

Dear shareholder,

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

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

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

“We managed to increase profitability thanks to a good product mix and efficiency improvements.”

Dr Martin Folini, Chairman of the Board of Directors

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



Daniel Link
Dr Martin Folini

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

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

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

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

On the basis of the information contained in this report and subject to any further restrictions as a result of the pandemic, the Board of Directors and the Executive Board expect to

see a slight increase in revenue for 2022. However, due to higher depreciation of property, plant and equipment and a slightly higher cost base, the EBIT margin will be marginally below the previous year. The acquisition of new clients in Security Printing remains challenging due to the pandemic, full inventories at central banks and excess capacity in the market. However, as at the end of December 2021, the order situation is good until Q2 2022. Due to its expanded product portfolio, Zeiser was able to address a broader client base and grow further. Orell Füssli Thalia AG expects revenue in book retailing to expand further as well, thanks to the opening of new locations.

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

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

Zurich, March 2022



DR MARTIN FOLINI
Chairman of the Board of Directors



DANIEL LINK
CEO