Dear Shareholder,

Period in Review
While the financial performance in the 2019 financial year (‘FY19’) is not yet where we want or expect it to be, we have delivered overall organic revenue stability and improving performance against a series of measures. Revenue of €3.383bn shows a year-on-year decline of 1.5%, while organic revenue in the period was flat. Group Underlying EBITDA increased by 1.9% and EBITDA margin improved by 30 bps. All measures of Group profitability have improved within the period. Your Board believes that the steps we have taken, and continue to take, have put the business on a better defined path towards stability, performance and growth.

Focused on the Core
Consistent with our focus on our core frozen B2B bakery business, we continue to dispose of non-core or non-strategic assets. Our objective is to generate €450 million from this programme, with proceeds committed to continued net debt reduction. Last week, we announced the receipt of a binding offer to sell the majority of our interest in Picard for a total consideration of €156m. Including Picard, we would realise €380m net proceeds from our non-core asset disposal programme.

Project Renew
Project Renew forms a central part of our three year turnaround plan and is intended to improve ARYZTA’s operating efficiency in order to enhance our competitive positioning. We expect this programme to deliver €200 million in savings over three years and €90 million of annual run rate savings by FY21. Project Renew is 12 months into a 36 month programme and we are now seeing its initial benefits.

Board Renewal
As part of our ongoing process of Board refreshment and renewal, we announced, subject to shareholder approval, the appointment of Luisa Delgado and Alejandro Legarda Zaragüeta to your Board. Luisa, a Swiss national, brings significant B2B experience across Continental Europe to the Board. Alejandro, a Spanish national, is a highly skilled senior executive with significant management and non-executive director experience within various sectors including in food related industries. Andrew Morgan will not be seeking re-election to the Board at this AGM after six years as a Board member. I would like to thank Andrew for his significant contribution to the Company. Following the 2019 AGM, subject to the election of all Directors, the ARYZTA Board will comprise 11 Directors (of which 10 are deemed as independent under The Swiss Code of Best Practice for Corporate Governance) with an average tenure of less than two years.

Culture & Behaviour
Your Board’s objective is to foster an inclusive, performance-oriented culture through team-work, the pursuit of excellence and an ownership mindset. A broad-based, unifying culture, that permeates every level of our organisation, will positively contribute to ARYZTA and each of its stakeholders. Our values are consistent with and support our culture. Those values are: Integrity, by aligning our actions with our words and delivering on each of our commitments; Creativity, by continuously encouraging new ideas and constructive challenge; Care, embracing ARYZTA’s passion for our people and our product; fostering a safe, diverse and inclusive work environment which allows
our people to realise their full potential; Ownership, which encourages and empowers individual performance while prioritising collaboration through teamwork; Customer Focus, including an unrelenting emphasis on operating excellence and the customer, which is at the heart of everything we do and committing resources to meet and to exceed their needs. Finally, we maintain an absolute priority on food safety & quality.

**Capital Raise**

In November 2018, we completed a necessary capital raise, with net proceeds of €739.5m to strengthen our balance sheet, to fund our liquidity and working capital requirements and to finance Project Renew. Our objective is to deploy the capital that you have entrusted us with as effectively as we can. We recognise that this was a difficult process and we very much appreciate the shareholders’ support.

**Shareholder Engagement**

We have set shareholder engagement and, more broadly, stakeholder engagement as an important priority for ARYZTA. Our objective is to restore an open, trusted and transparent dialogue between ARYZTA and its shareholders. Following our 2018 AGM, we committed to consult with those shareholders who opposed or had reservations about the capital increase resolution. We have engaged with those shareholders and their concerns have been shared with your Board. We continue to build a constructive dialogue with all shareholders.

**Outlook**

In FY19, we have delivered a gradual yet consistent improvement against earnings measures. In a broader sense, FY19 is about establishing the foundations for performance. This includes enhanced operating efficiency and competitive positioning through Project Renew. It also includes the re-organisation of existing management structures to accelerate the pace of change. Operationally, it involves the optimisation of our existing bakery network, through capacity consolidation, and delivering on the first phase of our automation projects.

The steps we have taken have established stronger foundations on our path towards stability, performance and growth.

_Gary McGann_  
Chair, Board of Directors  
8 October 2019