

orell füssli

Short Annual Report 2021

Dear shareholder,

The economic situation in 2021 continued to be marked by the COVID-19 pandemic. The crisis resulted in challenging framework conditions and ongoing uncertainty about the economic effects of the pandemic. The measures to contain the virus also had a negative impact on new investments by clients. As a result, full normalisation is likely to take some time, although an upturn in the economy is expected.

Given the current developments, the core topics of security and education are becoming increasingly important at Orell Füssli. We are pursuing a clear strategy and, thanks to our robust business model and solid balance sheet, we are making targeted investments in the further development and future viability of the business segments. In particular, in 2021 further advances were made in digitalisation in all business segments, with important expenditure in machinery, technology and investments.

Thanks to our stable business base, Orell Füssli's revenue declined only slightly in 2021 and the result was in line with expectations. Book Retailing deserves a special mention, as it managed to adapt very well to the difficult conditions and profited from a book market that once again is growing. As expected, revenue in Security Printing and at Zeiser remained below the previous year's level as a result of restricted travel to clients, postponed projects and increased competition. Orell Füssli Verlag is once again in the black, confirming the decision to focus the publishing house on the education segment and concentrate on learning media and specialist legal media for the Swiss market.

The future of Orell Füssli is based on its long-term expertise in business areas that build on the megatrends of security and education. The central elements are its expertise in security technology and important relationships with governmental institutions. The focus of the strategic development is on the increa-

sed connection between physical and digital value documents, IDs and certificates, and their protection against misuse and forgery. The acquisition of a majority stake in Procivis AG was a major step in the development of digital solutions in the area of e-government, identities and identification systems. Procivis's expertise and technology will ensure the consistent advancement of digitalisation and put us at the forefront of shaping the attractive digital identities business area. Following several political decisions in this area over the past year, we expect a large and interesting market to emerge in the next few years. Orell Füssli is also evaluating several strategic options in the area of book retailing and publishing in order to further strengthen the Group's position in the education segment, both analogue and digital. Due to the strong digital focus of the Group's future structure, the Board of Directors created a Digital Committee to support the Executive Board with acquisitions and new digital business models. The Digital Committee is led by Dr Luka Müller, Member of the Board of Directors.

The Security Printing division gained several new clients in 2021, including a project order from Africa for visa documents. In addition, a new generation of modern printing machines was put into operation that will enable Security Printing to further solidify its position as a leading and innovative quality supplier.

Orell Füssli Thalia's book retailing business performed very well, with the company proving to be very crisis-resistant, despite having to close for several weeks as a result of the pandemic. Thanks to a broad-based omnichannel strategy, a market leading position in the online business and a dedicated and flexible workforce, Book Retailing developed very successfully. The expansion with new businesses in locations with high footfall continued unabated, with several new sites opening in 2021.



Daniel Link
Dr Martin Folini

The publishing house was realigned, with a focus on learning and educational media and the well-known Globi and Carigiet children's book brands, thus paving the way for further development.

We also enhanced the layout and content of our Annual Report for the 2021 financial year, with the intention of providing you with a clearer and more transparent picture of our company and our strategy.

On the basis of the information contained in this report and subject to any further restrictions as a result of the pandemic, the Board of Directors and the Executive Board expect to see a slight increase in revenue for 2022. However, due to higher depreciation of property, plant and equipment and a slightly higher cost base, the EBIT margin will be marginally below the previous year. The acquisition of new clients in Security Printing remains challenging due to the pandemic,

full inventories at central banks and excess capacity in the market. However, as at the end of December 2021, the order situation is good until Q2 2022. Due to its expanded product portfolio, Zeiser was able to address a broader client base and grow further. Orell Füssli Thalia AG expects revenue in book retailing to expand further as well, thanks to the opening of new locations.

The Board of Directors proposes that the shareholders at the Annual General Meeting on 11 May 2022 approve a dividend of CHF 3.40 per share (previous year: CHF 3.00). Orell Füssli intends to distribute a substantial 60%–80% of net profit to shareholders. This principle will also apply in subsequent years.

We would like to thank our employees sincerely for their tireless commitment, dedication and flexibility. We thank our clients, business partners and you, our shareholders, for your loyalty and trust in our company.

Zurich, March 2022

DR MARTIN FOLINI
Chairman of the Board of Directors

DANIEL LINK
CEO



Key figures

INCOME STATEMENT

in CHF million	2021	2020	2019	2018	2017
Revenue	210.4	218.6	237.4	264.9	288.5
Thereof Security Printing	73.8	87.3	101.2	112.3	129.8
Thereof Industrial Systems	25.3	24.8	29.2	50.7	55.9
Thereof Book Retailing	103.3	96.2	97.4	92.2	91.7
Thereof other business areas	7.7	10.3	9.8	10.1	11.1
EBITDA (EBIT + Depreciation + Impairment)	25.4	24.1	29.2	26.5	28.5
in % revenue	12.1%	11.0%	12.3%	10.0%	9.9%
Depreciation and Impairment	-10.0	-9.7	-11.0	-14.5	-15.9
EBIT	15.4	14.4	18.2	12.0	12.6
Thereof Security Printing	6.1	5.5	9.2	18.0	20.1
Thereof Industrial Systems	5.5	5.3	6.4	-8.5	-6.7
Thereof Book Retailing	7.5	5.5	6.5	5.0	1.6
Thereof other business areas	-0.0	1.0	-1.2	-0.3	-0.1
in % revenue	7.3%	6.6%	7.7%	4.5%	4.4%
Net income for the period¹⁾	12.1	15.0	10.9	-47.2	6.4
Net income in % revenue	5.8%	6.9%	4.6%	-17.8%	2.2%
Minority interests of net income for the periode	2.7	2.1	2.4	2.9	1.6
Net income for the period after minority interests ¹⁾	9.4	12.9	8.5	-50.1	4.8

¹⁾ In 2018, CHF 54.0 million extraordinary result from the partial sale of Industrial Systems is included

BALANCE SHEET

in CHF million	2021	2020	2019	2018	2017
Tangible assets	70.2	62.3	50.8	58.6	75.2
Total assets	185.9	211.1	221.1	223.5	229.5
Total equity	138.8	144.5	147.8	148.5	156.2
thereof minority interests	12.8	9.0	9.6	6.9	10.8
Equity financing ratio	74.7%	68.4%	66.8%	66.5%	68.1%

OTHER KEY FIGURES

in CHF million	2021	2020	2019	2018	2017
Cash flow from operating activities	26.4	11.9	20.8	16.5	39.4
Investment	25.9	23.3	5.4	10.0	9.5
in tangible assets	14.6	18.6	4.6	9.0	8.2
in intangible assets	0.9	0.5	0.8	1.0	1.2
in financial assets	10.4	4.2	-	-	0.1
Free Cash flow	0.5	-11.5	15.4	6.5	29.9
ROCE (NOPAT/Capital Employed) ²⁾	9.5%	9.9%	10.4%	4.9%	3.5%
Full-time equivalents FTE (annual average)	585	572	639	807	867
Full-time equivalents FTE (at 31.12.)	615	581	627	691	884

²⁾ NOPAT: EBIT minus income tax expenses

Capital Employed: Average equity plus average interest-bearing liabilities plus average pension fund liabilities

SHARE PRICE

in CHF	2021	2020	2019	2018	2017
Year-end share price	90.00	107.00	99.50	87.50	112.80
Net income per share ³⁾	4.79	6.61	4.33	2.03	2.44
Price earnings ratio	18.8	16.2	23.0	43.2	46.3
Dividend per share	3.40	3.00	6.00	6.00	4.00
Yield on shares ³⁾	3.8%	2.8%	6.0%	6.9%	3.5%

³⁾ excluding an extraordinary result of CHF -54.0 million in 2018 resulting from the partial sale of Industrial Systems

Vision and strategy

Orell Füssli is an established brand and stands for Swissness, reliability and credibility. The strategy of developing the company further in the areas of security and education is based on a solid and broad-based foundation.

Orell Füssli Security Printing is a worldwide specialist in high-quality security technologies, products and solutions, and a leading manufacturer of banknotes, identification documents and systems, and security documents. Thanks to its long-term client relationships, the company has a deep understanding of the needs and processes of central banks, passport offices and government agencies. Orell Füssli Security Printing also benefits from the excellent reputation of Swiss National Bank as an anchor shareholder and client.

Zeiser is a market leader in the area of serialisation and has a leading market position in the numbering of banknotes, passports and security documents. Zeiser's portfolio of serialisation technologies for the security printing industry was expanded in 2021 with the addition of innovative track & trace software to ensure the traceability of security documents.

Orell Füssli Thalia AG, in which the Orell Füssli Group holds a 50% stake, is the undisputed No. 1 in Swiss brick-and-mortar book retailing and is also the largest online provider in the Swiss market. For companies and educational institutions, Delivros Orell Füssli AG is a leading provider in the procurement, distribution and use of electronic content.

Orell Füssli Publishers is a specialist provider of learning media, legal media and children's books, and stands for reliable print and digital content.

Procivis AG, a leading Swiss technology company for the digitalisation of services in the public sector in which Orell Füssli AG acquired a majority stake in 2021, has enabled Orell Füssli to strengthen its position in the market for physical and digital identity and certificate solutions, and to tap new innovation and business potential.

Megatrends as driving factors

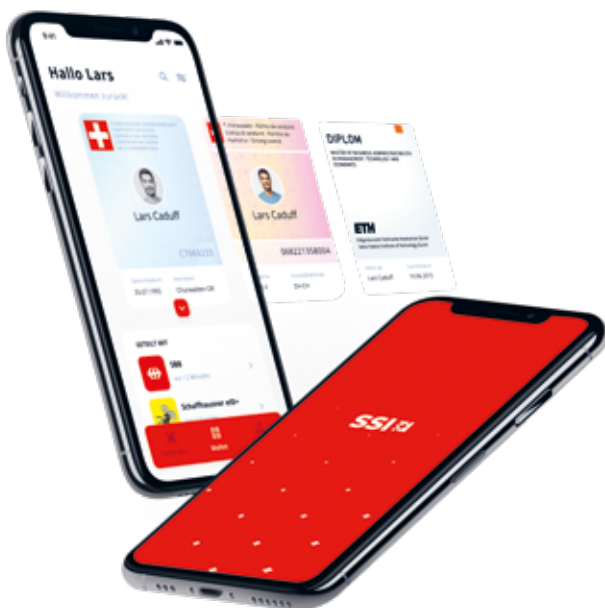
A robust business model and solid balance sheet provide the best conditions in order to benefit from the long-term trends in the areas of security and education.

In view of the complex and dynamic risks in an increasingly connected world, people's need for security is increasing. They require trustworthy and forgery-proof physical value and identity documents. This security is also required for digital identities and verifications. Privacy and data protection have never been as important as they are today.

Education is increasingly viewed in our knowledge society as the key to prosperity. The future of education is thus digital, interactive, individual and mobile, and is shaped by a number of user-friendly offerings. The acquisition of knowledge takes place increasingly within cooperative and decentralised structures between learners and on platforms.

Strategy, market prospects, vision

Based on the security and education megatrends, new prospects and attractive opportunities are opening up for Orell Füssli. In the strategic field of security, the company is focusing on Digital Trust Services. Physical certificates (verifications) are converted into digital verifications known as "digital twins". They are combined with further functions (e.g. digital signature). As a result, citizens, companies and government agencies can provide binding digital verification and use it in a verifiable manner for digital business processes. Orell Füssli is in the unique position of being able to offer analogue and digital verification from a single trustworthy source, thus enabling efficient and simple interactions.



A key milestone in the implementation of the Digital Trust Services vision is the strategic partnership between Orell Füssli and Swisscom, which was announced in January 2022. The two companies want to jointly offer citizens, companies and government agencies the first intelligent digital verification system. In the first step, digital verification will be developed to make age verification easier when purchasing age-restricted products or for digital application dossiers.

In terms of education, Orell Füssli is currently evaluating several strategic options to further strengthen the Group's position in the education segment, in both analogue and digital media. Orell Füssli's extensive experience and good market position as a bookseller and publisher form an important basis for the further development of its current range in digital applications. Increasing sales in online book retailing and an established omnichannel offer provide further growth potential. The reason Orell Füssli Thalia AG joined the start-up Evrlearn as the lead investor (see Course of business, p. 27) is to launch new offers to meet the needs of online communities.

On the basis of clearly defined strategic initiatives, Orell Füssli drives the digital transformation forward, thus initiating the next chapter in the company's more than 500-year history. It also aims for greater consistency in reducing its dependence on cycles, ensuring the solid and long-term profitability of core businesses and expanding its international and Swiss market position.

The year in pictures



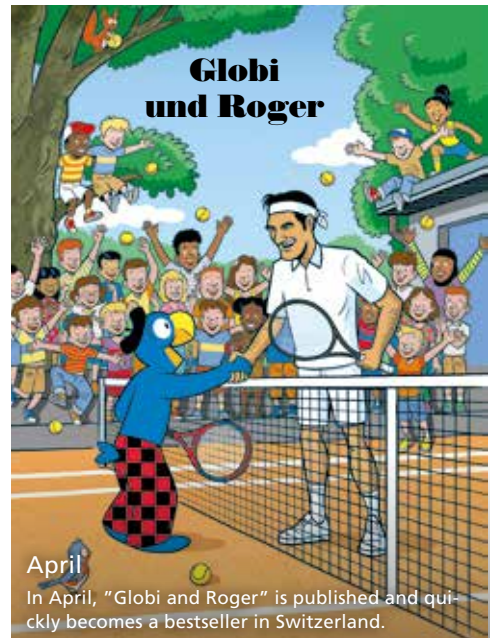
January
The workforce thanks the management for free food in the company canteen during the lockdown period.



March
Intergraf's conference and exhibition takes place as a virtual event in 2021.



February
The commissioning of the Super Orlof Intaglio III means that Security Printing now has a latest-generation intaglio press.



April
In April, "Globi and Roger" is published and quickly becomes a bestseller in Switzerland.



May
Chairman Dr Anton Bleikolm retires following the successful transformation of the Orell Füssli Group and seven years of service on the Board of Directors.



June
Dr Martin Folini takes office as the new Chairman of the Board of Directors of the Orell Füssli Group, contributing valuable operational expertise.

The year in pictures



July

Zeiser acquires innovative track & trace software with its takeover of Inspectron, and thus expands its position in the traceability of security documents.



August

The new layout of the Annual Report is defined.

pro-civis

AN ORELL FÜSSLI COMPANY

September

Orell Füssli acquires a majority stake in Procvivis, enabling it to help shape the attractive digital identity business field.



November

The Central Bank of Costa Rica receives the first notes of the denomination produced by Orell Füssli.



October

Orell Füssli Thalia AG opens its first branch in the canton of Zug in the Metalli shopping centre.



December

Zeiser moves into its new headquarters, built to meet the very latest environmental standards.

Course of business

The Orell Füssli Group achieved solid results in 2021. The expected slight dip in revenue is offset by increased profitability at EBIT level. The market developments and overall conditions that formed the basis for these results are explained in detail in the editorial and divisional reports below.

The Group closed 2021 with revenue of CHF 210.4 million (previous year: CHF 218.6 million). The operating result (EBIT) amounted to CHF 15.4 million (previous year: CHF 14.4 million). Net profit came to CHF 12.1 million (previous year: CHF 15.0 million), pushing the EBIT margin up to 7.3% (previous year: 6.6%). The financial result of CHF -1.5 million (previous year: CHF 0.6 million) is due primarily to the depreciation of the euro against the Swiss franc.

At CHF 138.8 million (previous year: CHF 144.5 million), including minority interests, the Group continues to report substantial equity

in its balance sheet. The equity ratio had risen to 74.7% as at 31 December 2021 (previous year: 68.4%). The continuing high investment volume and the acquisitions made were financed from the operating cash flow. The freely available liquidity after deduction of minority interests increased by CHF 1.3 million to CHF 37.3 million.

On 1 July 2021, the business unit acquired from Inspectron (in the Industrial Systems segment) was included in the scope of consolidation for the first time, with Procvivis AG included under "Other business areas" from September 2021.

SEGMENT FIGURES

in CHF thousand	2021	2020	2019	2018	2017
Security Printing					
Revenue from sales to customers	73'824	87'301	101'175	112'318	129'845
Operating earnings (EBIT)	6'119	5'511	9'209	18'020	20'145
EBIT margin	8.3%	6.3%	9.1%	16.0%	15.5%
Industrial Systems					
Revenue from sales to customers	25'317	24'790	29'186	50'708	55'850
Operating earnings (EBIT)	5'540	5'291	6'416	-8'524	-6'723
EBIT margin	21.9%	21.3%	22.0%	-16.8%	-12.0%
Book Retailing					
Revenue from sales to customers	103'300	96'213	97'353	92'171	91'673
Operating earnings (EBIT)	7'452	5'505	6'508	4'970	1'587
EBIT margin	7.2%	5.7%	6.7%	5.4%	1.7%
Other business areas					
Revenue from sales to customers	7'741	10'283	9'845	10'122	11'077
Operating earnings (EBIT)	-33	1'017	-1'219	-311	-126
EBIT margin	-0.4%	9.9%	-12.4%	-3.1%	-1.1%



Security Printing

Result

In 2021, the Security Printing division generated revenue of CHF 73.8 million (previous year: CHF 87.3 million), in line with expectations. This figure is down by CHF 13.5 million year-on-year. The result is characterised by a continued large proportion attributable to the banknote export business (76.6% of total sales volume) and a product mix that generates less value added. In contrast, operating profit (EBIT) increased slightly to CHF 6.1 million (previous year: CHF 5.5 million). The increase in profitability can be explained by a higher proportion of ID business and tight cost management, despite a renewed high level of investment in production facilities in the amount of CHF 5.1 million.

Market

The market for banknotes and value documents remained intact in 2021 and demand for banknotes during the pandemic was solid. The fundamentals of the banknote and value document market are robust and the market is growing at a mid-single digit rate per year. Demand is driven in particular by the world's emerging markets. Eight out of ten consumers worldwide still use cash and a third of the world's population does not have a bank account. In addition, high-denomination banknotes have become an increasingly popular store of value since 2008 – and even more so during the months of the pandemic. At the same time, the banknote market is faced with excess capacity and price pressure as a result of printing cycles.

The COVID-19 pandemic continued to hinder the development and maintenance of the international banknote printing business in 2021. In order to arrive at an in-depth understanding of clients' quality requirements, on-site visits are essential. However, travel faced extensive restrictions in 2021.

The ID business went better than expected. Orell Füssli benefited from the delay in the introduction of new passport models and from extraordinary measures to reprint existing documents. In the system business of visa personalisation, Orell Füssli secured its first client on the African continent.

Connected Banknotes CBDC

Orell Füssli conducted initial experiments on the development of hybrid banknotes in 2021. These banknotes combine conventional security elements with barcode solutions in order that the value can be transferred to a digital wallet.

Related to this, a partnership was entered into with the Munich-based company Augentic in the financial year under review.

Outlook

Orell Füssli expects a slight increase in revenue and a further increase in operating profit in Security Printing in 2022.

Industrial Systems

Result

At CHF 25.3 million, revenue generated by the division in 2021 was up slightly in a year-on-year comparison (CHF 24.8 million). The operating result (EBIT) amounted to CHF 5.5 million (previous year: CHF 5.3 million).

A significant individual order for numbering systems placed by one of Asia's biggest bank-note printers ensured considerable capacity utilisation in the year under review. Nevertheless, Zeiser sensed a certain reluctance in terms of new customer investments. In particular, the business with systems for digitally printed security documents suffered from the travel restrictions imposed by the pandemic. Sales of passport printing systems, on the other hand, showed satisfactory development thanks to a system upgrade and orders for spare parts.

Market

Zeiser successfully defended its position as the world's leading provider of serialisation solutions in the security printing industry in 2021. However, both government clients and private companies were hesitant to place new orders and held back on investments. In order to understand and serve very specific client needs, face-to-face meetings and direct communication are essential. As a result, the acquisition of new clients and projects once again suffered from the global travel restrictions. In the logistics chain, Zeiser was affected by bottlenecks at some of its suppliers in the second half of the year, particularly in the area of semiconductors.

Investments, R&D

The construction of and scheduled relocation at the end of 2021 to the new production facility in Emmingen, which was built in line with the latest new environmental standards (see page 32), marked a milestone for Zeiser. Central aspects of the machinery installed in the new factory building have been geared towards greater automation and digitalisation in the production process.

A major development focus at Zeiser in the year under review was the establishment of simulation environments and systems for verification and quality control in the numbering process. Zeiser also patented various in-house developments of precision engineering tools.

Strategy and growth potential

With effect from 1 July 2021, Zeiser acquired leading document inspection and track & trace technologies for security printers from Inspectron (UK) and Inspectron's US subsidiary, which specialises in the service business. Inspectron's systems are used to verify, track and report millions of documents, labels, identity cards and packaging in the production process. The core product acquired by Zeiser is a real-time tracking, reporting and auditing system that can be used on both individual machines and entire production lines. The acquisition allows Zeiser to further expand its position as a leading provider of serialisation solutions and services for the security printing industry. Inspectron's technology, combined with Zeiser's range of customisation and verifi-





cation technologies, market access, sales resources and integration expertise, offers attractive synergies and significant growth potential. It will also allow Zeiser to increasingly offer software and services alongside micromechanical products in the future.

Outlook

Zeiser is confident as it looks ahead to 2022. The expansion of the portfolio through new technology and service agreements, coupled with the increasing number of enquiries, means that Zeiser expects its revenue to grow in the current year. However, this is subject to the proviso that more business travel and client visits are possible again.

Book Retailing

Result

In 2021, revenue from the proportionately consolidated Book Retailing segment came to CHF 103.3 million, up by 7.4% year-on-year (CHF 96.2 million). The operating result (EBIT) was up by CHF 1.9 million to CHF 7.5 million. The fact that books are experiencing a renaissance despite, or indeed due to, the COVID-19 pandemic has made a significant contribution to this trend. Reading is back in fashion.

Market situation

As in 2020, Orell Füssli Thalia AG successfully mastered the challenges created by the COVID-19 crisis and can look back on positive business development despite closure of all its branches between 18 January and 28 February 2021. The recommendations made by the authorities on working from home led to significantly lower commuter flows for a pe-

riod of several months, reducing footfall and unit sales in the branches at railway stations, the airport and in major city centres. In this challenging environment, Orell Füssli Thalia AG achieved revenue growth of about 8.0% with its bricks-and-mortar retail business. At the same time, and after the jump in revenue of 46.4% in 2020, the digital and online mail order business was also expanded by a further 4.7%.

The division's business customer segment reported the strongest growth of about 14.8% in the year under review. The consolidation of the activities of Orell Füssli Thalia AG and Delivros AG in 2019 to form Delivros Orell Füssli AG and the acquisition of LC Lehrmittel Center in 2020 are starting to bear fruit. LC supplies schools, companies, teaching staff and libraries with specialist literature. In October 2021, the takeover of Lehmanns Media AG in Hägendorf marked another step in the expansion of the business customer segment. Lehmanns offers libraries, hospitals, law firms and other clients solutions for the purchase of specialist literature.

Location policy/development, strategy, growth prospects

Orell Füssli Thalia AG's location development activities focus increasingly on sites in places with high footfall, such as railway stations, shopping centres and city centres in German-speaking Switzerland. The opening of the branch in the Metalli shopping centre in Zug in October 2021 marked another key location. Orell Füssli Thalia AG won several SBB tenders for shopping areas. The branches at Zurich and Basel railway stations were fully refurbished and reopened in 2021, with Orell

Füssli Thalia AG also securing a promising new location in St. Gallen.

The broad-based omnichannel strategy in Book Retailing is proving effective. Clients value the various options open to them when buying a book; for example, the opportunity to gain inspiration and advice in store, home delivery, collect internet purchases in-store or gain instant access to books using the tolino e-book reader. According to market research, Orell Füssli also boasts a loyal client base and has an above-average share of frequent readers.

At the end of 2021, Orell Füssli Thalia AG became the lead investor in the start-up Evrlearn. Evrlearn runs a digital community for lifelong learning and provides working people with further training opportunities to meet their needs. The investment is associated with a close collaboration that enables placement of further training opportunities on www.orellfuessli.ch.

Outlook

Orell Füssli Thalia AG plans to open further branches in central Switzerland in 2022; for example, in Pilatusmarkt shopping centre in Kriens/LU. A new branch will also open at Lucerne railway station. Subject to possible setbacks due to the ongoing pandemic, Orell Füssli expects its revenue and operating result in Book Retailing to show a moderate increase in 2022.

Other business areas

Publishing

Result

The Orell Füssli Publishers division performed in line with expectations in 2021 and once again reported figures in the black. This result is particularly encouraging in view of the strategic focus as a specialist book publisher, the dissolution of sales operations in Germany and additional costs.

Transformation

In 2021, transformation efforts centred on the smallest of the divisions. The decision to focus on learning and educational media, and on the well-known children's book brands Globi and Carigiet, paved the way for further development of the publishing house. The emphasis is on combining the

current publishing house offering with innovative digital solutions.

Last year, marketing, sales and distribution, purchasing and production were consolidated. The finishing technical touches were made to the publishing system and the production line was modernised. In order to keep the costs of print runs and warehousing to a minimum, Orell Füssli Publishers relies increasingly on book-on-demand.

Value creation in the publishing business is based on a close network of partners in production, book retailing and the wholesale book trade. The publishing house also places particular emphasis on attracting and maintaining relationships with authors for commentary on various pieces of legislation. Identification of relevant topics and suitable authors is one of the central tasks of those responsible for the programme.

Market and new product launches

In the legal media business area, the commercial edition of the Swiss Civil Code/Code of Obligations (ZGB/OR) remained one of the bestsellers in 2021. The 18th edition of the publication was released last year and is geared towards use in training. Sales of revision books, workbooks and in particular the accompanying commentaries (about 30 titles available) also showed positive development.

In the commentaries – the popular “mustard yellow series” – Orell Füssli Verlag released three volumes in 2021, including one on Competition Law II. In the same year, the work on standard cost accounting by a new team of authors was released. It conveys theoretical and practical knowledge on analysis of product profitability and is aimed at participants in management training.

In the market for children's books, “Globi and Roger” was particularly popular in 2021. The book is available in German, English and French.

Strategy and growth potential

With its focus on learning and educational media, Orell Füssli Publishers is increasingly positioning itself in the specialist legal field as a service provider for law firms and corporate legal departments. The first step is development of a digital legal information service that will make decisions and com-

mentaries digitally retrievable and provide context-based search results.

As it moves towards becoming a digital content creator, Orell Füssli Publishers is pursuing a strategy based on e-learning and hybrid offerings (traditional print textbooks combined with digital supplements), particularly in its learning media programme. This approach is also designed to respond to the changing demands of teaching and learning.

Outlook

A new editorial system for the publishing house programmes is set to be launched in 2022. It lays the foundation for the use of content irrespective of the edition format, thus enabling the integration of various digital data formats, including sound and video. In the children's book segment, the birthdays of Globi (90) and Papa Moll (70) will be duly celebrated with various campaigns throughout the year. Read more about Globi's success in the interview with Gisela Klinkenberg on page 18.

Procivis

Solid foundation

Procivis AG plays a pioneering role in the development of digital identity solutions with a consistent focus on privacy by design, data economy and decentralised data storage. The underlying Self-Sovereign Identities (SSI) concepts are aimed at a decentralised and data protection-friendly digital identity and were promoted in a number of initiatives in the EU during the reporting year. This approach was also supported by the Federal Council's policy decision on the direction of the future Swiss eID solution in December

2021, which it developed after losing the referendum on the draft eID bill in March 2021.

In addition to eID+, Procivis AG has offered the mobile driving licence solution mDL+ since 2021. The product, which is the first of its kind worldwide, forms the basis for an open ecosystem and facilitates new mobility services (see interview with Daniel Gasteiger, page 16 of the Annual Report).

Milestones in 2021 and outlook

Procivis AG can look back on an encouraging financial year. At the beginning of 2021, the company launched the eID+ solution in Zug; it has already been used successfully in canton of Schaffhausen since 2018.

At the same time, an extensive pilot project to create an intercantonal eID standard was launched in cooperation with the Swiss association for IT in cities and municipalities (Verein Schweizerische Städte- und Gemeinde-Informatik).

As part of the marketing campaign for SSI+, Daniel Gasteiger gave a keynote speech at the Swiss Smart Government Day in St. Gallen, and Procivis submitted a position paper on "Target eID" in Bern in the autumn as part of the public consultation of the Federal Department of Justice and Police.

The partnership between Orell Füssli and Swisscom announced in January 2022 builds on the solutions offered by Procivis AG and opens up additional business areas in the private sector, which are now being specifically addressed.

Orell Füssli AG, Board of Directors

Dr Anton Bleikolm	Chairman of the Board (until May)	Dieter Widmer	Vice Chairman of the Board
Dr Martin Folini	Chairman of the Board (as of May)	Mirjana Blume	Member of the Board
		Dr Thomas Moser	Member of the Board
		Dr Luka Müller	Member of the Board

Orell Füssli AG, Group Executive Board

Daniel Link	CEO Orell Füssli AG	Désirée Heutschi	Head of Corporate Development
Beat Müller	CFO Orell Füssli AG (until May)	Dr Michael Kasch	Head of Security Printing
Reto Janser	CFO Orell Füssli AG (as of May)	Thorsten Tritschler	Head of Zeiser GmbH

Condensed Financial Report

Financial statements of the Orell Füssli Group

CONSOLIDATED INCOME STATEMENT

in CHF thousand	2021	2020
Revenue from sales to customers	210'375	218'556
Other operating income	3'941	2'668
Changes in inventories of semi-finished and finished products, capitalised costs	-1'995	-1'483
Operating income	212'321	219'741
Cost of materials	-78'609	-88'402
External production costs	-12'066	-13'544
Personnel expenses	-55'877	-55'433
Other operating expenses	-40'330	-38'278
Depreciation and impairment on tangible assets	-9'191	-8'877
Depreciation and impairment on intangible assets	-819	-828
Earnings before interest and taxes (EBIT)	15'429	14'379
Financial income	15	1'494
Financial expenses	-1'546	-941
Financial result	-1'531	553
Ordinary result	13'898	14'932
Income tax expenses	-1'800	60
Net income for the period	12'098	14'992
Attributable to the shareholders of Orell Füssli AG	9'388	12'945
Attributable to minority interests	2'710	2'047
in CHF	2021	2020
Earnings per share	4.79	6.61
Diluted earnings per share	4.79	6.60

CONSOLIDATED BALANCE SHEET

in CHF thousand	31.12.2021	31.12.2020
Assets		
Cash and cash equivalents	75'706	76'998
Marketable securities and derivative financial instruments	12	407
Trade accounts receivable	16'090	18'721
Other receivables	6'008	22'209
Inventories	14'971	19'850
Accrued income and deferred expenses	2'919	10'693
Total current assets	115'706	148'878
Tangible assets	58'303	53'476
Intangible assets	2'320	2'146
Non-current financial assets	7'419	4'630
Deferred tax assets	2'169	2'005
Total non-current assets	70'211	62'257
Total assets	185'917	211'135
Liabilities and equity		
Trade payables	5'369	11'368
Other current liabilities	13'638	27'149
Accrued expenses and deferred income	14'175	15'438
Current financial liabilities	2'156	338
Current provisions	2'865	7'749
Total current liabilities	38'203	62'042
Other non-current liabilities	3'516	-
Non-current financial liabilities	4'030	2'062
Non-current provisions	248	1'368
Deferred tax liabilities	1'072	1'168
Total non-current liabilities	8'866	4'598
Share capital	1'960	1'960
Capital reserves	4'167	4'150
Own shares	-60	-60
Retained earnings	125'216	133'932
Exchange differences	-5'232	-4'482
Total equity before minority interests	126'051	135'500
Minority interests	12'797	8'995
Total equity	138'848	144'495
Total liabilities and equity	185'917	211'135

CONSOLIDATED CASH FLOW STATEMENT

in CHF thousand	2021	2020
Net income for the period	12'098	14'992
Change in employee equity incentive plans	17	-65
Depreciation	9'833	9'626
Impairment and amortisation	177	79
Share of loss applicable to equity method	381	499
Other non-cash related income and expenses	349	-751
Change in trade accounts receivable	2'528	-5'477
Change in inventories	4'840	1'896
Change in other receivables	18'119	4'421
Change in accrued income and deferred expenses	6'050	-4'932
Change in trade payables	-6'153	-75
Change in other liabilities	-14'278	-13'157
Change in accrued expenses and deferred income	-1'267	1'786
Change in provisions and deferred income tax	-6'323	3'011
Cash flow from operating activities	26'371	11'853
Purchase of tangible assets	-14'554	-18'586
Proceeds from disposals of tangible assets	766	87
Purchase of intangible assets	-897	-520
Investments in financial assets	-10'531	-4'232
Disposal of financial assets	83	56
Cash flow from investing activities	-25'133	-23'195
Increase of financial liabilities	4'326	250
Repayment of financial liabilities	-338	-65
Purchase of company's own shares	-	-1
Dividends paid to minorities	-	-2'589
Dividends paid	-5'879	-11'757
Cash flow from financing activities	-1'891	-14'162
Exchange differences	-639	-236
Change in cash and cash equivalents	-1'292	-25'740
Cash and cash equivalents at 1 January	76'998	102'738
Cash and cash equivalents at 31 December	75'706	76'998

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in CHF thousand	Share capital	Capital reserves	Own shares	Retained earnings and net income	Goodwill offset with equity	Translation differences	Equity before minority interests	Minority interests	Total equity
Equity at 1 January 2020	1'960	4'215	-142	164'090	-27'994	-3'921	138'208	9'566	147'774
Dividends paid	-	-	-	-11'757	-	-	-11'757	-2'589	-14'346
Offsetting goodwill against equity	-	-	-	-	-3'352	-	-3'352	-	-3'352
Disposal of foreign exchange in equity	-	-	-	-	-	211	211	203	414
Employee equity incentive plans	-	-65	82	-	-	-	17	-	17
Currency translation effects	-	-	-	-	-	-772	-772	-232	-1'004
Net income for the period	-	-	-	12'945	-	-	12'945	2'047	14'992
Total equity at 31 December 2020	1'960	4'150	-60	165'278	-31'346	-4'482	135'500	8'995	144'495
Equity at 1 January 2021	1'960	4'150	-60	165'278	-31'346	-4'482	135'500	8'995	144'495
Change in scope of consolidation	-	-	-	-	-	-	-	1'245	1'245
Dividends paid	-	-	-	-5'878	-	-	-5'878	-	-5'878
Offsetting goodwill against equity	-	-	-	-	-12'226	-	-12'226	-153	-12'379
Employee equity incentive plans	-	17	-	-	-	-	17	-	17
Currency translation effects	-	-	-	-	-	-750	-750	-	-750
Net income for the period	-	-	-	9'388	-	-	9'388	2'710	12'098
Total equity at 31 December 2021	1'960	4'167	-60	168'788	-43'572	-5'232	126'051	12'797	138'848

The share capital as at 31 December 2021 and 31 December 2020 consisted of 1,960,000 registered shares with a par value of CHF 1.00 each.

The amount of accumulated non-distributable reserves is CHF 7,041k (2020: CHF 7,017k).

INVESTOR RELATIONS

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