

Dear shareholder,

The interim results for the first half of 2022 are cause for optimism. The figures are in line with the plan for the Orell Füssli Group as a whole. We achieved this performance even though current prices for raw materials are driving up costs, certain key goods have become scarce and consumption has slowed as a result of inflation fears.

In particular, incoming orders in Security Printing performed well in the first half of the year. New orders exceeded expectations in the first half. The figures were well above those of last year. As a result, production has been well utilised so far this year. However, price pressure continues due to excess capacity in the market.

The ability to once again travel and meet customers without restrictions has boosted Orell Füssli's business relationships. Key events included the Banknote & Currency Conference in Washington, DC, in February, and the Global Currency Forum Aventura, south of Barcelona, in May of this year. Both events saw higher-than-expected attendance. At the conference in the US, Orell Füssli was recognised for its innovation Utopian Dual® – a new concept that combines traditional security elements with barcodes on banknotes. This hybrid solution allows the value of the banknote to be transferred to a digital wallet and simultaneously removes the value from the physical banknote.

High value is placed on personal contact with customers. The same is true for

Zeiser's business relationships. The division's orders were good in the first half of the year. However, coronavirus-related employee absences and the move to the new operating facilities at Emmingen, Baden-Württemberg, led to delays in carrying out projects. The backlog will be partially recovered in the second half of the year. The sale of the former production building resulted in a book profit.

Subsidiary Inspectron, which specialises in the service business, concluded several multi-year contracts. The integration of the company, which was acquired in 2021 and occupies a leading position in document inspection and track & trace for security printing, was concluded successfully. In order to simplify the organisation, the two US units Zeiser Inc. and Inspectron Inc. were merged as of 1 April 2022.

Book Retailing saw a number of store openings in the first half of the year. New Orell Füssli shops were opened in Lucerne and Wil (SG). The first Orell Füssli children's bookstore was opened as a pop-up at Bern railway station in April 2022, and another Orell Füssli bookstore will open at the



“The measures implemented in the first half of the year will sustainably increase our competitiveness.”

Dr. Martin Folini, Chairman of the Board of Directors

Pilatusmarkt Kriens shopping centre over the course of the year. With 46 locations, Orell Füssli Thalia AG is the market leader in German-speaking Switzerland.

At the ShopVille-Zurich shopping centre in the main railway station, Orell Füssli Thalia AG took over the Barth bookstore but retained the shop's long-standing name. In a competition with several interested parties, Orell Füssli managed to win over the beneficiaries and the Board of Directors of Alfred Barth AG. Its size and roots in Zurich make Orell Füssli the ideal partner for long-term succession planning.

In autumn of this year, Payot Libraire will open a shop-in-shop at the Stauffacher bookstore in Bern. Payot Libraire's extensive French-language offer will be available on the third floor of Neuengasse 37, occupying 235 m² of space. It will be the only branch in German-speaking Switzerland of the largest bookseller in western Switzerland.

As part of its omnichannel strategy, Orell Füssli Thalia has now addressed the

increasing interest in online streaming for books. In collaboration with Skoobe, the company has introduced a digital flat rate for e-books and audio books on its tolino e-reader. The Skoobe platform (“e-books” written backwards) offers access to an online library of more than 400,000 books and tens of thousands of audio books for a fixed monthly price. This offer means Orell Füssli, Switzerland's largest bookseller, is now also a leader in the area of book flat rates.

Orell Füssli Publishers has been active in the area of legal media since spring with the innovative start-up justement.ch, which offers online legal research. Through a subscription, customers receive access to the 10 most used Orell Füssli commentaries and the most comprehensive collection of Swiss legal rulings handed down by federal and cantonal courts. The digital content can be searched efficiently and translations and citations accessed with a mouse click. A further expansion of the platform is planned. Thus, Orell Füssli Publishers has strengthened its position in the strategically relevant specialist legal field.

“The acquisition of hep Verlag will make a positive contribution to EBIT in the second half of the year.”

Daniel Link, CEO



In the children's book segment, the activities carried out as part of Globi's 90th anniversary attracted a lot of interest and brought great joy to participants. The Zurich Cobra tram decorated with a Globi design was a visual highlight. The new release at the end of February, Globi und die Ozeane, hit the best-seller list immediately thanks to high sales figures. Globi und die Mikroben, the latest book in the GlobiWissen series, was published in May. It was written in collaboration with a number of experts and includes the latest information.

With the acquisition of hep Verlag announced at the beginning of June, Orell Füssli has seized an opportunity to further expand its educational sector. hep Verlag is a leading provider of Swiss learning media. The merger combines the forces of the two companies in the market for learning media for various school and training levels, and the establishment of a convergent learning media system in the area of e-learning and hybrid offerings. With this acquisition, Orell Füssli has become the largest privately owned learning media publishing house, directly behind the major cantonal

publishers of teaching materials and a German publisher.

Several pilot projects are being worked on currently as part of the collaboration between Orell Füssli and Swisscom announced in January 2022. Orell Füssli subsidiary Procvivis and Swisscom are focusing on practical applications for intelligent digital verification by the general public, such as diplomas, residence certificates, hunting licences and proof of age.

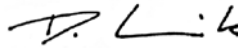
The development of the growth strategy in the areas of security and education is continuing and was refined further in the first half of the year. Further initiatives followed with the majority stake in hep Verlag and the partnership with Swisscom. The Board of Directors and the Executive Board are driving ideas forward with great commitment and on many fronts in order to exploit trends in security and education on the basis of many years of expertise in existing business areas to ensure the long-term growth of Orell Füssli. The more detailed strategy will be presented to a broader audience at an investor day at the end of November.

Positive and negative effects balanced each other out in the first half of the year. The acquisition of a majority stake in hep will make a positive contribution to EBIT in the second half of the year. As a result, the forecast for 2022 has been revised slightly upwards. The Board of Directors and Executive Board expect a slight increase in revenue and an EBIT margin at the same level as the previous year.

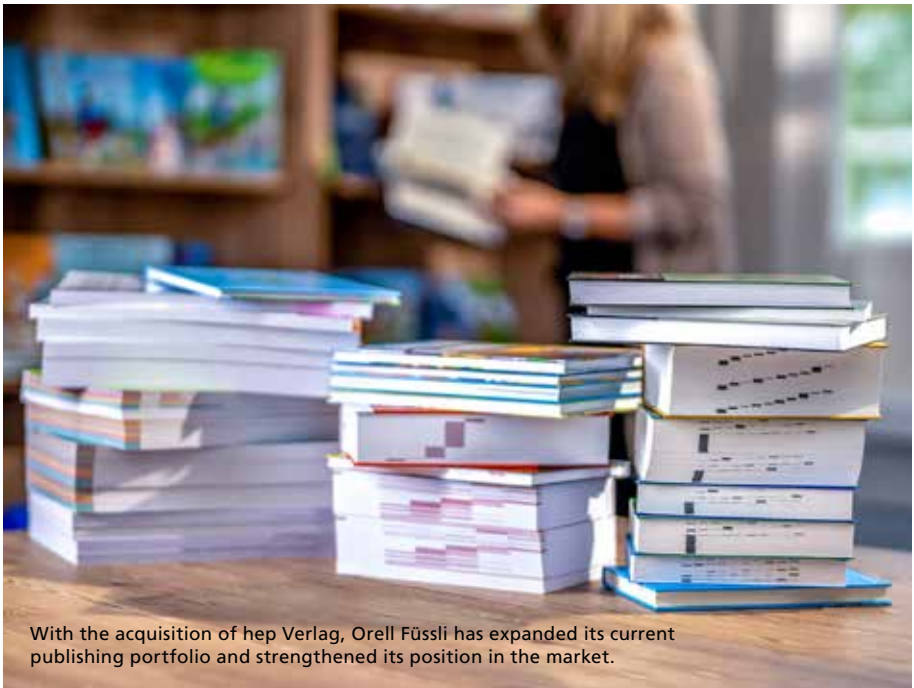
Huge thanks to all employees for their valuable efforts and to our clients and partners for their loyalty and good collaboration. And we thank you, esteemed shareholders, for your confidence in the management and future of our company.



DR. MARTIN FOLINI
Chairman of the Board of Directors



DANIEL LINK
CEO



With the acquisition of hep Verlag, Orell Füssli has expanded its current publishing portfolio and strengthened its position in the market.