
Annual Report 2022



**BELL
FOOD
GROUP**



LEADING IN FOOD

Bell Food Group – Leading in Food

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. With the brands Bell, Eisberg, Hilcona, Hügli and other speciality brands, the Group meets a diversity of customer needs. More than 12 500 employees in 15 countries work hard every day to prepare top-quality products that give great pleasure to millions of consumers.

Today, the Bell Food Group produces a wide range of meat and convenience products. The product range includes fresh meat, poultry, charcuterie and seafood as well as ultra-fresh, fresh and non-perishable convenience products such as salads, sandwiches, pasta, sauces and spices, and a wide range of plant-based meat alternatives.

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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

Important events 2022

Satisfactory result for the 2022 financial year

The Bell Food Group posted an excellent result in a challenging market environment dominated by rising costs and at times seriously reduced product availability throughout the supply chain. At CHF 162.9 million, EBIT is on a par with the previous year's record result. The good performance of the Bell Switzerland and in particular Bell International business areas in the second half of 2022 made a substantial contribution to the result. The currency-adjusted net revenue rose by CHF 266.6 million to CHF 4.3 billion thanks to the implementation of price increases in response to inflation, volume increases in Marchtrenk (AT) and operational progress. However, the cost increases and base effects driven by inflation had a negative impact on margins. At CHF 127.8 million, the annual profit is at the previous year's level, which is encouraging in view of the volatile framework conditions.

162.9 million

EBIT 2022 – on previous year's record level

Normalisation of corona situation

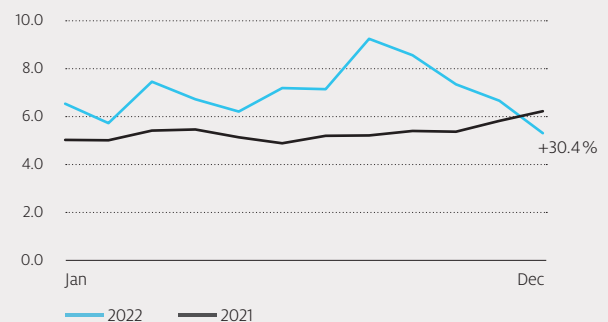
The easing of most coronavirus measures at the beginning of the 2022 financial year signalled the start of the expected process of normalisation. While food service sales mostly recovered, retail sales declined. On account of its strong mainstay in the retail business, the expectation that the business area Bell Switzerland would be unable to fully duplicate the excellent performance of the previous year was confirmed. The convenience business areas benefited from the recovery of the food service market and strongly improved their sales. Thanks to its good market position, the business area Bell International was able to maintain its margins in spite of contracting retail markets, and once again substantially outstripped the previous year's good performance.

Higher production costs mostly compensated

The war in Ukraine led to a strong increase in the costs of energy, transport, animal and plant raw materials, feed as well as auxiliary and packaging materials. In addition, the availability of certain raw materials was reduced at times, including plant raw materials, sunflower oil, animal feed and dry raw materials required for convenience production. Prices also fluctuated much more sharply than in previous years. As the hot and dry summer also affected the quality and availability of plant and animal raw materials, both the input costs and complexity increased substantially in almost all areas. It was mostly possible to pass on the increase in production costs by way of price increases, particularly in the Bell Switzerland and Bell International business areas.

Year-on-year comparison of monthly energy costs

In 2022, energy costs rose by around 30 percent on average compared to the previous year.



Inflation affected consumer behaviour

In addition to production costs, the high inflation also increasingly affected consumer behaviour towards the end of the year. General concerns about a recession and dwindling purchasing power led to a shift in demand. Sales of more expensive brand items and products with sustainable added value declined, while demand increased for lower-priced standard product ranges and own brands. This trend was particularly noticeable for convenience products and had a negative impact on margins.

The Bell Food Group's broadly supported **business model** has proved its mettle once again in a challenging market environment.

Production facility in Marchtrenk posts strong sales growth

Over the past two years, the production facility in Marchtrenk (AT) substantially increased its utilisation and more than doubled its sales. However, as the new facility has been challenged by unfavourable market conditions since the start of operations because of the corona pandemic and high inflation, sales are still lagging behind the internal expectations. The Bell Food Group is nonetheless convinced that under normal circumstances it can meet its objectives and exploit the potential offered by the German and Austrian convenience market.

Successful bond issue

In May 2022, the Bell Food Group successfully floated a bond of CHF 300 million with an interest rate of 1.55 percent and a term of seven years. The funds were used to refinance a maturing bond of CHF 175 million. The remaining funds will be used to finance, among other things, the strategic investment programme in Switzerland.

Adjustment of the organisational structure

On 1 May, the Bell Food Group adjusted its top-level organisational structure. The business area Convenience was split into the three independent business areas of Eisberg, Hilcona and Hügli. With the current business areas Bell Switzerland and Bell International, the Bell Food Group now has five operational business areas.

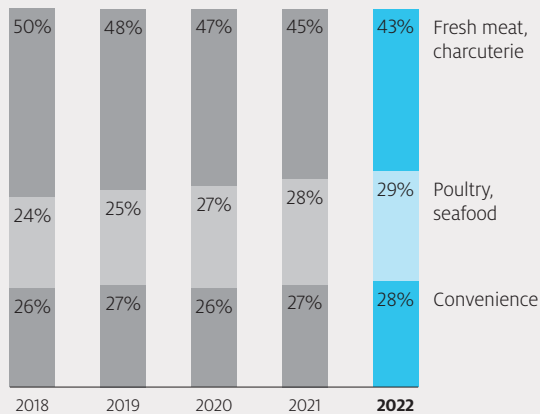
New sustainability strategy

The revised sustainability strategy, which is valid until 2026, entered into force in the reporting year. Eight strategic fields of action were defined for the new sustainability strategy. Ambitious objectives were formulated for each field of action. The impacts of the upstream and downstream value chains were also integrated into the strategy for the first time.

Key figures

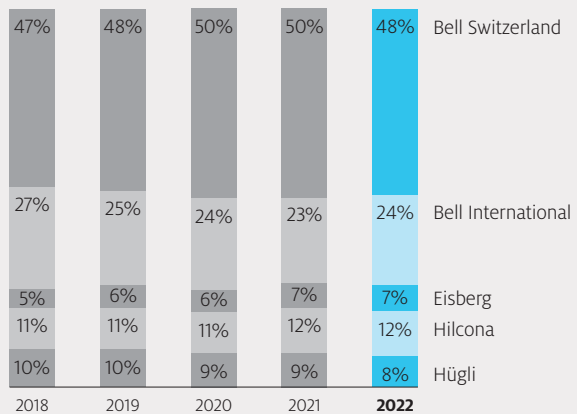
Breakdown of sales by product group

in %



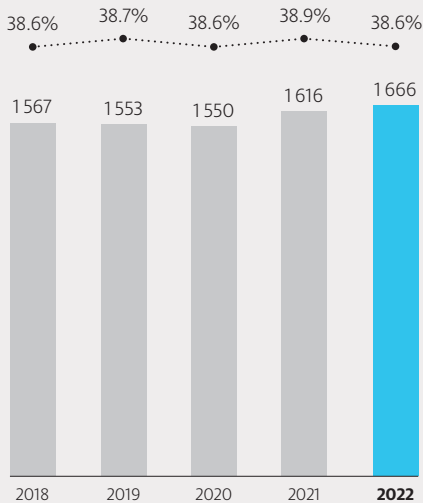
Breakdown of sales by business area

in %



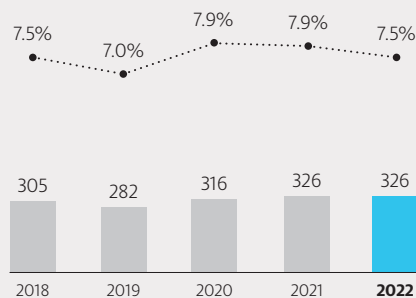
Gross operating income

in CHF million & in % of net revenue



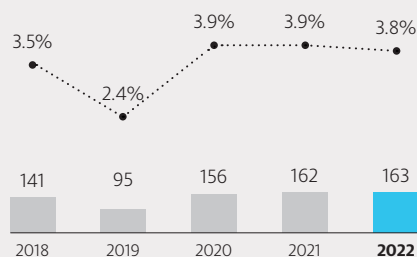
EBITDA

in CHF million & in % of net revenue



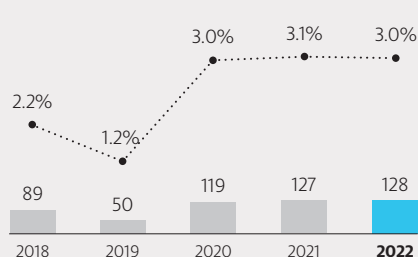
EBIT

in CHF million & in % of net revenue



Annual result

in CHF million & in % of net revenue

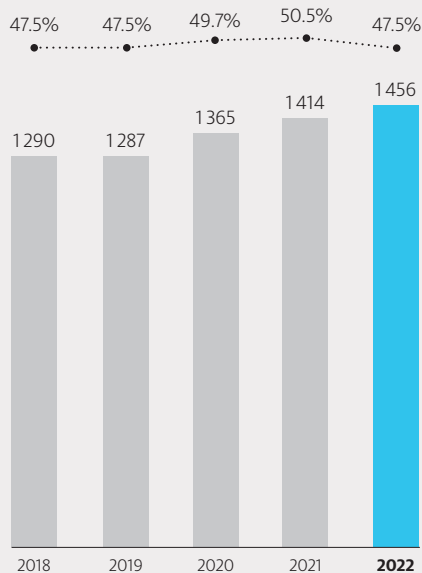


2019: negatively impacted due to exceptional costs related to the sale of the sausage plants in Germany.

Reconciliation of key figures pursuant to separate publication «Alternative performance indicators».

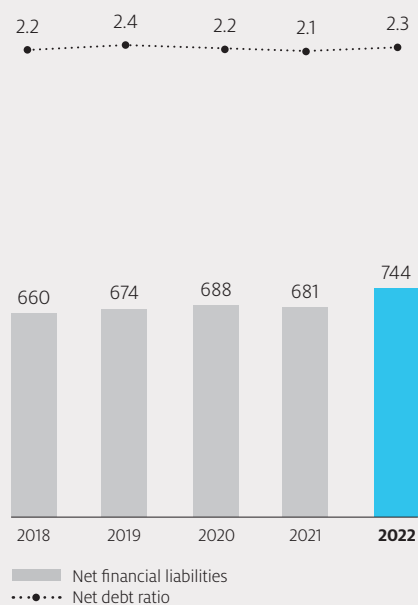
Equity

in CHF million & in % of total assets



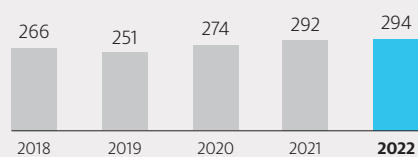
Net financial liabilities

in CHF million



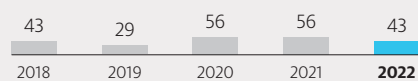
Operating cash flow

in CHF million



Operating free cash flow

in CHF million



Operational investments by business area

in CHF million

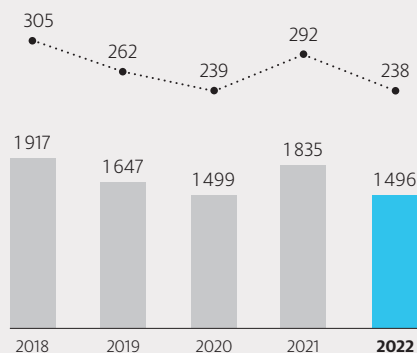
Business area	2018	2019	2020	2021	2022
Bell Switzerland	49	64	78	111	163
Bell International	63	51	39	26	43
Eisberg	66	77	61	46	24
Hilcona	20	32	31	36	28
Hügli	28	21	21	22	23
Total	226	245	229	241	280

Reconciliation of key figures pursuant to separate publication «Alternative performance indicators».

Key figures

Market capitalisation & share price

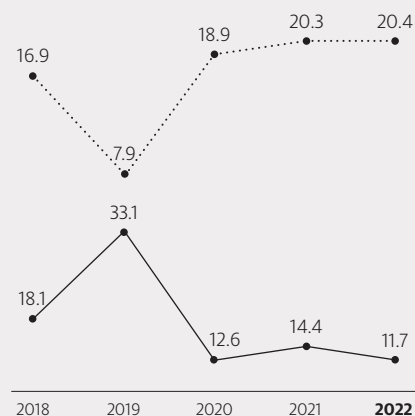
in CHF



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

Key figures per share

in CHF

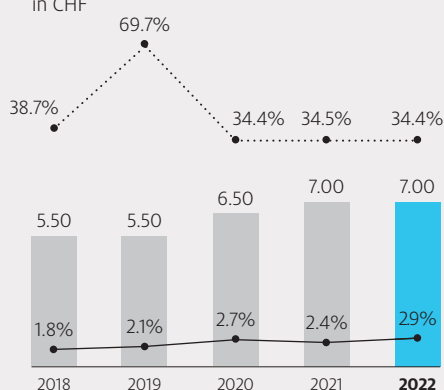


..... Earnings per share
 — Price/earnings ratio

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

Distribution per share

in CHF



■ Dividend per share
 Distribution ratio
 — Dividend yield

The Annual General Meeting will be requested to approve payment of the same dividend of CHF 7.00 per share. This brings the distribution ratio to 34.4 percent of the Group result, which is in line with our target of around 30 percent.

Fifty percent of the dividend for 2022 will be paid from the capital contribution reserve. As distributions from capital contribution reserves are not subject to withholding tax, Swiss private investors will benefit from a tax-free payment.

Capital structure as of 31.12.

		2018	2019	2020	2021	2022
Share capital	CHF million	3.14	3.14	3.14	3.14	3.14
Divided into number of registered shares	Number in thousand	6 286	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

Securities number	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

Bell Food Group employees	2022	2021
Number of employees		
Average number of employees expressed as full-time equivalents ¹	12 659	12 333
Number of employees as of 31.12. in persons	12 283	12 052
Number of employees as of 31.12.		
Bell Switzerland	3 637	3 571
Bell International	3 651	3 529
Eisberg	1 917	1 855
Hilcona	1 841	1 801
Hügli	1 612	1 578
Proportion of full-time employees	67 %	67 %
Proportion of part-time employees	33 %	33 %
Proportion of men	62 %	61 %
Proportion of women	38 %	39 %
Proportion of women in management ²	12 %	26 %
Number of nationalities	106	99
Age structure		
Up to 30 years	19 %	18 %
31–50 years	52 %	54 %
51 and above	29 %	28 %
Education and training		
Trainees	165	157
Number of training days	9 279	9 467

1 Including temporary staff from third-party companies.

2 Adjusted basis for calculation: in 2021, the proportion of women referred to functional levels 0 to 6, but in 2022 the calculation was based on functional levels 0 to 3 only.



We love the good things

The wide range of meat and convenience products gives great pleasure to all consumers.



Charcuterie

In Switzerland, the Bell Food Group covers more or less all segments. Internationally, the Group's many small and medium-sized production plants focus on manufacturing their own regional air-dried ham and cured sausage specialities. The product range includes a large number of specialities with protected geographical status, such as Black Forest ham, Bündnerfleisch and Serrano ham.



Fresh meat

In Switzerland, the Bell Food Group produces and processes fresh beef, veal, pork and lamb. The offer includes a complete range of self-service and over-the-counter products for the retail trade. Bell sets great store by handling animals with consideration and producing meat of the best possible quality. When it comes to beef, special focus falls on the production of burgers. Almost 100 million burger patties are produced in Switzerland every year.



Poultry

In the poultry sector, the Bell Food Group produces fresh meat as well as barbecue and convenience products such as nuggets, kebabs and cordon bleu from chicken and turkey. The Bell Food Group's production philosophy attaches great importance to products with sustainable added value. The Bell Food Group's integrated poultry production in Switzerland and Austria includes a very high share of labelled products. In Germany, turkey is mostly sourced from regional producers.



Seafood

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.



Fresh convenience

The fresh convenience range focuses on convenient preparation at home and comprises ready-made meals, chilled pasta and sauces. The Bell Food Group is one of the leading providers of these products in Switzerland.



Vegetarian and vegan products

The Bell Food Group offers a wide range of vegetarian and vegan products. By now, these products account for almost one quarter of all sales. The product range includes ready-cut salads, herbs, fruit and vegetables as well as sauces, soups and muesli. The Green Mountain is the competence centre for organic tofu products and plant-based meat alternatives such as burgers, sausages, steaks and chicken breasts.



Non-perishable convenience products

The non-perishable convenience products include soups, sauces, bouillons, seasoning mixes, dressings and dips, desserts, functional foods, chilled herb products, menu components, and vegetarian and vegan products. Most ranges are available as dry or liquid products.



To-go product range

The to-go product range includes products prepared fresh every day with a short shelf life for out-of-home consumption such as salad meals, sandwiches, muesli and wraps. These are high-quality products made by hand in specialised facilities.



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 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

Top Excellence

Optimisation programme of the Bell Food Group.

Focus: Europe



TopX – the Bell Food Group's optimisation programme

Top Excellence was rolled out in the whole Bell Food Group in 2020. All operational optimisation programmes of the Group were thereby cancelled and replaced by the new, Group-wide operational excellence programme known as TopX. The focus falls on efforts to uniformly and efficiently improve processes throughout the Group. The TopX mechanism prescribes the path which each production facility has to follow as part of the programme.

The objectives of TopX

Uniform processes and structures

The roll-out of TopX cancelled all existing operational excellence programmes and replaced them with a uniform, Group-wide approach. Uniform communication during shop floor meetings allows a regular exchange of views about deviations, key figures and measures. Optimisation projects are designed according to the same methods for all facilities. This massively simplifies the cross-border exchange of best practices.

Avoidance of loss and waste in the production process

The main objective of TopX is to identify, reduce and avoid loss and waste. The aforementioned shop floor meetings and related key figures play a decisive role in this process. In addition to the key figures for productivity and materials efficiency, occupational safety and quality feature as daily items on the agendas of all shop floor meetings. This lays the foundation for the optimisation of all work processes and the improvement of productivity and employee satisfaction.

Inclusion of employees and identification with the company

The direct communication approach followed at shop floor meetings allows employees to submit their own proposals for improvement and thus to be actively involved in the TopX change process. This increases employee's satisfaction and improves their identification with the company.

16 million

in savings

The TopX improvement measures have resulted in savings of CHF 16 million in two years.

32

locations

By the end of 2022, TopX had been rolled out at 32 production locations of the Bell Food Group.

Employees involved

By now, some 4 500 Bell Food Group employees work with TopX methods every day.



We take responsibility – sustainability 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.

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).

For the Bell Food Group, sustainability 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. Up-to-date sustainability information is integrated by topic and is no longer discussed in a separate chapter.

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 2022 sustainability report will be published in June 2023.

More information about sustainability can also be found on our website at www.bellfoodgroup.com/cr-en.

Highlights for 2022

Science Based Targets Initiative

The Bell Food Group signed the Science Based Targets initiative (SBTi) in January, thereby undertaking to calculate the carbon footprint for the entire value chain by the end of 2023 and to use the outcome to formulate specific targets for the reduction of greenhouse gas emissions.

Renewable energies

The Bell Food Group pursues a vision of achieving climate neutrality in its own operations by 2035 and across the entire value chain by 2050. In addition to reducing its energy consumption, the Bell Food Group's focus falls on increasing the share of energy from renewable energy sources, generating its own green electricity and promoting the use of waste heat and heat recovery. Numerous projects for photovoltaic systems and heat pumps were initiated or implemented in the reporting year.

Responsibility in the supply chain

In the reporting year, the Bell Food Group worked together with an external agency to perform a risk analysis of the entire supply chain. Suppliers and regions exhibiting a higher risk with regard to human rights and animal welfare were identified. These topics were integrated into the supplier agreement, which is binding for all suppliers. Suitable measures to counter infringements were also defined.

Sustainable packaging solutions

Innovative packaging helps to increase product protection and shelf life and reduce food waste. The reduction of plastic also plays a central role in sustainability. In the reporting year, the Bell Food Group won two sustainability prizes for its innovative packaging solutions. The folding box used for air-dried ham in Germany received the World Star Award, and Hilcona's recyclable stand-up pouch was awarded the Swiss Packaging Institute's sustainability prize.

Regionality and sustained added value

In a difficult market environment, it has been confirmed in the reporting year that the trend towards regionality and sustainability is continuing. When producing its food products, the Bell Food Group relies on local production and the regional origin of its raw materials. Many products bear labels such as organic, PGI or PDO. The sustainable production of poultry in Switzerland, Germany and Austria was expanded further in 2022.

Topics of the 2026+ sustainability strategy



Strategic focus proves itself in a challenging financial year



Joos Sutter
Chair of the Board of Directors



Lorenz Wyss
Chair of the Group Executive Board

Dear Shareholders

In the past two years, the corona pandemic has shown us that unforeseen external factors of influence can have a lasting effect on our social and business environments. Preparing for such unforeseeable events is a huge challenge. On the one hand, corporate governance demands planning and strategic foresight, and on the other, such events require companies to adjust to new framework conditions in the shortest possible time. The Bell Food Group has clearly demonstrated its abilities in this field during the corona pandemic. We mastered this challenge thanks to our business model and the tireless efforts of our employees. And the reporting year has confirmed that this was no coincidence.

The easing of the coronavirus measures at the beginning of the year signalled the start of the expected process of normalisation. But the normalisation of the corona situation gave birth to new challenges for the Bell Food Group. Already in 2021, costs for energy, some raw materials and packaging started rising, and this trend intensified noticeably in the reporting year because of the geopolitical situation. For the Bell Food Group, this had a direct impact on the procurement market, production costs and sales.

In addition to considerably higher prices, this also led to temporary supply bottlenecks and quality problems on the procurement market. While fluctuations in prices and availability are normal for animal and plant raw materials, the reporting year also saw extraordinary volatility for the costs and availability of auxiliary and packaging materials, energy and certain raw materials for convenience production. This resulted in higher production costs as well as

production challenges, leading to supply delays or recipe adjustments for some products. All in all, however, we mostly managed to maintain our delivery capability.

The rise in production costs had different effects on the business areas. Given their good market position and high productive capacity, Bell Switzerland and Bell International were mostly able to cushion the cost increases caused by inflation. As the major fluctuations in production costs seen in the reporting year are unusual in normal years for the convenience area, coping with very volatile prices was a big challenge.

Towards the end of the year, inflation also increasingly affected sales. Waning purchasing power and fears of a recession shifted demand towards less expensive standard products. This development had a bigger impact on the convenience business areas with their high added-value product ranges. In this segment, consumers were more willing to forego products with added value and to opt for cheaper alternatives. This not only affected sales volumes, but also margins in the convenience segments.

The production facility in Marchtrenk in Austria made progress in the past two years and more than doubled its sales. Unfortunately, however, the plant has been confronted by less than favourable market developments in the guise of corona and inflation since its opening. As a result, capacity utilisation and revenues have not yet reached the planned levels. We are convinced, however, that we are strategically well positioned to exploit the potential offered by the Austrian and German convenience markets.

The investment programme in Switzerland is on course. The first phase of the expansion of Hilcona's headquarters in Schaan (LI) was finalised in the reporting year. As part of the consolidation of its locations, Eisberg closed its Villigen plant and relocated its activities to other facilities. In Oensingen, the construction of the deep-freeze warehouse was finished. Following an installation and test phase, it is scheduled to start up in the first quarter of 2023.

Given all these challenges, we can be satisfied with the Bell Food Group's performance in the reporting year. It has become apparent once again that the company is well positioned in strategic terms. Thanks to our wide range of products and our adaptability, we have been able to master the challenging framework conditions in the reporting year and adjust to changing customer requirements.

Consistent dividend distribution

We are requesting the Annual General Meeting to approve the same distribution of CHF 7.00. This represents a distribution ratio of 34.4 percent of the Group result. Fifty percent of the distribution will be paid from the capital reserves and 50 percent from the annual profit of Bell Food Group Ltd.

Outlook

The geopolitical situation and in particular the future course of the war in Ukraine will play a decisive role in the coming year. This critical situation will continue to burden the European economy and affect inflation for as long as it continues. We are therefore assuming that the situation with regard to procurement costs as well as the quality and availability of raw materials will remain tense. The lack of purchasing power and general concerns about recession among consumers will also continue to affect demand. It will be crucial for the Bell Food Group to be able to pass on the higher production costs to consumers in a timely manner. With regard to demand, the trend in favour of cheaper products is likely to continue, which will in particular affect revenues in the convenience business areas.

Dear shareholders, we would like to thank you for the trust you have placed in our company. 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
Chair of the Board of Directors



Lorenz Wyss
Chair of the Group Executive Board



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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.

Landhendl in Austria and a leading provider 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	21 %
Charcuterie	21 %
Poultry	24 %
Seafood	5 %
Convenience	28 %

Sales for meat and vegetarian products

Meat products	79 %
Vegetarian products	21 %

Retail and food service sales

Retail	70 %
Food service	30 %

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 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

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.

Expansion of integrated poultry production

The Bell Food Group wants to further expand its integrated poultry production in the DACH region. The focus falls on products offering sustainable added value, in particular in the organic segment. The Bell Food Group took over Brüterei Stöckli in Switzerland in the reporting year, thus taking a further step towards expanding its share of the growing poultry market in Switzerland.

Convenience

The Bell Food Group is a pioneer in the production and marketing of innovative convenience products. Thanks to their performance capacity, the convenience business areas 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. Market entry into Austria and Germany has been secured with the new facilities in Marchtrenk (AT) and Bad Wünnenberg (DE).

The business area Eisberg specialises in the production of freshly cut salads and is the leading provider in this segment in Switzerland and Eastern Europe. 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 other innovative products.

Hilcona 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, steaks, chicken breast 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.

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, and 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, primar-

ily 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 – a broad customer base

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.

Every two years, Bell Switzerland carries out a survey among all relevant customers regarding the quality of the products and services. The last customer survey was carried out as scheduled in 2021. Customer satisfaction was good overall. A few critical reports were addressed and suitable measures implemented.

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. In the reporting year, it joined forces with a specialised external agency to perform a comprehensive risk analysis of its supply chain. Special attention was paid to the environmental impact of the value chain and the risks relating to human rights violations. These topics have now been integrated into the Code of Conduct as well as the Supplier Code of the Bell Food Group.

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.

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 production countries. In times of adverse weather conditions such as the hot and dry summer of 2022, a strong procurement network covering a number of countries can meet demand in the usual top quality.

Hilcona grows its raw materials under contract through its subsidiary Hilcona Agrar. Where this is impossible, Hilcona works together with long-standing suppliers. Sixty 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.

Organisation – effective and efficient

The 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 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.



We shape the future.

Adjustment of corporate structure

In May 2022, the Bell Food Group adjusted its top-level organisational structure. The former business area Convenience was split into the three independent business areas of Eisberg, Hilcona and Hügli. The reorganisation of the convenience activities allows the Bell Food Group to better meet the needs of its customers in the fast-growing convenience segment through more direct marketing.

The Bell Food Group is organised into five 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 business areas 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 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 in Zell and in Basel. National charcuterie production is located in Basel, while regional specialities are mainly prepared in Churwalden, Gossau, Chermignon and Cheseaux. 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/Sütag 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. In France, Bell produces various regional cured sausage and air-dried ham specialities at its plants in Teillhède, 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/Sütag division comprises the poultry business in Austria and Germany. The Pfaffstätt (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 Eisberg specialises in the production of convenience salads, fruit and vegetables. Eisberg has three production facilities in Switzerland and one each in Austria, Hungary, Poland and Romania. Some of the raw materials are procured through a purchasing office in Spain.

The business area Hilcona manufactures a broad range of fresh convenience products in its production facilities in Schaan (LI), Orbe (CH), Salez (CH), Schlieren (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.

The business area Hügli has over ten production plants in Switzerland, Germany, Italy, the Czech Republic, Spain, the UK and the Netherlands, making Hügli 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 business areas and countries cover the local remit and requirements and report directly to the central organisation at the 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.



We love the good things.

Innovation with enjoyment

The innovation specialists at the Bell Food Group launch around 2000 new products every year. In this regard, the Bell Food Group is 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.

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, more than 2000 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 specialties 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 business areas are usually responsible for the innovation process. Specialists from different business areas work together on certain product developments, such as the Smart Cuisine initiative for the 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 specialties also play an important role. Entire product lines are only sold during the barbecue season, for example. The Bell Food Group has defined the following three trends for its product innovation.

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.



We take responsibility.

Excellent packaging solutions

The Bell Food Group places a high priority on the development of sustainable and consumer-friendly packaging solutions. In the reporting year, the company won various sustainability prizes for its innovative packaging solutions, including the World Star Award given by the World Packaging Organisation and the sustainability prize of the Swiss Packaging Institute.

More convenience

When mobility was restricted during the corona 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.

Selection of innovations in 2022

— The Bell Food Group is constantly developing new and sustainable packaging solutions. In the reporting year the company received two awards honouring this commitment. The folding box from recyclable monomaterial used by Bell Germany received the World Star Award from the World Packaging Organisation, while Hilcona was awarded the Swiss Packaging Institute's sustainability prize for its «RetortPouch Recyclable» stand-up pouch.

— The Green Mountain is still growing strongly. In the reporting year, a wet extrusion line was commissioned for vegan meat alternatives and the product range was further expanded. The Green Mountain also received the Vegan Food Award 2022 in Germany for its vegan chicken fillet.

— Ultra-fresh convenience for the to-go segment continued to develop strongly in the reporting year. Eisberg very successfully expanded its range of fresh salad menus.

— Hilcona expanded its range of sandwiches prepared fresh every day and substantially increased its production capacity with the commissioning of its GOU sandwich manufacturing facility in Schlieren (CH).

The Bell Food Group as employer – people take centre stage

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. At the Bell Food Group, people take centre 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.

At the Bell Food Group, more than 12 500 employees of around 100 nationalities make sure that the wide range of products is distributed to the market fresh each day. The Bell Food Group offers jobs of many different descriptions, from food specialist to commercial specialist, from IT specialist to operational employee.

HR strategy 2026+

The Bell Food Group's HR strategy was revised and adopted in the reporting year. The HR strategy 2026+ focuses on the employees of the future. The foundation was laid by identifying the core characteristics of the future employees of the Bell Food Group. Six fields of action were derived from these, and relevant measures were defined for each field of action. The focus falls on optimising recruitment and process quality as well as on promoting the corporate culture and further development of the HR organisation. The objective of the Bell Food Group is to be the most attractive employer in its relevant sector at all locations.

Fields of action of the 2026+ HR strategy



Employee satisfaction

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 corona pandemic and was carried out in 2021. All in all, the survey returned a good result. The two main categories of «Work satisfaction» and «Identification with the company» received good marks. Compared to the 2018 survey, there were happily almost no shifts at Group level, even though the 2021 survey took place in a working environment that was heavily scarred by the corona pandemic. Regarding the implementation of improvement measures, the individual business units and departments therefore addressed specific issues in the reporting year.

Focus on qualified professionals

The recruitment of qualified professionals is a great challenge for companies. 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 2022 when Bell and Hilcona for the third year running ranked among the best three places in the food category in «Best Recruiters», the largest personnel recruitment study in Switzerland.

Operational health management

For the Bell Food Group, the occupational safety and health of its employees are highly relevant. A concept for a Group-wide occupational health and safety management system with shared minimum standards was adopted in 2021. This includes mental and physical components and is expected to be introduced at all companies of the Bell Food Group by 2026. The business areas Hilcona (since 2019) and Bell Switzerland (since 2018) are proud bearers of the «Friendly Workspace» label awarded by the Health Promotion Switzerland foundation to companies that have an exem-

plary operational health management system. Bell Switzerland passed the scheduled reassessment in the reporting year and is therefore entitled to use the label for another three years.

Inclusion of employees

Employees are actively involved in shaping their own working environment by way of the internal Top Excellence (TopX) improvement management system. The objective of this system is to become more efficient, avoid losses and promote the occupational safety and health of the employees by way of the continuous improvement of work processes and conditions. The active inclusion of the employees should also strengthen their identification with the company.

In the reporting year, TopX was rolled out at 32 locations of the Bell Food Group. The objective is to implement TopX throughout the Bell Food Group by 2026.

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 their brand values, and product groups and distribution 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.

We considerably strengthened the brand portfolio in the reporting year:

— Our «Sánchez Alcaraz» brand for Spanish air-dried ham was completely overhauled. In addition to a more prominent positioning, the entire market image was redesigned.

— We successfully improved the distribution of the regional charcuterie speciality brands.

— We optimised the marketing mix, refreshed the market image and continued to develop the communication content for the «Bell» and «Abraham» brands.

— The positioning was improved and the market image completely revised for the food service brands «Hügli», «BRES-C», «Tuttogusto» and «Vogeley».

— «Natuco» was born from «Natur Compagnie» and was completely redesigned and launched as a new organic retail range for dry convenience.

— Our start-up «The Green Mountain» expanded its product range and substantially enlarged its distribution network.

Meat brands



Convenience brands



Strategy architecture

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. Joyful, competent and responsible, we want to be one of the best food companies in Europe. An enormous objective which all of us work hard towards every day. For which all of us pursue mutual values and principles.

Step by step, we are working to achieve our vision: **Leading in Food.**

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.

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 area strategies

The Bell Food Group's wide range of products is reflected in its business areas. In order to meet the specific needs of the individual business areas with regard to the manufactured products, sales markets and customers, an individual business area strategy based on our «Leading in Food» vision is being developed for each business area.

Functional strategies

The functional strategies serve as Group-wide guidelines when it comes to our brands, finances, information technologies and employees while still providing sufficient leeway to accommodate company-specific and regional differences. The sustainability strategy is part of the functional strategies and applies to the entire Group.

Leading in Food



Business development 2022

Satisfactory result in a challenging market environment

The coronavirus pandemic strongly affected the business performance of the Bell Food Group in 2020 and 2021. The easing of most coronavirus measures at the beginning of the 2022 financial year signalled the start of the expected process of normalisation. Retail sales declined, while the food service sales channel strengthened. On account of its strong mainstay in the retail business, the business area Bell Switzerland was unable to fully duplicate the very high volumes of the previous years. The convenience business areas Eisberg, Hilcona and Hügli on the other hand benefited from the normalisation process as they are more focused on the food service and to-go segments.

The normalisation of the corona situation also brought new challenges in the reporting year. After substantial cost increases for energy, animal and plant raw materials, feed as well as auxiliary and packaging materials already had to be absorbed in the previous year, the war in Ukraine and geopolitical tensions further pushed up the costs of goods and operations in 2022. Inflation rates rose substantially throughout Europe. This inflation could only be passed on to consumers in the form of price increases with some delay, and led to a shift in demand from higher-value to less expensive product ranges. This was a great challenge for the convenience business areas in particular and had a noticeable impact on profitability. Although sales trends due to price increases lead one to

suspect a positive development, sales of convenience products and in the food service channel lagged behind expectations. In this challenging market environment, the Bell Food Group is also working to develop its future, strategically important mainstay for the European convenience market in Marchtrenk in Austria. The sales growth posted by the business area Eisberg is mostly attributed to this new location. Although it is moving in the right direction, the result still does not live up to the high expectations and is burdening the consolidated financial statements.

In contrast, the business area Bell International has once again outstripped the previous year's good performance. Thanks to the strategic decision taken in 2019 to focus on air-dried ham and top-quality poultry products, Bell International is well positioned in the markets and has successfully improved its margins. As a result, Bell International made a substantial contribution to the annual result for the 2022 financial year.

Overview of 2022 financial year

The Bell Food Group posted EBIT of CHF 162.9 million for the 2022 financial year. It is slightly higher by CHF 0.6 million (+0.4 %) than the pandemic-driven record EBIT of the previous year. Thanks to the ability of Bell International and Bell Switzerland to cushion the rise in costs caused by inflation by way of price increases or operational progress, the Bell Food Group was able to repeat the previous year's excellent performance.

Operating growth

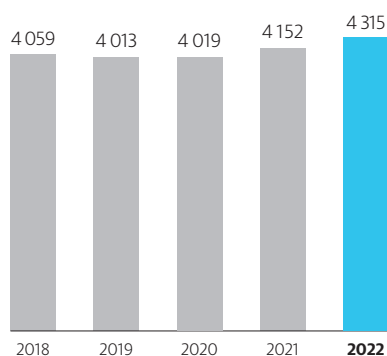
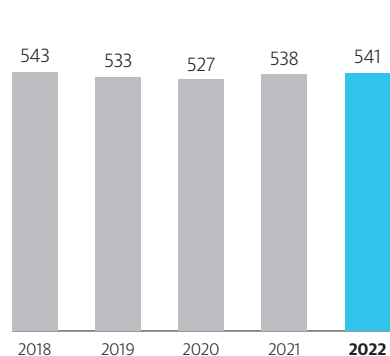
	Net income in CHF million	Volume in million kg
2021	4 152	538
Exchange rate	-103	-
inorganic	-	-
organic	267	3
2022	4 315	541
Operating growth	6.4 %	0.6 %

In the first half of 2022, the recovery of the convenience business areas and the decline in the retail channel at Bell Switzerland were broadly balanced. Towards the end of the financial year, however, consumer sentiment worsened noticeably in view of persistently high inflation. This mainly affected sales of high-margin convenience products. Thanks to price increases and the new production capacity in Marchtrenk, the currency-adjusted net revenue of the Bell Food Group rose by CHF 266.6 million to CHF 4.3 billion. In addition to the shifts in the product and channel mix described here, the base effect triggered by the price increases led to a reduction in the gross profit margin of 0.3 percentage points to 38.6 percent. In absolute figures, the gross profit increased by CHF 50.4 million to CHF 1.7 billion.

The absolute increase in the gross profit could not fully compensate for the effects of inflation on operating costs and the additional costs incurred for the Marchtrenk location. Mainly driven by personnel, energy and transport costs, operating costs rose by CHF 51.4 million year-on-year. At CHF 325.8 million, EBITDA was up on the prior year by CHF 0.1 million. This resulted in an EBIT of CHF 162.9 million, which is CHF 0.6 million more than in the previous year.

The financial result declined by CHF 2.9 million to CHF -15.0 million. This was mainly due to higher interest costs relating to the refinancing of a bond and higher, unrealised currency losses following the strengthening of the Swiss franc against the euro in particular. Taking account of the net income from associated companies of CHF 4.8 million and tax expenses of CHF 24.9 million, which track the business performance, the annual profit amounts to CHF 127.8 million. This equals an increase of CHF 0.5 million year-on-year.

The balance sheet of the Bell Food Group as of 31 December 2022 shows the issue of a bond for CHF 300 million under liabilities and the repayment of a maturing bond for CHF 175 million under financial liabilities. The additional funds will be used, among other things, for the strategic investment programme in Switzerland. This resulted in a net increase in liabilities and a reduction in the equity ratio by three percentage points to 47.5 percent. In absolute figures, equity amounts to some CHF 1.5 billion while net financial liabilities amount to CHF 744.1 million (previous year CHF 680.5 million). The Bell Food Group remains on a very solid financial footing.

Net revenue
in CHF million**Sales volume**
in million kg

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 profitability for many years to come, the Bell Food Group has initiated an investment programme for around 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 680 million. The project primarily pursues three objectives:

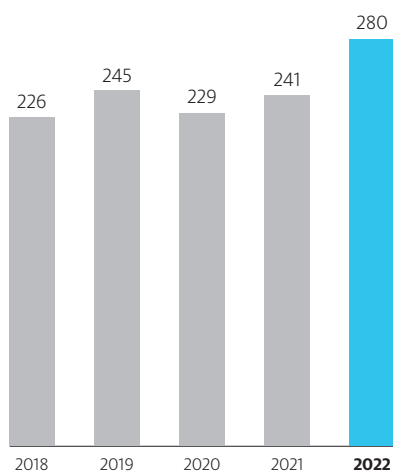
Renewal of facilities for beef production

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 is intended to replace the current building, optimise the production processes and allow further progress in the fields of animal welfare, hygiene, productivity and sustainability. 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

A slicing centre located in a new building will be realised in accordance with the highest international hygiene standards. Here, 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

Operational investments
2018–2022 in CHF million



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

A new deep-freeze warehouse that will make it possible to insource the decentralised external storage facilities is close to completion. 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 and personnel 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 around CHF 170 million and they pursue the following objectives:

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 new expansion space will be used in future to produce ultra-fresh, vegetarian and vegan products. The planned second phase is to expand the operational logistics.

Consolidation of locations for Eisberg Switzerland

The business area Eisberg decided to concentrate its production activities in Switzerland at its two locations in Dällikon and Essert-sous-Champvent and to expand these two locations. By bundling the activities, the investment volume can be reduced and the production and logistics processes optimised. The Villigen location was closed during the reporting year. The activities at the Dänikon location will also be transferred to Dällikon and Essert-sous-Champvent in the medium term.

Financial framework conditions

For the period until 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. 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.

In May 2022, the Bell Food Group successfully floated a bond of CHF 300 million with an interest rate of 1.55 percent and a term of seven years. 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. 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 2022 financial year totalled CHF 279.9 million. CHF 120.0 million were invested in the investment programme in Swit-

zerland. Investments in modernisation and replacements amounted to CHF 159.9 million. The following investments were made in the investment programme Switzerland in 2022:

Investments

in CHF million

Description	Plan	Incurred so far	2022
Modernisation of Oensingen	600–680	233.5	112.3
Expansion of Schaan	120–130	40.1	6.6
Consolidation of locations for Eisberg Switzerland	30–40	2.2	1.1
Investment programme Switzerland	–	275.8	120.0
Modernisation & replacement			159.9
Total Investments 2022			279.9

Business area Bell Switzerland

Overview 2022

Good seasonal business

Seasonal business was satisfactory overall. The long and warm summer supported the barbecue season, which is important to us. The Easter business recovered again after the corona setback, and the Christmas business was very successful in the reporting year.

Higher production costs

The inflation-driven increase in production costs for energy, packaging materials, feed, transport and construction materials could be passed on with some delay.

Wide range of products

Bell Switzerland launched a number of new products for the 2022 barbecue season. The range was expanded, among others, by various burger creations, marinated second cuts, Mediterranean skewer variations, special sausages and seafood specialities.

Successful products created by apprentices

The budding meat specialists of Bell Switzerland produce their own products under the «Created by our Apprentices» label. The «Super Griller» and «Chicken Griller» barbecue sausages were available in many sales outlets during the barbecue season.

Expanded burger production

The production facility for burgers in Oensingen was developed further in 2022. This investment allows Bell Switzerland to differentiate itself from its competitors and to substantially expand its production of burgers. In the reporting year, Bell Switzerland produced some 95 million burger patties for its retail and food service customers.


95 million
burger patties produced

New hatchery

Bell Switzerland acquired Brüterei Stöckli in summer 2022, giving it its own hatchery to support its integrated poultry production in Switzerland.

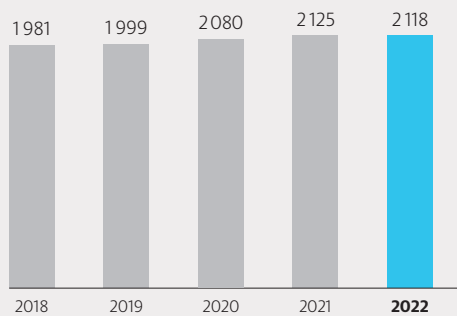
Successful food service

The food service sales channel has recovered from the effects of the corona pandemic and grew strongly in the reporting year, mainly thanks to the traditional food service segment.

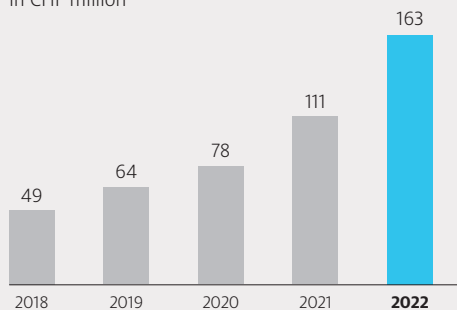
Focus on training

In the «Best Recruiters» recruitment study, Bell once again ranked among the top places in the food category in the reporting year. With the announced acquisition of Metzgerei Stübi located in the vicinity of our Oensingen production location, the company is also breaking new ground in the training of apprentices.

Sales revenue in CHF million



Operational investments in CHF million




Operating growth

	Sales revenue in CHF million	Sales volume in million kg
2021	2 125	127
Exchange rate	–	–
inorganic	–	–
organic	–7	–2
2022	2 118	126

Operating growth **–0.3 %** **–1.3 %**


13
Locations


2 118
Sales revenue
in CHF million


3 637
Employees
Number of FTEs as of 31/12/2022
↑ **66 FTEs**
↑ **1.8 %**

Business area Bell International

Overview 2022

Tried-and-tested strategy

Thanks to its clear strategic focus on air-dried ham and sustainable poultry products, Bell International posted an encouraging performance in spite of sharply rising costs, and once again outstripped the very successful prior year.

Sustainable poultry

Seen overall, the poultry market in Austria and Germany suffered a contraction. Persistent inflation in particular affected the more expensive premium products. However, Bell International gained market share by concentrating on regionality and sustainability, and posted growth in the organic segment in particular. The share of organic products of total sales equalled a strong 15 percent.


15 %

Share of organic poultry

Retail expansion

Thanks to its good market position as a regional provider, Süddeutsche Truthahn AG successfully increased its share of retail customers offering higher added value compared to its industrial customers.

Good market position

With some delay, the lion's share of the higher production costs could be passed on. This was supported by the good market position for the strategic focus segments of air-dried ham and poultry.

Additional market share

After a good first half, high inflation seemed to make consumers in the European air-dried ham market more cautious from summer onwards. Bell International differentiated itself from its competitors with an innovative and attractive product range and customer-friendly packaging solutions and was able to gain market share.

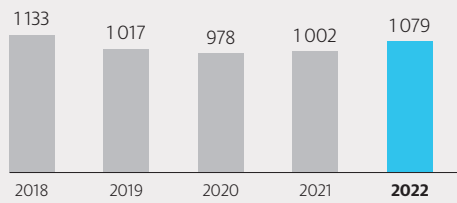
Excellent packaging

Bell Germany received the World Star Award 2022 from the World Packaging Organisation for its folding box made from monomaterial. This is the most important packaging award and was given because the folding box is fully recyclable and uses 40 percent less plastic than traditional packaging solutions.

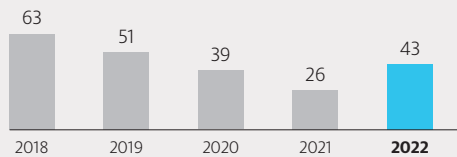
Successful exports

Bell International's export activities are continuing to develop well. Japan was added as a new export destination in the reporting year.

Sales revenue in CHF million



Operational investments in CHF million




Operating growth

	Sales revenue in CHF million	Sales volume in million kg
2021	1 002	209
Exchange rate	-76	-
inorganic	-	-
organic	153	-6
2022	1 079	203

Operating growth 15.3 % -2.8 %


20
Locations


1 079
Sales revenue
in CHF million


3 651
Employees
Number of FTEs as of 31/12/2022
↑ 112 FTEs
↑ 3.2 %

Business area Eisberg

Overview 2022

Normalisation of corona situation

In the reporting year, the normalisation of the channel mix mostly benefited the to-go convenience and system catering segments. Sales of ultra-fresh salad menus and bowls for the to-go segment substantially improved in the reporting year.

Start of production of poultry convenience

Hubers in Pfaffstätt (AT) transferred the production of poultry convenience products to the new production facility in Marchtrenk (AT). The new production capacity enables better market penetration.

Inflation and costs as challenge

The adverse weather conditions in summer caused a sharp rise in prices, quality fluctuations and a substantial shortage in availability in almost all areas for plant raw materials. Together, this led to an increase in production costs and a reduction in earnings.

Guaranteed delivery readiness

Given the inflation and limited availability of plant raw materials, the procurement market was very challenging in the reporting year. This makes it even more laudable that Eisberg managed to guarantee delivery readiness at all times.

Expansion of ultra-fresh salad menus

The to-go product range was expanded with innovative recipes for ready-made salads. This segment once again exhibits encouraging potential for growth and for adding value. Sales of traditional bagged salads, however, lagged behind expectations.

Innovative greenhouse

High energy costs and climate change require new approaches when it comes to the cultivation of plant raw materials. In Austria, a pilot project for a greenhouse using geothermal heating was implemented in the reporting year. All of the energy used for heating comes from hot thermal water and is completely free of emissions.

Marchtrenk makes progress

A new production hall was commissioned at the new production facility in Marchtrenk (AT) in 2021. Compared to the previous year additional customers were acquired and production volume improved considerably by more than 40 percent.. However, the unfavourable market conditions initially caused by the corona pandemic and then exacerbated by high inflation meant that the earnings situation has not yet lived up to the high expectations.

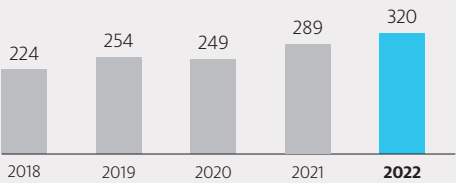


More than 40 %

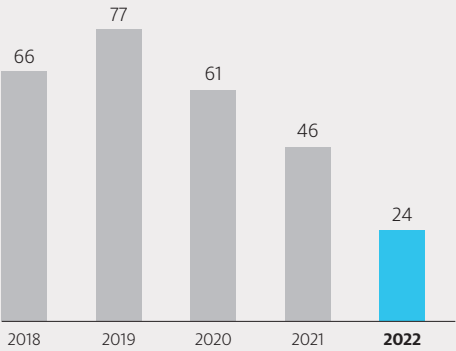
increase in production volume

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Sales revenue
in CHF million



Operational investments
in CHF million



Operating growth

	Sales revenue in CHF million	Sales volume in million kg
2021	289	48
Exchange rate	-10	-
inorganic	-	-
organic	42	7
2022	320	55

Operating growth **14.4 %** **13.9 %**


7
Locations


320
Sales revenue
in CHF million


1917
Employees
Number of FTEs as of 31/12/2022
↑ **62 FTEs**
↑ **3.3 %**

Business area Hilcona

Overview 2022

Upswing for out-of-home food products

With the normalisation of the corona situation, Hilcona managed to further grow its food service and to-go convenience sales channels again in the reporting year. Industrial catering in canteens and hospitals, however, has not yet recovered as expected.

Veggies on a growth path


Although growth in the market for vegetarian and vegan products slowed a little in 2022, The Green Mountain is still doing well. The Green Mountain was successfully launched in the German and Austrian retail markets in the reporting year. The Green Mountain's vegan chicken breast was crowned the most animal-friendly product in Germany by an environmental organisation.

Successful pasta

Sales of fresh and frozen pasta grew strongly in France and the DACH region in the reporting year. At the headquarters in Schaan (LI) a new production line for frozen pasta was commissioned as planned and helped to eliminate short-term capacity bottlenecks in production.

Record sales

Hilcona posted sales of more than CHF 500 million for the first time in the reporting year.



>500 million
record sales

Innovative packaging

The former packaging used for lentils was replaced by a new, lighter stand-up pouch made from recyclable mono-material. Hilcona received the Swiss Packaging Award for this innovation in the reporting year.

Sandwich production expanded

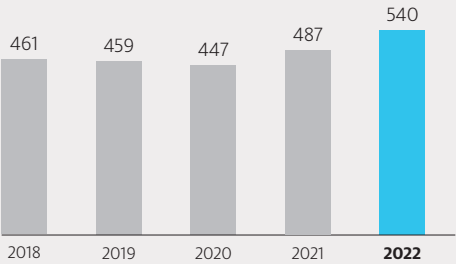
Sales of sandwiches prepared fresh every day increased substantially in 2022. In order to meet demand, new facilities for the manufacture of ultra-fresh and shelf-stable sandwiches were commissioned in Schlieren and Orbe.

Costs and consumer behaviour posed a challenge

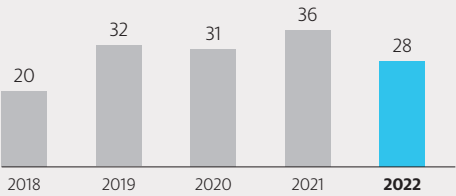
Hilcona really felt the impact of the higher costs for energy and raw materials. The higher production costs could only be passed on with some delay. The shift in demand from more expensive to cheaper standard products also had a negative impact on earnings.

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Sales revenue
in CHF million



Operational investments
in CHF million



Operating growth

	Sales revenue in CHF million	Sales volume in million kg
2021	487	81
Exchange rate	–	–
inorganic	–	–
organic	53	7
2022	540	88

Operating growth	10.8 %	8.7 %
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9

Locations



540

Sales revenue
in CHF million



1841

Employees
Number of FTEs as of 31/12/2022

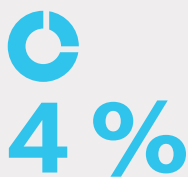
↑ 40 FTEs
↑ 2.2 %

Business area Hügli

Overview 2022

Recovery of food service markets

Hügli's important food service segment recovered noticeably after the corona pandemic. Thanks to forward-looking measures implemented during the pandemic, Hügli profited greatly from the recovery and gained substantial market share. Food service sales rose by more than 4 percent compared to the pre-pandemic reference value for 2019.



sales growth compared to 2019

Efficiency and productive capacity

The implementation by Hügli of the Group-wide operational excellence programme in its production facilities led to a substantial improvement in internal benchmarking and efficiency.

More sustainable raw materials

In the reporting year, the procurement of chocolate was completely changed over to fair trade. Palm oil now only comes from sources that have at least RSPO certification.

Health food store business under pressure

The discounter segment gained market share because of the shift in demand from more expensive to cheaper products driven by the decline in purchasing power. This in particular affected organic and health food store sales, a segment in which Hügli is strong in Germany.

Review of brand concepts

Hügli strengthened its brand portfolio in the reporting year by reviewing the food service brands. «Natuco» was launched in the retail market as a brand for dry convenience products that is consistently focused on sustainability and top-quality organic ingredients.

Expansion of own brands

Retail and wholesale volumes for own brand products were increased in Switzerland in 2022.

Ground-breaking ceremony

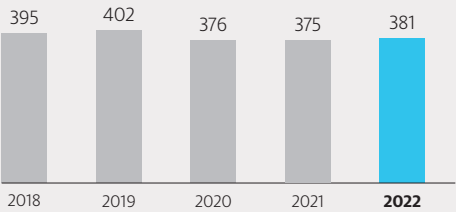
The ground-breaking ceremony for the relocation of the delicatessen production from St. Gallen (CH) to Steinach (CH) took place in the reporting year. The new facility will considerably expand production capacity for the high-growth segment for mayonnaise, dips and sauces. The start of production is planned for the second quarter of 2024.

Green energy

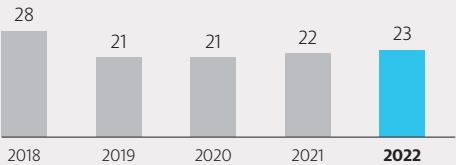
A new photovoltaic system was commissioned at the production facility in the Netherlands. Further measures such as more efficient lighting systems also helped to reduce energy consumption.

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Sales revenue
in CHF million



Operational investments
in CHF million



Operating growth

	Sales revenue in CHF million	Sales volume in million kg
2021	375	83
Exchange rate	-22	-
inorganic	-	-
organic	29	-2
2022	381	82

Operating growth **7.6 %** **-2.3 %**


14
Locations


381
Sales revenue
in CHF million


1612
Employees
Number of FTEs as of 31/12/2022
↑ **34 FTEs**
↑ **2.2 %**

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.

Raw material prices

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. 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. 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. The situation for raw materials was extremely tense in the reporting year. The war in Ukraine and related massive inflation for energy costs led to a substantial increase in procurement prices in almost all areas. In addition, the availability of certain raw materials was reduced at times, including plant raw materials, sunflower oil, animal feed, noble gases and dry raw materials required for convenience production.

It is difficult to pass on inflation to sales prices. Fierce competition in the processing and retail segments makes it difficult to increase sales prices quickly, while competitive pressure usually kicks in faster when raw material prices fall. In 2022, the convenience business areas noticed this most of all. In normal years, raw material prices in the convenience area are less volatile than in the meat segment, for example, and production costs are therefore relatively stable. The extraordinary situation in the reporting year made it particularly difficult to pass on the massive increase in the costs of the production of convenience products to customers.

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 dry and hot summer followed by a rainy

autumn caused additional 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 Switzerland, our core market, the euro-Swiss franc exchange rate has a direct impact not only on the very 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 has 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 effect of the corona measures on consumer behaviour eased noticeably in the reporting year. Towards the end of 2022, however, the sweeping inflation in Europe became an important factor of influence. The at times excessive inflation caused a loss of purchasing power, in particular in Germany and Eastern Europe. This meant that consumers bought fewer expensive premium products, while demand rose for own brands and cheaper standard products.

Engagement at Mosa Meat

Mosa Meat is the world's leader in the manufacture of cultivated beef mince. In 2020, the Bell Food Group invested an additional EUR 5.0 million in the next financing round of Mosa Meat. Mosa Meat announced in the reporting year that it is going ahead with the next phase of installing an industrial production facility. The company therefore enlarged its production area by almost 3 000 square metres. A well-functioning, large-scale production facility is essential for the marketing of cultivated meat and the start of the approval process, which is planned for 2023.

Responsible fiscal policy

The Bell Food Group applies sensible and appropriate tax planning. The company accepts the basic premise that tax optimisation is perfectly legitimate, while aggressive tactics of tax optimisation should be questioned.

General principles governing our tax responsibility are outlined in the Code of Conduct. The topic of tax is part of the financial strategy. The financial strategy is the responsibility of the Board of Directors. The Bell Food Group executes Group-internal transactions at market conditions. The company has developed its own transfer pricing model, which complies in full with international legislation. The Bell Food Group pays its taxes to the country where the economic substance is created. It does not have any legal entities that were established for the purpose of aggressive tax optimisation.

Outlook

The further development of the corona situation will play a decisive role for the Bell Food Group. The situation eased substantially in the reporting year, but certain residual effects of the pandemic were still noticeable, such as the below-average performance of the industrial catering segment. If the situation should worsen again and lead to new measures, the channel mix will be affected and thus also the performance of the Bell Food Group. In addition to the corona situation, geopolitical developments will also have a decisive effect on the cost situation, quality and availability on the procurement market.

The high inflation in Europe not only affected production costs, but also led to higher food prices. This is most obvious in Germany and Eastern Europe, where people's purchasing power declined substantially in the second half of the year. They not only bought fewer products, but also switched to cheaper products. This was particularly noticeable in the convenience business areas and had a considerable impact on profitability. This development will be exacerbated if the expected recession should hit Europe this year.

The Bell Food Group expects stable development for Bell Switzerland in 2023. An important factor will be whether shopping tourism will increase again to the level of 2019. Any rise in the comparatively modest inflation in Switzerland would lead to an increase in production and personnel costs. The new deep-freeze warehouse in Oensingen will be commissioned this year, triggering the first costs for starting up the facility.

Although Bell International is very well positioned in strategic terms, the business area will continue to be confronted by a challenging market environment in 2023. Inflation will keep production costs high. An important factor will be whether the resulting price increases can be implemented. It also has to be assumed that weaker consumer sentiment in a recessionary environment will have a negative impact on sales volumes.

The market environment will remain challenging this year for the convenience business areas Eisberg, Hilcona and Hügli. The availability and quality of raw materials will remain a procurement challenge in the medium term. Inflation will also play an important role, both with regard to people's purchasing power and demand for high-quality convenience products and with regard to higher production costs. Here too, the question of whether it will be easier in 2023 to compensate for the higher production costs is of great importance.

The new production facility in Marchtrenk (AT) will continue to be affected by unfavourable market conditions and consumer caution in 2023. However, we are assuming that utilisation will improve further and progress will be made as regards productivity and profitability. The Bell Food Group remains convinced that there is market potential in Germany and Austria, and that Marchtrenk will substantially improve its earnings in the medium term.

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Corporate governance

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Corporate governance

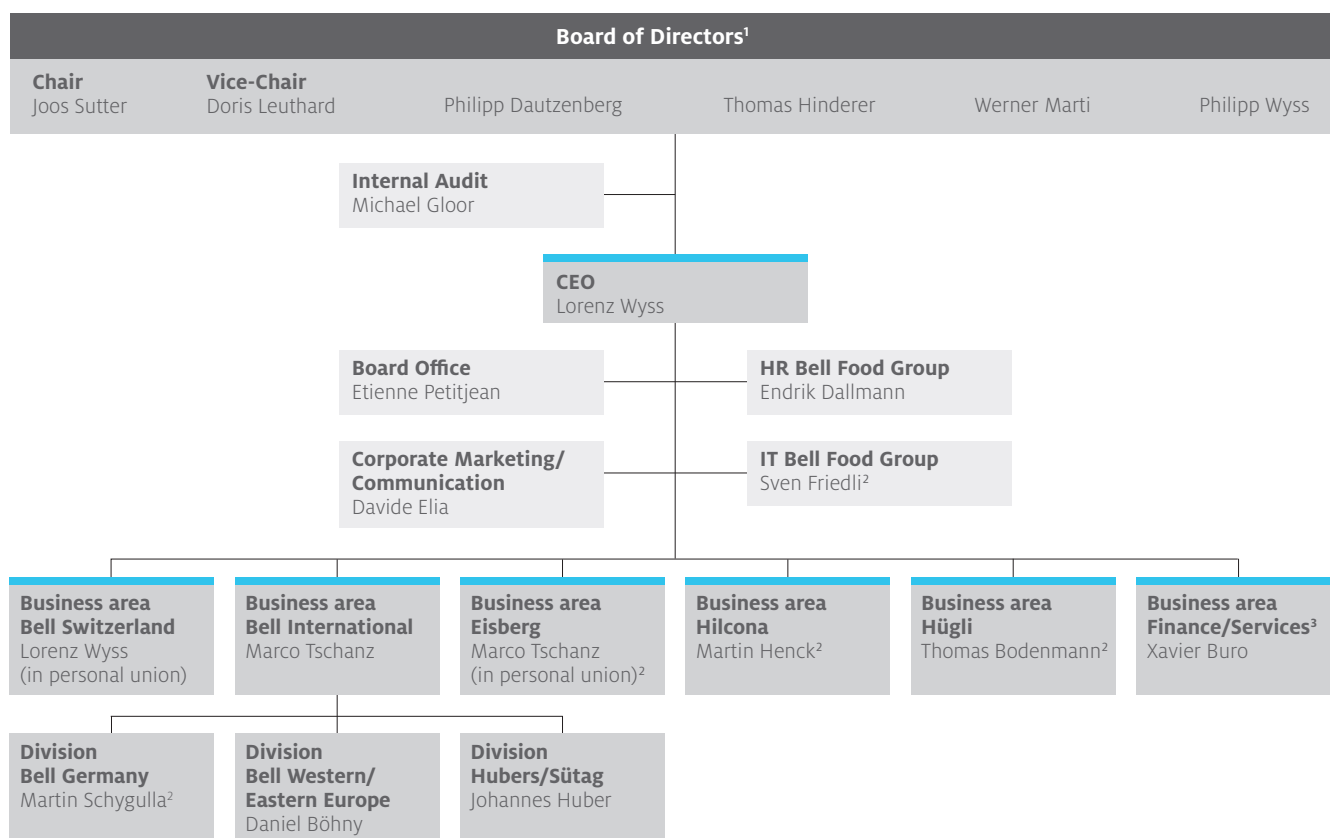
Corporate governance is a central management component at the Bell Food Group and serves as the guideline for the strategic and business decisions taken by the Board of Directors and the Group Executive Board. The Bell Food Group follows the Swiss Code of Best Practice for Corporate Governance issued by *économie-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 in 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 of 31 December 2022 was CHF 1 496 million.

Organisational chart as of 31 December 2022



■ Group Executive Board

¹ Jean G. Villot left the Board of Directors after the Annual General Meeting on 22 March 2022. The number of Board members was reduced to six.

² The Bell Food Group adjusted its organisational structure from 1 May 2022 and restructured the business areas at top management level. The business area Convenience was split into the three independent business areas of Eisberg, Hilcona and Hügli. The serving division heads Martin Henck (Hilcona) and Thomas Bodenmann (Hügli) are continuing to manage the business activities and now also sit on the Group Executive Board. In conjunction with the management of the business area Bell International, Marco Tschanz also took on the management of the business area Eisberg. Volker Baltes, the head of the discontinued business area Convenience, left the company. Sven Friedli took over from Marco Tschanz as Head of IT Bell Food Group. Martin Schygulla was appointed the new Head of Bell Germany, which was temporarily managed by Marco Tschanz.

³ The business area Finance/Services is responsible for the whole Bell Food Group.

Bell Food Group Ltd is a holding company. It is responsible for the management of the Bell Food Group, which consists of the operational business areas Bell Switzerland, Bell International, Eisberg, Hilcona and Hügli as well as the business area 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.

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 99 and 100. Bell Food Group Ltd is the only listed company among the companies included in the consolidated financial statements.

Shareholders

The Coop Group Cooperative in Basel is the principal shareholder of the Bell Food Group and owned around 68.4 percent of the shares as of 31 December 2022. 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 of 31 December 2022, Bell Food Group Ltd had 6 403 shareholders entered in its share register, of which 6 055 are natural persons and 348 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	1 405	7 999
11–100	3 479	167 767
101–1 000	1 368	366 534
1 001–10 000	138	329 981
>10 000	13	4 837 094
Total	6 403	5 709 375

On 31 December 2022, Bell Food Group Ltd held 8 241 treasury shares (0.13 %). Shares pending registration as of 31 December 2022 amounted to 576 377 shares (9.17 %) and to 380 590 shares (6.05 %) as of the date of the last Annual General Meeting on 22 March 2022.

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 percent 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
Coop Group Cooperative, Basel	Purchase	66.67 % ¹	08/09/2022

1 This includes the 10 861 treasury shares of Bell Food Group Ltd on the date on which the threshold was reached.

All disclosure notifications of the past few years 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 com-

pany 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 of 31 December 2022.

On 31 December 2022, Bell Food Group Ltd was aware of the following significant shareholders holding at least 3 percent of the share capital.

	Share as of the date of the notification requirement
Coop Group Cooperative, Basel	66.67 % ¹ (08/09/2022)
J. Safra Sarasin Investmentfonds Ltd, Basel	3.13 % (12/11/2021)

¹ This includes the 10 861 treasury shares of Bell Food Group Ltd on the date on which the threshold was reached.

Cross-shareholdings

There are no cross-shareholdings between Bell Food Group Ltd and other companies that exceed 5 percent in terms of capital or votes.

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 6.

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. It 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 89 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 industry experience, experience in management and international business matters as well as in-depth subject expertise in finance, law, M&A and IT, including digitalisation. The Board of Directors of the Bell Food Group meets these criteria.

The Board of Directors is supported in an advisory capacity by two specialist committees: the Compensation Committee and, from 2023, also the new Audit Committee.

Members of the Board of Directors

The Board of Directors consists of at least three members. The Board had six members as of 31 December 2022. 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 Board committees are nominated by the Board of Directors as recommended by the Chair. Re-election is possible.

Composition of the Board of Directors

as at 31 December 2022

	Nationality	Year of birth	Function	Audit Committee (from 2023)	Compensation Committee	Assumption of office
Joos Sutter	CH	1964	Chair	Member	–	AGM 2020
Doris Leuthard	CH	1963	Vice-Chair	–	–	AGM 2019
Philipp Dautzenberg	CH, DE	1969	Member	–	–	AGM 2021
Thomas Hinderer	DE	1958	Member	Chair	Chair	AGM 2020
Werner Marti	CH	1957	Member	–	–	AGM 2009
Philipp Wyss	CH	1966	Member	–	Member	AGM 2018

Changes to the Board of Directors

There was one change to the Board of Directors in the reporting year. Jean G. Villot did not stand for re-election at the Annual General Meeting on 22 March 2022 and left the Board of Directors after the meeting. As the Board of Directors decided not to nominate a new member, the number of Board members was reduced to six, which is on a par with the number of members before 2018.

In the reporting year the Board of Directors decided to appoint an Audit Committee from 1 January 2023. It appointed Thomas Hinderer as Chair and Joos Sutter as member of the Audit Committee.

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 Co-

operative, 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

1964, Swiss citizen
Chair of the Board of Directors
Member of the Audit Committee
(from 2023)

Education and training

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

Current position

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

Other board member mandates

- AgeCore Ltd, Geneva
- Coop Mineraloel AG, Allschwil; Chair¹
- Coop Patenschaft für Berggebiete, Basel; Chair¹
- Swiss Household Services Ltd, Oberbühren, Vice-Chair¹
- Transgourmet Holding AG, Basel¹
- Two Spice Ltd, Zurich¹

Other functions and offices

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

Professional career

- Chair of the Executive Committee, Coop Group Cooperative, and Head of Retail Business Unit, Coop Cooperative, Basel; 2011–2021
- Member of the Executive Committee, Coop Group Cooperative, and Head of Trading Business Unit, Coop Cooperative, Basel; 2010–2011
- Head of 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

1963, Swiss citizen
Vice-Chair of the Board of Directors

Education and training

Attorney-at-law

Current position

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

Other board member mandates

- Coop Mineraloel AG, Allschwil¹
- Stadler Rail AG, Bussnang
- Transgourmet Holding AG, Basel¹

Other functions and offices

- ETH Zurich Foundation, Zurich; member of the Board of Trustees
- Europa Forum, Lucerne; Co-Chair
- Swiss Digital Initiative Foundation, Geneva; Chair of the Board of Trustees
- Green Business Award, Lucerne; Jury Chair
- Venture, Zurich; member of the Board of Trustees
- Association Swiss national exhibition Svizra27, Aarau; Vice-President

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

1969, Swiss and German citizen
Member of the Board of Directors

Education and training

Dr. oec. HSG, University of St. Gallen

Current position

Chair of the Executive Committee of Transgourmet Switzerland Ltd, Moosseedorf; since 2009

Other board member mandates

- Casa del Vino SA, Dietikon; Chair¹
- Vinattieri Ticino SA, Mendrisio; Chair¹
- Vini Zanini SA, Mendrisio; Chair¹

Other functions and offices

- Pension Fund Transgourmet Switzerland Ltd, Moosseedorf; Chair¹

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

1958, German citizen
Member of the Board of Directors
Chair of the Audit Committee
(from 2023)
Chair of the Compensation Committee

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; Chair 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; Chair of the Advisory Board
- Erco GmbH, Lüdenscheld, Germany; Chair of the Advisory Board
- Gerolsteiner Brunnen GmbH & Co. KG, Gerolstein, Germany

Professional career

- Chair of the Executive Board, Eckes AG, Nieder-Olm, Germany; 2005–2020
- President and CEO, Eckes Granini Group, Nieder-Olm, Germany; 2005–2020
- Chair 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

1957, Swiss citizen
Member of the Board of Directors

Education and training

Attorney-at-Law

Current position

Law office; since 1988

Other board member mandates

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

Other functions and offices

- None

Professional career

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



Philipp Wyss

1966, Swiss citizen
Member of the Board of Directors
Member of the Compensation Committee

Education and training

Business diploma, butcher

Current position

Chair of the Executive Committee of Coop Group Cooperative and Head of Retail Business Unit of Coop Cooperative; since 2021

Other board member mandates

- AgeCore Ltd, Geneva
- Marché Restaurants Schweiz AG, Dietlikon, Chair¹
- Transgourmet Holding AG, Basel¹
- Two Spice Ltd, Zurich¹

Other functions and offices

- None

Professional career

- Vice-Chair 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 the Executive Committee, Coop Group Cooperative, Basel; 2009–2011
- Coop Sales Head of Central Switzerland-Zurich Region, Dietlikon; 2008–2009
- Head of Fresh Produce Category and 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.

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 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. The ordinary meetings lasted 8.5 hours 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:

- The impact and effects of the Ukraine crisis, the massive price increases on the procurement market, matters relating to procurement security, the security of energy supply, the effects of inflation and currency developments on the Bell Food Group and the impact of the coronavirus pandemic
- Investment programmes as part of the development plans for the facilities of Bell and Eisberg in Switzerland, Hilcona in Liechtenstein and Hubers in Austria
- Business development and the strategic focus of Eisberg Austria's Marchtrenk location and Hilcona's location in Bad Wünnenberg in Germany
- Sale of the trading activities of Bell Hungary and Bell Romania
- Takeover of Brüterei Stöckli AG in Switzerland
- Approval of a new strategy architecture for the Bell Food Group from 1 January 2023
- Adoption of the new HR strategy 2026+ and the sustainability strategy 2026+ for the Bell Food Group
- Establishment of an Audit Committee to assist the Board of Directors from 1 January 2023

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 2022 and confirmed the Board's functionality.

Board committees

The Board of Directors has delegated some tasks to its specialist committees. The Audit Committee (from 2023) and the Compensation Committee issue recommendations and provide the Board with advice on technical matters and support in the exercise of its supervisory functions. At the Bell Food Group, the recommendations outlined in the *economiesuisse* guidelines regarding the function and remit of any other committees, for example a nomination committee, are exercised by the Board of Directors or the Chair. This makes it easier to retain an overview and takes account of majority shareholder structures. The Board of Directors has adopted regulations governing the composition, organisational structure and powers of the Board committees.

Audit Committee

In the reporting year, the Board of Directors decided to appoint an Audit Committee from 1 January 2023. The Audit Committee consists of at least two persons, who have to be members of the Board of Directors. The Board of Directors elects the Chair and the members of the Audit Committee for a term of office of one year. Re-election is possible. As a specialist committee, the Audit Committee provides the Board of Directors with support in supervising the financial and accounting system, financial reporting, and internal and statutory auditors. It meets upon invitation of the Chair as often as business requires, but at least twice a year. The meetings are also attended by the CEO and the CFO of the Bell Food Group. Other persons can also be invited to attend the meetings, for example representatives of the internal and statutory auditors.

In October 2022, the Board of Directors elected Thomas Hinderer as Chair and Joos Sutter as member of the Audit Committee from 1 January 2023. The members of the Audit Committee receive a fee of CHF 5 000 to CHF 10 000 per year.

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.

On 22 March 2022, the Annual General Meeting re-elected Thomas Hinderer and Philipp Wyss as members of the Compensation Committee until the next Annual General Meeting. At the constitutive meeting on the same day, 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

During the annual institutionalised assessments to measure the quality of the internal control system at the business process level, the operational risks as well as the risks associated with financial reporting and compliance are evaluated. The effectiveness of the measures implemented to control these risks is also assessed. General IT controls form part of these assessments. Every year, the results of these assessments of the internal control system are compiled in a comprehensive report, and binding measures are defined for areas where potential for improvement has been identified.

Internal Audit

Internal Audit monitors compliance with the guidelines and regulations as an independent and objective body on behalf of the Board of Directors and checks the expedience and 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. Audit results are notified to the Chair of the Board of Directors and the Chair of the Group Executive Board in writing. The timely implementation of measures is monitored. Internal Audit coordinates its auditing activities and maintains a close exchange of information with the statutory auditors. It is a member of the Swiss Institute of Internal Auditors (IIA Switzerland).

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 data privacy as well as 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 2022, a new Supplier Code taking account of the latest global developments regarding supply chain responsibility was also drawn up. This Supplier Code is directly related to identifiable developments in supply chains in the EU, an important production and sales market of the Bell Food Group. In addition to the Supplier Code, the Bell Food Group is constantly expanding its activities relating to risk analysis, preventive and supportive measures and the monitoring of our supply chains.

To take account of the new EU whistleblowing directive, the Bell Food Group has replaced its previous process for notifying misconduct, which was managed and controlled decentrally, by a completely anonymous online platform.

The Group also reacted to global developments regarding sanction lists and introduced a central tool to automate the previous decentralised monitoring of sanction lists.

Risk management

The Bell Food Group applies structured risk management. 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 business areas. 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.

Given the current geopolitical situation, a new risk assessment was performed for all units in the reporting period. Management has identified a sudden increase in raw material 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, Eisberg, Hilcona, Hügli 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 2022

	Nationality	Year of birth	Function	Appointment to Group Executive Board
Lorenz Wyss	CH	1959	Chair (CEO)	April 2011
Thomas Bodenmann	CH, IT	1962	Member	May 2022
Xavier Buro	CH	1969	Member (CFO)	July 2019
Martin Henck	CH, DE	1963	Member	May 2022
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 63.

Members of the Group Executive Board



Lorenz Wyss

1959, Swiss citizen

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 business area Bell Switzerland; 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



Thomas Bodenmann

1962, Swiss and Italian citizen

Education and training

Certified business economist (university of applied sciences);
Advanced Management Program (AMP)
Harvard Business School

Current position

Member of the Group Executive Board and Head of business area Hügli, with Bell Food Group since 2018, in this position since 2011

Board member mandates

- None

Other functions and offices

- Culinarie Suisse, Bern; Vice-President
- Culinarie Europe, Bonn, Germany; Vice-President

Professional career

- Various positions within the Hügli Group:
 - CEO, Hügli Holding AG, Steinach; since 2011
 - Head of division Food Service and member of the Executive Board, Hügli Holding AG, Steinach; 2002–2010
 - Managing Director, Hügli Austria, Hard, Austria; 1999–2001
 - Managing Director, Hügli Switzerland, Steinach; 1997–2001
 - Head of Export and member of the Executive Board, Hügli Switzerland, Steinach; 1995–1996
- Sales Manager Switzerland and member of the Group Executive Board, Benckiser (Schweiz) AG, Winterthur; 1991–1995
- Sales and Product Manager Private Label Europe, Sucrin Diaetetik AG; Chur, 1990–1991
- Product Manager, Benckiser (Schweiz) AG, Winterthur; 1986–1989



Xavier Buro

1969, Swiss citizen

Education and training

Certified business economist
(university of applied sciences)

Current position

Member of the Group Executive Board (CFO) and head of 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 Program, UBS AG, New York and Stamford, United States; 1997–1999
- Customer Advisor Retail Banking, UBS AG, Sion; 1995–1997
- Project Agreement, Control and Business Information, Zyma SA, Nyon; 1994–1995



Martin Henck

1963, Swiss citizen

Education and training

Ph.D. Dairy Science ETH Zurich,
MSc Food Science ETH Zurich,
Executive MBA IMD Lausanne

Current position

Member of the Group Executive Board,
Head of business area Hilcona,
with Bell Food Group since 2015;
in this position since 2012

Board member mandates

- None

Other functions and offices

- Liechtenstein Chamber of Commerce and Industry (LCCI), Vaduz, Liechtenstein

Professional career

- Global Marketing and Business Leader (Premium Chocolate & Gifting), Nestlé SA, Vevey; 2008–2011
- Business Executive Manager (Global Unit) Mövenpick Ice Cream, Nestlé S.A, Bursins; 2003–2008
- Vice-President Technical (Production, R&D, QA, Procurement), Mövenpick Fine Foods Ltd., Lausanne; 1999–2003
- Head of Innovation Management, Toni AG / Swiss Dairy Food AG, Bern; 1993–1999



Marco Tschanz

1975, Swiss citizen

Education and training

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

Current position

Member of the Group Executive Board
and Head of Bell International and
Eisberg business areas; with the Bell
Food Group since 2014; in this position
with Bell International since 2019,
with Eisberg since 2022

Board member mandates

- Capviva AG, Zurich, Chairman¹
- Capviva KmGK, Zurich
- 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 Committee¹
- Capviva KmGK, Zurich¹

Professional career

- Positions with Bell Food Group Ltd, Basel
 - Head of IT Bell Food Group; 2014–2022
 - Head of Bell Germany division ad interim; 2021–2022
 - Head of Finance/Services business area (CFO); 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

¹ Part of the Coop Group.



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 2022 Annual General Meeting again took place without the personal attendance of the shareholders. Voting rights could only be exercised by giving instructions to the independent proxy. At the Annual General Meeting on 22 March 2022, the independent proxy represented 4 528 377 votes or 72.04 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.

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 agenda

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 shareholders entered in the share register.

With the entry into force of the new company law in Switzerland on 1 January 2023, shareholders of listed companies can request the addition of items to the agenda if together they own at least 0.5 percent of the share capital or votes (previously 10 percent). 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.

Trade blackouts and insider trading

General blackouts on trading with shares of Bell Food Group Ltd apply to members of the Board of Directors, the Group Executive Board, the senior management of the Bell Food Group and selected employees of Finance/Services and Corporate Communications in the run-up to the publication of Bell Food Group Ltd's financial results. These 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 also apply to some employees of the parent company, Coop Group Cooperative, and of Coop Cooperative, namely the members of the Board of Directors and the Executive Board as well as the employees in the treasury, tax, consolidated financial statements and controlling organisational units. The persons affected will always receive a personal letter to inform them of the trade blackout.

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 also 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.

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 and, from 2023, the Audit Committee oversee 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	2022	2021
Auditing services	924	857
Near-audit fees	110	92
Tax consulting	-	4
Total	1 034	953

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

Sustainability report of the Bell Food Group:
www.bellfoodgroup.com/cr-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

Compensation report

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Compensation report

The Bell Food Group provides transparent information about its compensation policy and compensation system in the compensation report. The report sets out the discretionary competence and the process determining the payment of compensation, and provides detailed information about the compensation paid to the members of the Board of Directors and the Group Executive Board as well as the capital interests of these persons in Bell Food Group Ltd.

The compensation 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 2022 financial year. Compensation payments are recognised when they occur.



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

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

Compensation policy and components

As the success of the Bell Food Group and its Group companies depends to a large extent on the efforts and motivation of the employees at all levels, the compensation system of the Bell Food Group has been designed to attract and retain qualified and motivated specialists and managers. Compensation is determined by taking the legitimate interests of the employees, the Group and the shareholders into account.

The Board of Directors deliberately adopted a simple and transparent compensation system because it is convinced that market-related salaries combined with the payment of a profit share to reward employees for achieving clearly defined objectives is the fairest and most modern system, and also best matches the culture of the Bell Food Group.

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.

- The members of the Board of Directors receive a fixed fee with no variable components.
- The compensation paid to the members of the Group Executive Board consists of a fixed basic salary and a variable component in the form of a profit share. The variable component depends on the achievement of clearly defined 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.

Basic fee for members of the Board of Directors

Cash payment

Basic salary for the Group Executive Board

Cash payment

Variable compensation max. 20 % of basic salary

50 % cash payment

50 % shares

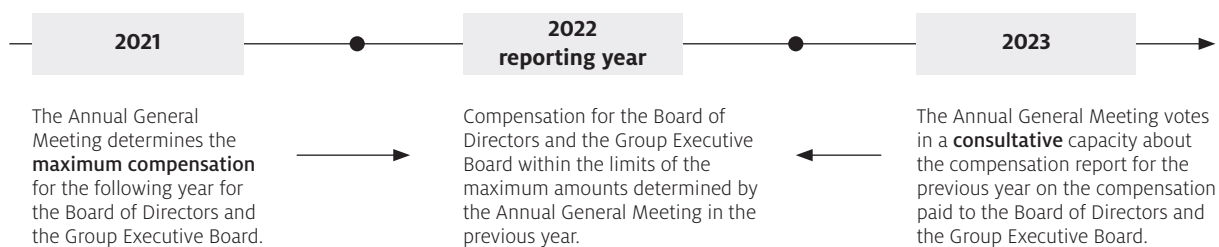
Responsibility for determining the compensation

	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

The Board of Directors is responsible for approving the general employment conditions, the salary systems and the 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. The Annual General Meeting's approval rating of the 2021 compensation report was 99.6 percent.

Power to approve compensation of Annual General Meeting



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

in CHF	2022 (reporting year)	2023
Board of Directors	800 000	800 000
Group Executive Board	3 500 000	3 800 000

If additional members are appointed to the Group Executive Board after the approval of the maximum compensation, the total amount approved by the Annual General Meeting may be exceeded by up to 50 percent pro rata until the next Annual General Meeting.



During the reporting year, all employees of the Bell Food Group had the opportunity to buy shares of Bell Food Group Ltd at preferential conditions as part of the employee share participation plan and thus to acquire a stake in the company. Employee shares were issued with a discount of 20 percent and may not be sold for a period of four years.

Compensation for the Board of Directors

The compensation for the Board of Directors in the reporting year totalled CHF 707 203, which is within the limits of the amount of CHF 800 000 approved by the Annual General Meeting. This is CHF 85 371 less than in the previous year because the number of Board members was reduced from seven to six in March 2022. The compensation policy was the same as in the previous year.

Basic fee

Members of the Board of Directors only receive a fixed basic fee for their activities. This fee depends on the individual function on the Board of Directors; it is recommended by the Compensation Committee and approved by the Board of Directors at its discretion. The fee is at the lower end of the scale compared to other listed companies in Switzerland. The annual gross amount is CHF 150 000 for the Chair, CHF 130 000 for the Vice-Chair and CHF 100 000 for the other members of the Board of Directors. These fees have not changed since 2018.

The fee is paid to the members of the Board of Directors 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. When a member leaves the Board of Directors, the basic fee is paid pro rata, while the full basic fee is paid in the event of sickness or accident. 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 Coop.

Variable compensation

The members of the Board of Directors do not receive any variable compensation. The decision not to pay variable compensation takes account of the majority shareholder structures. Most of the Board members have been mandated by the majority owner, the Coop Group, to sit on the Board of Directors of Bell Food Group Ltd. Payment of variable compensation in the form of short- or long-term incentives would neither increase the motivation of the Board members nor strengthen their identification with the company.

Compensation for the members of the Board committees

Members of the Compensation Committee do not receive an additional fee for their activities as these are compensated by their Board member fee. Fees of CHF 10 000 for the Chair and CHF 5 000 for the members have been budgeted for the Audit Committee, which will take up its work in 2023.

Compensation for the Group Executive Board

The members of the Group Executive Board receive a fixed basic salary plus variable compensation if they achieve their defined objectives.

In the reporting year, the compensation for the Group Executive Board totalled CHF 3.6 million. This was more than the amount of CHF 3.5 million that was approved by the Annual General Meeting and CHF 0.1 million more than in the previous year. This is explained by the fact that the number of members of the Group Executive Board was increased from four to five from 1 May 2022. According to the Articles of Association of Bell Food Group Ltd, the maximum compensation approved by the Annual General Meeting may be exceeded if the Group Executive Board is enlarged during the course of a year. Half of the variable compensation is paid in the form of shares of Bell Food Group Ltd that are blocked for four years.

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. The members of the Group Executive Board also receive a fixed expenses allowance and a company car.

Variable compensation (profit share)

The members of the Group Executive Board receive a performance-related variable payment, which depends on the company's success and the achievement of their individual objectives. The company's success is determined by the achievement of the EBIT target for the financial year as defined by the Board of Directors. The individual objectives for the financial year are defined by the Board of Directors upon the proposal of the CEO. Each member of the Group Executive Board was given four personal objectives relating to operational projects for the reporting year. All elements of the profit share require the approval of the Board of Directors. There is no automatic entitlement to any compensation.

Achievement of the EBIT objective counts 70 percent and the individual objectives 30 percent for the calculation of the profit share. The achievement of the EBIT objective is determined by the objectives of the Bell Food Group as well as those of the business areas for which a member of the Group Executive Board bears operational responsibility.

Provided all objectives are met, the variable compensation accounts for 20 percent of the basic salary of the members of the Group Executive Board. Each performance criterion (EBIT of the Bell Food Group, EBIT of the relevant business area and total for personal objectives) can be achieved individually and is settled individually. The individual profit shares are calculated on the basis of the gross annual salary without fringe benefits such as expenses allowances for the assessment year.

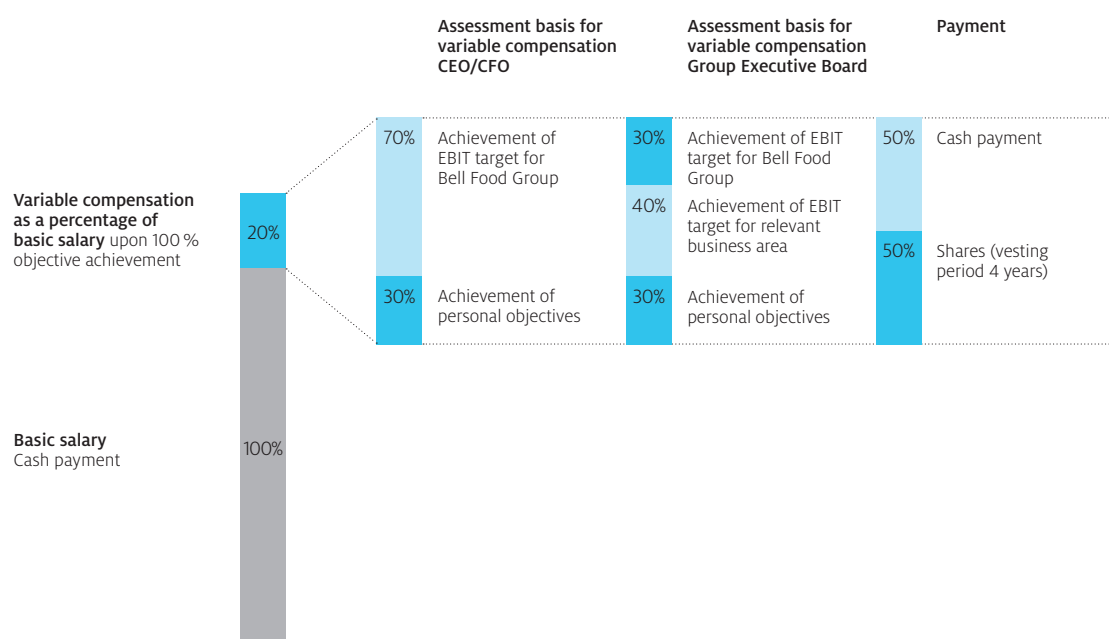
Performance criterion	CEO/CFO	Head of business area
EBIT Bell Food Group	70 %	30 %
EBIT business area		40 %
Personal objectives	30 %	30 %

The variable compensation for the past financial year (cash payment and transfer of shares) is usually paid in April of the following year. Half of the variable compensation is paid in the form of shares in 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.

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 twelve months. No restraint on competition applies after the termination of the employment relationship.

Compensation system for the Group Executive Board



The Board of Directors decides about the payment of variable compensation.

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 2022, and no payments were made to any former members of the Board of Directors, the Group Executive Board and their related parties.

Overview of compensation for the Board of Directors and the Group Executive Board

Payments to the Board of Directors 2022 (audited) in CHF thousand	Basic fee (gross, in cash)	Employer contributions to social insurance	Total
Joos Sutter, Chair ¹	150	–	150
Doris Leuthard, Vice-Chair ¹	130	–	130
Philipp Dautzenberg ¹	100	–	100
Thomas Hinderer	100	–	100
Werner Marti	100	4	104
Jean G. Villot ²	22	1	23
Philipp Wyss ¹	100	–	100
Board of Directors 2022	702	5	707

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

Payments to the Group Executive Board in 2022 (audited) in CHF thousand	Basic fee (gross, in cash)	Variable compensation (gross, 50 % paid in cash and 50 % in shares)	Employer contributions to social insurance	Total
Lorenz Wyss, CEO	633	121	155	909
Other members of the Group Executive Board ⁴	1 854	355	490	2 699
Group Executive Board 2022	2 488	476	645	3 608

Payments to the Group Executive Board in 2021 (audited) in CHF thousand	Basic fee (gross, in cash)	Variable compensation (gross, 50 % paid in cash and 50 % in shares) ⁴	Employer contributions to social insurance	Total
Lorenz Wyss, CEO	632	133	212	976
Other members of the Group Executive Board	1 548	324	526	2 399
Group Executive Board 2021	2 180	457	738	3 375

1 Fee is paid to the Coop Group Cooperative.

2 Resigned from the Board of Directors on 22 March 2022.

3 On 23 March 2021, Joos Sutter took over as Chair from Hansueli Loosli, who resigned from the Board of Directors. On the same date, Doris Leuthard took over as Vice-Chair from Joos Sutter.

4 The number of members of the Group Executive Board was increased from four to five on 1 May 2022.

Overview of shares held by the Board of Directors and the Group Executive Board

The members of the Group Executive Board receive part of their profit share in the form of shares of Bell Food Group Ltd. Apart from this, neither the members of the Board of Directors nor the members of the Group Executive Board

are 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.

On 31 December 2021 and 2022, the members of the Board of Directors and the Group Executive Board held the following shares of Bell Food Group Ltd:

Shares held as of 31.12. (number)	2022			2021		
	Number of unvested shares	Number of vested shares	Number of shares total	Number of unvested shares	Number of vested shares	Number of shares total
Board of Directors						
Joos Sutter, Chair	0	0	0	0	0	0
Doris Leuthard, Vice-Chair	0	20	20	0	20	20
Philipp Dautzenberg, member	0	0	0	0	0	0
Thomas Hinderer, member	0	300	300	0	200	200
Werner Marti, member	970	59	1 029	870	159	1 029
Jean G. Villot, member ¹	N/A	N/A	N/A	234	0	234
Philipp Wyss, member	0	0	0	0	0	0
Group Executive Board						
Lorenz Wyss, CEO	1 301	1 241	2 542	1 201	926	2 127
Volker Baltes, member ²	N/A	N/A	N/A	0	584	584
Thomas Bodenmann, member ³	100	300	400	N/A	N/A	N/A
Xavier Buro, member (CFO)	0	850	850	0	550	550
Martin Henck, member ³	50	0	50	N/A	N/A	N/A
Marco Tschanz, member	838	963	1 801	638	762	1 400

1 Resigned from the Board of Directors on 22 March 2022.

2 Resigned from the Group Executive Board on 30 April 2022.

3 Member of the Group Executive Board since 1 May 2022.

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Important dates

Financial year-end
31 December 2023

Annual General Meeting of
Bell Food Group Ltd
18 April 2023

Publication of results for first half of 2023
10 August 2023

Publication of 2023 results
February 2024

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 116
as well as on the website.

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

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

Report on the audit of the compensation report

to the General Meeting of Bell Food Group Ltd, Basel

Opinion

We have audited the compensation report of Bell Food Group Ltd (the company) for the year ended 31 December 2022. The audit was limited to the information regarding compensation, loans and credits in accordance with Articles 14–16 of the Ordinance against Excessive Remuneration in Listed Companies Limited by Shares (ERCO) contained in the tables labelled «audited» on page 69 of the compensation report.

In our opinion, the information regarding compensation, loans and credits in the enclosed compensation report complies with Swiss law as well as with Articles 14–16 ERCO.

Basis for opinion

We have to carry out our audit in compliance with Swiss laws and Swiss auditing standards. Our responsibilities under those provisions and standards are further described in the section of our report entitled «Auditor's responsibilities for the audit of the compensation report». We are independent of the company 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.

Other information

The Board of Directors is responsible for the other information. The other information refers to information contained in the annual report that is not included in the tables marked «audited» in the compensation report, the consolidated financial statements, the annual report and our related reports.

Our opinion about the compensation report does not cover the other information, and we are not expressing any audit opinion in this regard.

As part of our audit we have to read the other information and decide whether the other information contains material discrepancies to the audited financial information in the compensation report or our findings made during the audit, or if it otherwise seems to constitute a material misstatement.

If we should conclude on the basis of the audit carried out by us that this other information constitutes a material misstatement, we are obliged to report on this fact. We have nothing to report in this regard.

Responsibility of the Board of Directors for the compensation report

The Board of Directors is responsible for the preparation of a compensation report in accordance with the provisions of Swiss law and the company's Articles of Association, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a compensation report that is free from material misstatement, whether due to fraud or error. The Board of Directors is also responsible for designing the compensation system and defining individual compensation packages.

Auditor's responsibilities for the audit of the compensation report

Our objectives are to obtain reasonable assurance about whether the information about compensation, loans and credits pursuant to Articles 14–16 ERCO provided in the compensation report 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 accord-

ance 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 this compensation report.

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

- Identify and assess the risks of material misstatement of the compensation report, 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 the accounting policies used as well as the reasonableness of the accounting estimates and the related information.

We communicate with the Board of Directors or its relevant committee, among other things about the planned scope and timing of the audit as well as about important audit findings, including any significant flaws in the internal control system identified by us 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, any measures to remove threats or related safeguards.

KPMG AG

Jürg Meisterhans
Licensed Audit Expert
Auditor in Charge

Carolyn Widenmayer
Licensed Audit Expert

Basel, 7 February 2023

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Consolidated financial statements of the Bell Food Group

Consolidated balance sheet

in CHF million	Note	31.12.2022	Share	31.12.2021	Share
Cash and cash equivalents	1	315.7		185.3	
Securities		–		1.9	
Trade accounts receivable	2	341.4		367.4	
Other current receivables	3	62.3		59.0	
Inventories	4	508.6		444.2	
Accrued income and prepaid expenses	5	22.4		20.4	
Current assets		1 250.4	40.8 %	1 078.2	38.5 %
Financial assets	8	72.1		68.7	
Intangible assets	9	195.4		216.5	
Tangible assets	10	1 547.6		1 434.9	
Non-current assets		1 815.2	59.2 %	1 720.1	61.5 %
Assets		3 065.6	100.0 %	2 798.3	100.0 %
Current financial liabilities	11	106.0		195.0	
Trade accounts payable		260.8		219.9	
Other current liabilities	6	14.3		28.3	
Current provisions	12	5.5		8.2	
Accrued expenses and deferred income	7	181.2		172.5	
Current liabilities		567.8	18.5 %	624.0	22.3 %
Non-current financial liabilities	11	953.9		672.7	
Non-current provisions	12	87.6		87.5	
Non-current liabilities		1 041.5	34.0 %	760.2	27.2 %
Liabilities		1 609.3	52.5 %	1 384.2	49.5 %
Share capital		3.1		3.1	
Capital reserves		154.6		177.2	
Retained earnings		1 380.6		1 275.3	
Translation differences		–208.1		–167.0	
Treasury shares	19	–2.0		–2.1	
Annual result		127.8		127.4	
Equity excl. minority interests		1 456.1	47.5 %	1 413.9	50.5 %
Minority interests		0.2		0.2	
Equity		1 456.3	47.5 %	1 414.1	50.5 %
Liabilities and equity		3 065.6	100.0 %	2 798.3	100.0 %

Consolidated income statement

in CHF million	Note	2022	Share	2021	Share
Net revenue	14	4 315.0	100.0 %	4 151.6	100.0 %
Cost of goods sold		2 648.7	61.4 %	2 535.6	61.1 %
Gross operating income		1 666.4	38.6 %	1 616.0	38.9 %
Personnel expenses	16	848.4		822.7	
Rents		47.9		46.9	
Energy, auxiliary materials		101.6		85.0	
Repair and maintenance		108.1		107.9	
Transport		138.2		126.8	
Advertising		33.8		32.5	
Other operating expenses		62.6		68.4	
Total operating expenses		1 340.6	31.1 %	1 290.3	31.1 %
Earnings before interest, taxes, depreciation and amortisation (EBITDA)		325.8	7.5 %	325.7	7.8 %
Amortisation of intangible assets	9	10.6		8.3	
Amortisation of goodwill	9	24.6		25.3	
Depreciation of tangible assets	10	127.6		129.8	
Earnings before interest and taxes (EBIT)		162.9	3.8 %	162.4	3.9 %
Financial result	17	-15.0		-12.1	
Net income from associated companies		4.8		3.8	
Earnings before taxes (EBT)		152.7	3.5 %	154.1	3.7 %
Taxes	18	24.9		26.7	
Earnings after taxes		127.8	3.0 %	127.4	3.1 %
Minority interests in earnings		0.0		0.0	
Annual result		127.8	3.0 %	127.4	3.1 %
Earnings per share (in CHF, diluted and undiluted)	20	20.37		20.31	

Consolidated cash flow statement

in CHF million	Note	2022	2021
Earnings after taxes		127.8	127.4
Depreciation of tangible assets		127.6	128.8
Amortisation of intangible assets		35.3	33.5
Extraordinary depreciation		–	1.0
Other non-cash income (–)/expenses (+)		12.4	5.8
Income (–)/loss (+) from sale of tangible assets		–2.3	–0.2
Dividends from associated companies		0.4	0.4
Net income from associated companies		–4.8	–3.8
Income (–)/loss (+) from sale of investments		0.1	–
Increase (+)/decrease (–) in provisions		–2.6	–0.6
Increase (–)/decrease (+) in receivables		11.7	11.7
Increase (–)/decrease (+) in inventory		–80.3	–30.1
Increase (–)/decrease (+) in accrued income and prepaid expenses		–2.2	–3.3
Increase (+)/decrease (–) in liabilities		6.3	4.9
Increase (+)/decrease (–) in accrued expenses and deferred income		11.9	18.0
Operating cash flow		241.4	293.5
Investment (–)/divestment (+) of securities		1.6	–
Investment in other companies and financial assets		–6.8	–10.4
Acquisition (+)/sale (–) of cash and cash equivalents		0.1	–
Divestment of other companies and financial assets		1.1	0.4
Investment in intangible assets		–12.2	–18.5
Divestment of intangible assets		0.0	0.6
Investment in tangible assets		–243.0	–220.4
Divestment of tangible assets		4.4	1.8
Cash flow from investing activities		–254.8	–246.6
Proceeds from (+)/repayment of (–) current financial liabilities	11	64.2	–0.9
Proceeds from (+)/repayment of (–) non-current financial liabilities		–	–
Proceeds from (+) bonds		300.0	–
Repayment of (–) bonds		–175.0	–
Proceeds from (+) capital increases		–	–
Acquisition (–)/sale (+) of minorities		–	–
Investment in (–)/divestment of (+) treasury shares		–0.6	2.0
Dividend		–43.9	–40.7
Cash flow from financing activities		144.7	–39.6
Cash flow balance		131.4	7.3
Cash and cash equivalents as of 01.01.		185.3	178.5
Effect of currency translation on cash and cash equivalents		–1.0	–0.6
Changes in cash and cash equivalents		131.4	7.3
Cash and cash equivalents as of 31.12.		315.7	185.3

Consolidated statement of changes in equity

in CHF million	Share capital	Capital reserves	Retained earnings	Translation differences	Treasury shares	Annual result	Equity excl. minority interests	Minority interests	Equity
Equity as of 01.01.2022	3.1	177.2	1 275.3	-167.0	-2.1	127.4	1 413.9	0.2	1 414.1
Changes in scope of consolidation	-	-	-	-	-	-	-	-	-
Acquisition minorities	-	-	-	-	-	-	-	-	-
Appropriation of earnings	-	-	127.4	-	-	-127.4	-	-	-
Dividend	-	-22.0	-22.0	-	-	-	-43.9	-	-43.9
Additions/disposals of treasury shares	-	-0.6	-	-	0.0	-	-0.6	-	-0.6
Annual result	-	-	-	-	-	127.8	127.8	0.0	127.8
Currency translation differences	-	-	-	-41.1	-	-	-41.1	-0.0	-41.1
Equity as of 31.12.2022	3.1	154.6	1 380.6	-208.1	-2.0	127.8	1 456.1	0.2	1 456.3
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 result	-	-	-	-	-	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

The non-distributable reserves of Bell Food Group Ltd amount to CHF 0.6 million (previous year: CHF 0.6 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 99 and 100 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

		2022	2021
Balance Sheet	EUR 1	= CHF 0.9847	= CHF 1.0331
	CZK 1	= CHF 0.0408	= CHF 0.0416
	HUF 100	= CHF 0.2456	= CHF 0.2798
	PLN 1	= CHF 0.2104	= CHF 0.2247
	USD 1	= CHF 0.9232	= CHF 0.9121
	GBP 1	= CHF 1.1102	= CHF 1.2295
	RON 1	= CHF 0.1989	= CHF 0.2087
Income statement	EUR 1	= CHF 1.0007	= CHF 1.0813
	CZK 1	= CHF 0.0409	= CHF 0.0422
	HUF 100	= CHF 0.2567	= CHF 0.3016
	PLN 1	= CHF 0.2146	= CHF 0.2368
	USD 1	= CHF 0.9498	= CHF 0.9141
	GBP 1	= CHF 1.1837	= CHF 1.2576
	RON 1	= CHF 0.2044	= CHF 0.2197

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
Goodwill	8–15
Trademarks, patents and licenses	4–8
Other intangible assets	3–10

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 carryforwards. 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:

	2022	2021
Switzerland	14.00 %	14.00 %
Liechtenstein	12.50 %	12.50 %
Germany	30.00 %	30.00 %
France	25.00 %	28.00 %
Austria	23.00 %	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 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	31.12.2022	Share	31.12.2021	Share
Cash	0.2	0.1 %	0.2	0.1 %
Cash in banks	265.5	84.1 %	185.1	99.9 %
Fixed deposits	50.0	15.8 %	–	–
Cash and cash equivalents	315.7	100.0 %	185.3	100.0 %

Cash and cash equivalents by currency

CHF	279.9	88.6 %	145.6	78.6 %
EUR	30.3	9.6 %	32.6	17.6 %
Other currencies	5.6	1.8 %	7.1	3.9 %
Cash and cash equivalents by currency	315.7	100.0 %	185.3	100.0 %

In the last working days of the financial year 2022, Bell Food Group received a non-allocable payment of CHF 80 million from a business partner. This payment was classified as financial liability and repaid at the beginning of the financial year 2023. As of 31 December 2022, the payment increased cash and cash equivalents as well as financial liabilities by the amount mentioned. In the cash flow statement, the situation is presented as «Proceeds from (+)/repayment of (–) current financial liabilities».

2. Trade accounts receivable

in CHF million	31.12.2022	Share	31.12.2021	Share
Trade accounts receivable	346.8	101.6 %	373.2	101.6 %
Valuation adjustment	–5.4	–1.6 %	–5.8	–1.6 %
Trade accounts receivable	341.4	100.0 %	367.4	100.0 %

3. Other current receivables

in CHF million	31.12.2022	Share	31.12.2021	Share
Income taxes	2.1	3.4 %	1.9	3.1 %
Others	60.1	96.6 %	57.2	96.9 %
Other current receivables	62.3	100.0 %	59.0	100.0 %

4. Inventories

in CHF million	31.12.2022	Share	31.12.2021	Share
Raw materials and finished goods	423.1	83.2 %	378.2	85.1 %
Auxiliary materials and trading goods	106.4	20.9 %	81.3	18.3 %
Valuation adjustment	–20.9	–4.1 %	–15.3	–3.4 %
Inventories	508.6	100.0 %	444.2	100.0 %

5. Accrued income and prepaid expenses

in CHF million	31.12.2022	Share	31.12.2021	Share
Income taxes	0.2	1.0 %	0.2	0.8 %
Employees	2.8	12.7 %	1.6	7.7 %
Others	19.4	86.3 %	18.7	91.5 %
Accrued income and prepaid expenses	22.4	100.0 %	20.4	100.0 %

6. Other current liabilities

in CHF million	31.12.2022	Share	31.12.2021	Share
Income taxes	4.5	31.0 %	16.2	57.1 %
Dividend	0.0	0.1 %	0.0	0.0 %
Others	9.9	68.9 %	12.1	42.8 %
Other current liabilities	14.3	100.0 %	28.3	100.0 %

7. Accrued expenses and deferred income

in CHF million	31.12.2022	Share	31.12.2021	Share
Income taxes	14.3	7.9 %	15.8	9.1 %
Employees	55.2	30.4 %	50.9	29.5 %
Others	111.7	61.6 %	105.9	61.4 %
Accrued expenses and deferred income	181.2	100.0 %	172.5	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 01.01.2022	57.9	1.9	–	–	8.8	68.7
Changes in scope of consolidation	–	–	–	–	–	–
Investments	–	–	–	–	0.5	0.5
Divestments/dividends from associated companies	–0.4	–0.4	–	–	–0.9	–1.7
Revaluation	4.8	–0.0	–	–	–0.0	4.7
Reclassification	–	–	–	–	–0.0	–0.0
Currency translation differences	–	–0.0	–	–	–0.0	–0.1
Net carrying amount as of 31.12.2022	62.3	1.4	–	–	8.4	72.1
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

Notes to the consolidated financial statements

9. Intangible assets

in CHF million	Goodwill	Trademarks, patents and licences	Software	Prepayments and accumu- lated costs	Other intangible assets	Total
Net carrying amount as of 01.01.2022	162.4	3.7	23.5	25.7	1.2	216.5
Acquisition value as of 01.01.2022	283.1	15.0	93.3	25.7	2.6	419.7
Changes in scope of consolidation ¹	3.3	-0.0	-0.0	-	-	3.3
Investments	-	0.0	4.7	7.5	-0.0	12.2
Divestment/discontinuation	-	-0.0	-5.4	-	-0.0	-5.5
Reclassification	-	-	11.4	-9.4	0.0	2.0
Currency translation differences	-5.2	-0.4	-1.3	-0.7	-0.1	-7.8
Acquisition value as of 31.12.2022	281.2	14.6	102.6	23.1	2.5	424.0
Cumulative depreciation as of 01.01.2022	120.8	11.2	69.7	-	1.4	203.1
Changes in scope of consolidation	-	-0.0	-0.0	-	-	-0.0
Depreciation	24.6	0.5	10.0	-	0.1	35.3
Extraordinary depreciation	-	-	-	-	-	-
Cumulative depreciation on divestment/discontinuation	-	-0.0	-5.4	-	-0.0	-5.4
Reclassification	-	-	-	-	-	-
Currency translation differences	-2.7	-0.5	-1.1	-	-0.0	-4.4
Cumulative depreciation as of 31.12.2022	142.7	11.2	73.2	-	1.5	228.6
Net carrying amount as of 31.12.2022	138.5	3.4	29.4	23.1	1.0	195.4
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

1 In financial year 2022, Brüterei Stöckli AG was acquired. The acquisition resulted in a goodwill of CHF 3.3 million.

In the financial year 2022, own work amounting to CHF 3.6 million (previous year: CHF 5.9 million) was capitalised 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 01.01.2022	12.9	710.0	120.1	320.5	215.0	56.3	1 434.9
Acquisition value as of 01.01.2022	12.9	1 327.1	386.1	1 037.0	215.0	222.8	3 200.9
Changes in scope of consolidation	–	10.2	0.0	0.2	–	0.2	10.7
Investments	–	15.6	14.0	26.8	195.7	15.5	267.6
Divestment/discontinuation	–	–27.5	–8.5	–56.4	–0.3	–14.1	–106.7
Reclassification	–0.3	20.0	13.8	39.0	–83.9	9.4	–2.0
Currency translation differences	–0.6	–21.6	–1.0	–20.8	–2.5	–4.1	–50.6
Acquisition value as of 31.12.2022	11.9	1 323.8	404.4	1 026.0	324.1	229.7	3 319.9
Cumulative depreciation as of 01.01.2022	–	617.1	266.0	716.5	–	166.5	1 766.0
Changes in scope of consolidation	–	4.2	0.0	0.1	–	0.0	4.3
Depreciation	–	31.3	19.5	56.9	–	19.9	127.6
Extraordinary depreciation	–	–	–	–	–	–	–
Cumulative depreciation on divestment/discontinuation	–	–27.6	–8.4	–54.8	–	–13.8	–104.6
Reclassification	–	–	–0.0	0.0	–	–	–
Currency translation differences	–	–6.2	–0.5	–11.6	–	–2.8	–21.0
Cumulative depreciation as of 31.12.2022	–	618.9	276.5	707.0	–	169.7	1 772.2
Net carrying amount as of 31.12.2022	11.9	704.9	127.8	318.9	324.1	59.9	1 547.6
Finance lease included in the net carrying amount	–	–	–	0.0	–	0.0	0.0
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

In the financial year 2022, own work amounting to CHF 1.8 million (previous year: CHF 4.5 million) was capitalised in tangible assets.

The increase in «Prepayments/assets under construction» is mainly driven by major construction projects in Switzerland.

Notes to the consolidated financial statements

11. Financial liabilities

in CHF million	31.12.2022	Share	31.12.2021	Share
Current accounts ¹	84.2	7.9 %	4.9	0.6 %
Current bank loans	21.7	2.0 %	15.1	1.7 %
Leasing liabilities	0.0	0.0 %	0.0	0.0 %
Bonds	–	–	175.0	20.2 %
Current financial liabilities	106.0	10.0 %	195.0	22.5 %
Non-current bank loans	3.9	0.4 %	22.7	2.6 %
Leasing liabilities	–	–	0.0	0.0 %
Bonds	950.0	89.6 %	650.0	74.9 %
Non-current financial liabilities	953.9	90.0 %	672.7	77.5 %
Financial liabilities	1 059.9	100.0 %	867.7	100.0 %
Maturity structure of financial liabilities				
Due within one year	106.0	10.0 %	195.0	22.5 %
Due within two years	200.0	18.9 %	20.7	2.4 %
Due within three years or later	753.9	71.1 %	652.0	75.1 %
Financial liabilities	1 059.9	100.0 %	867.7	100.0 %
Financial liabilities by currency				
CHF	1 059.8	100.0 %	867.1	99.9 %
EUR	0.0	0.0 %	0.6	0.1 %
Other currencies	0.0	0.0 %	0.0	0.0 %
Financial liabilities	1 059.9	100.0 %	867.7	100.0 %
Interest rates				
Bank loans	0.65 %–2.10 %		0.65 %–2.15 %	
Leasing liabilities	1.75 %–2.50 %		1.75 %–2.50 %	

¹ In the last working days of the financial year 2022, Bell Food Group received a non-allocable payment of CHF 80 million from a business partner. This payment was classified as financial liability and repaid at the beginning of the financial year 2023. As of 31 December 2022, the payment increased cash and cash equivalents as well as financial liabilities by the amount mentioned. In the cash flow statement, the situation is presented as «Proceeds from (+)/repayment of (–) current financial liabilities».

Bell Food Group Ltd paid back a maturing bond of CHF 175 million on 16 May 2022. The current financial liabilities decreased accordingly. At the same time, a new bond of CHF 300 million with an interest rate of 1.55 percent and a term of seven years was issued, which led to an increase in non-current financial liabilities.

Bonds

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

Bond type	Bond with reopening option
Nominal amount	CHF 300 million
Securities number	117 056 576 / ISIN CH1170565761
Interest rate	1.550 percent
Term	7 years
Maturity	16 May 2029 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 01.01.2022	20.5	51.8	0.2	1.1	22.1	95.7
Changes in scope of consolidation	–	0.3	–	–	–	0.3
Creation	2.6	1.8	0.8	–	4.5	9.7
Release/utilisation	–1.8	–2.8	–0.2	–0.7	–6.2	–11.7
Reclassification	–	–	–	–	–	–
Currency translation differences	–0.3	–0.3	–0.0	–	–0.3	–0.9
Provisions as of 31.12.2022	20.9	50.8	0.8	0.4	20.1	93.1
Current	1.1	–	–	0.4	4.0	5.5
Non-current	19.9	50.8	0.8	–	16.1	87.6
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

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.

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13. Acquisition/disposal of companies and parts of companies

2022

Acquisition of Brüterei Stöckli AG as of 1 October 2022

As of 1 October 2022, the Brüterei Stöckli AG (CH) was acquired with a participation of 100 percent. The net assets acquired are not material for the consolidated financial statements of Bell Food Group.

Sale of ZIMBO Perbál Húsipari Termelő Kft. as of 1 June 2022

In the year 2020, the Bell Food Group sold the production plant (asset deal) of ZIMBO Perbál Húsipari Termelő Kft. to the Hungarian company Spar. The trading business remaining in the Bell Food Group was now sold by means of a share deal as of 1 June 2022. The parties have agreed not to disclose the sale price. The net assets sold and the net revenue are not material for the consolidated financial statements of the Bell Food Group and are therefore not disclosed in detail.

2021

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

Notes to the consolidated financial statements

14. Net revenue

in CHF million	2022	Share	2021	Share
Sales by country				
Switzerland, Liechtenstein	2 758.6	63 %	2 721.7	65 %
Germany	813.0	19 %	764.4	18 %
Austria	289.0	7 %	259.2	6 %
France	132.1	3 %	132.5	3 %
Poland	93.4	2 %	77.9	2 %
Benelux	62.5	1 %	62.5	1 %
Spain	43.7	1 %	43.3	1 %
Hungary	31.7	1 %	30.8	1 %
Great Britain	31.0	1 %	31.9	1 %
Czech Republic	22.3	1 %	18.7	0 %
Romania	21.9	1 %	20.1	0 %
Italy	13.3	0 %	9.4	0 %
Other countries	39.4	1 %	28.6	1 %
Sales by country	4 352.1	100 %	4 201.0	100 %
Sales by product group				
Fresh meat	909.5	21 %	922.0	22 %
Charcuterie	935.0	21 %	954.6	23 %
Poultry	1 027.9	24 %	934.7	22 %
Seafood	221.1	5 %	230.4	5 %
Convenience	1 236.3	28 %	1 140.9	27 %
Other sales	22.2	1 %	18.4	0 %
Sales by product group	4 352.1	100 %	4 201.0	100 %
Reconciliation to net revenue				
Other revenue	71.7		60.8	
Sales deductions	-108.8		-110.2	
Net revenue	4 315.0		4 151.6	

15. Segment reporting

	Volume in million kg	Sales in CHF million	Operating investments ¹ in CHF million	Headcount FTE
2022				
Bell Switzerland	125.8	2 118.3	163.1	3 637
Bell International	203.1	1 079.0	42.8	3 651
Eisberg	54.6	320.1	23.6	1 917
Hilcona	88.0	540.1	27.7	1 841
Hügli	81.6	380.8	22.7	1 612
Consolidation	-12.1	-86.2	-	-
Bell Food Group	541.0	4 352.1	279.9	12 659
2021				
Bell Switzerland	127.5	2 125.4	111.4	3 571
Bell International	208.8	1 002.2	26.3	3 529
Eisberg	47.9	288.6	45.6	1 855
Hilcona	80.9	487.5	35.9	1 801
Hügli	83.5	374.7	21.8	1 578
Consolidation	-11.0	-77.4	-	-
Bell Food Group	537.6	4 201.0	241.0	12 333

1 Investments in tangible assets / software

On 1 May 2022, the Bell Food Group adjusted its organisation. The Convenience business area was divided into three separate business areas: Eisberg, Hilcona and Hügli. The organisational adjustment of the convenience activities enables more direct market cultivation and opens up new opportunities for exploiting market potential through simpler structure. The new organisational structure is reflected accordingly in the segment reporting and the previous year's figures have been adjusted.

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	2022	2021
Wages and salaries	558.8	548.8
Social contribution	91.3	90.9
Pension expenses	38.5	37.3
Third-party wages	144.2	132.0
Other personnel expenses	15.5	13.8
Personnel expenses	848.4	822.7

Employee benefits

	Excess/insufficient cover	Economic share of the Bell Food Group		Change from previous year		Contributions related to the period	Pension expenses in personnel expenses	
	31.12.2022	31.12.2022	31.12.2021	not affecting profit ² 2022	affecting profit 2022	2022	2022	2021
in CHF million								
Company's pension fund foundation	–	–	–	–	–	–	–	–
Pension schemes w/o excess/insufficient cover	–	–	–	–	–	35.6	35.6	10.8
Pension schemes with excess cover ¹	1.5	–	–	–	–	0.6	0.6	25.6
Pension schemes with insufficient cover	–	–	–	–	–	–	–	–
Pension schemes w/o assets	–	–20.9	–20.5	–1.9	2.3	–	2.3	1.0
Employee benefits	1.5	–20.9	–20.5	–1.9	2.3	36.2	38.5	37.3

1 As the annual financial statements of the pension funds according to Swiss GAAP ARR 26 as at 31 December 2022 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	2022	2021
Interest income	0.5	0.4
Income (+)/loss (-) from securities	-0.2	0.1
Income (+)/loss (-) from foreign currency transactions	-5.6	-4.0
Income (+)/loss (-) from sale of investments	-0.1	-
Other financial expenses	-1.1	-1.2
Interest expenses	-8.5	-7.4
Financial result	-15.0	-12.1

18. Taxes

in CHF million	2022	2021
Paid taxes and changes in tax liabilities	25.9	27.6
Changes in deferred taxes with impact on profit or loss	-1.0	-0.9
Taxes	24.9	26.7
Reported earnings before taxes (EBT)	152.7	154.1
Weighted Group tax rate	17.5%	16.0%
Expected tax expense	26.7	24.7
Influence of non-tax-deductible expenses	5.4	5.1
Influence of non-taxable income	-5.8	-1.7
Effect of non-capitalisation of loss carryforwards	8.5	8.3
Utilisation of non-capitalised loss carryforwards	-1.0	-0.4
Influence of different tax rates	-5.9	-6.6
Adjustment deferred taxes	-	-
Income taxes relating to other periods and other income taxes	-2.9	-2.7
Reported income tax expense	24.9	26.7

Tax assets from loss carryforwards are not capitalised in the Bell Food Group. The deferred tax assets for unused tax loss carryforwards amount to CHF 73.7 million as of 31 December 2022 (previous year: CHF 68.0 million).

In the past, non-tax-deductible expenses and non-taxable income were reported net. From financial year 2022 onwards, the effects will be presented gross in order to improve the clarity of reporting. The prior-year figures have been adjusted accordingly.

Notes to the consolidated financial statements

19. Treasury shares

	Number in pieces	Value	Number in pieces	Value
in CHF million	2022		2021	
Balance as of 01.01.	8 042	2.1	7 637	2.2
Acquisitions	10 000	2.4	9 150	2.2
Disposals	-9 801	-2.5	-8 745	-2.3
Balance as of 31.12.	8 241	2.0	8 042	2.1

The purchases of treasury shares were settled at an average transaction price of CHF 242.99 (previous year: CHF 237.50). The average transaction price of the disposals amounted to CHF 250.35 (previous year: CHF 257.78).

20. Earnings per share

	2022	2021
Number of shares as of 31.12.	6 285 712	6 285 712
Average time-weighted number of outstanding shares	6 276 024	6 272 002
Annual result	in CHF thousands 127 814	127 356
Earnings per share	in CHF, diluted and undiluted 20.37	20.31

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	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021
in CHF million						
Balance sheet						
Trade accounts receivable	96.1	129.0	0.4	0.2	96.5	129.2
Other current receivables	–	–	–	–	–	–
Accrued income and prepaid expenses	–	–	–	–	–	–
Financial assets	–	–	–	–	–	–
Trade accounts payable	9.7	3.9	4.4	2.4	14.1	6.3
Other current liabilities	–	–	–	–	–	–
Accrued expenses and deferred income	8.5	9.5	–	–	8.5	9.5
Financial liabilities ¹	80.0	–	–	–	80.0	–
Income statement	2022	2021	2022	2021	2022	2021
Net revenue	2 108.8	2 095.5	12.4	8.5	2 121.2	2 104.0
Cost of goods sold	58.5	38.3	6.9	7.7	65.4	46.0
Personnel expenses	1.6	1.7	–	–	1.6	1.7
Rents	8.2	8.4	–	–	8.2	8.4
Energy, auxiliary materials	4.4	2.5	–	–	4.4	2.5
Repair and maintenance	1.8	2.4	–	–	1.8	2.4
Transport	0.6	0.7	–	–	0.6	0.7
Advertising	5.7	5.6	–	–	5.7	5.6
Other operating expenses	4.1	4.4	0.0	–0.1	4.1	4.3
Financial result	–	–	–	–	–	–
Dividends	2022	2021	2022	2021	2022	2021
Dividends received	–	–	1.3	0.4	1.3	0.4
Dividends paid	–29.2	–27.1	–	–	–29.2	–27.1

¹ In the last working days of the financial year 2022, Bell Food Group received a non-allocable payment of CHF 80 million from a business partner. This payment was classified as financial liability and repaid at the beginning of the financial year 2023. As of 31 December 2022, the payment increased cash and cash equivalents as well as financial liabilities by the amount mentioned. In the cash flow statement, the situation is presented as «Proceeds from (+)/repayment of (–) current financial liabilities».

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	31.12.2022	31.12.2021
Unrecognised leasing liabilities	2.0	2.3
Due within one year	1.0	1.4
Due within two years	0.6	0.7
Due within three years or later	0.3	0.3
Obligations from long-term contracts with third parties	51.1	53.6
Due within one year	7.3	7.8
Due within two years	6.8	7.0
Due within three years or later	36.9	38.7
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	7.8	14.6
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	
		31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Underlying	Purpose						
Foreign currencies	Hedging	39.4	46.5	–	–	–1.7	–0.6
Derivative financial instruments		39.4	46.5	–	–	–1.7	–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 result smaller than 2 %) are not listed.

in million						Group share in % as of 31.12.	
Company	Domicile	Sphere of activity		Capital stock as of 31.12.2022		2022	2021
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 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 France Holding SAS	Teilhède (FR)	Management	■	EUR	20.0	100.0 %	100.0 %
Bell France SAS	Teilhède (FR)	Charcuterie	■	EUR	1.2	100.0 %	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 %
Frish 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 Húsipari Termelő Kft. ¹	Perbál (HU)	Charcuterie	■			–	100.0 %

■ Fully consolidated
○ Consolidation at equity

¹ Sale of ZIMBO Perbál Húsipari Termelő Kft. as of 1 June 2022.

Notes to the consolidated financial statements

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

in million					Group share in % as of 31.12.	
Company	Domicile	Sphere of activity		Capital stock as of 31.12.2022	2022	2021
Eisberg						
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	Águilas (ES)	Convenience	■	EUR 0.0	100.0%	100.0%
Sylvain & CO SA	Champvent (CH)	Convenience	■	CHF 0.1	100.0%	100.0%
Hilcona						
Hilcona Aktiengesellschaft	Schaan (FL)	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%
Hügli						
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.m.bH	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.	Łódź (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	29.3%	29.3%
GVFI AG	Basel (CH)	Meat trade	○	CHF 3.0	26.6%	26.6%
Baltic Vianco OÜ	Sänna, Rõuge vald (EE)	Livestock trading	○	EUR 0.8	33.3%	33.3%

■ Fully consolidated

○ Consolidation at equity

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 2022 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 76 to 100) give a true and fair view of the consolidated financial position of the Group as at 31 December 2022, 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 Standards on Auditing (SA-CH). 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, together with 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.

Key Audit Matters

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.</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.</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 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
- 14. Net revenue

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the tables marked «audited» in the Remuneration Report, the consolidated financial statements, the financial statements and our auditor's reports thereon.

Our opinion on the Remuneration Report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Remuneration Report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the Remuneration Report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' Responsibilities 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 SA-CH 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 SA-CH, 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.

Report on Other Legal and Regulatory Requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 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, 7 February 2023

Financial statements of Bell Food Group Ltd

Balance sheet

in CHF million		31.12.2022	Share	31.12.2021	Share
Cash and cash equivalents		70.0		43.3	
Securities		0.0		1.9	
Other current receivables		0.8		0.1	
Other current receivables from Group companies		116.0		65.0	
Accrued income and prepaid expenses		2.8		2.4	
Current assets		189.6	8.2 %	112.6	5.0 %
Financial assets	Loans to Group companies	920.6		823.8	
	Other financial assets	7.8		7.8	
Investments	Controlling interests	1 175.0		1 293.1	
	Non-controlling interests	10.7		10.6	
Non-current assets		2 114.0	91.8 %	2 135.3	95.0 %
Assets		2 303.6	100.0 %	2 248.0	100.0 %
Current financial liabilities		15.0		190.0	
Trade accounts payable		0.2		0.0	
Other current liabilities		0.1		0.1	
Other current payables to Group companies		15.6		55.1	
Accrued expenses and deferred income		7.0		6.1	
Current liabilities		37.9	1.6 %	251.3	11.2 %
Non-current financial liabilities		950.8		665.0	
Non-current liabilities		950.8	41.3 %	665.0	29.6 %
Liabilities		988.7	42.9 %	916.3	40.8 %
Share capital		3.1		3.1	
Statutory capital reserves					
Reserves from capital contributions		508.5		530.4	
Other capital reserves		6.7		7.3	
Legally required retained earnings		10.0		10.0	
Voluntary retained earnings		760.9		765.0	
Treasury shares		-2.0		-2.1	
Annual profit		27.7		17.9	
Equity		1 314.9	57.1 %	1 331.7	59.2 %
Liabilities and equity		2 303.6	100.0 %	2 248.0	100.0 %

Income statement

in CHF million	2022	2021
Income from investments	170.5	171.4
Other financial income	21.5	10.3
Other income	3.2	3.2
Total income	195.2	184.9
Administrative expenses	1.8	1.9
Other operating expenses	0.8	0.8
Value adjustment expenses	125.0	135.0
Financial expenses	39.9	30.0
Expenses	167.5	167.6
Annual profit before taxes	27.7	17.3
Taxes	0.0	-0.6
Annual profit after taxes	27.7	17.9

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	2022	2021
4. Total amount of pledged assets at commercial book values	–	–
5. Total amount of guarantees, warranties and pledges in favour of third parties¹	0.0	1.1
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 ²	68.49 %	66.29 %
J. Safra Sarasin Investmentfonds AG, Basel ³	3.13 %	3.13 %

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 Effective shareholding at the end of the year taking into account the 8 241 treasury shares of Bell Food Group Ltd as of 31 December 2022.

³ Shareholding at the time of the mandatory reporting (12 November 2021).

11. Treasury shares

	2022			2021		
	number	Ø price CHF	in CHF million	number	Ø price CHF	in CHF million
Stock on 1.1.	8 042	257	2.1	7 637	282	2.2
Addition of treasury shares	10 000	243	2.4	9 150	238	2.2
Disposal of treasury shares	-9 801	250	-2.5	-8 745	258	-2.3
Treasury shares at 31.12.	8 241	248	2.0	8 042	257	2.1

Each calendar year, all Bell Food Group employees can purchase 100 Bell Food Group Ltd shares at a price of 80 percent 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 9 801 treasury shares (previous year: 8 745) 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 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

Bond type	Bond with reopening option
Nominal amount	CHF 300 million
Securities number	117 056 576 / ISIN CH1170565761
Interest rate	1.550 percent
Term	7 years
Maturity	16 May 2029 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:

	2022	2021
	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	0	0
Thomas Hinderer, Member	300	200
Werner Marti, Member	1 029	1 029
Jean G. Villot, Member ¹	N/A	234
Philipp Wyss, Member	0	0
Shareholdings of members of the Group Executive Board on 31.12.		
Lorenz Wyss	2 542	2 127
Volker Baltes ²	N/A	584
Thomas Bodenmann ³	400	N/A
Xavier Buro	850	550
Martin Henck ³	50	N/A
Marco Tschanz	1 801	1 400

¹ Retired from the Board of Directors as of 22 March 2022.

² Retired from Group Management as of 1 May 2022.

³ Joined Group Management as of 1 May 2022.

14. Significant shareholdings

The significant shareholdings of Bell Food Group Ltd can be found on pages 99 and 100 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 2022. 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	27 701 747	-21 999 992	-5 701 755	-
Reserves from capital contributions	508 466 245	-21 999 992	-	486 466 253
Statutory retained earnings	10 000 000	-	-	10 000 000
Voluntary retained earnings	760 879 297	-	5 701 755	766 581 052
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 (the Company), which comprise the balance sheet as at 31 December 2022, 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 106 to 111) 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 Standards on Auditing (SA-CH). 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 Company in accordance with the provisions of Swiss law, together with 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.

Key Audit Matters

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 2022, Bell Food Group Ltd reported investments of CHF 1 175.0 million (previous year: CHF 1 293.1 million) and loans to group companies of CHF 920.6 million (previous year: CHF 823.8 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 this included own calculations, 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
- 14. Significant shareholdings

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the tables marked «audited» in the Remuneration Report, the consolidated financial statements, the financial statements and our auditor's reports thereon.

Our opinion on the Remuneration Report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Remuneration Report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the Remuneration Report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' Responsibilities 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 Company'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 Company 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 SA-CH 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 SA-CH, we exercise professional judgment and maintain professional skepticism 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 the Company'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 Company'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 Company 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.

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 PS-CH 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, 7 February 2023

Contacts and publishing details



Online
www.bellfoodgroup.com/report-en

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

7 February 2023

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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Phorbis Communications AG

Printing

SWS Medien AG Primedia, Sursee

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.

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