chair	CHF 150 000
Vice-Chair	CHF 130 000
Members	CHF 100 000

The basic fee is paid pro rata when a member leaves the Board of Directors. In the event of sickness or accident, the full basic fee is paid.

The Coop Group Cooperative's representatives on the Board of Directors of Bell Food Group Ltd work on a mandate basis. Their fees are paid directly to the competent mandate giver.

Basic fee for members of the Board of Directors

Cash payment

Basic salary for members of the Group Executive Board

Cash payment

Variable compensation max. 24 % of basic salary

50 % cash payment

50 % shares

Variable compensation

The members of the Board of Directors do not receive any variable compensation.



Employees of the Bell Food Group and the members of the Board of Directors can buy shares of Bell Food Group Ltd at preferential conditions once a year as part of the employee share participation plan and acquire a stake in the company. Employee shares are issued with a discount of 20 percent and may not be sold for a period of four years.

Payments to the Board of Directors (audited)	Basic fee in cash (gross)	Employer contributions to social insurance	Total
2021 in CHF thousand			
Hansueli Loosli, Chair ^{1,2}	34	–	34
Joos Sutter, Chair ^{1,3}	145	–	145
Doris Leuthard, Vice-Chair ^{1,4}	123	–	123
Philipp Dautzenberg, member ^{1,5}	77	–	77
Thomas Hinderer, member ³	100	–	100
Werner Marti, member	100	7	107
Jean G. Villot, member	100	5	105
Philipp Wyss, member ¹	100	–	100
Total to the Board of Directors in 2021	780	12	792

1 Fee is paid to the Coop Group Cooperative.

2 Resigned from the Board of Directors on 23 March 2021.

3 Joos Sutter took over as Chairman of the Board of Directors on 23 March 2021.

4 Doris Leuthard took over as Vice-Chair of the Board of Directors on 23 March 2021.

5 Elected to the Board of Directors on 23 March 2021.

Payments to the Board of Directors (audited)	Basic fee in cash (gross)	Employer contributions to social insurance	Total
2020 in CHF thousand			
Hansueli Loosli, Chair ¹	150	–	150
Irene Kaufmann, Vice-Chair ^{1,2}	47	–	47
Joos Sutter, Vice-Chair ^{1,3}	83	–	83
Thomas Hinderer, member ³	64	–	64
Andreas Land, member ²	36	–	36
Doris Leuthard, member ¹	100	–	100
Werner Marti, member	100	6	106
Jean G. Villot, member	100	4	104
Philipp Wyss, member ¹	100	–	100
Total to the Board of Directors in 2020	780	10	790

1 Fee is paid to the Coop Group Cooperative.

2 Resigned from the Board of Directors on 12 May 2020.

3 Elected to the Board of Directors on 12 May 2020.

Share ownership

The members of the Board of Directors are not obliged to hold shares of Bell Food Group Ltd. They are free, however, to buy shares on the free market. They can also participate in the employee share participation plan of the Bell

Food Group and buy shares at the same conditions as the employees.

On 31 December 2020 and 2021, the members of the Board of Directors held the following shares of Bell Food Group Ltd:

Shares held by the Board of Directors as at 31.12. (number)	2021			2020		
	Number of unvested shares	Number of vested shares	Number of shares Total	Number of unvested shares	Number of vested shares	Number of shares Total
Hansueli Loosli, Chair ¹	N/A	N/A	N/A	1 040	280	1 320
Joos Sutter, Chair ²	0	0	0	0	0	0
Doris Leuthard, Vice-Chair ³	0	20	20	0	20	20
Philipp Dautzenberg, member ⁴	0	0	0	N/A	N/A	N/A
Thomas Hinderer, member	0	200	200	0	100	100
Werner Marti, member	870	159	1 029	770	200	970
Jean G. Villot, member	234	0	234	234	0	234
Philipp Wyss, member	0	0	0	0	0	0

1 Resigned from the Board of Directors on 23 March 2021.

2 Joos Sutter took over as Chairman of the Board of Directors on 23 March 2021.

3 Doris Leuthard took over as Vice-Chair of the Board of Directors on 23 March 2021.

4 Elected to the Board of Directors on 23 March 2021.

Compensation for the Group Executive Board

The members of the Group Executive Board receive a fixed basic salary and a variable compensation (profit share) for their work. If additional members are appointed to the Group Executive Board after the approval of the budgeted amount, the total amount approved by the Annual General Meeting may be exceeded by a maximum of 50 percent pro rata until the next Annual General Meeting.

Basic salary

The basic salary takes account of the individual's experience and skills and is based on an employment contract that is reviewed every year and amended, if necessary. Taking account of the remuneration paid by comparable companies, the Board of Directors determines this at its own discretion and within the limits of the maximum compensation approved by the Annual General Meeting. Comparable companies are companies in the food sector that are listed

in Switzerland (small caps) as well as the companies of the Coop Group. In addition, the members of the Group Executive Board receive a fixed expenses allowance as well as a company car.

Variable compensation (profit share)

The members of the Group Executive Board receive a performance-related profit share. The variable component depends on the achievement of the internal budget objectives, the Group result before non-controlling interests, and individual objectives. Achievement of the budget objectives counts 90 percent and the individual objectives 10 percent for the calculation of the profit share. The variable compensation may not be more than 24 percent of the basic salary and 50 percent of the profit share is paid out in the form of shares. The shares are issued with a discount of 20 percent and may not be sold for a period of four years. The variable compensation for the past financial year (cash payment and transfer of shares) is usually paid in April of the following year.

Variable compensation as a percentage of the basic salary upon 100 % objective achievement	20 %
Maximum percentage of the basic salary	24 %
Basis for assessment	90 % Group result meets target before non-controlling interests 10 % individual objective achievement
Payment	50 % in cash 50 % in shares of Bell Food Group Ltd with a discount of 20 %
Decision	Board of Directors

Contractual relationships

The employment contracts of the members of the Group Executive Board are concluded for an indefinite period. The notice period for Group

Executive Board employment contracts concluded for an indefinite period is 12 months. No restraint on competition applies after the termination of the employment relationship.

Payments to the Group Executive Board (audited) 2021 in CHF thousand	Cash payment (gross) Basic salary	Variable compensation (gross)	Variable compensation in shares	Employer contributions to social insurance	Total
Lorenz Wyss	632	70	62	212	976
Other members of the Group Executive Board	1 548	172	152	526	2 399
Total to the Group Executive Board in 2021	2 180	243	214	738	3 375

Payments to the Group Executive Board (audited) 2020 in CHF thousand	Cash payment (gross) Basic salary	Variable compensation (gross)	Variable compensation in shares	Employer contributions to social insurance	Total
Lorenz Wyss	617	56	50	159	882
Other members of the Group Executive Board	1 478	135	119	377	2 110
Total to the Group Executive Board in 2020	2 095	191	169	536	2 991

Share ownership

The members of the Group Executive Board are not obliged to hold shares of Bell Food Group Ltd. They are free, however, to buy shares on the free market and are entitled to participate in the employee share participation plan of the Bell Food Group. At least 50 percent of

the variable compensation is paid in the form of shares in the Bell Food Group Ltd.

On 31 December 2020 and 2021, the members of the Group Executive Board held the following shares of Bell Food Group Ltd:

Shares held by the Group Executive Board as at 31.12. (number)	2021			2020		
	Number of unvested shares	Number of vested shares	Number of shares Total	Number of unvested shares	Number of vested shares	Number of shares Total
Lorenz Wyss	1021	926	2127	1 201	605	1 806
Volker Baltes	0	584	584	0	274	274
Xavier Buro	0	550	550	0	320	320
Marco Tschanz	638	762	1400	758	623	1 381

Loans, credits and pensions to members of the Board of Directors, the Group Executive Board and their related parties

The Articles of Association make no provision for the granting of loans and credits to the members of the Board of Directors and/or the

Group Executive Board. No such loans or credits are outstanding.

No loans, credits or payments were granted to related parties in 2021 and no payments were made to any former members of the Board of Directors, the Group Executive Board and their related parties.

Report of the Statutory Auditor on the Compensation Report

Statutory Auditor's Report to the General Meeting of Bell Food Group AG, Basel

We have audited the accompanying remuneration report of Bell Food Group Ltd for the year ended 31 December 2021. The audit was limited to the information according to articles 14–16 of the Ordinance against Excessive compensation in Stock Exchange Listed Companies (Ordinance) contained in the tables labeled “audited” on page 64 and 66 of the compensation report.

Responsibility of the Board of Directors

The Board of Directors is responsible for the preparation and overall fair presentation of the remuneration report in accordance with Swiss law and the Ordinance against Excessive compensation in Stock Exchange Listed Companies (Ordinance). The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

Auditor's Responsibility

Our responsibility is to express an opinion on the accompanying remuneration report. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report complies with Swiss law and articles 14–16 of the Ordinance.

An audit involves performing procedures to obtain audit evidence on the disclosures made in the remuneration report with regard to compensation, loans and credits in accordance with articles 14–16 of the Ordinance. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements in the remuneration report, whether due to fraud or error. This audit also includes evaluating the reasonableness of the methods applied to value components of remuneration, as well as assessing the overall presentation of the remuneration report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the remuneration report for the year ended 31 December 2021 of Bell Food Group AG complies with Swiss law and articles 14–16 of the Ordinance.

KPMG AG

Jürg Meisterhans
Licensed Audit Expert
Auditor in Charge

Carolin Widenmayer
Licensed Audit Expert

Basel, 2 February 2022

Important dates

Financial year-end
December 2022

Annual General Meeting of
Bell Food Group Ltd
22 March 2022

Publication of results for first half
of 2022
11 August 2022

Publication of 2022 results
February 2023

Other dates are published on the
website of the Bell Food Group at
www.bellfoodgroup.com/agenda-en.

Contacts

Contact partners and contact options for obtaining further information about the Bell Food Group are provided on page 110 as well as on the website.

Corporate communication:
www.bellfoodgroup.com/contact-en

Share register:
www.bellfoodgroup.com/shareregistry-en

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Consolidated balance sheet

in CHF million	Note	31.12.2021	Share	31.12.2020	Share
Cash and cash equivalents	1	185.3		178.5	
Securities		1.9		2.0	
Trade accounts receivable	2	367.4		383.9	
Other current receivables	3	59.0		63.0	
Inventories	4	444.2		425.2	
Accrued income and prepaid expenses	5	20.4		19.4	
Current assets		1 078.2	38.5 %	1 072.0	39.1 %
Financial assets	8	68.7		66.6	
Intangible assets	9	216.5		233.5	
Tangible assets	10	1 434.9		1 372.8	
Non-current assets		1 720.1	61.5 %	1 672.9	60.9 %
Assets		2 798.3	100.0 %	2 744.9	100.0 %
Current financial liabilities	11	195.0		5.8	
Trade accounts payable		219.9		214.8	
Other current liabilities	6	28.3		30.9	
Current provisions	12	8.2		17.2	
Accrued expenses and deferred income	7	172.5		158.2	
Current liabilities		624.0	22.3 %	426.9	15.6 %
Non-current financial liabilities	11	672.7		862.8	
Non-current provisions	12	87.5		90.1	
Non-current liabilities		760.2	27.2 %	952.9	34.7 %
Liabilities		1 384.2	49.5 %	1 379.8	50.3 %
Share capital		3.1		3.1	
Capital reserves		177.2		197.8	
Retained earnings		1 275.3		1 177.0	
Translation differences		-167.0		-129.5	
Treasury shares	19	-2.1		-2.2	
Annual profit		127.4		118.6	
Equity excl. minority interests		1 413.9	50.5 %	1 364.9	49.7 %
Minority interests		0.2		0.2	
Equity		1 414.1	50.5 %	1 365.1	49.7 %
Liabilities and equity		2 798.3	100.0 %	2 744.9	100.0 %

Consolidated income statement

in CHF million	Note	2021	Share	2020	Share
Net revenue	14	4 151.6	100.0%	4 019.4	100.0%
Cost of goods sold		2 535.6	61.1%	2 469.4	61.4%
Gross operating income		1 616.0	38.9%	1 550.0	38.6%
Personnel expenses	16	822.7		799.1	
Rents		46.9		41.6	
Energy, auxiliary materials		85.0		77.2	
Repair and maintenance		107.9		100.6	
Transport		126.8		119.4	
Advertising		32.5		31.5	
Other operating expenses		68.4		64.9	
Total operating expenses		1 290.3	31.1%	1 234.3	30.7%
Earnings before interest, taxes, depreciation and amortisation (EBITDA)		325.7	7.8%	315.7	7.9%
Amortisation of intangible assets	9	8.3		8.3	
Amortisation of goodwill	9	25.3		26.6	
Depreciation of tangible assets	10	129.8		125.3	
Earnings before interest and taxes (EBIT)		162.4	3.9%	155.6	3.9%
Financial result	17	-12.1		-11.6	
Net income from associated companies		3.8		3.0	
Net profit before taxes (EBT)		154.1	3.7%	147.0	3.7%
Taxes	18	26.7		28.3	
Net profit after taxes		127.4	3.1%	118.6	3.0%
Third-party interest in profit		0.0		0.0	
Annual profit		127.4	3.1%	118.6	3.0%
Net profit per share (in CHF, diluted and undiluted)	20	20.31		18.91	

Consolidated cash flow statement

in CHF million	2021	2020
Net profit after taxes	127.4	118.6
Depreciation of tangible assets	128.8	123.4
Amortisation of intangible assets	33.5	34.9
Extraordinary depreciation	1.0	1.8
Other non-cash income (-)/expenses (+)	5.8	5.5
Income (-)/loss (+) from sale of tangible assets	-0.2	-4.7
Dividends from associated companies	0.4	0.4
Net income from associated companies	-3.8	-3.0
Income (-)/loss (+) from sale of investments	-	-
Increase (+)/decrease (-) in provisions	-0.6	-3.0
Increase (-)/decrease (+) in receivables	11.7	8.9
Increase (-)/decrease (+) in inventory	-30.1	-2.6
Increase (-)/decrease (+) in accrued income and prepaid expenses	-3.3	-3.9
Increase (+)/decrease (-) in liabilities	4.9	-50.9
Increase (+)/decrease (-) in accrued expenses and deferred income	18.0	20.6
Operating cash flow	293.5	246.0
Investment (-)/divestment (+) of securities	-	-
Investment in other companies and financial assets	-10.4	-8.2
Acquisition (+)/sale (-) of cash and cash equivalents	-	0.3
Divestment of other companies and financial assets	0.4	0.4
Investment in intangible assets	-18.5	-18.4
Divestment of intangible assets	0.6	0.5
Investment in tangible assets	-220.4	-214.3
Divestment of tangible assets	1.8	14.0
Cash flow from investing activities	-246.6	-225.7
Proceeds from (+)/repayment of (-) current financial liabilities	-0.9	-8.9
Proceeds from (+)/repayment of (-) non-current financial liabilities	-	-
Proceeds from (+) bonds	-	-
Repayment of (-) bonds	-	-
Proceeds from (+) capital increases	-	-
Acquisition (-)/sale (+) of minorities	-	-0.2
Investment in (-)/divestment of (+) treasury shares	2.0	0.3
Dividend	-40.7	-34.5
Cash flow from financing activities	-39.6	-43.2
Cash flow balance	7.3	-22.8
Cash and cash equivalents as of 01.01.	178.5	202.0
Effect of currency translation on cash and cash equivalents	-0.6	-0.6
Changes in cash and cash equivalents	7.3	-22.8
Cash and cash equivalents as of 31.12.	185.3	178.5

Consolidated statement of changes in equity

in CHF million	Share capital	Capital reserves	Retained earnings	Translation differences	Treasury shares	Annual profit	Equity excl. minority interests	Minority interests	Equity
Equity as of 01.01.2021	3.1	197.8	1 177.0	-129.5	-2.2	118.6	1 364.9	0.2	1 365.1
Changes in scope of consolidation	-	-	-	-	-	-	-	-	-
Acquisition minorities	-	-	-	-	-	-	-	-	-
Appropriation of earnings	-	-	118.6	-	-	-118.6	-	-	-
Dividend	-	-20.4	-20.4	-	-	-	-40.7	-	-40.7
Additions/disposals of treasury shares	-	-0.2	-	-	0.1	-	-0.1	-	-0.1
Annual profit	-	-	-	-	-	127.4	127.4	0.0	127.4
Currency translation differences	-	-	-	-37.4	-	-	-37.4	-0.0	-37.4
Equity as of 31.12.2021	3.1	177.2	1 275.3	-167.0	-2.1	127.4	1 413.9	0.2	1 414.1
Equity as of 01.01.2020	3.1	216.0	1 144.6	-123.0	-3.3	49.6	1 287.1	0.2	1 287.3
Changes in scope of consolidation	-	-	-	-	-	-	-	-	-
Acquisition minorities	-	-0.2	-	-	-	-	-0.2	0.0	-0.2
Appropriation of earnings	-	-	49.6	-	-	-49.6	-	-	-
Dividend	-	-17.3	-17.3	-	-	-	-34.5	-	-34.5
Additions/disposals of treasury shares	-	-0.8	-	-	1.2	-	0.3	-	0.3
Annual profit	-	-	-	-	-	118.6	118.6	0.0	118.6
Currency translation differences	-	-	-	-6.5	-	-	-6.5	-0.0	-6.5
Equity as of 31.12.2020	3.1	197.8	1 177.0	-129.5	-2.2	118.6	1 364.9	0.2	1 365.1

The non-distributable reserves of Bell Food Group Ltd amount to CHF 1.6 million (previous year: CHF 1.6 million).

Notes to the consolidated financial statements

Consolidation principles

Basis of accounting

The principles governing consolidation, valuation, structure and presentation comply with the entire Accounting and Reporting Recommendations (Swiss GAAP FER). They apply to all companies included in the scope of consolidation.

Scope of consolidation

All companies of which Bell Food Group Ltd directly or indirectly owns more than 50 percent of the votes or exercises control under a contractual agreement are fully integrated into these consolidated financial statements. Investments where Bell Food Group owns more than 20 percent but less than 50 percent of the votes are measured and recognised in the balance sheet at the share of equity held. Investments equalling less than 20 percent are included as financial assets in the balance sheet at the share price as of 31 December. If no share price is available, the investment is measured at acquisition cost minus a value adjustment if there was any impairment. An overview of the companies in which Bell Food Group has a stake and a description of the treatment of these associates in the consolidated financial statements are provided on pages 93 and 94 of the annual report.

Foreign currency translation

All company balance sheets in foreign currency are translated into Swiss francs at the year-end exchange rate as of 31 December. The income statements of these companies are translated at the average annual exchange rate. Translation differences between the opening and closing balance sheets and the differences arising from the use of different exchange rates in the balance sheet and the income statement are recognised without affecting profit and loss. On disposal of foreign subsidiaries or associates, the cumulative currency differences relating to them remain in equity and are not transferred to the income statement.

Exchange rates

		2021	2020
Balance sheet	EUR 1	= CHF 1.0331	= CHF 1.0802
	CZK 1	= CHF 0.0416	= CHF 0.0412
	HUF 100	= CHF 0.2798	= CHF 0.2969
	PLN 1	= CHF 0.2247	= CHF 0.2369
	USD 1	= CHF 0.9121	= CHF 0.8803
	GBP 1	= CHF 1.2295	= CHF 1.2015
	RON 1	= CHF 0.2087	= CHF 0.2219
Income statement	EUR 1	= CHF 1.0813	= CHF 1.0703
	CZK 1	= CHF 0.0422	= CHF 0.0405
	HUF 100	= CHF 0.3016	= CHF 0.3047
	PLN 1	= CHF 0.2368	= CHF 0.2409
	USD 1	= CHF 0.9141	= CHF 0.9373
	GBP 1	= CHF 1.2576	= CHF 1.2033
	RON 1	= CHF 0.2197	= CHF 0.2212

Method of consolidation

Consolidation of assets and liabilities, intra-group sales and intra-group profits

All intra-group assets and liabilities are set off and eliminated as part of the consolidation process. Differences arising from the use of different exchange rates in translating the financial statements of subsidiaries denominated in foreign currencies are recognised in equity without affecting profit or loss. All intra-group payables and receivables are set off and eliminated as part of the consolidation process.

Capital consolidation

Capital consolidation is performed using the “purchase method”. This means that assets and liabilities are valued at their current values at the time of acquisition. The revalued net assets are offset against the purchase price, whereby the acquisition costs are added to the purchase price. Purchase price adjustments that depend on future results are estimated. If the final purchase price deviates from the estimate, the goodwill is adjusted correspondingly. The resulting goodwill is capitalised and amortised on a straight-line basis via the income statement. The depreciation period depends on the useful life that is assumed for the market potentials and synergies that gave rise to the goodwill. The maximum depreciation period is 15 years in justified cases. Any negative goodwill is recognised in the income statement at the time of the initial consolidation.

Transactions with minorities

Transactions with minorities, that have no impact on the consolidation method, are recorded in equity with no impact on profit or loss. The difference between the transaction price and the corresponding minority share value is recognised in the capital reserves. Transaction related costs are added to the transaction price.

Valuation principles

General valuation principles

As a general rule, the historical cost method is used. Current assets are measured at the lower of acquisition cost or market value. Non-current assets are recognised at acquisition cost minus required depreciation. The same valuation principles apply to all consolidated companies.

Cash and cash equivalents

The cash and cash equivalents comprise fixed deposits and money market placements with a remaining term to maturity of less than 90 days.

Securities

The securities comprise marketable securities that are recognised in the balance sheet at the stock price as of 31 December.

Receivables

Identifiable and actual losses are charged to the income statement as individual allowances in the year in which they occur. Based on previous experience, the impairment for doubtful debts equals an additional 1 percent of the accounts receivable. The total impairment amount is disclosed in the notes.

Inventories

The inventories are valued at acquisition and production cost according to the first-in first-out (FIFO) method. Inventories with a very long maturation period are measured at the moving average cost for procurement. Any impairment loss on the purchase cost is taken into account. Warehousing risks that can be identified are also taken into account.

Other financial assets

Other financial assets comprise non-listed securities that are recognised in the balance sheet at the lower of acquisition cost or market value.

Tangible assets

Tangible assets are measured at acquisition cost less rebates, refunds and discounts received. Depreciation is calculated using the straight-line method over the useful life of the asset. Impairments are recognised in the corresponding period.

Useful life of tangible assets	in years
Production and administration buildings	30–40
Machines and equipment	8–10
Installations	10–15
Vehicles	3–7
Furniture	5–10
IT hardware	4

Assets under finance leases are capitalised and depreciated over their regular useful lives. The corresponding liabilities are listed under “Financial liabilities”. As part of major projects, self-produced tangible assets can be capitalised if the expenses incurred can be separately recorded and measured and the fixed assets can be used for several years.

Within the framework of mergers and acquisitions the non-current assets are revalued at their current values. In this, the cumulative purchase price and the cumulative depreciation of the acquired assets are determined. In a next step, significant revaluations and devaluations of the individual assets are made to their current value. In a final step the cumulative depreciations are adjusted in a way that the acquired assets are valued from a net perspective at the current value on the transfer date. Taking into account the remaining useful life, the depreciation period is adjusted to the Bell Food Group valuation principles. The acquired assets are disclosed on a gross basis in the corresponding notes.

Intangible assets

Intangible assets comprise software, accrued costs and prepayments, acquired trademarks and goodwill. They are capitalised if they are clearly identifiable, their costs can be reliably measured and they yield a measurable profit for Bell Food Group over several years. Intangible assets are measured at acquisition cost less rebates, refunds and discounts received. Amortisation is calculated using the straight-line method over the useful life of the asset. Goodwill positions are amortised over a maximum of 15 years in justified cases. Fully amortised goodwill is derecognised in the subsequent period.

Useful life of intangible assets	in years
Software	4
Trademarks	8
Goodwill	8–15

Impairment

The recoverability of non-current assets is subject to an annual assessment if there are indications of impairment. The recoverable amount is calculated using a discounted cash flow (DCF) model and taking into account updated assumptions from the multi-year plan regarding the expected business trend. If the carrying amount exceeds the recoverable amount, an impairment is recognised in the income statement.

Liabilities and accruals

Trade payables, other liabilities and accruals are recognised at nominal value.

Financial liabilities

Financial liabilities are recognised at nominal value. Any financing costs are capitalised and reversed through the income statement over the term of the financial liability.

Provisions

A provision is recognised if the obligation is a present legal or constructive obligation that relates to a past event and will probably result in an outflow of resources. The amount of the obligation must be reliably estimable. If the occurrence of a present obligation is unlikely, the obligation is reported as a contingent liability in the notes to the consolidated financial statements.

Deferred income taxes

Deferred income taxes are based on a balance sheet point of view, taking into account all future income tax effects. They are recognised according to the "liability method" on all differences between Swiss GAAP FER values and the book values for taxation purposes. Deferred income tax assets and liabilities are offset if they relate to the same taxable entity. The change in deferred taxes is recognised in the income statement. No deferred tax assets are recognised for loss carry forwards. The amount to be accrued annually is calculated on the basis of the future tax rate applicable to the respective taxable entity on the balance sheet date. The applicable tax rates for the Bell Food Group are as follows:

	2021	2020
Switzerland	14.00 %	14.00 %
Liechtenstein	12.50 %	12.50 %
Germany	30.00 %	30.00 %
France	28.00 %	28.00 %
Austria	25.00 %	25.00 %
Other countries	25.00 %	25.00 %

Pension liabilities

Bell Food Group provides pension plans for the majority of its personnel in compliance with the respective country-specific legal provisions. The plans cover the economic consequences of old age, death or disability. Most pension plans are financed through employer and employee contributions. Pension contributions are calculated as a percentage of the insured salary. Changes in the employer's contribution reserves as well as any economic impact of surpluses or deficits of pension schemes are recorded as personnel expenses. An economic benefit is not capitalised.

Capital reserves

Capital reserves are disclosed separately in equity. Transaction results, dividends on treasury shares, transactions with minorities and distribution from reserves from capital contributions of the Bell Food Group Ltd are allocated to this equity position. In addition, share premium and the costs associated with the capital increases are shown in the capital reserves.

Net revenue and realisation of income

Net revenue includes all income from the sale of meat, fish, poultry and convenience products (sale of goods) as well as income from the sale of slaughter products and by-products, logistics services for closely related parties and other income. Sales deductions, rebates, cash discounts and refunds to customers are deducted from the gross income. The income is recognised with the transfer of ownership rights and risks to the purchaser. In the case of logistics services, these are intermediary services for which only the value of the services actually rendered is reported as net revenue.

Events after the reporting period

There were no events after the balance sheet date requiring disclosures.

Notes to the consolidated financial statements

1. Cash and cash equivalents

in CHF million	31.12.2021	Share	31.12.2020	Share
Cash	0.2	0.1 %	0.2	0.1 %
Cash in banks	185.1	99.9 %	178.3	99.9 %
Fixed deposits	–	–	–	–
Cash and cash equivalents	185.3	100.0 %	178.5	100.0 %

Cash and cash equivalents by currency

	31.12.2021	Share	31.12.2020	Share
CHF	145.6	78.6 %	118.8	66.5 %
EUR	32.6	17.6 %	52.6	29.4 %
Other currencies	7.1	3.9 %	7.2	4.0 %
Cash and cash equivalents by currency	185.3	100.0 %	178.5	100.0 %

2. Trade accounts receivable

in CHF million	31.12.2021	Share	31.12.2020	Share
Trade accounts receivable	373.2	101.6 %	390.5	101.7 %
Valuation adjustment	–5.8	–1.6 %	–6.6	–1.7 %
Trade accounts receivable	367.4	100.0 %	383.9	100.0 %

3. Other current receivables

in CHF million	31.12.2021	Share	31.12.2020	Share
Income taxes	1.9	3.1 %	0.7	1.1 %
Others	57.2	96.9 %	62.3	98.9 %
Other current receivables	59.0	100.0 %	63.0	100.0 %

4. Inventories

in CHF million	31.12.2021	Share	31.12.2020	Share
Raw materials and finished goods	378.2	85.1 %	357.3	84.0 %
Auxiliary materials	81.3	18.3 %	81.1	19.1 %
Valuation adjustment	–15.3	–3.4 %	–13.3	–3.1 %
Inventories	444.2	100.0 %	425.2	100.0 %

5. Accrued income and prepaid expenses

in CHF million	31.12.2021	Share	31.12.2020	Share
Income taxes	0.2	0.8 %	0.1	0.6 %
Employees	1.6	7.7 %	3.0	15.3 %
Others	18.7	91.5 %	16.3	84.1 %
Accrued income and prepaid expenses	20.4	100.0 %	19.4	100.0 %

6. Other current liabilities

in CHF million	31.12.2021	Share	31.12.2020	Share
Income taxes	16.2	57.1 %	12.7	41.2 %
Dividend	0.0	0.0 %	0.0	0.0 %
Others	12.1	42.8 %	18.1	58.8 %
Other current liabilities	28.3	100.0 %	30.9	100.0 %

7. Accrued expenses and deferred income

in CHF million	31.12.2021	Share	31.12.2020	Share
Income taxes	15.8	9.1 %	15.9	10.0 %
Employees	50.9	29.5 %	48.1	30.4 %
Others	105.9	61.4 %	94.2	59.5 %
Accrued expenses and deferred income	172.5	100.0 %	158.2	100.0 %

8. Financial assets

in CHF million	Investments in associated companies	Loans	Assets from pension funds	Deferred tax assets	Other financial assets	Total
Net carrying amount as of 01.01.2021	54.5	2.4	–	–	9.7	66.6
Changes in scope of consolidation	–	–	–	–	–	–
Investments	–	–	–	–	0.0	0.0
Divestments/dividends from associated companies	–0.4	–0.4	–	–	0.0	–0.8
Revaluation	3.8	–0.0	–	–	0.0	3.8
Reclassification	–	–	–	–	–0.8	–0.8
Currency translation differences	–0.0	–0.0	–	–	–0.0	–0.1
Net carrying amount as of 31.12.2021	57.9	1.9	–	–	8.8	68.7
Net carrying amount as of 01.01.2020	51.6	2.9	–	–	2.5	57.0
Changes in scope of consolidation	–	–	–	–	–	–
Investments	0.3	–	–	–	7.2	7.5
Divestments/dividends from associated companies	–0.4	–0.4	–	–	–0.0	–0.8
Revaluation	3.0	–0.1	–	–	–	3.0
Reclassification	–	–	–	–	–	–
Currency translation differences	0.0	–0.0	–	–	–0.0	0.0
Net carrying amount as of 31.12.2020	54.5	2.4	–	–	9.7	66.6

Notes to the consolidated financial statements

9. Intangible assets

in CHF million	Goodwill	Trademarks, patents and licences	Software	Prepayments and accumula- ted costs	Other intangible assets	Total
Net carrying amount as of 01.01.2021	190.3	3.1	20.0	18.9	1.2	233.5
Acquisition value as of 01.01.2021	301.7	14.5	87.6	18.9	2.6	425.2
Changes in scope of consolidation	–	–	–	–	–	–
Investments	–	0.0	5.5	13.0	0.0	18.5
Divestment/discontinuation	–13.5	–0.1	–4.6	–0.5	–	–18.7
Reclassification	–	0.9	6.0	–5.1	0.1	2.0
Currency translation differences	–5.1	–0.4	–1.3	–0.6	–0.1	–7.4
Acquisition value as of 31.12.2021	283.1	15.0	93.3	25.7	2.6	419.7
Cumulative depreciation as of 01.01.2021	111.5	11.3	67.6	–	1.3	191.7
Changes in scope of consolidation	–	–	–	–	–	–
Depreciation	25.3	0.4	7.8	–	0.1	33.5
Extraordinary depreciation	–	–	–	–	–	–
Cumulative depreciation on divestment/discontinuation	–13.5	–0.0	–4.6	–	–	–18.1
Reclassification	–	–	–	–	–	–
Currency translation differences	–2.5	–0.5	–1.0	–	–0.0	–4.0
Cumulative depreciation as of 31.12.2021	120.8	11.2	69.7	–	1.4	203.1
Net carrying amount as of 31.12.2021	162.4	3.7	23.5	25.7	1.2	216.5
Net carrying amount as of 01.01.2020	216.7	3.5	23.9	3.6	0.7	248.5
Acquisition value as of 01.01.2020	301.7	14.6	85.6	3.6	2.0	407.6
Changes in scope of consolidation ¹	0.6	–	–	–	–	0.6
Investments	–	0.0	4.1	13.6	0.7	18.4
Divestment/discontinuation	–	–0.0	–4.0	–0.1	–0.0	–4.2
Reclassification	–	0.0	2.0	1.8	–0.1	3.7
Currency translation differences	–0.6	–0.1	–0.2	0.1	–0.0	–0.8
Acquisition value as of 31.12.2020	301.7	14.5	87.6	18.9	2.6	425.2
Cumulative depreciation as of 01.01.2020	84.9	11.1	61.7	–	1.3	159.0
Changes in scope of consolidation	–	–	–	–	–	–
Depreciation	26.6	0.4	7.8	–	0.0	34.9
Extraordinary depreciation	–	–	–	–	–	–
Cumulative depreciation on divestment/discontinuation	–	–0.0	–3.7	–	–0.0	–3.7
Reclassification	–	–0.0	1.9	–	–0.0	1.9
Currency translation differences	–0.1	–0.1	–0.2	–	–0.0	–0.4
Cumulative depreciation as of 31.12.2020	111.5	11.3	67.6	–	1.3	191.7
Net carrying amount as of 31.12.2020	190.3	3.1	20.0	18.9	1.2	233.5

¹ In 2020, Pulyka GmbH was acquired. The acquisition resulted in a goodwill of CHF 0.6 million.

In the financial year 2021, own work amounting to CHF 5.9 million (previous year: CHF 3.8 million) was capitalized in intangible assets.

10. Tangible assets

in CHF million	Undeveloped land	Land and buildings	Installations	Machinery and equipment	Prepayments/assets under construction	Other tangible assets	Total
Net carrying amount as of 01.01.2021	17.1	657.0	120.7	320.6	198.1	59.3	1 372.8
Acquisition value as of 01.01.2021	17.1	1 248.9	369.3	1 006.5	198.1	219.8	3 059.8
Changes in scope of consolidation	–	–	–	–	–	–	–
Investments	0.1	21.1	6.8	32.9	147.9	13.7	222.5
Divestment/discontinuation	–	–3.2	3.0	–22.0	–0.5	–12.4	–35.3
Reclassification	–3.8	80.6	7.9	36.8	–128.7	5.2	–2.0
Currency translation differences	–0.6	–20.3	–1.0	–17.1	–1.8	–3.5	–44.2
Acquisition value as of 31.12.2021	12.9	1 327.1	386.1	1 037.0	215.0	222.8	3 200.9
Cumulative depreciation as of 01.01.2021	–	591.9	248.7	685.9	–	160.5	1 687.0
Changes in scope of consolidation	–	–	–	–	–	–	–
Depreciation	–	33.6	18.6	56.9	–	19.7	128.8
Extraordinary depreciation	–	–	–	1.0	–	–	1.0
Cumulative depreciation on divestment/discontinuation	–	–3.2	–0.7	–18.0	–	–11.8	–33.7
Reclassification	–	0.5	–0.1	–0.4	–	–0.0	–
Currency translation differences	–	–5.7	–0.5	–9.0	–	–2.0	–17.2
Cumulative depreciation as of 31.12.2021	–	617.1	266.0	716.5	–	166.5	1 766.0
Net carrying amount as of 31.12.2021	12.9	710.0	120.1	320.5	215.0	56.3	1 434.9
Finance lease included in the net carrying amount	–	–	–	0.1	–	0.0	0.1
Net carrying amount as of 01.01.2020	17.0	674.4	110.7	312.0	129.9	58.7	1 302.6
Acquisition value as of 01.01.2020	17.0	1 255.3	348.4	978.7	129.9	210.1	2 939.2
Changes in scope of consolidation	–	–	–	0.0	–	0.1	0.2
Investments	–	18.1	14.8	41.2	121.5	16.0	211.7
Divestment/discontinuation	–	–25.1	–4.4	–37.0	–1.2	–9.8	–77.5
Reclassification	0.2	4.9	10.6	28.1	–51.5	4.1	–3.7
Currency translation differences	–0.1	–4.2	–0.0	–4.5	–0.6	–0.7	–10.1
Acquisition value as of 31.12.2020	17.1	1 248.9	369.3	1 006.5	198.1	219.8	3 059.8
Cumulative depreciation as of 01.01.2020	–	580.8	237.7	666.7	–	151.4	1 636.6
Changes in scope of consolidation	–	–	–	0.0	–	0.1	0.1
Depreciation	–	30.3	18.7	55.3	–	19.1	123.4
Extraordinary depreciation	–	1.4	–	0.5	–	–	1.8
Cumulative depreciation on divestment/discontinuation	–	–19.5	–4.4	–34.4	–	–9.9	–68.2
Reclassification	–	0.3	–3.3	0.7	–	0.4	–1.9
Currency translation differences	–	–1.4	–0.1	–2.8	–	–0.6	–4.9
Cumulative depreciation as of 31.12.2020	–	591.9	248.7	685.9	–	160.5	1 687.0
Net carrying amount as of 31.12.2020	17.1	657.0	120.7	320.6	198.1	59.3	1 372.8
Finance lease included in the net carrying amount	–	–	–	0.4	–	0.0	0.5

In the financial year 2021, own work amounting to CHF 4.5 million (previous year: CHF 4.9 million) was capitalized in tangible assets.

Notes to the consolidated financial statements

11. Financial liabilities

in CHF million	31.12.2021	Share	31.12.2020	Share
Current accounts	4.9	0.6 %	4.7	0.5 %
Current bank loans	15.1	1.7 %	1.0	0.1 %
Leasing liabilities	0.0	0.0 %	0.1	0.0 %
Bonds	175.0	20.2 %	–	–
Current financial liabilities	195.0	22.5 %	5.8	0.7 %
Non-current bank loans	22.7	2.6 %	37.8	4.3 %
Leasing liabilities	0.0	0.0 %	0.1	0.0 %
Bonds	650.0	74.9 %	825.0	95.0 %
Non-current financial liabilities	672.7	77.5 %	862.8	99.3 %
Financial liabilities	867.7	100.0 %	868.7	100.0 %
Maturity structure of financial liabilities				
Due within one year	195.0	22.5 %	5.8	0.7 %
Due within two years	20.7	2.4 %	190.1	21.9 %
Due within three years or later	652.0	75.1 %	672.7	77.4 %
Financial liabilities	867.7	100.0 %	868.7	100.0 %
Financial liabilities by currency				
CHF	867.1	99.9 %	867.5	99.9 %
EUR	0.6	0.1 %	1.1	0.1 %
Other currencies	0.0	0.0 %	0.0	0.0 %
Financial liabilities	867.7	100.0 %	868.7	100.0 %
Interest rates				
Bank loans	0.65%–2.15%		0.53%–3.10%	
Leasing liabilities	1.75%–2.50%		1.75%–5.00%	

Bonds

Bond type	Bond with reopening option
Nominal amount	CHF 175 million
Securities number	21 226 733 / ISIN CH0212267337
Interest rate	1.750 percent
Term	9 years
Maturity	16 May 2022 at nominal value

Bond type	Bond with reopening option
Nominal amount	CHF 200 million
Securities number	39 867 890 / ISIN CH0398678901
Interest rate	0.375 percent
Term	6 years
Maturity	1 February 2024 at nominal value

Bond type	Bond with reopening option
Nominal amount	CHF 300 million
Securities number	31 251 268 / ISIN CH0312512681
Interest rate	0.625 percent
Term	9 years
Maturity	24 March 2025 at nominal value

Bond type	Bond with reopening option
Nominal amount	CHF 150 million
Securities number	39 867 891 / ISIN CH0398678919
Interest rate	0.750 percent
Term	10 years
Maturity	1 February 2028 at nominal value

Notes to the consolidated financial statements

12. Provisions

in CHF million	Employee benefits	Deferred taxes	Contingent purchase price payments	Restructuring	Other provisions	Total
Provisions as of 01.01.2021	21.2	53.0	10.2	–	22.8	107.3
Changes in scope of consolidation	–	–	–	–	–	–
Creation	1.8	4.0	–	1.1	4.5	11.3
Release/utilisation	–2.2	–4.9	–10.0	–	–4.8	–21.9
Reclassification	–	–	–	–	–	–
Currency translation differences	–0.3	–0.3	–0.0	–	–0.4	–1.0
Provisions as of 31.12.2021	20.5	51.8	0.2	1.1	22.1	95.7
Current	1.1	–	0.2	1.1	5.8	8.2
Non-current	19.3	51.8	–	–	16.3	87.5
Provisions as of 01.01.2020	20.8	59.4	10.3	1.6	18.6	110.8
Changes in scope of consolidation	–	–	–	–	–	–
Creation	2.4	1.0	0.2	–	6.7	10.2
Release/utilisation	–1.9	–7.3	–0.3	–1.6	–2.4	–13.6
Reclassification	–	–	–	–	–	–
Currency translation differences	–0.0	–0.0	0.0	–0.0	–0.0	–0.2
Provisions as of 31.12.2020	21.2	53.0	10.2	–	22.8	107.3
Current	1.0	–	10.0	–	6.2	17.2
Non-current	20.2	53.0	0.2	–	16.6	90.1

Employee benefits

The provisions for employee benefits correspond to the economic share (liability) of the Bell Food Group on the corresponding balance sheet date in accordance with note 16 – Employee benefits.

Contingent purchase price payments

Contingent purchase price payments are related to acquisitions.

Restructuring

The restructuring provision is related to the closure of the Eisberg site in Villigen.

Other provisions

Provisions for seniority gifts represent the majority of the other provisions. The calculation is company-specific and takes into account various uncertainty factors.

13. Acquisition/disposal of companies and parts of companies

2021

No company acquisitions or sales took place in the financial year of 2021.

2020

The following significant transactions were carried out in the financial year:

In the 2020 financial year, various asset deals took place in the Bell International business area for the purpose of reorganization. These include the sale of the production plant in Saint-André (FR) as of 30 June 2020, the sale of the logistics activities of Bell Benelux (BE) as of 31 August 2020, the sale of the production activities of Abraham Benelux (BE) as of 30 October 2020, and the sale of the plant in Perbal (HU) as of 28 October 2020. In total, assets with a residual carrying amount of approximately CHF 8.7 million were derecognised and a gain on sale of fixed assets of CHF 4.7 million was realised. However, this gain is offset by costs and warranty provisions in connection with the asset deals, so the net effect on the result is immaterial. Until 31 December 2020, a total of approximately 210 employees have been taken over by the purchasing parties. A further 70 employees have been transferred from Saint-André to Isla Délice as of 28 February 2021.

Notes to the consolidated financial statements

14. Net revenue

in CHF million	2021	Share	2020	Share
Sales by country				
Switzerland, Liechtenstein	2 721.7	65 %	2 643.7	65 %
Germany	764.4	18 %	735.1	18 %
Austria	259.2	6 %	234.0	6 %
France	132.5	3 %	139.0	3 %
Poland	77.9	2 %	69.9	2 %
Benelux	62.5	1 %	60.6	1 %
Hungary	43.3	1 %	43.6	1 %
Spain	31.9	1 %	39.5	1 %
Great Britain	30.8	1 %	33.8	1 %
Czech Republic	20.1	0 %	18.2	0 %
Romania	18.7	0 %	15.9	0 %
Italy	9.4	0 %	7.7	0 %
Other countries	28.6	1 %	33.2	1 %
Sales by country	4 201.0	100 %	4 074.3	100 %
Sales by product group				
Fresh meat	922.0	22 %	898.2	22 %
Charcuterie	954.6	23 %	1 001.5	25 %
Poultry	934.7	22 %	882.3	22 %
Seafood	230.4	5 %	209.2	5 %
Convenience	1 140.9	27 %	1 066.9	26 %
Other sales	18.4	0 %	16.2	0 %
Sales by product group	4 201.0	100 %	4 074.3	100 %
Reconciliation to net revenue				
Other revenue	60.8		55.6	
Sales deductions	-110.2		-110.4	
Net revenue	4 151.6		4 019.4	

15. Segment reporting

		Bell Switzerland	Bell International	Convenience	Consolidation	Bell Food Group
2021						
Volume	in million kg	127.5	208.8	208.3	-7.0	537.6
Sales	in CHF million	2 125.4	1 002.2	1 136.6	-63.2	4 201.0
Operating investments ¹	in CHF million	111.4	26.3	103.3	-	241.0
Headcount	FTE	3 571	3 529	5 233	-	12 333
2020						
Volume	in million kg	126.6	206.8	197.9	-4.6	526.7
Sales	in CHF million	2 079.7	977.6	1 062.0	-45.1	4 074.3
Operating investments ¹	in CHF million	78.1	38.6	112.7	-	229.4
Headcount	FTE	3 504	3 469	5 070	-	12 043

1 Investments in tangible assets / software

Notwithstanding the complementary recommendation for listed companies (Swiss GAAP ARR 31), the Board of Directors of Bell Food Group Ltd will not publish any detailed segment results in the interest of the company for the following reasons:

1. Conclusions about price structure

The product range of the Bell Food Group is differentiated according to segment. Whilst in the Bell Switzerland segment a broad range of fresh meat, poultry, seafood and charcuterie is marketed, the range in the other segments is restricted to the following specific groups of goods: charcuterie, poultry and convenience. It would be easy to draw conclusions about the price structure in these groups of goods if segment results were published. This would be a considerable competitive disadvantage for the Bell Food Group.

2. Damage to negotiating position

The European market is characterised by a small number of market players in the procurement and sales market. At the same time there are a number of processors/producers. The Bell Food Group is one of the few companies in the sector that publishes their results and financial figures. The disclosure of detailed segment results would result in a clear weakening of the Bell Food Group's negotiating position with buyers and suppliers in comparison with the competitors.

Notes to the consolidated financial statements

16. Personnel expenses

in CHF million	2021	2020
Wages and salaries	548.8	526.0
Social contribution	90.9	87.0
Pension expenses	37.3	37.8
Third-party wages	132.0	133.3
Other personnel expenses	13.8	15.1
Personnel expenses	822.7	799.1

Employee benefits

in CHF million	Excess/ insufficient cover	Economic share of the Bell Food Group		Change from previous year		Contributions related to the period	Pension expenses in personnel expenses	
		31.12.2021	31.12.2020	not affecting profit ² 2021	affecting profit 2021		2021	2020
Company's pension fund foundation	-	-	-	-	-	-	-	-
Pension schemes w/o excess/insufficient cover	-	-	-	-	-	10.8	10.8	10.6
Pension schemes with excess cover ¹	15.6	-	-	-	-	25.6	25.6	25.7
Pension schemes with insufficient cover	-	-	-	-	-	-	-	-
Pension schemes w/o assets	-	-20.5	-21.2	-1.7	1.0	-	1.0	1.5
Employee benefits	15.6	-20.5	-21.2	-1.7	1.0	36.3	37.3	37.8

¹ As the annual financial statements of the pension funds according to Swiss GAAP ARR 26 as at 31 December 2021 were not yet available at the time of preparation of this annual report, the excess cover was either derived from the last available financial statements or an estimate of the excess cover was made together with the pension fund. An economic benefit is not capitalised.

² Payments, currency conversions and changes in scope of consolidation

17. Financial result

in CHF million	2021	2020
Interest income	0.4	0.4
Income (+)/loss (-) from securities	0.1	0.2
Income (+)/loss (-) from foreign currency transactions	-4.0	-3.4
Income (+)/loss (-) from sale of investments	-	-
Other financial expenses	-1.2	-1.2
Interest expenses	-7.4	-7.6
Financial result	-12.1	-11.6

18. Taxes

in CHF million	2021	2020
Paid taxes and changes in tax liabilities	27.6	34.7
Changes in deferred taxes with impact on profit or loss	-0.9	-6.4
Taxes	26.7	28.3
Reported earnings before taxes (EBT)	154.1	147.0
Weighted Group tax rate	16.0%	17.9%
Expected tax expense	24.7	26.2
Influence of non-tax-deductible expenses	3.3	4.6
Effect of non-capitalisation of loss carryforwards	8.3	12.3
Utilisation of non-capitalised loss carryforwards	-0.4	-0.7
Influence of different tax rates	-6.6	-10.7
Adjustment deferred taxes	-	-5.5
Income taxes relating to other periods and other income taxes	-2.7	2.1
Reported income tax expense	26.7	28.3

Tax assets from losses carried forward are not capitalised in the Bell Food Group. The deferred tax assets for unused tax losses carried forward amount to CHF 68.0 million as of 31 December 2021 (previous year: CHF 66.2 million).

Adjustment deferred taxes

In 2020, an intra-group refinancing took place, therefore deferred taxes in the amount of CHF 5.8 million on intercompany loans were reversed.

Notes to the consolidated financial statements

19. Treasury shares

in CHF million	Number in pieces		Value	
	2021		2020	
Balance as of 01.01.	7 637	2.2	11 037	3.3
Acquisitions	9 150	2.2	5 000	1.2
Disposals	-8 745	-2.3	-8 400	-2.4
Balance as of 31.12.	8 042	2.1	7 637	2.2

The purchases of treasury shares were settled at an average transaction price of CHF 237.50 (previous year: CHF 249.97). The average transaction price of the disposals amounted to CHF 257.78 (previous year: CHF 286.06).

20. Earnings per share

	2021	2020
Number of shares as of 31.12.	6 285 712	6 285 712
Average time-weighted number of outstanding shares	6 272 002	6 274 889
Annual profit	127 356	118 640
Earnings per share	20.31	18.91

in CHF thousands

in CHF, diluted and undiluted

For the calculation of the earnings per share, the treasury shares are not considered. No options, convertible bonds or similar are outstanding. Therefore there is no difference between the diluted and undiluted ratio.

21. Transactions with related parties

Transactions with:	Related companies of Coop Group		Other related companies		Total	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020	31.12.2021	31.12.2020
in CHF million						
Balance sheet						
Trade accounts receivable	129.0	140.1	0.2	0.2	129.2	140.3
Other current receivables	-	-	-	-	-	-
Accrued income and prepaid expenses	-	-	-	-	-	-
Financial assets	-	-	-	-	-	-
Trade accounts payable	3.9	6.4	2.4	2.8	6.3	9.2
Other current liabilities	-	-	-	-	-	-
Accrued expenses and deferred income	9.5	14.6	-	-	9.5	14.6
Financial liabilities	-	-	-	-	-	-
Income statement						
	2021	2020	2021	2020	2021	2020
Net revenue	2 095.5	2 060.2	8.5	8.7	2 104.0	2 068.9
Cost of goods sold	38.3	30.7	7.7	7.7	46.0	38.4
Personnel expenses	1.7	1.7	-	-	1.7	1.7
Rents	8.4	8.1	-	-	8.4	8.1
Energy, auxiliary materials	2.5	2.2	-	-	2.5	2.2
Repair and maintenance	2.4	2.8	-	-	2.4	2.8
Transport	0.7	0.7	-	-	0.7	0.7
Advertising	5.6	5.9	-	-	5.6	5.9
Other operating expenses	4.4	3.1	-0.1	-0.1	4.3	3.0
Financial result	-	-0.0	-	-	-	-0.0
Dividends						
	2021	2020	2021	2020	2021	2020
Dividends received	-	-	0.4	0.4	0.4	0.4
Dividends paid	-27.1	-22.9	-	-	-27.1	-22.9

Description of transactions with companies of the Coop Group

There is a supply and purchase agreement with Coop. The contract is valid for an indefinite period and can be terminated at the end of any year by giving twelve months' notice. The supply of products to Coop is carried out at market conditions in consideration of Coop's purchase volume. Sales reductions include a bonus based on volume and sales figures, which is agreed annually in advance by means of a business plan.

Description of transactions with other related companies

In the column "Other related companies" all transactions with companies are disclosed for which either Bell Food Group or Coop Group have a participation between 20 and 50 percent and therefore a significant influence.

Notes to the consolidated financial statements

22. Non-current and contingent liabilities

in CHF million	31.12.2021	31.12.2020
Unrecognised leasing liabilities	2.3	3.0
Due within one year	1.4	1.5
Due within two years	0.7	0.9
Due within three years or later	0.3	0.6
Obligations from long-term contracts with third parties	53.6	59.0
Due within one year	7.8	8.6
Due within two years	7.0	8.4
Due within three years or later	38.7	42.1
Obligations from long-term contracts with related companies	4.7	4.7
Due within one year	0.5	0.5
Due within two years	0.5	0.5
Due within three years or later	3.8	3.8
Total amount of guarantees, warranties and pledges in favour of third parties	0.2	0.2
Total amount of mortgaged assets at book values	14.6	15.6
Contingent liabilities¹	7.0	7.0

¹ The Bell Food Group is involved in legal proceedings and investigations related to the business operations. As of the balance sheet date, the Bell Food Group assumes that significant negative financial implications for the company are unlikely. Therefore no provisions were recognised.

23. Derivative financial instruments

in CHF million	Contract value		Positive replacement value		Negative replacement value	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Underlying						
	Purpose					
Foreign currencies	Hedging	46.5	-	-	-	-
Derivative financial instruments		46.5	-	-	-0.6	-
of which recognised in balance sheet		-	-	-	-	-

24. Significant shareholdings of the Bell Food Group

Below, all significant shareholdings of the Bell Food Group are listed. Inactive companies or certain companies with insignificant impact on the consolidated balance sheet (share of the assets smaller than 2%) or consolidated income statement (share of the annual profit smaller than 2%) are not listed.

in million						Group share in % as of 31.12.	
Company	Domicile	Sphere of activity		Capital stock as of 31.12.2021		2021	2020
Bell Switzerland							
Bell Schweiz AG	Basel (CH)	Fresh meat, charcuterie, poultry, seafood	■	CHF 20.0		100.0%	100.0%
Geiser AG	Schlieren (CH)	Fresh meat, charcuterie	■	CHF 0.5		100.0%	100.0%
Bell International							
Bell Deutschland Holding GmbH	Seevetal (DE)	Management	■	EUR 0.0		100.0%	100.0%
Bell Deutschland GmbH & Co. KG	Seevetal (DE)	Charcuterie	■	EUR 1.0		100.0%	100.0%
Bell Production Services GmbH & Co. KG	Seevetal (DE)	Charcuterie	■	EUR 0.5		100.0%	100.0%
Bell Schwarzwälder Schinken GmbH	Schiltach (DE)	Charcuterie	■	EUR 0.0		100.0%	100.0%
Bell España Alimentación S.L.U.	Casarrubios del Monte (ES)	Charcuterie	■	EUR 0.6		100.0%	100.0%
Abraham Benelux S.A.	Libramont-Chevigny (BE)	Charcuterie	■	EUR 1.3		100.0%	100.0%
Bell Verwaltungs GmbH	Seevetal (DE)	Management	■	EUR 0.0		100.0%	100.0%
Interfresh Food GmbH	Seevetal (DE)	Management	■	EUR 0.1		100.0%	100.0%
Bell Benelux Holding N.V. ¹	Zellik (BE)	Management	■			merged	100.0%
Bell Benelux N.V.	Zellik (BE)	Trade	■	EUR 0.6		100.0%	100.0%
Bell Nederland B.V.	Breda (NL)	Trade	■	EUR 2.7		100.0%	100.0%
Bell Logistics N.V. ²	Zellik (BE)	Logistics	■			merged	100.0%
Bell France Holding SAS	Teilhède (FR)	Management	■	EUR 20.0		100.0%	100.0%
Bell France SAS	St-André-sur-Vieux-Jonc (FR)	Charcuterie	■	EUR 1.2		100.0%	100.0%
Salaison Polette & Cie SAS ³	Teilhède (FR)	Charcuterie	■			merged	100.0%
Maison de Savoie SAS ³	Aime (FR)	Charcuterie	■			merged	100.0%
Le Saloir de Mirabel SARL ³	Riom (FR)	Charcuterie	■			merged	100.0%
Le Saloir de Virieu SAS ³	Virieu-le-Grand (FR)	Charcuterie	■			merged	100.0%
Val de Lyon SAS ³	St-Symphorien-sur-Coise (FR)	Charcuterie	■			merged	100.0%
H.L. Verwaltungs-GmbH	Pfaffstätt (AT)	Management	■	EUR 0.3		100.0%	100.0%
Hubers Landhendl GmbH	Pfaffstätt (AT)	Poultry	■	EUR 0.1		100.0%	100.0%
Süddeutsche Truthahn AG	Ampfing (DE)	Poultry	■	EUR 6.2		100.0%	100.0%
Brütere Schlierbach GmbH	Pettenbach (AT)	Poultry	■	EUR 0.6		95.0%	95.0%
Frisch Express GmbH	Pfaffstätt (AT)	Logistics	■	EUR 0.0		100.0%	100.0%
VTE-Beteiligungs GmbH + Co. KG	Ampfing (DE)	Management	■	EUR 3.3		100.0%	100.0%
Bell Polska Sp. z o.o.	Niepołomice (PL)	Charcuterie	■	PLN 10.0		100.0%	100.0%
ZIMBO Perbál Húsiipari Termelő Kft.	Perbál (HU)	Charcuterie	■	HUF 400.0		100.0%	99.8%

- Fully consolidated
○ Consolidation at equity

1 Merger of Bell Benelux of Holding N.V. with Abraham Benelux S.A. by 1 January 2021.
2 Merger of Bell Logistics N.V. with Abraham Benelux S.A. by 1 January 2021.
3 Merger of the operational Bell France companies into Bell France SAS by 1 January 2021

Notes to the consolidated financial statements

24. Significant shareholdings of the Bell Food Group (continuation)

Company	Domicile	Sphere of activity		Capital stock as of 31.12.2021	Group share in % as of 31.12.	
					2021	2020
Convenience						
Hilcona Aktiengesellschaft	Schaan (LI)	Convenience	■	CHF 1.0	100.0%	100.0%
Hilcona Gourmet S.A.	Orbe (CH)	Convenience	■	CHF 0.6	100.0%	100.0%
Hilcona Feinkost GmbH	Leinfelden-Echterdingen (DE)	Convenience	■	EUR 0.0	100.0%	100.0%
Hilcona Holding AG ⁴	Zug (CH)	Management	■		merged	100.0%
Eisberg Holding AG	Dänikon (CH)	Management	■	CHF 0.7	100.0%	100.0%
Eisberg AG	Dällikon (CH)	Convenience	■	CHF 0.1	100.0%	100.0%
Eisberg Österreich GmbH	Marchtrenk (AT)	Convenience	■	EUR 0.1	100.0%	100.0%
Eisberg Hungary Kft.	Gyál (HU)	Convenience	■	HUF 167.0	100.0%	100.0%
Eisberg Spolka z o.o.	Legnica (PL)	Convenience	■	PLN 3.5	100.0%	100.0%
Eisberg srl	Pantelimon (RO)	Convenience	■	RON 0.4	100.0%	100.0%
E.S.S.P. España 2000 SL	Aguilas (ES)	Convenience	■	EUR 0.0	100.0%	100.0%
Sylvain & CO SA	Champvent (CH)	Convenience	■	CHF 0.1	100.0%	100.0%
Hügli Holding AG	Steinach (CH)	Management	■	CHF 0.5	100.0%	100.0%
Hügli Nahrungsmittel AG	Steinach (CH)	Convenience	■	CHF 1.1	100.0%	100.0%
Hügli Nahrungsmittel Erzeugung Ges.mbH	Hard (AT)	Convenience	■	EUR 0.8	100.0%	100.0%
Hügli Nahrungsmittel GmbH	Radolfzell (DE)	Convenience	■	EUR 25.5	100.0%	100.0%
Granovita S.A.	La Vall d'Uixó (ES)	Convenience	■	EUR 0.5	100.0%	100.0%
Hügli UK Ltd.	Redditch (UK)	Convenience	■	GBP 0.0	100.0%	100.0%
Bresc B.V.	Sleeuwijk (NL)	Convenience	■	EUR 0.0	100.0%	100.0%
Ali-Big Industria Alimentare s.r.l.	Brivio (IT)	Convenience	■	EUR 0.1	100.0%	100.0%
Hügli Food s.r.o.	Zásmuky u Kolína (CZ)	Convenience	■	CZK 80.0	100.0%	100.0%
Hügli Food Élelmiszeripari Kft.	Budapest (HU)	Convenience	■	HUF 3.0	100.0%	100.0%
Hügli Food Polska sp. z o.o.	Lódz (PL)	Convenience	■	PLN 0.1	100.0%	100.0%
Hügli Food Slovakia s.r.o.	Trnava (SK)	Convenience	■	EUR 0.0	100.0%	100.0%
Investments in associated companies						
Centravo Holding AG	Zürich (CH)	By-products	○	CHF 2.0	29.7%	29.7%
GVFI AG	Basel (CH)	Meat trade	○	CHF 3.0	26.0%	26.0%
Baltic Vianco OÜ	Sänna, Rõuge vald (EE)	Livestock trading	○	EUR 0.8	33.3%	33.3%

■ Fully consolidated

○ Consolidation at equity

⁴ Merger of Hilcona Holding AG with Eisberg Holding AG by 1 January 2021.

Report on the Audit of the Consolidated Financial Statements

Statutory Auditor's Report to the General Meeting of Bell Food Group Ltd, Basel

Opinion

We have audited the consolidated financial statements of Bell Food Group Ltd and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2021 and the consolidated statement of income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion the consolidated financial statements (pages 70 to 94) give a true and fair view of the consolidated financial position of the Group as at 31 December 2021, and its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with Swiss GAAP FER and comply with Swiss law.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Our responsibilities under those provisions and standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Report on Key Audit Matters based on the circular 1/2015 of the Federal Audit Oversight Authority

Revenue recognition

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition

Key Audit Matter	Our response
<p>Revenue is recognized when the risks and rewards resulting from the sale of the products have been transferred to the buyer. Revenue is presented net after deduction of sales reductions, which primarily include customer bonuses based on volume and price.</p> <p>Net sales from goods and services form a significant basis for the valuation of the Group's business performance. Consequently, they are at the center of internal targets and of the expectations of the public, financial analysts, institutional investors, major creditors and other interested parties regarding the evolution of the business. Net sales from goods and services represent a significant position in the income statement, which is why they are of great relevance for the Group.</p> <p>Consequently, we have focused our audit in this area on the existence of revenue transactions as well as on the correct recording of customer bonuses.</p>	<p>In the context of our audit, we have evaluated the appropriateness of the accounting principles in relation with the Group's revenue recognition. Among other things, we have performed the following audit procedures in order to evaluate the appropriateness of the revenue recognition:</p> <ul style="list-style-type: none"> – Analysis of the revenue recognition process and the accounting on an accrual basis, and assessment of whether the value flows are completely and properly reflected in the books. In this regard, we have identified the key controls concerning revenue recognition and subsequently examined their effectiveness based on samples. We have involved our IT specialists in order to support our audit procedures. – Reconciliation of revenues and sales reductions with the Coop Group's companies with the counterparty. – Examination, based on samples, whether the customer bonuses based on volume and price are presented completely and properly. In this regard, we have reconciled the agreements with key customers with the calculations of the bonuses and the actual values recognized. – Examination of the existence of the revenues by comparing, based on samples, the invoices, corresponding orders and evidence of the transfer of risks to the customers. In this regard, we have also examined whether the sales transactions shortly before the balance sheet date are recognized in the appropriate period. <p>Moreover, we have examined whether the accounting principles regarding revenue recognition have been described and disclosed appropriately.</p>

For further information on revenue recognition, refer to the following:

- Valuation principles, p. 75
- 14. Net revenue, p. 86

Responsibility of the Board of Directors for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with Swiss GAAP FER and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and Swiss Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Swiss law and Swiss Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Report on Other Legal and Regulatory Requirements

In accordance with article 728a para. 1 item 3 CO and the Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

KPMG AG

Jürg Meisterhans
Licensed Audit Expert
Auditor in Charge

Carolin Widenmayer
Licensed Audit Expert

Basel, 2 February 2022

Financial statements of Bell Food Group Ltd

Balance sheet

in CHF million		31.12.2021	Share	31.12.2020	Share
Cash and cash equivalents		43.3		47.8	
Securities		1.9		2.0	
Other current receivables		0.1		0.1	
Other current receivables from Group companies		65.0		97.9	
Accrued income and prepaid expenses		2.4		4.9	
Current assets		112.6	5.0 %	152.6	6.6 %
Financial assets	Loans to Group companies	823.8		698.1	
	Other financial assets	7.8		7.8	
Investments	Controlling interests	1 293.1		1 428.1	
	Non-controlling interests	10.6		10.5	
Non-current assets		2 135.3	95.0 %	2 144.4	93.4 %
Assets		2 248.0	100.0 %	2 297.0	100.0 %
Current financial liabilities		190.0		0.0	
Trade accounts payable		0.0		0.0	
Other current liabilities		0.1		6.6	
Other current payables to Group companies		55.1		63.2	
Accrued expenses and deferred income		6.1		17.6	
Current liabilities		251.3	11.2 %	87.4	3.8 %
Non-current financial liabilities		665.0		855.0	
Non-current liabilities		665.0	29.6 %	855.0	37.2 %
Liabilities		916.3	40.8 %	942.3	41.0 %
Share capital		3.1		3.1	
Statutory capital reserves					
	Reserves from capital contributions	530.4		550.8	
	Other capital reserves	7.3		7.5	
Legally required retained earnings		10.0		10.0	
Voluntary retained earnings		765.0		702.4	
Treasury shares		-2.1		-2.2	
Annual profit		17.9		83.0	
Equity		1 331.7	59.2 %	1 354.7	59.0 %
Liabilities and equity		2 248.0	100.0 %	2 297.0	100.0 %

Income statement

in CHF million	2021	2020
Income from investments	171.4	154.2
Other financial income	10.3	23.8
Other income	3.2	3.1
Total income	184.9	181.1
Administrative expenses	1.9	1.9
Other operating expenses	0.8	3.7
Value adjustment expense	135.0	80.0
Financial expenses	30.0	11.7
Expenses	167.6	97.3
Annual profit before taxes	17.3	83.8
Taxes	-0.6	0.9
Annual profit after taxes	17.9	83.0

Notes

Applied principles

The financial statements are based on the principles of commercial bookkeeping and accounting in accordance with the Swiss Code of Obligations. The principles prescribed by law are applied. Assets and liabilities in foreign currencies are valued in Swiss francs at the closing rate on the balance sheet date.

Participations and loans are stated at cost less value adjustments. Marketable securities are valued at market prices on the balance sheet date.

All values are rounded individually.

Notes and explanations to the financial statements

1. Number of full-time employees

The number of full-time equivalents is below 10.

2. Direct taxes

Capital taxes are included in the income statement under "Other operating expenses". Income taxes are reported under the item "Taxes".

3. Supplementary notes to the income statement

None.

in CHF million	2021	2020
4. Total amount of pledged assets at commercial book values	–	–
5. Total amount of guarantees, warranties and pledges in favour of third parties¹	1.1	1.2
6. Unrecognised leasing liabilities	–	–
7. Obligations from long-term contracts with third parties	–	–
due within one year	–	–
due within two years	–	–
due within three years or later	–	–
8. Liabilities to employee benefit plans	–	–
9. Net release of hidden reserves	–	–
10. Significant shareholders		
Coop Group Cooperative, Basel	66.29 %	66.29 %
J. Safra Sarasin Investmentfonds AG, Basel ²	3.13 %	N/A

¹ The company is jointly and without limitation liable for all obligations arising from the VAT group (taxes, interest, any fines) as well as for cash pooling within the Bell Food Group.

² Publication date: 12.11.2021. As shareholders are only required to notify Bell Food Group Ltd and the SIX Swiss Exchange if their voting rights reach, fall below or exceed certain limits, the current shareholding of significant shareholders may differ from the time of the last notification.

11. Treasury shares

	2021			2020		
	number	Ø price CHF	in CHF million	number	Ø price CHF	in CHF million
Stock on 1.1.	7 637	282	2.2	11 037	299	3.3
Addition of treasury shares	9 150	238	2.2	5 000	250	1.2
Disposal of treasury shares	-8 745	258	-2.3	-8 400	286	-2.4
Treasury shares at 31.12.	8 042	257	2.1	7 637	282	2.2

Each calendar year, all Bell Food Group employees can purchase 100 Bell Food Group Ltd. shares at a price of 80 per cent of the value corresponding to the previous calendar month. For this purpose, half of the profit-sharing bonus for the Group Executive Board and the members of senior management may be paid in shares of Bell Food Group Ltd. The shares issued in this context are recognised as personnel expenses in the employer's company at the price charged at the time of allocation. The shares issued under the employee share ownership plan are subject to a four-year lock-up period.

A total of 8 745 (previous year: 8 400) treasury shares were sold in connection with the employee and profit sharing scheme.

12. Bonds as of 31.12.2021

Bond type	Bond with reopening option
Nominal amount	CHF 175 millions
Securities number	21 226 733 / ISIN CH0212267337
Interest rate	1.750 percent
Term	9 years
Maturity	16 May 2022 at nominal value

Bond type	Bond with reopening option
Nominal amount	CHF 200 millions
Securities number	39 867 890 / ISIN CH0398678901
Interest rate	0.375 percent
Term	6 years
Maturity	1 February 2024 at nominal value

Bond type	Bond with reopening option
Nominal amount	CHF 300 millions
Securities number	31 251 268 / ISIN CH0312512681
Interest rate	0.625 percent
Term	9 years
Maturity	24 March 2025 at nominal value

Bond type	Bond with reopening option
Nominal amount	CHF 150 millions
Securities number	39 867 891 / ISIN CH0398678919
Interest rate	0.750 percent
Term	10 years
Maturity	1 February 2028 at nominal value

13. Participation rights

As of the respective balance sheet date, the members of the Board of Directors and the Group Executive Board held the following number of shares in Bell Food Group Ltd:

	2021	2020
	number	number
Shareholdings of members of the Board of Directors on 31.12.		
Joos Sutter, President	0	0
Doris Leuthard, Vice-President	20	20
Philipp Dautzenberg, Member ¹	0	N/A
Thomas Hinderer, Member	200	100
Werner Marti, Member	1 029	970
Jean G. Villot, Member	234	234
Philipp Wyss, Member	0	0
¹ Elected to the Board of Directors as of 25 March 2021.		
	number	number
Shareholdings of members of the Group Executive Board on 31.12.		
Lorenz Wyss	2 127	1 806
Volker Baltes	584	274
Xavier Buro	550	320
Marco Tschanz	1 400	1 381

14. Significant shareholdings

The significant shareholdings of Bell Food Group Ltd can be found on pages 93 and 94 of the annual report.

15. Events after the balance sheet date

None.

Appropriation of available earnings and reserves

Proposal of the Board of Directors for the appropriation of available earnings and reserves

The Board of Directors proposes to the Annual General Meeting a distribution of CHF 7.00 per share for the financial year 2021. The distribution is to be made 50 percent from the "Reserves from capital contributions".

in CHF	Before use	Distribution to shareholders	Allocation of reserves	After use
Annual profit	17 875 826	-17 875 826	-	-
Reserves from capital contributions	530 438 191	-21 999 992	-	508 438 199
Statutory retained earnings	10 000 000	-	-	10 000 000
Voluntary retained earnings	764 975 418	-4 124 166	-	760 851 252
Dividend distribution to shareholders		43 999 984		
Distribution per share		7.00		

Notes to the distribution

The distribution from the reserves from capital contributions is made after reclassification to voluntary retained earnings (CHF 3.50 per share).

The amount of the dividend payment depends on the number of shares entitled to dividend at the date of the distribution.

No dividend is paid on treasury shares.

Report on the Audit of the Financial Statements

Statutory Auditor's Report to the General Meeting of Bell Food Group Ltd, Basel

Opinion

We have audited the financial statements of Bell Food Group Ltd, which comprise the balance sheet as at 31 December 2021, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements (pages 100 to 105) for the year ended 31 December 2021 comply with Swiss law and the company's articles of incorporation.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Our responsibilities under those provisions and standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the entity in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Report on Key Audit Matters based on the circular 1/2015 of the Federal Audit Oversight Authority

Valuation of investments and loans to group companies

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investments and loans to group companies

Key Audit Matter	Our response
<p>As at 31 December 2021, Bell Food Group AG reported investments of CHF 1 293.1 million (previous year: CHF 1 428.1 million) and loans to group companies of CHF 823.8 million (previous year: CHF 698.1 million). Both captions thus represent a significant part of the assets.</p> <p>The investments and loans are stated at the lower of cost or market value. Management annually assesses whether there is any indication of impairment regarding the investments and the loans to group companies. If there are no indications, no further reviews are carried out.</p> <p>If there is any indication of impairment, Management examines, among other things, based on a Discounted-Cash-Flow ("DCF") model, whether there is a need for value adjustments regarding the investments and potentially the loans to group companies. In this regard, it compares the carrying values with the recoverable amounts.</p> <p>The assessment of the valuation involves significant judgment, in particular regarding estimated future cash flows, long-term growth rates and discount rates. Consequently, the assessment of the valuation was a focus area of our audit.</p>	<p>In the context of our audit, we have, among other things, critically evaluated Group Management's assessment whether there is any indication of impairment, in particular by means of discussions with Group Management and by reviewing the minutes of the meetings of the Board of Directors, the annual financial statements and business plans. In this regard, we have also obtained an understanding of the budgeting process.</p> <p>In case of indications of impairment, we have assessed the valuations made and performed the following audit procedures:</p> <ul style="list-style-type: none"> – We have assessed whether the DCF model was correctly applied and whether the calculations are understandable and mathematically correct. – We have assessed the accuracy of the forecast figures by performing a retrospective comparison of the forecast and actual figures and reconciled the forecast figures applied with the multiannual plans that have been approved by the Board of Directors. – We have critically examined the key assumptions, including the growth rate and the discount rate, by comparison with publicly available information as well as on the basis of our assessment of the economic outlook. <p>When using the DCF model, we have involved our valuation specialists in order to support our audit procedures. If the recoverable amount was lower than the carrying value, we verified that a corresponding value adjustment was recognized.</p>

For further information on investments and loans to group companies, refer to the following:

- Applied principles, p. 102
- 14. Significant shareholdings, p. 104

Responsibility of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and Swiss Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Swiss law and Swiss Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with article 728a para. 1 item 3 CO and the Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

KPMG AG

Jürg Meisterhans
Licensed Audit Expert
Auditor in Charge

Carolin Widenmayer
Licensed Audit Expert

Basel, 2 February 2022

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Additional up-to-date information on the Bell Food Group is available on the internet at www.bellfoodgroup.com.

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Publishing details

General information

The language in this report is as far as possible gender neutral, but in the interest of readability only the masculine form may have been used. All terms used refer to people of both genders.

All amounts have been rounded individually.

Print deadline

2 February 2022

Forward-looking statements

The annual report includes certain forward-looking statements. These statements are based on assumptions and estimates as well as information available to the Bell Food Group at the editorial deadline, which means that actual results and events could deviate substantially from the expectations included or implied in the forward-looking statements.

Our annual report is published in German, together with French and English translations. The printed German version shall prevail at all times. Additional printed copies of the annual report are available at our head office or can be ordered via the Internet. The annual report can also be downloaded at www.bellfoodgroup.com/report-en.

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Printing

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Alternative performance measures

In its annual reports, interim reports and notices to investors and analysts, the Bell Food Group uses alternative performance measures that are not defined by the Accounting and Reporting Recommendations (Swiss GAAP FER). The alternative performance measures used by the Bell Food Group are explained in the separate publication "Alternative Performance Measures" and reconciled to Swiss GAAP FER measures.

www.bellfoodgroup.com/report-en