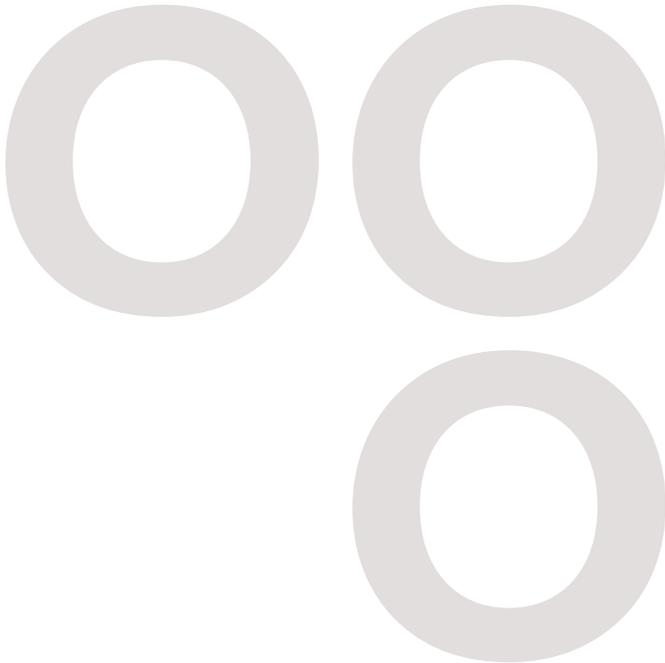

Annual Report 2023



**BELL
FOOD
GROUP**



LEADING IN FOOD

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Alternative performance indicators

In its annual reports, interim reports and notices to investors and analysts, the Bell Food Group uses alternative performance indicators that are not defined by the Accounting and Reporting Recommendations (Swiss GAAP ARR). 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 ARR key figures.

www.bellfoodgroup.com/report-en

Bell Food Group – Leading in Food

The Bell Food Group is one of the leading processors of meat and convenience food in Europe. The product range includes fresh meat, poultry, charcuterie, seafood as well as ultra-fresh, fresh and non-perishable convenience and vegetarian products. With brands such as Bell, Eisberg, Hilcona, Hügli and other speciality brands, the Group meets a diversity of customer needs. Its customers include retail as well as food service companies and the food processing industry. The Bell Food Group is a market leader in Switzerland and in individual product segments in several European countries. Some 13 000 employees in 15 countries generate annual sales of more than CHF 4.5 billion. Steeped in tradition, the company was established in 1869 when Samuel Bell opened his first butcher's shop in Basel. The Bell Food Group is listed on the Swiss stock exchange.



Charcuterie

In Switzerland, the Bell Food Group covers more or less all segments of charcuterie. 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.



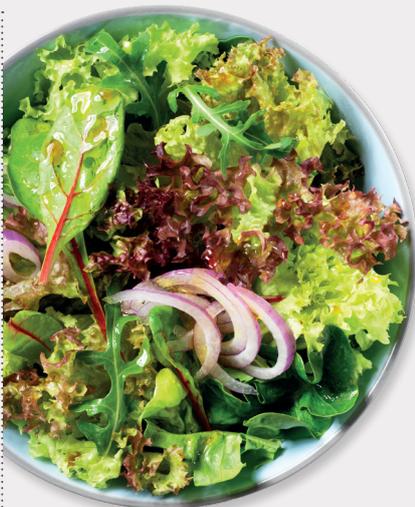
Seafood

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. Most of the product range originates 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 as well as vegan products. Most ranges are available as dry or liquid products.



To-go product range

The to-go product range includes products prepared freshly 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.

Important events 2023

The Bell Food Group has grown again and gained market share

Despite persistently high inflation, the Bell Food Group posted a very satisfactory result for the 2023 financial year. At CHF 164.7 million, EBIT was up 1.1 percent year-on-year. The economic environment was dominated by inflation, volatile market conditions and, particularly in the first half of the year, unfavourable weather conditions. In these difficult circumstances, the Bell Food Group managed to gain market share and post further growth. The annual result increased by 1.4 percent to CHF 129.6 million. Net revenue rose in currency-adjusted terms by 5.5 percent to CHF 4.5 billion.

Persistently high inflation countered

In spite of a slight easing during the year, inflation in Switzerland and the EU was still well above the long-term average in the reporting year. While prices for petroleum products and natural gas contracted slightly, electricity was considerably more expensive. Most product groups were affected by the increase in personnel, raw material and transport costs. The inflation-driven rise in costs was mostly compensated by consistent cost management, efficiency enhancements and the prompt implementation of price increases.

Agile alignment to the market requirements

Persistently high inflation also affected consumer sentiment. Dwindling purchasing power led to a shift in consumer demand towards less expensive product ranges in all sales markets. The resulting demand shift also influenced value creation. With its broad range of products in different price segments and constant adjustments to the product ranges, the Bell Food Group could react flexibly to the changes in shopping behaviour and largely counter the effects of these market movements.

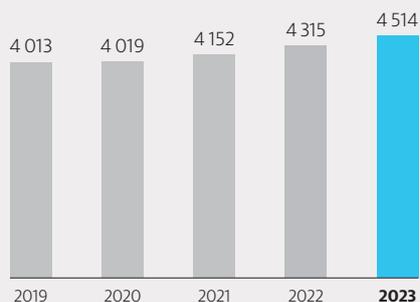
Unfavourable weather conditions

At the beginning of the year, drought in the procurement regions influenced the volumes and quality of the raw materials harvested. A winter with little snow and a very rainy spring in the DACH region put a brake on tourism and thus curbed demand by the hotel and catering industry. The rainy weather at the beginning of the second quarter also reduced demand for barbecue and to-go products. This weak start could mostly be compensated during a longer period of good weather that lasted well into autumn, finally resulting in a strong 2023 barbecue season.

Marco Tschanz becomes new CEO

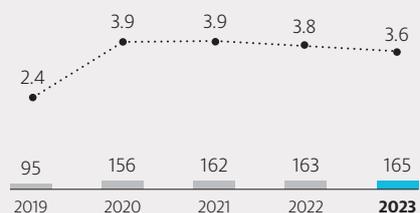
The current CEO Lorenz Wyss will retire in June 2024 after 13 successful years at the helm of the company. Marco Tschanz will take over as the new CEO of the Bell Food Group on 1 June 2024, while also serving as the head of the business area Bell Schweiz. With this appointment, the Board of Directors is backing someone with a proven track record at the company while also ensuring continuity and laying the foundation for dynamic development.

Net revenue
in CHF million



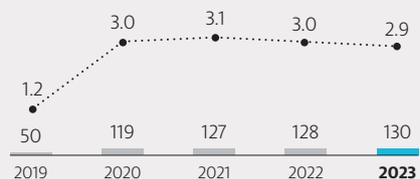
EBIT

in CHF million and in % of net revenue



Annual result

in CHF million and in % of net revenue



Organic growth

Net revenue
in CHF million

Sales volume
in million kg

	Net revenue (CHF million)	Sales volume (million kg)
2022	4 315.0	541.0
Exchange rate effect	-39.4	-
Inorganic	-	-
Organic	238.6	6.1
2023	4 514.2	547.0
Organic growth	5.5%	1.1%



65

Locations

↑ **2 locations**



326

Operating investments

in CHF million

↑ **16.4%**



13 014

Employees

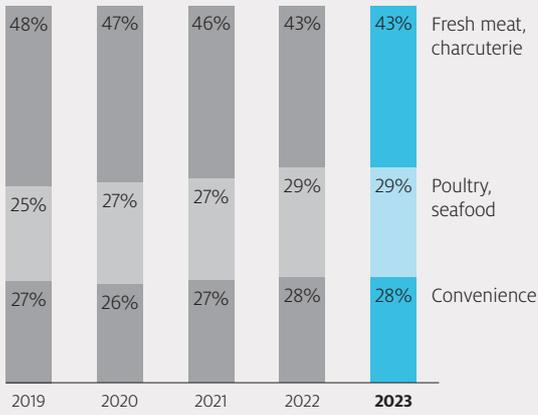
Number of FTE as of 31/12/2023

↑ **238 FTE**

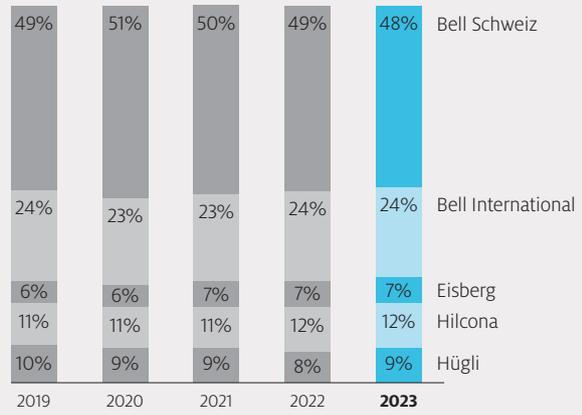
↑ **1.9%**

Key figures

Breakdown of net revenue by product group

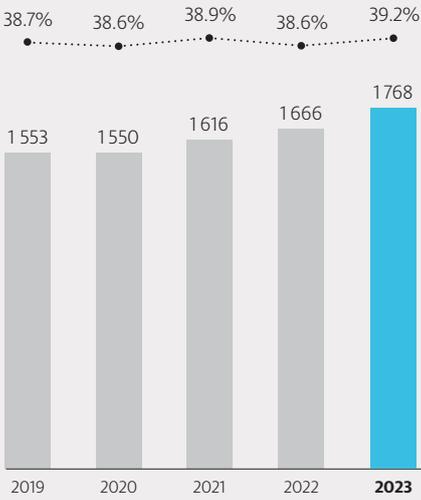


Breakdown of net revenue by business area



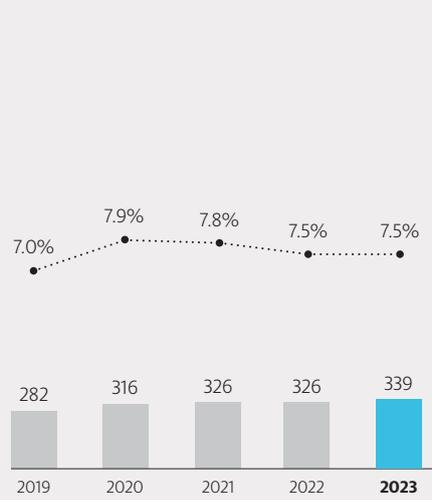
Gross operating income

in CHF million and in % of net revenue



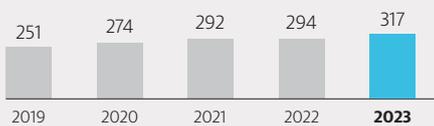
EBITDA

in CHF million and in % of net revenue



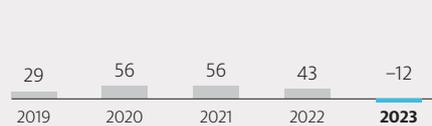
Operating cash flow before change in net current assets

in CHF million



Operating free cash flow

in CHF million



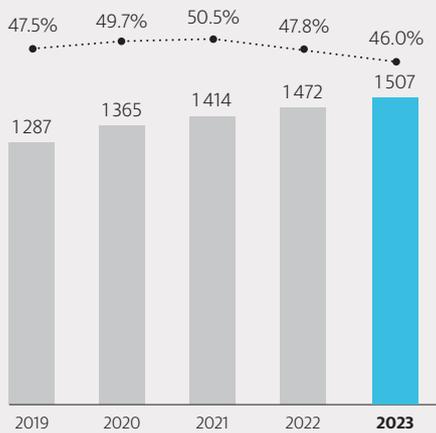
Operating investments split by business area

in CHF million

Business area	2019	2020	2021	2022	2023
Bell Schweiz	64	78	111	163	201
Bell International	51	39	26	43	51
Eisberg	77	61	46	24	20
Hilcona	32	31	36	28	26
Hügli	21	21	22	23	29
Total	245	229	241	280	326

Equity

in CHF million and in % of total assets



Net financial liabilities

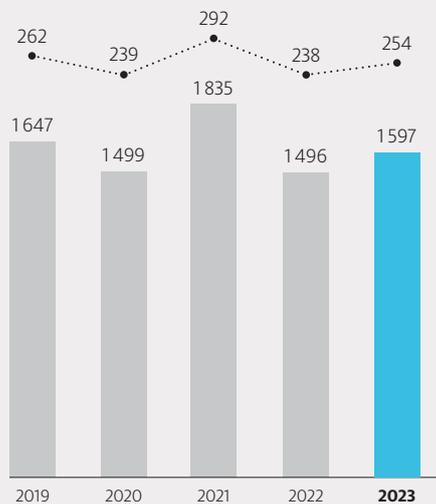
in CHF million



■ Net financial liabilities
 ●●● Net debt ratio

Market capitalisation and share price

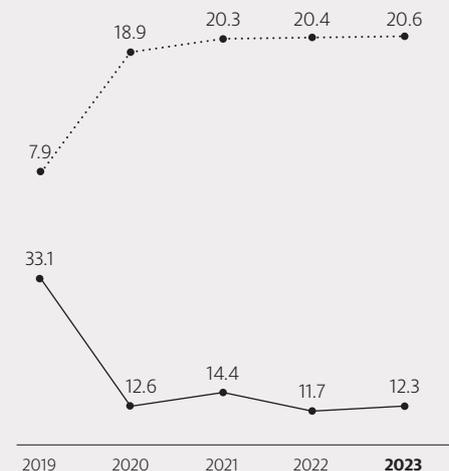
in CHF



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

Key figures per share

in CHF



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



Joos Sutter
Chair of the Board of Directors



Lorenz Wyss
CEO

The Bell Food Group has grown again and gained market share

Dear Shareholders,

In 2023, the Bell Food Group held its own in a challenging environment. The framework conditions in the past year reflect a complex constellation of persistently high inflation, volatile market conditions and adverse weather conditions, which posed enormous challenges to us as one of the leading food manufacturers in Europe. Our business model proved itself in a time of uncertainty and weak consumer sentiment. We managed to steer the Bell Food Group successfully through this year and are very pleased that we can present an extremely satisfying result to you.

The persistently high inflation had a far-reaching effect on our industry. As expected, inflation had a massive impact on the costs of personnel, raw materials, energy and transport throughout the year. We successfully compensated for some of these price increases by consistent cost management and efficiency enhancements, as well as the timely implementation of price increases. Inflation also noticeably affected consumer behaviour. Demand increasingly shifted to less expensive articles, which led to changes in the product

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ranges. With its broad range of products and strongly diversified brand portfolio, the Bell Food Group covers all the different price segments and the different needs of consumers and can react promptly to changes in shopping behaviour. Our diversified retail, food service and food processing sales channels also enable us to react flexibly to consumption volatility.

Focusing on our strategic thrusts, our core business again made a decisive contribution to the Bell Food Group's earning power in the reporting year, both in Switzerland and internationally. The convenience segments strengthened noticeably and have mostly regained their earlier growth momentum. Our investments in efficiency and productive capacity are also proceeding according to plan. We can not only be satisfied with our achievements but, taking account of the remaining potential, we can also be confident about the future.

Investments in the future

Our forward-looking investment programme has reached further milestones. In Oensingen (CH), the modernisation and expansion projects are on schedule and within the budget. The new state-of-the-art deep-freeze warehouse was commissioned in the reporting year. In Schaan (LI), construction work on the second phase of the facility development plan has started. This plan focuses on optimising the use of space and increasing efficiency and capacity. The technological prowess of the new infrastructure offers a clear-cut competitive advantage. It secures our core business in Switzerland and thus our future earning power.

Change in management

After 13 successful years as CEO of the Bell Food Group, Lorenz Wyss will retire in June 2024 due to his age. Under his management, the Bell Food Group grew to be one of the leading food manufacturers in Europe. Sales

revenue increased from CHF 2.5 billion to over CHF 4.5 billion and the workforce more than doubled. The Board of Directors would like to thank Lorenz Wyss for his very successful management and organisation of the Bell Food Group, and wish him all the best for this new phase in his life.

The Board of Directors have appointed Marco Tschanz as his successor. He will take over as CEO on 1 June 2024 while also serving as the head of the business area Bell Schweiz. Marco Tschanz has been a member of the Group Executive Board of the Bell Food Group for the past nine years. In this time, he has gathered a great deal of operational experience and developed an excellent understanding of the company, its markets and customers. He already has a proven track record: under his management, Bell International achieved a sustainable turnaround, and the business area Eisberg made noticeable inroads into the Austrian market. We look forward to the continued working relationship and wish him much success.

We take responsibility

Our ambitious sustainability strategy is a central pillar of our corporate culture and was consistently applied in the reporting year. We know that much remains to be done. This is why we acknowledge the Sustainable Development Goals (SDG) of the United Nations and the Science Based Targets initiatives (SBTi). We want to continue making a contribution to a liveable environment going forward.

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 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

In the past financial year the Bell Food Group once again demonstrated that it has an excellent market position with its unique business model. Thanks to its broad product and country portfolio, it achieves outstanding results even when framework conditions are difficult. Important strategic decisions have been taken to ensure that the Group is well equipped to master the challenges of the future. We will therefore be able to operate successfully on the market in spite of ongoing geopolitical uncertainties, inflation and growing cost pressure. With our clear strategy and wide range of prod-

ucts, we will continue to meet the needs and requirements of our customers throughout Europe and thus generate sustainably good results for our group of companies going forward.

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 dedicate their wealth of know-how, expertise and their experience to the success of our company every day. And we would like to thank our business partners for the successful and respectful cooperation.



Joos Sutter
Chair of the Board of Directors



Lorenz Wyss
CEO

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Business model

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 65 locations in 15 European countries. With the brands Bell, Eisberg, Hilcona, Hügli and other speciality brands, the Bell Food Group meets the diverse needs of many customers in the retail, food service and food processing industry.

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

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

Net revenue by product group

Fresh meat	21 %
Charcuterie	21 %
Poultry	24 %
Seafood	5 %
Convenience	28 %

Net revenue for meat and vegetarian products

Meat products	79 %
Vegetarian products	21 %

Net revenue for retail and food service

Retail	71 %
Food service	29 %

Products and core markets – comprehensive meat and convenience supplier

Fresh meat, poultry, charcuterie and seafood

In the 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 Landhendl in Austria and a leading provider

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

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

Market leader in Switzerland

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.

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 as well as vegan products. Most ranges are available as dry or liquid products. Hügli provides deliveries to the food service sector, manufactures products for brand companies, the retail sector as well as the food processing industry, and distributes its own brand products, primarily products certified to be organic. In its home markets of Switzerland and Germany, Hügli is a leading provider of non-perishable convenience products. Hügli also has production plants in Italy, in Spain, in the UK, in the Netherlands and in Czechia. 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, take-aways 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.

Only 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.

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 Schweiz 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, the Bell Food Group 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 agreement of the Bell Food Group.

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. For the Eisberg production facility that opened in 2019 in Marchtrenk in Austria, some two-thirds of the suppliers of fruit and vegetables are located in Austria. A team of Eisberg specialists assists all suppliers with on-site advice and support. Eisberg operates its own purchasing office in Spain, one of Europe's biggest vegetable 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.

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

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.

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Organisation – effective and efficient

Bell Food Group Ltd is the umbrella organisation of the company. The Group is headquartered in Basel (CH), where the company was founded in 1869. The Bell Food Group is present in 15 European countries with its production facilities, logistics platforms and sales offices. The individual production facilities are specialised and focus on a defined range of products. The Bell Food Group also has regional facilities for the manufacture of local charcuterie specialities for important designations of origin.

The Bell Food Group 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 as well as the optimisation of cross-organisational processes.

The Bell Schweiz 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/Süttag divisions. The Bell Germany division focuses on its strong position in the

segment for German and international air-dried ham products. Organisationally, the production plants in Spain specialising in Spanish charcuterie belong to the Bell Germany division. Production plants for regional air-dried ham specialities are located in Seevetal (DE), Edewecht (DE) and Schiltach (DE). In Spain, Bell International has two production plants for Serrano ham in Fuensalida and Casarrubios del Monte as well as a plant specialising in Iberian charcuterie products in Azuaga.

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

The Hubers/Süttag division comprises the poultry business in Austria and Germany. The 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), 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.

15 countries

The Bell Food Group is present in 15 European countries with its production facilities, logistics platforms and sales offices.

More than 20 000 products

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 2 000 new products are launched throughout the Group.

The business area Hügli has over ten production plants in Switzerland, Germany, Italy, Czechia, 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 46 and 47.

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 2 000 new products are launched throughout the Group, ranging from simple recipe adjustments such as a new marinade, a new pizza topping or a seasonal pasta filling to totally new product concepts that take longer to develop.

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

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

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

New products and product ranges

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

Pure taste

Taste is still the best sales argument. The culinary value of the products takes centre stage in the development of the product ranges. Thanks to the highly developed skills and the great passion of our experts, we always choose the best ingredients and transform them with great craftsmanship and experience into real adventures for the taste buds.

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.

Strong in training

The Bell Food Group offers training in some 20 different professions, ranging from food specialist to commercial specialist, and from IT specialist to mechanic or poultry breeder.

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 2023

- Bell Schweiz has launched more than 20 new products to introduce more variety to its dynamic barbecue range.
- Eisberg expanded its reach with new salad meals and bowls.
- Hilcona has expanded its offer with new sandwiches prepared freshly every day and salad meals under the «Freshly made» label.
- Hügli has applied its know-how and competence to new food service concepts and joined forces with customers to develop process optimisations aiming to firmly integrate the Hügli products into the new processes.

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 13 000 employees of around 100 nationalities make sure that the wide range of products is distributed to the market freshly each day. The Bell Food Group offers training in some 20 different professions, ranging from food specialist to commercial specialist, and from IT specialist to mechanic or poultry breeder.

Gold from «Best Recruiters»

This year, Bell Schweiz was given a gold ranking by «Best Recruiters» in the food and consumer goods manufacturing sector for Switzerland and Liechtenstein. The award strengthens us in our commitment to continue to work on improving our recruitment processes and the candidate journey in order to offer a first-class experience to all applicants. The recruitment of qualified professionals is a great challenge for companies.

Employee satisfaction

Since 2018, the Bell Food Group has regularly surveyed all Group employees about their work satisfaction. The results are evaluated and provide input for any improvement measures that may be required. The next employee survey will take place in 2024 and will provide figures for comparison with the 2018 and 2021 surveys.

TopX at 35 locations

In 2023, the internal improvement management system TopX had been rolled out at 35 locations of the Bell Food Group. The objective is to implement TopX throughout the Bell Food Group by 2026.

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 Schweiz (since 2018) are proud bearers of the «Friendly Workspace» label awarded by the Health Promotion Switzerland foundation to companies that have an exemplary operational health management system. Bell Schweiz passed the scheduled re-assessment in 2022 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 had been rolled out at 35 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, out of home), point-of-sale activities and sales promotions to trade fairs, sponsoring/events and online marketing and social media.

The brand world of the Bell Food Group

The Bell Food Group comprises various international companies and brands. The product range includes meat, poultry, charcuterie, seafood and ultra-fresh, fresh and non-perishable convenience products.

We considerably strengthened the brand portfolio in the reporting year

- Bell Germany successfully expanded its leading position in the German market for air-dried ham in 2023. In a shrinking overall market, we bucked the trend with a 360-degree campaign to grow the «Abraham» brand. The campaign centred around the Spanish air-dried ham speciality «Abraham Serrano» in a folding box. The claim «Schinken ist Abraham» («Ham is Abraham») played a prominent role in this campaign.
- Eisberg strengthened the positioning of its own brand and further developed the brand identity. Eisberg is a strong brand with a high degree of recognition, particularly in Hungary and Romania.
- At the beginning of 2023, Hilcona launched a top-class selection of frozen pasta products for the food service segment under the «La Pasteria» label.
- Hilcona strengthened the positioning of its «It's Vegic» brand and substantially expanded the product range.
- The Bell Food Group as umbrella organisation welcomed German and international customers to Anuga 2023, the world's most important food and beverage fair. The Bell Food Group also participated in Igeho 2023, the biggest and most important food service fair in Switzerland.
- In Switzerland, the Bell brand is the strongest meat brand by far. The company engaged in comprehensive market research to considerably improve the data basis underlying the marketing measures applied by Bell Schweiz and used this analysis of the data to more precisely define its marketing activities.

Meat brands



Convenience brands



Strategy

Vision

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. Step by step, we are working to achieve our vision: **Leading in Food**. An enormous objective towards which we all work hard every day and in which we are all guided by shared values and principles. We pursue three strategic thrusts.

Joyful, competent and responsible, we want to be one of the best food companies in Europe.

Strategic thrusts



Strengthen our core business

With Bell Schweiz, the Bell Food Group wants to sustainably expand its leading position in its core business with meat, poultry, charcuterie and seafood in the retail and food service market by further differentiating its product ranges and services. In the international business, the focus will continue to fall on strengthening the market position and profitability of air-dried ham and expanding the range of sustainable poultry products.



Grow with convenience and vegetarian products

The Bell Food Group wants to strengthen its position in the convenience market in the DACH region by fully exploiting the capacities offered by the new production facility in Marchtrenk (AT). The focus falls on developing new product solutions, increasing the degree of convenience and adding new products to the vegetarian and poultry convenience product ranges. The development of new food solutions for the food service sector will be another focal topic. These involve holistic product concepts that take account and improve the efficiency of the existing infrastructure and processes of customers in the food service sector.



Invest in efficiency and performance

To ensure its long-term performance capacity in the core business with meat products in Switzerland, the Bell Food Group has launched a comprehensive investment programme at the Oensingen (CH) site. The planned new facilities for the cutting, packaging and picking of products will bring improvements in process automation, increase the efficiency of logistics services and improve sustainability with regard to resource consumption and food waste. The planned investments at Hilcona's headquarters in Schaan (LI) will take a similar course, with the focus also falling on the modernisation of the production and logistics processes.

Values

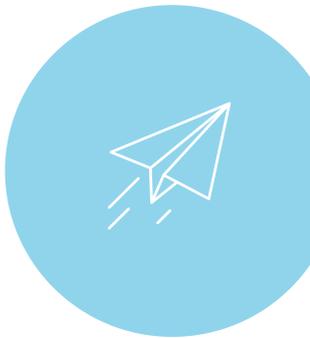
Three values designed to differentiate our company have been defined for the Bell Food Group: customer-centric, entrepreneurial, sustainable.



Customer-centric

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.



Entrepreneurial

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.



Sustainable

We take responsibility

It is our responsibility to think and act sustainably. We know that there is still much to be done, and we are doing everything we can to improve a little every day. We want to set a good example and make a contribution to a life in harmony with our environment.

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, each business area pursues an individual business area strategy based on our «Leading in Food» vision.



Bell Schweiz

The best for meat and seafood

Acting competently and responsibly with a happy working environment, Bell Schweiz is the best provider in Switzerland.



Bell International

Passionate about poultry and charcuterie

Acting responsibly, Bell International produces regional meat product specialties and is the most sustainable poultry producer in Europe.



Eisberg

Simply fresh

With its fresh products, Eisberg brings healthy enjoyment to the daily lives of people.



Hilcona

Enjoy fresh quality every day

Hilcona creates healthy and carefully prepared products for the simple enjoyment of those who want to eat better.



Hügli

Pure taste

Hügli is dedicated to culinary enjoyment and works passionately to promote natural flavour.

Functional strategies

The functional strategies serve as Group-wide guidelines for brands, finances, IT and employees while still providing sufficient leeway to accommodate company-specific and regional differences.

The **financial strategy** aims to improve the company's profitability and productive capacity through the targeted application of resources. It ensures the company's freedom of action at all times and is reviewed annually against defined key figures.

The **brand strategy** defines the positioning of the Bell Food Group corporate brand. This includes honing the identity and optimising the use of the identification potential. It strengthens the common culture while preserving the individual companies' existing cultures. The Bell Food Group employer brand has been designed to provide internal identification and guidance and create preference and differentiation externally. The brand portfolio is optimised on an ongoing basis in terms of exploiting potential and efficiency.

The **IT strategy** ensures that IT systems are secure and highly available, aiming to constantly improve efficiency by way of standardisation and innovation as well as optimise the ERP landscape in line with the business requirements and technical life cycle.

The **HR strategy** secures the development of attractive employment and working conditions at all levels and makes sure that headcount requirements can be met at market-related conditions. It pursues value to the customer and aims to exploit useful synergies. It creates the conditions for a diverse workforce with more women in management positions and promotes identification with the Bell Food Group. It promotes a culture of appreciation, networks, an open exchange as well as employee development and succession planning tailored to levels and needs.

The **sustainability strategy** applies to the entire Group. The Bell Food Group pursues an ambitious sustainability strategy and acknowledges the UN's Sustainable Development Goals (SDG) and the Science Based Targets initiative (SBTi).

Sustainability



The following information about sustainability at the Bell Food Group describes the Bell Food Group's activities in the field of sustainability, but does not claim to meet the legal requirements for reporting on non-financial matters. The Coop Group Cooperative in Basel owns a majority stake in the Bell Food Group and meets the obligation to report annually about non-financial matters for the whole Group, including the Bell Food Group. The report is usually published in June and can be viewed at <https://report.coop.ch/en/download-centre/>.

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 internally accepted guidelines and views its entire value chain in terms of the Science Based Targets initiative (SBTI) in order to make a positive contribution to the achievement of the UN's sustainability goals. Our vision is to be climate neutral in our direct area of influence by 2035 and along the entire supply chain by 2050. The Bell Food Group consistently advanced the implementation of its sustainability strategy in the reporting year. After calculating its CO₂ footprint for the first time in 2022, this calculation was updated in 2023. On this basis, the Bell Food Group prepared a road map for the achievement of its targets in order to develop systematic measures to reduce its CO₂ footprint. It has also standardised the sustainability figures relevant to its strategy and steering for the whole Group in the reporting year:

- Key energy figures (electricity, water, fuel, combustibles, etc.)
- Disposal/waste data
- HR indicators
- Share of labelled raw materials/products purchased from third parties
- Share of labelled sales products

The new practice is to automatically import the figures obtained from different sources into a database and to use these figures for monitoring target achievement, for the Group Executive Board and Board of Directors as well as for the sustainability ratings and assessments that are relevant for investors and customers. Due to the new calculation basis, some of the figures for 2022 have changed. As part of this harmonisation process and to promote a holistic perspective, the Bell Food Group will in

future include its report on the progress made in the field of sustainability in the report of the Coop Group Cooperative, its majority shareholder (progress report of the Coop Group).

Achievement of selected sustainability targets

(Table page 25)

Our sustainability strategy identifies the relevant priority areas for our sustainability commitment. These are not only particularly relevant for our business activities and long-term value creation, but are also highly significant for society and the environment. The following table listing selected sustainability targets provides an overview of the status of implementation of our sustainability strategy in 2023, compared to the guide value for 2026.

There was an increase for the **greenhouse gas emissions and energy** strategic field of action, mainly due to the additional Swiss locations, i.e. the new deep-freeze centre (Oensingen), Brüterei Stöckli (Ohmstal; plus four parent facilities) and the temporary continuation of operations at Frigo Basel. There were also changes to the energy mix following construction measures that led to a short-term increase in the use of heating oil compared to natural gas. The share of electricity generated by photovoltaic plants tripled in the reporting year (targets 1.1; 1.2). The energy requirement per tonne was reduced year-on-year, e.g. because electricity consumption for the processes was reduced (1.4). In the **water** field of action, water consumption in non-risk areas was reduced further (2.1). We are not yet on target for reducing water consumption in risk areas. A number of projects have been launched with the objective to further optimise water consumption processes in consideration of hygiene requirements in the food production segment (2.2). In spite of a slight increase in operational food losses, we remain on target with regard to **disposal and recovery** (3.1). Various measures are being implemented to further reduce the use of plastic in packaging, e.g. by using the environmentally friendly folding box for additional products (3.2). Various additional projects were launched in order to meet the 2026 guide value for waste volume (3.3). In the **ecosystems** field of action we substantially increased the share of sales revenue earned with sustainable products compared to the previous year (4.1). Hügli's consistent switch to sustainable palm oil allowed us to take a large step towards our target of only using palm oil from deforestation-free and conversion-free sources

(4.4). The reduction in the share of soy in feed from responsible cultivation is explained by the strong growth of our product ranges. The switch to soy from European sources in our integrated poultry production was launched successfully (4.5). The share of beef from deforestation-free and conversion-free sources at Bell Switzerland is still more than 99 percent (4.6). In the **animal welfare** field of action, we remain on target with regard to the animal welfare product label (5.2). An antibiotics monitoring system is operational in all our facilities in integrated poultry production (5.4). We are also on target with regard to the number of audits by external animal welfare inspection bodies (5.5). In the **health and safety in the workplace** field of action, a cross-facility management system for occupational health and safety with a uniform standard is currently in development (6.2). With regard to **employment conditions**, in spite of substantial improvements the share of women in senior management positions is not yet on target. The number of apprenticeships declined slightly, but is still above the guide value (7.4). The turnover rate of employees earning a monthly salary was reduced (7.5). We are on course for achieving the guide value for filling our management positions through our own employees (7.6). In the **governance** strategic field of action we included ESG criteria in our risk management process (8.1).

Highlights and news

Greenhouse gas emissions and energy Photovoltaic systems to reduce electricity consumption and CO₂ emissions

In 2023, new photovoltaic systems were commissioned at the Hügli locations in La Vall D'Uixo in Spain and in Brivio in Italy. Bell Poland has started construction work on the second phase of the solar park in Niepołomice, planning for the completed system to cover around 30 percent of this location's electricity requirements. The second phase was finished at the end of 2023, and the system is expected to be complete by 2025. In Harkebrügge, Bell Germany started building a second solar park in 2023 and also started on the construction of a solar park in Edeweck (DE). Completion is planned for 2024. Hubers/Süttag completed a photovoltaic system in Pfaffstätt in Austria in 2023. Eisberg Switzerland commissioned a solar plant in Dällikon (CH) in the reporting year. After completion, these plants will have a total output of 6 723 kWp (average own production 5 946 Mwh per annum).

Selected sustainability targets of the Bell Food Group 2022–2026

Strategic field of action	Target	Unit	2022	2023	Guide value 2026	Evaluation ¹
Greenhouse gas emissions and energy SDG 2 / SDG 7 / SDG 8 / SDG 12 / SDG 13	1.1 We are reducing absolute greenhouse gas emissions in our facilities by 21 percent (Scope 1 and 2).	tCO ₂ e	69 905	71 297	59 831	■
	1.2 We are promoting appropriate measures and projects relating to Scope 3 to reduce the greenhouse gas emissions in the supply chain.	Qualitative targets				■
	1.4 We are reducing energy purchase in our facilities by 5 percent per product unit sold.	kWh/t	988.16	965.46	954.08	■
Water SDG 2 / SDG 6 / SDG 8 / SDG 12 / SDG 14 / SDG 15	2.1 We are reducing water purchase in our facilities in non-risk areas by 10 percent per product unit sold.	m ³ /t	10.51	10.24	9.41	■
	2.2 We are reducing water purchase in our facilities in risk areas by 50 percent per product unit sold.	m ³ /t	6.08	7.01	4.58	■
	2.4 We are optimising our wastewater management.	Qualitative targets				■
Disposal and recovery SDG 3 / SDG 6 / SDG 8 / SDG 12 / SDG 14	3.1 We are reducing operational food losses to less than 1 percent.	%	0.19 %	0.27 %	<1.00 %	■
	3.2 We are reducing plastic consumption in our packaging by 15 percent per product unit sold.	kg/t	33.45	38.54	29.00	■
	3.3 A least 90 percent of the waste volume material in our facilities is reused or recycled.	%	84.69 %	84.99 %	90.00 %	■
Ecosystems SDG 2 / SDG 3 / SDG 6 / SDG 12 / SDG 14 / SDG 15	4.1 We are maintaining sales with product labels for sustainable agriculture, animal husbandry and fishing at CHF 1 100 million.	mCHF	1 111.40	1 290.92	1 100.00	■
	4.4 100 percent of our palm oil is obtained from deforestation-free and conversion-free sources.	%	66.40 %	98.35 %	100.00 %	■
	4.5 At least 50 percent of our soy in feed used in integrated poultry production or in our supply chain for meat and meat products from Europe is obtained from deforestation-free and conversion-free sources.	%	44.60 %	39.76 %	50.00 %	■
	4.6 We maintain the proportion of beef from deforestation-free and conversion-free sources at Bell Schweiz at 99 percent.	%	99.16 %	99.11 %	99.00 %	■
Animal welfare No SDG ²	5.2 37 percent of animal raw materials and products are certified with an animal welfare product label.	%	34.10 %	35.28 %	37.00 %	■
	5.4 100 percent of our facilities in integrated poultry production have an antibiotics monitoring system.	Qualitative targets				■
	5.5 Regular audits are conducted through external animal welfare inspection bodies to ensure that the Bell Food Group's own abattoirs observe high animal protection standards.	Audited facilities/year	3	5	3–5	■
Health and safety in the workplace SDG 3 / SDG 8	6.2 We have introduced a management system for occupational health and safety with a uniform standard at 100 percent of our facilities.	%	n/a	n/a	100.00 %	■
Employment conditions SDG 4 / SDG 5 / SDG 8 / SDG 10	7.3 The proportion of women we have in senior management positions is at least 20 percent.	%	11.80 %	13.84 %	20.00 %	■
	7.4 We offer a training position to at least 150 people every year.	People	165	159	150.00	■
	7.5 We keep the turnover of employees earning a monthly salary low at a maximum of 10 percent.	%	20.16 %	18.87 %	10.00 %	■
	7.6 We fill 60 percent of our management positions through our own employees.	%	n/a	57.40 %	60.00 %	■
Governance SDG 16	8.1 We integrate ESG criteria in our risk management.	Qualitative targets				■

SDG: Sustainable Development Goals of the United Nations (UN).
¹ ■ Positive (towards sustainability: observed/measured development = development aspiration)
■ Negative (away from sustainability: observed/measured development ≠ development aspiration)
■ Unchanged (no significant difference)
■ No evaluation

² Although animal welfare is not defined as a target in the United Nations Sustainable Development Goals, it is one of the core elements in sustainable nutrition and, consequently, indirectly influences several sustainability targets of the United Nations.

Disposal and recovery

Elimination of food waste

The Bell Food Group attaches great importance to strict requirement planning and process control in food production to minimise avoidable food losses. In this manner, overproduction due to ordering or planning uncertainties or process faults are avoided whenever possible. Packaged and ready-to-eat products that are flawless but cannot be marketed can be sold through our own factory outlets or can be sold at a reduced price or donated to charitable organisations such as «Tischlein deck dich», «Tafel», Caritas markets and similar.

Ecosystems

Development of new plant-based meat alternatives

The Swiss start-up Fabas, the University of Applied Sciences Western Switzerland in Sion and Groupe Minoteries SA invested jointly in the «Field to Fork» research project to develop a raw material for the manufacture of plant-based alternatives. The objective is to develop a marketable product that meets the raised expectations of consumers and manufacturers. Hilcona is responsible for the development of meat alternatives using this new raw material. After months of tests in the laboratory, the first trials using the new plant-based semi-finished product on the industrial facilities of Hilcona were carried out in the reporting year. The results of the pilot tests are helping «Fabas» to further optimise the raw material for alternative products. This promising project is supported by the Swiss innovation agency Innosuisse and the Swiss Climate Foundation. The innovative production process offers enormous potential for reducing CO₂ emissions.

Ecosystems

Improvement of soil health

The innovative «Living Soils Switzerland» programme of the Earthworm Foundation aims to establish regenerative agriculture in Switzerland. The objective is to empower farmers in the long term to reduce tillage, use more organic materials, introduce catch crops and much more. These regenerative agricultural methods improve soil health and resilience,

promote biodiversity and sequester more carbon in the soil. The Eisberg and Hilcona business areas are leading the project and are working closely with committed partners. Important milestones such as the preparation of the detailed project plan (including the technical framework and measuring concept), the establishment of a scientific and strategic supervisory board as well as the deepening of partnerships were reached in 2023. Six producers of salads and vegetables, including two partners of Eisberg and two of Hilcona, will actively join the project in 2024. They will implement regenerative agricultural practices and turn the vision of healthier soil that is more alive into reality.

Animal welfare

Reduction of pre-slaughter stress for Natura beef

Our commitment to sustainability and animal welfare reached another milestone in 2023. In September 2022, a team from Bell Schweiz was taught the tried-and-tested stockmanship method of Bud Williams that focuses on the careful handling of cattle and cautious treatment techniques to reduce the stress suffered by the animals at the abattoir. Projects were launched at five selected farms in the reporting year. On the participating farms, the project animals were regularly driven through chutes to better prepare them for the procedures in the abattoir. The farmers were also first trained in the stockmanship method. Slaughtering of the project animals started in autumn 2023, with their stress levels being carefully monitored visually and by way of blood tests. The results were compared to those of non-conditioned animals who were transported in the same way. The meat was also tested in order to compare the quality. These efforts to reduce the stress suffered by the animals on their way to slaughter are a step towards the production of meat in a more animal-friendly manner. For this project under the lead of the Research Institute of Organic Agriculture (FiBL), Bell Schweiz is working closely with «Mutterkuh Schweiz» and Coop. The end of the project and the final results are expected for 2024.

Employment conditions

Compliance with due diligence obligations along the entire supply chain

The Bell Food Group has initiated far-reaching measures to implement the German Act on Corporate Due Diligence Obligations in Supply Chains (LkSG) throughout the Group. These measures help to guarantee the protection of human rights and environmental standards in the supply chain:

- Introduction of a risk management system to identify and assess the potential risks for human rights violations and environmental harm along the supply chain
- Appointment of a Human Rights Officer who is responsible for the implementation of the LkSG by the Group
- Execution of an annual risk analysis to assess the potential risks for human rights violations and environmental harm along the supply chain
- Adoption of a declaration of human rights, a code of conduct and a supplier code of conduct that set out the standards for the protection of human rights and environmental standards along the supply chain
- Introduction of measures to prevent human rights violations and environmental harm by the own business areas and by immediate suppliers
- Establishment of a procedure for the implementation of remedial measures in response to identified human rights violations and environmental harm
- Establishment of a complaints procedure for employees and other affected parties along the supply chain to report human rights violations and environmental harm

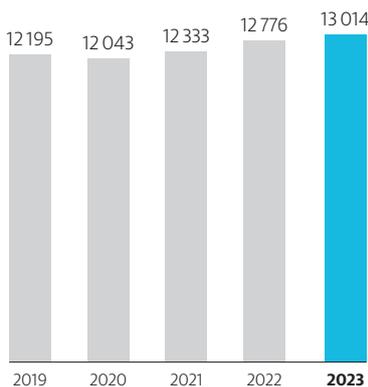
Employment conditions

Diversity and inclusion concept

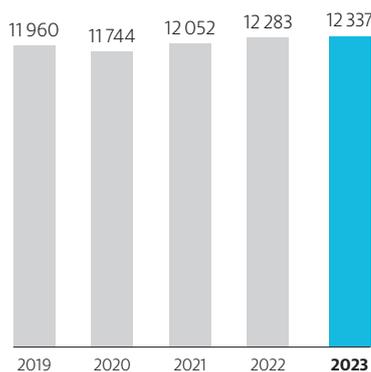
As part of the HR strategy 2026+, the Bell Food Group adopted a diversity and inclusion concept in the reporting year focusing on the promotion of women. The objective is to fully exploit the organisation's diversity potential and promote more women to managerial positions. The measures defined by the concept are now ready for implementation. A first women's networking event has already taken place.

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Average headcount
as full-time equivalents (FTE)



Headcount
as of 31/12 in number of persons



Proportion of full-time employees

68.5 %
↑ 1.5 %

Proportion of part-time employees

31.5 %
↓ 1.5 %

Proportion of men

62 %
↑ 0.0 %

Proportion of women

38 %
↑ 0.0 %

Proportion of women in management

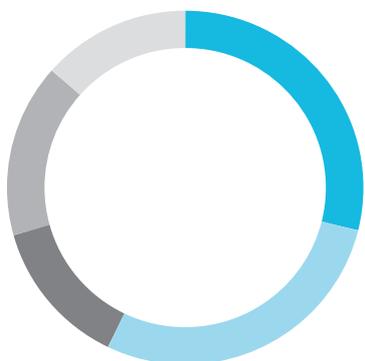
14 %
↑ 2.0 %

Number of trainees

159
↓ 3.6 %

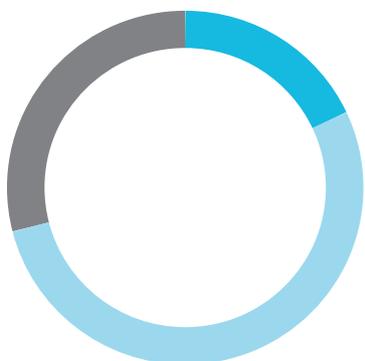
Number of nationalities

112
↑ 6



Headcount by business area
in number of persons

Bell Schweiz	3 566
Bell International	3 481
Eisberg	1 672
Hilcona	1 959
Hügli	1 659



Age structure
in %

30 or younger	18
31-50 years	53
51 and above	29

Business development in 2023

The Bell Food Group has grown again and gained market share

The Bell Food Group posted a very good result for the 2023 financial year, with all business areas making a positive contribution. This success once again confirms that the Bell Food Group has a strong and robust business model. The framework conditions were demanding: inflation, volatile market conditions and geopolitical tensions affected consumer sentiment. The Bell Food Group nevertheless managed to gain market share and post growth, proving that it has finally left the difficult pandemic years behind.

The fitful weather led to an increase in procurement costs and made it more difficult to plan the procurement processes. It was a challenge to procure raw materials in the required quality, in particular fruit and vegetables. Pork prices in Europe rose further in the reporting year. These challenges were mastered successfully due to the rapid implementation of the required measures and the strategic thrust of the Bell Food Group.

On the energy market, inflation meant that the situation was tense, with the price of electricity rising further. The war in Ukraine, the outbreak of the conflict in the Middle East and dwindling purchasing power also had a negative effect on consumer sentiment. Inflation meant that consumers shifted their preference to less expensive product ranges, which in turn affected sales of premium products in the convenience segment in particular. The results for the individual business areas are therefore even more encouraging.

Thanks to a strong market presence and volume growth, Bell Switzerland posted an excellent result. Bell International gained market share in the sustainable poultry and air-dried ham segments. The convenience units Eisberg, Hilcona and Hügli all grew above the market average and gained market share.

Thanks to a strong market presence and volume growth, Bell Schweiz posted an excellent result. Bell International gained market share in the sustainable poultry and air-dried ham segments. The price increases implemented in the previous year took effect. Although it was considerably more difficult to pass on the higher costs in the convenience business areas, Eisberg, Hilcona and Hügli grew more strongly than the market and gained market share.

Overview of the 2023 financial year

The Bell Food Group will remember 2023 as a very successful financial year. Net sales as well as EBIT and net profit for the year reached new record highs. The Bell Food Group posted EBIT of CHF 164.7 million for the 2023 financial year. This was CHF 1.7 million (+1.1%) more than in the previous year. The good news is that all units made a contribution to this positive result. After the difficult pandemic years, the convenience units returned to the growth path in 2023, both with regard to net revenue and the operating result. While Bell Schweiz managed to repeat the previous year's strong performance, Bell International experienced a slight slowdown in growth as expected. It still managed, however, to end the year at a very high level.

The Bell Food Group improved its net revenue by CHF 199.2 million to CHF 4.5 billion. In addition to slight growth in operational sales driven, among other things, by the new production location in Marchtrenk (AT), the price effects triggered by the increase in costs also played an important role. While Bell International managed to quickly adjust prices in the previous year and enjoyed a full-year effect in 2023, the convenience business areas could only implement the required price adjustments with some delay. High inflation burdened consumer sentiment, in particular with regard to high-margin convenience products. This had a negative effect on the gross profit margin in the previous year. In the reporting year, the Bell Food Group managed to stabilise the margin at 39.2 percent, as a result of which the gross profit rose by CHF 101.6 million to CHF 1.8 billion.

CHF 164.7 million

The Bell Food Group posted EBIT of CHF 164.7 million for the 2023 financial year. This is CHF 1.7 million (+1.1%) more than in the previous year.

Operating growth

	Net income in CHF million	Volume in million kg
2022	4 315.0	541.0
Exchange rate	-39.4	-
Inorganic	-	-
Organic	238.6	6.1
2023	4 514.2	547.0
Operating growth	5.5 %	1.1 %

Personnel and operating costs increased by CHF 88.7 million in the 2023 financial year. Inflation drove the increase in personnel, energy and transport costs, while the entry into the Austrian market with the upgrading of the facility at Marchtrenk (AT) generated additional costs. At CHF 338.6 million, EBITDA was up on the prior year by CHF 12.8 million (+3.9%). The high level of investment activity in recent years in Switzerland, Austria and also in IT increased depreciation and amortisation by CHF 11.1 million year-on-year to CHF 173.9 million, resulting in EBIT of CHF 164.7 million, which is CHF 1.7 million more (+1.1%) than in comparison to the previous year. The base effect triggered by the price increases resulted in a slight reduction in the EBIT margin of 0.1 percentage points to 3.6 percent. This also clearly demonstrates that the Bell Food Group implemented the price increases with good reason and in an appropriate manner.

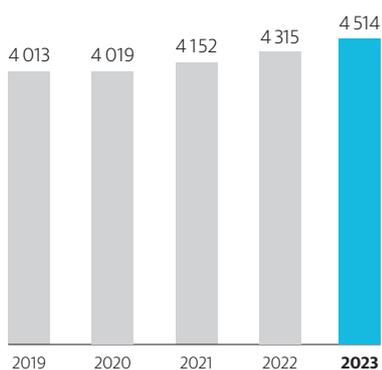
With regard to the financial result, the currency translation losses declined year-on-year. Interest income improved because the higher interest costs on debt financing could be compensated by higher asset management income. At CHF -13.0 million, the financial result is down on the previous year by CHF 2.0 million. The net income from associated companies for the financial year was well below the previous year's result of CHF 4.8 million. The value of the investments in associated companies had to be corrected by CHF 0.7 million at the end of 2023 to take account of the changes in value of the associated companies.

Bell Food Group Ltd is also affected by the OECD's global minimum tax initiative. These new legal provisions required adjustments to the accounting principles, which had a positive effect on the tax expense in the 2023 financial year. The annual profit after deduction of the tax expense of CHF 21.4 million is CHF 129.6 million, which is up CHF 1.8 million (+1.4%) on the previous year.

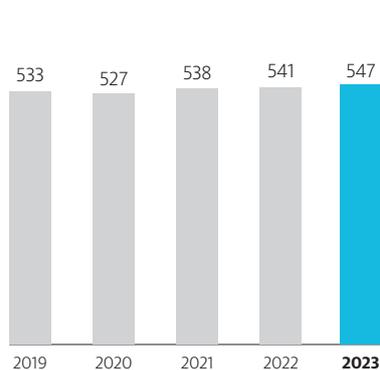
The balance sheet of the Bell Food Group as of 31 December 2023 includes a number of financing transactions. In the 2023 financial year, the Bell Food Group repaid current liabilities of more than CHF 100 million. As a bond for CHF 200 million matures on 1 February 2024, there was a shift for this amount from non-current to current financial liabilities. The Bell Food Group also successfully floated two bonds for a total of CHF 270 million on the Swiss capital market in autumn. The first bond was issued for a nominal amount of CHF 110 million at an interest rate of 2.30 percent and for a term until 2026. The second bond is for CHF 160 million at an interest rate of 2.65 percent, and matures in 2031. The proceeds on these bonds will be used to repay the aforementioned bond at the beginning of 2024 and for the strategic investment projects in Switzerland. Because of these bond emissions, the cash and cash equivalents as of 31 December 2023 have increased significantly. The lion's share of the bond proceeds was invested in fixed deposits with Swiss banks until the end of the year.

The early issue of the bond allowed the Bell Food Group to benefit from attractive market conditions and reduce substantial uncertainties. At the same time, it led to the extension of the balance sheet and a reduction in the equity ratio to 46 percent (previous year: 47.8%). After repayment of the maturing bond, the financial liabilities will amount to around CHF 1.0 billion, and the equity ratio will be slightly higher than in the previous year. The early refinancing had no effect on the net financial liabilities, which amount to CHF 802.4 million (previous year: CHF 744.1 million), and the net debt ratio is 2.4 (previous year 2.3).

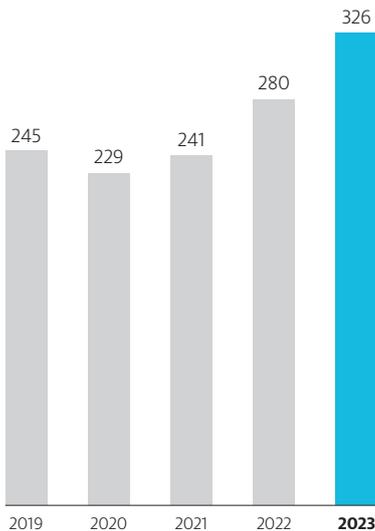
Net revenue in CHF million



Sales volume in million kg



Operating investments in CHF million



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 traditions 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 connection with 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 and Liechtenstein

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 have strong roots in Switzerland and will in future also play an important role in providing the population with protein. Bell Schweiz 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 Schweiz 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 Schweiz is also decentralised, sometimes approaching the end of its useful life or already over its capacity. With a new logistics platform we can centralise our logistics infrastructure so that we can make deliveries to our business partners from a single platform. In addition to providing a better service, we also expect processes to become faster. This will mean, among other things, that products will reach the consumers earlier and will thus have a longer shelf life. In this way, the Bell Food Group can help to avoid food waste.

Insourcing of external warehouses and expansion of deep-freeze capacities

The new deep-freeze warehouse was commissioned in the reporting year. The insourcing of the decentralised external storage facilities not only eliminated rental costs, but the new building also provides additional deep-freeze capacities and makes it possible to offer new order-picking solutions. The new warehouse cuts 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 focusing on capacity expansion and process and space optimisation has been finished. Phase 2 of the construction of the new high bay warehouse with 17 000 pallet spaces designed to improve internal logistics and efficiency started in the reporting year as planned.

Consolidation of locations for Eisberg Switzerland

Eisberg finished the second phase of its project to consolidate its locations in 2023. In Dällikon, the flow of personnel was adjusted to meet the highest hygiene standards. Changes to the framework conditions since the project was submitted in 2021 mean that the assumptions regarding volume growth for fresh convenience salads are no longer entirely correct. As a result, the third phase involving the expansion of Essert-sous-Champvent has been deferred for now. The strategic focus of the product ranges when it comes to future needs will be reanalysed.

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.

The Bell Food Group successfully floated two bonds for a total of CHF 270 million in October 2023. 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 volume will be adjusted.

Project progress

Investments in the 2023 financial year totalled CHF 326.2 million. CHF 167.9 million were invested in the investment programme in Switzerland. Investments in modernisation and replacements amounted to CHF 158.2 million. The following investments were made in the investment programme Switzerland in 2023:

CHF 270 million

The Bell Food Group successfully floated two bonds for a total of CHF 270 million in October 2023.

Investments

in CHF million

Description	Planned	Already spent	2023
Modernisation of Oensingen	600–680	389.2	155.7
Expansion of Schaan	120–130	52.3	12.2
Investment programme Switzerland		441.5	167.9
Modernisation and replacement			158.2
Total investments in 2023			326.2

Business area Bell Schweiz

Very good result

Bell Schweiz posted a very good result. As in the past years, poultry and seafood were again the main drivers, joined in the reporting year by the fresh meat business. Charcuterie performed on a par with the previous year, mainly thanks to the ham segment. The retail sales channel repeated the excellent result of the previous year. A year without pandemic restrictions helped the food service/industry sales channel to post substantial growth.

Additional market share

Good summer weather that lasted well into autumn mostly compensated for the rainy weather at the start of the barbecue season. As the undisputed leader in the barbecue segment, Bell Schweiz used the good conditions to further expand its market share. This is also true for the food service sales channel, where our productive capacity allowed us to quickly react to the needs of the food service segment.

Continued high inflation

Persistently high inflation also led to a shift in demand to less expensive product ranges in Switzerland. Although the number of sales promotions was more or less the same, consumers more often opted for less expensive products from the standard ranges. On the procurement side, inflation translated into noticeably higher costs for raw materials, feed, packaging materials, construction materials, personnel, transport and energy. Some of the cost increases could be buffered by efficient cost management and a further increase in productivity. The substantial and quickly implemented price hikes made it imperative to pass on some of the increases without delay.

Continued high innovation capacity

Thanks to an attractive range of products and its successful marketing activities, Bell Schweiz was highly visible in the market throughout the year. Thirty new products were launched in the barbecue segment alone. Further focal areas for innovation included the degree of convenience of the products, trendy flavours and modern packaging solutions.

Expansion of Oensingen on track

In Oensingen, the modernisation and expansion projects are on schedule and within the budget. As the new deep-freeze warehouse was commissioned in the reporting year, all internal and external deep-freeze warehouses are now located in the same place, allowing savings of around 50 percent on energy.

New ground in training of employees

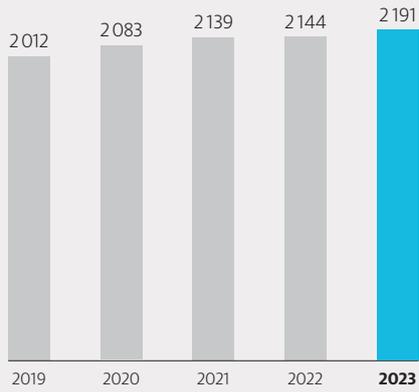
Since the end of July 2023, all meat experts stationed at the Oensingen production location have been able to learn their trade in charcuterie at the newly opened Thaler Metzger butchery located in the nearby town that was taken over by Bell Schweiz.

Outlook

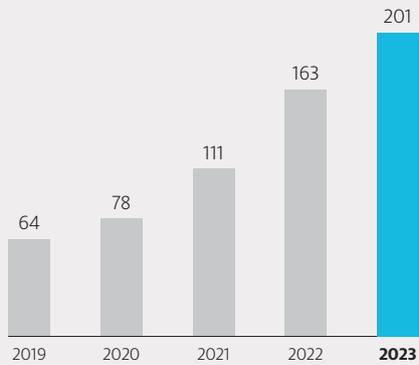
In the coming year, there will also be a need to cushion the effects of inflation, in particular on personnel and procurement costs. After the distortions caused by the pandemic, business will continue to normalise. Marco Tschanz will take over as the Head of business area Bell Schweiz on 1 June 2024.

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Net revenue
in CHF million



Operating investments
in CHF million



Organic growth

	Net revenue in CHF million	Sales volume in million kg
2022	2 144.1	125.8
Exchange rate effect	-	-
Inorganic	-	-
Organic	46.6	4.1
2023	2190.7	129.9
Organic growth	2.2%	3.2%



16

Locations

↑ 3



2191

Net revenue
in CHF million

↑ 2.2%



3747

Employees

Number of FTE as of 31/12/2023

↑ 110 FTE

↑ 3.0%

Business area Bell International

Strategy has proved itself

The clear focus on air-dried ham and sustainable poultry products proved itself again in the reporting year. Bell International was very successful despite persistent inflation and posted an excellent result. Market share was gained in the home market, both with regard to air-dried ham and poultry. The inflation-driven rise in procurement and operating costs was largely compensated by efficiency enhancements and price increases. As part of the strategic focussing, the trading company Bell Benelux was sold in the scope of a management buyout on 31 December 2023.

Successful core business with air-dried ham

In spite of stagnating markets, Bell International successfully expanded its strong position in the business with air-dried ham, largely thanks to targeted marketing investments, attractive price ranges and a good position with regard to packaging technology. As we made targeted investments to expand our slicing capacity at an early stage, we are now benefiting from strong growth in this segment.

Pioneer in sustainable poultry

Bell International is the biggest producer of organic poultry in Europe. As pioneers when it comes to regionality and higher husbandry requirements, the poultry farms in Austria and Germany have an excellent position in the market and are very successful. Sales of sustainable poultry have grown further in spite of the current phase of economic weakness. The production of slow-growing breeds has progressed further.

Strong position in slicing

High food inflation means that demand has shifted from piece goods to sliced products. Investments are being made in additional slicing lines in Poland and Spain. For example, the original sliced Spanish ham is popular not only in its growing home market but also in France and Portugal.

Folding box is gaining ground

The innovative folding box, which is fully recyclable and uses 40 percent less plastic than traditional packaging solutions, is now being used in 20 countries. Far in excess of 60 million boxes were sold in the reporting year.

Successful exports

Bell International's export activities continued to develop well. Exports to Canada, the French overseas departments and Japan, which was added as an export destination in 2022, enjoyed particular success.

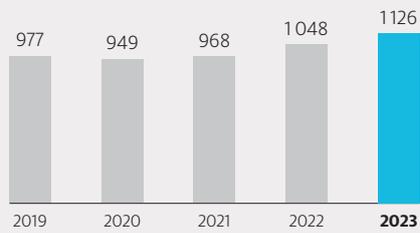
Outlook

Ensuring the availability of raw materials will remain a central challenge in 2024, in particular for poultry meeting higher husbandry requirements. The pioneering role in the field of sustainable poultry has to be secured. Attention should also be paid to consumers' buying restraint, which can be expected to continue in Europe in view of the high inflation.

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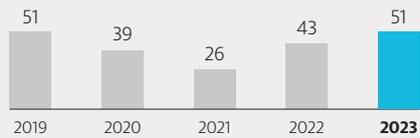
Net revenue

in CHF million



Operating investments

in CHF million



Organic growth

	Net revenue in CHF million	Sales volume in million kg
2022	1 047.6	203.1
Exchange rate effect	-28.4	-
Inorganic	-	-
Organic	106.6	5.0
2023	1 125.7	208.1
Organic growth	10.2%	2.5%



19

Locations

↓ 1



1126

Net revenue
in CHF million

↑ 7.5%



3800

Employees

Number of FTE as of 31/12/2023

↑ 85 FTE

↑ 2.3%

Business area Eisberg

Successful financial year

Thanks to further operational progress at the new plant in Marchtrenk (AT) and gains of market share in Romania and Hungary, Eisberg experienced growth in the reporting year. The brand is very strong in these two countries. However, high inflation in Eastern Europe burdened food service sales.

Consolidation of locations completed

Eisberg Switzerland finished the second phase of the consolidation of its locations in 2023. Changes to the framework conditions since the original plans were drawn up mean that the volume and product range assumptions for fresh convenience salads are no longer entirely correct. The third phase involving a further reduction in the number of locations is therefore being deferred for now. The strategic focus of our product ranges will be reanalysed in view of the new circumstances in order to identify the most efficient distribution of categories across locations.

Marchtrenk with a bigger circle of customers

The plant in Marchtrenk (AT) proved to be a driver of growth in the reporting year. Collaboration with existing customers was expanded, and new customers were acquired. The customer base in Germany in particular was substantially enlarged, and sales volumes were increased. The fruit segment reported strong growth. The potential has not yet been exhausted, in particular for the to-go and poultry convenience products.

Growth for salad menus

Sales of bagged salads stagnated in view of consumers' dwindling purchasing power. The contrasting growth recorded for salad menus, salad bowls and lunch boxes is therefore all the more encouraging.

Difficult weather conditions

Cultivation was very difficult for farmers in the reporting year, with either too much rain or too much sun. Given the inflation and limited availability of plant raw materials, the procurement market was very challenging. Weather conditions affected the volumes and quality of the harvested raw materials. The rainy weather in spring affected consumer behaviour and curbed demand for convenience products in all sales markets.

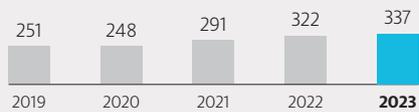
Outlook

The adjustment and optimisation of procurement strategies and the development of new local and international growing regions will be a central challenge in 2024. In Marchtrenk (AT), further utilisation of production capacity and the unlocking of potential in Germany will take centre stage. Mike Häfeli will take over as the head of the business area Eisberg on 1 January 2024.

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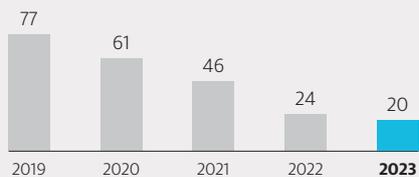
Net revenue

in CHF million



Operating investments

in CHF million



Organic growth

	Net revenue in CHF million	Sales volume in million kg
2022	321.7	54.6
Exchange rate effect	-2.9	-
Inorganic	-	-
Organic	17.7	-0.0
2023	336.5	54.6
Organic growth	5.5%	-0.1%



9

Locations

↑ 0



337

Net revenue
in CHF million

↑ 4.6%



1996

Employees

Number of FTE as of 31/12/2023

↑ 26 FTE

↑ 1.3%

Business area Hilcona

Excellent result above the previous year

In spite of inflation-driven shifts towards less expensive product ranges, Hilcona's performance was better than in the previous year. The previous year's excellent sales revenue was outstripped again in the reporting year. Strong growth was reported for ultra-fresh products such as Bircher muesli, meals and hand-made sandwiches of a manufacturing quality. Additional orders were received for ready-made meals. The pasta business also grew in spite of a stagnating market. The strength of the Swiss franc was a challenge for exports to the European market. The food service and industrial customer business also developed very well. Food service and industrial caterer sales are well above pre-pandemic levels again.

Inflation drove costs

The situation on the raw-materials markets remained tense and volatile. The rise in costs for the various raw materials, electricity, gas and fuels posed a huge challenge. The higher production costs could only be passed on with some delay. The effects of these market movements could mostly be countered with strong innovative power, constant adjustments to the product ranges and a stronger focus on efficiency improvements.

Increase in sandwich sales

Sales of sandwiches prepared freshly every day has improved substantially in 2023, not only in the lower price ranges but also in the higher-priced manufacturing segment. Efficiency improved further. New kinds of bread that set a new quality standard for the market were launched successfully.

The Green Mountain posted growth

After years of intensive growth, the market for meat alternatives is currently stable. Our internal start-up grew further in this challenging environment, both in the food service and retail segments. Additional market share was gained thanks to an attractive range of high-value meat alternatives. The launch in Germany and Austria also went well, with the expansion of distribution channels and the launch of new products.

Successful craftsmanship

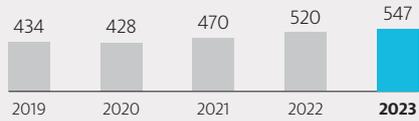
The manufacturing facilities in Schlieren (CH), Landquart (CH) and Orbe (CH) continued to develop well. The handmade products prepared freshly every day found favour with consumers and added real value to the trade. The intention is to further expand the product ranges.

Outlook

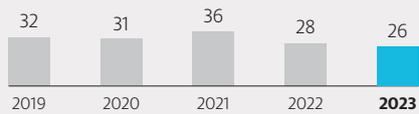
Inflation and in particular wage inflation will remain a challenge in the current financial year. The expansion of the principal location in Schaan (LI) is continuing with the construction of the new high-bay warehouse. This will improve our internal logistics and add efficiency to many areas, thus creating the conditions for future growth.

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Net revenue
in CHF million



Operating investments
in CHF million



Organic growth

	Net revenue in CHF million	Sales volume in million kg
2022	520.3	88.0
Exchange rate effect	-	-
Inorganic	-	-
Organic	26.6	-1.7
2023	546.8	86.3
Organic growth	5.1%	-1.9%



7

Locations

↑ 0



547

Net revenue
in CHF million

↑ 5.1%



1820

Employees

Number of FTE as of 31/12/2022

↓ 21 FTE

↓ 1.1%

Business area Hügli

Growth and additional market share

The business area Hügli gained further market share in 2023, thus confirming that this business area with its strong focus on the food service segment has fully recovered from the pandemic years. In addition to market share gains, volume growth was also achieved in Switzerland, Austria and Eastern Europe. Because company catering is a large part of the business activities in Germany, sales volumes are still slightly below the pre-pandemic levels of 2019 despite the gains in market share.

Perceptible competence

The high level of competence of our sales teams and culinary advisors is increasingly differentiating us from other providers. We no longer sell just products, but rather holistic concepts that take account of existing structures and noticeably improve process efficiency. This sustainably strengthens customer relationships.

Tense cost situation

In addition to considerably higher procurement prices, energy and personnel costs also rose sharply in the reporting year. As these substantial cost hikes could not be compensated through efficiency enhancements alone, they had to be passed on to product prices in a series of price rounds. The relatively long turnaround times for non-perishable convenience products, however, meant that price increases could only be implemented with some delay, which puts margins under pressure.

Volatile markets

Due to the high inflation in many countries, demand in the retail market shifted to discounters and less expensive product ranges. There was also a shift in demand from organic products to lower-priced conventional products. The adverse weather conditions with little snow in winter and a rainy spring in the entire DACH region dampened demand by the important tourism catering industry. It is therefore very encouraging that these losses could be more than compensated by the strongly growing modern restaurants.

Expansion of production capacity

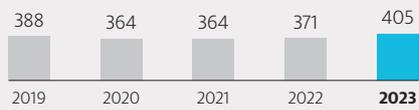
Construction of the new plant for delicatessen production in Steinach (CH) was completed in the reporting year, and the transfer of production from the rented location in St. Gallen (CH) to Steinach will be completed in the third quarter of 2024. The new delicatessen plant in Steinach will also considerably expand production capacity for the high-growth segment for mayonnaise, mustard, tomato sauce, dips, salad dressings, etc.

Outlook

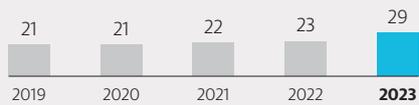
Following the implementation of price increases and procurement stability at a high level, Hügli expects margins to improve in the new financial year. The introduction of the software SAP at the biggest location Radolfzell (DE) in the reporting year will have a positive effect on process efficiency.

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Net revenue
in CHF million



Operating investments
in CHF million



Organic growth

	Net revenue in CHF million	Sales volume in million kg
2022	370.6	81.6
Exchange rate effect	-8.8	-
Inorganic	-	-
Organic	43.4	-2.0
2023	405.1	79.6
Organic growth	11.7%	-2.5%



14

Locations

↑ 0



405

Net revenue
in CHF million

↑ 9.3%



1650

Employees

Number of FTE as of 31/12/2023

↑ 38 FTE

↑ 2.3%

60 %

The cost of goods sold accounts for more than 60 percent of net revenue. Raw materials make up the biggest share by far.

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. The uncertain geopolitical situation further increases volatility and makes planning difficult. 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, edible oils, animal feed, noble gases and dry raw materials required for convenience production.

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. Weather conditions in the reporting year had a severe impact on consumer behaviour and the procurement of raw materials. A very rainy spring was followed by a dry summer. The fitful weather made it difficult to procure the right volumes and quality of fruit and vegetables. 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.

When it comes to demand, sales of certain product groups suffered from the difficult weather conditions. A winter with little snow and a very rainy spring in the DACH region put a brake on tourism and thus curbed demand by the hotel and catering industry. The rainy weather at the beginning of the second quarter in the Bell Food Group’s sales markets also reduced demand for barbecue and convenience products.

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, consumer sentiment and exports. The persistently high inflation in Europe was an important factor of influence in the reporting year. The massive inflation in the food segment that was well above total inflation led to 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.

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. The Bell Food Group defends itself against such risks by constantly adjusting the product ranges to market needs and placing the greatest emphasis on sustainability and the quality of 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 – even though it only has a limited impact on consumption – has strengthened further and also affects the Bell Food Group. The Bell Food Group counters these risks by consistently implementing the objectives of the sustainability strategy and actively accepting responsibility for people, animals and the environment along the entire value chain.

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 now a Certified B Corporation™. Mosa Meat is the world's first producer of cultured meat to receive B Corp™ certification, an important milestone in uniting partners, investors and suppliers. The company also announced that, under certain circumstances, cultured meat could soon be available for consumption in the Netherlands. Together with the producers of cultured meat and Holland-BIO, the industry representative, the Dutch government has drawn up a code of conduct that allows consumption in a controlled environment.

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 that complies in full with international legislation. The Bell Food Group pays its taxes to the country where the economic substance is created. The Bell Food Group does not have any legal entities that were established for the purpose of aggressive tax optimisation.

Outlook

With its proven strategy and direction, the Bell Food Group is ideally equipped for the coming financial year. With its broad range of products in all price segments, it can react quickly and flexibly to shifts in shopping behaviour. Although inflation slowed down somewhat towards the end of the reporting year, the development of energy, transport and in particular personnel costs will remain a central factor determining the success of business activities. Inflation in the food segment is also above total inflation, in particular in the Eastern European markets. Dwindling purchasing power among consumers will result in further shifts in demand toward less expensive product ranges, which the Bell Food Group can counter with product range adjustments. Apart from the inflationary trends, the uncertain geopolitical situation may have an impact on consumer sentiment and prices on the procurement market. The procurement situation is likely to remain volatile while the quality and availability of raw materials may fluctuate, in particular for salad and vegetables.

The business area Bell Switzerland expects developments to be stable in 2024. The central factors will be the development of consumer sentiment and whether the rise in personnel costs can be halted. The process of establishing, modernising and digitalising the infrastructure will be consistently continued in 2024.

Restrained consumer sentiment will be the central challenge for Bell International in 2024 as this will further intensify competition. In the poultry segment, product availability will be a central factor, in particular for the very popular poultry from higher animal welfare programmes.

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. The decisive factor will be whether the higher production costs can be passed on to the market.

At the Marchtrenk (AT) production facility, the acquisition of new customers for fruit, sandwiches and ready-made meals is expected to improve capacity utilisation and drive progress in productivity and profitability.

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Corporate governance

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Corporate governance

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

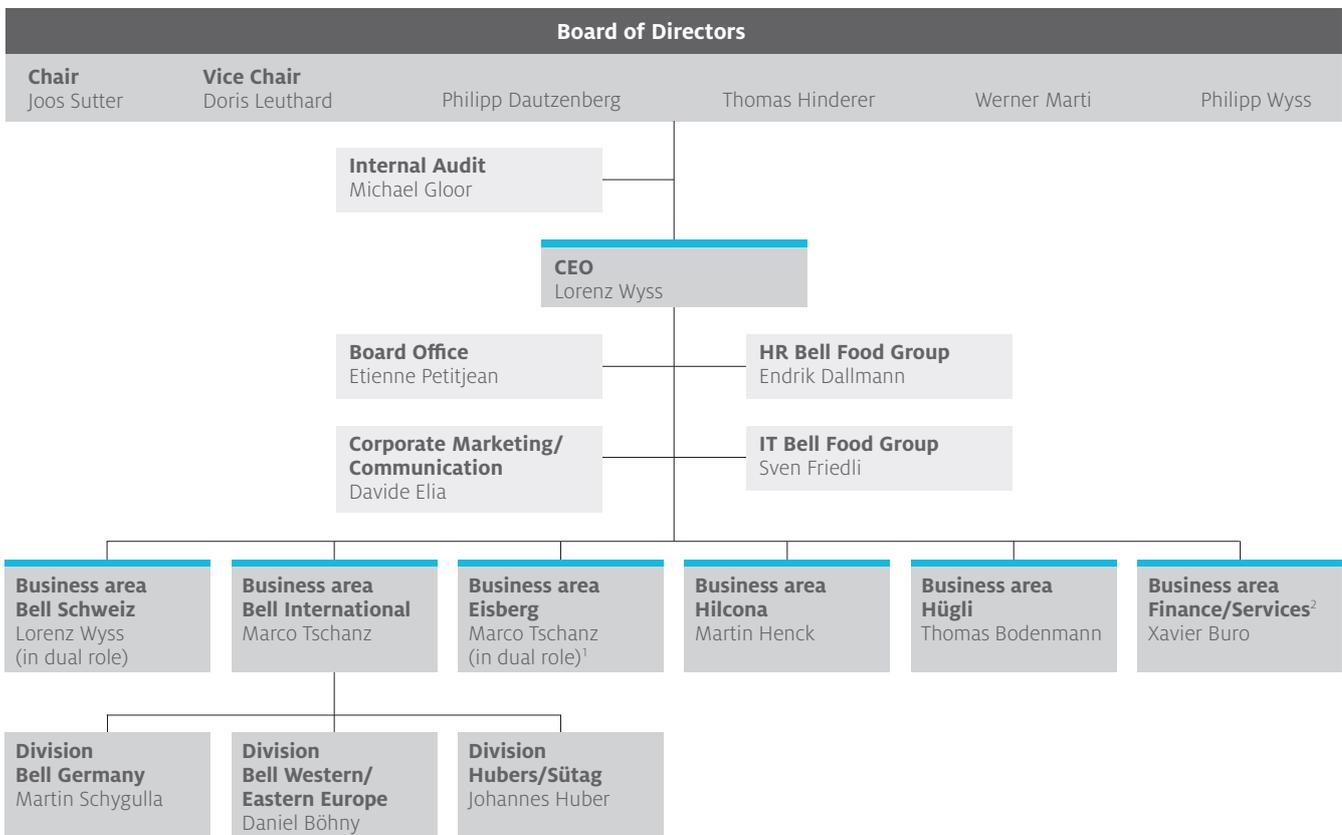
Group structure and shareholders

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. 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.

Bell Food Group Ltd is a holding company. It is responsible for the management of the Bell Food Group, which consists of the operational

Organisational chart as of 31 December 2023



■ Group Executive Board

¹ Mike Häfeli will take over from Marco Tschanz as the head of the business area Eisberg and join the Group Executive Board on 1 January 2024.

² The business area Finance/Services is responsible for the whole Bell Food Group.

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 97 and 98. Bell Food Group Ltd is the only listed company among the companies included in the consolidated financial statements.

The Coop Group Cooperative in Basel is the principal shareholder of the Bell Food Group and owned around 69.1 percent of the shares as of 31 December 2023. 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.

Detailed information about the shares can be found on page 70.

Significant shareholders

According to Art. 120 of the Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading (FinMIA), Bell Food Group Ltd has to disclose shareholdings in the company of a reportable person or group that reach, fall below or exceed the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 33⅓%, 50% or 66⅔% of the voting rights of Bell Food Group Ltd. The company received no disclosure notifications from significant shareholders or groups of shareholders during the reporting year.

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

On 31 December 2023, Bell Food Group Ltd was aware of the following significant shareholders holding at least three percent of the share capital:

	Share as of the time of the notification requirement	Share as of 31/12/2023
Coop Group Cooperative, Basel	66.67 % ¹ (08/09/2022)	69.12 % ²
J. Safra Sarasin Investmentfonds Ltd, Basel	3.13 % (12/11/2021)	N/A

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

² This includes the 3 880 treasury shares of Bell Food Group Ltd as of 31 December 2023.

Cross-shareholdings

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



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 2023.

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 share capital nor a fixed capital band under the Articles of Association.

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 7.

Restriction of transferability and nominee entries

According to the Articles of Association, the transfer of registered shares as property or usufruct requires the permission of the Board

of Directors. The Board of Directors may delegate all or some of its powers in this regard. The Board of Directors can refuse to register a buyer as a shareholder if the buyer does not expressly confirm that they have acquired the shares in their own name and on their own behalf, or if the entry of a buyer in the share register would lead to a natural person or legal entity directly or indirectly holding more than five 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 87 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 Audit Committee and the Compensation Committee. Information on the two Board committees is provided on pages 52 and 53.

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 2023. 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 of 31 December 2023

	Nationality	Year of birth	Function	In this function since	First election to the Board of Directors
Joos Sutter	CH	1964	Chair of the Board of Directors	2021	2020
			Member of the Audit Committee	2023	
Doris Leuthard	CH	1963	Vice Chair of the Board of Directors	2021	2019
Philipp Dautzenberg	CH, DE	1969	Member of the Board of Directors	2021	2021
Thomas Hinderer	DE	1958	Member of the Board of Directors	2020	2020
			Chair of the Audit Committee	2023	
			Chair of the Compensation Committee	2020	
Werner Marti	CH	1957	Member of the Board of Directors	2009	2009
Philipp Wyss	CH	1966	Member of the Board of Directors	2018	2018
			Member of the Compensation Committee	2020	

Changes to the Board of Directors

There were no changes to the Board of Directors in the reporting year. The new Audit Committee took up its work on 1 January 2023.

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.

Other activities and interests

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

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 of 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, Basel; Chair¹

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, Basel; Vice Chair¹

Other functions and offices

- ETH Zurich Foundation, Zurich; member of the Board of Trustees
- Green Business Award, Lucerne; Jury Chair
- Lucerne Dialogue, Lucerne; Chair Advisory Board
- Swiss Digital Initiative Foundation, Geneva; Chair of the Board of Trustees
- 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
- German Advertising Standards Council, Berlin, Germany; Chair
- 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 SME

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, Chair
- Marché Restaurants Schweiz AG, Dietlikon, Chair¹
- Swiss Household Services AG, Oberbüren
- 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, Dietikon; 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.bellfoodgroup.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 as well as 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 six ordinary meetings and one constitutive meeting. It also passed two resolutions by circular letter. The ordinary meetings lasted 8 hours and 45 minutes on average in the reporting year. The attendance rate was 97 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, price changes on the procurement market and matters relating to procurement security, the security of the energy supply and the effects of inflation and currency developments on the Bell Food Group
- Investment programmes as part of the development plans for the facilities of Bell in Switzerland, Hilcona in Liechtenstein and Hubers in Austria
- Takeover of the delivery business of Frischeparadies in Zurich
- Sale Bell Benelux
- Approval of new strategies for the business areas Bell Switzerland and Hügli
- Issue of a bond for CHF 270 million
- Appointment of a new CEO

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 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

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 member(s) 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 as well as 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. Three meetings attended by all members of the Committee were held in the reporting year. Meetings lasted two hours and a half on average.

In April 2023, the Board of Directors confirmed the position of Thomas Hinderer as Chair and Joos Sutter as member of the Audit Committee. 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 18 April 2023, 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 hour 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 the 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 and their implementation is monitored.

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 Chief Executive Officer 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. A Supplier Code taking account of the latest global developments regarding supply chain responsibility was introduced in 2022. 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.

In compliance with the EU's whistleblowing directive, the Bell Food Group runs a completely anonymous platform for notifying abuses and complaints.

Global developments with regard to sanctions are monitored by a central automated tool that tracks the latest lists of sanctions.

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. 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. Driven by the war in Ukraine, among other things, the Group's focus falls on the risk of availability and price hikes for raw materials and supplies as well as logistics and energy. The risk of availability of skilled labour has also increased. The risk of cybercrime is another focal point.

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 42.

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. Mike Häfeli took over as the head of the business area Eisberg and joined the Group Executive Board on 1 January 2024. The business area Eisberg had been managed by Marco Tschanz in conjunction with his other role until then. The Bell Food Group also announced

in October 2023 that the CEO Lorenz Wyss will retire from the company at the end of May 2024. Marco Tschanz will take over as the new CEO of the Bell Food Group on 1 June 2024, while also serving as the head of the business area Bell Switzerland.

Information about the organisational structure of the Bell Food Group can be found on pages 14 and 16.

Composition of the Group Executive Board as of 1 December 2023

	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 61.

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 the Bell Food Group since 2018, in this position since 2011

Board member mandates

- None

Other functions and offices

- Culinaria Suisse, Bern; Vice-President
- Culinaria 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 the 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

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

Other functions and offices

- None

Professional career

- Positions with Bell Food Group Ltd, Basel
 - Head of business area Eisberg in dual role; 2022–2023
 - 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. Voting rights 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.

A total of 1 345 shareholders attended the 2023 Annual General Meeting. Together with the voting rights represented by the independent proxy, 5 003 320 shares or 79.6 percent of the share capital was represented. 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. 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 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 who can access the relevant information. 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

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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.

Transparency about non-financial matters

The Coop Group Cooperative in Basel owns a majority stake in the Bell Food Group and meets the obligation to report annually about non-financial matters for the whole Group, including the Bell Food Group. The report is usually published in June and can be viewed at <https://report.coop.ch/en/download-centre/>.

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 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	2023	2022
in CHF thousand		
Auditing services	969	924
Near-audit fees	140	110
Tax consulting	5	-
Total	1 114	1 034

Information policy

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

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

Annual reports and interim reports:
www.bellfoodgroup.com/report-en

Press releases:
www.bellfoodgroup.com/mediarelease-en

Code of Conduct:
www.bellfoodgroup.com/code-en

Registration with distribution
list for press releases:
www.bellfoodgroup.com/maillinglist-en

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.

The compensation report complies with the provisions of Switzerland's Code of Obligations and 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). It also takes account of the Articles of Association, the organisational regulations and the regulations of the Board committees.

Unless stated otherwise, the compensation report refers to the 2023 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.

Fees for 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 by 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 2022 compensation report was 98.7 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	2023 (reporting year)	2024
Board of Directors	800 000	800 000
Group Executive Board	3 800 000	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 699 176, which is within the limits of the amount of CHF 800 000 approved by the Annual General Meeting. This is CHF 8 027 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.

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 is 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 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

Fees of CHF 10 000 for the Chair and CHF 5 000 for the members have been budgeted for the Audit Committee. Members of the Compensation Committee do not receive an additional fee for their activities as these are compensated by their Board member fee.

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.

The total remuneration paid to Group Management in the reporting year totalled CHF 3.9 million. This was above the amount of CHF 3.9 million approved by the Annual General Meeting and CHF 0.1 million above the previous year's remuneration. The deviation from the previous year is due to the increase in Group Management from four to five members as at 1 May 2022. Exceeding the maximum compensation approved by the Annual General Meeting is possible due to the increase in the size of the Group Executive Board during the year and is covered by the Articles of Association of Bell Food Group Ltd.

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 the basic salary 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 that 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 strategic and 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.

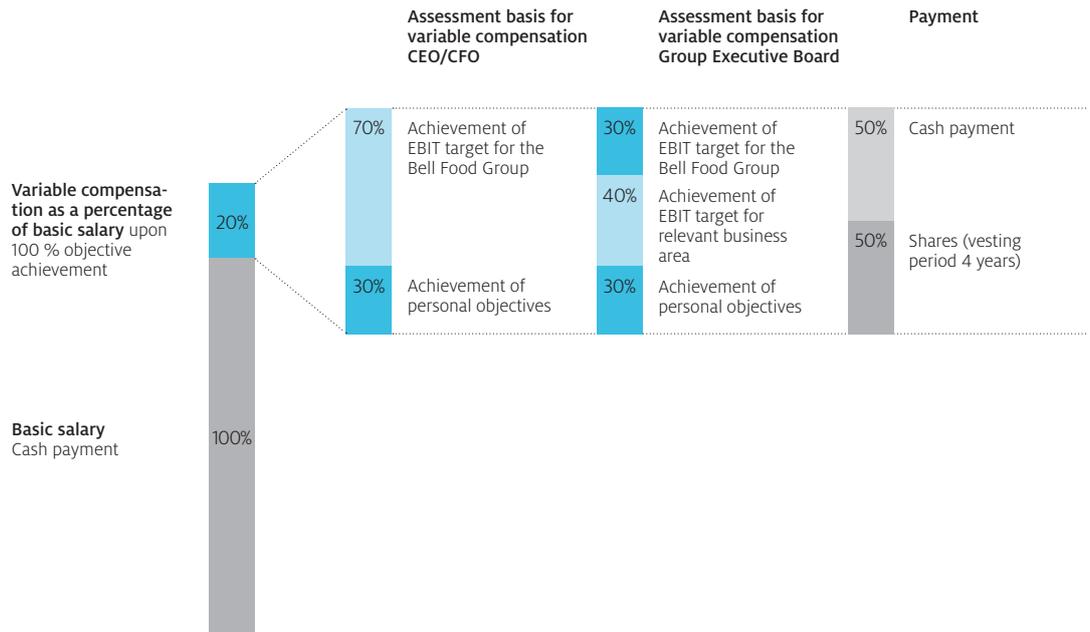
The variable compensation for the past financial year (cash payment and transfer of shares) is usually paid in April of the following year. Half of the variable compensation is paid in the form of shares in Bell Food Group Ltd. The shares are issued with a discount of 20 percent and may not be sold for 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.

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

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 (audited)

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 2023, and no payments were made to any former members of the Board of Directors, the Group Executive Board and their related parties.

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

Payments to the Board of Directors (audited) in CHF thousand	2023				2022			
	Fee (gross, in cash)	Variable compensation	Employer contributions to social insurance schemes	Total	Fee (gross, in cash)	Variable compensation	Employer contributions to social insurance schemes	Total
Joos Sutter, Chair ¹	155	–	–	155	150	–	–	150
Doris Leuthard, Vice Chair ¹	130	–	–	130	130	–	–	130
Philipp Dautzenberg ¹	100	–	–	100	100	–	–	100
Thomas Hinderer	110	–	–	110	100	–	–	100
Werner Marti	100	–	4	104	100	–	4	104
Jean G. Villot ²	–	–	–	–	22	–	1	23
Philipp Wyss ¹	100	–	–	100	100	–	–	100
Board of Directors	695	–	4	699	702	–	5	707

Payments to the Group Executive Board (audited) in CHF thousand	2023				2022			
	Fee (gross, in cash)	Variable compensation (gross, 50 % paid in cash and 50 % in shares)	Employer contributions to social insurance schemes	Total	Fee (gross, in cash)	Variable compensation (gross, 50 % paid in cash and 50 % in shares)	Employer contributions to social insurance schemes	Total
Lorenz Wyss, CEO	624	125	236	985	633	121	155	909
Other members of the Group Executive Board	1 972	333	579	2 884	1 854	355	490	2 699
Group Executive Board	2 596	458	815	3 869	2 487	476	645	3 608

1 Fee is paid to the Coop Group Cooperative.

2 Resigned from the Board of Directors on 18 April 2022.

3 From the 2023 financial year, the fee will be reported without the lump-sum expenses approved by the tax authorities.

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 open market and are entitled to participate in the employee share participation plan of the Bell Food Group.

On 31 December 2022 and 2023, the members of the Board of Directors and the Group Executive Board held the following shares of Bell Food Group Ltd.

Shares held (audited) as of 31.12. (number)	2023			2022		
	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	100	100	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	400	400	0	300	300
Werner Marti, member	970	59	1 029	970	59	1 029
Philipp Wyss, member	0	0	0	0	0	0
Group Executive Board						
Lorenz Wyss, CEO	1 400	1 503	2 903	1 301	1 241	2 542
Thomas Bodenmann, member	100	343	443	100	300	400
Xavier Buro, member (CFO)	100	1 000	1 100	0	850	850
Martin Henck, member	0	138	138	50	0	50
Marco Tschanz, member	938	1 205	2 143	838	963	1 801

Further activities of the Board of Directors and the Group Executive Board (audited)

For activities of the Board of Directors and the Group Executive Board in other undertakings/enterprises refer to pages 50, 51, 56 and 57 in the corporate governance report.

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Important dates

Financial year-end
31 December 2024

Annual General Meeting of
Bell Food Group Ltd
16 April 2024

Publication of results for first half of 2024
13 August 2024

Publication of 2024 results
13 February 2025

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 114 as well as on the website.

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

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

Information about the shares of Bell Food Group Ltd

	Unit	2019	2020	2021	2022	2023
Capital structure						
Share capital	in CHF	3 142 856	3 142 856	3 142 856	3 142 856	3 142 856
Registered shares issued	Number	6 285 712	6 285 712	6 285 712	6 285 712	6 285 712
Nominal value per registered share	in CHF	0.50	0.50	0.50	0.50	0.50
Registered shareholders	Number	6 490	6 474	6 516	6 403	6 570
Shares recorded in the share register	Number	5 649 826	5 684 601	5 642 149	5 709 375	5 664 966
Treasury shares as of 31/12	in %	0.18	0.12	0.13	0.13	0.06
Shares pending registration as of 31/12	in %	10.11	10.43	10.24	9.17	9.81
Shares pending registration as of the date of the Annual General Meeting	in %	6.39	7.67	5.97	6.05	5.58

Stock exchange data for share

Market capitalisation as of 31/12	in CHF million	1 647	1 499	1 835	1 496	1 597
Year-end share price	in CHF	262.00	238.50	292.00	238.00	254.00
Year's high (day-end status)	in CHF	320.00	281.00	310.00	295.50	289.50
Year's low (day-end status)	in CHF	243.50	210.00	234.00	210.50	233.00
Average trading volume	Number	2 698	2 480	2 161	2 533	1 617

Key figures for shares

Earnings per share (diluted and undiluted)	in CHF	7.90	18.91	20.31	20.37	20.64
Price/earnings ratio per share	in CHF	33.15	12.61	14.38	11.69	12.31
Equity per share	in CHF	204.77	217.14	224.94	234.21	239.76
Distribution per share	in CHF	5.50	6.50	7.00	7.00	7.00
Distribution ratio	in %	69.6	34.4	34.5	34.4	33.9
Distribution yield	in %	2.1	2.7	2.4	2.9	2.8
Share of distribution from capital contribution reserve	in %	100.00	50.00	50.00	50.00	50.00

Share details

Listing	SIX Swiss Exchange
Securities number	31596632
ISIN code	CH0315966322
Ticker symbol	BELL
Legal Entity Identifier (LEI)	50670090YSFJ2732TD58
Product type	Mid & Small Caps Swiss Shares
Index membership	Swiss All Share Index TR, SPI® TR, SPI EXTRA® TR, SPI ex SLI® TR, SPI ESG Wgt. TR, SPI ESG TR
Current share price	https://www.bellfoodgroup.com/en/investors/share-information/

Report on the audit of the compensation report

to the General Meeting of Bell Food Group Ltd, Basel

Opinion

We have audited the Remuneration Report of Bell Food Group Ltd (the Company) for the year ended 31 December 2023. The audit was limited to the information pursuant to Art. 734a–734f CO in the accompanying Remuneration Report complies with Swiss law and the Company's articles of incorporation.

In our opinion, the information pursuant to Art. 734a–734f CO in the accompanying Remuneration Report complies 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 Remuneration Report» section of our 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 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 Remuneration Report

The Board of Directors is responsible for the preparation of a Remuneration Report 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 a Remuneration Report that is free from material misstatement, whether due to fraud or error. The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

Auditor's Responsibilities for the Audit of the Remuneration Report

Our objectives are to obtain reasonable assurance about whether the information pursuant to Art. 734a–734f CO is 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 this Remuneration Report.

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

- Identify and assess the risks of material misstatement in the Remuneration 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 the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

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 to 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.

KPMG AG

Jürg Meisterhans
Licensed Audit Expert
Auditor in Charge

Carolin Widenmayer
Licensed Audit Expert

Basel, 5 February 2024

Enclosure:
– Remuneration Report

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Consolidated financial statements of the Bell Food Group

Consolidated balance sheet

in CHF million	Note	31.12.2023	Share	31.12.2022	Share
Cash and cash equivalents	1	425.7		315.7	
Securities		–		–	
Trade accounts receivable	2	327.1		341.4	
Other current receivables	3	63.9		62.3	
Inventories	4	489.9		508.6	
Accrued income and prepaid expenses	5	26.6		22.4	
Current assets		1 333.2	40.7 %	1 250.4	40.6 %
Financial assets	8	85.3		83.7	
Intangible assets	9	166.2		195.4	
Tangible assets	10	1 688.8		1 547.6	
Non-current assets		1 940.3	59.3 %	1 826.8	59.4 %
Assets		3 273.5	100.0 %	3 077.2	100.0 %
Current financial liabilities	11	204.1		106.0	
Trade accounts payable		242.0		260.8	
Other current liabilities	6	22.2		14.3	
Current provisions	12	8.6		5.5	
Accrued expenses and deferred income	7	184.4		181.2	
Current liabilities		661.5	20.2 %	567.8	18.5 %
Non-current financial liabilities	11	1 023.9		953.9	
Non-current provisions	12	80.9		83.1	
Non-current liabilities		1 104.8	33.8 %	1 037.0	33.7 %
Liabilities		1 766.3	54.0 %	1 604.8	52.2 %
Share capital		3.1		3.1	
Capital reserves		132.3		154.6	
Retained earnings		1 503.0		1 397.1	
Translation differences		–259.9		–208.5	
Treasury shares	19	–1.0		–2.0	
Annual result		129.6		127.8	
Equity excl. minority interests		1 507.1	46.0 %	1 472.2	47.8 %
Minority interests		0.2		0.2	
Equity		1 507.2	46.0 %	1 472.4	47.8 %
Liabilities and equity		3 273.5	100.0 %	3 077.2	100.0 %

Prior-year figures restated

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Consolidated income statement

in CHF million	Note	2023	Share	2022	Share
Net revenue	14	4 514.2	100.0 %	4 315.0	100.0 %
Cost of goods sold		2 746.2	60.8 %	2 648.7	61.4 %
Gross operating income		1 767.9	39.2 %	1 666.4	38.6 %
Personnel expenses	16	898.8		848.4	
Rents		49.3		47.9	
Energy, auxiliary materials		103.9		101.6	
Repair and maintenance		117.5		108.1	
Transport		149.1		138.2	
Advertising		35.7		33.8	
Other operating expenses		75.0		62.6	
Total operating expenses		1 429.4	31.7 %	1 340.6	31.1 %
Earnings before interest, taxes, depreciation and amortisation (EBITDA)		338.6	7.5 %	325.8	7.5 %
Amortisation of intangible assets	9	12.3		10.6	
Amortisation of goodwill	9	24.7		24.6	
Depreciation of tangible assets	10	136.9		127.6	
Earnings before interest and taxes (EBIT)		164.7	3.6 %	162.9	3.8 %
Financial result	17	-13.0		-15.0	
Net income from associated companies		-0.7		4.8	
Earnings before taxes (EBT)		151.0	3.3 %	152.7	3.5 %
Taxes	18	21.4		24.9	
Earnings after taxes		129.6	2.9 %	127.8	3.0 %
Minority interests in earnings		0.0		0.0	
Annual result		129.6	2.9 %	127.8	3.0 %
Earnings per share (in CHF, diluted and undiluted)	20	20.64		20.37	

Consolidated cash flow statement

in CHF million	Note	2023	2022
Earnings after taxes		129.6	127.8
Depreciation of tangible assets		136.9	127.6
Amortisation of intangible assets		37.0	35.3
Extraordinary depreciation		–	–
Other non-cash income (-)/expenses (+)		8.7	12.4
Income (-)/loss (+) from sale of tangible assets		0.6	-2.3
Dividends from associated companies		0.5	0.4
Net income from associated companies		0.7	-4.8
Income (-)/loss (+) from sale of investments		0.2	0.1
Increase (+)/decrease (-) in provisions		3.1	-2.6
Increase (-)/decrease (+) in receivables		-6.5	11.7
Increase (-)/decrease (+) in inventory		-3.8	-80.3
Increase (-)/decrease (+) in accrued income and prepaid expenses		-4.3	-2.2
Increase (+)/decrease (-) in liabilities		1.0	6.3
Increase (+)/decrease (-) in accrued expenses and deferred income		8.0	11.9
Operating cash flow		311.7	241.4
Investment (-)/divestment (+) of securities		–	1.6
Investment in other companies and financial assets		-0.3	-6.8
Acquisition (+)/sale (-) of cash and cash equivalents		-0.0	0.1
Divestment of other companies and financial assets		3.3	1.1
Investment in intangible assets		-11.4	-12.2
Divestment of intangible assets		0.0	0.0
Investment in tangible assets		-318.7	-243.0
Divestment of tangible assets		1.2	4.4
Cash flow from investing activities		-325.9	-254.8
Proceeds from (+)/repayment of (-) current financial liabilities	11	-101.8	64.2
Proceeds from (+)/repayment of (-) non-current financial liabilities		–	–
Proceeds from (+) bonds		270.0	300.0
Repayment of (-) bonds		–	-175.0
Proceeds from (+) capital increases		–	–
Acquisition (-)/sale (+) of minorities		–	–
Investment in (-)/divestment of (+) treasury shares		0.7	-0.6
Dividend		-43.9	-43.9
Cash flow from financing activities		124.9	144.7
Cash flow balance		110.7	131.4
Cash and cash equivalents as of 01.01.		315.7	185.3
Effect of currency translation on cash and cash equivalents		-0.7	-1.0
Changes in cash and cash equivalents		110.7	131.4
Cash and cash equivalents as of 31.12.		425.7	315.7

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 01.01.2023	3.1	154.6	1 397.1	-208.5	-2.0	127.8	1 472.2	0.2	1 472.4
Changes in scope of consolidation	-	-	-	-	-	-	-	-	-
Appropriation of earnings	-	-	127.8	-	-	-127.8	-	-	-
Dividend	-	-22.0	-22.0	-	-	-	-43.9	-	-43.9
Additions/disposals of treasury shares	-	-0.4	-	-	1.1	-	0.7	-	0.7
Annual result	-	-	-	-	-	129.6	129.6	0.0	129.6
Currency translation differences	-	-	-	-51.4	-	-	-51.4	-0.0	-51.4
Equity as of 31.12.2023	3.1	132.3	1 503.0	-259.9	-1.0	129.6	1 507.1	0.2	1 507.2
Equity as of 01.01.2022 (as reported)	3.1	177.2	1 275.3	-167.0	-2.1	127.4	1 413.9	0.2	1 414.1
Restatement	-	-	16.5	-	-	-	16.5	-	16.5
Restated equity as of 01.01.2022	3.1	177.2	1 291.7	-167.0	-2.1	127.4	1 430.4	0.2	1 430.6
Changes in scope of consolidation	-	-	-	-	-	-	-	-	-
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	-	-	-	-41.5	-	-	-41.5	-0.0	-41.5
Equity as of 31.12.2022	3.1	154.6	1 397.1	-208.5	-2.0	127.8	1 472.2	0.2	1 472.4

Prior-year figures restated

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 ARR). They apply to all companies included in the scope of consolidation.

Adjustment of previous year's figures

Bell Food Group Ltd is affected by the OECD's global minimum tax rate project (BEPS 2.0 – Pillar 2). Adjustments have been made to the accounting principles to meet the requirements of these new legal provisions. Deferred tax assets are now recognised in the balance sheet if they can be used for tax purposes in the foreseeable future, or if they seem likely to be recognised. The consolidated balance sheet and consolidated statement of changes in equity were therefore restated accordingly for the 2022 period. The same applies to tables 8, 12 and 18 in the notes to the annual consolidated financial statement. The income statement and cash flow statement have not been adjusted for reasons of materiality.

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 the 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 the Bell Food Group has a stake and a description of the treatment of these associates in the consolidated financial statements are provided on pages 97 and 98 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

		2023	2022
Balance sheet	EUR 1	= CHF 0.9260	= CHF 0.9847
	CZK 1	= CHF 0.0375	= CHF 0.0408
	HUF 100	= CHF 0.2419	= CHF 0.2456
	PLN 1	= CHF 0.2134	= CHF 0.2104
	USD 1	= CHF 0.8380	= CHF 0.9232
	GBP 1	= CHF 1.0655	= CHF 1.1102
	RON 1	= CHF 0.1861	= CHF 0.1989
	Income statement	EUR 1	= CHF 0.9720
CZK 1		= CHF 0.0405	= CHF 0.0409
HUF 100		= CHF 0.2545	= CHF 0.2567
PLN 1		= CHF 0.2139	= CHF 0.2146
USD 1		= CHF 0.8991	= CHF 0.9498
GBP 1		= CHF 1.1174	= CHF 1.1837
RON 1		= CHF 0.1965	= CHF 0.2044

Method of consolidation

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

All intra-group assets and liabilities are offset 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 offset 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 cash, sight deposits and fixed deposits 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 as extraordinary depreciation 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 doing so, 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 the 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 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 as extraordinary depreciation in the income statement.

Liabilities and accrued expenses and deferred income

Trade accounts payables, other liabilities and accrued expenses and deferred income 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.

Income taxes

Current income taxes are recognised on the basis of the operations results reported in the reporting period in accordance with the present value principle.

Deferred income taxes are recognised for all temporary taxable or tax-deductible valuation differences between the tax base and Swiss GAAP ARR carrying amounts using the balance sheet liability method. The deferred income taxes to be recognised annually are calculated at the applicable future tax rate for the respective taxable entity as at the balance sheet date. Deferred income tax assets are recognized to the extent that it is considered probable that they can be used for tax purposes in the foreseeable future (three years). Deferred tax assets and deferred tax liabilities are offset if they relate to the same taxable entity and are levied by the same tax authority.

Pension liabilities

The 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	31.12.2023	Share	31.12.2022	Share
Cash	0.3	0.1 %	0.2	0.1 %
Cash in banks	149.1	35.0 %	265.5	84.1 %
Fixed deposits	276.3	64.9 %	50.0	15.8 %
Cash and cash equivalents	425.7	100.0 %	315.7	100.0 %

Cash and cash equivalents by currency

	31.12.2023	Share	31.12.2022	Share
CHF	330.4	77.6 %	279.9	88.6 %
EUR	86.0	20.2 %	30.3	9.6 %
Other currencies	9.3	2.2 %	5.6	1.8 %
Cash and cash equivalents by currency	425.7	100.0 %	315.7	100.0 %

In the last working days of the financial year 2022, the 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	31.12.2023	Share	31.12.2022	Share
Trade accounts receivable	333.1	101.8 %	346.8	101.6 %
Valuation adjustment	-5.9	-1.8 %	-5.4	-1.6 %
Trade accounts receivable	327.1	100.0 %	341.4	100.0 %

3. Other current receivables

in CHF million	31.12.2023	Share	31.12.2022	Share
Income taxes	1.9	2.9 %	2.1	3.4 %
Others	62.0	97.1 %	60.1	96.6 %
Other current receivables	63.9	100.0 %	62.3	100.0 %

4. Inventories

in CHF million	31.12.2023	Share	31.12.2022	Share
Raw materials and finished goods	406.1	82.9 %	423.1	83.2 %
Auxiliary materials and trading goods	110.9	22.6 %	106.4	20.9 %
Valuation adjustment	-27.2	-5.5 %	-20.9	-4.1 %
Inventories	489.9	100.0 %	508.6	100.0 %

5. Accrued income and prepaid expenses

in CHF million	31.12.2023	Share	31.12.2022	Share
Income taxes	0.1	0.4 %	0.2	1.0 %
Employees	2.2	8.2 %	2.8	12.7 %
Others	24.3	91.3 %	19.4	86.3 %
Accrued income and prepaid expenses	26.6	100.0 %	22.4	100.0 %

6. Other current liabilities

in CHF million	31.12.2023	Share	31.12.2022	Share
Income taxes	8.3	37.5 %	4.5	31.0 %
Dividend	0.0	0.1 %	0.0	0.1 %
Others	13.9	62.4 %	9.9	68.9 %
Other current liabilities	22.2	100.0 %	14.3	100.0 %

7. Accrued expenses and deferred income

in CHF million	31.12.2023	Share	31.12.2022	Share
Income taxes	11.8	6.4 %	14.3	7.9 %
Employees	56.6	30.7 %	55.2	30.4 %
Others	116.0	62.9 %	111.7	61.6 %
Accrued expenses and deferred income	184.4	100.0 %	181.2	100.0 %

8. Financial assets

in CHF million	Investments in associated companies	Loans	Assets from pension funds	Deferred tax assets	Other financial assets	Total
Net carrying amount as of 01.01.2023	62.3	1.4	–	11.6	8.4	83.7
Changes in scope of consolidation	–	–	–	–	–	–
Investments	–	0.3	–	–	–	0.3
Divestments/dividends from associated companies	–0.5	–0.4	–	–	–0.0	–0.9
Revaluation	–0.7	–0.3	–	–	–	–1.0
Change in deferred taxes	–	–	–	3.8	–	3.8
Reclassification	–	–	–	–	–	–
Currency translation differences	–0.0	–0.0	–	–0.5	–0.0	–0.6
Net carrying amount as of 31.12.2023	61.1	1.0	–	14.9	8.4	85.3
Net carrying amount as of 01.01.2022	57.9	1.9	–	–	8.8	68.7
Restatement	–	–	–	11.9	–	11.9
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
Change in deferred taxes	–	–	–	–	–	–
Reclassification	–	–	–	–	–0.0	–0.0
Currency translation differences	–	–0.0	–	–0.3	–0.0	–0.3
Net carrying amount as of 31.12.2022	62.3	1.4	–	11.6	8.4	83.7

Prior-year figures restated

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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 01.01.2023	138.5	3.4	29.4	23.1	1.0	195.4
Acquisition value as of 01.01.2023	281.2	14.6	102.6	23.1	2.5	424.0
Changes in scope of consolidation	–	–	–0.0	–	–	–0.0
Investments	–	0.0	4.5	6.9	–	11.4
Divestment/discontinuation	–	–	–0.7	–	–	–0.7
Reclassification	–	–0.1	15.4	–15.3	–0.0	0.1
Currency translation differences	–6.4	–0.4	–2.2	–0.8	–0.1	–9.9
Acquisition value as of 31.12.2023	274.9	14.1	119.7	14.0	2.4	425.0
Cumulative depreciation as of 01.01.2023	142.7	11.2	73.2	–	1.5	228.6
Changes in scope of consolidation	–	–	–0.0	–	–	–0.0
Depreciation	24.7	0.4	11.8	–	0.1	37.0
Extraordinary depreciation	–	–	–	–	–	–
Divestment/discontinuation	–	–	–0.7	–	–	–0.7
Reclassification	–	–0.1	0.1	–	–	–
Currency translation differences	–4.0	–0.5	–1.5	–	–0.1	–6.1
Cumulative depreciation as of 31.12.2023	163.4	11.1	82.8	–	1.5	258.8
Net carrying amount as of 31.12.2023	111.5	3.0	36.8	14.0	0.9	166.2
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	–	–	–	–	–	–
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

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 2023, own work amounting to CHF 1.7 million (previous year: CHF 3.6 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 01.01.2023	11.9	704.9	127.8	318.9	324.1	59.9	1 547.6
Acquisition value as of 01.01.2023	11.9	1 323.8	404.4	1 026.0	324.1	229.7	3 319.8
Changes in scope of consolidation	–	–0.0	–	–	–	–0.1	–0.1
Investments	–	25.3	21.0	33.0	214.3	21.1	314.8
Divestment/discontinuation	–	–13.8	–4.5	–29.3	–	–8.1	–55.8
Reclassification	–	61.3	34.6	38.5	–145.0	10.5	–0.1
Currency translation differences	–0.7	–26.2	–1.9	–24.9	–1.8	–5.2	–60.7
Acquisition value as of 31.12.2023	11.3	1 370.3	453.5	1 043.3	391.7	247.9	3 517.9
Cumulative depreciation as of 01.01.2023	–	618.9	276.5	707.0	–	169.7	1 772.2
Changes in scope of consolidation	–	–0.0	–	–	–	–0.1	–0.1
Depreciation	–	33.6	21.5	59.4	–	22.4	136.9
Extraordinary depreciation	–	–	–	–	–	–	–
Divestment/discontinuation	–	–13.4	–4.1	–28.6	–	–7.8	–54.0
Reclassification	–	0.1	0.0	–0.1	–	0.0	–0.0
Currency translation differences	–	–7.2	–0.7	–14.5	–	–3.6	–26.0
Cumulative depreciation as of 31.12.2023	–	632.0	293.2	723.3	–	180.6	1 829.1
Net carrying amount as of 31.12.2023	11.3	738.3	160.3	320.0	391.7	67.3	1 688.8
Finance lease included in the net carrying amount	–	–	–	–	–	–	–
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	–	–	–	–	–	–	–
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

In the financial year 2023, own work amounting to CHF 1.9 million (previous year: CHF 1.8 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	31.12.2023	Share	31.12.2022	Share
Current accounts ¹	4.1	0.3 %	84.2	7.9 %
Current bank loans	–	–	21.7	2.0 %
Leasing liabilities	–	–	0.0	0.0 %
Bonds	200.0	16.3 %	–	–
Current financial liabilities	204.1	16.6 %	106.0	10.0 %
Non-current bank loans	3.9	0.3 %	3.9	0.4 %
Bonds	1 020.0	83.1 %	950.0	89.6 %
Non-current financial liabilities	1 023.9	83.4 %	953.9	90.0 %
Financial liabilities	1 228.0	100.0 %	1 059.9	100.0 %
Maturity structure of financial liabilities				
Due within one year	204.1	16.6 %	106.0	10.0 %
Due within two years	302.0	24.6 %	200.0	18.9 %
Due within three or more years	721.9	58.8 %	753.9	71.1 %
Financial liabilities	1 228.0	100.0 %	1 059.9	100.0 %
Financial liabilities by currency				
CHF	1 228.0	100.0 %	1 059.8	100.0 %
EUR	0.0	0.0 %	0.0	0.0 %
Other currencies	0.0	0.0 %	0.0	0.0 %
Financial liabilities	1 228.0	100.0 %	1 059.9	100.0 %
Interest rates				
Bank loans	1.95 % – 2.10 %		0.65 % – 2.10 %	
Leasing liabilities	–		1.75 % – 2.50 %	

¹ In the last working days of the financial year 2022, the 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».

A bond of CHF 200 million is due for repayment on 1 February 2024. For the 2023 annual financial statements, this bond is reported under current financial liabilities. Non-current financial liabilities include two new bonds for a total of CHF 270 million, which were issued on 30 November 2023. The proceeds from the issue will be used primarily to repay the aforementioned bond at the beginning of 2024. As at 31 December 2023, the proceeds are included in cash and cash equivalents and are the main reason for the increase of this balance sheet position.

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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 110 million
Securities number	130 027 786 / ISIN CH1300277865
Interest rate	2.300 percent
Term	2.9 years
Maturity	15 October 2026 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

Bond type	Bond with reopening option
Nominal amount	CHF 160 million
Securities number	130 027 787 / ISIN CH1300277873
Interest rate	2.650 percent
Term	7.9 years
Maturity	15 October 2031 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 01.01.2023	20.9	46.4	0.8	0.4	20.1	88.6
Changes in scope of consolidation	–	–	–	–	–	–
Creation	2.6	–	–	–	6.9	9.5
Release/utilisation	–1.4	–	–	–0.4	–4.5	–6.4
Change in deferred taxes	–	–1.2	–	–	–	–1.2
Reclassification	–	–	–	–	–	–
Currency translation differences	–0.4	–0.3	–	–	–0.3	–0.9
Provisions as of 31.12.2023	21.7	44.9	0.8	–	22.2	89.6
Current	1.7	–	0.8	–	6.1	8.6
Non-current	20.0	44.9	–	–	16.1	80.9
Provisions as of 01.01.2022	20.5	51.8	0.2	1.1	22.1	95.7
Restatement	–	–4.6	–	–	–	–4.6
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
Change in deferred taxes	–	–	–	–	–	–
Reclassification	–	–	–	–	–	–
Currency translation differences	–0.3	–0.2	–0.0	–	–0.3	–0.8
Provisions as of 31.12.2022	20.9	46.4	0.8	0.4	20.1	88.6
Current	1.1	–	–	0.4	4.0	5.5
Non-current	19.9	46.4	0.8	–	16.1	83.1

Prior-year figures restated

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

2023

Sale of Bell Benelux as of 31 December 2023

As of 31 December 2023, the Bell Benelux trading business with the group companies Abraham Benelux S.A., Bell Benelux N.V. and Bell Nederland B.V. was sold by means of a management buyout. 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.

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 the 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 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.

Notes to the consolidated financial statements

14. Net revenue

in CHF million	2023	Share	2022	Share
Net revenue by country				
Switzerland, Liechtenstein	2 834.9	63 %	2 775.8	64 %
Germany	873.2	19 %	807.1	19 %
Austria	276.3	6 %	261.1	6 %
France	143.2	3 %	126.7	3 %
Poland	113.9	3 %	91.7	2 %
Benelux	63.7	1 %	56.4	1 %
Spain	44.5	1 %	39.1	1 %
Hungary	34.2	1 %	31.7	1 %
Great Britain	37.8	1 %	30.9	1 %
Romania	23.7	1 %	21.0	0 %
Czechia	22.2	0 %	21.4	0 %
Italy	12.9	0 %	13.3	0 %
Other countries	33.8	1 %	38.8	1 %
Net revenue by country	4 514.2	100 %	4 315.0	100 %
Net revenue by product group				
Fresh meat	935.3	21 %	930.4	22 %
Charcuterie	963.0	21 %	909.6	21 %
Poultry	1 068.0	24 %	1 020.6	24 %
Seafood	234.5	5 %	220.0	5 %
Convenience	1 280.8	28 %	1 205.1	28 %
Other sales	32.6	1 %	29.3	1 %
Net revenue by product group	4 514.2	100 %	4 315.0	100 %

In previous years, the breakdown by country and by product group was disclosed at the level of sales and reconciled to net revenue in total. From 2023, the entire disclosure will be converted to net revenue. As a result, the previous year's figures will be adjusted and a reconciliation to net revenue is no longer necessary.

15. Segment reporting

	Volume in million kg	Net revenue in CHF million	Operating investments ¹ in CHF million	Headcount ² FTE
2023				
Bell Schweiz	129.9	2 190.7	201.1	3 747
Bell International	208.1	1 125.7	50.6	3 800
Eisberg	54.6	336.5	20.1	1 996
Hilcona	86.3	546.8	25.8	1 820
Hügli	79.6	405.1	28.6	1 650
Consolidation	-11.4	-90.7	-	-
Bell Food Group	547.0	4 514.2	326.2	13 014
2022				
Bell Schweiz	125.8	2 144.1	163.1	3 637
Bell International	203.1	1 047.6	42.8	3 715
Eisberg	54.6	321.7	23.6	1 970
Hilcona	88.0	520.3	27.7	1 841
Hügli	81.6	370.6	22.7	1 612
Consolidation	-12.1	-89.3	-	-
Bell Food Group	541.0	4 315.0	279.9	12 776

1 Investments in tangible assets / software.

2 The headcount as of 31 December 2022 was 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	2023	2022
Wages and salaries	593.9	558.8
Social contribution	95.6	91.3
Pension expenses	43.5	38.5
Third-party wages	144.6	144.2
Other personnel expenses	21.3	15.5
Personnel expenses	898.8	848.4

Employee benefits

in CHF million	Excess/insufficient cover		Economic share of the Bell Food Group		Change from previous year		Contributions related to the period	Pension expenses in personnel expenses	
	31.12.2023	31.12.2023	31.12.2022	not affecting profit ² 2023	affecting profit 2023	2023	2023	2022	
Company's pension fund foundation	-	-	-	-	-	-	-	-	-
Pension schemes w/o excess/insufficient cover	-	-	-	-	-	40.4	40.4	35.6	
Pension schemes with excess cover ¹	0.3	-	-	-	-	0.7	0.7	0.6	
Pension schemes with insufficient cover	-	-	-	-	-	-	-	-	
Pension schemes w/o assets	-	-21.7	-20.9	-1.6	2.4	-	2.4	2.3	
Employee benefits	0.3	-21.7	-20.9	-1.6	2.4	41.1	43.5	38.5	

¹ As the annual financial statements of the pension funds according to Swiss GAAP ARR 26 as of 31 December 2023 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	2023	2022
Interest income	1.2	0.5
Income (+)/loss (-) from securities	0.0	-0.2
Income (+)/loss (-) from foreign currency transactions	-3.9	-5.6
Income (+)/loss (-) from sale of investments	-0.2	-0.1
Other financial expenses	-0.8	-1.1
Interest expenses	-9.3	-8.5
Financial result	-13.0	-15.0

18. Taxes

in CHF million	2023	2022
Paid taxes and changes in tax liabilities	26.4	25.9
Changes in deferred taxes with impact on profit or loss	-5.0	-1.0
Taxes	21.4	24.9
Reported earnings before taxes (EBT)	151.0	152.7
Weighted Group tax rate	16.0 %	17.5 %
Expected tax expense	24.2	26.7
Influence of non-tax-deductible expenses	5.3	5.4
Influence of non-taxable income	-2.4	-5.8
Effect of non-capitalisation of loss carryforwards	1.9	8.5
Utilisation of non-capitalised loss carryforwards	-0.3	-1.0
Reassessment of capitalised loss carryforwards	-2.6	-
Influence of different tax rates	-5.2	-5.9
Adjustment deferred taxes	-	-
Income taxes relating to other periods and other income taxes	0.4	-2.9
Reported income tax expense	21.4	24.9

The unrecognised deferred tax asset for unused tax loss carryforwards amounts to CHF 55.9 million as of 31 December 2023 (previous year: CHF 73.7 million).

OECD initiative on global minimum taxation (BEPS 2.0 – Pillar 2)

Bell Food Group Ltd is affected by the OECD initiative on global minimum taxation (BEPS 2.0 – Pillar 2), but probably only in a few countries in which a local supplementary tax (QDMTT) will be enacted and the effective tax rate is below 15 percent. The Bell Food Group does not recognise any deferred taxes resulting from the introduction of the global minimum tax and recognises these as current tax expenses at the time they arise. In addition, the Bell Food Group will be able to make use of the existing transitional regulations in most countries. The Bell Food Group therefore does not anticipate any material additional tax burdens as a result of the introduction of the global minimum taxation BEPS 2.0 – Pillar 2.

Notes to the consolidated financial statements

19. Treasury shares

in CHF million	Number in pieces		Value	
	2023		2022	
Balance as of 01.01.	8 241	2.0	8 042	2.1
Acquisitions	5 290	1.4	10 000	2.4
Disposals	-9 651	-2.5	-9 801	-2.5
Balance as of 31.12.	3 880	1.0	8 241	2.0

The purchases of treasury shares were settled at an average transaction price of CHF 265.23 (previous year: CHF 242.99). The average transaction price of the disposals amounted to CHF 254.33 (previous year: CHF 250.35).

20. Earnings per share

	2023	2022
Number of shares as of 31.12.	6 285 712	6 285 712
Average time-weighted number of outstanding shares	6 278 144	6 276 024
Annual result	in CHF thousands 129 585	127 814
Earnings per share	in CHF, diluted and undiluted 20.64	20.37

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 earnings per share.

21. Transactions with related parties

Transactions with:	related companies of Coop Group		other related companies		Total	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022	31.12.2023	31.12.2022
in CHF million						
Balance sheet						
Trade accounts receivable	75.6	96.1	0.4	0.4	76.0	96.5
Other current receivables	-	-	-	-	-	-
Accrued income and prepaid expenses	0.2	-	-	-	0.2	-
Financial assets	-	-	-	-	-	-
Trade accounts payable	8.9	9.7	2.1	4.4	11.0	14.1
Other current liabilities	-	-	-	-	-	-
Accrued expenses and deferred income	6.5	8.5	-	-	6.5	8.5
Financial liabilities ¹	-	80.0	-	-	-	80.0
Income statement						
	2023	2022	2023	2022	2023	2022
Net revenue	2 178.9	2 108.8	22.0	12.4	2 200.9	2 121.2
Cost of goods sold	58.7	58.5	8.6	6.9	67.3	65.4
Personnel expenses	2.0	1.6	-	-	2.0	1.6
Rents	7.9	8.2	-	-	7.9	8.2
Energy, auxiliary materials	4.1	4.4	-	-	4.1	4.4
Repair and maintenance	2.1	1.8	-	-	2.1	1.8
Transport	0.6	0.6	-	-	0.6	0.6
Advertising	5.1	5.7	-	-	5.1	5.7
Other operating expenses	2.1	4.1	-	0.0	2.1	4.1
Financial result	-	-	-	-	-	-
Dividends						
	2023	2022	2023	2022	2023	2022
Dividends received	-	-	0.5	1.3	0.5	1.3
Dividends paid	-30.2	-29.2	-	-	-30.2	-29.2

¹ In the last working days of the financial year 2022, the 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 the Bell Food Group or the 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	31.12.2023	31.12.2022
Unrecognised leasing liabilities	7.9	2.0
Due within one year	2.5	1.0
Due within two years	2.1	0.6
Due within three or more years	3.4	0.3
Obligations from long-term contracts with third parties	54.8	51.1
Due within one year	7.7	7.3
Due within two years	6.7	6.8
Due within three or more years	40.4	36.9
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 or more years	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	7.5	7.8
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		
	31.12.2023	31.12.2022	31.12.2023	31.12.2022	31.12.2023	31.12.2022	
Underlying							
	Purpose						
Foreign currencies	Hedging	89.3	39.4	2.6	–	–0.5	–1.7
Derivative financial instruments		89.3	39.4	2.6	–	–0.5	–1.7
of which recognised in balance sheet		78.7	–	2.6	–	–	–

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 as of 31.12.	
Company	Domicile	Sphere of activity		Capital stock as of 31.12.2023		2023	2022
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. ¹	Aalst (BE)	Charcuterie	■			–	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. ¹	Aalst (BE)	Trade	■			–	100.0 %
Bell Nederland B.V. ¹	Breda (NL)	Trade	■			–	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 %
Frisch Express GmbH	Pfaffstätt (AT)	Logistics	■	EUR 0.0		100.0 %	100.0 %
VTE-Beteiligungs GmbH + Co. KG	Ampfing (DE)	Management	■	EUR 3.3		100.0 %	100.0 %
Bell Polska Sp. z o.o.	Niepołomice (PL)	Charcuterie	■	PLN 10.0		100.0 %	100.0 %

- Fully consolidated
○ Consolidation at equity

¹ Sale of Bell Benelux as of 31 December 2023.

Notes to the consolidated financial statements

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

in million					Group share as of 31.12.	
Company	Domicile	Sphere of activity		Capital stock as of 31.12.2023	2023	2022
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 (LI)	Convenience	■	CHF 1.0	100.0%	100.0%
Hilcona Gourmet S.A.	Orbe (CH)	Convenience	■	CHF 0.6	100.0%	100.0%
Hilcona Feinkost GmbH	Leinfelden-Echterdingen (DE)	Convenience	■	EUR 0.0	100.0%	100.0%
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.mbH	Hard (AT)	Convenience	■	EUR 0.8	100.0%	100.0%
Hügli Nahrungsmittel GmbH	Radolfzell (DE)	Convenience	■	EUR 25.5	100.0%	100.0%
Granovita S.A.	La Vall d'Uixó (ES)	Convenience	■	EUR 0.5	100.0%	100.0%
Huegeli 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	Zurich (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 2023 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 give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with Swiss GAAP ARR 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 recognised 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 centre 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 compensation report, the consolidated financial statements, the stand-alone financial statements of the company and our auditor's reports thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements 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 ARR 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, 5 February 2024

Financial statements of Bell Food Group Ltd

Balance sheet

in CHF million		31.12.2023	Share	31.12.2022	Share
Cash and cash equivalents		308.9		70.0	
Other current receivables		1.2		0.8	
Other current receivables from Group companies		263.0		116.0	
Accrued income and prepaid expenses		6.0		2.8	
Current assets		579.0	21.6 %	189.6	8.2 %
Financial assets	Loans to Group companies	1 078.1		920.6	
	Other financial assets	7.8		7.8	
Investments	Controlling interests	1 010.0		1 175.0	
	Non-controlling interests	10.7		10.7	
Non-current assets		2 106.5	78.4 %	2 114.0	91.8 %
Assets		2 685.5	100.0 %	2 303.6	100.0 %
Current financial liabilities		200.0		15.0	
Trade accounts payable		0.0		0.2	
Other current liabilities		1.3		0.1	
Other current payables to Group companies		162.4		15.6	
Accrued expenses and deferred income		8.6		7.0	
Current liabilities		372.3	13.9 %	37.9	1.6 %
Non-current financial liabilities		1 020.0		950.8	
Non-current liabilities		1 020.0	38.0 %	950.8	41.3 %
Liabilities		1 392.3	51.8 %	988.7	42.9 %
Share capital		3.1		3.1	
Statutory capital reserves					
	Reserves from capital contributions	486.5		508.5	
	Other capital reserves	6.3		6.7	
Legally required retained earnings		10.0		10.0	
Voluntary retained earnings		766.6		760.9	
Treasury shares		-1.0		-2.0	
Annual profit		21.6		27.7	
Equity		1 293.2	48.2 %	1 314.9	57.1 %
Liabilities and equity		2 685.5	100.0 %	2 303.6	100.0 %

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Income statement

in CHF million	2023	2022
Income from investments	205.5	170.5
Other financial income	25.5	21.5
Other income	3.3	3.2
Total income	234.3	195.2
Administrative expenses	2.4	1.8
Other operating expenses	1.1	0.8
Value adjustment expenses	172.0	125.0
Financial expenses	37.1	39.9
Expenses	212.6	167.5
Annual profit before taxes	21.7	27.7
Taxes	0.0	0.0
Annual profit after taxes	21.6	27.7

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. Expenses and income in foreign currencies are translated at the average exchange rate.

Participations and loans are stated at cost less value adjustments.
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	2023	2022
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	0.0
6. Unrecognised leasing liabilities	–	–
7. Obligations from long-term contracts with third parties	–	–
due within one year	–	–
due within two years	–	–
due within three or more years	–	–
8. Liabilities to employee benefit plans	–	–
9. Net release of hidden reserves	–	–
10. Significant shareholders		
Coop Group Cooperative, Basel ²	69.12 %	68.49 %
J. Safra Sarasin Investmentfonds AG, Basel ³	N/A	N/A

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

² Effective shareholding at the end of the year taking into account the treasury shares of Bell Food Group Ltd as of 31 December 2023.

³ Shareholding at the time of the mandatory reporting (12 November 2021): 3.13 %.

11. Derivative financial instruments

in CHF million		Contract value		Positive replacement value		Negative replacement value	
Underlying	Purpose	31.12.2023	31.12.2022	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Foreign currencies	Hedging	78.7	-	2.6	-	-	-
Derivative financial instruments		78.7	-	2.6	-	-	-
of which recognised in balance sheet		78.7	-	2.6	-	-	-

12. Treasury shares

	2023			2022		
	number	Ø price CHF	in CHF million	number	Ø price CHF	in CHF million
Stock on 1.1.	8 241	248	2.0	8 042	257	2.1
Addition of treasury shares	5 290	265	1.4	10 000	243	2.4
Disposal of treasury shares	-9 651	254	-2.5	-9 801	250	-2.5
Balance as of 31.12.	3 880	256	1.0	8 241	248	2.0

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

A total of 9 651 (previous year: 9 801) treasury shares were sold in connection with the employee and profit sharing scheme.

13. Bonds as of 31.12.2023

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 110 million
Securities number	130 027 786 / ISIN CH1300277865
Interest rate	2.300 percent
Term	2.9 years
Maturity	15 October 2026 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

Bond type	Bond with reopening option
Nominal amount	CHF 160 million
Securities number	130 027 787 / ISIN CH1300277873
Interest rate	2.650 percent
Term	7.9 years
Maturity	15 October 2031 at nominal value

14. 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:

	2023	2022
	number	number
Shareholdings of members of the Board of Directors on 31.12.		
Joos Sutter, Chair	100	0
Doris Leuthard, Vice Chair	20	20
Philipp Dautzenberg, member	0	0
Thomas Hinderer, member	400	300
Werner Marti, member	1 029	1 029
Philipp Wyss, member	0	0
Shareholdings of members of the Group Executive Board on 31.12.		
Lorenz Wyss	2 903	2 542
Thomas Bodenmann	443	400
Xavier Buro	1 100	850
Martin Henck	138	50
Marco Tschanz	2 143	1 801

15. Significant shareholdings

The significant shareholdings of Bell Food Group Ltd can be found on pages 97 and 98 of the annual report.

16. 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 2023. 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	21 648 566	-21 648 566	-	-
Reserves from capital contributions	486 495 079	-21 999 992	-	464 495 087
Statutory retained earnings	10 000 000	-	-	10 000 000
Voluntary retained earnings	766 609 878	-351 426	-	766 258 452
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 2023, 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 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 2023, Bell Food Group Ltd reported investments of CHF 1 010.0 million (previous year: CHF 1 175.0 million) and long-term loans to group companies of CHF 1 078.1 million (previous year: CHF 920.6 million). Both captions thus represent a significant part of the assets.</p> <p>The investments and long-term 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 long-term 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 long-term 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 recognised.</p>

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

- Applied principles
- 15. 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 compensation report, the consolidated financial statements, the financial statements and our auditor's reports thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements 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, 5 February 2024

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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

All values are rounded individually.

Print deadline

5 February 2024

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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Projektleiter Corporate Communication

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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 ARR). The alternative performance measures used by the Bell Food Group are explained in the separate publication «Alternative Performance Measures» and reconciled to Swiss GAAP ARR measures.

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