

Company Income Statement

for the period ended 1 August 2020

in CHF m	2020	2019
Revenues from licences and management fees from Group companies	7.5	8.0
Dividend income from Group companies	106.8	73.0
Personnel expenses	(1.5)	(2.9)
Other operating expenses to Group companies	(11.7)	(9.0)
Other operating expenses	(12.4)	(8.5)
Depreciation and amortisation	-	(0.1)
Impairment of investment in Group companies	(1,320.2)	-
Operating (loss)/profit	(1,231.5)	60.5
Financial income from Group companies	64.8	75.2
Financial expenses	(62.2)	(84.8)
(Loss)/profit before income tax	(1,228.9)	50.9
Income tax	(0.5)	(0.4)
(Loss)/profit for the period	(1,229.4)	50.5

Company Balance Sheet

as at 1 August 2020 Company Balance Sheet

in CHF m	2020	2019
Assets		
Current assets		
Cash and cash equivalents	0.4	0.7
Other current receivables		
– from third parties	7.2	11.8
– from Group companies	0.3	0.5
Total current assets	7.9	13.0
Long-term assets		
Financial assets		
– loans to Group companies	2,697.4	3,350.0
Investments		
– investments in Group companies	1,304.6	2,187.1
Property, plant and equipment	0.1	0.2
Total long-term assets	4,002.1	5,537.3
Total assets	4,010.0	5,550.3

Company Balance Sheet (continued)

as at 1 August 2020 Company Balance Sheet

in CHF m	2020	2019
Liabilities		
Short-term liabilities		
Trade payable		
– to third parties	0.8	0.6
Short-term interest bearing liabilities		
– to third parties	207.3	987.2
Other short-term liabilities		
– to third parties	103.8	195.3
– to Group companies	45.1	44.9
Accrued expenses	93.6	67.5
Total short-term liabilities	450.6	1,295.5
Long-term liabilities		
Long-term interest-bearing liabilities		
– to third parties	1,651.3	1,326.9
Liabilities to Group companies	579.6	370.0
Total long-term liabilities	2,230.9	1,696.9
Total liabilities	2,681.5	2,992.4
Equity		
Share capital	19.9	19.9
Legal reserves from capital contribution	827.2	827.2
Legal reserves from foreign capital contribution	1,067.7	1,046.4
Legal reserve for own shares from foreign capital contribution	78.6	99.9
Retained earnings	(664.9)	564.5
Total equity	1,328.5	2,557.9
Total equity and liabilities	4,010.0	5,550.3

Notes to the Company Financial Statements

1 Basis of presentation

The financial statements of ARYZTA AG, with a registered address of Ifangstrasse 9, 8952 Schlieren, have been prepared in accordance with the requirements of Swiss law.

The Company's accounting period is from 28 July 2019 to 1 August 2020.

2 Accounting policies

Financial Assets

Financial assets are valued at acquisition cost, less adjustments for foreign currency movements and any other impairment of value.

Investments

Investments are initially recognised at cost. These investments are assessed annually and adjusted to their recoverable amount, where necessary.

Foreign currency translation

Assets and liabilities in currencies other than Swiss francs are translated to Swiss francs using year-end rates of exchange. Income and expenses denominated in foreign currencies are recognised in Swiss francs at the applicable rate of exchange on the date of the transactions.

Dividends

Dividend income resulting from financial investments is recorded upon approval of the dividend distribution.

Revenue from licences and management fees

Revenues from licences and management fees from Group companies are recognised in the period in which they are earned.

Treasury shares

Treasury shares are recognised at acquisition cost and include shares held directly or by any ARYZTA AG Group company.

3 Full-time equivalents

The number of full-time equivalents in ARYZTA AG is not greater than 50. Please refer to page 135 of the Group Consolidated Financial Statements to view the Group's full-time equivalents.

4 Loans, guarantees and pledges in favour of third parties

The Company has the following outstanding bonds and bank loans, which are included within interest bearing loans and borrowings.

	2020	2019	Interest	Maturity
Bonds outstanding	in CHF m	in CHF m	Rate	
Hybrid Instrument 2013	400.0	400.0	5.3%	No specified maturity date
Hybrid Instrument 2014	190.0	190.0	3.5%	No specified maturity date

Notes to the Company Financial Statements (continued)

	2020	2019	Financial
	in CHF '000	in CHF '000	period of maturity
Bank loans outstanding			
Syndicated Bank RCF	852.8	435.1	2023
Syndicated Bank Term Loan ¹	226.4	390.1	2023

¹ The schedule of mandatory repayments by financial period on the amortising Syndicated Bank Term Loan is as follows: FY 2021 - €16.6m; FY 2022 - €80.0m and FY 2023 - €113.4m .

The average interest rate on the combined RCF and Term Loan facilities is 1.6%.

As announced on 4 May 2020, in response to the COVID-19 pandemic, the Group received the requisite consent of the majority of its lenders for an amendment of its financial covenants relating to the annual financial statements for the period ended 1 August 2020 and the semi-annual statements for the period ended 31 January 2021. The financial covenants defined under this amendment are a leverage covenant being a maximum of 6.0x and an interest cover covenant being greater than 1.5x.

As announced on 28 September 2020, the Group received the requisite consent of the majority of its lenders for a further amendment of its financial covenants relating to the semi-annual period ending 31 January 2021 and the annual financial statements ending 31 July 2021. The financial covenants defined under this amendment are a leverage covenant being a maximum of 6.0x and interest cover covenant being greater than 1.0x. Details of the Group's financing covenants are included in note 26 to the Group Financial Statements on pages 174 and 175.

The short-term portion of the Company's interest-bearing loans and borrowings relates primarily to amounts drawn by the Company against positive cash balances of other entities within the Group's overall cash pooling arrangement. These cash pooling overdrafts are repayable on demand and form an integral part of the Group's cash and debt management structure.

The Company is party to cross guarantees on ARYZTA Group borrowings. The Company has also guaranteed the liabilities of subsidiaries within the ARYZTA Group. The Company treats these guarantees as a contingent liability, until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

5 Details of investments

The Company holds direct investments in the following entities, all of which are intermediate holding companies or intercompany financing entities within the ARYZTA Group.

Company (Domicile)	Share capital millions		Percentage		
	2020	2019	2020	2019	
ARYZTA Holdings Asia Pacific BV (Amsterdam, NL)	EUR	0.020	0.020	100	100
ARYZTA Holdings Germany AG (Schlieren, CH)	CHF	0.100	0.100	100	100
ARYZTA Holdings Ireland Limited (St Helier, JE)	EUR	–	–	100	100
ARYZTA Finance II AG (Cham, CH)	EUR	0.087	0.087	100	100
Hiestand Beteiligungsholding GmbH & Co. KG (Schweinfurt, DE) ¹	EUR	0.026	0.026	100	100
ARYZTA Food Europe AG (Schlieren, CH)	CHF	6.450	6.450	100	100
Summerbake GmbH (Klotze, DE)	EUR	0.025	0.025	100	100
ARYZTA Investments SAS (Ferrières-en-Brie, FR)	EUR	40.100	–	100	–

¹The amount disclosed represents limited liability capital.

Notes to the Company Financial Statements (continued)

A list of significant indirect investments in Group companies is disclosed in note 33 of the Group Financial Statements on page 180.

As a result of reductions in current and future expected profitability and cash flows, combined with the impact on revenues and operations from COVID-19 and anticipated Brexit impacts, the Company recorded a total impairment of CHF 1,320.2m in respect of its investments in its wholly-owned Group companies during the period ended 1 August 2020.

6 Share capital

	Period ended 1 August 2020 Number of shares m	Period ended 1 August 2020 in CHF m	Period ended 27 July 2019 Number of shares m	Period ended 27 July 2019 in CHF m
Shares of CHF 0.02 each – authorised, issued and fully paid				
As at beginning of period	993.1	19.9	92.9	1.9
Issued during the period	-	-	900.2	18.0
As at end of period	993.1	19.9	993.1	19.9

	Period ended 31 July 2020 Number of shares '000	Period ended 31 July 2020 in CHF'000	Period ended 31 July 2019 Number of shares '000	Period ended 31 July 2019 in CHF'000
Shares of CHF 0.02 each				
Conditional capital	49.7	1.0	-	-
Authorised capital	99.3	2.0	8.1	0.2

During November 2018, the Group completed a capital raise, by way of a rights issue, in order to strengthen the balance sheet, provide necessary liquidity and working capital funding, and to enable delivery of ARYZTA's three year turnaround plan, Project Renew. At the Annual General Meeting on 1 November 2018, a total of 900,184,940 registered shares with a nominal value of CHF 0.02 each were offered to ARYZTA's existing shareholders on a 10 for 1 share basis.

The proceeds of the capital raise upon completion of the rights issue, net of related transaction costs, resulted in an increase in share capital of CHF 18.0m and an increase in legal reserves from capital contribution of CHF 827.2m during the period ended 27 July 2019.

At the 2019 AGM, the shareholders voted in favour of the amendment of the Articles of Association of the Company, to introduce a new Article 4 to create conditional share capital for issuance of shares, options or subscription rights to employees. The registered share capital may be increased in an amount not to exceed CHF 993,105.72 by issuing up to 49,655,286 fully paid-up registered shares with a par value of CHF 0.02 each (representing 5% of the currently issued share capital) through the direct or indirect issuance of shares, options or related subscription granted to members of the Board of Directors in lieu of cash fees, members of the Executive Management and employees of the Company and its Group companies.

Notes to the Company Financial Statements (continued)

In accordance with Article 5 of the Articles of Association (Authorised capital for general purposes), the Board of Directors is authorised to increase the share capital of the Company at any time until 14 November 2021 by a maximum amount of CHF 1,986,211 by issuing of up to 99,310,572 fully paid-up registered shares with a par value of CHF 0.02 each. A partial increase is permitted.

The Board of Directors is authorised to withdraw or limit the pre-emptive rights of the existing shareholders if the newly issued shares are used for the following purposes: (1) mergers, acquisitions (including take-overs) of companies, parts of companies or holdings, equity stakes (participation) or new investments planned by the Company, or the financing or re-financing of such transactions, (2) broadening the shareholder constituency, or (3) employee participations.

The registered share capital of the Company as at 1 August 2020, amounts to CHF 19,862,114.54, and is divided into 993,105,727 registered shares with a par value of CHF 0.02 per share, of which 991,123,823 are outstanding and 1,981,904 were classified as treasury shares.

Shareholders are entitled to dividends as declared and approved. The ARYZTA shares rank pari passu in all respects with each other.

7 Treasury shares owned by the Company or one of its subsidiaries

	Period ended 1 August 2020 '000	Period ended 1 August 2020 in CHF m	Period ended 27 July 2019 '000	Period ended 27 July 2019 in CHF m
As at beginning of period	2,518	99.9	2,987	115.7
Release of treasury shares upon exercise of LTIP shares	(25)	(1.0)	(85)	(2.9)
Release of treasury shares as restricted shares	(511)	(20.3)	(384)	(12.9)
As at end of period	1,982	78.6	2,518	99.9

During the period ended 1 August 2020, the performance conditions associated with 25,684 Restricted Stock Unit awards were fulfilled (2019: 84,815). Therefore, these awards were approved as vested by the Remuneration Committee and were subsequently exercised by employees, in exchange for the same number of shares. The weighted average share price at the time of these exercises was CHF 0.80 (2019: CHF 10.33).

In addition, during the period ended 1 August 2020, 510,817 shares were issued out of treasury shares, in respect of restricted shares for non-executive directors (2019: 383,888).

These shares were issued out of shares previously held in treasury by ARYZTA Grange Company UC, a wholly-owned subsidiary within the ARYZTA AG Group.

Notes to the Company Financial Statements (continued)

8 Participations

As at 1 August 2020, the Company has been notified of the following shareholdings or voting rights, which amount to 3% or more of the Company's issued ordinary share capital:

	Number of shares 2020	Number of shares % 2020
Shareholder Group ¹	198,693,965	20.01%
Black Creek Investment Management Inc.	49,357,355	4.97%
Norges Bank (the Central Bank of Norway)	49,344,613	4.97%
CI Financial Corp. ²	46,734,200	4.71%
JO Hambro Investment Inc. ³	39,996,116	4.03%
Deutsche Bank Aktiengesellschaft ⁴	30,226,101	3.04%

1 The Shareholder Group comprises VERAISON SICAV - Engagement Fund; Francisco Garcia Parames and Maria Angeles Leon Lopez, Direct shareholder: Cobas Asset Management, SGIIC, S.A; KFRH Kamps Management GmbH; and Michaela Kamps.

2 As per an investment advisory agreement between CI and Black Creek, Black Creek is responsible for making discretionary investment decisions on behalf of the Funds and is authorized to exercise the voting rights for the securities held in the Funds at its own discretion.

3 JO Hambro Capital Management European Select Values Fund holds individually 3% or more voting rights.

4 DWS Investment GmbH has indirect participation.

Any significant shareholder notifications during the period, and since 1 August 2020, are available from the Group's website at:
www.aryzta.com/investor-centre/shareholder-notifications.

9 Pension fund liability

The pension fund liability was CHF 21,610 at 1 August 2020 (2019: CHF 53,744).

Notes to the Company Financial Statements (continued)

10 Non-executive Directors and Executive Management share interests

Please refer to the ARYZTA AG Compensation Report on pages 64 to 82 for details on the compensation process and compensation for the period of Non-executive Directors and Group Executive Management.

Non-executive Directors' and Executive Management's share interests

The Directors and Company Secretary had no interests, other than those shown below, in the ordinary shares in, or loan stock of, the Company or other Group undertakings.

Beneficial interests at 1 August 2020 and 27 July 2019 were as follows:

Shares in ARYZTA at CHF 0.02 each	No. of ordinary shares 2020	No. of restricted shares/ unvested RSUs 2020	Total 2020	Total 2019
Directors				
Gary McGann	161,700	245,229	406,929	278,128
Mike Andres	–	84,274	84,274	40,011
Luisa Delgado ¹	–	38,281	38,281	–
Greg Flack	–	84,274	84,274	40,011
Dan Flinter	13,365	85,033	98,398	53,736
Annette Flynn	11,132	82,548	93,680	48,620
Jim Leighton ²	–	84,274	84,274	40,011
Tim Lodge	–	72,885	72,885	34,604
Andrew Morgan	–	34,604	34,604	34,604
Rolf Watter	528,507	85,033	613,540	118,878
Alejandro Zaragueta ¹	132,000	38,281	170,281	–
Executive Management				
Kevin Toland	572,240	–	572,240	97,240
Claudio Gekker	–	–	–	–
John Heffernan	14,014	–	14,014	14,014
Dave Johnson	–	–	–	–
Anthony Murphy	–	–	–	–
Robert O'Boyle	111,397	–	111,397	111,397
Rhona Shakespeare (nee O'Brien)	–	–	–	–
Frederic Pflanz	100,000	–	100,000	–
Chris Plüss	76,863	–	76,863	–
Gregory Sklikas	–	–	–	–
Tyson Yu	–	–	–	–
Total	1,721,218	934,716	2,655,934	911,254

¹ Effective 14 November 2019, L. Delgado and A. Zaragueta were elected to the Board.

² The Beneficial holding of J. Leighton in FY 2019 is held in the form of Restricted Stock Units.

No loans or advances were made to members of the Board of Directors or to Executive Management during the financial period, or were outstanding at 1 August 2020 (2019: none).

Notes to the Company Financial Statements (continued)

Executive Management's interests in equity instruments under the LTIP

	Opening position FY 2020	No. of PSUs granted during the period ¹	No. of PSUs forfeited during the period ¹	No. of PSUs Closing position FY 2020 ²	Opening position FY 2020	No. of options granted during the period ¹	No. of options forfeited during the period ¹	No. of options Closing position FY 2020 ²
Executive Management								
Kevin Toland	1,225,794	1,192,927	–	2,418,721	1,936,777	–	–	1,936,777
Claudio Gekker	326,547	290,684	–	617,231	515,951	–	–	515,951
John Heffernan	302,843	336,827	–	639,670	397,324	–	–	397,324
Dave Johnson	948,457	671,795	–	1,620,252	1,561,245	–	–	1,561,245
Anthony Murphy	378,554	336,827	–	715,381	598,122	–	–	598,122
Robert O'Boyle	324,731	296,245	(620,976)	–	513,080	–	(513,080)	–
Rhona Shakespeare (nee O'Brien)	174,135	291,916	–	466,051	150,670	–	–	150,670
Frederic Pflanz	668,779	595,060	–	1,263,839	1,056,683	–	–	1,056,683
Gregory Sklikas ³	393,696	758,809	–	1,152,505	340,645	464,067	–	804,712
Chris Plüss	241,752	252,804	–	494,556	381,973	–	–	381,973
Tyson Yu	286,622	284,221	–	570,843	452,867	–	–	452,867
Total	5,271,910	5,308,115	(620,976)	9,959,049	7,905,337	464,067	(513,080)	7,856,324

1 PSU's and options are presented at target award. The number of PSU's and options vested may change depending on the achievement of operating performance measures at vesting.

2 The FY19 and FY20 awards are unvested as at 1 August 2020.

3 By REMCO decision on 25 September 2019, G. Sklikas was granted an LTIP award equivalent to the value of two thirds of the FY18 LTIP.

Previous and discontinued compensation plans

The following table details awards outstanding under the Option Equivalent Plan in favour of Executive Management:

	Options carried forward FY2020	Forfeited during the period FY 2020	Closing position FY 2020	Of which Vesting criteria have been fulfilled ²
Executive Management				
Kevin Toland	–	–	–	–
Frederic Pflanz	–	–	–	–
John Heffernan	–	–	–	–
Anthony Murphy	–	–	–	–
Rhona Shakespeare (nee O'Brien)	–	–	–	–
Dave Johnson	–	–	–	–
Gregory Sklikas	–	–	–	–
Robert O'Boyle ¹	105,809	(105,809)	–	–
Claudio Gekker	–	–	–	–
Total current executive management	105,809	(105,809)	–	–
Owen Killian	3,526,961	(1,410,784)	2,116,177	2,116,177
Patrick McEniff	2,868,595	(1,175,654)	1,692,941	1,692,941
Pat Morrissey	470,261	–	470,261	470,261
Dermot Murphy	235,131	–	235,131	235,131
Total former executive management	7,100,948	(2,586,438)	4,514,510	4,514,510
Total current and former executive management	7,206,757	(2,692,247)	4,514,510	4,514,510

1 On 31 July 2020 Robert O'Boyle resigned as COO APMEA.

2 The weighted average exercise price of all Option Equivalent Plan awards that remain outstanding and for which the vesting conditions have been met is CHF 8.53.

Notes to the Company Financial Statements (continued)

11 Post balance sheet events - after 1 August 2020

As announced on 28 September 2020, the Group received the requisite consent of the majority of its lenders for a further amendment of its financial covenants relating to the semi-annual period ending 31 January 2021 and the annual financial statements ending 31 July 2021. The financial covenants defined under this amendment are a leverage covenant being a maximum of 6.0x and interest cover covenant being greater than 1.0x. See page 175 within note 26 of the Group Consolidated Financial Statements above for further details on the Company's financial covenants.

Company Appropriation of Available Earnings

Appropriation of available earnings

The Board of Directors will propose to the Annual General Meeting of Shareholders the following appropriation of earnings:

in CHF '000	2020	2019
Balance of retained earnings carried forward	564,526	514,107
Net (loss)/profit for the period	(1,229,410)	50,419
Closing balance of retained earnings	(664,884)	564,526
Dividend payment from retained earnings	-	-
Balance of retained earnings to be carried forward	(664,884)	564,526

Report of the statutory auditor to the General Meeting of ARYZTA AG on the financial statements 2020

As statutory auditor, we have audited the accompanying financial statements of AG, which comprise the income statement, balance sheet and notes, for the period ended 1 August 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 (pages 187 to 197) for the period ended 1 August 2020 comply with Swiss law and the company's articles of incorporation.

Report of the statutory auditor to the General Meeting of ARYZTA AG on the financial statements 2020 (continued)



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 accompanying financial statements.

Valuation of investments in Group companies

Area of focus

As at 1 August 2020 ARYZTA AG holds direct and indirect investments in subsidiaries with a carrying amount of CHF 1'305 million (33% of total assets and 98% of total equity). When indicators of impairment are identified, ARYZTA AG estimates the recoverable amount of its investments. An impairment charge of CHF 1'320 million was recognised during the period in respect to investments in subsidiaries.

Due to the significance of the carrying amount of the investments in subsidiaries, the impairment charge in the 2019/2020 financial period and the judgment involved in the assessment of the valuation, this matter was considered significant to our audit.

We refer to note 2 on page 190, Accounting policies, and note 5 on page 191 to 192, Details of investments.

Our audit response

We obtained an understanding of management's process to identify indicators of impairment of investments in subsidiaries and the process for estimating the recoverable amount of each investment.

- We tested the analysis prepared by management, which consisted of comparing the subsidiaries net-asset value resp. discounted cash-flow forecasts with the carrying amount of the investment.
- We tested the mathematical accuracy of the investment valuation model and also considered the results of the goodwill impairment testing prepared in the context of the consolidated financial statements.

Our audit procedures did not lead to any reservation concerning the valuation of investments in Group companies.

Report of the statutory auditor to the General Meeting of ARYZTA AG on the financial statements 2020 (continued)

Adherence to financial covenants of the Group

Area of focus

The Group has outstanding credit facilities that are subject to contractual financial covenants that are required to be met. The Board of Directors and Management expect that there will not be a breach of covenants under the revised terms that would cause the financing institutions to renegotiate the terms of the credit facilities or to accelerate repayment of the current facilities during the 2020/21 financial period. The adherence of financial covenants is monitored on a biannual basis. The future compliance with these financial covenants is dependent on the achievement of forecasts and the accuracy of Management's assumptions and judgement around uncertainties including those relating to the outbreak of COVID-19.

Due to the significant involvement of subjective judgements by management in the financial forecast and covenant compliance, this matter was considered significant to our audit.

We refer to the Notes of the consolidated financial statements, note 1, page 109.

Our audit response

We analysed the Group's forecast for Half-Year and Financial Year 2021 to gain an understanding of the likelihood of adhering to the financial covenants, and discussed with Management the underlying assumptions used, the basis for their evaluation and sensitivities. Further, we gained an understanding of Management's application of judgement related to uncertainties, including the expected impact of COVID-19.

As part of our assessment of the appropriateness of the underlying assumptions used in the forecasts for 2020/21, we performed the following procedures amongst others:

- We gained an understanding of judgement related to uncertainties, including COVID-19 impact and challenged the reasonableness of key assumptions addressing revenue, expenses and overheads including reconciliation of forecast cash flows to budgets approved by the Board, as well as a comparison with recent actual results. We applied professional skepticism when assessing the key assumptions made by management.
- We assessed the consistency of the cash flow forecasts with audit evidence obtained in other areas of the audit, including the goodwill impairment assessment.
- We recalculated management's forecasted covenant ratio compliance calculations to assess for potential breaches for the annual and interim test for 2020/21 financial period.
- We obtained evidence of the agreements with lenders confirming waivers granted and covenant resets for the covenant test at the period end date and both the annual and interim test for 2020/21 financial period.

Report of the statutory auditor to the General Meeting of ARYZTA AG on the financial statements 2020 (continued)



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 recommend that the financial statements submitted to you be approved.



Ernst & Young Ltd

Martin Gröli

Licensed audit expert
Auditor in charge

Jennifer Mathias

Certified public accountant

Zurich, 6 October 2020