

We offer the best food and convenience concepts based on an in-depth understanding of customers and formats, operational excellence, ongoing innovation and agility as well as optimal value creation.



Food- venience*

Convenience as the shopping experience and as a product range combined with an ever growing fresh food selection – that is foodvenience at Valora.

[* = Food + Convenience]

Market environment will remain attractive in the future

There is great demand for food-venience in society. This is demonstrated by the substantial growth rates posted by the Swiss and German convenience markets, as well as those of the Valora Group in the food-venience categories food, non-food (excluding press, books, tobacco) and services. Food accounts for the biggest share of Valora's foodvenience external sales.

Although the COVID-19 pandemic has had a massive impact on customer decisions and perception, convenience remains a promising segment, both at points of sale and increasingly online. Young, urban customers in particular have the greatest potential. Health and quality aspects are playing an increasingly important role here (Oliver Wyman, 2021). Besides highly frequented locations in the inner city and agglomerations, shopping centres and service stations, transport hubs are particularly ideal foodvenience locations.

Valora is convinced: The future prospects for the foodvenience business remain attractive. This is true despite the fact that official restrictions to contain the virus are temporarily causing demand to decline in all Valora markets – particularly for out-of-home catering, at normally highly frequented public transport locations and in city centres, where Valora generated around two-thirds of its revenue before the crisis.

The easing of restrictions and vaccination campaigns in the second year of the crisis had a visibly positive

impact on the mobility of the population and thus on customer footfall. Above all, vaccination success boosted consumer confidence and positively stimulated buying behaviour. As a result, the recovery of the foodvenience business increasingly gained traction from March 2021 onwards after the tough lockdown at the beginning of the year. This allowed Valora to increase the EBIT margin to 2.4 % in the second half of 2021. At the same time, Valora saw a first clear catch-up effect in its food category. While growth of Group external sales was +6 % for March to December 2021, food sales were up +18 %.

These developments underline Valora's conviction that out-of-home consumption at highly frequented locations will recover once the crisis has been overcome and as soon as far-reaching restrictions are no longer necessary. The most significant operational leverage will be in the food service business, which suffered the most during the crisis.

Trends

Three social macrotrends determine what Valora customers need: Increasing mobility, the changing lifestyles as well as the rapidly growing influence of digitalisation, which has been facilitated by the COVID-19 pandemic in all areas of life. As a clearly positioned foodvenience provider, Valora systematically aligns its business and offering with these trends. Valora is where its customers want it to be, providing them with what they want whenever they want it.

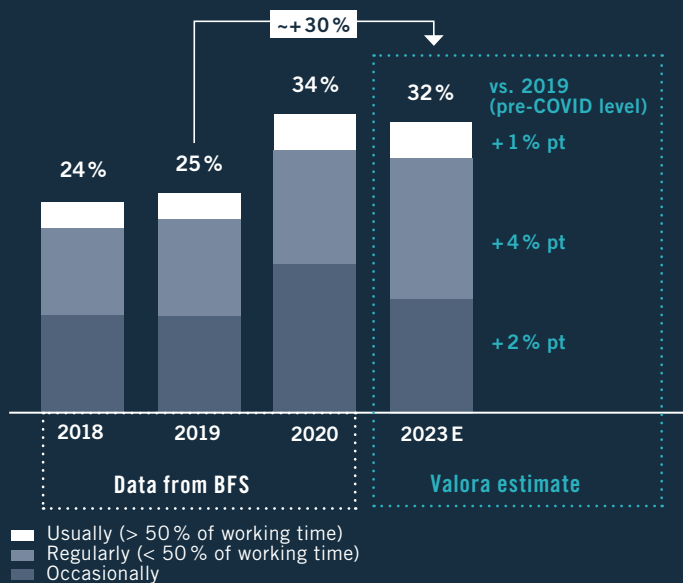
However, the pandemic has suddenly slowed down the development of mobility. As a result, more people work and learn from home and also use public transport less in their leisure time. Government guidelines for working from home and distance learning also resulted in a noticeable decline in customer flows, particularly at highly frequented public transport hubs such as train stations. However, the experience of the past two years has shown that mobility returns rapidly when the measures are eased.

But what role does remote working play once the pandemic is over? Half of people who used trains before the crisis in Valora's core market of Switzerland were leisure travellers (Swiss Federal Statistical Office). Valora expects the situation in this area to recover very quickly once the pandemic situation eases. In fact, the passenger volume is likely to increase even further thanks to new offers for leisure train travel. Training centres and schools are also switching back to predominantly physical operation, so that train journeys by apprentices and students should increase to the usual level of around 12 % of commuters.

The effects of working-from-home are limited

Consequently, the ongoing home office trend can only capture the remaining 38 % of travellers who took the train to work before the crisis. However, not all of them are able to work from home for various reasons. In Switzerland, around a quarter of the working population was already working entirely or partially from home in 2019, and this increased to 34 % in 2020 due to official requirements (Swiss Federal Statistical Office). Valora expects the proportion of people working from home to stabilise at around 32 % by 2023, when day-to-day working life is likely to have largely returned to normal. However, the proportion of those who spend more than half their working time at home should remain stable. At the same time, this will increase the importance of shopping locations in the area, e.g. in the agglomeration and in nearby shopping centres where Valora also has sales outlets.

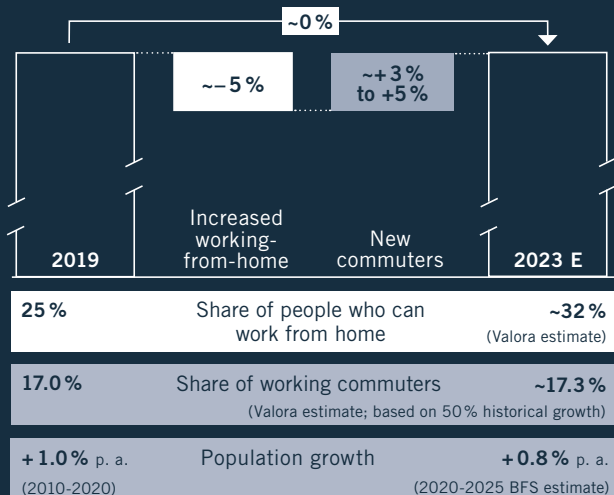
Split of workforce working from home



Source: Swiss Federal Statistical Office (Bundesamt für Statistik, BFS); Valora

Train commuters

Illustrative example for Switzerland



Source: Swiss Federal Statistical Office (Bundesamt für Statistik, BFS); Valora

New commuters compensate for the working-from-home trend

Before the crisis, people in Switzerland commuted 6.4 times a week on average. Even though more people will be working from home in the future, Valora estimates that customer footfall at public transport hubs will only fall by around –5 % in the medium term. However, this decline is likely to be offset by population growth and the associated increase in public transport passenger numbers. The Swiss Federal Statistical Office expects an annual increase of +0.8 % in Switzerland's population between 2020 and 2025 (+1.0 % between 2010 and 2020). The proportion of the population travelling to work by train is also likely to increase by around +0.3 percentage points by 2023. Additional support can be expected from the planned expansion of the public railway infrastructure, which will also help reduce the high traffic volume on the roads.

Strategy

Positioning

Each and every day, around 15 000 employees in the Valora network work to brighten up their customers' journey with a comprehensive foodvenience offering – nearby, quick, convenient and fresh.

Valora applies a multiformat strategy with twelve sales formats and about 2 700 outlets at highly frequented locations in Switzerland, Germany, Austria, Luxembourg and the Netherlands. The company recruits committed entrepreneurs to manage its outlets, builds on strong brands, benefits from a vertically integrated value chain as one of the world's leading pretzel producers and is committed to a sustainable corporate policy.

Five strategic pillars

In 2019, Valora communicated its strategy until 2025, which it is consistently pursuing, for the entire Group and its Retail and Food Service divisions in order to move closer to its vision of having the best food and convenience concepts. The strategy is based on five strategic pillars:

- Growth
- Efficiency
- Innovation
- Performance-oriented culture
- Sustainability

● Growth

Expansion of the sales outlet network

Valora wants to further expand its network of sales outlets. The main focus in Retail will be on the convenience formats such as avec and ServiceStore DB, as well as kiosk and cigo where Valora also sees growth potential. Growth in Food Service will be principally through BackWerk, especially with new locations in the Netherlands plus shop-in-shop presence (clip-ins). Selective expansion is planned for the other formats. In addition, Valora is open to suitable acquisition opportunities in its core business of foodvenience.

Increasing the offering's attractiveness

The expansion of the higher-margin food category, especially fresh products, will play a major part in optimising the current range. Regional, vegetarian and vegan or also fair trade and organic offerings are growing in importance. In addition, Valora aims to further expand its range of digital and other services. Tobacco is still a major frequency and profit contributor, whereby alternative products are also promising.

Stronger position as a promotion platform

In addition to expanding its own product range, Valora aims to further consolidate its position as a preferred marketing platform. The direct customer contact in the Valora formats allows partner companies to present their products and strengthen their brand value, notable examples being promotions for food, tobacco products and press articles.

Expansion of market position with pretzels

In its B2B business, Valora aims to exploit the integrated value chain for pretzel production and build on its strong market position. The Food Service division's main expansion focus is on the two biggest global pretzel markets, i.e. Germany and the US.

● Efficiency

Strengthening vertical integration

Thanks to own brands such as ok.– or Caffè Spettacolo and Valora's in-house pretzel production, vertical integration is a key competitive advantage. Valora wants to exploit this strength even more and increase the proportion of own brands in its overall product mix. At the same time, Valora aims to establish an even stronger market position when marketing its own brands.

More efficiency to improve profitability

Valora does not rely solely on growth, profitability is also essential to ensure the sustainability of its business model. Processes are improved through automation, retail analytics and efficient working procedures. Enhanced cooperation within the Group enables know-how transfer across borders, formats and topics.

● Innovation

New food and technology concepts

Valora aims to access new income sources through innovation in order to remain competitive. The Group's objective is to launch fresh food and further new concepts and products. Valora also uses new technologies to develop software-based solutions for customers, its own operations and the organisation. In so doing, Valora aims to offer its customers convenience not only in terms of its products, but also in terms of the shopping experience. It takes more than courage to pursue this innovative course, speed and agility are also very important. Valora relies on internal expertise and is expanding its in-house skill set for food and technological development. It also welcomes innovation from industrial partners and offers them, through its sales outlet network, a platform so it can work with them to pioneer new foodvenience market models.

- Performance-oriented culture

More entrepreneurship, customer focus and employer appeal

Valora relies on entrepreneurial operators and motivated staff to implement its strategy. It plans to further expand the agency or franchise model. Valora wants to offer its staff an open and dynamic working environment in which they can progress consistently. Valora's objective is to build on employees' strengths, nurture their talent and enable them to take the initiative and implement ideas with vigour. Valora will not just recruit people with the necessary professional skills, but also those who are compatible with the company's culture. As a result, Valora will sustainably enhance its appeal as an employer.

- Sustainability

For people and the environment

As a responsible company, stakeholders expect Valora to contribute to sustainable development and to limiting global warming to 1.5 °C. As part of its ESG commitment, Valora therefore pursues a comprehensive approach to sustainability based on the three action areas of People, Planet and Products. The company wants to use its resources sparingly. The priority is fair employment conditions for all employees in the network. Valora wants to offer good opportunities to employees and to become an attractive place to work for everyone. Valora is also setting out to become climate-neutral by 2050. To this end, Valora is implementing measures to avoid food waste, reduce energy consumption and protect the climate. Finally, Valora aspires to offer environmentally friendly, fair products and healthy alternatives while also paying attention to the issue of sustainable packaging.

Operational financial targets

In 2019, the Valora Group adopted a new corporate strategy and long-term operating targets until 2025 on the basis of the 2018 results:

- External sales:
on average
+ 2–3 % per year
- Gross profit margin:
on average
+ 0.5 percentage points
per year
- EBIT margin:
on average
+ 0.2 percentage points
per year
- Earnings per share:
on average
+ 7 % per year

These targets remain valid. Nonetheless, Valora is expecting that the COVID-19 crisis which started in February and March 2020 will lead to the targets being reached 18 to 24 months later than originally planned.

With governments' ongoing vaccination campaigns and the associated easing of restrictions, the pandemic situation eased noticeably from March 2021. As a result, the performance of Valora's operating units was already close to pre-crisis levels in October 2021. The Omicron wave brought renewed restrictions to Valora's business at the end of 2021 and start of 2022. As regards future business development, Valora nonetheless sees a continuation of the rapid recovery from March to October 2021 with the lifting of major restrictions.

Valora still expects EBIT of CHF 70 million (+/- ~10 %) for 2022 based on the 2021 results and outlook for a continued recovery. That implies a return to pre-crisis levels during the second half of 2022.

Digitalisation

Convenience at Valora is not restricted to the selection available, but is also part of the entire shopping experience. That is why Valora works on modern digital solutions related to the following strategic thrusts: Autonomous Stores, Loyalty & Payment, E-Commerce & Delivery and Process Improvement. The aim is to make the customers' purchases more practical, quicker and more flexible.

The most promising consequence of the COVID-19 pandemic is likely to be the enormous increase in online grocery shopping and other virtual activities. Consumers have increasingly taken advantage of digital and low-contact opportunities during the crisis: They have groceries, snacks and meals delivered to their homes and use the self-checkout service in the shop. Many of them expect to maintain these habits after the crisis (McKinsey, 2020).

Valora aims to monitor, develop and test the opportunities offered by digitalisation. Valora also wants to anticipate trends and actively shape the digital transformation with innovative concepts.

Autonomous Stores

In April 2019, Valora became the first company in Switzerland to launch an autonomous cashier-free convenience store in the form of avec box. Valora is convinced that such self-checkout solutions have a future because they meet customers' need for autonomy when shopping. Access, shopping and payment are made using the avec 24/7 app. Valora currently operates an avec box at three locations in Switzerland. At one of them, it is a smaller wooden version to test locations that do not



have any other convenience offering. Valora has developed further forms of self-checkout based on the avec 24/7 app. In 2021, for example, avec 24/7 stores that function as a hybrid model were opened at four locations in Switzerland. While staff are still present at the store during the day from Monday to Saturday, the shop works autonomously at night and on Sunday via the avec 24/7 app. There is great potential for the further rollout here, as existing avec stores in particular only need to be equipped with the corresponding technology to be integrated into the program. The team is now working on the

scaling of these solutions. Valora also intends to promote the autonomous store initiative in the form of smaller formats, such as the avec mini smart fridge.

These solutions, which are based on the avec 24/7 app, not only bring more convenience to the customer experience, but also give Valora the opportunity to expand the availability of its bricks-and-mortar foodvenience offering beyond the usual opening hours, similar to online retail. Against this background, around 300 k kiosk vending machines will also be placed in Switzerland by the end of 2022.

Loyalty & Payment

Loyalty should be rewarded at Valora. That is why Valora is systematically continuing its customer loyalty programs and is transferring the traditional physical customer cards of its formats to the smartphone. Thanks to the apps, customers benefit from personalised offers in combination with coupons, collection points and other reward systems. The digital brand experience is rounded off by a product overview, store finder and pre-order functions. Increasing personalisation also benefits suppliers and industry partners: They can focus attention on their products and reduce the wastage of their marketing activities. Following the already established apps from k kiosk and Caffè Spettacolo, a loyalty program for customers of Brezelkönig was added in June 2021. Data privacy is very important to Valora. All personal data are only processed in accordance with data protection requirements.



E-Commerce & Delivery

The pandemic caused a veritable boom in delivery services in particular, as people cooked at home more often or had their ready-to-serve meals delivered to their homes. Valora introduced the pilot version of the delivery service www.avecnow.ch in the middle of the first lockdown. It now takes just 30 minutes to service its customers by e-bike in the city of Zurich. The convenience range is geared towards smaller in-between purchases, i.e. things that you suddenly need or feel like having.

The k kiosk online tobacco shop launched in April 2021 also represents an additional sales channel and a complementary promotional platform. This not only underscores Valora's expertise in tobacco, but also takes account of the growing popularity of online tobacco purchases. The selection includes more than 1 000 products such as cigarettes, cigars and alternative nicotine products, which reach customers by post the day after they place their order.

Process Improvement

Profitability is essential for Valora to ensure the sustainability of its business model. Processes are increasingly being improved through automation, retail analytics and efficient workflows. The Process Improvement team plays a key role, providing support across countries, topics and formats. Important progress has been made here with regard to the cockpit for written-off goods, the recruitment process, personnel planning, goods delivery at night and voice-activated business intelligence.

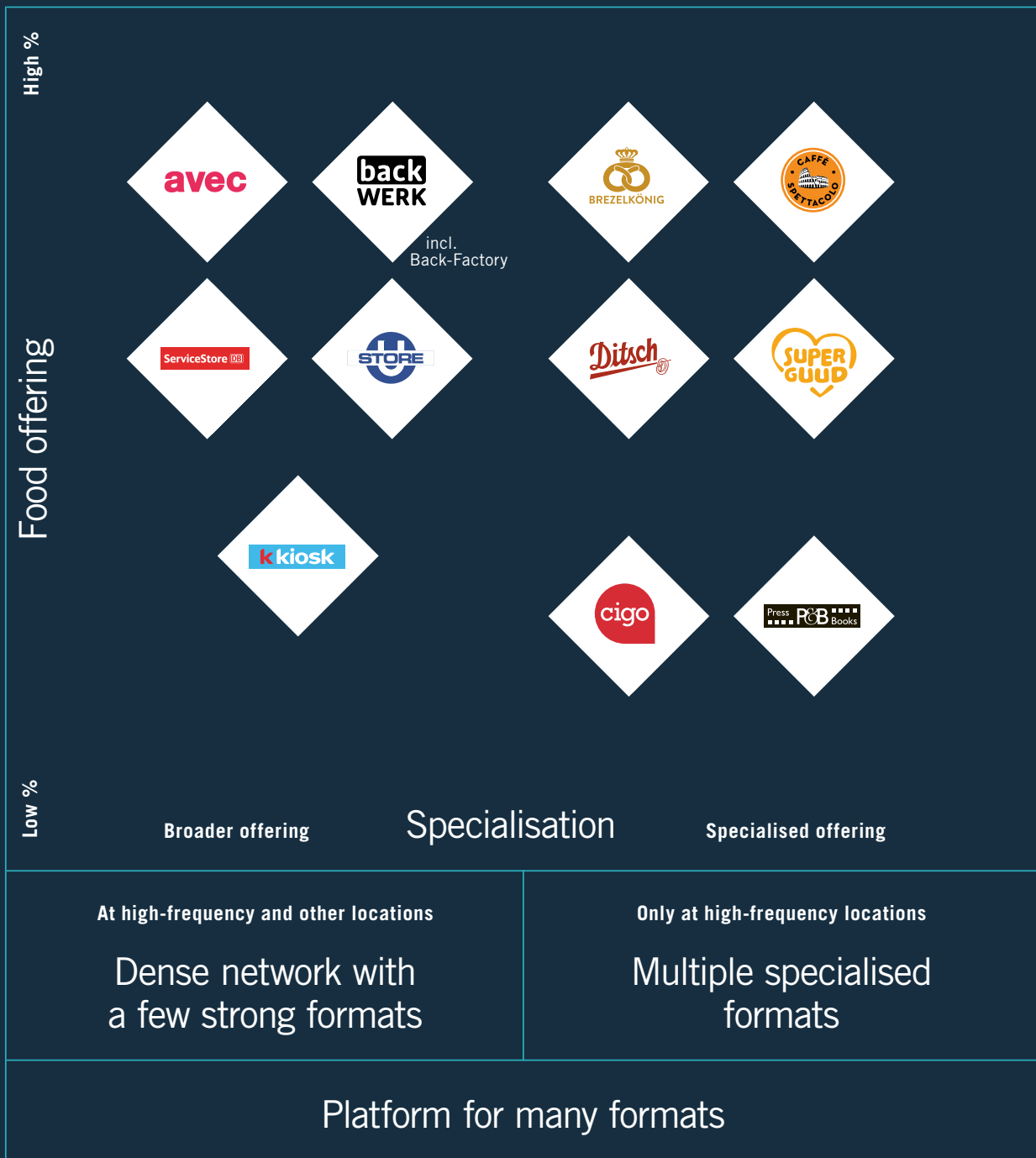




Sales formats

Valora adopts a multiformat approach to maximise customer benefit with concepts tailored to the retail space and customer footfall. The established formats include varying levels of food offerings and degrees of specialisation.

MULTIFORMAT APPROACH



“Treat yourself”

Market leader in the kiosk business, mainly supplying tobacco, lottery products, snacks and press. A growing share of food, fresh products and drinks plus a varied digital services offering.

k kiosk



Convenience around the clock

Valora entered the vending machine business in the end of December 2021 with the k kiosk vending machines. The increased product availability brings more convenience to the customer experience.

Rollout at around 300 Swiss locations is expected to be finalised by the end of 2022, including the installation of newly developed touch screen machines. ●



More than 1 000 tobacco products in the online shop

With the launch of the online tobacco shop tabak.kkiosk.ch in April 2021, Valora highlighted its tobacco expertise with an omni-channel approach. Customers can choose from over 1 000 products, which are delivered by post the following day. ●



Gifts and bitcoins

Valora not only launched a k kiosk gift card in 2021, but now also sells cryptonow, Switzerland's first bitcoin voucher at k kiosk, avec and Press & Books. ●

Retail sales outlets become service centres

In 2021, Valora expanded its pick-up/drop-off offering and launched delivery and reception of UPS packages at several hundred k kiosk and Press & Books sales outlets in Switzerland. Valora also expanded its Swisscom EasyPoint partnership. As well as replacing TV boxes and Internet routers, a large number of items ordered from the Swisscom webshop can now be collected from k kiosk, avec and Press & Books.

Around 900 k kiosk and Press & Books sales outlets in Switzerland and around 670 k kiosk and cigo sales outlets in Germany have also been selling FlixBus tickets for travel in Europe since September 2021. ●

Expansion at railway stations and service stations

Following the award of the SBB tender in 2019, five new k kiosk sales outlets were opened at Swiss railway stations in 2021. Four further locations were also added. With Oktan and OIL!, Valora now also operates k kiosk service station shops in Germany. ●

Lots of new sandwiches

Valora completely revised its sandwich range from k kiosk, as well as avec and Press & Books, in Switzerland in 2021. The ReadyToGo brand was also introduced. It offers customers many new types of bread, sandwich varieties and recipes, supplemented by seasonal highlights and vegetarian and vegan alternatives. ●



POS as a promotional space

A large part of the k kiosk, Press & Books and avec sales outlets was dipped in orange-red-violet in summer 2021. They exclusively supported the product launch of the vegan thirst quencher Vitamin Well Boost in Switzerland with a comprehensive advertising presence and brand activation.

Delayed for a year due to the pandemic, k kiosk, Press & Books and avec in Switzerland joined Panini as promotional partners for the UEFA EURO 2020. The sales outlets served as the exclusive distribution channel for the free albums and distributed around two million promotional sticker packs. ●

More modern and with more food

In the context of the SBB tender, Valora modernised a total of over 80 already existing k kiosk sales outlets at SBB locations, including about 20 in 2021. The average time the outlets were closed for renovations was only around nine days. In Germany, too, two kiosks were upgraded this year. ●

Co-sponsor of the world's largest ski race for children and young people

Since the 2020/2021 winter season, k kiosk has been supporting the Grand Prix Migros. ●

Number of sales outlets
own outlets, agencies,
franchise stores

Switzerland	850
Germany	200
Luxembourg	67

“Read & experience”

Market leader in the German station bookshop market with an extensive press offering complemented by selected book titles and a range of services for people on the move. Webshop with store pick-up.

Press **P&B** Books



Growth in Southern Germany

In September 2021, Valora acquired five railway station bookshops from the Wuttke family in northern Bavaria. In doing so, Valora strengthened its market leadership in the German railway station book trade with a total of around 160 outlets. The shops will continue to be operated by the current staff as Press & Books outlets. Valora also opened its first Press & Books branch at Frankfurt Airport, another at Berlin Zoo station and one in Crissier, the first ever in French-speaking Switzerland. ●

New, modern concept

Valora completely or partially refurbished nine Press & Books outlets in Germany. They now have a modernised shop design and a revamped product range. ●

Number of sales outlets
own outlets, agencies

Switzerland	22
Germany	154
Luxembourg	5
Austria	9

“My moment”

Tobacco retailer also offering press products and a range of services for people on the move.



Network expansion and a fresh look

Since 2021, the German tobacco specialist has been present at 16 additional locations, mainly in shopping centres and the pre-checkout areas of food retailers. In addition, 50 stores have been completely or partially refurbished and now boast a completely new look. ●

More entrepreneurial spirit

Valora promotes entrepreneurship through independent operating partners. In 2021, 74 cigo outlets were transferred to the franchise system. ●

Number of sales outlets
own outlets, franchise stores

Germany
(incl. sub-formats)

395

«Handmade with Love»

Modern convenience format at highly frequented locations, for example train or service stations, with an extensive offering of fresh food, other comestibles and regional products.

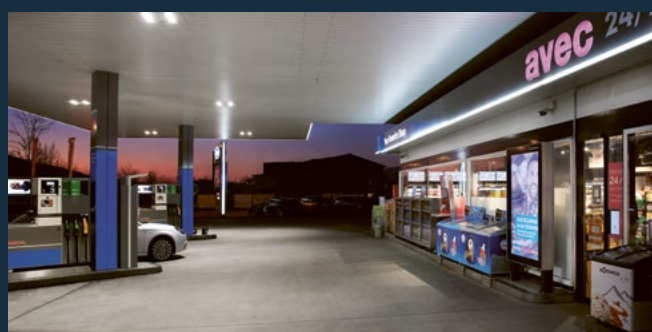
avec



Doubling of Swiss service station business

Valora takes over the operation of 39 Moveri service station stores in Switzerland from 1 January 2022, with further locations to follow. The shops, most of which were previously operated by shop and more AG under the APERTO brand, will all be converted into avec stores. Through this

cooperation, Valora is not only doubling its network of Swiss service stations to around 100 shops, but practically also its net revenue in this segment. Valora is also strengthening its presence at service stations in the German-speaking part of the country. ●



One of the biggest convenience formats in Switzerland by the end of 2022

Thanks to the new partnership with Moveri and the completed rollout of the modernised avec concept at the SBB locations, the entire avec network will grow to around 300 stores. The four greenfield sites that were opened under the avec format in 2021 will also contribute to this. This will make avec one of the biggest convenience formats in Switzerland. ●

24/7 stores for more flexibility when shopping

In January 2021, Valora started the rollout of 24/7 stores under the avec brand at Hardplatz in Zurich. This is a hybrid model with staff during the day and autonomous operation with the avec 24/7 app at night and on Sundays. Both existing and new sales outlets can be equipped with this technology. By the end of 2021, Valora operated three avec shops and one avec express as 24/7 stores. ●

avec express – the small convenience format

As part of the SBB rollout, Valora is converting some of its kiosk sales outlets into avec convenience stores. Smaller locations will now be managed as avec express outlets. The first avec express was opened in March 2021 at Dornach-Arlesheim BL station. Seven more followed, including one at a highly frequented transport hub in Zurich. The opening of more than 45 avec express is planned for 2021/2022. ●



Autonomous shopping in the avec box

The cashier-free avec box, which can be accessed autonomously via the avec 24/7 app, was relocated to two new locations in 2021 in order to also test the format in the context of industrial and construction sites. At the end of the 2021, a new wooden avec box also opened in Oberohringen near Winterthur. This box is a little smaller and offers new usage options, for example as a village shop. ●

Foodvenience offensive at SBB locations

After winning the SBB tender, Valora began converting new and existing retail spaces into the new avec foodvenience concept in 2020. About 30 stores have already been converted, including about 20 in 2021 alone. The closing period is kept as short as possible at around 15 days on average. Valora also modernised over 10 avec stores at Tamol service stations in 2021. ●

Vegetarian and vegan growth area

The range of fresh vegetarian and vegan products from Schnägg has been available nationally in the Swiss avec stores since autumn 2021. A selection of vegan sandwiches and planted products were also introduced. Valora is thus responding to a growing customer need. ●



It doesn't get any closer: directly on site with avec mini convenience

The first avec mini went into operation in a private office building in Zurich Altstetten in spring 2021. It should provide insights for a possible rollout to other locations. With its foodvenience offering, the approximately two cubic metres smart fridge is operated using the avec 24/7 app and has been designed for indoor use in offices, complexes, hospitals and hotels. ●



Number of sales outlets
own outlets, agencies,
franchise stores

Switzerland	177
Germany	3

“For now. For later. For me.”

Convenience format in Deutsche Bahn locations for commuters' everyday needs.

ServiceStore DB



24/7 ServiceStore with Valora technology

In June 2021, Deutsche Bahn opened its first 24/7 ServiceStore in Ahrensburg near Hamburg. Valora's digital convenience solution, which has already been tried and tested in Switzerland with the cashier-free avec box, thus celebrated its German premiere. Valora is making this technology available to a third-party company for the first time. ●

Conversions and a BackWerk clip-in

In addition to the new store in Ahrensburg, four outlets of ServiceStore DB were refurbished and modernised. One of them now has a clip-in (shop-in-shop) of Valora's own BackWerk format, offering a particularly wide range of fresh snacks and coffee. ●

More entrepreneurship, more success

With the aim of promoting entrepreneurship, Valora transferred five ServiceStore DB outlets to its franchise system. ●

Number of sales outlets franchise stores

Germany

104

“Supplies for on the move”

Classic convenience store at U-Bahn (underground) and major bus stations in Germany.



U-Store and BackWerk — successful together

Two retail outlets at Hamburg's main station were converted into new U-Store branches in 2021, one of which is a new location for Valora. Both U-Store branches now have a BackWerk clip-in (shop-in-shop). As a result, the offering of fresh snacks and coffee has been significantly expanded. ●

Promoting entrepreneurial spirit

In order to be even more successful with entrepreneurial operators, Valora transferred five U-Store outlets to the franchise system. ●

Number of sales outlets
franchise stores

Germany

25

“Fresh & tasty”

Germany’s largest food service bakery with a broad and flexible range of snacks and a growing offering of fresh products.

**back
WERK**



Expansion of market position in Germany

BACK-FACTORY

Valora acquired the German snack expert Back-Factory with around 80 sales outlets throughout the country on 1 November 2021. In doing so, it strengthened its position as one of the largest catering companies in Germany and made further inroads into German city centres. Over time, the Back-Factory brand

will be integrated into the BackWerk format. As a result, Valora’s German food service platform is benefiting from synergies and economies of scale. In addition, nine new BackWerk stores were opened in Germany in 2021 – including at Hamburg Hauptbahnhof, the busiest station in Germany. ●

New presence at the largest train stations in the Netherlands

In the Netherlands, BackWerk entered into a partnership with HMSHost International as a franchisee in June 2021. By the end of 2022, twelve HMSHost International locations at the largest railway stations in the Netherlands will be converted into BackWerk stores. Three stores were already opened in 2021. Irrespective of this, six other BackWerk outlets opened their doors for the first time in the Netherlands. ●



Snack delivery when speed is of the essence

BackWerk in Germany has been working with Lieferando.de since 2021 and has been testing a second delivery service by Doordash since the winter. ●

Tastier BackWerk in Germany gains momentum

BackWerk in Germany is consistently continuing its development from a bakery discounter to a provider of fresh products. Following the weak performance in January and February 2021 as a result of the COVID-19 restrictions, the pilot stores in Moers and Neuss, which are designed according to the Dutch model, saw a significantly better recovery than the other BackWerk facilities at inner-city locations in the region. This is also thanks to comprehensive marketing measures. According to customer surveys, the new concept "Leckereres BackWerk (Tastier BackWerk)" is perceived to be of higher quality and is more appealing to women in particular. The pilot will now be transferred to further sites with assortment and design adjustments as a central element of the upgrading. ●



For more freshness: Clip-in cooperation with Valora Retail

With the aim of bringing more fresh snacks and coffee-to-go into the product range, a BackWerk clip-in (shop-in-shop) was installed in a ServiceStore DB in Wuppertal operated by Valora Retail and in two U-Store branches at Hamburg's main station. A total of four such clip-ins are currently operated together with Valora Retail. ●

Artificial intelligence at Back-Factory

Back-Factory launched an innovative self-checkout solution in July 2021. As a pilot store, the Bremen City Gate Back-Factory store was equipped with computer vision terminals. Once the test phase has been completed, the rollout for further large Back-Factory stores is planned. Valora intends to install this technology in its BackWerk stores, too. ●

Self-employed, but not alone

Valora trains its franchisees to become successful independent business people. With this in mind, the Valora Campus in Essen commenced operations at the start of 2021. At the heart of the campus are the public sales outlets of BackWerk and Ditsch, which are used for practical training under real-life conditions. The campus also includes training rooms and a studio where webinars are held and e-learning content produced. ●



Number of sales outlets
mainly franchise stores

Switzerland	1
Germany	365
Austria	24
Netherlands	37
(incl. Back-Factory)	

“Pretzels since 1919”

Expert in providing tasty pretzels and other snacks at highly frequented locations in Germany.



Ditsch



New openings above target

Ditsch opened three new stores in 2021. Despite the pandemic, two of them have already met or exceeded the targets. Valora sees this as an expression of a high level of customer acceptance. ●

More attractive range

In order to further enhance the range, a second warm product in addition to the pizzas, which now have a more attractive recipe, was introduced in the form of snack pretzels. The range of sandwiches has also been revamped. ●

Start of self-employment at Valora Campus

Since 2021, Ditsch agency partners have been able to train for successful entrepreneurship at the new Valora Campus in Essen. The practical training takes place at the campus's own Ditsch sales outlet. It is accompanied by webinars and e-learning courses. ●

Number of sales outlets
agencies

Germany

192

“The finest”

Sale of high-end lye bread products, such as pretzels, baguettes, croissants, hot dogs or selected sandwich snacks when on the move.



App for greater customer loyalty

Brezelkönig generally enjoys a high loyalty rate. With the Brezelkönig app, Brezelkönig customers received their first digital loyalty program in summer 2021. With the app, they can reward themselves for their loyalty and collect points for free products or upgrades. By the end of the year, the program, which is marketed at the shops and via social media, already had around 17 000 users. ●

Optimisation of logistics and product management

Following a detailed analysis of the logistics processes for Brezelkönig, as well as Caffè Spettacolo, SuperGuud and BackWerk Switzerland, internal logistics were optimised and a new external service provider was hired by tender in autumn 2021. The change-over went smoothly and led to significant efficiency gains. In addition, a closed product management system was put into operation for Brezelkönig,

into which all Valora food service formats in Switzerland will be integrated in 2022 in line with the platform concept. ●

Innovations in business analytics

In addition to the constant expansion of the existing business intelligence tool, a pilot project in 2021 saw the successful launch of an innovative, voice-controlled and therefore very intuitive BI tool for laypeople. ●

Number of sales outlets
agencies

Switzerland	56
Austria	3

“dal 1999”

Italian-themed coffee bar concept with its own locations and an integrated coffee module concept for other Valora formats.



Future strengthening of afternoon business

The drinks and pastry offering was expanded with the aim of further boosting the afternoon business at Caffè Spettacolo in the future. ●

Strict reduction of the cost base

Between December 2020 and May 2021, the COVID-19 restrictions led to the closure of Swiss restaurants and thus the Caffè Spettacolo coffee bars with



seating. Due to the specialisation in coffee, which at many locations is not in demand all day, only a handful of the coffee bars were kept open for takeaways during this time.

Therefore, the focus in 2021 fell strictly on reducing the cost base as a cornerstone for future profitability. ●

Number of sales outlets
own outlets

Switzerland	30
Luxembourg	2

“Superlicious food & drinks”

Small, trendsetting snacking concept. The Valora format with a difference for the adventurous, urban commuter.



Number of sales outlets
own outlets

Switzerland	3
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Own brands

Valora sees vertical integration as a unique competitive advantage in the emerging foodvenience market. Own brands are a big part of that. Not only are they a distinguishing feature in their segment, they also increase internal added value and earnings potential.

“It’s ok.–”

The Valora own brand with the best price/performance ratio is the trend-setting companion of young, mobile people and synonymous with a dynamic, urban lifestyle.

ok.–



**Good for the environment:
rPET for all
own-brand
beverages**



In line with the “Avoid, reduce, reuse” approach, Valora launched the trendy ok.– stainless-steel drinking bottles in January 2021, which can be filled by the customer. In addition, the major conversion of ok.– PET beverage bottles took place in 2021. The weight of the bottles was reduced and the material was completely or partially switched from PET to recycled PET. Thanks to the lighter bottles and recycled PET, Valora can reduce its plastic consumption by around 20 tonnes per year. CO₂ emissions are actually reduced by more than 200 tonnes. ●

**From earphones
to charging
data cables**



Since 2021, Valora has been offering electronic products under its own brand in its retail sales outlets for the first time, thus meeting increasing customer demand. The five-item line will be further expanded in 2022. ●



Fully organic: biok.—

As part of its sustainability efforts, Valora is also constantly expanding its range of organic drinks, for example, with the launch of apple spritzer in Switzerland for its ok.— own brand in 2021. Valora now also offers sustainable, vegan ok.— goodies. ●



Increased brand presence for Swiss winter sports

ok.— has been a co-sponsor of the Audi Skicross Tour since 2018 and appeals to a young target group with this action-packed sport. Since 2020, ok.— has also sponsored alpine skiing athletes Vanessa Kasper and Daniele Sette as a bottle sponsor, and since 2021 also ski cross athlete Talina Gantenbein. ●

bobfinance

“Financial flexibility for consumers”

The bank-independent financial services provider offers practical financial services tailored to modern and digital requirements at fair conditions.

“PostFinance Privatkredit” launched

Core product of bob Finance are private loans. In April 2021, bob Finance launched the “PostFinance Privatkredit” together with PostFinance. This is an online credit starting from 3.95% from bob Finance for private loans which supplements the own-brand bob credit service. ●

Right on trend: “Buy now, pay later”

With bob zero, bob Finance in Switzerland offers a digital 0% financing solution for e-commerce and bricks-and-mortar retail. In 2021, bob Finance strengthened its position in this emerging market and expanded its partner network. New additions include in particular renowned mobility and luxury goods brands.

At the same time, thanks to its strategic cooperation with Glarner Kantonalbank, bob Finance was able to further increase the financing volume for its “Buy now, pay later” products. ●



Production

Valora is one of the world's leading producers of pretzels and benefits from a highly integrated value chain. In 2021, Valora produced around 730 million baked goods with its 16 production lines in Germany, the US and Switzerland.

The company primarily supplies a growing number of food service customers as well as the retail and wholesale markets – in addition to its own Ditsch, BackWerk and Back-Factory sales outlets in Germany, Brezelkönig branches in Switzerland and other Valora formats. Ditsch products are also exported to more than 30 countries.

Total B2B sales in the pretzel business recovered completely in 2021. Valora grew significantly in the US with Ditsch – made possible by the second production line that became operational in 2020. The US in particular offers further growth opportunities.

Existing products from the Oranienbaum production site in Germany were placed and marketed in those channels (bakeries, service stations and general international customers) that were significantly less affected by COVID-19 restrictions than food service channels at transport hubs. Relations with existing customers in the B2B markets in Germany, Switzerland and Austria in particular were strengthened, leading to an increase in market share in the DACH region in addition to the US.

During the crisis, the two new production lines in Oranienbaum enabled the automated filling of pre-baked pretzels, which can also be packaged individually

730 million pieces of baked products for 30 countries

at the customer's request. Oranienbaum was also able to automate the looping of lye braids.

The two new production lines also enable the creation of innovative products such as organic pretzels, vegan pizzas and other bakery snacks. They ensured successful additional business. In 2021, the trade magazine tk-Report minus 18 even named the pretzels filled with herb and garlic butter as the most innovative product launch in the bread and baked goods category.

Like the market environment as a whole, the B2B business currently faces inflation. Prices for raw materials such as flour, but also for packaging, energy, logistics and personnel costs are particularly impacted. The management has taken comprehensive measures in the areas of production efficiency, procurement and pricing to successfully manage the situation.

