



# 2020 **ORIOR Group**

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ANNUAL REPORT

# Key figures

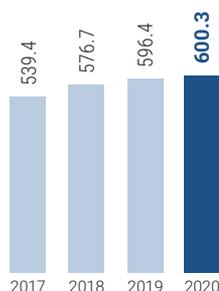
in CHF thousand	2020	Δ in %	2019
<b>Net sales</b>	<b>600 313</b>	+0.7%	<b>596 350</b>
<b>EBITDA</b> <i>in % of net sales</i>	<b>52 803</b> 8.8%	-13.5%	<b>61 031</b> 10.2%
<b>EBIT</b> <i>in % of net sales</i>	<b>25 814</b> 4.3%	-30.8%	<b>37 322</b> 6.3%
<b>Profit for the year</b> <i>in % of net sales</i>	<b>21 805</b> 3.6%	-30.8%	<b>31 494</b> 5.3%
<b>Cash flow from operating activities</b> <i>Cash conversion</i>	<b>52 290</b> 99.0%	-8.4%	<b>57 093</b> 93.5%
<b>Net debt / EBITDA ratio</b>	<b>2.87</b>		<b>2.47</b>
<b>Equity ratio</b>	<b>18.1%</b>		<b>21.4%</b>
<b>ROCE</b>	<b>10.0%</b>		<b>14.4%</b>
<b>Earnings per share in CHF</b>	<b>3.35</b>		<b>4.84</b>
<b>Dividend per share in CHF</b>	<b>2.33</b>		<b>2.32</b>
<b>Market capitalisation as per year-end</b>	<b>491 419</b>		<b>583 316</b>
<b>Av. number of employees (FTE)</b>	<b>2 028</b>		<b>2 295</b>

## At a glance

- Revenues increased by 0.7% to CHF 600.3 million (+1.6% in local currency); guidance given in August for the second half of 2020 was exceeded.
- Fiscal year strongly affected by corona-related impacts: shifts in the product and channel mix, implementation of regulatory measures and the near-total shutdown of the food travel and food services business.
- EBITDA declined by 13.5% to CHF 52.8 million, resulting in an EBITDA margin of 8.8% for the entire year; second-half margin clearly higher at 9.4%.
- New and more flexible financial basis for Casualfood.
- ORIOR 2025 Strategy presented, implementation in progress, ESG goals more firmly anchored.
- Commitment to an attractive dividend policy and a steady increase in the absolute dividend confirmed: dividend of CHF 2.33 per share proposed.
- Increase in revenues and clear profitability improvement expected for 2021 despite ongoing pandemic.
- Rolf U. Sutter, Chairman of the Board of Directors, will serve a maximum of two more terms.

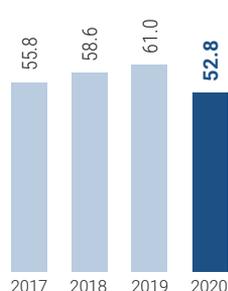
### Revenues

in CHF m



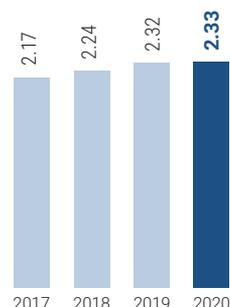
### EBITDA

in CHF m



### Dividend per share

in CHF



#### Note to performance measures

ORIOR uses alternative performance measures in this Annual Report which are not defined by Swiss GAAP FER. These alternative performance measures provide useful and relevant information regarding the operative and financial performance of the Group. The document "Alternative Performance Measures Full Year 2020", which is available on <https://orior.ch/en/financial-reports>, defines these alternative performance measures.

# ORIOR – Excellence in Food

ORIOR is an internationally active Swiss food and beverage group. It represents a family of companies with a strong regional footing and popular brands and products that claim leadership positions in growing niche markets at home and abroad.

ORIOR's decentralised business model allows every company in the Group to maintain their specific culture and identity, tailored to their workers and customers, and to create unique product, brand and concept worlds. They are joined together by a passion for culinary delights and true craftsmanship, a spirit of innovation directed towards market trends and needs, workforce entrepreneurship and strong common values.

Our management approach combines strategic thought and action at Group level with a high degree of autonomy at each centre of competence. The ORIOR 2025 Strategy with its strategic pillars and the Group-wide key strategic initiatives – the ground-breaking "ORIOR New Normal", the intradisciplinary "ORIOR Champion Model" and the synergistic "ORIOR Bridge-building" initiative – are important success factors that will ensure steady value creation for all stakeholders.

Motivated employees who enjoy what they do and who assume responsibility for themselves and their work are the catalyst for unlocking the extraordinary. We embrace uniqueness and premium quality in our claim to surprise our consumers time and again with delightful and delicious creations.

Our vision is nothing less than **Excellence in Food**.

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## Dear Shareholders

ORIOR, the internationally active Swiss food & beverage group, was impacted by the coronavirus pandemic during the past fiscal year. The implementation of the government measures and the additional, largely non-recurring costs to protect employee health and maintain supply capabilities as well as the near standstill of the travel food business and intermittent large-scale shutdowns in the food service business (restaurants, wholesale channel, take-away, event catering, canteens, schools and school lunch programmes) had a material impact on results. Revenues in the domestic Swiss market were very good despite significant shifts in the product and channel mix. Group profitability improved strongly in the second half compared to the first half of the year thanks to the flexibilisation of cost structures and processes and the Group margin at year-end – excluding Casualfood – was back at the level from the second half of 2019.

ORIOR Group generated revenues of CHF 600.3 million in the 2020 fiscal year, which corresponds to an increase of 0.7% from the previous year (2019: CHF 596.4 million). Reported revenues for the year reflected negative organic growth of –0.9%, a currency translation effect of –0.9% and a positive acquisition effect of 2.5% arising from the full consolidation of Casualfood since September 2019. The guidance given in August for the second half of 2020 was slightly exceeded thanks to good December sales – buoyed in part by border closures and the resulting increase in domestic consumption – and thanks to the generally good performance of the Swiss centres of competence. Pleasing home-delivery business in Belgium and growing demand in Switzerland and abroad for the organic juices produced by Biotta's sister company Gesa were also positive factors. Reported revenues were adversely impacted by Casualfood, the travel food specialist that has been fully consolidated since the autumn of 2019 and whose sales dropped to nearly zero due to the near standstill of travel activities. Other significant factors impacting the top line were the sharp declines in the food service business, especially in the classic restaurant sector and the entire event catering, in the hotel industry, school lunch programmes and canteen facilities.

In summary, the Refinement segment showed strong growth, the Convenience segment held its revenues at the prior-year level, and the International segment reported lower revenues as expected, due to Casualfood, whose business was hit very hard by the pandemic.

Gross profit declined by 2.7%, largely due to the International segment. The consolidated gross profit margin receded from 44.9 to 43.4%, which reflects destocking in response to strong holiday sales as well as product and channel mix shifts and persisting high meat prices. Moreover, due to the abrupt standstill of the food service business in March when the first lockdown was imposed, many products that had already left the production lines could no longer be sold through the normal sales channels, which likewise had a negative impact on the gross margin. EBITDA amounted to CHF 52.8 million (previous year CHF 61.0 million). Operating profitability (EBITDA margin) improved significantly from 8.2% in the first half of 2020 to 9.4% in the second half, resulting in a full-year EBITDA margin of 8.8%. Factoring out Casualfood, which was virtually shut down by the pandemic, group profitability – despite the growth in the generally low-margin Refinement segment, high meat prices and the aforementioned coronavirus-related impacts – almost reached the previous year's level. This good profit performance was clearly supported by "ORIOR New Normal", a key initiative launched in April that has led to significant cross-unit efficiency gains thanks, for example, to the establishment of new shared services centres for the HR and Finance units. EBIT declined by 30.8% to CHF 25.8 million (previous year CHF 37.3 million), which largely reflects amortisation and depreciation in connection with the acquisition of a majority interest in Casualfood in September 2019. Profit for the year amounted to CHF 21.8 million (previous year CHF 31.5 million).

Operating cash flow amounted to CHF 52.3 million, a good figure considering the overall context (previous year CHF 57.1 million). The net debt ratio (Net debt / EBITDA) came in at 2.87x and was negatively impacted by the third stage of the Casualfood acquisition, executed as scheduled in the autumn of 2020 based on previously agreed terms, and by coronavirus-related EBITDA losses, while cash and working capital management had a positive impact.



Rolf U. Sutter, Chairman of the Board of Directors (right) and Daniel Lutz, CEO ORIOR Group (picture from January 2020)

CEO Daniel Lutz on ORIOR Group's results for 2020: "Compared to our initial expectations and goals for 2020, the actual result for the year is of course sobering. Nevertheless, considering the pandemic and the extraordinary circumstances we were confronted with during the past fiscal year, I'm satisfied with the Company's overall performance. We managed to keep our employees safe and maintain our supply capabilities and overall sales were stable despite all the turmoil. Within the scope of ORIOR New Normal we also turned our cost base and our operating processes more flexible. This led to a significant improvement in our operating results during the second half and will continue to support our performance in the future."

#### **ORIOR Convenience segment**

The ORIOR Convenience segment consisting of the Fredag, Le Patron, Pastinella and Biotta competence centres reported revenues of CHF 201.8 million, which nearly matches the figure of CHF 202.0 million reported for the previous year. Overall sales were distinguished by a strong performance in the retail channel on the one hand and sharp declines in the product lines for food services customers on the other hand. The closures of businesses and schools ordered by governments and restrictions on personal mobility and the ensuing changes in consumption had a significant impact on sales of ready-made meals and meal components. The food service industry (restaurants, wholesale channel, take-away, event catering, canteens, schools and school lunch programmes) accounts for a large share of the Convenience segment's revenues and it experienced sharp drops in business over several months due to the pandemic. Sales in the gastronomy sector showed a slight improvement during the summer months before plunging again during the autumn months as a second wave of the virus struck. Thanks to the flexibilisation of its operating processes and its strong partnerships with customers, the Convenience segment managed to hold revenues at the previous year's level despite numerous changes to its product portfolio in response to shifts in the channel mix.

#### **ORIOR Refinement segment**

The ORIOR Refinement segment consisting of the Rapelli, Albert Spiess and Möfag competence centres delivered a very good topline performance with organic revenue growth of 3.3% to CHF 266.7 million, distinguished by high meat prices and major product and channel shifts. This growth was fuelled by the strong sales of core product lines at all three competence centres in the retail trade channel, especially at Rapelli and Möfag. Food service customers account for a lower share of the Refinement segment's total revenues compared to the Convenience segment. Meanwhile the changes in consumer habits had a generally positive effect on the Refinement segment's product range. Surging demand from the retail channel consequently more than offset the occasional sharp contraction in the segment's food service business. An additional highlight – although still in an early stage of development – was the launch of the Albert Spiess online shop in November 2020. This marks the successful opening of a direct sales channel for the Group's Bündner delicacies. In summary, the Refinement segment's revenue growth for the year under review impressively demonstrated the importance of this segment and its strong brands, traditions, craftsmanship and stability within the overall context of ORIOR Group's resilience and broad market positioning.

### **ORIOR International segment**

The ORIOR International segment with the Culinor Food Group and Casualfood competence centres, Biotta's sister company Gesa, and Spiess Europe, a platform for the final processing and distribution of Group products, reported a 3.0% decline in revenues to CHF 154.8 million. Organic revenue growth stood at -8.7%, which can largely be traced to the Casualfood competence centre, the travel food specialist whose business came to a near-standstill at times due to the collapse in air travel and the restrictions on travel and mobility. In addition, currency translation had a clearly negative effect of -3.5% on reported revenues. The acquisition effect arising from the acquisition of a majority interest in Casualfood and its subsequent full consolidation as of September 2019 amounted to 9.2%. The coronavirus-related effects on Culinor Food Group in Belgium were very similar to those experienced in Switzerland: a surge in sales through retail channels on the one hand and a steep drop in sales through food service channels on the other. A significantly better course of business during the second half of 2020 and good growth in the home delivery business were positive factors. With its range of fresh meal innovations Culinor succeeded in expanding the customer base during the second half of 2020. Ultimately, however, the corona effects – especially the generally weaker demand for ready-made meals and meal components – could not be completely offset. Gesa, Biotta's sister company in Germany specialised in organic vegetable juices for the B2B market, benefited from the growing demand for organic beverages as well as for regional products and reported pleasing revenue growth. Spiess Europe, the Group's platform in Haguenau, France, for final processing and distribution of Group products across Europe, generated good growth in the wake of the shifts in product and channel mix and associated consumer needs, which transcended national borders.

### **Casualfood hit hard by the collapse in air traffic**

Casualfood had a clearly negative impact on ORIOR Group's results in 2020. The nearly complete standstill of the 60 small-scale outlets serving food and refreshments to travellers forced us to make fundamental changes to the subsidiary's financial framework. A new basis for its fixed costs and leasing contracts as well as for its spatial arrangements and retailing concepts emerged. As a result of this makeover – which was only possible to this degree and extent in the first place because travel activity had dropped to such low levels – the operational profitability of Casualfood is now expected to return to pre-Corona levels significantly sooner, even if passenger traffic increases slowly. A direct comparison of Casualfood's performance and the IATA's forecasts of air passenger numbers is therefore not possible. The sharp contraction in business during the next few months due to the pandemic will be partially offset by federal aid from the German government.

### **ORIOR 2025 Strategy**

In November 2020 ORIOR presented its strategic road map for the next five years. The heart of the ORIOR 2025 Strategy are the strategic pillars "House of Innovation", "Brand Experience!", "Strong Foundation and Operational Agility", "The ORIOR Responsibility" and "We are ORIOR". Group-wide strategic key initiatives are the intradisciplinary "ORIOR Champion Model", the cross-unit "ORIOR Bridge-building" and the forward-looking "ORIOR New Normal".

Daniel Lutz, CEO of ORIOR Group, comments on the objectives of the strategy: "The overarching goal of the ORIOR 2025 Strategy remains steady value creation for all stakeholders. Our specific understanding of steady value creation has been translated into quantifiable targets in our ambitions. Sales growth is important. Growing our EBITDA and reducing our debt are just as important though. We are working hard every day, with a strong sense of identification and a high level of motivation, to make progress toward these goals."

### **The ORIOR Responsibility – ESG goals more strongly anchored, also in compensation model**

ORIOR published its second Sustainability Report in accordance with GRI Standards in July 2020. For the first time, it also included ORIOR's efforts to achieve the UN's Sustainable Development Goals (SDGs). The report provided detailed information on the degree of achievement of the goals set and on action plans currently in progress throughout ORIOR. In the wake of the coronavirus pandemic, certain sustainability-related issues became even more important, workplace safety, for example, and employee health. ORIOR provided an optimal level of protection for all employees thanks to the early and swift implementation of the government measures. However, this was not without some drawbacks. For example, safeguarding employee health also slowed certain operating processes, which in turn increased our electricity consumption. Due to the abrupt lockdown of the hospitality industry, numer-

ous products could not be sold through normal sales channels, which had a negative impact on our food waste metrics. Important steps were taken during the year under review to anchor sustainability more firmly throughout the Company. A revision of ORIOR Group's stock ownership and compensation policies integrated further Group-wide ESG objectives into the variable compensation awarded to top management more prominently and with a higher weighting.

ORIOR acknowledges the importance of sustainable business practices (non-financial performance) and it takes an active, integrative approach here, true to its holistic model of corporate governance. Information on the localisation of individual issues within ORIOR Group and how these issues are addressed within the scope of the ESG concept can be found in the 2020 Annual Report. The publication of the Sustainability Report for 2020 with detailed information regarding the Company's goals and goal achievement is scheduled for May 2021.

#### **Attractive dividend policy with steady increase in the absolute dividend confirmed**

ORIOR's long-standing commitment to an attractive, stable dividend policy was confirmed in its 2025 Strategy. The Board of Directors will propose a slightly higher absolute dividend of CHF 2.33 per share at the Annual General Meeting on 26 April 2021 (previous year CHF 2.32). The dividend proposal consists of an ordinary dividend in the amount of CHF 1.17 to be paid from retained earnings (subject to withholding tax) and a dividend of CHF 1.16 to be paid from capital contribution reserves (exempt from withholding tax).

#### **Outlook**

We expect to achieve organic revenue growth with a significant increase in the EBITDA margin in the current fiscal year. This guidance is based on the assumption that the general situation concerning the pandemic and the associated consequences will be unchanged for several more months and that a gradual recovery will begin in the summer. Higher revenues are expected from the International and Convenience segments, in particular from the Culiner Food Group competence centre in Belgium, driven primarily by successful new listings, from the Fredag and Biotta competence centres in Switzerland and, beginning in the second half of 2021, from the Casualfood competence centre in Germany as well. The forecast improvement in operating profitability will largely be fuelled by revenue growth from higher-margin product segments, the new financial framework set for Casualfood and its gradual recovery, and from the lasting flexibilisation of costs and processes. Here we expect a steady improvement over the entire year.

#### **Rolf U. Sutter will serve a maximum of two more terms of office**

Rolf U. Sutter, Chairman of the Board of Directors of ORIOR AG, has announced that he will serve a maximum of two more terms of office. The search for a successor has been initiated.

#### **Thank you**

The challenges we faced in 2020 took on an entirely new dimension. That put a strain on every employee. Corona was and still is omnipresent. In our work and personal lives. Responsibility is called for, while at the same time foregoing some of the things that make us happy and keep us grounded. We thank our employees for steadfastly implementing and complying with the stricter health protection measures and for their tremendous dedication and hard work throughout the year. We also value the good cooperation with our business partners and suppliers during a most extraordinary year. Sincere thanks also goes to countless consumers for their trust in our products. We're glad if we were able to bring some culinary pleasure into your homes during these trying times.

Dear shareholders, we thank you for the trust you have placed in ORIOR. 2020 also stands out as a year without you physically present at the Annual General Meeting. Safety comes first. We thank you for your understanding. We'll see each other again as soon as circumstances permit. We are looking forward to that.



**Rolf U. Sutter**  
Chairman of the Board of Directors



**Daniel Lutz**  
CEO ORIOR Group

# ORIOR 2025 Strategy

ORIOR's decentralised business model allows each competence centre to maintain their specific culture and identity tailored to their employees and customers and to create unique product, brand, and concept worlds. These high levels of identification and personal responsibility at the competence centres combined with strategic development and direction-

setting at Group level make us resilient and unique. ORIOR's 2025 Strategy is built around five strategic pillars. Additional, shared potential will be unlocked by the three Group-wide key strategic initiatives. Steady value creation for all stakeholders remains our goal and ambition.



## VISION

We are striving for uniqueness and offering best quality in order to surprise our consumers time and again with enjoyable food moments. Our ambition is nothing less than: **Excellence in Food.**

### Strategic pillars

#### House of innovation

Innovation is firmly anchored in our corporate culture. Inspired by trends, our understanding and feel for the market, and the passion we have for our culinary craft and traditions, we create deliciously unique experiences for all our consumers with joy and pride.

#### Brand Experiences!

We view ourselves as a creative workshop for our brands, products and services and we are constantly developing culinary worlds for our own brands and the brands of our customers. That and our passion for what we do is how we delight consumers time and again.

#### Strong Foundation and Operational Agility

We are working hand in hand to further strengthen the financial and operational foundations of the Company. Our decentralised business model keeps us close to the market. At the same time, the Company's broad portfolio enables us to capture value creation synergies between the competence centres and share know-how.

#### The ORIOR Responsibility

Sustainable business practices form the basis for Excellence in Food. Every day we strive to improve our performance across the entire value chain in keeping with our clearly formulated sustainability strategy and the objectives contained therein.

### Key strategic initiatives

#### ORIOR Champion Model

The intradisciplinary Champion Model is a network of knowledge that brings together cross-unit specialists. This interaction and exchange of knowledge and experience are a catalyst for shared value creation.



#### ORIOR Bridge-building

ORIOR Bridge-building refers to direct links between specific units or segments on a situational basis. The objective of our bridge-building efforts is to leverage existing, successful concepts and brands or specialised know-how to develop new value creation potential.



## Overarching goals

- 1 ORIOR generates sustainable and profitable growth, sustained by its unique business model and broad footprint.
- 2 ORIOR embraces management clarity and responsibility, entrepreneurship and strong common values.
- 3 ORIOR celebrates its innovative skills in its brand, concept and product worlds, fascinating its consumers time and again.
- 4 ORIOR is an attractive, financially sound and resilient food & beverage Group.
- 5 ORIOR steadily increases the absolute dividend.
- 6 ORIOR invests in sustainable organisational development and is establishing the ORIOR Campus as its central platform for employee training and development.
- 7 ORIOR takes responsibility and promotes sustainability steadfastly, proactively and purposefully.

## Our ambition

### Organic growth:

2% to 4% on average

### Operating profitability:

Annual absolute EBITDA growth  
EBITDA margin > 10%

### Debt ratio:

Continuous deleveraging  
Net debt / EBITDA of < 2.5x

### Strengthening balance sheet quality:

Equity ratio of > 25%  
Increasing capital efficiency (ROCE)

### Dividend:

Steady increase in absolute dividend

### Responsibility:

Improvement index > 80% along all our sustainability goals

## The ORIOR world

### We are ORIOR

"We are ORIOR" is based on common corporate values, open and direct communication, and ethical and respectful business conduct. We support and promote the cultural diversity and we provide our employees with opportunities for growth and development in their day-to-day work.

### ORIOR New Normal

ORIOR New Normal refers to activities that are high on our list of priorities. This is our instrument for addressing new opportunities in a structured, systematic and focused manner and creating value.



# Interview

With Daniel Lutz, CEO ORIOR Group



Daniel Lutz, CEO ORIOR Group

**2020, the year of the coronavirus. How would you summarise it?**

Zooming in on the big picture, you could say that the entire world was and still is challenged by that virus. In Europe, normal socialising sometimes came to a near-standstill. ORIOR is one of the systemically relevant companies within the national food supply chain. Its top priority at all units since the early days of March 2020 has been safeguarding the health of its employees and maintaining its supply capabilities.

**How did you overcome all these challenges?**

By sharing, discussing, deciding, communicating, doing. We simply had no time for long philosophical debates. Clarity, orientation and strong leadership were called for, and still are. We also need to demonstrate diligence and staying power and take responsible action, “we” meaning each and every one of us.

**Strong words. Did you always succeed in doing that?**

Yes and no. There is no one correct path that will lead us through the COVID challenge. Instead, I see many different steps that eventually, or hopefully, lead in the right direction. Looking back, we did a very good job in meeting the many challenges we were confronted with during this exceptionally difficult year. That’s what counts.

**What’s your biggest challenge right now?**

The overall situation in Switzerland and throughout Europe is still quite challenging. The action we have taken has kept our employees very safe and we have always maintained our supply readiness – no small feat considering the significant shifts in our product and channel mix. There’s no denying that we’re all a bit tired now. Corona is omnipresent. In our personal and professional worlds. Now more than ever, we need to encourage and maintain high levels of vigilance, caution and responsibility. We need to show a bit more empathy and understanding when interacting with people under these difficult circumstances.

**As we all know, Casualfood has been hit hard by the crisis. How is the company doing today?**

Casualfood was hit very hard indeed. Air traffic is still at very depressed levels, which has an impact on all companies operating directly or indirectly in the airline industry. But we are confident that this will change as soon as the situation with the coronavirus improves. Everybody wants to travel and will do so as soon as it is safe again. What’s important now is the steady roll-out of the vaccine campaigns. Casualfood is a pearl. Its business model is terrific and particularly attractive for the food travel market considering the new normal.

**How is it going at the other competence centres?**

The 2020 financial year showed just how resilient our business model is. The broad range of activities we have established in recent years has made the business model more resilient. Casualfood was really hammered. But the rest of the business, which, I might add, represents well over 90 percent of the Company's revenues, performed well despite the pandemic and the resulting, sometimes massive, shifts in our product and channel mix. Casualfood aside, we grew our revenues, and during the second half of the year our margins came back at the level from the prior year.

**Expenses rose to high levels. Do you expect similarly high costs as a result of the latest lockdown?**

The costs associated with the first lockdown were indeed high. The standstill in the restaurant and hospitality industries, the slump in other sections of the food service business, and the shift from out-of-home to home consumption all happened very abruptly. In addition to the safeguards that we implemented in very little time, entire product lines and our operating processes had to be adapted. That cost money. But we have improved our flexibility with most of these outlays and our operating results for the second half of the year already reflect that.

**Do you see anything positive about this crisis?**

It would be wrong to say that there has been something positive about this global crisis. So many people have been hurt by the pandemic. But this extraordinary situation has precipitated changes at ORIOR too, of course, changes that under ordinary circumstances would have absorbed far, far more resources in terms of time and energy. I'm thinking here of digitalisation or projects that involve viewing certain processes from outside the box and making them more flexible. We've made tremendous and critical progress on these fronts.

**Did you have any time to think about sustainability?**

Sustainability is very important. We are taking a holistic approach here. Our actions must have an impact and lead to real progress. But this was not exactly easy as we faced a full-blown crisis in 2020. Nevertheless, we did make progress towards embedding sustainability in the Company and delegating responsibility for this issue, and these achievements will have a positive impact on future developments in the coming years.

**2025 Strategy: Is it really possible to conceive a strategy for the next five years in times like these?**

The development of the ORIOR 2025 Strategy was a very important project that required (and permitted) us to examine many facets of our business and look beyond the current situation. We developed the core elements of the strategy through an interactive process involving multiple management layers and then defined it in greater detail. This was a very inspiring and motivating process that led to a great strategy. ORIOR 2025 points us in the direction we want to go, sets the basic framework. At the same time, rolling planning has become more important. Here, too, we have refined and strengthened our processes and instruments.

**"ORIOR New Normal" is one of the key initiatives in the strategy. What exactly do you mean by that?**

"ORIOR New Normal" is a new approach that will enable us to respond more quickly to the ongoing significant changes in market needs. It is an instrument for addressing new opportunities in a structured and focused manner and creating value.

**The strategic goals are clearly described. What are your priorities?**

All of our clearly defined ambitions (see page 7) are equally important because we need to deliver everything we promise in order to achieve our ultimate goal, which is steady value creation for all our stakeholders.

**Average top-line growth in the new strategy is 2 to 4 percent. What are your growth drivers?**

A recovery at Casualfood will be an important driver, and we expect growth from the other activities in the International business. Switzerland is our strong backbone: In the Convenience segment, we anticipate a stable to slightly positive trend while Refinement revenues should be stable overall.

**Top-word 2021? And why?**

New horizons. That brings to mind possibilities and opportunities. It implies that we can cross old boundaries and successfully navigate down new and exciting avenues with creative and innovative product concepts and services. We're in a good position. We're resilient. We're innovative. And: We have great products.

# ESG at ORIOR

**A holistic entrepreneurial approach is crucial for the sustainable existence of our company. This means ORIOR's performance on sustainable metrics (non-financial metrics) is just as important as its financial results. Our determination, objective and duty is to create value for our stakeholders while at the same time optimising our environmental impact, conducting our business in a socially responsible way, and adhering to ethical practices and transparency in our management practices.**

ORIOR's Sustainability Strategy was formulated in 2018 based on a comprehensive GRI materiality assessment process. We publish an annual GRI Sustainability Report detailing our efforts. On these two pages we outline where and how we address the various topics, mapping them to the ESG taxonomy.

## ORIOR Sustainability Strategy

Our strategy "The ORIOR Responsibility" comprises nine central fields of activity in three different areas.



## Organisation and Accountability

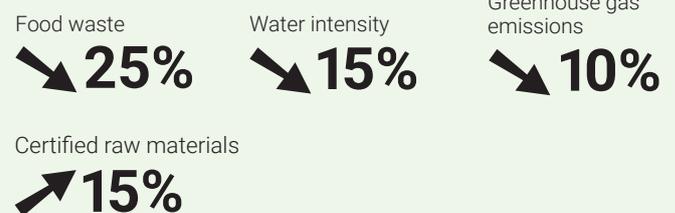
- Sustainability is addressed at every level of the ORIOR organisation.
- The [Board of Directors](#) approves the sustainability strategy and regularly reviews sustainability matters.
- The [Executive Committee](#) is responsible for attaining the sustainability goals and embedding sustainability in company operations.
- The Sustainability Steering Committee takes decisions on theme-specific issues and policies.
- The Management Committee is responsible for implementing the sustainability strategy at the individual business units.
- The Corporate Sustainability Manager and the Champion Groups plan and implement sustainability-related measures.

## Environmental

We assume responsibility for the environment on three fronts: the products we make, the ingredients we use to make those products, and our production sites, which are as eco-friendly as possible. The environmental issues most relevant to us are explicitly listed in our Sustainability Strategy as priority fields of activity as are the goals we want to achieve in every field by 2025. Our progress towards these objectives is described in detail in the annual Sustainability Report. Environmental issues are anchored in our Sustainability Strategy as an integral part of the pillar "The ORIOR Responsibility".

Environmental issues	Where we address these topics
<b>Energy efficiency and renewable energy</b>	Environmental responsibility, field of activity " <a href="#">Climate and energy</a> "
<b>Greenhouse gas emissions and climate change</b>	Environmental responsibility, field of activity " <a href="#">Climate and energy</a> " and Product responsibility, field of activity " <a href="#">Sustainable raw materials</a> "
<b>Resource consumption and efficiency</b>	Environmental responsibility, field of activity " <a href="#">Food waste and packaging</a> "
<b>Water use and pollution</b>	Environmental responsibility, field of activity " <a href="#">Water</a> " and Product responsibility, field of activity " <a href="#">Sustainable raw materials</a> "
<b>Biodiversity, forest management</b>	Product responsibility, field of activity " <a href="#">Sustainable raw materials</a> "

## Goals 2025:



## Overview of ongoing measures and projects

- We have published a Group-wide environmental mission statement.
- We increase the share of organic raw materials and organic products.
- We prefer local and regional raw materials and suppliers.
- We expand our range of climate-neutral products.
- We are member of the Energy Agency of the Swiss Private Sector.
- We are developing our strategy for a sustainable electricity mix.
- We deploy specialist teams (Champion Groups) to create cross-unit value and facilitate improvement processes.
- We constantly optimise our sustainable supply chain management.
- We disclose environmental data through CDP and follow its guidance.

## Direct links to key publications

- [ORIOR 2025 Strategy](#)
- [Sustainability strategy](#) "The ORIOR Responsibility"
- [Sustainability Report](#)
- [Code of Conduct](#)

## Social

We assume responsibility as a member of society and the business world by integrating the concerns of our stakeholders into our actions and by endeavouring to promote their well-being. The social issues most relevant to us are explicitly listed in our sustainability strategy as priority fields of activity as are the goals we want to achieve in every field by 2025. Our progress towards these objectives is reported in detail in the Sustainability Report. The social issues are addressed within the ORIOR 2025 Strategy through the "The ORIOR Responsibility" and "We are ORIOR" strategic pillars.

Social issues	Where we address these topics
<b>Training and development</b>	Social responsibility, fields of activity " <a href="#">Employee development</a> " and " <a href="#">Occupational safety and health</a> "
<b>Occupational safety and health</b>	
<b>Human rights, employee rights, employment conditions</b>	<a href="#">Code of Conduct</a> , strategic pillar "We are ORIOR", <a href="#">Compensation Report</a> , <a href="#">Corporate Governance Report</a>
<b>Diversity and equal opportunity</b>	
<b>Social conditions in the supply chain</b>	Product responsibility, field of activity " <a href="#">Sustainable raw materials</a> "
<b>Support of charitable causes</b>	Support of various local projects; selectively reported on in the <a href="#">Sustainability Report</a>
<b>Animal welfare</b>	Product responsibility, field of activity " <a href="#">Animal welfare</a> "
<b>Food safety, healthy food, ethical marketing practices</b>	Product responsibility, field of activity " <a href="#">Safe and healthy products</a> "

### Goals 2025:

Labelled raw materials <b>15%</b>	Swiss animal welfare standards <b>100%</b>	Implemented OSH system <b>100%</b>
Development opportunities for all employees	Significantly more healthy products	Value creation for all stakeholders

### Overview of ongoing initiatives and projects

- We offer fair working conditions and flexible work schedules.
- We build our ORIOR Campus as an employee development platform.
- We support apprenticeship, trainee and education programmes.
- We implement a holistic occupational safety and health programme.
- We constantly optimise our sustainable supply chain management.
- We expand our range of healthy products.
- We are committed to animal welfare and we source as much meat as possible from suppliers that comply with Swiss standards.

### Direct links to key publications

- [ORIOR 2025 Strategy](#)
- [Sustainability strategy](#) "The ORIOR Responsibility"
- [Sustainability Report](#)
- [Code of Conduct](#)
- [Corporate Governance Report](#)
- [Compensation Report](#)

## Governance

ORIOR embraces clearly defined, responsible management roles, entrepreneurship, and strong values. Our leadership principles, structure and organisation are set out in the Company's Articles of Association, in the Organisational Regulations, the Code of Conduct and other documents. We address organisational development strategy, stock ownership guidelines and compensation policies, and shareholder rights at regular intervals within the scope of our continuous efforts to strengthen our corporate governance practices.

Governance topics	Where we address these topics
<b>Leadership principles, structure and organisation</b>	<a href="#">Articles of Association</a> , <a href="#">Organisational Regulations</a> , <a href="#">Corporate Governance Report</a>
<b>Composition, powers and functional processes of the Board</b>	<a href="#">Articles of Association</a> , <a href="#">Organisational Regulations</a> , <a href="#">NCC Charter</a> , <a href="#">Compensation Report</a>
<b>Group structure, shareholder base, capital structure</b>	<a href="#">Articles of Association</a> , <a href="#">Corporate Governance Report</a>
<b>Shareholder rights</b>	<a href="#">Articles of Association</a>
<b>Information policy</b>	<a href="#">Corporate Governance Report</a>
<b>Compensation and stock ownership policies and models</b>	<a href="#">Articles of Association</a> , <a href="#">Organisational Regulations</a> , <a href="#">NCC Charter</a> , <a href="#">Compensation Report</a>
<b>Code of Conduct and Ethics</b>	<a href="#">Code of Conduct</a>
<b>Compliance and risk management</b>	<a href="#">Organisational regulations</a> , <a href="#">Audit Committee Charter</a> , <a href="#">Code of Conduct</a>

### Goals 2025:

✓ Modern corporate governance	✓ Introduction of Long Term Incentive Plan	✓ Minimum shareholdings for BoD and EC
✓ Employee stock ownership plan updated	✓ Greater reporting transparency	✓ Shareholder rights further strengthened

### Overview of ongoing initiatives and projects

- Introduction of a Long Term Incentive Plan that includes ESG criteria.
- Introduction of minimum stock ownership for the Board of Directors and the Executive Committee.
- Revision of the employee stock ownership plan.
- Increasing transparency in annual reportings.
- Further strengthening of shareholder rights.
- Revision and further refinement of the Code of Conduct.

### Direct links to the most important publications

- [Articles of Association](#)
- [Organisational regulations](#)
- [ORIOR 2025 Strategy](#)
- [Code of Conduct](#)
- [Corporate Governance Report](#)
- [Compensation Report](#)



# **ORIOR AG**

CORPORATE GOVERNANCE  
REPORT 2020

## Corporate Governance Report

ORIOR Group is committed to best practices in corporate governance with a high level of transparency. Good corporate governance protects the interests of Company shareholders and other stakeholders while helping the Group achieve sustainable development. The information disclosed hereinafter comply with the Swiss law and the current requirements of the "Directive Corporate Governance" (DCG) issued by SIX Swiss Exchange and last amended on 2 January 2020.

### Overview of changes

During the course of a periodic review of corporate governance practices and the formulation of ORIOR Group's long-term strategic objectives, a number of changes were adopted. Sustainability

was given even more emphasis, the Code of Conduct was revised, and compensation and stock ownership policies were modified. **The sections highlighted in grey on the following pages contain information on the latest changes.**



### 1. Group structure and shareholders

The registered office of ORIOR AG, the parent company of ORIOR Group, is in Zurich (Switzerland). Information on the security number and ISIN code of its shares and its stock market capitalisation is given in the "Share information" section of this Annual Report. The subsidiaries included in the Group's scope of consolidation are listed in the Notes to the Consolidated Financial Statements along with their legal domicile, share capital and the percentage interest held by the Group. Apart from the parent company, only unlisted companies are included in the scope of consolidation.

#### Group structure as of 31 December 2020

#### Board of Directors

Rolf U. Sutter, Chairman  
 Markus R. Neuhaus, Vice Chairman  
 Monika Friedli-Walser  
 Walter Lüthi  
 Monika Schüpbach  
 Markus Voegeli

#### Executive Committee

Daniel Lutz, CEO ORIOR Group  
 Andreas Lindner, CFO ORIOR Group  
 Filip De Spiegeleire, Head ORIOR Europe and Culinor Food Group

#### Extended Executive Committee

Max Dreussi, Head Fredag  
 Milena Mathiuet, Head Corporate Communications & Investor Relations  
 Stefan Weber, Co-Founder and Head Casualfood

#### ORIOR Corporate

Lionel Albrecht, CIO ORIOR Group  
 Stefan Graf, Head Supply Chain Excellence  
 Bernhard Pfulg, CFO ORIOR Switzerland

#### Convenience Segment

**Max Dreussi**  
 Head Fredag  
**Oscar Marini**  
 Head Le Patron and Pastinella  
**Clemens Rüttimann**  
 Head Biotta

#### Refinement Segment

**Tazio Gagliardi**  
 Head Rapelli  
**Walter Koller**  
 Head Albert Spiess and Möfag

#### International Segment

**Filip De Spiegeleire**  
 Head ORIOR Europe and Culinor Food Group  
**Stefan Weber / Michael Weigel**  
 Founder/Heads Casualfood

### Personnel changes in Group-level management

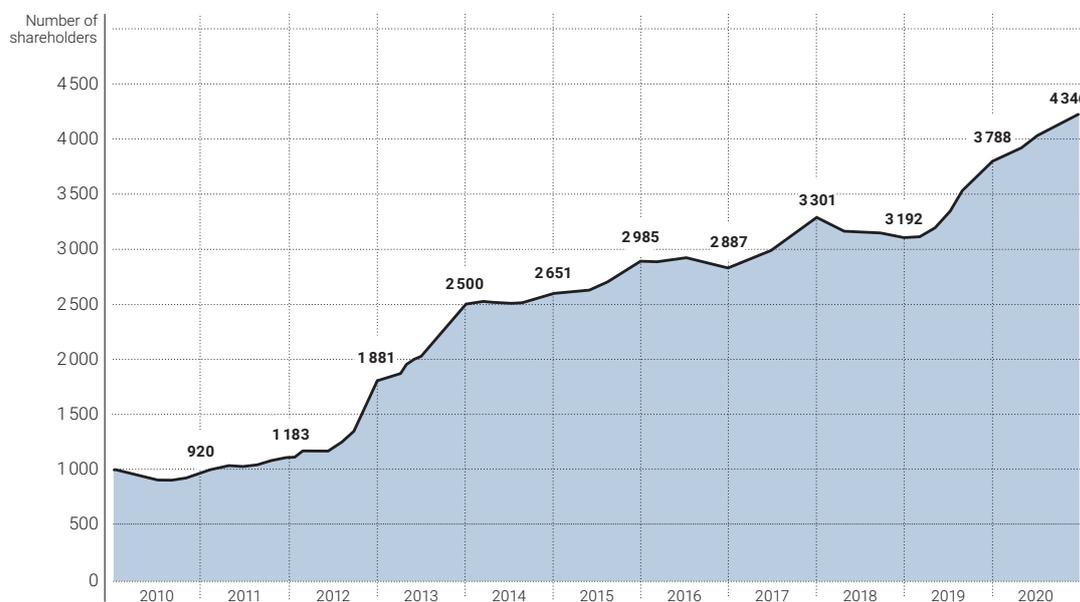
Markus R. Neuhaus, Dr. iur., a member of the Board of Directors and Chairman of the Audit Committee of ORIOR AG, was appointed Vice Chairman of the Board of Directors effective 25 February 2020.

Glauco Martinetti, a member of the Extended Executive Committee of ORIOR AG and Head of Rapelli, left the Company after more than 25 years of service with ORIOR Group. He was succeeded by Tazio Gagliardi, who was appointed Head of Rapelli effective 1 December 2020.

As of August 2020, Lionel Albrecht has been the new CIO of ORIOR Group; Walter Koller additionally assumed responsibility for Albert Spiess in November 2020; and Oscar Marini additionally assumed responsibility for Le Patron in December 2020.

### ORIOR shareholders

According to the share register, ORIOR had 4 346 shareholders as of 31 December 2020, meaning there was again a relevant increase in the number of shareholders during the year under review. The change in the number of shareholders entered in the share register since the IPO in April 2010 is depicted below:

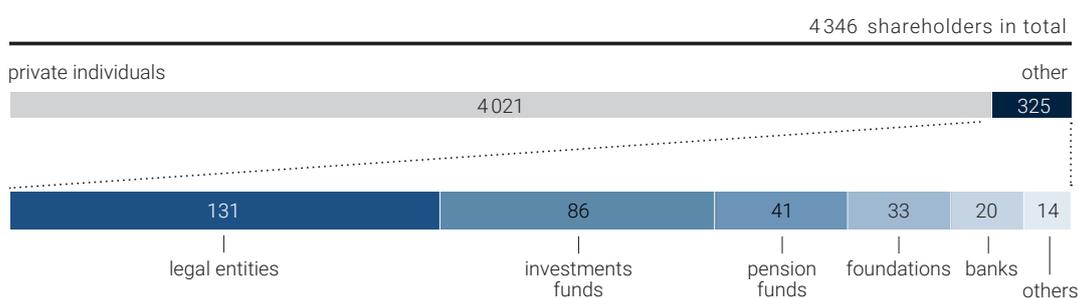


The 4 346 registered shareholders at 31 December 2020 held 79.49% of total share capital. Information on the distribution of shareholdings as of 31 December 2020 by size of shareholding, by category and by country is given below.

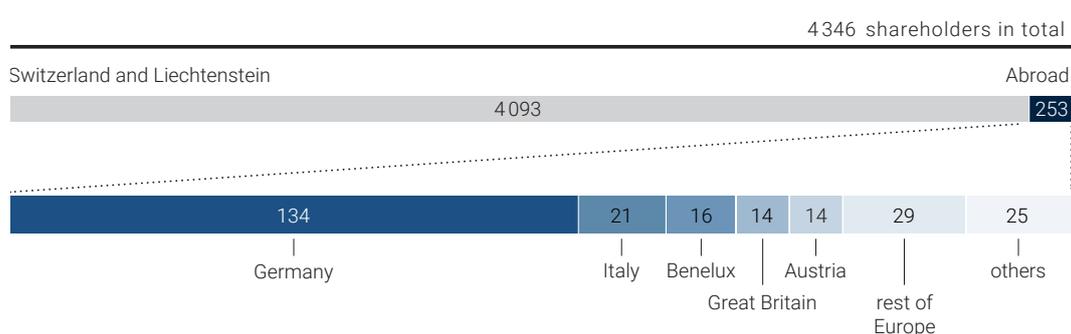
Number of shareholders entered in the share register as of 31 December 2020, by number of shares held:

Number of shares held	Number of shareholders	Total number of shares
1 – 10	309	1 810
11 – 100	1 241	80 423
101 – 1 000	2 411	824 255
1 001 – 10 000	322	881 310
10 001 – 100 000	56	1 831 712
> 100 000	7	1 561 357
<b>Total</b>	<b>4 346</b>	<b>5 180 867</b>

Number of shareholders entered in the share register as of 31 December 2020, by category:



Number of shareholders entered in the share register as of 31 December 2020, by country:



#### Registered shares not entered in share register

As of 31 December 2020, 20.51% of total share capital was not entered in share register (Dispobestand). In the past, this figure has fallen well below the 20% mark relative to total share capital shortly before the Annual General Meeting. This fluctuation reflects institutional investors' decisions to transfer positions to open custody accounts shortly after the end of the Annual General Meeting to improve their administrative efficiency during the remainder of the year. A week before the previous Annual General Meeting, which took place on 4 June 2020, 16.38% of total share capital was not entered in the share register.

#### Major shareholders

According to notifications received, as of 31 December 2020 the following shareholders each own more than 3% of ORIOR AG's share capital:

Shareholder	Number of shares	%	Source
UBS Fund Management (Switzerland) AG (CH)	655 647	10.06 <sup>1</sup>	Notification 29.12.2020
Swisscanto Fondsleitung AG (CH)	353 965	5.431	Notification 15.11.2018
Credit Suisse Funds AG (CH)	345 903	5.31	Notification 15.11.2018
Schroders Plc (GB)	288 856	4.875 <sup>2</sup>	Notification 05.02.2015

<sup>1</sup> Includes RoPas (CH) Institutional Fund – Equities Switzerland, which holds an interest of 6.29%.

<sup>2</sup> Corresponds to the information in the disclosure notification dated 5 February 2015 and is consequently based on the total outstanding share capital of ORIOR AG at that time.

During the period between 1 January 2020 and 31 December 2020 the following disclosure notifications were received and duly published on the website of the SIX Swiss Exchange:

Publication date	Shareholder / Group	Reason for announcement	New shareholding
29.12.2020	UBS Fund Management (Switzerland) AG (CH)	Purchase	10.06%
03.11.2020	UBS Fund Management (Switzerland) AG (CH)	Sale	9.96%

Detailed information about these disclosures can be viewed at <https://www.six-exchange-regulation.com/en/home/publications/significant-shareholders.html>.

During the period between 1 January 2021 and 28 February 2021 the following disclosure notifications were received and duly published on the website of the SIX Swiss Exchange:

Publication date	Shareholder / Group	Reason for announcement	New shareholding
23.01.2021	UBS Fund Management (Switzerland) AG (CH)	Purchase	10.06%
21.01.2021	UBS Fund Management (Switzerland) AG (CH)	Sale	9.99%

As of 28 February 2021, ORIOR was not aware of any other person or entity holding, directly or indirectly, 3% or more of the Company's share capital. Neither is ORIOR AG aware of any significant agreements or arrangements among shareholders regarding their holdings of ORIOR AG registered shares.

#### Cross-shareholdings

There are no cross-shareholdings with other companies.

## 2. Capital structure

#### Share capital

in CHF	31.12.2020	31.12.2019	31.12.2018
Ordinary share capital	26 069 996	26 069 996	26 069 996
Conditional share capital	714 256	714 256	714 256
Authorised share capital	1 880 000	3 908 000	3 908 000
Treasury shares	1 092 356	121 873	842 837

#### Ordinary capital

ORIOR AG's share capital is fully paid in and amounts to CHF 26 069 996. It is divided into 6 517 499 registered shares with a par value of CHF 4.00 each. There is only one category of registered shares. Further information on the shares is given in the "Share information" section of this Annual Report.

#### Conditional capital

The share capital of the Company may be increased by a maximum of CHF 714 256 through the issue of a maximum of 178 564 registered shares with a par value of CHF 4.00 each, which must be fully paid in, upon exercise of options rights granted to the members of the Board of Directors and employees of the Company and subsidiaries under one or more share-based compensation plans. The issue price for the new shares and the terms of the share-based compensation plans is determined by the Board of Directors. The subscription rights and preemptive rights of shareholders are excluded with respect to this conditional capital increase. The acquisition of registered shares through the exercise of option rights and every subsequent transfer are subject to the restrictions on entry in the share register stipulated in Articles 5 and 6 of the Articles of Association.

#### Authorised share capital

The Board of Directors is authorised to nominally increase the share capital at any time up to 4 June 2022 by a maximum par value of CHF 1 880 000 through the issue of a maximum of 470 000 registered shares with a par value of CHF 4.00 each, to be fully paid in. Partial capital increases are permitted. The issue price, the date of the dividend entitlement, and the type of contribution will be determined by the Board of Directors. When acquired, the new registered shares are subject to the registration restrictions laid down in Art. 5 and 6 of the Articles of Association.

The Board of Directors shall be authorised to restrict or withdraw the preemptive subscription rights of shareholders and to allocate them to third parties, (i) if the new shares are to be used to acquire another enterprise, parts of an enterprise or equity interests, or to finance investment projects or to finance or refinance any such transactions by the Company, or (ii) if the new shares are being placed nationally and internationally for the purpose of raising equity in a swift and flexible manner that would be difficult to arrange or only at much less favourable conditions if the preemptive subscription rights to the new shares were not restricted or withdrawn. The Board of Directors may allow subscription rights that have not been exercised to lapse, or it may place these subscription rights, or registered shares for which subscription rights were granted but not exercised, at market conditions, or use them otherwise in the interests of the Company.

**Changes in capital**

Date	Resolution	Decision-making body
04.06.2020	Renewal of authorised share capital, with a reduced maximum amount of CHF 1 880 000, corresponding to 470 000 fully paid registered shares with a nominal value of CHF 4.00 each, for an additional two-year period expiring 4 June 2022.	Annual General Meeting
12.04.2018	Renewal of authorised capital in the amount of CHF 3 908 000, corresponding to 977 000 registered shares with a par value of CHF 4.00 each, to be fully paid in, for an additional two-year period expiring 12 April 2020.	Annual General Meeting
07.03.2018	Increase in ORIOR AG's share capital by 592 499 registered shares or CHF 44.7 million; the placed shares originated from the Company's authorised but unissued capital stock.	Board of Directors
25.03.2016	Renewal of authorised share capital, with a reduced maximum amount of CHF 4 400 000, corresponding to 1 100 000 fully paid registered shares with a nominal value of CHF 4.00 each, as well as various other amendments to Article 3b of the Company's Articles of Association in connection with authorised share capital.	Annual General Meeting
25.03.2014	Renewal of authorised capital in the amount of CHF 4 761 704, corresponding to 1 190 426 registered shares with a par value of CHF 4.00 each, to be fully paid in, for an additional two-year period expiring 25 March 2016.	Annual General Meeting
27.03.2012	Renewal of authorised capital in the amount of CHF 4 761 704, corresponding to 1 190 426 registered shares with a par value of CHF 4.00 each, to be fully paid in, for an additional two-year period expiring 27 March 2014.	Annual General Meeting
21.04.2010	Increase in ORIOR AG's share capital by 1 675 000 registered shares or CHF 6.7 million.	Board of Directors
09.04.2010	Resolution passed to split the share capital consisting of 170 000 registered shares with a par value of CHF 100.00 each into 4 250 000 registered shares with a par value of CHF 4.00 each. Authorisation granted to the Board of Directors to increase the share capital from CHF 17 million to a maximum of CHF 97 million within the next three months. Creation of conditional share capital in the amount of CHF 714 256. Creation of authorised share capital in the amount of CHF 4 761 704.	Extraordinary General Meeting

ORIOR AG has purchased own shares through numerous transactions on the open market:

	2020	2019	2018	2017
Number of own shares bought on the market	12 887	75 545	50 131	63 612
Average share price in CHF	75.31	80.05	83.22	76.20

**Participation certificates and non-voting equity securities**

ORIOR Group has not issued any participation certificates or non-voting equity securities.

**Restrictions on share transfer, registration of Nominees**

There are no restrictions on the transfer of the registered shares of ORIOR AG. The sole condition attaching to entry of a shareholder in the share register is a written statement signed by the person acquiring the shares that he is acquiring them in his own name and for his own account. There are no further restrictions on shareholder registration. Any persons not expressly stating in their application form that the shares have been acquired for their own account (Nominees) may be entered as shareholders in the share register with voting rights if the Nominee concerned is subject to recognised banking and financial market supervision and has entered into an agreement with the Board of Directors regarding its position. The total share capital held by the Nominee may not exceed 2% of the issued share capital of the Company. In excess of this limit, the Board of Directors may register Nominees in the share register with voting rights, if the Nominees disclose the names, addresses, citizenship and shareholdings of those persons for which they hold 2% or more of the issued share capital. No Nominees with voting rights exceeding the 2% limit were registered during the year under review.

**Bond issue**

In connection with the refinancing of outstanding credit facilities as well as for general corporate purposes including potential acquisitions, ORIOR AG issued on 26 September 2017 a six year bond with a nominal value of CHF 110 million (ISIN CH37961096). The bond pays a fixed interest rate of 0.625% and will be repaid on 26 September 2023.

### 3. The Board of Directors

The duties and responsibilities of the Board of Directors of ORIOR AG are defined by the Swiss Code of Obligations, the Articles of Association and the Organisational Regulations.

#### Members of the Board of Directors

The Board of Directors consists of at least three and no more than nine members. The Board of Directors consisted of six directors as of 31 December 2020. All members of the Board of Directors are non-executive directors. None of the directors held an executive position with ORIOR Group during the three fiscal years preceding the period under review. Unless otherwise noted, the members of the Board of Directors do not have significant business relationships with ORIOR AG or with ORIOR Group. All of the directors are Swiss nationals.

Below is an overview of the current members of the Board of Directors as of 31 December 2020, their functions within the Board, their first year of election to the Board and their current term of office.

Name	Year of birth	Position	First term of office	Elected until AGM
Rolf U. Sutter	1955	Chairman of the Board of Directors, Member of the Nomination and Compensation Committee	2006 <sup>1</sup>	2021
Markus R. Neuhaus <sup>2</sup>	1958	Vice Chairman of the Board of Directors, Chairman of the Audit Committee	2019	2021
Monika Friedli-Walser	1965	Member of the Board of Directors, Chairwoman of the Nomination and Compensation Committee	2013	2021
Walter Lüthi	1953	Member of the Board of Directors, Member of the Nomination and Compensation Committee and Member of the Audit Committee	2016	2021
Monika Schüpbach	1967	Member of the Board of Directors	2019	2021
Markus Voegeli	1961	Member of the Board of Directors, Member of the Audit Committee	2019	2021

<sup>1</sup> Delegate to the Board of Directors from 2006 to 2011.

<sup>2</sup> Appointed Vice Chairman of the Board of Directors of ORIOR AG effective 25 February 2020.

#### Changes in the composition of the Board of Directors

All directors were elected to serve another term of office at the Annual General Meeting on 4 June 2020. Markus R. Neuhaus, Dr. iur., was appointed Vice Chairman of the Board of Directors effective 25 February 2020.

#### Board expertise

The following graph gives an overview of the expertise the individual members of the Board of Directors bring to the board by virtue of their professional backgrounds and experience.

Field of expertise	Rolf U. Sutter	Markus R. Neuhaus	Monika Friedli-Walser	Walter Lüthi	Monika Schüpbach	Markus Voegeli
CEO experience	X	X	X	X	X	X
CFO experience / financial knowledge	(X)	X			(X)	X
International experience	X	X	X	(X)	X	X
Degree in law		X				
Industrial experience (F&B production)	X			X		
Market knowledge (Retail/Food Service/Duty Free)	Retail/ Food Service			Retail	Food Service	Retail/ Duty Free
M&A experience	X	X	(X)	X		X
Experience at listed companies	X	(X)		(X)		X
Digitalisation			(X)		(X)	
Sustainability/ ESG	X	X				
Communications/marketing	(X)	(X)	X	X	(X)	

An X in brackets refers to substantive experience that was gained through intensive engagement in the corresponding area, but without formally holding a position of responsibility or having completed an educational programme in the respective field.

## ORIOR Board of Directors



Rolf U. Sutter  
(Chairman)



Dr. iur. Markus R. Neuhaus  
(Vice Chairman)



Monika Friedli-Walser

### Rolf U. Sutter

#### Chairman of the Board of Directors, Member of the Nomination and Compensation Committee

Rolf U. Sutter holds a bachelor degree from the Lausanne Hotel School and pursued a degree programme at Cornell University in Ithaca (USA). From 1981 to 1989 he held various positions at Railway Buffet, Zurich and Moevenpick Holiday Inn, Moevenpick Hotel and Moevenpick / Marché Schweiz. From 1989 to 1997 he served as Managing Director / CEO of Moevenpick / Marché International. From 1993, he was also a member of the Executive Board of Moevenpick Holding AG. During this time, he worked in Germany for three years, established several companies in several countries, opened and developed various restaurants in North America, Asia (with registered offices in Hong Kong and Singapore), the Middle East and Europe. From 1997 to 1999, he was Managing Director of all food service operations within the Moevenpick Group. After assuming the position of CEO of ORIOR in 1999, Rolf U. Sutter was elected Executive Board delegate to the Board of Directors. He resigned as ORIOR's CEO on 30 April 2011. The Board of Directors elected Rolf U. Sutter as its Chairman at the constituting meeting of the Board after the Annual General Meeting on 6 April 2011.

**Other activities and functions:** Rolf U. Sutter is member of the Board of Directors of SGO Immobilien AG, Meilen.

### Markus R. Neuhaus, Dr. iur.

#### Vice Chairman of the Board of Directors and Chairman of the Audit Committee

Markus R. Neuhaus, Dr. iur., holds licentiate and doctorate degrees in law from the University of Zurich, is a Swiss Certified Tax Expert and completed several executive leadership and management programmes at Harvard University, the INSEAD Business School and the IMD Business School. While working at PricewaterhouseCoopers (PwC) he began his professional career in the Tax Division of PwC Switzerland in 1985, where he was initially employed as a tax advisor and later as the head of PwC's Tax and Legal Services unit in Switzerland. In 1992 Markus R. Neuhaus was named Tax Advisory Partner and he has subsequently held various positions at PwC Switzerland and PwC Global. He ultimately served as CEO of PwC Switzerland for nine years, overseeing all of the company's operations in the country. He also held various international roles within the PwC network: listed chronologically, these were member of the Global Board of PwC; Senior Partner, PwC Continental Europe, member of the Global Executive Team and member of the Office of the Global Chairman. From 2012 until June 2019 Markus R. Neuhaus chaired the Board of Directors of PwC Switzerland and served on the Supervisory Board of PwC Europe.

**Other activities and functions:** Markus R. Neuhaus is Vice Chairman of the Board of Directors of Barry Callebaut AG, Zurich, member of the Board of Directors of Bâloise Holding AG, Basel, member of the Board of Directors of Galenica AG, Berne, member of the Board of Directors of Jacobs Holding AG, Zurich, Chairman of the Finance and Taxation Committee of Economiesuisse, Zurich, Vice Chairman of the Board of Trustees of Avenir Suisse, Zurich, Vice Chair-



Walter Lüthi



Monika Schüpbach



Markus Voegeli

man of the Supervisory Board of the Zurich Chamber of Commerce, Zurich, Vice Chairman of the Board of Trustees of the NPO stars – for leaders of the next generation as well as member of the Board of Trustees of ETH Foundation.

### Monika Friedli-Walser

#### Member of the Board of Directors and Chairwoman of the Nomination and Compensation Committee

Monika Friedli-Walser holds a master degree in rhetoric and technical communications from the University of Michigan (USA) and other educational credentials. In the years prior to 2000 she was mainly active in the field of marketing and sales. From 2000 to 2004 she served as Chief Communication Officer and a Member of the Executive Board of TDC Switzerland AG (Sunrise). From 2005 to 2009 she was Head of Communications and Human Resources as well as Deputy CEO of Swissgrid AG and, from 2006 onward, concurrently Head of Communications and Political Affairs at UCTE, the Union for the Coordination of Transmission of Electricity, in Brussels. Since 2009 she has been a partner at WAEGA-Group AG, Zurich, in which capacity she was CEO of the Swiss bag and accessories maker Freitag lab AG, Zurich, until January 2014. In spring 2014 she became CEO and Delegate to the Board of Directors of de Sede AG.

**Other activities and functions:** Monika Friedli-Walser is delegate and member of the Board of Directors of de Sede AG, Klingnau, and of its sister company Ligno AG, as well as a member of the Board of Directors of its sister company Oel-Pool AG, which are all affiliates of Volare Group AG. In addition she is a member of the Board of Directors of Sanitas Beteiligungen AG and of Sanitas Stiftung, Zürich, a member of the Board of Directors of Zoo Zürich AG, Zurich, a member of the Board of Directors of Prografica AG, Dielsdorf, and a member of the Board of Directors of Greater Zurich Area AG, Zurich.

### Walter Lüthi

#### Member of the Board of Directors, Member of the Nomination and Compensation Committee and Member of the Audit Committee

Walter Lüthi initially obtained a basic technical education and is a graduate of a college-level business management programme. From 1973 to 1978 he worked in research and development at Autophon AG, a specialist for telecommunications devices. From 1978 he was Senior Account Manager at Burroughs AG and in 1983 he joined Hawe-Neos Dental AG as Head of European Sales. In 1986 Walter Lüthi went into business for himself and in the following years established two companies active in the fields of consulting and electronic media. After their successful start-up he sold them and subsequently accepted a position as Executive Manager of the Swiss operations of ADIA Interim AG in Zurich. In 1992 he was retained by the Board of Directors of Intersport E+H Holding AG to turn the company around, after which he was elected to its board. In 1993 Walter Lüthi assumed the Chairmanship of

Mühlebach Holding AG with a mandate to focus on modernising the group and setting up new business areas. In 1998 he established Success Factory AG and has been engaged as a professional investor and as a professional director. In the ensuing years he advised Swisscom AG on strategic issues and he managed Betty Bossi AG as CEO from 2000 to 2015, where he played a crucial role in the very successful advancement of the Betty Bossi brand.

**Other activities and functions:** Walter Lüthi is the owner and Chairman of Success Factory AG, Lucerne, Chairman of the Board of Directors of Artum AG, Zurich, a member of the Advisory Board of Artum's subsidiary Wingert Foods GmbH, Cuxhaven, a member of the Board of Directors of Büro Schoch Werkhaus AG, Winterthur, a member of the Board of Directors of Alipro AG, Hittnau, a member of the Board of Directors of Bergbahnen Destination Gstaad AG, Gstaad, and a member of the Advisory Board of Isolutions AG, Bern.

## Monika Schüpbach

### Member of the Board of Directors

Monika Schüpbach's educational background is in business and office administration and she holds a business administration diploma accredited by the Business School Switzerland. Before joining Steigenberger Hotel Group in 1991, Monika Schüpbach held various positions in the hotel industry, such as executive assistant and reception manager in Gstaad and Adelboden. From 1991 she was the HR and Administrative Manager of the Steigenberger Hotel Gstaad-Saane and was promoted to Deputy Managing Director four years later. In 1999 she transferred to Steigenberger Hotels AG in Zurich as Deputy Managing Director and Head of Accounting and Controlling. In 2004 she was named Commercial Director of Steigenberger Flughafen Gastronomie in Frankfurt am Main, Germany, where she was in charge of restructuring the unit's administrative operations, optimising its operating performance and overhauling its IT system. In 2005 Monika Schüpbach was named Delegate to the Board of Directors of Steigenberger Hotels AG and successfully managed the company as CEO for almost a decade. In 2014 she established her own consultancy, T2 Think twice Consulting by Monika Schüpbach, with a focus on strategy, process and organisational development in the hotel, food service and tourism industries.

**Other activities and functions:** Monika Schüpbach is a Delegate of the Board of Directors of Steigenberger Hotels Aktiengesellschaft.

## Markus Voegeli

### Member of the Board of Directors and Member of the Audit Committee

Markus Voegeli holds a Master of Business Administration from the University of Zurich. Upon graduation, he managed controlling operations at Swissair's Department Europe 1 and in 1991 assumed the position of Project Manager at Swissair Beteiligungen AG. From 1993 to 1995, he managed Gate Gourmet's international projects for strategic business development and later joined Icarus Consulting as a partner and deputy managing director. In 1996 he assumed the position of CFO of Nuance Global Traders in Sydney, which, at that time, operated about 60 tax and duty-free shops in Australia and New Zealand. After overseeing its successful financial turnaround, Markus Voegeli was retained by Swissôtel Group to establish its global corporate finance organisation and manage its in-house property management company in 1998. In 2001 he joined the start-up MediCentrix AG as CFO, assumed overall executive responsibility for the company two years later and guided the fast-growing company into the profit zone. From 2004 he served as CFO of Valora Management AG for approximately four years. Markus Voegeli supported the industrial company Rieter Management AG during the 2008/2009 financial crisis in financial issues and managed restructuring projects. From 2009 to 2017, he worked for Charles Vögele Trading AG, initially as CFO and from 2012 on as CEO, guiding the company through a process of restructuring, realignment and M&A. In 2018 Markus Voegeli established his own advisory company LMV Services GmbH, with a focus on business consulting. Since July 2019 he also acts as Director Finance and Services at the Psychiatric University Hospital Zurich (PUK).

**Other activities and functions:** Markus Voegeli is a member of the Board of Directors of Grand Resort Bad Ragaz AG, Bad Ragaz.

### **Provisions of the Articles of Association governing other activities and functions**

The members of the Board of Directors may simultaneously carry out no more than five additional mandates outside the Group in the supreme managing or supervising body of other listed companies, and eight such mandates at unlisted entities that are obliged to be entered in the Swiss Commercial Register or a comparable foreign register. If a member does not reach the maximum number of mandates at listed companies, the number of mandates permitted at unlisted entities increases accordingly. Subject to approval by the Board of Directors, a member may exceed these limits for a short period of time.

With the exception of the positions already listed under "Members of the Board of Directors", none of the directors holds any positions or exercises any activities of relevance to corporate governance in

- governing or supervisory bodies of an important organisation, institution or foundation under private or public law;
- a permanent management or consultancy function for important interest groups;
- a public or political office.

### **Elections and organisation of the Board of Directors**

The members of the Board of Directors are elected individually by the General Meeting for a term of office of one year up to the end of the next Annual General Meeting. Re-election is permitted.

The Chairman of the Board of Directors is elected by the General Meeting for a term of office of one year up to the end of the next Annual General Meeting. Re-election is permitted. If the Chairman is unable to perform his duties, the Board of Directors shall appoint one of its members as interim Chairman for the remaining term of office. If the Chairman is absent, the Vice Chairman or another member of the Board of Directors shall represent him.

The Board of Directors shall constitute itself subject to the provisions of the law and the Articles of Association. It shall appoint a Vice Chairman from among its members and may designate a secretary who needs not be a member of the Board of Directors.

Even for non-delegable and inalienable duties, the Board of Directors may form committees from among its members and entrust these committees or their individual members with the preparation and execution of its resolutions, the supervision of transactions and related special duties. The main role of the committees is to help the Board of Directors prepare the decision-making process, prepare resolutions, and fulfil its supervisory obligations. The committees do not have the power to pass resolutions. Two specialist committees, the Audit Committee and the Nomination and Compensation Committee, are appointed by the Board of Directors as standing committees.

The Board of Directors meets as often as business requires, but no less than six times a year. The Board of Directors convened fourteen meetings between 1 January 2020 and 31 December 2020, eight of which were video conferences, three of which were telephone conferences and three physical meetings. In addition there was a Board of Directors' workshop. No resolution was adopted by means of circular letter. The meetings lasted approximately five hours each, the telephone conference approximately 45 minutes, the workshop two days. All members were in attendance at all meetings held during their term of office.

Any director may request the Chairman to call a Board meeting or to add an item to the agenda. Besides the directors, the Board meetings are attended by the CEO and CFO and may, depending on the agenda items, be attended by other members of the Management Team.

The Board of Directors has a quorum if and as long as at least the majority of its members are present. Resolutions shall be passed by the majority of the votes of the members present. Each member shall have one vote. The Chairman shall have the casting vote.

### **Compensation, shareholdings and loans**

Information on the compensation and shareholdings of members of the the Board of Directors and any loans extended to them is presented and explained in the "Compensation Report" along with the applicable regulations.

### Function and powers

The Board of Directors is, subject to the duties and powers of the General Meeting, the Company's supreme management body. The Board of Directors is further responsible for the ultimate supervision of the Company. The Board of Directors shall have the power to perform all acts that the business purpose of the Company may entail. The Board of Directors shall be authorised to pass resolutions on all matters that are not reserved to another corporate body by law or by the Company's Articles of Association.

According to Art. 18 of the Company's Articles of Association the Board of Directors has, in particular, the following non-delegable and inalienable duties:

- Ultimate management of the Company and issuance of the necessary directives;
- Establishment of the organisation;
- Structuring of the accounting system, of the financial controls and of the financial planning;
- Appointment and removal of the persons entrusted with the management, and assignment of signing authority;
- Ultimate supervision of the persons entrusted with the management, in particular, in view of compliance with the law, the Articles of Association, regulations and directives;
- Preparation of the business report and the Compensation Report as well as preparation of the General Meeting and implementation of its resolutions;
- Passing of resolutions regarding the subsequent payment of capital with respect to not fully paid-in shares, and amendment of the Articles of Associations to that effect;
- Passing of resolutions regarding capital increases, to the extent that they are in the power of the Board of Directors (Art. 651 Para. 4 CO), recording of capital increases, preparation of the capital increase report, and amendment of the Articles of Association to that effect;
- Non-delegable and inalienable duties and powers of the Board of Directors pursuant to the Merger Act and other laws;
- Notification of the court in case of over-indebtedness.

According to Art. 3.4 of the Organisational Regulations, moreover, the Board has the following exclusive powers and duties:

- Approval of the business strategy, passing of resolutions on the commencement of new and cessation of existing business activities, as well as approval and adoption of the Company's budget;
- Approval of transactions that the CEO or the Executive Committee, in accordance with the rules on the division of powers issued by the Board of Directors, has to submit to the Board of Directors or voluntarily submits to the Board of Directors;
- Adoption and any amendment or modification of any employee incentive programme, such as share schemes, stock option plans, restricted stock purchase agreements, etc.;
- Issuing bonds (including bonds with warrants and options) or other financial market instruments;
- Decisions on entering into any financial commitments or contingent liabilities exceeding CHF 2 million that are not within the budget approved by the Board of Directors.

In addition to its powers and duties as set out in the Company's Articles of Association and organisational regulations, the Board of Directors is increasingly addressing sustainability challenges.

To the extent allowed by the law, and subject to the powers reserved for the Board of Directors by the Articles of Association and the Organisational Regulations, the Board of Directors delegates the entire management of the Company's operational business to the Executive Committee.

#### Firm commitment to sustainability

Sustainability is an integral part of our business operations. In 2021 it will become even more deeply embedded at all levels of the organisation. This means it will become part of the fundamental duties and responsibilities assigned to the Board of Directors and the entire manage-

ment team. Sustainability is a relevant factor in determining the short-term variable compensation of top management and in the proposed new long-term variable compensation plan. Between 15% and 25% of the corresponding compensation will be based on the progress made toward achieving the given sustainability goals.



As detailed in Art. 3.5 of the Company's Organisational Regulations, the Board of Directors has delegated certain duties to the Chairman of the Board of Directors. The Chairman of the Board of Directors convenes and chairs Board meetings and General Meetings. He also represents the Board of Directors in dealings with the public, the authorities and shareholders. The Chairman ensures that all directors are informed in a timely and sufficient manner. He also monitors the implementation of resolutions adopted by the Board.

In the case of exceptional, very urgent events, the Chairman is authorised and obliged to order immediate measures even if they are within the competence of the Board of Directors as a whole. The Board of Directors must as soon as possible be informed and appropriately involved in the decision-making process.

#### **Board self-evaluation**

ORIOR promotes rolling and continuous improvement. A time window is scheduled immediately after the formal close of every board meeting to discuss potential for optimisation and engage in reflective learning, and appropriate action is then initiated. In addition, the Board of Directors evaluates, analyses, and discusses the board's method of operation, quality (effectiveness) and composition once a year within the scope of a periodic self-evaluation. This evaluation covers the performance of the individual board members and board committee as well as the performance of the entire board.

#### **Audit Committee**

The Audit Committee is a standing committee pursuant to Art. 4.1 of the Organisational Regulations that is formally appointed by the Board of Directors. Its main role is to help the Board of Directors fulfil its supervisory obligations to the extent that this concerns the integrity of the financial statements, compliance with legal and regulatory guidelines, the performance of the internal control system and appraisal of the performance of the internal and external auditors.

The Audit Committee consists of at least three members of the Board of Directors. The Board of Directors appoints the members of the Audit Committee and its Chairman for a term of one year from among independent members of the Board of Directors who are not involved in operational management of the Company. At least one of the members of the committee possesses relevant, up-to-date knowledge of accounting and financial matters (Financial Expert). As of 31 December 2020, the Audit Committee consisted of Markus R. Neuhaus, Dr. iur., (Chairman, Financial Expert), Walter Lüthi and Markus Voegeli. Andreas Lindner, CFO ORIOR Group, attended the meetings of the Audit Committee without voting rights.

The Audit Committee has the following responsibilities:

- To review and assess the effectiveness of the external and internal auditors, in particular their independence;
- To review and assess the audit scope and plan, the examination process and the results of the external and internal audit, and to examine whether the recommendations of the external and internal auditors have been implemented;
- To review the auditors' reports and to discuss them with the auditors;
- To make recommendations about the appointment of the external auditor, which the Board of Directors can then put to shareholders for approval at the General Meeting;
- To approve the remuneration and terms of engagement of the external auditor;
- To assess internal controls as well as the risk management system and risk mitigation measures set up by management;
- To assess compliance with statutory and regulatory rules, Organisational Regulations and corporate governance within the Company;
- To review in cooperation with the auditors, the CEO and the CFO whether the accounting principles and financial control mechanisms of the Company and its subsidiaries are appropriate to the size and complexity of the business;
- To review and discuss with management and auditors the annual and interim statutory and consolidated financial statements and any other Company documents relating to the accounts, prior to submission to the Board of Directors;

- To consider any other matters as may be requested by the Board of Directors;
- To review its own performance and effectiveness, and recommend any necessary changes to the Board of Directors.

The committee holds at least four regular meetings a year. It can convene additional meetings at its discretion. During the period from 1 January 2020 to 31 December 2020 the Audit Committee held six meetings, four of which were video conferences and two of which were physical meetings. All members of the Audit Committee attended all meetings held during the year under review.

#### **Nomination and Compensation Committee**

The Nomination and Compensation Committee is a standing committee pursuant to Art. 4.2 of the Organisational Regulations that is formally appointed by the Board of Directors. Its main role is to help the Board of Directors prepare the decision-making process, prepare resolutions, and fulfil its supervisory obligations. In terms of its organisation and duties, the Committee meets all the requirements of a compensation committee as defined in Art. 7 OAEC and Art. 23 of the Company's Articles of Association.

More information about the organisation and the responsibilities and duties of the Nomination and Compensation Committee can be found in the "Compensation Report" of this Annual Report.

#### **Division of powers and responsibilities between the Board of Directors and the Executive Committee**

The Board of Directors bears ultimate responsibility for the business activities and affairs of the Company and the Group. The Board of Directors has delegated responsibility for operational management of the Company to the Executive Committee within the limits imposed by law and in accordance with the Company's Organisational Regulations. The CEO chairs the Executive Committee and is authorised to issue instructions to the other members. The members of the Executive Committee conduct their day-to-day business on their own initiative within the framework of the corporate strategy, corporate targets and budgetary targets approved by the Board of Directors.

The demarcation lines between the responsibilities of the Board of Directors and the Executive Committee have been laid down in the Organisational Regulations of ORIOR AG.

The Organisational Regulations, the Audit Committee Charter and the Nomination and Compensation Committee Charter can be downloaded from the Company's website at <https://orior.ch/en/corporate-governance>.

#### **Reporting and control instruments in dealings with the Executive Committee**

At each meeting of the Board of Directors the CEO reports on the general course of business, any deviations from budget and significant business occurrences.

During the periods between meetings the members of the Board of Directors receive monthly written reports on the general course of business and the Company's financial situation. These monthly reports contain up-to-date information on the course of business and detailed comments on the results of the Group, the individual segments and the competence centres. They also contain information on the Company's share price and developments relating to shareholder structure.

Once a year the Board of Directors holds a strategy workshop that lasts approximately two days to review strategic goals, risk management policy and the medium-range forward planning for the following three years, among other matters. Planning is discussed in detail with the heads of the competence centres. The Board of Directors is directly briefed on the ongoing strategic and operational projects and the results achieved during these discussions.

In addition to the above-mentioned 3-year plan, the Board of Directors also receives projections of the expected annual results on a rolling basis, at minimum twice a year. During the year under review, due to the extraordinary situation with the coronavirus, the Board of Directors was informed of current events and developments and the resulting projections on a much more frequent basis.

Furthermore, the Chairman of the Board of Directors maintains close contact with the CEO. The course of business and all major issues of corporate relevance are discussed at regular meetings scheduled at least twice a month. The Chairman of the Board of Directors is closely involved with the Company and focuses his attention primarily on strategic issues and projects. Each member of the Board of Directors can request information on the course of the Company's business from persons entrusted with management of the Company. Any exceptional incidents must be reported to the members of the Board of Directors either by the CEO or the Chairman of the relevant committee without delay.

### **Risk management**

The ORIOR Group has risk management systems in place at all its Group companies. Potential risks are reviewed periodically and significant risks to which the Company is exposed are identified and assessed for probability of occurrence and effect. Action to manage and contain these risks is approved by the Board of Directors. In addition to this periodic risk review by the Board of Directors, the ORIOR Group practices active risk management at the Group's competence centres as an integrated part of the planning processes. Risks in connection with the repercussions of the pandemic have received considerable attention in the Company's risk management process since March 2020 and this will remain so for the foreseeable future. The primary focus is on protecting employee health and the Company's supply capabilities, which is directly dependent on safe and healthy workforce.

### **Internal Control System**

The Internal Control System (ICS) is constantly being expanded and improved. The ICS contributes to the continual improvement of ORIOR's business activities and is designed to ensure that the necessary procedures and tools for identifying and controlling risk are in place. It fulfils Swiss legal requirements and is adequate for the needs of a group of ORIOR's size.

The ORIOR Group's ICS is based on the COSO framework. Besides the controls ensuring adherence to strategic and operating targets as well as regulatory compliance, the main priorities of the ICS are to monitor risks in connection with the financial reporting activities of all Group companies.

Compliance with the ICS and its effectiveness is reviewed on a regular basis by external auditors. The external auditors also perform appropriate test procedures to ascertain whether an ICS exists, which they must confirm in their audit report.

### **Internal auditing**

The internal auditors support the Board of Directors in fulfilling its tasks of control and supervision, particularly within the Group's subsidiaries. The internal auditors provide an independent and objective auditing and consultancy service aimed at creating added value and improving business processes. Internal auditing supports the Company in the achievement of its aims by using a systematic and targeted approach to evaluating the effectiveness of risk management, controls and management and supervision processes, and helping to improve these.

The tasks of internal auditing include the following activities:

- Auditing and assessing the appropriateness and effectiveness of planned and existing internal controls;
- Supporting the exchange of best practices and know-how within the organisation;
- Verifying the reliability and integrity of ORIOR's financial and operational information, including the ways and means for the identification, measurement, classification and reporting of such information;
- Checking the systems established by management to ensure adherence to guidelines, workflows, laws and statutory regulations that may have a significant influence on operations or on compliance;
- Checking and assessing the economic and efficient use of resources;
- Checking work processes and projects to ensure that specified targets are achieved and that work processes and projects are executed as planned.

The internal auditors are functionally independent and have no competence to issue instructions or make decisions in regard to any part of the Company being audited. They report directly to the Audit Committee. Administratively, the internal auditors are managed by the Executive Committee. Both internal and external resources can be used to carry out their tasks.

In cooperation with the Audit Committee, the internal auditors draw up a strategic audit plan at regular intervals, which is presented to the Board of Directors for approval. On the basis of this multi-year plan, an operational audit plan is devised by the internal auditors, setting out in detail the planned audits to be carried out over the following year. This plan is presented to the Audit Committee for approval. In addition the Board of Directors can issue special instructions to the internal auditors. The focus of their review in 2020 was on revenue markdowns and distribution processes.

Following each completed audit, the internal auditors draft a written audit report. In addition to the findings and recommendations of the internal auditors, this report contains input from management, stating the planned measures in response to the findings of the report and the period of time required for the completion of these measures. The Executive Committee verifies the implementation of the defined measures and keeps the Audit Committee informed on an ongoing basis.

From 2011 internal auditing has been outsourced to PricewaterhouseCoopers. The internal auditors did not attend any meetings of the Board of Directors in 2020 but they did attend one meeting of the Audit Committee during the year under review.

The external auditors are provided with information concerning the audit plan and the auditing activities of the internal auditors, and also receive the audit reports. The internal auditors have access to the reports of the external auditors.

#### 4. Executive Committee

The Executive Committee is responsible for the operational management of ORIOR and for all affairs which do not lie within the responsibility of the Board of Directors or another body according to the law, the Articles of Association or the Organisational Regulations. The delegation of duties and responsibilities by the Executive Committee to third parties or subordinate bodies is permitted. Ultimate responsibility for all Executive Committee tasks pursuant to the Organisational Regulations of ORIOR AG and the related decision-making authority rest with the CEO and the Executive Committee. The CEO issues the necessary regulations and arranges appropriate measures as required. To broaden the Company's leadership base and ensure the seamless cascading of information, an Extended Executive Committee consisting of representatives and specialists from various business units and geographically and/or thematically organised Management Committees has been formed to address overarching management tasks. The Executive Committee holds institutionalised meetings with the members of the Extended Executive Committee and the Management Committees on a regular basis.

##### Members of the Executive Committee

The members of the Executive Committee are appointed by the Board of Directors upon recommendation by the CEO and a corresponding recommendation by the Nomination and Compensation Committee. There were three persons on the Executive Committee as of 31 December 2020. The following table provides an overview of the members of the Executive Committee as of 31 December 2020, the year of birth, the nationality, the function within the Group and the year they were appointed to the Committee.

Name	Year of birth	Nationality	Position	Year of appointment
Daniel Lutz	1966	Swiss	CEO ORIOR Group	2015
Andreas Lindner	1965	Swiss	CFO ORIOR Group	2019
Filip De Spiegeleire	1961	Belgian	Head ORIOR Europe and Culinor Food Group	2016

##### Changes in the Executive Committee

There was no change in the composition of the Executive Committee of ORIOR Group during the 2020 financial year.

## ORIOR Executive Committee



Daniel Lutz (CEO ORIOR Group)



Andreas Lindner (CFO ORIOR Group)



Filip De Spiegeleire (Head ORIOR Europe and Culinor Food Group)

### Daniel Lutz

#### CEO ORIOR Group

Daniel Lutz graduated from the Executive Development course at IMD Lausanne and obtained a Bachelor of Business Administration degree from the St. Gallen University of Applied Sciences. From 1992 to 2001 he worked for Nestlé Switzerland in various sales and marketing roles. Between 2002 and 2004 he was Marketing Manager at Nestlé for the development and strategic implementation of the ice cream market in Malaysia and Singapore. From 2004 to 2006 he did the same job for Nestlé in Mexico. In 2006 he was appointed as Marketing Director Nestlé Ice Cream Switzerland and one year later, in 2007, took charge of Nestlé Frisco Findus in Rorschach as Division Executive Manager. In 2011 Daniel Lutz moved to Nestlé China Ltd., where he was responsible for ice cream and frozen foods for two years. He then became Managing Director with overall responsibility for Nestlé Food & Beverage Greater China Region. In October 2014 the Board of Directors of ORIOR AG appointed him as CEO; he took over operational management of the Group in February 2015.

**Other activities and functions:** none.

### Andreas Lindner

#### CFO ORIOR Group

Andreas Lindner holds a degree in economics from the University of Basel (lic. rer. pol.). He began his professional career in 1994 at F. Hoffmann-La Roche AG in Basel, working as a Controller for the company's Latin American pharma operations. From 1996 to 1998 he was Head of the Controlling department and assistant to the Financial Director of Roche Argentina Ltd. in Buenos Aires. Afterwards he was appointed Director of Finance and Administration at Roche International Ltd. in Montevideo. Andreas returned to Switzerland in 2001 to serve as CFO of the Fine Foods Division of Mövenpick Foods International Ltd. in Cham. From 2003 to 2005 he was CFO of Burger Söhne Group in Eich and from 2006 to 2007 CFO of AO Foundation, a subsidiary of Synthes AG, in Davos. In 2008 he joined Ricola Management AG, where he served as CFO of Ricola Group for more than 10 years, and as Deputy CEO from 2014 on. In March 2019, the Board of Directors of ORIOR AG appointed Andreas Lindner as ORIOR Group's new CFO and a member of the Executive Committee. He assumed his new role at ORIOR at the end of October 2019.

**Other activities and functions:** Andreas Lindner is a member of the Board of Directors of the Felix Platter Hospital in Basel and chairs its Audit Committee and he is a member of Patria Cooperative in Basel.

## Filip De Spiegeleire

### Head ORIOR Europe and Culinor Food Group

Filip De Spiegeleire holds an MBA from the Drucker School of Management of Claremont Graduate University in Los Angeles (USA). He joined Amando NV, his family company specialising in fine meats, in 1987 and managed the company as its CEO from 1992 to 2000. In 1989 Filip De Spiegeleire established its own company Culinor, a company that specialises in premium fresh convenience food, and, as a result of the increased focus on the growing market of fresh convenience food, Amando was sold in 2000. Under the leadership of its founder and CEO Filip De Spiegeleire, Culinor developed into a successful food group that is well-known in the Benelux. In August 2016 Culinor Food Group became an autonomous competence centre of ORIOR. Filip De Spiegeleire continues to lead Culinor Food Group and was named Head ORIOR Europe as well as appointed to the Executive Committee of ORIOR.

**Other activities and functions:** Filip De Spiegeleire is the managing director of Espejo BV and a member of the Board of Directors of Pâtisserie Alsacienne Bloch NV.

### Other activities and functions

According to the Articles of Association and subject to approval by the Board of Directors, members of the Executive Committee may simultaneously carry out no more than one additional mandate outside the Group in the supreme managing or supervisory body of another listed company, and four such mandates at unlisted entities that are obliged to be entered in the Swiss Commercial Register or a comparable foreign register. A member may exceed these limits for a short period of time.

With the exception of the positions already listed under "Members of the Executive Committee", none of the Executive Committee members holds any positions relevant to corporate governance in

- Governing or supervisory bodies of an important organisation, institution or foundation under private or public law;
- A permanent management or consultancy function for important interest groups;
- A public or political office.

### Management contracts

There are no management contracts.

### Compensation, shareholdings and loans

Information on the compensation and shareholdings of members of the Executive Committee and any loans extended to them is presented and explained in the "Compensation Report" along with the applicable regulations.

## 5. Shares held by members of governing bodies

As of 31 December 2020, the members of the Board of Directors and the Executive Committee held the following shares:

Name and function	Freely disposable shares as of 31.12.2020	Restricted shares as of 31.12.2020 <sup>1</sup>	Total number of shares as of 31.12.2020	in %	Total number of shares as of 31.12.2019
Rolf U. Sutter, Chairman of the Board of Directors	107 633	350	107 983	1.66%	107 983
Markus R. Neuhaus, Vice Chairman of the Board of Directors <sup>2</sup>	580	0	580	0.01%	580
Monika Friedli-Walser, Member of the Board of Directors	3 755 <sup>3</sup>	350	4 105	0.06%	1 050
Walter Lüthi, Member of the Board of Directors	150	350	500	0.01%	500
Monika Schüpbach, Member of the Board of Directors	257	0	257	0.00%	0
Markus Voegeli, Member of the Board of Directors	200	0	200	0.00%	0
Daniel Lutz, CEO ORIOR Group	2 000	1 200	3 200	0.05%	3 200
Andreas Lindner, CFO ORIOR Group	755	0	755	0.01%	0
Filip De Spiegeleire, Head ORIOR Europe	7 100	800	7 900	0.12%	7 900
<b>Total</b>	<b>122 430<sup>3</sup></b>	<b>3 050</b>	<b>125 480</b>	<b>1.93%</b>	<b>121 213</b>
Total ORIOR Shares			6 517 499	100.00%	6 517 499

<sup>1</sup> Shares held under the stock ownership plan (see "Employee stock ownership plan," p. 54 f).

<sup>2</sup> Appointed Vice Chairman of the Board of Directors of ORIOR AG effective 25 February 2020.

<sup>3</sup> Including participation of a closely related person.

A former member of the Board of Directors holds 350 ORIOR shares that were purchased in 2018 within the framework of a stock ownership programme; these shares are restricted until 31 July 2021. Under the same programme a former member of the Executive Committee purchased 1 100 ORIOR shares, restricted until 31 July 2021.

Members of the Board of Directors and the Executive Committee are granted no special terms or rights when purchasing shares other than those offered under the share purchase offer.

### Introduction of minimum stock ownership guidelines for members of the Board of Directors and the Executive Committee

As part of the ongoing revision of the stock ownership and compensation policies of ORIOR Group, it was decided to introduce minimum stock ownership guidelines for the members of the Board of Directors and the Executive Committee from 1 January 2021 onwards. The minimum requirement for each role is listed below. The minimum ownership level can be achieved by means of stock awards (partial payment of variable compensation in shares), by means of stock purchase offers (e.g. through the stock ownership plan) or through purchases

in the open market. All individuals will have three years to comply with these requirements and should satisfy at least half of the applicable requirement within two years after becoming subject to the requirements. This proposal and the disclosures that are of interest to the public will be formulated in the organisational regulations and published during the first half of 2021.

Role	Minimum ownership
Chairman of the Board	1.5x base salary
Members of the Board of Directors	1.0x base salary
CEO of ORIOR Group	1.5x base salary
Members of the Executive Committee	1.0x base salary

## 6. Shareholders' rights of participation

### Restriction of voting rights, voting by proxy

Holders of registered shares are registered on request in the Company's share register, subject to their signature of a written statement expressly confirming that they have acquired the shares in their own name and for their own account.

Share capital held by any single Nominee must not exceed 2% of the Company's total issued share capital. The Board of Directors can permit registration of Nominees holding shares (with voting rights) in excess of this limit, provided that the said Nominees disclose the names, addresses, nationalities and shareholdings of the persons for whose account they are holding 2% or more of the Company's issued share capital. No registrations exceeding the 2% limit were made during the year under review.

At the General Meeting, each share carries one vote. Voting rights can only be exercised if the shareholder is registered (with voting rights) in ORIOR AG's share register. A shareholder with voting rights can have himself represented at the General Meeting by written proxy, either by a representative appointed by him, or by the independent proxy. The Board of Directors ensures that shareholders can also use electronic means to give power of proxy and instructions to the independent proxy. All shares held by a shareholder can only be represented by one person.

Persons who have been involved in the Company's management in any way whatsoever must abstain from voting on resolutions granting discharge to the Board of Directors. The Company's Articles of Association contain no other voting restrictions and their provisions on voting by proxy conform to Swiss law.

### Statutory quorum

Unless otherwise stipulated by mandatory law or by provisions contained in the Articles of Association, the General Meeting of Shareholders passes its resolutions and confirms elections by an absolute majority of the votes represented. Abstentions are disregarded for the purpose of establishing a majority.

Should the first ballot in any election fail to produce a valid result and if more than one candidate is standing for election, the Chair shall order a second ballot that is decided by a relative majority of the votes represented. Abstentions are disregarded for the purpose of establishing a majority.

### Convening of General Meeting

Ordinary General Meetings are convened by the Board of Directors and must be held annually within six months of the close of the Company's fiscal year. Invitations must be sent not less than 20 days prior to the date of the meeting. Extraordinary General Meetings shall take place as necessary, in particular in those cases stipulated by law. General Meetings are called by the Board of Directors or, if necessary, by the auditors or a liquidator.

Due to the extraordinary situation in connection with the pandemic, the Board of Directors decided that the Annual General Meeting would be held without the physical presence of shareholders, as prescribed in Article 6b of the COVID-19 Ordinance 2. In accordance with the guidelines and recommendations of the Federal Office of Justice, the number of participants was reduced to the bare minimum. Shareholders were able to exercise their voting rights only through the independent proxy. The only persons present at the Annual General Meeting on 4 June 2020 were Chairman Rolf U. Sutter, Thomas U. Reutter, Dr. iur., who took minutes of the meeting and counted the votes, attorney René Schwarzenbach as independent proxy, and Roman Sandmayr from the Hottingen-Zurich notary office, who prepared the official document certifying the decisions regarding agenda item 5. Martin Gröli, a representative of the auditors Ernst & Young AG, Basel, participated in the entire meeting by telephone.

The independent proxy represented 3 916 248 votes or 60.09% of total share capital, which corresponded to a nominal value of CHF 15 664 992. The Annual General Meeting voted for all of the board's proposals.

The Annual Report, the financial statements, and the consolidated financial statements for 2019 were approved, and the proposed dividend of CHF 2.32 per registered share was likewise approved. Discharge was granted to the members of the Board of Directors and the Executive Committee. Shareholders re-elected Rolf U. Sutter as Chairman for another one-year term and all other members of the board were likewise re-elected. At the subsequent constitutive meeting of the Board of Directors, the Board of Directors reappointed Markus R. Neuhaus, Dr. iur., as the Vice Chairman. The members of the Compensation Committee were also re-elected to another term of office. Ernst & Young AG, Basel, was re-elected as auditor for the 2020 financial year and attorney René Schwarzenbach was re-elected as independent proxy. The proposal to create a reduced amount of authorised capital for the period until 2022 was also approved by shareholders. The Annual General Meeting also approved the total amounts of compensation paid to the members of the Board of Directors and the Executive Committee.

#### **Inclusion of agenda items proposed by shareholders**

One or more shareholders whose combined shareholdings represent in the aggregate not less than 10% of the Company's share capital or an aggregate par value of not less than CHF 1 million can demand inclusion of an item in the agenda of a General Meeting. Such a demand must be received in writing by the Company's Board of Directors at the latest 60 days prior to the date of the meeting, stating the agenda item and the motions proposed by the shareholder(s).

#### **Entries into share register**

Unless other cut-off dates are stipulated by the Board of Directors, no entries into the share register are permitted as from the date of dispatch of the invitations to the General Meeting until the day after the date of the meeting.

#### **Strengthening shareholder rights**

As part of its firm commitment to good corporate governance, the Board of Directors of ORIOR will also review Company policy regarding shareholder rights and, where possible, proactively expand these rights – also in light of the revised Swiss corporate law. At the same time, the provisions in the Company's Articles of Association pertaining to the Ordinance Against Excessive

Compensation at Public Corporations (VegüV) will be reviewed and modified if necessary, taking into consideration the experiences gathered during the past 6 years. This exercise will also involve a critical examination of the current statutory provisions concerning the other activities and functions the members of the Board of Directors are allowed to hold.



## 7. Changes of control and defence measures

### Obligation to make an offer

According to the Swiss Financial Market Infrastructure Act (FMIA), shareholders or a group of shareholders acting in concert who acquire more than 33.3% of the voting rights of a company domiciled in Switzerland and listed on an exchange in Switzerland are required to issue a public offer to acquire all listed equity securities of that company. Although it is possible to opt out of this mandatory offer obligation by amending the Articles of Association ("opting-out", Art. 125 para. 3 FMIA) or to raise the minimum threshold for this mandatory offer obligation to as high as 49% of the outstanding ORIOR shares ("opting-up", Art. 135, para. 1, FMIA), there are no such clauses in ORIOR's Articles of Association. Therefore, the aforementioned mandatory offer obligation is applicable without any restrictions in the case of ORIOR shares.

### Clauses on changes of control

There are no change-of-control agreements with members of the Board of Directors or the Executive Committee or other executives.

## 8. Auditors

### Duration of mandate and term of office of Senior Auditor

Ernst & Young AG, Aeschengraben 9, 4002 Basel, Switzerland, have acted as auditors for ORIOR AG since 2006. Ernst & Young, Basel, were re-elected as Company auditors for another term of one year by the General Meeting on 4 June 2020. Martin Gröli (Partner) is the lead auditor and he has held this position since the audit of the 2019 financial statements. He already held the position of lead auditor for the 2015 fiscal year, due to the absence of Roger Müller.

### Auditing fees / additional fees

in CHF thousand	2020	2019	2018
<b>Auditing fees</b>			
<i>Fees for auditing the consolidated financial statements, annual financial statements and the Compensation Report</i>	366.3	351.3	338.5
<i>Non-recurring fees related to acquisitions and the change in accounting standards</i>	0.0	11.4	157.7
<b>Total Auditing fees</b>	<b>366.3</b>	<b>362.6</b>	<b>496.2</b>
<b>Additional fees</b>			
<i>Tax advisory</i>	21.7	20.1	28.6
<i>Legal advisory</i>	8.0	0.0	0.0
<i>Transaction-related services</i>	0.0	15.2	63.0
<i>Other audit-related services</i>	0.0	16.9	55.6
<b>Total additional fees</b>	<b>29.7</b>	<b>52.2</b>	<b>147.2</b>
<b>Total</b>	<b>396.1</b>	<b>414.8</b>	<b>643.4</b>

Auditing services consist of auditing work that needs to be performed in order to issue an opinion on the consolidated financial statements of ORIOR Group and the local statutory financial statements.

### Supervision and control of auditors

The Board of Directors exercises its responsibilities for supervision and control of the auditors through the Audit Committee. The Audit Committee prepares an annual appraisal of the independence and quality of the auditors and the fees paid to them. The Audit Committee also examines the audit plan and scope as well as the results of the external audit. In addition the Audit Committee coordinates cooperation between the external auditors and the internal auditors.

Besides the auditor's report on the financial statements and on pages 44–51 of the Compensation Report pursuant to Art. 17 OAEK, the auditor prepares a comprehensive report for the Board of Directors. This report contains the findings of its auditing activities (including an existence check on the internal control system) and its recommendations, as well as the status of findings and recommendations from previous audits. This report is discussed in detail with the Audit Committee. The Audit Committee also monitors whether and how the Executive Committee is implementing measures that have been approved on the basis of the external auditor's findings. To this end, the auditor will also draw up an annual status report for presentation to the Audit Committee. In addition the Audit Committee has regular meetings with the senior external auditors.

The external auditors participated in four meetings and telephone conferences of the Audit Committee in 2020, but they did not attend any meetings of the Board of Directors.

Selection procedure: the current auditors were elected in 2006 for the first time by the then shareholders of the Company. The grounds for selection of Ernst & Young AG were customary criteria such as quality and cost of services.

The performance of the external auditors and the fees paid to them were reviewed in a questionnaire circulated to functions at Group level and to staff responsible for financial matters at the audited Group subsidiaries. The questions focused mainly on efficiency of the audit process, the auditors' technical knowledge of accounting principles and their understanding of Group processes and procedures, validity of the priorities addressed in the audit and justification of the audit fees. Either the CFO or the Group Controller also attended all the exit meetings with the auditors at subsidiary company level.

The Audit Committee verifies that any additional services of the auditors not relating to the actual audit work are provided strictly within the framework of the regulations on independence of service providers. The auditors are required to confirm that their performance of these additional services will not affect the independence of their auditing mandate.

## 9. Information policy

ORIOR publishes an annual and an interim report every year containing information on its business operations and the financial results of ORIOR Group. ORIOR also provides information on current events and developments through press releases, employee and customer newsletters and through online publications at [www.orior.ch](http://www.orior.ch). As a company listed on SIX Swiss Exchange, ORIOR must comply with the rules governing ad hoc publicity, i.e. it is obligated to disclose potentially price-sensitive events and developments.

Ongoing communications with shareholders, the capital market and the general public are maintained by CEO Daniel Lutz, CFO Andreas Lindner and Head of Corporate Communications & Investor Relations Milena Mathiuet. E-mails can be sent to [investors@orior.ch](mailto:investors@orior.ch) at any time.

Interested persons may join our mailing list for ad-hoc disclosures and other Company information by visiting <https://orior.ch/en/news-service>.

### Events calendar

Annual General Meeting	26 April 2021
Publication of 2021 Half Year Results	17 August 2021
Publication of Half Year Report 2021	17 August 2021



# **ORIOR AG**

## COMPENSATION REPORT 2020

# Compensation Report

ORIOR makes every endeavour to attract, retain and develop talented, qualified and motivated executives and specialists. These endeavours are supported by a fair compensation system designed to match the levels of compensation offered by comparable corporations. With a view to facilitating sustainable corporate growth, due allowance is made for short-, medium- and long-term aspects.

This Compensation Report gives an overview of compensation paid to and, where applicable, loans granted to present and former members of the Board of Directors and the Executive Committee, and also of their holdings of shares in the Company. It also provides information on the compensation system and the basic principles of compensation, powers and duties, and the procedures for setting and approving compensation levels. This combination of quantitative and qualitative elements is designed to efficiently inform shareholders. Only the quantitative data reported for the corresponding year under review are examined by the auditors. The information on compensation paid to the Board of Directors and the Executive Committee is also in accordance with Swiss GAAP FER Accounting Standards, Swiss law, the Ordinance Against Excessive Compensation in Public Corporations (OAEC), the SIX Directive Corporate Governance (DCG), and the Company's Articles of Association.

## Pending changes

During the course of a periodic review of the compensation policies and practices of ORIOR Group and its long-term strategic goals, a decision was made to revise various elements of the Company's compensation and stock ownership policies. Resolutions regarding the introduction of a long-term incentive plan for the Executive Committee, minimum stock ownership require-

ments for members of the Board of Directors and the Executive Committee, and a revision and subsequent launch of the stock ownership plan were passed. The corresponding changes have already been worked out and are being implemented on an ongoing basis. **The sections highlighted in grey on the following pages contain information on the recent changes.**



## 1. Underlying compensation principles

The principles of the Company's compensation policy, the various elements of compensation and the approval process for determining compensation awards for the members of the Board of Directors and the Executive Committee are set out in the Articles of Association. The Articles of Association can be downloaded from ORIOR AG's website: <https://orior.ch/en/articles-of-association-of-orior-ag>.

### Compensation system

The compensation paid by the ORIOR Group consists of three principal elements – basic or fixed compensation, variable compensation and stock ownership plans.

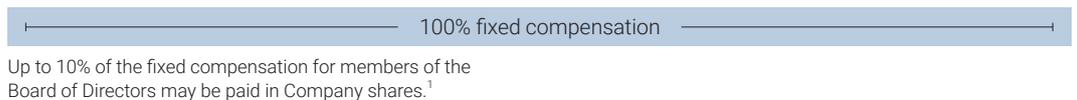
The fixed compensation is determined on the basis of reference salaries paid by comparable corporations, local market and wage standards and on the experience and ability of each individual employee. All persons whose employment contract with ORIOR is of unlimited duration receive fixed compensation equivalent to at least 50% of their total compensation. The fixed compensation is paid in cash. Part of the fixed compensation awarded to members of the Board of Directors can, however, be paid in shares.

The level of variable compensation is linked to achievement of quantitative and qualitative targets. The quantitative targets are based on Company results. The qualitative compensation is based primarily on predetermined aspects of individual performance and the extent to which they meet the given expectations. At least one-fifth of the variable compensation is based on qualitative targets. Part of the variable compensation awarded to members of the Executive Committee can be paid in shares. In addition to the Executive Committee, members of the Company's Extended Executive Committee, other executives and key employees are entitled to receive variable compensation.

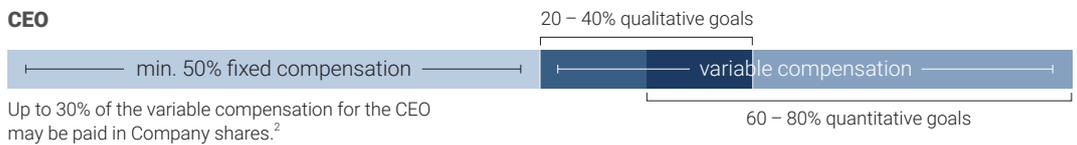
The third compensation element is a stock ownership plan. Stock ownership plans are designed as performance incentives for employees possessing specialist and personal capabilities that are of importance to ORIOR with the aim of creating a stronger bond between these employees and the Company. The Board of Directors reviews which employees are to be included in these programmes on an annual basis; participants may include members of top management, executives and other key employees.

The following rules provide a overview to the split between fixed and variable compensation. According to the Company's Articles of Association, variable compensation paid to the CEO and members of the Executive Committee must not exceed 50% of the total compensation paid to the person in question.

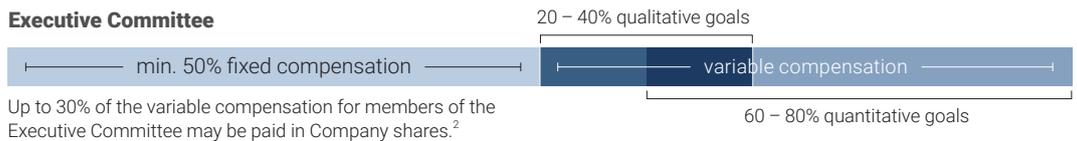
**Board of Directors**



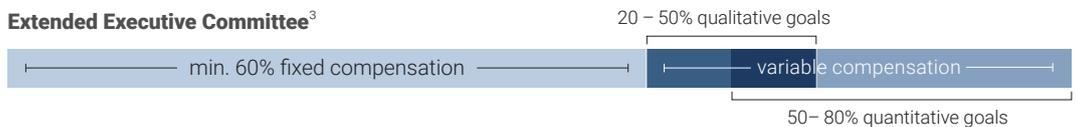
**CEO**



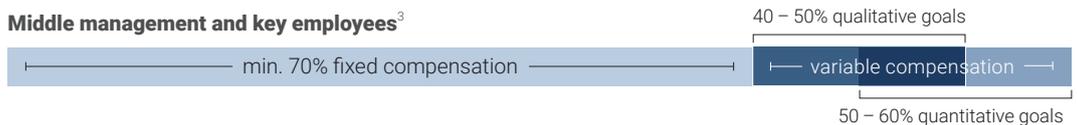
**Executive Committee**



**Extended Executive Committee<sup>3</sup>**



**Middle management and key employees<sup>3</sup>**



<sup>1</sup> According to the stock awards and stock purchase agreement (p. 46).

<sup>2</sup> According to the stock awards and stock purchase agreement (p. 52).

<sup>3</sup> Guidelines; individual figures may be different.

**Revision of compensation and stock ownership policies and practices**

During the course of a periodic review of the corporate governance practices of ORIOR Group and the formulation of its long-term strategic objectives, a decision was made to introduce a long-term incentive plan and a graded stock ownership plan. At the same time the performance criteria for top management

were specified more precisely and now include further ESG goals. Minimum shareholding requirements will also be introduced for the Executive Committee and the Board of Directors. The changes will be implemented from 2021 onwards. The ratio of fixed compensation to variable compensation with respect to the Board of Directors and the Executive Committee has not been changed.



### Responsibility and procedure for setting compensation levels

The Nomination and Compensation Committee is responsible for the design and the regular review and evaluation of the Company's compensation system. External experts are only used to help determine the compensation system in the event of a fundamental reorganisation. In the context of new appointments or promotions to Executive Committee level, function-specific benchmarks are used depending on the situation, with companies from the convenience food sector (to which the ORIOR Group belongs) forming the reference market.

Responsibilities for the various levels of the hierarchy are as follows:

Recipient of compensation	Compensation recommendation	Compensation decision	Approval required from General Meeting
<b>Member of the Board of Directors</b>	Nomination and Compensation Committee	Board of Directors as recommended by the Nomination and Compensation Committee	Yes: maximum total amount of fixed compensation to be paid to the Board of Directors
<b>CEO</b>	Nomination and Compensation Committee	Board of Directors as recommended by the Nomination and Compensation Committee	Yes: maximum total amount of fixed compensation to be paid to the Executive Committee and total amount of variable compensation to be paid to the Executive Committee.
<b>Members of the Executive Committee (excl. CEO)</b>	Nomination and Compensation Committee as proposed by CEO	Board of Directors as recommended by the Nomination and Compensation Committee	
<b>Extended Executive Committee, Management Committees and key employees reporting directly to CEO</b>	CEO	Nomination and Compensation Committee as recommended by CEO	No
<b>All other employees</b>	Line manager	Line manager in consultation with their supervisor	No

At the request of the Nomination and Compensation Committee, the Board of Directors annually approves the compensation payable to each member of the Board of Directors and the compensation payable to individual members of the Executive Committee. Its proposals for salaries payable to the Executive Committee (excl. CEO) are prepared in advance by the CEO and submitted to the Nomination and Compensation Committee. Individual members of the Board of Directors abstain from voting on the resolution approving payment of their personal compensation.

The Board of Directors decides on the amounts of compensation paid to its members and members of the Executive Committee and then proposes this to the General Meeting for binding approval pursuant to Art. 18 OAEC and Art. 26 and Art. 29 of the Company's Articles of Association.

The extent to which the targets of relevance for the calculation of variable compensation have been attained is determined, in the case of the CEO, by the Board of Directors based on a proposal submitted by the Nomination and Compensation Committee and, in the case of the other Executive Committee members, by the Nomination and Compensation Committee based on a proposal submitted by the CEO. The full Board of Directors will determine the total amount of variable compensation for the members of the Executive Committee for the last fiscal year and submit a corresponding resolution to the General Meeting for approval in a binding vote.

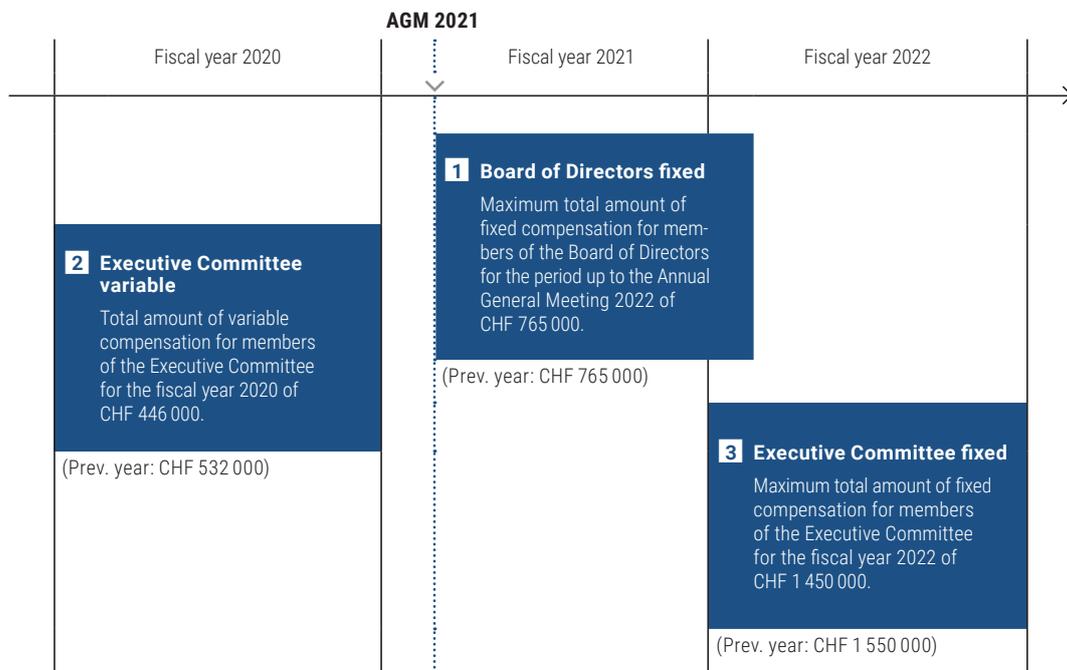
**Approval mechanism for compensation paid to the Board of Directors and the Executive Committee**

Shareholders vote on the following elements of compensation at the Annual General Meeting of Shareholders:

- 1 Binding vote on the maximum total amount of fixed compensation to be paid to members of the Board of Directors for the period up to the next Annual General Meeting.
- 2 Binding vote on the total amount of variable compensation to be paid to members of the Executive Committee for the last fiscal year.
- 3 Binding vote on the maximum total amount of fixed compensation to be paid to members of the Executive Committee for the next fiscal year.

Owing to the rules set out in the Articles of Association, there is no need for the General Meeting to approve additional compensation for new Executive Committee members pursuant to Art. 19 OAEC. For more information about the additional amount, please see "Additional amount for new Executive Committee members" on page 50 of this Compensation Report.

The following chart shows which components of compensation and for which periods the shareholders will be voting on at the Annual General Meeting of 26 April 2021.



**Introduction of a long-term incentive plan**

A long-term incentive plan is planned to be introduced with the beginning of the strategy period in 2021 as a means of placing greater emphasis on long-term strategic goals in the compensation policy. In an initial phase, the members of the Executive Committee will participate in this stock-based plan. The performance metrics on which the plan is based include organic top-line growth, environmental or ESG achievements, and the development of the Company's ROCE and share price. The underlying statutory

basis for the compensation policy and approval mechanism will be submitted to the Annual General Meeting on 26 April 2021 for approval. Further information on the plan and the compensation amounts will be presented as well. An overview and graphic depiction of the pending changes that have already been finalised can be found on page 48 of this report. If shareholders approve this proposal, the new incentive plan will take effect retroactively to 1 January 2021.



## 2. Nomination and Compensation Committee

The Nomination and Compensation Committee is a standing committee that is formally appointed by the Board of Directors. Its main role is to help the Board of Directors prepare the decision-making process, prepare resolutions, and fulfil its supervisory obligations. In terms of its organisation and duties, the committee meets all the requirements of a compensation committee as defined in Art. 7 OAEK and Art. 23 of the Company's Articles of Association.

The Nomination and Compensation Committee consists of at least three members of the Board of Directors. The members are elected individually by the General Meeting for a term of office of one year up to the end of the next Annual General Meeting. The majority of members are independent and non-executive. The Board of Directors appoints the Chairman of the committee from among its members. On 31 December 2020 Monika Friedli-Walser (Chairwoman), Walter Lüthi and Rolf U. Sutter sat on the Nomination and Compensation Committee.

The Nomination and Compensation Committee has the following responsibilities and duties according to Art. 23 of the Company's Articles of Association and according to the Nomination and Compensation Committee Charter:

- To ensure long-term planning of appropriate appointments to positions on the Board of Directors and the Executive Committee; and general management development and succession planning to ensure the Company has the best possible leadership and management talent;
- To nominate candidates to fill vacancies on the Board of Directors or the position of CEO;
- To appoint candidates for the Executive Committee in response to proposals by the CEO;
- To make recommendations to the Board of Directors on the composition of the Board of Directors and to identify appropriate candidates;
- To make determinations regarding the independence of members of the Board of Directors;
- To recommend to the Board of Directors whether to reappoint a director at the end of their term of office;
- To recommend to the Board of Directors the terms of employment of the CEO and members of the Executive Committee;
- To submit proposals to the Board of Directors on the definition of principles for compensating the members of the Board of Directors and Executive Committee within the parameters of the law and the Articles of Association;
- Regularly to check the Company's compensation system for compliance with the compensation principles pursuant to the law, Articles of Association, Regulations and the remuneration-related resolutions of the General Meeting;
- To review matters related to the general compensation rules for employees as well as the Company's human resource practices;
- To submit proposals to the Board of Directors about the amounts of fixed compensation to be paid to members of the Board of Directors;
- To submit proposals to the Board of Directors on the assessment criteria for qualitative and quantitative targets for calculating variable compensation paid to members of the Executive Committee;
- To submit proposals to the Board of Directors about the amounts of fixed and variable compensation to be paid to the CEO;
- To recommend to the Board of Directors in response to a proposal by the CEO the amounts of fixed and variable compensation paid to members of the Executive Committee;

- To approve the amounts of fixed and variable compensation paid to middle management and to key employees who report directly to the CEO, based on a proposal by the CEO;
- To submit the Compensation Report to the Board of Directors for approval;
- To make recommendations to the Board of Directors regarding share-based compensation and stock ownership plans for employees at all levels;
- To consider any other matters as may be requested by the Board of Directors;
- To take all other action required of it by law, the Articles of Association or the Regulations;
- To review its own performance and effectiveness, and recommend any necessary changes to the Board of Directors.

The Nomination and Compensation Committee meets at least two times a year at regular meetings called by the committee chairperson. The CEO, members of the Executive Committee or other guests may be invited, but hold no voting rights. During the period from 1 January 2020 to 31 December 2020 the Nomination and Compensation Committee held five meetings. All members attended all meetings held during their term of office.

### 3. Compensation awarded to the Board of Directors

The elements of compensation, the mechanisms by which these are approved, as well as other principles underlying the compensation paid to the Board of Directors are set out in the Company's Articles of Association.

#### Components of compensation

Members of the Board of Directors receive fixed compensation for their role. Additional payments may be made for membership in committees or for taking on special responsibilities or tasks. The members of the Board of Directors are compensated in cash. Part of their compensation may be paid in shares of the Company (allocation). For activities in legal entities directly or indirectly controlled by the Company, and for mandates performed as part of the member's position on the Board of Directors, the legal entity concerned may make payments to the member of the Board of Directors provided these payments are within the amount approved by the General Meeting.

Within the framework of the stock ownership plan (see stock ownership plan, p. 54 f), members of the Board of Directors may, in addition to the compensation awarded, be offered shares at a discount to the market price (stock purchase plan).

Members of the Board of Directors also have their expenses reimbursed. Reimbursement of expenses does not count as compensation. In addition and to the extent permitted by law, the Company may indemnify members of the Board of Directors for losses suffered in connection with lawsuits, trials or settlements relating to their work for the Company, or advance appropriate amounts or take out insurance. Such indemnities, advances and insurance do not count as compensation.

ORIOR is required by law to finance contributions to pension schemes for the members of the Board of Directors. Reported compensation includes only mandatory employer pension contributions as required by applicable law in the relevant country or as stipulated in the applicable pension plan terms. These contributions are part of the total compensation paid to each director. The directors do not receive any additional components of compensation, such as pension entitlements or meeting attendance fees.

### Overview of the compensation awarded to members of the Board of Directors

As of 31 December 2020 the Board of Directors consisted of six members. All board members stood for re-election and were duly re-elected at the Annual General Meeting to serve another term of office as directors of ORIOR AG. Further information on the Board of Directors, its powers, expertise, duties and responsibilities, its areas of influence, and its composition can be found in the "Corporate Governance Report".

All compensation awarded to the Board of Directors is reported according to the accrual principal, which states that transactions are recorded in the period (i.e. fiscal year) in which they actually occur.

in CHF	Gross compensation	Additional compensation <sup>1</sup>	Total compensation 2020	Gross compensation	Additional compensation <sup>1</sup>	Total compensation 2019
Rolf U. Sutter Chairman of the Board of Directors	274 478	73 008	347 486	274 478	75 230	349 708
Markus R. Neuhaus <sup>2</sup> Vice Chairman of the Board of Directors	94 474	7 768	102 243	56 875	4 609	61 484
Monika Friedli-Walser Member of the Board of Directors	85 312	0	85 312	83 535	0	83 535
Walter Lüthi Member of the Board of Directors	67 677	3 627	71 303	66 549	3 481	70 030
Monika Schüpbach Member of the Board of Directors	48 052	3 951	52 003	31 992	2 593	34 585
Markus Voegeli Member of the Board of Directors	58 652	0	58 652	38 290	0	38 290
Edgar Fluri <sup>3</sup> Member of the Board of Directors	0	0	0	29 764	1 952	31 716
Dominik Sauter <sup>3</sup> Member of the Board of Directors	0	0	0	17 774	0	17 774
<b>Total Board of Directors</b>	<b>628 645</b>	<b>88 353</b>	<b>716 999</b>	<b>599 257</b>	<b>87 865</b>	<b>687 122</b>

<sup>1</sup> These sums include only mandatory employer pension contributions as required by applicable law in the relevant country or as stipulated in the applicable pension plan terms.

<sup>2</sup> Appointed Vice Chairman of the Board of Directors of ORIOR AG effective 25 February 2020.

<sup>3</sup> Resignation effective 11 April 2019.

### Note to the compensation of the members of the Board of Directors

The directors receive fixed compensation of CHF 45 000 for their service on the Board of Directors. The amount of compensation awarded to the Chairman and Vice Chairman is higher given their additional duties and responsibilities. Since his resignation as CEO of ORIOR AG in 2011 and concurrent election as Chairman of the Company's Board of Directors, Rolf U. Sutter has been actively engaged in strategic issues and projects. In addition to chairing the Board of Directors, he provides guidance on strategy, acquisition projects, the longer-term evolution of the Board of Directors and the Executive Committee, and the screening of new talents. He also supports innovation processes, the continual improvement of the Company's business model, and other activities. The other board members receive additional compensation of CHF 10 000 for sitting on committees created by the Board of Directors, which at present are the Audit Committee and the Nomination and Compensation Committee. The persons chairing these two committees receive additional compensation of CHF 25 000 a year.

### Approval of compensation awarded to the Board of Directors

The General Meeting holds a binding vote each year on the maximum total amount of fixed compensation for members of the Board of Directors for the period up to the next Annual General Meeting. This period from General Meeting to General Meeting is not the same as the fiscal year period shown above, so the overall amounts paid to the Board of Directors for the actual terms of office are shown below.

Term of office	AGM 2021 to AGM 2022	AGM 2020 to AGM 2021	AGM 2019 to AGM 2020	AGM 2018 to AGM 2019	AGM 2017 to AGM 2018
Number of Board members anticipated <sup>1</sup>	6	6	6	6	6
Number of Board members actual <sup>2</sup>	n/a	6	6	5.2	6
Maximum total amount of compensation for the Board of Directors in CHF	765 000	765 000	765 000	765 000	765 000
Total amount of fixed compensation actually awarded to the Board of Directors in CHF	n/a	n/a	709 211	669 900	687 680
Actual change in total compensation awarded to the Board of Directors				+5.9%	-2.6%
Potential change in total compensation awarded to the Board of Directors			approx. +3.9% per year		
Approval status	Proposal to the AGM on 26 April 2021	Approved by the AGM on 4 June 2020	Approved by the AGM on 11 April 2019	Approved by the AGM on 12 April 2018	Approved by the AGM on 28 March 2017

<sup>1</sup> Number of directors expected to be in office during the corresponding term at the time the proposal is submitted.

<sup>2</sup> Number of directors who actually served during the corresponding term.

The difference between the total compensation of CHF 669 900 actually awarded to the Board of Directors for the term of office from the Annual General Meeting 2018 to the Annual General Meeting 2019 and the amount of CHF 709 211 for the subsequent term of office from the Annual General Meeting 2019 to the Annual General Meeting 2020 is attributed to the effective number of directors.

For the term of office from the Annual General Meeting 2021 to the Annual General Meeting 2022, the Board of Directors will ask shareholders at the Annual General Meeting of 26 April 2021 to approve the same maximum total amount of compensation of CHF 765 000 for the anticipated six members of the Board of Directors. Compared to the most recent total actual compensation in the amount of CHF 709 211 for the term of office from the Annual General Meeting 2019 to the Annual General Meeting 2020, this represents a theoretical potential increase of approximately 3.9% per year. There are no plans to increase the amount of compensation paid to the directors. The difference may be utilised for additional compensation in accordance with the provisions regarding supplementary benefits specified in the Articles of Association (see also p. 43 of the Compensation Report), or in connection with changes in the composition of the Board of Directors, or for share purchase offers under employee stock ownership plans.

### Stock awards and stock purchase agreement for the members of the Board of Directors

Under the terms of the agreement on the allocation and purchase of Company shares, the members of the Board of Directors may receive 10% of their fixed compensation in shares (allocation). The calculated price of the shares corresponds to the volume-weighted average price paid for ORIOR shares on the SIX during the preceding six months, less a discount of 25%. The Board of Directors is empowered to increase the aforementioned discount in the event of extraordinary performance. The shares are subject to a holding period of three years beginning on the date of allocation. No shares were allocated to members of the Board of Directors between 1 January 2020 and 31 December 2020. Compensation was paid entirely in cash.

Members of the Board of Directors may, in addition to their regular compensation, be offered the opportunity to purchase shares at a discount to the market price (stock purchase plan) within the framework of the stock ownership plan (see stock ownership plan, p. 54 f). No shares were allocated to members of the Board of Directors within the framework of the stock ownership plan between 1 January 2020 and 31 December 2020.

#### Change in discount rate

The discount rate applied to stock awards and allocations subject to an unrevised blocking period of 3 years was changed to 16% (previously: 25%). The same parameters now also apply to purchases under the stock purchase plan. The revised

discount rate is congruent with the valuation principles recognised by tax authorities for equity-based compensation subject to a blocking period of 3 years. This new rate will apply to all stock awards and allocations as of 1 January 2021.

### Options

The Company has no stock option plans.

### Other compensation and remuneration

No other compensation or remuneration was paid to members of the Board of Directors in 2020.

### Loans and credit facilities

In accordance with Art. 20 of the Company's Articles of Association, loans and credit facilities may be extended to members of the Board of Directors only in exceptional cases that are well justified. Moreover, the total amount of such loans and credit facilities must not exceed CHF 200 000 per member. All loans extended to members of the Board of Directors will be on market terms. ORIOR Group did not provide any loans, credit facilities, cash advances or credit to the members of the Board of Directors or parties closely related to them in 2019 and 2020.

### Compensation paid to former members of the Board of Directors

In 2020 no compensation, fees or other additional remuneration were paid to former members of the Board of Directors. No loans, credit, cash advances or collateral were provided to former members of the Board of Directors in 2019 and 2020 and there are no such arrangements outstanding from previous periods.

#### 4. Compensation awarded to the Executive Committee

The elements of compensation, the mechanisms by which these are approved, as well as other principles underlying the compensation paid to the Executive Committee are set out in the Company's Articles of Association.

##### Components of compensation

Members of the Executive Committee receive fixed and variable compensation for their work.

The fixed compensation is determined on the basis of reference salaries paid by comparable corporations, local market and standards, and experience and ability. Fixed compensation is paid in cash and, as stipulated by the Company's Articles of Association, must correspond to at least 50% of the total compensation awarded to each member.

The variable compensation for members of the Executive Committee is based on qualitative and quantitative goals, may account for no more than 50% of overall compensation, and can be paid partly in Company shares (allocation). The percentage of this share-based compensation is set by the Board of Directors every year. The portion of this variable amount linked to achievement of the quantitative targets constitutes approximately 60% to 80% of the total variable amount and is calculated against Company parameters: e.g. revenues, EBITDA, capital expenditure, net working capital and cash flow. In addition to clearly defined and measurable targets, so-called focus factors are defined at the beginning of each year, progress against which will be tracked and weighted more heavily in the calculation of variable compensation for the current year.

For the fiscal year 2020, organic growth, the gross margin, EBITDA and the level of debt were defined as focus factors. Variable compensation tied to qualitative performance measures accounts for 20 to 40% of total variable compensation and is determined by the achievement of predefined individual targets pertaining to strategy, leadership, innovation performance, as well as efficiency and process optimisation. Focus factors pertaining to the qualitative goals for the members of the Executive Committee for the 2020 fiscal year were the preparation and launch of the new ORIOR 2025 Strategy, strengthening the Group's resilience through optimal positioning and general organisational development. Due to the extraordinary situation with the coronavirus and the urgency with which it had to be addressed, additional absolute priorities were added to the predefined objectives. These were safeguarding the health of employees as best as possible and thereby maintaining the Group's supply capabilities and, on the other hand, maintaining good operating results and ensuring cost and process flexibility. Variable compensation may also be paid in Company shares. The total amount of variable compensation for the members of the Executive Committee for the past fiscal year will be submitted to the General Meeting for approval in a binding vote.

The legal entities concerned may make compensation payments to members of the Executive Committee for their activities in legal entities directly or indirectly controlled by the Company, and for mandates performed within the scope of their duties as an Executive Committee member provided these payments are within the amounts approved by the General Meeting.

Within the framework of the stock ownership plan (see stock ownership plan, p. 54 f), members of the Executive Committee may, in addition to the compensation awarded, be offered shares at a discount to the market price (stock purchase plan). In addition the members of the Executive Committee also have their business-related expenses reimbursed. Reimbursement of business-related expenses does not count as compensation. To the extent permitted by law, the Company may indemnify members of the Executive Committee for losses suffered in connection with lawsuits, trials or settlements relating to their work for the Company, or advance appropriate amounts or take out insurance. Such indemnities, advances and insurance do not count as compensation.

### Introduction of a Long-Term Incentive Plan

A resolution to introduce a long-term incentive plan for the members of the Executive Committee was passed. The introduction of this share-based compensation plan designed to promote the long-term and sustainable development of the Group is subject to the approval of the Annual General Meeting in accordance with the Company's Articles of Association and the Ordinance Against Excessive Compensation at Public Corporations (so-called VegüV). A corresponding proposal will be submitted at the next Annual General Meeting, which will take place on 26 April 2021. Further information regarding the compensation amounts and the performance measurement criteria used in the plan will be provided in connection with

this proposal. If the proposal is accepted, the new long-term incentive plan will take effect retroactively to 1 January 2021.

#### Basic framework

Introduction (subject to shareholder approval)	Retroactive to 1 January 2021
Plan members	Executive Committee
Type of compensation	Shares
Vesting period	3 years, plus 2-year blocking period upon vesting
Long-term goals	<ul style="list-style-type: none"> <li>- Organic growth</li> <li>- ROCE development</li> <li>- Progress towards ESG goals</li> <li>- Stock performance</li> </ul>

### Illustration of proposed Long-Term Incentive Plan



### Overview of compensation awarded to the Executive Committee

The Executive Committee had three members on 31 December 2020, Daniel Lutz, CEO of ORIOR Group, Andreas Lindner, CFO of ORIOR Group, and Filip De Spiegeleire, Head of ORIOR Europe and Culinor Food Group. Bernhard Pfulg acted as interim Group CFO until 28 October 2019 and in this role, he held a seat on the Extended Executive Committee. In view of his functional responsibilities, Bernhard Pfulg is included in the compensation sums given below for the duration of his service as interim CFO of ORIOR Group, even though he was not a formal member of the Executive Committee. Andreas Lindner has been with ORIOR since 1 October 2019; he assumed the role of CFO of ORIOR Group on 28 October 2019.

For the fixed compensation awarded to new members of the Executive Committee the supplementary amount of compensation stipulated in the Articles of the Association (see Art. 29, para. 4) can be used if the maximum total compensation approved by the General Meeting is not sufficient; it is not subject to renewed approval by the General Meeting. Further information on the supplementary amount of compensation is given in the section "Additional amount for new Executive Committee members" on page 50 of this Compensation Report.

Compensation paid to current and former members of the Executive Committee is reported according to the accrual principal, which states that transactions are recorded in the period (i. e. fiscal year) in which they actually occur.

in CHF	Executive Committee excl. CEO	Daniel Lutz (CEO)	Total compensation 2020	Executive Committee excl. CEO	Daniel Lutz (CEO)	Total compensation 2019
Average number of current members <sup>1</sup>	2.0	1.0	3.0	2.1	1.0	3.1
Gross fixed compensation	656 111	407 083	1 063 194	642 830	407 083	1 049 913
Post-employment benefits	81 590	115 756	197 346	61 471	125 214	186 685
Other social contributions	28 582	35 292	63 874	26 428	34 649	61 077
<b>Total amount of fixed compensation actually awarded to current members</b>	<b>766 283</b>	<b>558 131</b>	<b>1 324 414</b>	<b>730 729</b>	<b>566 946</b>	<b>1 297 675</b>
Average number of former members	0.0	0.0	0.0	0.4	0	0.4
Compensation to former members	0	0	0	141 257	0	141 257
<b>Total fixed compensation actually paid to current and former members</b>	<b>766 283</b>	<b>558 131</b>	<b>1 324 414</b>	<b>871 986</b>	<b>566 946</b>	<b>1 438 932</b>
Number of members at time of proposal <sup>2</sup>	2.0	1.0	3.0	2.0	1.0	3.0
Total amount of fixed compensation approved			1 600 000			1 500 000
Available amount of additional compensation for new members			0.0			147 539 <sup>3</sup>
Amount of additional compensation for new members actually expended			0			0
Gross variable compensation	142 800	280 000	422 800	189 860	310 000	499 860
Other social contributions	6 402	22 981	29 383	7 049	24 972	32 021
<b>Total variable compensation</b>	<b>149 202</b>	<b>302 981</b>	<b>452 183<sup>4</sup></b>	<b>196 909</b>	<b>334 972</b>	<b>531 881</b>
<b>Total compensation actually paid to current and former members</b>	<b>915 485<sup>5</sup></b>	<b>861 112</b>	<b>1 776 597<sup>5</sup></b>	<b>1 068 895<sup>5</sup></b>	<b>901 918</b>	<b>1 970 813<sup>5</sup></b>

<sup>1</sup> As mentioned above, the sum for 2019 includes compensation paid to Bernhard Pfulg as interim CFO.

<sup>2</sup> Number of current members at the time the proposal is submitted, taking into consideration changes that we are already aware of and that have been announced.

<sup>3</sup> Andreas Lindner was appointed to the Executive Committee after shareholders had approved the maximum total fixed compensation for the Executive Committee for fiscal year 2019. Accordingly, an additional amount of compensation as foreseen in the Articles of Association was available for his fixed compensation.

<sup>4</sup> Subject to the approval of the total amount of variable compensation for the members of the Executive Committee by the Annual General Meeting on 26 April 2021.

<sup>5</sup> Includes the compensation paid in euros to Filip De Spiegeleire. The sum was calculated into Swiss francs using the average exchange rate for the year of CHF 1.0703 (2019: 1.1126).

The approved maximum total amount of fixed compensation for the members of the Executive Committee for fiscal year 2020 is CHF 1.6 million. The total amount of fixed compensation actually paid to the current members of the Executive Committee for fiscal year 2020 is CHF 1 324 414. The increase in fixed compensation paid to the members of the Executive Committee compared to the previous fiscal year in the amount of CHF 26 739 is attributed to the new composition of the Executive Committee. Apart from that, the base salaries for members of the Executive Committee were not increased. ORIOR had planned to introduce a stock ownership plan for members of the Executive Committee in fiscal year 2020 in connection with the presentation of the ORIOR 2025 Strategy. Due to the extraordinary situation with the coronavirus and resulting challenges, this plan was postponed and the actual total amount of fixed compensation for the Executive Committee was therefore less than budgeted. Another reason for the discrepancy is a positive exchange-rate effect on the translation of compensation paid in euros. Aggregate variable compensation for the fiscal year 2020 amounted to a low CHF 452 183 (previous year: CHF 531 881). This is

attributed to the quantitative goals that were not achieved due to the coronavirus pandemic. The high-priority goals that emerged during the course of the year as a matter of utmost urgency (see p. 47) were given a lower weighting in the assessment of performance measures. The change in the composition of the Executive Committee and the exchange-rate effect stemming from compensation payable in euros also had an influence.

There is an executive pension plan for the members of the Executive Committee and other executives. The members of the Executive Committee and other executives also have a Company car at their disposal, including for personal use subject to certain rules. No other benefits in kind are granted.

#### Additional amount for new Executive Committee members

If new members of the Executive Committee are appointed after approval has been given by the General Meeting, the additional amount of compensation per new member, according to Art. 29 Para. 4 of the Articles of Association, is 120% pro rata of the highest fixed compensation paid to a member of the Executive Committee in the fiscal year preceded by the last Annual General Meeting. According to the Articles of Association, the General Meeting is not required to approve this additional compensation.

Andreas Lindner was appointed to the Executive Committee after shareholders had approved the maximum total fixed compensation for the Executive Committee for fiscal year 2019 (approved at the Annual General Meeting on 12 April 2018). Consequently, in accordance with the provisions of the Articles of Association, supplementary compensation in the amount of CHF 147 539 was available for his fixed compensation in fiscal year 2019. The total amount of compensation for the members of the Executive Committee for fiscal year 2020, as proposed in the documents pertaining to the Annual General Meeting 2019, includes compensation for Andreas Lindner. No new appointments to the Executive Committee were made after shareholders approved the total amount of fixed compensation for fiscal year 2020. Therefore, the additional amount of compensation for new members has been omitted from the actual fixed compensation of the members of the Executive Committee for 2020.

#### Approval of compensation awarded to the Executive Committee

The General Meeting votes on the total amount of variable compensation awarded to the members of the Executive Committee for the past fiscal year and the maximum total amount of fixed compensation to be awarded to the members of the Executive Committee for the coming fiscal year in a binding, annual vote at the ordinary General Meetings.

Variable compensation awarded to the Executive Committee:

	Fiscal year 2020	Fiscal year 2019	Fiscal year 2018	Fiscal year 2017
Average number of Executive Committee members <sup>1</sup>	3.0	3.1	3.0	3.5
Total amount of variable compensation awarded to the Executive Committee in CHF	446 000	532 000	613 000	619 000
Percentage change in variable compensation awarded to the Executive Committee		-16.2%	-13.2%	-1.0%
Approval status	Proposal to the AGM on 26 April 2021	Approved by the AGM on 4 June 2020	Approved by the AGM on 11 April 2019	Approved by the AGM on 12 April 2018

<sup>1</sup> As mentioned earlier, the sum for 2019 includes compensation paid to Bernhard Pfulg as interim CFO.

At the Annual General Meeting on 26 April 2021, the Board of Directors will propose total variable compensation of CHF 446 000 for the members of the Executive Committee for the 2020 fiscal year. Compared to the previous year, this represents an unusually sharp decline of 16.2%, which is attributed to the aforementioned review of objectives and performance measurement and to other effects arising from the changes in the composition of the Executive Committee and from exchange-rate fluctuations.

Fixed compensation paid to the Executive Committee:

Year	2022	2021	2020	2019
Average number of Executive Committee members expected to be in office <sup>1</sup>	3.0	3.0	3.0	3.0
Average number of Executive Committee members actually in office <sup>2</sup>	n/a	n/a	3.0	3.1
<b>Maximum total amount of fixed compensation paid to the Executive Committee in CHF</b>	<b>1 450 000</b>	<b>1 550 000</b>	1 600 000	1 500 000
Amount of additional compensation available for new members (stipulated in Articles of Association)	n/a	n/a	0	147 539
Maximum total amount of fixed compensation available for current and former members of the Executive Committee in CHF	n/a	n/a	1 600 000	1 647 539
<b>Total amount of fixed compensation actually paid to the Executive Committee in CHF</b>	n/a	n/a	<b>1 324 414</b>	<b>1 438 932</b>
Actual change in total compensation paid to the Executive Committee				-8.0%
Potential percentage change in total compensation paid to the Executive Committee	-6.5%	+17.0%	approx. +3.8% per year	
			approx. +4.7% per year	
Approval status	Proposal to the AGM on 26 April 2021	Approved by the AGM on 4 June 2020	Approved by the AGM on 11 April 2019	Approved by the AGM on 12 April 2018

<sup>1</sup> Average number of members of the Executive Committee expected to be in office at the time the proposal is submitted.

<sup>2</sup> Average number of members of the Executive Committee actually in office during the year.

The Board of Directors will propose at the Annual General Meeting on 26 April 2021 a maximum total amount of fixed compensation of CHF 1 450 000 for the members of the Executive Committee for the 2022 fiscal year. Compared to the approved maximum total amount of fixed compensation for the members of the Executive Committee for the 2021 fiscal year, this represents a renewed reduction of CHF 100 000 or 6.5%. This reduction is attributed to a decision not to increase fixed compensation by a significant amount in the coming two years and to the pending introduction of a long-term incentive plan as part of the ongoing optimisation of compensation and stock ownership policies. This new compensation basis for members of the Executive Committee will add an additional element of compensation based on the attainment of long-term goals to the overall compensation plan. The stock ownership plan that had been planned for 2020 but was postponed due to the pandemic is now scheduled to be introduced in 2021. Compared to the total fixed compensation of CHF 1 324 414 actually paid to the members of the Executive Committee for fiscal year 2020, the proposed maximum total amount of fixed compensation for fiscal year 2022 represents a potential average increase of approx. 4.7% per year.

Compared to the total fixed compensation actually paid to members of the Executive Committee for the fiscal year 2020, the proposed maximum total fixed compensation for the current year corresponds to a theoretical potential increase of +17.0%, or approx. 3.8% when compared to actual compensation paid over the past two fiscal years. From today's standpoint, it is already very unlikely that – even after taking the aforementioned stock ownership plan and possibly negative exchange rate developments into consideration – the maximum amount of CHF 1.55 million will be awarded to the three current members of the Executive Committee.

**Stock awards and stock purchase agreement for the members of the Executive Committee**

Under the terms of the agreement on the allocation and purchase of Company shares, the members of the Executive Committee may receive up to 30% of their individual variable compensation in shares (allocation). The calculated price of the shares corresponds to the volume-weighted average price paid for ORIOR shares on the SIX during the preceding six months, less a discount of 25%. The Board of Directors is empowered to increase the aforementioned discount in the event of extraordinary performance. The shares are subject to a holding period of three years beginning on the date of grant. No shares were awarded to members of the Executive Committee between 1 January 2020 and 31 December 2020. Compensation was paid entirely in cash.

Members of the Executive Committee may, in addition to their regular compensation, be offered the opportunity to purchase shares at a discount to the market price (stock purchase plan) within the framework of the stock ownership plan (see stock ownership plan, p. 54 f). No shares were allocated to members of the Executive Committee within the framework of the stock ownership plan between 1 January 2020 and 31 December 2020.

**Change in discount rate**

The discount rate applied to stock awards and allocations subject to an unrevised blocking period of 3 years was changed to 16% (previously: 25%). The same parameters now also apply to purchases under the stock purchase plan. The revised

discount rate is congruent with the valuation principles recognised by tax authorities for equity-based compensation subject to a blocking period of 3 years. This new rate will apply to all stock awards and allocations as of 1 January 2021.



**Options**

The Company has no stock option plans.

**Other compensation and remuneration**

No other compensation or remuneration was paid to members of the Executive Committee in 2020.

**Loans and credit facilities**

In accordance with Art. 20 of the Company's Articles of Association, loans and credit facilities may be extended to members of the Executive Committee only in exceptional cases that are well justified. Moreover, the total amount of such loans and credit facilities must not exceed CHF 200 000 per member. All loans extended to members of the Executive Committee will be on market terms. ORIOR Group did not provide any loans, credit facilities, cash advances or credit to the members of the Executive Committee or parties closely related to them in 2019 and 2020. The accounts receivable listed in Note 35 of the financial statements have arisen from operating activities with a related party at standard market conditions.

**Contracts with Executive Committee members**

In accordance with Art. 22 of the Company's Articles of Association, contracts with members of the Executive Committee may be fixed-term or permanent. The maximum duration of fixed-term contracts is one year. The notice period for an unlimited term contract may not exceed one year.

**Compensation paid to former members of the Executive Committee**

In 2020, no compensation or other fees or loans, credit facilities, advances or guarantees were paid out or extended to former members. In 2019, compensation of CHF 141 257 was paid to a former member of the Executive Committee; no other compensation, loans, credit facilities, advances or collateral were paid out or granted, nor are any such items from previous periods still outstanding.

## 5. Shares held by members of governing bodies

As of 31 December 2020, the members of the Board of Directors and the Executive Committee held the following shares:

Name and function	Freely disposable shares as of 31.12.2020	Restricted shares as of 31.12.2020 <sup>1</sup>	Total number of shares as of 31.12.2020	in %	Total number of shares as of 31.12.2019
Rolf U. Sutter, Chairman of the Board of Directors	107 633	350	107 983	1.66%	107 983
Markus R. Neuhaus, Vice Chairman of the Board of Directors <sup>2</sup>	580	0	580	0.01%	580
Monika Friedli-Walser, Member of the Board of Directors	3 755 <sup>3</sup>	350	4 105	0.06%	1 050
Walter Lüthi, Member of the Board of Directors	150	350	500	0.01%	500
Monika Schüpbach, Member of the Board of Directors	257	0	257	0.00%	0
Markus Voegeli, Member of the Board of Directors	200	0	200	0.00%	0
Daniel Lutz, CEO ORIOR Group	2 000	1 200	3 200	0.05%	3 200
Andreas Lindner, CFO ORIOR Group	755	0	755	0.01%	0
Filip De Spiegeleire, Head ORIOR Europe and Culinor	7 100	800	7 900	0.12%	7 900
<b>Total</b>	<b>122 430<sup>3</sup></b>	<b>3 050</b>	<b>125 480</b>	<b>1.93%</b>	<b>121 213</b>
Total ORIOR Shares			6 517 499	100.00%	6 517 499

<sup>1</sup> Shares held under the stock ownership plan (see "Employee stock ownership plan," p. 54 f).

<sup>2</sup> Appointed Vice Chairman of the Board of Directors of ORIOR AG effective 25 February 2020.

<sup>3</sup> Including participation of a closely related person.

A former member of the Board of Directors holds 350 ORIOR shares that were purchased in 2018 within the framework of a stock ownership programme; these shares are restricted until 31 July 2021. Under the same programme a former member of the Executive Committee purchased 1 100 ORIOR shares, restricted until 31 July 2021.

The members of the Board of Directors and the Executive Committee are not offered any special terms for purchasing shares other than in the aforementioned stock purchase plan.

### Introduction of minimum stock ownership guidelines for members of the Board of Directors and the Executive Committee

As part of the revision of the stock ownership and compensation policies of ORIOR Group, it was decided to introduce minimum stock ownership guidelines for the members of the Board of Directors and the Executive Committee from 1 January 2021 onwards. The minimum requirement for each role is listed below. The minimum ownership level can be achieved by means of stock awards (partial payment of variable compensation in shares), by means of stock purchase offers (e.g. through the stock ownership plan) or through purchases in the

open market. All individuals will have three years to satisfy these requirements and should satisfy at least half of the applicable requirement within two years after becoming subject to the requirements. This proposal and the disclosures that are of interest to the public will be formulated in the organisational regulations of ORIOR Group.

Role	Minimum ownership
Chairman of the Board	1.5x base salary
Members of the Board of Directors	1.0x base salary
CEO of ORIOR Group	1.5x base salary
Members of the Executive Committee	1.0x base salary



## 6. Share purchase agreement for members of the Board of Directors and the Executive Committee

In addition to the other forms of compensation, the members of the Board of Directors and the Executive Committee can, by means of the share purchase agreement, be given the opportunity to purchase ORIOR shares at a discount. The number of shares that can be purchased at a discount is specified by the Board of Directors. The purchase price of these shares corresponds to the volume-weighted average price paid for ORIOR shares on the SIX during the preceding six months, less a discount of 25%. The Board of Directors is empowered to increase the aforementioned discount in the event of extraordinary performance. Under the share purchase agreement, a two-month purchase period will commence on the day the share purchase offer is made. The shares purchased will be subject to a holding period of three years beginning on the date of purchase. If a party to the share purchase agreement leaves the Company during the three-year holding period, the Board of Directors will decide whether to maintain or terminate the holding period. During the year under review, no shares were sold to members of the Board of Directors and members of the Executive Committee through the aforementioned stock ownership plan.

### Transactions with members of the Board of Directors or the Executive Committee

Transactions with members of the Board of Directors or the Executive Committee (if any) are made on arm's length terms.

### Transactions with closely related entities and persons

The members of the Board of Directors of ORIOR AG, the members of the Executive Committee of ORIOR AG, shareholders exercising significant influence, and the Group's pension plans are regarded as closely related entities or persons. All transactions with closely-related entities and persons are conducted on the same market terms as with independent third parties.

## 7. Employee stock ownership plan

The stock ownership plan approved by the Board of Directors of ORIOR AG for members of the executive boards of the competence centres and certain employees of ORIOR Group came into effect on 3 January 2012. Responsibility for the employee stock ownership plan and the definition thereof, and the setting of the offer periods, the share offers and the lock-in periods, rests with the Board of Directors. The Board of Directors can delegate the administration of the plan to a plan committee defined by the Board of Directors and consisting of two or more persons. Shares can be offered annually under special conditions to employees who are entitled to participate in the stock ownership plan, in addition to the compensation due under the terms of their employment contract. The Board of Directors specifies the two-month subscription period and the subscription rights of the individual participants annually within the framework of the present plan. The number of shares offered to each participant is at the discretion of the Board of Directors, which bases its decision on (alongside other considerations) how well the employee has achieved the quantitative and qualitative targets set out in the individual annual performance agreement.

The shares that are to be issued in the context of this plan can be acquired by ORIOR on the stock exchange or created by means of authorised, conditional or ordinary capital increases. The maximum number of shares to be issued in the context of this or any similar plan may not exceed 3% of the share capital of ORIOR. The Board of Directors is empowered to adjust the maximum number of shares to be issued in the context of the plan at its own discretion. The share purchase price corresponds to the volume-weighted average price paid for ORIOR shares on SIX during the preceding six months, prior to the start of the two-month offer period, minus a discount of 25%. The Board of Directors is empowered to increase the aforementioned discount in the event of extraordinary performance.

During the year under review, no shares were sold to employees within the framework of the employee stock ownership plan. Below is an overview of the total number of shares issued pursuant to the employee stock ownership plan, the date of issue, the discount granted, and the mandatory holding period:

Year	Number of employees	Number of shares sold	Issue date/Transfer	Discount granted	Blocking period ends
2020	-	-	-	-	-
2019	-	-	-	-	-
2018	78	19 445	1 August 2018	25%	31 Juli 2021

**Revision and launch of new employee stock ownership plan**

The employee stock ownership plan established in 2012 was reviewed in detail and its provisions and principles revised. The basic framework of the revised stock ownership plan was devised and is given at right. Together with the now launched ORIOR 2025 Strategy, the employee stock ownership plan will be introduced in the current year. This will render the previously applicable principles and policy for stock ownership plans null and void. During the initial

phase, the individuals ultimately responsible for formulating and executing the Company Strategy will be covered by the new plan. From 2022 onwards, additional employees would be covered by the plan.

Basic framework	Old	New
Blocking period	3 years	3 years
Discount	25%	16%
Separation policy	At the discretion of the Board of Directors	Conditions for Good leavers and Bad leavers





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To the General Meeting of  
Orior Ltd, Zürich

Basle, 09 March 2021

## Report of the statutory auditor on the remuneration report

We have audited the remuneration report of Orior Ltd for the year ended 31 December 2020. The audit was limited to the information according to articles 14–16 of the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance) on pages 44 to 51 of the remuneration report.



### Board of Directors' responsibility

The Board of Directors is responsible for the preparation and overall fair presentation of the remuneration report in accordance with Swiss law and the Ordinance. The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.



### Auditor's responsibility

Our responsibility is to express an opinion on the remuneration report. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report complies with Swiss law and articles 14–16 of the Ordinance.

An audit involves performing procedures to obtain audit evidence on the disclosures made in the remuneration report with regard to compensation, loans and credits in accordance with articles 14–16 of the Ordinance. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements in the remuneration report, whether due to fraud or error. This audit also includes evaluating the reasonableness of the methods applied to value components of remuneration, as well as assessing the overall presentation of the remuneration report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



### Opinion

In our opinion, the remuneration report for the year ended 31 December 2020 of Orior Ltd complies with Swiss law and articles 14–16 of the Ordinance.

Ernst & Young Ltd

Martin Gröli  
Licensed audit expert  
(Auditor in charge)

Hortense Pfammatter  
Licensed audit expert

**ORIOR GROUP**  
FINANCIAL REPORT 2020

## Consolidated Income Statement

in CHF thousand	Note	2020	2019	$\Delta$ in kCHF	$\Delta$ in %
<b>Net sales from goods and services</b>	■ 8	<b>600 313</b>	<b>596 350</b>	<b>+3 963</b>	<b>+0.7%</b>
Raw materials/goods and services purchased		-336 133	-332 701	-3 432	
Changes in inventories	■ 17	-3 794	3 911	-7 705	
<b>Gross profit</b>	■ 5	<b>260 386</b>	<b>267 561</b>	<b>-7 174</b>	<b>-2.7%</b>
<i>as % net sales</i>		<b>43.4%</b>	<b>44.9%</b>		
Personnel expense		-127 865	-125 553	-2 312	
Other operating income	■ 5/9	5 548	1 332	+4 215	
Other operating expense	■ 10	-85 266	-82 308	-2 957	
<b>EBITDA</b>					
<b>Earnings before interest, taxes, depreciation and amortisation</b>		<b>52 803</b>	<b>61 031</b>	<b>-8 228</b>	<b>-13.5%</b>
<i>as % net sales</i>		<b>8.8%</b>	<b>10.2%</b>		
Depreciation – tangible assets	■ 18	-19 047	-17 904	-1 143	
Amortisation – intangible assets	■ 20	-7 942	-5 806	-2 136	
<b>EBIT</b>					
<b>Earnings before interest and taxes</b>		<b>25 814</b>	<b>37 322</b>	<b>-11 508</b>	<b>-30.8%</b>
<i>as % net sales</i>		<b>4.3%</b>	<b>6.3%</b>		
Result of associated organisations and joint ventures	■ 22	-161	512	-672	
Financial income	■ 11	1 514	1 649	-135	
Financial expense	■ 12	-4 184	-4 785	+601	
<b>Profit before taxes</b>		<b>22 983</b>	<b>34 698</b>	<b>-11 714</b>	<b>-33.8%</b>
<i>as % net sales</i>		<b>3.8%</b>	<b>5.8%</b>		
Income tax expense	■ 13	-3 252	-2 904	-348	
<b>Profit for the year incl. non-controlling interests</b>		<b>19 731</b>	<b>31 794</b>	<b>-12 062</b>	<b>-37.9%</b>
<i>as % net sales</i>		<b>3.3%</b>	<b>5.3%</b>		
Non-controlling interests		2 074	-299	+2 373	
<b>Profit for the year</b>		<b>21 805</b>	<b>31 494</b>	<b>-9 689</b>	<b>-30.8%</b>
<i>as % net sales</i>		<b>3.6%</b>	<b>5.3%</b>		
<b>Earnings per share (undiluted/diluted) in CHF</b>	■ 14	<b>3.35</b>	<b>4.84</b>		
Weighted Ø number of shares outstanding in 000	■ 14	6 510	6 504		

## Consolidated Balance Sheet

in CHF thousand	Note	31.12.2020	in %	31.12.2019	in %
Cash and cash equivalents		17 760		19 442	
Current financial assets		565		504	
Trade accounts receivable	■ 15	61 923		68 817	
Other current receivables	■ 16	6 246		4 411	
Inventories and work in progress	■ 17	88 673		94 723	
Prepaid expenses/accrued income		3 241		2 947	
<b>Current assets</b>		<b>178 408</b>	47.0%	<b>190 845</b>	47.2%
Property, plant and equipment	■ 18	126 145		133 013	
Intangible assets	■ 20	72 616		78 887	
Financial assets	■ 22	2 261		1 556	
<b>Non-current assets</b>		<b>201 022</b>	53.0%	<b>213 456</b>	52.8%
<b>Total assets</b>		<b>379 430</b>	100.0%	<b>404 301</b>	100.0%
Current financial liabilities	■ 25	2 529		6 921	
Trade accounts payable		68 014		76 151	
Other current payables	■ 23	9 879		9 107	
Accrued liabilities	■ 24	24 375		21 430	
Current portion of provisions	■ 26	1 224		1 332	
<b>Current liabilities</b>		<b>106 021</b>	27.9%	<b>114 942</b>	28.4%
Non-current financial liabilities	■ 25	166 599		163 263	
Provisions	■ 26	5 268		4 363	
Deferred tax liabilities	■ 27	33 028		35 280	
<b>Non-current liabilities</b>		<b>204 896</b>	54.0%	<b>202 906</b>	50.2%
<b>Total liabilities</b>		<b>310 917</b>	81.9%	<b>317 848</b>	78.6%
Share capital	■ 30	26 070		26 070	
Additional paid-in capital	■ 29	19 091		26 642	
Treasury shares	■ 28	- 1 092		- 122	
Retained earnings		22 311		25 671	
<b>Equity before non-controlling interests</b>		<b>66 380</b>	17.5%	<b>78 261</b>	19.4%
Non-controlling interests		2 133		8 192	
<b>Equity after non-controlling interests</b>		<b>68 513</b>	18.1%	<b>86 453</b>	21.4%
<b>Total liabilities and equity</b>		<b>379 430</b>	100.0%	<b>404 301</b>	100.0%

## Consolidated Statement of Equity

in CHF thousand	Note	Share capital	Additional paid-in capital	Treasury shares	Retained profits	Foreign currency translation	Total Retained earnings	Equity before non-controlling interests	Non-controlling interests	Equity after non-controlling interests
<b>Balance as at 01.01.2019</b>		<b>26 070</b>	<b>41 045</b>	<b>- 843</b>	21 626	1 829	<b>23 455</b>	<b>89 727</b>	<b>0</b>	<b>89 727</b>
Change in scope of consolidation	■ 6	0	0	0	0	0	0	0	7 905	7 905
Profit for the period		0	0	0	31 494	0	31 494	31 494	299	31 794
Foreign currency translation		0	0	0	0	- 1 590	- 1 590	- 1 590	- 13	- 1 603
Goodwill offset with equity	■ 21	0	0	0	- 27 846	0	- 27 846	- 27 846	0	- 27 846
Dividends	■ 29	0	- 14 550	0	0	0	0	- 14 550	0	- 14 550
Share-based payments	■ 34	0	0	0	158	0	158	158	0	158
Sale of treasury shares	■ 28	0	0	- 6 047	0	0	0	- 6 047	0	- 6 047
Purchase of treasury shares	■ 28	0	147	6 768	0	0	0	6 915	0	6 915
<b>Balance as at 31.12.2019</b>		<b>26 070</b>	<b>26 642</b>	<b>- 122</b>	25 432	239	<b>25 671</b>	<b>78 261</b>	<b>8 192</b>	<b>86 453</b>
Changes in scope of consolidation	■ 6	0	0	0	- 110	0	- 110	- 110	- 3 931	- 4 042
Profit for the period		0	0	0	21 805	0	21 805	21 805	- 2 074	19 731
Foreign currency translation		0	0	0	0	- 316	- 316	- 316	- 54	- 370
Goodwill offset with equity	■ 21	0	0	0	- 17 338	0	- 17 338	- 17 338	0	- 17 338
Dividends	■ 29	0	- 7 550	0	- 7 550	0	- 7 550	- 15 100	0	- 15 100
Share-based payments	■ 34	0	0	0	149	0	149	149	0	149
Purchase of treasury shares	■ 28	0	0	- 970	0	0	0	- 970	0	- 970
<b>Balance as at 31.12.2020</b>		<b>26 070</b>	<b>19 091</b>	<b>- 1 092</b>	22 388	- 77	<b>22 311</b>	<b>66 380</b>	<b>2 133</b>	<b>68 513</b>

## Consolidated Cash Flow Statement

in CHF thousand	Note	2020	2019
Profit for the year		21 805	31 494
Non-controlling interests		-2 074	299
Income tax expense	■ 13	3 252	2 904
Depreciation/amortisation	■ 18/20	26 989	23 710
Share-based payments	■ 34	149	158
Result of associated organisations and joint ventures	■ 22	161	- 512
Other non liquidity-related transactions	■ 11	- 175	- 275
Change in value adjustments and provisions		1 056	- 1 023
Gain from disposal of fixed assets	■ 9	- 44	- 112
Interest income / Dividend income	■ 11	- 156	- 49
Interest expense	■ 12	2 402	2 252
Change in trade accounts receivable		7 037	3 553
Change in other current receivables		- 2 003	209
Change in inventories and work in progress		5 485	- 4 601
Change in trade accounts payable		- 8 018	7 539
Change in other current payables		- 416	649
Change in prepaid expenses		48	- 404
Change in accrued liabilities		3 044	- 2 222
Interest paid		- 2 308	- 2 149
Taxes paid		- 3 943	- 4 329
<b>Cash flow from operating activities</b>		<b>52 290</b>	<b>57 093</b>
Purchase of property, plant and equipment	■ 18	- 12 595	- 13 169
Proceeds from sale of property, plant and equipment		215	164
Purchase of intangible assets	■ 20	- 2 049	- 895
Purchase of financial assets		0	- 5
Proceeds from sale of financial assets		0	410
Increase of investment in subsidiary	■ 6	- 21 629	0
Acquisition of companies, net of cash acquired	■ 6	0	- 29 130
Purchase of investment in associated organisations		0	- 1 576
Contributions to joint venture	■ 6	- 588	0
Grant of loan		- 280	- 1 406
Interest received / Dividends received		79	1 083
<b>Cash flow from investing activities</b>		<b>- 36 846</b>	<b>- 44 524</b>
Increase in financial liabilities		73 996	67 752
Payment of financing transaction costs		- 124	0
Repayment of financial liabilities		- 74 974	- 82 860
Repayment of finance lease liabilities	■ 19	- 60	- 28
Dividends	■ 29	- 15 100	- 14 550
Sale of treasury shares	■ 28	0	6 915
Purchase of treasury shares	■ 28	- 970	- 6 047
<b>Cash flow from financing activities</b>		<b>- 17 233</b>	<b>- 28 817</b>
<b>Net increase (+) / decrease (-) in cash and cash equivalents</b>		<b>- 1 789</b>	<b>- 16 249</b>
Foreign exchange differences on cash and cash equivalents		107	158
Cash and cash equivalents as at 01.01.		19 442	35 533
<b>Cash and cash equivalents as at 31.12.</b>		<b>17 760</b>	<b>19 442</b>

The notes in the appendix are an integral part of these consolidated financial statements.

## Notes to the Consolidated Financial Statements 2020

### 1 General information

ORIOR is an internationally active Swiss food & beverage group that combines craftsmanship with a pioneering spirit and is thriving on entrepreneurship and strong values. The culinary delights of ORIOR include established businesses and well-known brands with leading positions in growing niche markets in Switzerland and abroad.

ORIOR AG (the "Company") is a limited liability company incorporated and domiciled in Zurich. The address of its registered office is Dufourstrasse 101, 8008 Zurich, Switzerland.

These consolidated financial statements were approved by the Board of Directors on 9 March 2021 and are subject to shareholder approval at the Annual General Meeting of shareholders on 26 April 2021.

### 2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below.

The figures shown in the consolidated annual financial statements are rounded up or down. The actual calculations are made with greater precision, so small rounding differences can appear.

#### Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with the entire Swiss GAAP FER (Accounting and Reporting Recommendations). They apply to all companies included in the scope of consolidation. The accounting principles comply also with the provisions of the listing rules of the SIX Swiss Exchange and with Swiss company law.

The consolidated financial statements comprise the financial statements of ORIOR AG and its subsidiaries as at 31 December of each year. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

The preparation of financial statements in conformity with Swiss GAAP FER requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 4. The consolidated financial statements give a true and fair view of the financial position, the results of operations and the cash flows of the ORIOR group. The Annual Financial Statements are prepared under the assumption of going concern.

#### Consolidation

##### Change in scope of consolidation

As at 8 September 2020 the interest in the fully consolidated Casualfood GmbH was increased by a further 19.09% to 89.09%.

On 2 September 2019, the ORIOR Group increased its interest in Casualfood by another 35% and thereby acquired control resulting in its full consolidation.

More details can be found in note 6.

Please see note 40 for an overview of the legal structure of the Group.

**Subsidiaries**

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. Control is assumed when the Group is holding directly or indirectly 50% or more of the voting rights or is responsible for the operating and financial policies due to contractual agreements. They are de-consolidated from the date that control ceases. Intercompany transactions, balances and unrealised gains and losses on transactions between Group companies are eliminated in full.

**Investments in associated organisations and joint ventures**

Investments in associated organisations and joint ventures where the ORIOR Group has significant influence (this is usually assumed when the Group owns 20 to 50% of the voting rights in the company) are accounted for using the equity method. Under the equity method, the investment in the associate is carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of the associate's net assets. Goodwill relating to an associate is directly offset against equity. The associate's share of profit is shown in the income statement.

**Minority shareholdings**

Participations of less than 20% are carried in the balance sheet at acquisition cost less any necessary adjustments for impairment.

**Consolidation method**

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred as well as the acquisition costs incurred, measured at acquisition date fair value, and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or as the proportionate share of the acquiree's identifiable net assets. Intangible assets are recognised in the balance sheet at the acquisition date and amortised over 5 to a maximum of 20 years. The difference between the cost of an acquisition and the interest in revalued net assets is goodwill and directly offset against equity. In a business acquisition achieved in stages, the goodwill of each transaction is separately determined and directly offset against equity. When acquiring shares of an already fully consolidated subsidiary, the difference between purchase price and the proportionate share of the book value of non-controlling interest is considered goodwill.

**Foreign currency translation****Functional and presentation currency**

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Swiss francs, which is the Group's functional and presentation currency. See detailed information on exchange rates in note 32.

**Transactions and items in foreign currencies**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate prevailing on the balance sheet date. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

**Subsidiaries**

The results and financial position of all the Group subsidiaries that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) income and expenses for each income statement are translated at average exchange rates; and
- (iii) all resulting exchange differences are recognised in equity. On the loss of control of a foreign operation, the cumulative foreign exchange differences relating to that particular operation are recycled through the income statement.

Currency gains and losses from the valuation of intercompany equity loans are recognised directly in equity.

**Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, credits on bank accounts, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

**Securities**

Listed securities (incl. OTC securities with a market price) are valued at the market values prevailing on the balance sheet date. Unlisted securities are valued at acquisition cost less any necessary adjustments for impairment.

**Accounts receivable**

Accounts receivable are carried at original invoice amount less provision made for impairment of these receivables. An individual provision for impairment is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired. General allowances are recognised for items that have not yet been considered with a specific allowance. The general allowance is based on the assumption that the default risk increases as the debt becomes increasingly overdue. The carrying amount of the assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement as operating expense. When a trade receivable is uncollectible, it is written off against the allowance for receivables. The carrying value less impairment provision of the receivables is assumed to approximate their fair value due to their short-term nature.

**Inventories and work in progress**

Raw materials and trade products are reported at purchase price. Goods manufactured by the company itself are valued at production cost. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity), but excludes borrowing costs. Inventories are stated at the lower of cost and net realisable value. For that reason, value adjustments on the inventory are established. Cost is determined using the first-in, first-out (FIFO) method.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Cash discounts are deducted from inventory valuation. Stocks of intra-Group supplies are carried net of inter-company profits.

## Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Maintenance costs are charged to the income statement during the financial period in which they are incurred.

Depreciation is calculated according to accounting standards using the straight-line method to write off the cost of each asset to its residual value over its estimated useful life.

The individual useful lives are:

- Production equipment and fixed installations	3 to 10 years
- Tanks	20 to 25 years
- Furniture and office equipment	5 to 8 years
- IT equipment	3 to 5 years
- Vehicles	4 to 8 years
- Other mobile tangible assets	3 to 5 years
- Land	No depreciation
- Buildings	25 to 30 years
- Tangible assets under construction	No depreciation

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from their use or disposal. Gains and losses on derecognition of the asset are determined by comparing net proceeds with the current carrying amount. These are included in the income statement.

Property, plant and equipment acquired under finance leasing are recorded at the lower of the fair value of the leased asset and the present value of the minimum lease payments. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset or the lease term (see also "Leases").

Expenses from operational leasing agreements are recognised in the income statement and future obligations are listed in the notes to the consolidated financial statements.

## Intangible assets

This item includes mainly the customer base, brands and concessions from acquisitions and IT software. Intangible assets are valued at purchase cost less amortisation and any necessary impairment. Amortisation is calculated on a straight-line basis over the useful life. The useful life of IT software is 3 to 5 years. The useful life of concessions is determined by the average duration of the contracts. The expected useful life of brands and customer base from acquisitions are amortised over a period of 5 to a maximum of 20 years. They are assessed for impairment yearly. The difference between the cost of an acquisition and the interest in revalued net assets (goodwill) is offset against equity.

## Financial assets

Financial assets consist of investments in associated organisations and joint ventures, long-term loans and employer contribution reserves. Loans are valued at cost less any necessary impairment. Employer contribution reserves are recognised at nominal value. For a description of the valuation principles of investments in associated organisations and joint ventures, refer to the consolidation principles.

## Impairment

The Group assesses at each reporting date whether there is any objective evidence that an asset (including the goodwill recognised in equity) is impaired. If there are signs of impairment, an impairment test is carried out. The recoverable amount is the higher of net realisable value and value in use. As the goodwill is set off against equity at the date of acquisition, a possible impairment loss does not have to be recognised in the income statement, but only leads to a disclosure in the notes.

## Trade accounts payable and other payables

Trade accounts payable and other payables are recognised at their nominal values.

## Borrowings

Borrowings are recognised initially at the proceeds received, net of financing transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between proceeds and the redemption value is recognised in the income statement over the period of the borrowings.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

## Derivative financial instruments

The Group uses derivative financial instruments such as currency contracts to hedge cash flows and risks associated with foreign currency fluctuations. ORIOR treats cash flow hedges as off balance sheet items until the hedged transactions occur and discloses their values in note 31.

## Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

The Group recognises a provision for onerous contracts when the expected economic benefits to be derived from a contract are less than the unavoidable costs of meeting the obligations under the contract.

Restructuring provisions comprise, among other items, lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Provisions for restoration costs are recognized when new retail shops are opened. These cover the expected restoration costs which are incurred after the lease end in order to restore the site back to its original condition.

## Contingent liabilities

Contingent liabilities are assessed on the basis of the likelihood and on the basis of the amount of the future obligation and disclosed in the notes.

## Employee benefit obligations

Employees and former employees receive various employee benefits and pensions which are provided in accordance with the local laws.

The Group operates various independent pension plans, which have the legal structure of foundations or are contracted with insurance companies. The employer and employees pay contributions into the pension plans.

The economic impact of ORIOR's pension plans is reviewed each year. An economic benefit is recognised if it is allowed and envisaged to use the surplus for the future pension expenses of the company. An economic obligation is recognised if the conditions are met to recognise a provision. Existing employer contribution reserves are recognised under financial assets.

## Employee participation plan

The employee participation plan is a share-based remuneration scheme. Equity-settled share-based payments are recognised in the income statement over the vesting period while equity is increased accordingly. On the day when the payment is granted (grant date), its fair value is determined based on the share price on that day minus the subscription price. Expenses for equity-settled stock-based payments are adjusted every year based on expected subscriptions, departures (participants who no longer meet the criteria and leave the plan) and advance subscriptions. If granted equity instruments are cancelled, they must be treated as if they were exercised on the date of cancellation; expense that has not yet been recognised for the granting is recognised immediately.

## Revenue recognition

Revenues mainly comprise the sale of goods as well as agency transactions. They correspond to the fair value of the consideration received or receivable for the sale of goods as well as transactions as an agent in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates discounts and commissions, and after eliminated sales within the Group.

The Group records sales revenue if this can be determined reliably and the future economic benefits are known. The Group bases its assessment of how collectable claims are on past results, taking account of the type of customer, type of business and the particularities of the specific contractual relationship.

Sales of goods are recognised when significant risks and rewards of ownership of the goods are transferred to the buyer. In the event of agency transactions, only the value of the service rendered by the contractor itself is recognised.

## Taxes

### Income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are in force on the balance sheet date.

**Deferred tax**

Deferred income tax is recognised in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. They are determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

In accordance with Swiss GAAP FER, when determining temporary differences, tax-loss carryforwards may be included in the calculation of deferred tax assets and other such temporary differences and offset against deferred tax liabilities. ORIOR does not capitalise deferred tax assets on tax-loss carryforwards. The value of such tax assets is recognised only when realised.

**Leases**

Leases are differentiated between operating and financial lease.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement over the period of the lease.

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the commencement of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding lease obligations, net of finance charges, are included in financial liabilities. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset or the lease term.

**3 Financial and business risk****Financial risk factors**

The Group's principal financial liabilities comprise a bond, bank loans and trade payables. The main purpose of these financial liabilities is to raise finance for the Group's operations. The Group has various financial assets such as trade receivables and cash which arise directly from its operations.

The Group also enters into derivative transactions. The purpose is to manage the currency and interest risks arising from the Group's operations.

The Group's business activities and its financial instruments expose it to a variety of financial risks, including credit risks and the effects of changes in debt market prices, foreign currency exchange rates and interest rates.

## Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital on the basis of the consolidated equity ratio. This ratio is calculated as total equity divided by total assets as shown in the consolidated balance sheet.

in CHF thousand	31.12.2020	31.12.2019
Equity before non-controlling interests	66 380	78 261
+ Non-controlling interests	2 133	8 192
Equity after non-controlling interests	68 513	86 453
Total assets	379 430	404 301
<b>Consolidated equity ratio</b>	<b>18.1%</b>	<b>21.4%</b>

The Group also closely monitors covenants included in the Credit Facility Agreement for bank loans (see note 25). These covenants focus on the net senior debt to EBITDA Ratio. The Group met all loan covenants.

## Business risk factors

The Group's activities expose it to the risk of changes in raw material prices, mainly raw meat such as pork, beef and poultry as well as durum wheat. The Group's objective is to minimise the impact of raw material price fluctuations by taking account of alternative suppliers in Switzerland and abroad, by maintaining good relationships with existing suppliers and by agreeing on price mechanisms with the main customers. Usually, the Group can pass most of the price increases on to customers with delay.

## Internal Control System

The Group has an Internal Control System in place for all Group companies as required by Art. 728a Swiss CO. Periodically, a risk identification process is carried out. The materiality and probability of the identified risks are assessed and measures to reduce or eliminate those risks are determined by the Board of Directors and the Executive Committee.

Besides these periodical risk assessments, the Group cultivates an active "What if" risk management. "What if" scenarios are integrated into the budget and forecast process of all Group companies.

The last risk assessment was carried out by the Executive Committee in the fourth quarter of 2020 and was assessed and approved by the Board of Directors on 14 December 2020.

#### 4 Significant accounting estimates and judgements

The Group makes estimates and assumptions concerning the future which are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

In the process of applying the Group's accounting policies, management has made the following judgements and estimates, which have a significant effect on the amounts recognised in the financial statements.

##### Evaluation of intangible assets and estimation of the useful life

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired by a business combination, is the fair value at the date of acquisition. After initial recognition, intangible assets are accounted for at cost less accumulated amortisation and any accumulated impairment losses. Intangible assets (mostly customer base and brands) are amortised over a period of 5 to 20 years. The expected useful life of intangible assets is determined on a case-by-case basis and takes into consideration the assumption of how long the Group can use an economic benefit or how long the Group can use the intangible asset. The recoverable amount of intangible assets is based on assumptions of future revenues, margins and discount rates. If these assumptions change, future results may vary considerably from current calculations.

##### Operating lease commitments – Group as a lessee

Individual companies of the Group have signed property lease agreements. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that all significant risks and rewards of ownership of these properties are retained by the lessor. Therefore, these contracts are accounted for as operating leases.

#### 5 Selected coronavirus effects on the Group

Business was materially impacted by restrictions related to the coronavirus and the ensuing measures ORIOR implemented to protect the health of its employees and maintain its supply capabilities. The consequent changes in ORIOR's product and channel mix led to a surge in the retail business and a near-standstill in business at travel catering specialist Casualfood as well as sharp declines in other areas of the food service business. Sales shifts between the segments had an impact on gross profit.

The ORIOR Group was eligible for financial assistance due to the adverse effects of the aforementioned restrictions. As disclosed in the Half Year Report 2020, the ORIOR Group is covered by a property and business interruption insurance which covers epidemic risks. The insurance coverage for these epidemic risks amounts to up to kCHF 4 400. The claim for the entire coverage of kCHF 4 400 was completed in the first half of 2020 and is recognized in the consolidated income statement as other operating income.

Casualfood is eligible for the coronavirus related economic aid from the German government. In this matter, government aid of kCHF 535 was accrued for and is recognized as other operating income. The payment was not yet received as at 31 December 2020.

Additionally, individual subsidiaries submitted requests for short time work in 2020. Income in the amount of kCHF 3 777 was booked and netted against personnel expenses. The majority of this amount was related to Casualfood with kCHF 3 088. As at 31 December 2020 compensations of kCHF 605 were outstanding.

The sharp decline in revenues of Casualfood due to the travelling restrictions was an indication of a potential impairment. On the basis of this indication an impairment test was performed which shows that as at 31. December 2020 no impairment is necessary.

## 6 Changes in scope of consolidation

### In the reporting period

As at 8 September 2020 the interest in the fully consolidated Casualfood GmbH was increased by a further 19.09% to 89.09%. This resulted in a reduction of the minorities of kCHF 3 931. The difference between the purchase price and the reduction of the minorities was recognized as goodwill and directly offset against equity. The cashout includes an advance payment in the amount of kCHF 359 for the intended purchase of the remaining shares in 2022.

Additionally, the non-operative subsidiary Orior Deutschland GmbH in Liq. with registered office in Frankfurt am Main was liquidated on 4 March 2020 and is therefore no longer in the scope of consolidation. A liquidation surplus of kCHF 92 was realized. At the time of the liquidation the cumulated translation differences amounted to kCHF 122, which were recycled through financial income. Moreover, the intermediate holding company Albert Spiess Holding AG in Liq. with registered office in Schiers was liquidated on 28 September 2020. The liquidation surplus amounted to kCHF 18. These liquidations were part of a simplification of the group structure.

On 22 January 2020 the establishment of the joint venture "Smartseller" with duty free retail and distribution company Gebr. Heinemann SE & Co. KG was announced. The joint venture was founded on 1 June 2020 and started operations in the second half of 2020. Casualfood has invested kCHF 588 in the equity of smartseller GmbH & Co. KG and smartseller Verwaltungs GmbH for 50% of the shares. These companies will be recognized as joint ventures and accounted for using the equity method according to Swiss GAAP FER.

### In the prior year period

On 2 September 2019, the ORIOR Group increased its interest in Casualfood by another 35% and thereby acquired control, which further strengthens its broader strategic footprint by adding a new centre of competence specialised in small scale food islands in the fast-growing food service to-go market.

The company acquired reported the following main balance sheet items at the time of acquisition:

in CHF thousand	Fair value recognised on acquisition
Inventories and work in progress	914
Other current assets	9 501
Property, plant and equipment	6 098
Intangible assets	33 506
<b>Assets</b>	<b>50 018</b>
Trade accounts payable	-2 963
Other current liabilities	-4 707
Long-term financial liabilities	-4 384
Other long-term liabilities	-11 613
<b>Liabilities</b>	<b>-23 667</b>
<b>Net assets</b>	<b>26 351</b>
<i>of which net assets acquired</i>	<i>18 446</i>
<i>of which non-controlling interests</i>	<i>7 905</i>
<b>Goodwill</b>	<b>56 333</b>
<i>of which Goodwill from acquisition of 35% in 2018</i>	<i>28 486</i>
<i>of which Goodwill from acquisition of additional 35% in 2019</i>	<i>27 846</i>

## 7 Segment information

For management purposes, the Group is structured along the three operating segments ORIOR Convenience, ORIOR Refinement and ORIOR International. The operating segments are characterised by a clear focus on specific product categories.

- ORIOR Convenience and its competence centres Fredag, Pastinella, Le Patron and Biotta operate five processing facilities in the German-speaking part of Switzerland. Besides fresh convenience products such as ready-made meals, patés and terrines, fresh pasta, vegetarian and vegan specialities as well as cooked poultry and meat products, the Convenience segment also produces all-natural organic vegetable and fruit juices. Its products are mainly sold through retail, food service channels and specialised retailers in Switzerland. The Convenience segment consists of four operating competence centres. These operating segments have been aggregated because their long-term financial performance is similar. The type of product and the way these products are made as well as the client groups are also similar, and in some cases identical.
- ORIOR Refinement and its three competence centres Rapelli, Albert Spiess and Möfag operate five processing and refining facilities in the cantons of Grisons, Ticino and St. Gallen. The segment is characterised by a clear focus on refined and processed meat products and produces traditional premium meat products as well as new interpretations in various categories from Bündnerfleisch and ham to salami and Mostbröckli. The products are mainly sold through retail and food service channels in Switzerland. The Refinement segment consists of three main operating competence centres. These operating segments have been aggregated because their long-term financial performance is similar. The type of product and the way these products are made as well as the client groups are also similar, and in some cases identical.
- ORIOR International consists of the two operating competence centres Culinor Food Group and Casualfood, the operating activities of Biotta's sister company Gesa, and Spiess Europe, a platform for the final slicing, packaging and distribution of the Group's products. The Culinor Food Group centre of competence has five sites in Belgium where it produces high-quality ready-made meals and meal components, most of which are supplied to retailers and food services companies. Gesa is based in Germany and specialises in producing organic vegetable juices for the food and beverage industry. Casualfood operates approximately 60 small food to go islands at high-traffic locations in airports.

### Net sales by segment

in CHF thousand	2020	2019
<b>ORIOR Convenience</b>	<b>201 795</b>	<b>202 034</b>
<b>ORIOR Refinement</b>	<b>266 678</b>	<b>258 241</b>
<b>ORIOR International</b>	<b>154 786</b>	<b>159 550</b>
Intercompany eliminations	– 22 946	– 23 475
<b>Net sales</b>	<b>600 313</b>	<b>596 350</b>

ORIOR foregoes reporting detailed segment results due to the following reason (Swiss GAAP FER 31): There are only a few major players on the sourcing and sales sides of the market in which ORIOR Group operates but there are many food and beverage producers. ORIOR Group is one of the few companies in its industry that publishes financial statements. The publication of detailed segment results created significant problems for ORIOR Group in recent years.

## Notes to the Consolidated Income Statement

### 8 Net sales

in CHF thousand	2020	2019
Sales of goods and agency transactions	612 503	608 483
Reduction in gross sales	- 12 190	- 12 132
<b>Total</b>	<b>600 313</b>	<b>596 350</b>

### Net sales by country group

in CHF thousand	2020	in % total	2019	in % total	Δ in % Local Currency
Switzerland	436 242	72.7%	430 069	72.1%	1.4%
BeNeLux <sup>1</sup>	94 211	15.7%	101 407	17.0%	- 3.4%
Germany	23 210	3.9%	27 489	4.6%	- 13.4%
Others	46 650	7.8%	37 385	6.3%	28.6%
<b>Total</b>	<b>600 313</b>	<b>100.0%</b>	<b>596 350</b>	<b>100.0%</b>	

<sup>1</sup> Belgium, Netherlands, Luxembourg

The amount shown for Germany includes the net sales of Casualfood for the entire year 2020 whereas there were only 4 months included in the previous year.

### Net sales by customer

in CHF thousand	2020	in % total	2019	in % total	Δ in % Local Currency
#1 Customer	162 464	27.1%	151 421	25.4%	7.3%
#2 Customer	70 162	11.7%	64 708	10.9%	8.4%
#3 Customer	35 183	5.9%	35 589	6.0%	2.8%
#4 Customer	27 034	4.5%	30 315	5.1%	- 7.3%
#5 Customer	26 724	4.5%	21 389	3.6%	24.9%
Others	278 747	46.4%	292 928	49.1%	- 3.7%
<b>Total</b>	<b>600 313</b>	<b>100.0%</b>	<b>596 350</b>	<b>100.0%</b>	

The decrease of the proportionate share in customers' net sales outside of the top 5 is primarily the consequence of the sharp declines in the food service business.

### 9 Other operating income

in CHF thousand	2020	2019
Other operating income	5 503	1 221
Gain from disposal of fixed assets	44	112
<b>Total</b>	<b>5 548</b>	<b>1 332</b>

Other operating income includes items that are not in direct relation with the actual business purpose of the Group. Those are basically rental income, sales of by-products as well as other administrative services.

The insurance payment of kCHF 4 400 and the economic aid of kCHF 535 from the German government are included within the other operating income. More details can be found in note 5.

**10 Other operating expense**

<b>in CHF thousand</b>	<b>2020</b>	<b>2019</b>
Repair, Maintenance & Replacements	-9 182	-9 214
Other operating expenses	-7 202	-6 465
Energy, information and communication	-17 193	-15 208
Building outlay	-15 722	-15 120
Shipping	-15 224	-15 999
Marketing & sales	-15 029	-15 263
Administration	-5 714	-5 038
<b>Total</b>	<b>-85 266</b>	<b>-82 308</b>

The increase in other operating expenses, energy, information and communication expenses, building outlay and administration expenses is mostly driven by Casualfood, which is included for an entire year for the first time.

**11 Financial income**

<b>in CHF thousand</b>	<b>2020</b>	<b>2019</b>
Interest income	145	39
Dividend income	11	10
Gain on financial assets	61	399
Foreign exchange gains - realised	853	441
Foreign exchange gains - unrealised	201	750
Other financial income	243	11
<b>Total</b>	<b>1 514</b>	<b>1 649</b>

The other financial income includes the recycled cumulated translation differences and the liquidation surpluses (see note 6). These positions, the gain on financial assets and the write-down of a financial asset in other financial expenses (note 12) are shown in the other non liquidity-related transactions in the cash flow statement.

**12 Financial expense**

<b>in CHF thousand</b>	<b>2020</b>	<b>2019</b>
Interest expense	-2 402	-2 252
Bank charges and commissions	-195	-270
Foreign exchange losses - realised	-452	-770
Foreign exchange losses - unrealised	-986	-1 390
Other financial expense	-149	-103
<b>Total</b>	<b>-4 184</b>	<b>-4 785</b>

**13 Income taxes**

The major components of income tax expense are:

<b>in CHF thousand</b>	<b>2020</b>	<b>2019</b>
Current income taxes	- 5 379	- 5 466
Movements of deferred taxes	2 127	2 562
<b>Total</b>	<b>- 3 252</b>	<b>- 2 904</b>

The different profit and loss contributions of the individual Group companies in relation to total Group profit and the different tax rates produced an weighted average income tax rate of 8.7% (2019: 18.7%). Due to the negative net result of Casualfood the tax rate has decreased significantly.

**14 Earnings per share**

Earnings per share are calculated by dividing net profit for the year attributable to shareholders of ORIOR by the weighted average number of ordinary shares outstanding during the year. There are no diluted effects on the earnings per share. Therefore, the value of basic earnings per share is equal to the diluted earnings per share.

The following reflects the income and share data used in the earnings per share computations:

<b>in CHF thousand</b>	<b>2020</b>	<b>2019</b>
Profit for the year	21 805	31 494
Weighted Ø number of ordinary shares in 000	6 510	6 504
Earnings per share in CHF	3.35	4.84

The weighted average effect of the purchase of treasury shares (see note 28) is taken into account in the weighted average number of ordinary shares outstanding during the year.

## Notes to the Consolidated Balance Sheet

### 15 Trade accounts receivable

in CHF thousand	31.12.2020	31.12.2019
Third parties	61 920	69 121
Related parties	356	330
Allowance for bad debts	- 353	- 635
<b>Total</b>	<b>61 923</b>	<b>68 817</b>

The decrease of the trade accounts receivable is the effect of the active net working capital management.

### 16 Other current receivables

in CHF thousand	31.12.2020	31.12.2019
VAT receivables	2 005	1 607
Current income tax assets	674	746
Other current receivables	3 399	2 023
Other current receivables – associated organisations and joint ventures	138	14
Other current receivables – pension fund	3	0
Prepayments	27	22
<b>Total</b>	<b>6 246</b>	<b>4 411</b>

The other current receivables contain the government aid and short time work compensation that have not yet been received (see note 5).

### 17 Inventories and work in progress

in CHF thousand	31.12.2020	31.12.2019
Raw materials	29 168	28 352
Trade products	6 445	9 081
Semi-finished products / work in progress	30 664	33 077
Finished products	23 728	25 016
Value adjustments of inventory	- 1 332	- 803
<b>Total</b>	<b>88 673</b>	<b>94 723</b>

The change in inventories and work in progress recognised in the income statement amounted to kCHF -3 794 (2019: kCHF 3 911). The decrease is also the effect of the net working capital management.

## 18 Property, plant and equipment

in CHF thousand	Production equipment	Furniture and office equipment	IT equipment	Vehicles	Other and assets under construction	Land and buildings	Buildings under construction	Total tangible assets
<b>At cost</b>								
<b>Balance 01.01.2019</b>	<b>120 648</b>	<b>41 368</b>	<b>4 849</b>	<b>5 555</b>	<b>5 200</b>	<b>78 650</b>	<b>132</b>	<b>256 403</b>
Additions	6 273	2 719	467	654	662	2 354	36	13 165
Additions from acquisitions	0	4 705	0	0	1 392	0	0	6 098
Disposals	-1 071	-310	-293	-604	0	0	0	-2 278
Reallocation within category	469	243	8	0	-2 332	1 743	-132	0
Exchange differences	-777	-69	-18	-18	0	-800	-0	-1 682
<b>Balance 31.12.2019</b>	<b>125 543</b>	<b>48 657</b>	<b>5 013</b>	<b>5 587</b>	<b>4 922</b>	<b>81 948</b>	<b>36</b>	<b>271 705</b>
Additions	5 812	2 716	582	455	1 326	1 517	127	12 534
Disposals	-1 716	-150	-1 094	-772	-87	-285	0	-4 104
Reallocation within category	422	1 130	12	0	-1 605	77	-35	0
Exchange differences	-70	-2	-1	-2	-13	-85	-0	-174
<b>Balance 31.12.2020</b>	<b>129 990</b>	<b>52 349</b>	<b>4 511</b>	<b>5 268</b>	<b>4 543</b>	<b>83 170</b>	<b>129</b>	<b>279 961</b>
<b>Accumulated depreciation</b>								
<b>Balance 01.01.2019</b>	<b>-74 867</b>	<b>-22 681</b>	<b>-3 971</b>	<b>-3 809</b>	<b>-2 587</b>	<b>-15 482</b>	<b>0</b>	<b>-123 397</b>
Depreciation	-9 474	-4 018	-525	-687	-201	-3 000	0	-17 904
Disposals	1 032	310	293	585	0	0	0	2 220
Exchange differences	266	26	11	6	0	80	0	390
<b>Balance 31.12.2019</b>	<b>-83 043</b>	<b>-26 363</b>	<b>-4 193</b>	<b>-3 904</b>	<b>-2 787</b>	<b>-18 401</b>	<b>0</b>	<b>-138 691</b>
Depreciation	-9 702	-4 943	-491	-638	-179	-3 094	0	-19 047
Disposals	1 680	150	1 094	637	87	285	0	3 933
Reallocation within category	0	-43	0	0	43	0	0	0
Exchange differences	1	-15	0	0	0	2	0	-11
<b>Balance 31.12.2020</b>	<b>-91 063</b>	<b>-31 213</b>	<b>-3 589</b>	<b>-3 906</b>	<b>-2 837</b>	<b>-21 208</b>	<b>0</b>	<b>-153 816</b>
Net balance 01.01.2019	45 781	18 687	878	1 746	2 613	63 168	132	133 006
Net balance 31.12.2019	42 500	22 294	820	1 682	2 135	63 546	36	133 013
<b>Net balance 31.12.2020</b>	<b>38 927</b>	<b>21 136</b>	<b>922</b>	<b>1 363</b>	<b>1 706</b>	<b>61 963</b>	<b>129</b>	<b>126 145</b>

Advance payments in the amount of kCHF 895 (2019: kCHF 1 244) had been made as of year-end 2020 in connection with tangible assets under construction.

By the end of 2020, property, plant and equipment of kCHF 10 565 (2019: kCHF 10 915) were pledged as security for a part of the interest-bearing liabilities (see also note 25).

**19 Leases**

The maturity structure of all future finance leasing payments and the corresponding interest expense are given below:

in CHF thousand	31.12.2020	31.12.2019
Maturity within 1 year	61	62
Maturity between 1 and 5 years	67	129
Maturity over 5 years	0	0
<b>Total</b>	<b>129</b>	<b>191</b>
Interest portion	-1	-2
<b>Total financial leasing</b>	<b>128</b>	<b>189</b>

Financial leasing is mainly attributable to store equipment and vehicles.

Maturity structure of non-capitalised operating leasing contracts:

in CHF thousand	31.12.2020	31.12.2019
Maturity within 1 year	10 285	13 070
Maturity between 1 and 5 years	57 163	44 909
Maturity over 5 years	41 713	35 344
<b>Total operating leasing</b>	<b>109 161</b>	<b>93 324</b>

Operating leasing is mainly attributable to production buildings as well as Casualfood's retail shops in Germany. The increase is driven by the opening of the airport in Berlin and therefore the commencement of the retail shop leasing contracts as well as the extension of other existing retail shop contracts.

**20 Intangible assets**

in CHF thousand	Brands	Label	Concessions	Customer base	Patents and Licenses	IT software	Total
<b>At cost</b>							
<b>Balance 01.01.2019</b>	<b>32 080</b>	<b>28 660</b>	<b>0</b>	<b>76 691</b>	<b>7 680</b>	<b>13 948</b>	<b>159 059</b>
Additions	0	0	0	0	9	1 021	1 029
Additions from acquisitions	13 666	0	19 840	0	0	0	33 506
Disposals	0	0	0	0	0	-34	-34
Exchange differences	-18	0	-26	-1 359	-0	-8	-1 410
<b>Balance 31.12.2019</b>	<b>45 728</b>	<b>28 660</b>	<b>19 814</b>	<b>75 332</b>	<b>7 689</b>	<b>14 926</b>	<b>192 149</b>
Additions	0	0	0	0	0	1 981	1 981
Disposals	0	0	0	0	0	-1 427	-1 427
Exchange differences	-55	0	-80	-150	-0	1	-285
<b>Balance 31.12.2020</b>	<b>45 673</b>	<b>28 660</b>	<b>19 734</b>	<b>75 182</b>	<b>7 689</b>	<b>15 480</b>	<b>192 418</b>
<b>Accumulated depreciation</b>							
<b>Balance 01.01.2019</b>	<b>-19 778</b>	<b>-28 660</b>	<b>0</b>	<b>-39 667</b>	<b>-7 680</b>	<b>-11 923</b>	<b>-107 708</b>
Amortisation	-1 787	0	-882	-2 278	-0	-859	-5 806
Disposals	0	0	0	0	0	34	34
Exchange differences	2	0	7	204	0	3	217
<b>Balance 31.12.2019</b>	<b>-21 562</b>	<b>-28 660</b>	<b>-875</b>	<b>-41 741</b>	<b>-7 680</b>	<b>-12 744</b>	<b>-113 262</b>
Amortisation	-2 378	0	-2 589	-2 205	-1	-770	-7 942
Disposals	0	0	0	0	0	1 427	1 427
Exchange differences	-8	0	-23	6	-0	-0	-25
<b>Balance 31.12.2020</b>	<b>-23 948</b>	<b>-28 660</b>	<b>-3 487</b>	<b>-43 940</b>	<b>-7 681</b>	<b>-12 087</b>	<b>-119 802</b>
Net balance 01.01.2019	12 302	0	0	37 024	0	2 025	51 351
Net balance 31.12.2019	24 166	0	18 939	33 591	9	2 182	78 887
<b>Net balance 31.12.2020</b>	<b>21 725</b>	<b>0</b>	<b>16 247</b>	<b>31 242</b>	<b>8</b>	<b>3 394</b>	<b>72 616</b>

## 21 Goodwill shadow accounting

Goodwill is recognised directly in retained earnings at the time of purchase of a subsidiary or an investment in an associated organisation and joint venture. The theoretical capitalisation of goodwill and its amortisation would have the following impact on equity and the consolidated balance sheet:

in CHF thousand	Goodwill Group companies	Total goodwill 2020	Goodwill Group companies	Goodwill associated organisations / joint ventures	Total goodwill 2019
<b>At cost</b>					
<b>Balance 01.01.</b>	<b>216 191</b>	<b>216 191</b>	<b>159 858</b>	<b>28 486</b>	<b>188 345</b>
Additions	17 338	17 338	27 846	0	27 846
Reallocation	0	0	28 486	- 28 486	0
<b>Balance 31.12.</b>	<b>233 529</b>	<b>233 529</b>	<b>216 191</b>	<b>0</b>	<b>216 191</b>
<b>Theoretical accumulated amortisation</b>					
<b>Balance 01.01.</b>	<b>- 106 209</b>	<b>- 106 209</b>	<b>- 95 782</b>	<b>- 475</b>	<b>- 96 256</b>
Annual amortisation	- 11 435	- 11 435	- 8 687	- 1 266	- 9 953
Reallocation	0	0	- 1 741	1 741	0
<b>Balance 31.12.</b>	<b>- 117 645</b>	<b>- 117 645</b>	<b>- 106 209</b>	<b>0</b>	<b>- 106 209</b>
<b>Net balance 31.12.</b>	<b>115 885</b>	<b>115 885</b>	<b>109 982</b>	<b>0</b>	<b>109 982</b>

Acquisitions were translated into CHF with the exchange rate applicable on their respective transaction dates. As a result of this procedure, no currency translation adjustments were necessary.

Had goodwill been capitalised and amortised, the theoretical effect on equity and net income would have been as follows:

in CHF thousand	31.12.2020	31.12.2019
Equity per consolidated balance sheet	68 513	86 453
Theoretical capitalisation of net balance of goodwill	115 885	109 982
<b>Theoretical equity including goodwill</b>	<b>184 398</b>	<b>196 434</b>
Theoretical equity ratio	37.2%	38.2%
<b>in CHF thousand</b>		
	<b>2020</b>	<b>2019</b>
Profit for the year incl. non-controlling interests per consolidated income statement	19 731	31 794
Theoretical amortisation of goodwill	- 11 435	- 9 953
<b>Theoretical profit for the year incl. non-controlling interests after goodwill amortisation</b>	<b>8 296</b>	<b>21 841</b>

## 22 Financial assets

in CHF thousand	31.12.2020	31.12.2019
Investments in associated organisations / joint ventures	475	50
Loan	1 770	1 490
Other financial assets	16	16
<b>Total</b>	<b>2 261</b>	<b>1 556</b>

in CHF thousand	2020	2019
<b>Balance investments in associated organisations / joint ventures as per 01.01.</b>	<b>50</b>	<b>10 031</b>
Additions (investments)	588	0
Reallocation from other financial assets	0	50
Result of associated organisations / joint ventures	- 161	512
Dividends of associated organisations / joint ventures	0	- 1 042
Assumption of control of Casualfood	0	- 9 196
Translation adjustments	- 2	- 304
<b>Balance investments in associated organisations / joint ventures as per 31.12.</b>	<b>475</b>	<b>50</b>

More details can be found in note 6.

### 23 Other current payables

in CHF thousand	31.12.2020	31.12.2019
Other current payables – third parties	3 751	4 082
Other current payables – related parties	996	1 238
Current income tax liabilities	5 132	3 787
<b>Total</b>	<b>9 879</b>	<b>9 107</b>

### 24 Accrued liabilities

in CHF thousand	31.12.2020	31.12.2019
Vacation / overtime	3 994	3 896
Bonus	2 726	2 740
Client reimbursements	4 160	4 130
Operating expense	3 830	2 709
Taxes, duties and consultancy	2 093	2 262
Other accrued expenses	6 743	5 025
Other accrued expenses – related parties	830	668
<b>Total</b>	<b>24 375</b>	<b>21 430</b>

Time lags of invoice receipts, increased advertising fees and accrued rental payments for retail shops operated by Casualfood are the main drivers for the increase of the accrued liabilities.

**25 Financial liabilities**

in CHF thousand	Note	Effective interest rate %	Maturity	31.12.2020
<b>Current – third parties</b>				
Short-term bank loan in CHF		0.90 – 1.75%	2021	340
Short-term bank loan in EUR		0.51 – 1.15%	2021	2 128
kCHF 0 overdraft bank facility		1.80 – 4.50%	2021	0
Short-term liabilities from finance lease	■ 19	1.31 – 1.44%	2021	61
<b>Total</b>				<b>2 529</b>
<b>Non-current – third parties</b>				
kCHF 42 500 bank loan		LIBOR + 1.80%	30.09.2023	42 202
kEUR 5 000 bank loan		EURIBOR + 1.80%	30.09.2023	5 406
kCHF 1 250 bank loan		0.90 – 1.50%	N/a	1 250
kCHF 2 960 bank loan		1.75%	31.12.2024	2 960
kEUR 1 750 bank loan		Festzins 0.89%	30.06.2025	1 892
kEUR 1 500 bank loan		EURIBOR + 0.51%	30.06.2024	1 622
kEUR 300 bank loan		EURIBOR + 0.61%	30.09.2022	324
kEUR 250 bank loan		EURIBOR + 0.73%	31.12.2022	270
kEUR 241 bank loan		1.00%	30.09.2025	261
kEUR 188 bank loan		0.95%	31.12.2024	203
kEUR 79 bank loan		1.15%	31.12.2023	86
kCHF 102 094 bank loan (not yet drawn)			30.09.2023	0
kEUR 50 long-term liabilities from finance lease	■ 19	1.44%	31.12.2022	50
kEUR 17 long-term liabilities from finance lease	■ 19	1.31%	01.10.2022	17
kCHF 110 000 Bond		0.625%	26.09.2023	110 058
<b>Total</b>				<b>166 599</b>
in CHF thousand	Note	Effective interest rate %	Maturity	31.12.2019
<b>Current – third parties</b>				
Short-term bank loan in CHF		0.90 – 1.75%	2020	4 340
Short-term bank loan in EUR		0.51 – 1.15%	2020	1 594
kCHF 926 overdraft bank facility		1.80 – 4.50%	2020	926
Short-term liabilities from finance lease	■ 19	1.31 – 1.44%	2020	61
<b>Total</b>				<b>6 921</b>
<b>Non-current – third parties</b>				
kCHF 42 000 bank loan		LIBOR + 1.80%	30.09.2023	41 736
kCHF 3 870 bank loan		0.90 – 1.50%	N/a	3 870
kCHF 3 080 bank loan		1.75%	31.12.2024	3 080
kEUR 2 100 bank loan		EURIBOR + 0.51%	30.06.2024	2 280
kEUR 700 bank loan		EURIBOR + 0.61%	30.09.2022	760
kEUR 500 bank loan		EURIBOR + 0.73%	31.12.2022	543
kEUR 305 bank loan		1.00%	30.09.2025	331
kEUR 250 bank loan		0.95%	31.12.2024	271
kEUR 121 bank loan		1.15%	31.12.2023	131
kEUR 50 bank loan		1.05%	31.12.2021	54
kCHF 108 000 bank loan (not yet drawn)			30.09.2023	0
kEUR 93 long-term liabilities from finance lease	■ 19	1.44%	31.12.2022	101
kEUR 25 long-term liabilities from finance lease	■ 19	1.31%	01.10.2022	28
kCHF 110 000 Bond		0.625%	26.09.2023	110 079
<b>Total</b>				<b>163 263</b>

In connection with the refinancing of outstanding credit facilities as well as for general corporate purposes including potential acquisitions, the ORIOR Group issued on 26 September 2017 a six year bond with a nominal value of CHF 110.0 million (ISIN CH37961096) at an issued price of 100.545%. The loan carries a fixed interest rate of 0.625% and will be repaid on 26 September 2023.

The credit limit of the current Credit Facility Agreement is CHF 80.0 million (2019: CHF 80.0 million), which can be used up to the maturity date. The one year extension option was exercised during the year 2018, which extended the maturity date until 30 September 2023. By means of an increase option, the credit limit can be increased by an additional CHF 70.0 million. As per the balance sheet date CHF 102.1 million (2019: CHF 108.0 million) has not yet been drawn. In accordance with the Credit Facility Agreement, the Group can refinance the financial liabilities on a monthly basis at its discretion as long as the covenants are adhered to. The covenants stipulate a Net Leverage Ratio of not more than 3.0x (3.5x under exceptional circumstances). Due to the expected effects of the COVID-19 crisis the covenant could be increased for the full year 2020 and half year 2021. The Group does not see any risk that any covenants will be breached. Therefore, the whole amount of CHF 47.6 million (2019: CHF 41.7 million) is disclosed as non-current. The interest rates applicable to the credit facility are based on the ratio of the Group's net debt to EBITDA and on LIBOR. There are no annual repayments due.

Furthermore, an additional bilateral credit up to CHF 30.0 million (2019: CHF 30.0 million) can be used for short-term loans.

Bank loans are secured by pledged property, plant and equipment with a carrying amount of kCHF 10 565 (2019: kCHF 10 915).

## 26 Provisions

in CHF thousand	Restructuring	Anniversary and other long-term service benefits	Other	Total
<b>Balance 01.01.2019</b>	<b>1 124</b>	<b>3 868</b>	<b>1 132</b>	<b>6 124</b>
Additions	0	395	14	410
Additions from acquisitions	0	214	372	586
Use	-225	-56	-76	-357
Reversal	0	0	-979	-979
Exchange differences	-34	-45	-10	-89
<b>Balance 31.12.2019</b>	<b>865</b>	<b>4 376</b>	<b>454</b>	<b>5 695</b>
Of which short-term	865	412	56	1 332
Of which long-term	0	3 964	398	4 363
Additions	0	843	159	1 001
Use	-124	-40	-16	-180
Reversal	0	0	-13	-13
Exchange differences	-5	-7	0	-11
<b>Balance 31.12.2020</b>	<b>736</b>	<b>5 172</b>	<b>584</b>	<b>6 492</b>
Of which short-term	736	455	33	1 224
Of which long-term	0	4 717	551	5 268

**Restructuring** – This provision covers the restructuring costs of one subsidiary.

**Anniversary and other long-term service benefits** – This provision covers long-term employment benefits such as anniversary and other long-term service benefits. These are calculated annually by independent actuaries.

**Other** – Other provisions include the operational risks identified up to the balance sheet date, doubtful obligations and restoration costs.

## 27 Deferred income taxes

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against tax liabilities and when the deferred income taxes relate to the same fiscal authority.

in CHF thousand	31.12.2020	31.12.2019
Deferred tax liabilities	33 028	35 280
<b>Deferred tax liabilities</b>	<b>33 028</b>	<b>35 280</b>

The movement on the deferred income tax account is as follows:

in CHF thousand	2020	2019
Opening balance as at 01.01.	35 280	27 386
Additions from acquisitions	0	11 027
Charges / (discharges) to income statement	-2 127	-2 562
Exchange differences	-124	-571
<b>Deferred tax liabilities as at 31.12.</b>	<b>33 028</b>	<b>35 280</b>

Deferred income taxes are calculated for temporary differences under the liability method using local tax rates.

Deferred tax assets on tax-loss carryforwards are not capitalised. The value of such tax assets is recognised only when realised. The expiration of those losses is as follows:

- Expires in 1 to 3 years: kCHF 0 (2019: kCHF 0)
- Expires in 4 to 7 years: kCHF 6 (2019: kCHF 0)
- No expiration: kCHF 11 544 (2019: kCHF 2 552)

This results in not capitalised theoretical deferred tax assets for unused tax loss carryforwards of kCHF 2 933 (2019: kCHF 901). The tax loss carryforwards cannot be used in any case. During the year 2020 tax loss carryforwards in the amount of kCHF 0 (2019: kCHF 10 884) were offset against taxable income, which resulted in tax savings of kCHF 0 (2019: kCHF 2 160). In Germany a tax loss carryback of kCHF 5 406 (2019: kCHF 0) regarding corporation tax was offset against taxable income with a positive effect of kCHF 856 (2019: kCHF 0).

## 28 Treasury shares

	Number	Ø price per share in CHF	Total in kCHF
<b>Opening balance as at 01.01.2019</b>	<b>10 048</b>	<b>83.88</b>	<b>843</b>
Purchases 01.01. – 31.12.19	75 545	80.05	6 047
Sales 01.01. – 31.12.19	-84 165	82.17	-6 915
Losses/gains from sales of treasury shares			147
<b>Closing balance as at 31.12.2019</b>	<b>1 428</b>	<b>85.34</b>	<b>122</b>
<b>Opening balance as at 01.01.2020</b>	<b>1 428</b>	<b>85.34</b>	<b>122</b>
Purchases 01.01. – 31.12.20	12 887	75.31	970
Sales 01.01. – 31.12.20	0	0.00	0
Losses/gains from sales of treasury shares			0
<b>Closing balance as at 31.12.2020</b>	<b>14 315</b>	<b>76.31</b>	<b>1 092</b>

Further details regarding sales of treasury shares are provided in note 34.

## 29 Dividends

The dividend for 2019 was paid in June 2020 in conformity with the decision taken at the Annual General Meeting on 4 June 2020. Shareholders approved the proposed dividend of CHF 2.32 (2019: CHF 2.24) per share, resulting in a total dividend of kCHF 15 100 (2019: kCHF 14 550). 50% of the dividend was paid out of retained earnings (subject to withholding tax) and 50% was paid out of the contribution reserve (exempt from withholding tax). The Board of Directors will propose to the Annual General Meeting in April 2021 that the Group distributes a dividend of CHF 2.33 per share for the 2020 financial year. These financial statements do not reflect any dividend payable.

## 30 Share capital

The share capital consists of 6 517 499 shares at a par value of CHF 4.00, which results in a total share capital of kCHF 26 070.

## 31 Derivative financial instruments

in CHF thousand	Active values		Passive values	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Forward exchange transactions	0	106	0	809
Other underlyings	31	36	33	38
<b>Total derivative financial instruments</b>	<b>31</b>	<b>142</b>	<b>33</b>	<b>847</b>
Thereof to hedge future cash flows	31	142	33	847
<b>Total balance sheet values</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

The derivative financial instruments on other underlyings concern interest rate hedges, which are not accounted for in the balance sheet.

## 32 Foreign exchange rates

Currency	Unit	Average exchange rate		Closing exchange rate	
		2020	2019	31.12.2020	31.12.2019
EUR	1	1.0703	1.1126	1.0812	1.0856
USD	1	0.9389	0.9938	0.8852	0.9666

## 33 Employee pension fund

in CHF thousand	Nominal value ECR	Waiver of use	Creation/Release	Balance sheet	Balance sheet	Result from ECR in	Result from ECR in
						personnel expenses	personnel expenses
Employer contribution reserve	31.12.2020	31.12.2020	31.12.2020	31.12.2020	31.12.2019	2020	2019
Pension fund without excess/insufficient cover (Switzerland)	16	0	0	16	16	0	0

in CHF thousand	Over/under-funding	Group economic proportion	Group economic proportion	Change of economic proportion	Contributions accrued for the period	Pension expenses in	Pension expenses in
						personnel expenses	personnel expenses
Economic benefit(s) / Pension obligation and cost	31.12.2020	31.12.2020	31.12.2019	2020		2020	2019
Pension fund without excess/insufficient cover	0	0	0	0	246	246	6 349
Pension fund with excess cover	3 523	0	0	0	6 041	6 041	0
Pension fund with insufficient cover	-13	0	0	0	217	217	241
<b>Total</b>	<b>3 510</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6 504</b>	<b>6 504</b>	<b>6 590</b>

The pension funds with excess cover of kCHF 3 523 (2019: kCHF 0) are the ORIOR Group's pension fund and supplementary fund.

As the pension fund financial statements as at 31.12.2020 had not yet been prepared in accordance with Swiss GAAP FER 26 at the time this Annual Report was prepared, the most recently available financial statements were referenced. It is assumed that the financial statements as at 31.12.2020 will show no material change in the pension fund's economic benefit compared to the previous financial statements.

## 34 Share-based payments

The Group has set up a stock ownership scheme for members of the Board of Directors, members of the Executive Committee, members of the executive boards of the competence centres, and for employees of ORIOR Group as determined by the Board of Directors. Shares can be offered annually under special conditions to employees or members of the Board of Directors who are entitled to participate as an incentive to future performance, to be credited to or in addition to the payments owed under their employment contract.

The shares that are to be issued in the context of this plan can be acquired from ORIOR on the stock exchange or created by means of authorised, conditional or ordinary capital increases. The share purchase price corresponds to the volume-weighted average price during the last six months prior to the start of the two-month offer period of an ORIOR share traded on the SIX, minus a discount of 25%. The shares are subject to a blocking period of three years from the date of grant. No shares were sold within the framework of this plan, neither in the current year nor in the previous one. In 2018 19 445 shares were sold to plan participants at a price of CHF 58.04, which amounted to a total of kCHF 1 129. The recognised expense arising from share-based payment transactions for the financial year 2020 amounts to kCHF 149 (2019: kCHF 158).

## 35 Related parties

The Board of Directors of ORIOR AG (below Board of Directors), the Executive Committee of ORIOR AG (below Executive Committee), the pension fund organisations (below Pension fund) and associated organisations and joint ventures are treated as related parties.

Below please find the overview of related party transactions and balance sheet positions with related parties:

### in CHF thousand

<b>Assets</b>	<b>Partner</b>	<b>31.12.2020</b>	<b>31.12.2019</b>
Trade accounts receivable	Executive Committee <sup>1</sup>	356	330
Other current receivables	Associated organisations/ joint ventures	138	14
Other current receivables	Pension fund	3	0
Employer contribution reserve	Pension fund	16	16
Loan	Associated organisations/ joint ventures	1 770	1 490
<b>Liabilities</b>			
Trade accounts payable	Executive Committee <sup>1</sup>	54	194
Other current payables	Pension fund	936	1 113
Other current payables	Executive Committee	35	93
Other current payables	Associated organisations/ joint ventures	25	33
Accrued liabilities	Board of Directors	243	229
Accrued liabilities	Executive Committee	586	440

<sup>1</sup> Transactions with companies that are controlled by a member of the Executive Committee but do not belong to the ORIOR Group.

<b>Sales &amp; other income</b>	<b>Partner</b>	<b>2020</b>	<b>2019</b>
Gross sales	Executive Committee <sup>1</sup>	2 032	2 169
Other operating income	Executive Committee <sup>1</sup>	184	176
Other operating income	Associated organisations / joint ventures	49	17
Interest income	Associated organisations / joint ventures	13	2

<b>Expenses</b>	<b>Partner</b>	<b>2020</b>	<b>2019</b>
Raw materials/goods and services purchased	Executive Committee <sup>1</sup>	0	-17
Pension fund contributions	Pension fund	-6 504	-6 590
Board of Directors' compensation	Board of Directors	-678	-641
Administration	Executive Committee	-422	-443
Energy, information and communication	Associated organisations / joint ventures	-207	-85
Operational leasing	Executive Committee <sup>1</sup>	-354	-364

<sup>1</sup> Transactions with companies that are controlled by a member of the Executive Committee but do not belong to the ORIOR Group.

All transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. No further claims or liabilities exist between the Group and its Board of Directors or significant shareholders except for the amounts disclosed above.

### 36 Contingent liabilities

No guarantees or warranty obligations for third parties existed in the current financial period. The Group is involved in legal disputes, litigation, and court proceedings in the normal course of business. From the Group's point of view, it is presently not expected that these disputes will have a material impact on the Group's financial situation or operating profits in excess of existing provisions.

### 37 Pledges for obligations

Besides the pledges reported under "Property, Plant and equipment" (see note 18) and "financial liabilities" (see note 25), there are no further assets pledged.

### 38 Investment obligations and other off-balance sheet liabilities

<b>in CHF thousand</b>	<b>31.12.2020</b>	<b>31.12.2019</b>
<b>Contractual obligations towards third parties</b>	<b>12 815</b>	<b>33 996</b>
Thereof due within one year	0	21 129
Thereof due within two and more years	12 815	12 867
<b>Purchase obligations for property, plant and equipment</b>	<b>2 198</b>	<b>1 568</b>
<b>Purchase obligations for raw materials and trade products</b>	<b>29 067</b>	<b>30 006</b>

The contractual obligations represent an investment obligation regarding the intended acquisition of further interests in Casualfood GmbH.

### 39 Events after the balance sheet date

No events occurred between the balance sheet date and the printing date of the annual report which could have a material impact on the 2020 annual financial statements.

**40 Legal structure of ORIOR Group**

Company Name	Location	Country	Business activity	Currency	Share capital in thousand	% -share of votes <sup>1</sup>	
						2020	2019
ORIOR AG	Zurich	Switzerland	Parent Company	CHF	26 070		
ORIOR Management AG	Zurich	Switzerland	Services	CHF	100	100%	100%
Rapelli SA	Stabio	Switzerland	Premium Food	CHF	12 500	100%	100%
ORIOR Deutschland GmbH in Liq.	Frankfurt a. M.	Germany	Premium Food	EUR	25	0%	100%
ORIOR Menu AG	Böckten	Switzerland	Premium Food	CHF	1 700	100%	100%
Fredag AG	Root	Switzerland	Premium Food	CHF	2 000	100%	100%
Albert Spiess Holding AG in Liq.	Schiers	Switzerland	Holding	CHF	1 000	0%	100%
Albert Spiess AG	Schiers	Switzerland	Premium Food	CHF	1 000	100%	100%
Spiess Europe SAS	Haguenau	France	Premium Food	EUR	1 130	100%	100%
Möfag, Möslli Fleischwaren AG	Zuzwil	Switzerland	Premium Food	CHF	200	100%	100%
ORIOR Europe NV	Destelbergen	Belgium	Services	EUR	79 028	100%	100%
Culinor Food Group NV	Destelbergen	Belgium	Premium Food	EUR	7 419	100%	100%
Culinor NV	Destelbergen	Belgium	Premium Food	EUR	2 390	100%	100%
Covifood NV	Oostakker	Belgium	Premium Food	EUR	315	100%	100%
Biotta Holding AG	Tägerwilen	Switzerland	Holding	CHF	100	100%	100%
Biotta AG	Tägerwilen	Switzerland	Premium Beverage	CHF	12 000	100%	100%
Naturadrinks AG	Tägerwilen	Switzerland	Premium Beverage	CHF	800	100%	100%
Biotta GmbH	Konstanz	Germany	Premium Beverage	EUR	25	100%	100%
GESA Holding GmbH	Neuenstadt-Stein	Germany	Holding	EUR	25	100%	100%
GESA Gemüsesaft GmbH	Neuenstadt-Stein	Germany	Premium Beverage	EUR	260	100%	100%
ORIOR Food Service GmbH	Frankfurt a. M.	Germany	Holding	EUR	25	100%	100%
casualfood GmbH	Frankfurt a. M.	Germany	Food Service To-Go	EUR	110	89%	70%
smartseller GmbH & Co. KG	Hamburg	Germany	Food Service To-Go	EUR	2	50%	0%
smartseller Verwaltungs GmbH	Hamburg	Germany	Holding	EUR	25	50%	0%
Pflanzberg Energie AG	Tägerwilen	Switzerland	Generation of renewable energy	CHF	100	50%	50%

<sup>1</sup> The shares of capital correspond to the share of votes except at smartseller GmbH & Co. KG and smartseller Verwaltungs GmbH, joint ventures established by Casualfood (share 50%) in which the Group's share of capital is 44.5%.



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To the General Meeting of  
Orior Ltd, Zürich

Basle, 9 March 2021

## Report of the statutory auditor on the consolidated financial statements

As statutory auditor, we have audited the consolidated financial statements of Orior Ltd, which comprise the consolidated statement of income, the consolidated balance sheet, consolidated statement of changes in equity, the consolidated statement of cash flows and notes to the consolidated financial statements (pages 58 to 87), for the year ended 31 December 2020.



### Board of Directors' responsibility

The Board of Directors is responsible for the preparation of the consolidated financial statements in accordance with Swiss GAAP FER and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.



### Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the consolidated financial statements 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 entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



### Opinion

In our opinion, the consolidated financial statements for the year ended 31 December 2020 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with Swiss GAAP FER and comply with Swiss law.



**Report on key audit matters based on the circular 1/2015 of the Federal Audit Oversight Authority**

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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor’s responsibility* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the consolidated financial statements.

**Assessment of the appropriateness of the valuation of intangible assets**

**Area of focus** The intangible assets represent as of 31 December 2020 19% of the Group’s total assets and 106% of the Group’s total equity after minorities. As disclosed in notes 2 and 20 of the consolidated financial statements, the intangible assets are initially recognized at acquisition costs and subsequently measured at cost less accumulated depreciation and impairment. The intangible assets from acquisitions are depreciated over a useful life of 5 to maximum 20 years and tested annually for impairment. The company uses assumptions for the valuation in respect to future market and industry development, such as expected inflation rates, demographic developments as well as revenue and margin developments. Given the judgments required by the management in connection with the valuation of intangible assets, we considered this area to be key to the group audit.

**Our audit response** For the audit we evaluated the company’s process related to the definition of the useful life of intangible assets. Furthermore, we compared the future cash flows used to the strategic planning, business plans and other relevant business developments approved by the management and the board of directors. In addition, we audited the disclosure of intangible assets note 20 to the consolidated financial statements. In line with our audit procedures we did not note any exceptions regarding the valuation of the intangible assets.



**Report on other legal requirements**

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a para. 1 item 3 CO and Swiss Auditing Standard 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.



Ernst & Young Ltd

Martin Gröli  
Licensed audit expert  
(Auditor in charge)

Hortense Pfammatter  
Licensed audit expert

# **ORIOR AG**

FINANCIAL STATEMENTS 2020

## Income Statement

in CHF thousand	Note	2020	2019
Dividend income		21 100	7 000
Financial income		4 355	2 657
Other operating income		312	295
<b>Total income</b>		<b>25 767</b>	<b>9 952</b>
Financial expense		-1 126	-1 042
Other operating expense		-1 989	-1 408
Depreciation and amortisation	■ 8	-948	-1 896
<b>Total expenses</b>		<b>-4 063</b>	<b>-4 346</b>
<b>Ordinary earnings before taxes</b>		<b>21 704</b>	<b>5 607</b>
Tax expense		-49	-165
<b>Profit for the year</b>		<b>21 655</b>	<b>5 442</b>

## Balance Sheet

in CHF thousand	Note	31.12.2020	31.12.2019
Cash and cash equivalents		8 785	92
Other current receivables third parties		7	0
Other current receivables subsidiaries		2 240	1 250
Prepaid expenses		55	67
<b>Total current assets</b>		<b>11 087</b>	<b>1 409</b>
Loans to subsidiaries		293 573	261 748
Investments	■ 1	115 438	115 438
Intangible assets	■ 2	0	948
<b>Total non-current assets</b>		<b>409 011</b>	<b>378 134</b>
<b>Total assets</b>		<b>420 097</b>	<b>379 543</b>
Current financial liabilities subsidiaries	■ 3	30 503	0
Other current payables third parties		162	89
Other current payables subsidiaries		48	0
Accrued liabilities		1 442	1 096
<b>Current liabilities</b>		<b>32 154</b>	<b>1 185</b>
Bonds	■ 4	110 000	110 000
Long-term interest bearing liabilities third	■ 4	4 000	0
<b>Non-current liabilities</b>		<b>114 000</b>	<b>110 000</b>
<b>Total liabilities</b>		<b>146 154</b>	<b>111 185</b>
Share capital	■ 5	26 070	26 070
Statutory capital reserves		23 204	30 754
– Capital contribution reserves	■ 6	20 006	30 754
– Other capital reserves		3 198	0
Statutory retained earnings		5 214	5 214
Voluntary retained earnings		220 547	206 442
– Free reserve		5 000	5 000
Retained earnings		215 547	201 442
– Brought forward from previous year		193 892	196 000
– Profit for the year		21 655	5 442
Treasury shares	■ 7	–1 092	–122
<b>Total equity</b>		<b>273 943</b>	<b>268 358</b>
<b>Total liabilities and equity</b>		<b>420 097</b>	<b>379 543</b>

## Notes to the Statutory Financial Statements

### General information

ORIOR AG  
Dufourstrasse 101  
8008 Zürich

BID number / CHE-113.034.902  
VAT number / CHE-113.034.902 MWST

These annual financial statements were prepared in line with Swiss law, and in particular with the articles of the Swiss Code of Obligations concerning accounting and financial reporting (Art. 957 ff. OR).

The following principles are applied to the annual financial statements:

The figures shown in the annual financial statements are rounded up or down. The actual calculations are made with greater precision, so small rounding differences can appear.

#### No presentation of a cash flow statement and additional disclosures in the Notes

As ORIOR AG has prepared its consolidated financial statements under a recognised accounting standard (Swiss GAAP FER), it has decided, in accordance with applicable laws and regulations, not to disclose additional information in the Notes or present a cash flow statement.

## Information about balance sheet and income statement items

### 1 Direct and major indirect investments

Company Name	Location	Investment	Business activity	Currency	Share capital in thousand	% -share of votes <sup>1</sup>	
						2020	2019
ORIOR Management AG	Zurich	direct	Services	CHF	100	100%	100%
ORIOR Menu AG	Böckten	direct	Premium Food	CHF	1 700	100%	100%
Rapelli SA	Stabio	indirect	Premium Food	CHF	12 500	100%	100%
Fredag AG	Root	indirect	Premium Food	CHF	2 000	100%	100%
Albert Spiess AG	Schiers	indirect	Premium Food	CHF	1 000	100%	100%
Möfag, Mösli Fleischwaren AG	Zuzwil	indirect	Premium Food	CHF	200	100%	100%
ORIOR Europe NV	Destelbergen	indirect	Services	EUR	79 028	100%	100%
Culinor Food Group NV	Destelbergen	indirect	Premium Food	EUR	7 419	100%	100%
Culinor NV	Destelbergen	indirect	Premium Food	EUR	2 390	100%	100%
Covifood NV	Oostakker	indirect	Premium Food	EUR	315	100%	100%
Biotta Holding AG	Tägerwilen	indirect	Holding	CHF	100	100%	100%
Biotta AG	Tägerwilen	indirect	Premium Beverage	CHF	12 000	100%	100%
Naturadrinks AG	Tägerwilen	indirect	Premium Beverage	CHF	800	100%	100%
GESA Gemüsesaft GmbH	Neuenstadt-Stein	indirect	Premium Beverage	EUR	260	100%	100%
ORIOR Food Service GmbH	Frankfurt a. M.	indirect	Holding	EUR	25	100%	100%
casualfood GmbH	Frankfurt a. M.	indirect	Food Service To Go	EUR	110	89%	70%
smartseller GmbH & Co. KG	Hamburg	indirect	Food Service To-Go	EUR	2	50%	0%
smartseller Verwaltungs GmbH	Hamburg	indirect	Holding	EUR	25	50%	0%

<sup>1</sup> The shares of capital correspond to the share of votes except at smartseller GmbH & Co. KG and smartseller Verwaltungs GmbH, joint ventures established by Casualfood (share 50%) in which the Group's share of capital is 44.5%.

Investments are recognised in the balance sheet at cost, less the necessary value adjustments.

## 2 Intangible assets

This position includes goodwill from a transaction in 2006 and was depreciated over a period of 15 years. The depreciation expired in 2020.

## 3 Current financial liabilities subsidiaries

ORIOR AG is the master account holder of ORIOR Group's physical cash pool. The Group subsidiaries and ORIOR AG are jointly and severally liable to the bank for any negative balances on the master account. The liabilities toward the subsidiaries that participate in the cashpooling amounted to kCHF 30 503 as at 31 December 2020.

## 4 Non-current liabilities

In connection with the refinancing of outstanding credit facilities as well as for general corporate purposes including potential acquisitions, ORIOR AG issued on 26 September 2017 a six year bond with a nominal value of CHF 110.0 million (ISIN CH37961096) at an issue price of 100.545%. The bond carries a fixed interest rate of 0.625% and will be repaid on 26 September 2023. In addition, as at 31 December 2020 kCHF 4 000 were drawn from the credit facility agreement.

## 5 Share capital and authorised share capital

The share capital of CHF 26 069 996 consists of 6 517 499 registered shares with a nominal value of CHF 4.00 each. As a result of the capital increase in March 2018, 592 499 new registered shares were issued at a price of CHF 75.50 each. At the Annual General Meeting on 4 June 2020 it was decided to renew the authorised share capital until 4 June 2022 and to reduce the amount to CHF 1 880 000, divided into 470 000 registered shares with a nominal value of CHF 4.00 each.

### Conditional share capital

The share capital of the Company may be increased by a maximum of CHF 714 256 through the issue of a maximum of 178 564 registered shares with a nominal value of CHF 4.00 each, which must be fully paid-in.

in CHF	31.12.2020	31.12.2019
Conditional share capital	714 256	714 256
Authorised share capital	1 880 000	3 908 000

## 6 Capital contribution reserves

The capital contribution reserves include the share premium (agio) from the capital increases conducted in previous years, less the ensuing dividend payments. The total of kCHF 20 006 shown as at 31.12.2020 was confirmed by the Swiss tax authorities and is therefore available for withholding tax free distribution.

## 7 Treasury shares

	Number	Ø price per share in CHF	Total in kCHF
Opening balance as at 01.01.2019	10 048	83.88	843
Purchases 01.01.–31.12.19	75 545	80.05	6 047
Sales 01.01.–31.12.19	-84 165	82.17	-6 915
Losses/gains from sales of treasury shares			147
<b>Closing balance as at 31.12.2019</b>	<b>1 428</b>	<b>85.34</b>	<b>122</b>
<b>Opening balance as at 01.01.2020</b>	<b>1 428</b>	<b>85.34</b>	<b>122</b>
Purchases 01.01.–31.12.20	12 887	75.31	970
Sales 01.01.–31.12.20	0	0.00	0
Losses/gains from sales of treasury shares			0
<b>Closing balance as at 31.12.2020</b>	<b>14 315</b>	<b>76.31</b>	<b>1 092</b>

Own shares are stated at cost at the date of acquisition. The profit or loss from subsequent re-sales is recognised in the income statement as financial income or expense.

## 8 Amortisation

in CHF thousand	2020	2019
Amortisation of intangible assets	948	1 896
<b>Total depreciation and amortisation</b>	<b>948</b>	<b>1 896</b>

## Miscellaneous

### Full-time positions

No employees were employed at ORIOR AG in the year under review or the prior year.

### Sureties, guarantee commitments and pledged or assigned assets in favour of third parties

in CHF thousand	31.12.2020	31.12.2019
Joint and several liabilities for rent	55 593	59 809
In 2007, the production buildings of ORIOR Group were sold and rented back by the subsidiaries of the Group. ORIOR AG is jointly and severally liable with its subsidiaries for the outstanding rent instalments. The figure shown includes future rent payments up to the year 2031.		
<b>Guarantee commitments in favour of subsidiaries</b>	<b>48 106</b>	<b>42 200</b>

### Restriction of title for own liabilities

The Credit Facility Agreement with Credit Suisse in the maximum amount of kCHF 80 000 was drawn with an amount of kCHF 47 906 as at 31 December 2020.

### Significant shareholders

The significant shareholders of the Company were the following (> 5%):

Name	% of capital and votes	
	31.12.2020	31.12.2019
UBS Fund Management (Switzerland) AG (CH)	10.06% <sup>1</sup>	10.51% <sup>1</sup>
Swisscanto Fondsleitung AG (CH)	5.43%	5.43%
Credit Suisse Funds AG (CH)	5.31%	5.31%

<sup>1</sup> Includes RoPas (CH) Institutional Fund – Equities Switzerland, which holds an interest of 6.29%.

### Derivative financial instruments

in CHF thousand	Active values		Passive values	
	31.12.2020	31.12.2020	31.12.2019	31.12.2019
Forward exchange transactions	0	0	0	51
<b>Total forward exchange transactions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>51</b>
Thereof to hedge future cash flows	0	0	0	51
<b>Total balance sheet values</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Shares held by members of governing bodies

As of 31 December 2020, the members of the Board of Directors and the Executive Committee held the following shares:

Name and function	Freely disposable shares as at 31.12.2020	Restricted shares as at 31.12.2020 <sup>1</sup>	Total number of shares as at 31.12.2020	in %	Total number of shares as at 31.12.2019
Rolf U. Sutter, Chairman of the Board of Directors	107 633	350	107 983	1.66%	107 983
Markus R. Neuhaus, Vice Chairman of the Board of Directors <sup>2</sup>	580	0	580	0.01%	580
Monika Friedli-Walser, Member of the Board of Directors	3 755 <sup>3</sup>	350	4 105	0.06%	1 050
Walter Lüthi, Member of the Board of Directors	150	350	500	0.01%	500
Monika Schüpbach, Member of the Board of Directors	257	0	257	0.00%	0
Markus Voegeli, Member of the Board of Directors	200	0	200	0.00%	0
Daniel Lutz, CEO ORIOR Group	2 000	1 200	3 200	0.05%	3 200
Andreas Lindner, CFO ORIOR Group	755	0	755	0.01%	0
Filip De Spiegeleire, Head ORIOR Europe	7 100	800	7 900	0.12%	7 900
<b>Total</b>	<b>122 430<sup>3</sup></b>	<b>3 050</b>	<b>125 480</b>	<b>1.93%</b>	<b>121 213</b>
Total ORIOR Shares			6 517 499	100.00%	6 517 499

<sup>1</sup> Shares held under the stock ownership plan (see "Employee stock ownership plan," p. 46).

<sup>2</sup> Appointed Vice Chairman of the Board of Directors of ORIOR AG effective 25 February 2020.

<sup>3</sup> Including participation of a closely related person.

A former member of the Board of Directors holds 350 ORIOR shares that were purchased in 2018 within the framework of a stock ownership programme; these shares are restricted until 31 July 2021. Under the same programme a former member of the Executive Committee purchased 1 100 ORIOR shares, restricted until 31 July 2021.

Members of the Board of Directors and the Executive Committee are granted no special terms or rights when purchasing shares other than those offered under the share purchase offer.

## Share-based payments

The Group has set up a stock ownership scheme for members of the Board of Directors, members of the Executive Committee, members of the executive boards of the competence centres, and for employees of ORIOR Group as determined by the Board of Directors. Shares can be offered annually under special conditions to employees or members of the Board of Directors who are entitled to participate as an incentive to future performance, to be credited to or in addition to the payments owed under their employment contract.

The shares that are to be issued in the context of this plan can be acquired from ORIOR on the stock exchange or created by means of authorised, conditional or ordinary capital increases. The share purchase price corresponds to the volume-weighted average price during the last six months prior to the start of the two-month offer period of an ORIOR share traded on the SIX, minus a discount of 25%. The shares are subject to a blocking period of three years from the date of grant. No shares were sold within the framework of this plan, neither in the current year nor in the previous one. In 2018 19 445 shares were sold to plan participants at a price of CHF 58.04, which amounted to a total of kCHF 1 129. The recognised expense arising from share-based payment transactions for the financial year 2020 amounts to kCHF 149 (2019: kCHF 158).

## Subsequent events

No significant events occurred after the balance sheet date that had an influence on the book values of the reported assets or liabilities or that have to be disclosed here.

## Proposal for the allocation of retained earnings as of 31 December 2020

in CHF thousand	31.12.2020	31.12.2019
Brought forward from previous year	193 892	196 000
Profit for the year	21 655	5 442
<b>Available for distribution by the General Meeting</b>	<b>215 547</b>	<b>201 442</b>

### Allocation of retained earnings

The Board of Directors is proposing to the 2021 Annual General Meeting of Shareholders that it pays a dividend of CHF 2.33 (previous year CHF 2.32) per share. It consists of a dividend paid out of retained earnings of CHF 1.17 (subject to withholding tax) and a dividend paid out of the capital contribution reserve of CHF 1.16 (exempt from withholding tax). If the shareholders approve this proposal, the total dividend payment will amount to kCHF 15 152. All shares are entitled to receive dividends except for the treasury shares (14 315 as per 31.12.2020).

in CHF thousand	31.12.2020	31.12.2019
Earnings available for distribution by the General Meeting	215 547	201 442
Allocation from confirmed capital contribution reserve	7 544	7 550
Dividend	- 15 152	- 15 100
Allocation to free reserves	0	0
<b>Balance brought forward</b>	<b>207 938</b>	<b>193 892</b>
Total distribution	- 15 152	- 15 100
of which from confirmed capital contribution reserve (withholding tax-free)	- 7 544	- 7 550
of which from other available earnings	- 7 609	- 7 550

The dividend payout for the financial year 2019 was kCHF 15 100. The difference of kCHF 17 to the annual report 2019 corresponds to the change in treasury shares, which are not entitled to receive dividends, between balance sheet date and date of dividend payment. The allocation from confirmed capital contribution reserve was therefore kCHF 7 550 instead of kCHF 7 559. 50% of the dividend was paid out of retained earnings (subject to withholding tax) and 50% was paid out of the contribution reserve (exempt from withholding tax).



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To the General Meeting of  
Orior AG, Zürich

Basle, 9 March 2021

## Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the accompanying financial statements of Orior AG, which comprise the balance sheet, income statement and notes (pages 92 to 98), for the year ended 31 December 2020.



### Board of Directors' responsibility

The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.



### Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements 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 entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



### Opinion

In our opinion, the financial statements for the year ended 31 December 2020 comply with Swiss law and the company's articles of incorporation.



### Report on key audit matters based on the circular 1/2015 of the Federal Audit Oversight Authority

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. For each matter below, our description of how our audit addressed the matter is provided in that context.



We have fulfilled the responsibilities described in the *Auditor's responsibility* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the financial statements.

### Investments

**Area of focus** The investments represent 27% of the total assets and 42% of the total equity of Orior AG as of 31 December 2020. The primary functions of the company include the acquisition, the administration and the disposal of investments in subsidiaries as well as financing and monitoring the group's activities. For statutory purposes, the company is required to assess the valuation of its investments and determine potential impairments on an individual basis. We consider investments in subsidiaries significant to our audit as the assessment involves judgments in estimating future revenues and margins as well as market and industry developments.

**Our audit response** Our work included the testing of the valuation model used in order to determine the recoverable amount. We further assessed the clerical accuracy of the valuation of the investments. Lastly, we verified the disclosure of the investments in note 1 to the financial statements. In line with our audit procedures we did not note any exceptions regarding the valuation of the investments.



### Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a para. 1 item 3 CO and Swiss Auditing Standard 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.

Ernst & Young Ltd

Martin Gröli  
Licensed audit expert  
(Auditor in charge)

Hortense Pfammatter  
Licensed audit expert

**ORIOR AG**

SHARE INFORMATION 2020

## Share information

Listing	SIX Swiss Exchange
Security number	11167736
ISIN code	CH0111677362
Ticker symbol	ORON
LEI (Legal Entity Identifier)	50670020I84ZA17K9522
Shares entitled to dividend	All, except for treasury shares.
Voting rights	All registered shares have full voting rights.
Major shareholders	See Corporate Governance Report, Note 1.

### Key figures

Number of shares at 31 December		2020	2019
Number of registered shares	Number	6 517 499	6 517 499
Nominal value per registered share	in CHF	4	4
of which treasury shares	Number	14 315	1 428
Number of outstanding registered shares	Number	6 503 184	6 516 071

Stock exchange key figures		2020	2019
Year-end price	in CHF	75.40	89.50
Year high	in CHF	94.70	92.00
Year low	in CHF	65.70	74.00
Average trading volume per day	Number	15 978	12 782
Market capitalisation at year-end	in CHF m	491.4	583.3

Key figures		2020	2019
Net result per share	in CHF	3.35	4.84
Net result per share (diluted)	in CHF	3.35	4.84
Operating cash flow per share	in CHF	8.03	8.78
Equity per share	in CHF	10.52	13.29
Dividend per share	in CHF	2.33	2.32
P / E ratio after tax		22.51	18.48
Weighted Ø number of shares outstanding	in '000	6 510	6 504

The "per share" benchmark figures are calculated on the basis of the weighted average number of shares.

## Share price performance



For better comparability, ORIOR's share price was compared with dividend-adjusted SPI Index.

## Dividend policy and dividend proposal

ORIOR's dividend policy is congruent with the Group's long-term financial development. The dividend policy takes the expected vagaries of the economy, the market situation and other factors such as liquidity needs and capital expenditure requirements as well as tax, regulatory and other legal considerations into account.

ORIOR's attractive dividend policy was confirmed in the ORIOR 2025 Strategy. The Board of Directors is proposing a dividend of CHF 2.33 per share for 2020.

## Key dates 2021

26 April 2021	Annual General Meeting ORIOR AG
28 April 2021	Ex-Date
30 April 2021	Pay-Date
17 August 2021	Publication of Half Year Results and Half Year Report 2021

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### Note to performance measures

ORIOR uses alternative performance measures in this Annual Report which are not defined by Swiss GAAP FER. These alternative performance measures provide useful and relevant information regarding the operative and financial performance of the Group. The document "Alternative Performance Measures Full Year 2020", which is available on <https://orior.ch/en/financial-reports>, defines these alternative performance measures.

### Disclaimer

This Annual Report might contain forward-looking statements based on the currently held beliefs and assumptions of the management of ORIOR AG. Management believes the expectations expressed in such statements are based on reasonable assumptions. Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, financial condition, performance, or achievements of ORIOR AG, or industry results, to differ materially from the results, financial condition, performance or achievements expressed or implied by such forward-looking statements.

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#### Our ambition

## Excellence in Food

ORIOR is an internationally active Swiss food and beverage group. It represents a family of companies with a strong regional footing and popular brands and products that claim leadership positions in growing niche markets at home and abroad.

ORIOR's decentralised business model allows every company in the Group to maintain their specific culture and identity, tailored to their workers and customers, and to create unique product, brand and concept worlds. They are joined together by a passion for culinary delights and true craftsmanship, a spirit of innovation directed towards market trends and needs, workforce entrepreneurship and strong common values.

Our management approach combines strategic thought and action at Group level with a high degree of autonomy at each centre of competence. The ORIOR 2025 Strategy with its strategic pillars and the Group-wide key strategic initiatives – the ground-breaking "ORIOR New Normal", the intradisciplinary "ORIOR Champion Model" and the synergistic "ORIOR Bridge-building" initiative – are important success factors that will ensure steady value creation for all stakeholders.

Motivated employees who enjoy what they do and who assume responsibility for themselves and their work are the catalyst for unlocking the extraordinary. We embrace uniqueness and premium quality in our claim to surprise our consumers time and again with delightful and delicious creations.

Our vision is nothing less than **Excellence in Food**.



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