

Company Income Statement

for the period ended 31 July 2021

| in CHF m | 2021 | 2020 |
|---|----------------|------------------|
| Revenues from licences and management fees from Group companies | 5.5 | 7.5 |
| Dividend income from Group companies | 219.7 | 106.8 |
| Personnel expenses | (6.5) | (1.5) |
| Other operating expenses to Group companies | (7.4) | (11.7) |
| Other operating expenses | (50.3) | (12.4) |
| Depreciation and amortisation | - | - |
| Impairment of investment in Group Companies | (372.1) | (1,320.2) |
| Operating loss | (211.1) | (1,231.5) |
| Financial income from Group companies | 49.7 | 64.8 |
| Financial expenses | (53.7) | (62.2) |
| Loss before income tax | (215.1) | (1,228.9) |
| Income tax | (1.2) | (0.5) |
| Loss for the period | (216.3) | (1,229.4) |

Company Balance Sheet

as at 31 July 2021

| in CHF m | 2021 | 2020 |
|----------------------------------|----------------|----------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | 18.7 | 0.4 |
| Other current receivables | | |
| – from third parties | 5.7 | 7.2 |
| – from Group companies | 1.1 | 0.3 |
| Total current assets | 25.5 | 7.9 |
| Long-term assets | | |
| Financial assets | | |
| – loans to Group companies | 1,625.7 | 2,697.4 |
| Investments | | |
| – investments in Group companies | 1,132.6 | 1,304.6 |
| Property, plant and equipment | 0.1 | 0.1 |
| Total long-term assets | 2,758.4 | 4,002.1 |
| Total assets | 2,783.9 | 4,010.0 |

Company Balance Sheet (continued)

as at 31 July 2021

| in CHF m | 2021 | 2020 |
|--|----------------|----------------|
| Liabilities | | |
| Short-term liabilities | | |
| Trade payable | | |
| – to third parties | 0.3 | 0.8 |
| Short-term interest bearing liabilities | | |
| – to third parties | - | 207.3 |
| Other short-term liabilities | | |
| – to third parties | 69.7 | 103.8 |
| – to Group companies | 36.6 | 45.1 |
| Accrued expenses | 121.7 | 93.6 |
| Total short-term liabilities | 228.3 | 450.6 |
| Long-term liabilities | | |
| Long-term interest-bearing liabilities | | |
| – to third parties | 638.5 | 1,651.3 |
| Liabilities to Group companies | 804.9 | 579.6 |
| Total long-term liabilities | 1,443.4 | 2,230.9 |
| Total liabilities | 1,671.7 | 2,681.5 |
| Equity | | |
| Share capital | 19.9 | 19.9 |
| Legal reserves from capital contribution | 827.2 | 827.2 |
| Legal reserves from foreign capital contribution | 26.2 | 1,067.7 |
| Legal reserve for own shares from foreign capital contribution | 52.4 | 78.6 |
| Free reserves from foreign capital contribution | 1,067.7 | - |
| Retained earnings | (881.2) | (664.9) |
| Total equity | 1,112.2 | 1,328.5 |
| Total equity and liabilities | 2,783.9 | 4,010.0 |

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 2 August 2020 to 31 July 2021.

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 121 of the Group Consolidated Financial Statements to view the Group's full-time equivalents.

Notes to the Company Financial Statements (continued)

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.

| Bonds outstanding | Interest Rate | 2021 in CHF m. | 2020 in CHF m. | Maturity |
|-------------------------------|----------------------|--------------------------|--------------------------|-------------------------------------|
| Hybrid Instrument 2013 | 5.3% | 400.0 | 400.0 | No specified maturity date |
| Hybrid Instrument 2014 | 3.5% | 190.0 | 190.0 | No specified maturity date |
| Bank loans outstanding | | | | Financial period of maturity |
| Syndicated Bank RCF | | 48.5 | 852.8 | 2023 |
| Syndicated Bank Term Loan | | - | 226.4 | 2023 |

The average interest rate on the RCF facility is 1.4%.

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 27 to the Group Financial Statements on pages 157 to 158.

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.

Notes to the Company Financial Statements (continued)

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 | |
|---|------------------------|--------|------------|------|
| | 2021 | 2020 | 2021 | 2020 |
| 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 | 40.100 | 100 | 100 |

¹ The amount disclosed represents limited liability capital.

A list of significant indirect investments in Group companies is disclosed in note 34 of the Group Financial Statements on page 162.

As a result of reductions in current and future expected profitability and cash flows, the Company recorded a total impairment of CHF 372.1m in respect of its investments in its wholly-owned Group companies during the period ended 31 July 2021.

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 31 July 2021 Number of shares millions | Period ended 31 July 2021 in CHF m | Period ended 1 August 2020 Number of shares millions | Period ended 1 August 2020 in CHF m |
|--|--|--|---|---|
| Shares of CHF 0.02 each – authorised, issued and fully paid | | | | |
| As at beginning and end of period | 993.1 | 19.9 | 993.1 | 19.9 |
| Shares of CHF 0.02 each | | | | |
| Conditional capital | 49.7 | 1.0 | 49.7 | 1.0 |
| Authorised capital | 99.3 | 2.0 | 99.3 | 2.0 |

Notes to the Company Financial Statements (continued)

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.

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 31 July 2021, 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 991,785,217 are outstanding and 1,320,510 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.

As noted on page 179, at the 2020 Annual General Meeting held on 15 December 2020 the shareholders approved a re-appropriation of CHF 1,067.7m from Legal reserves from foreign capital contributions to Free reserves from foreign capital contributions.

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

| | Period ended 31 July 2021 '000 | Period ended 31 July 2021 in CHF m | Period ended 1 August 2020 '000 | Period ended 1 August 2020 in CHF m |
|--|--------------------------------------|--|---------------------------------------|---|
| As at beginning of period | 1,982 | 78.6 | 2,518 | 99.9 |
| Release of treasury shares upon exercise of LTIP shares | (168) | (6.7) | (25) | (1.0) |
| Release of treasury shares as restricted shares | (493) | (19.5) | (511) | (20.3) |
| As at end of period | 1,321 | 52.4 | 1,982 | 78.6 |

During the period ended 31 July 2021, the performance conditions associated with 167,902 Restricted Stock Unit awards were fulfilled (2020: 25,684). Therefore, these awards were approved as vested by the Remuneration Committee and were subsequently

Notes to the Company Financial Statements (continued)

exercised by employees, in exchange for the same number of shares. The weighted average share price at the time of these exercises was CHF 0.48 (2020: CHF 0.80).

In addition, during the period ended 31 July 2021, 493,492 shares were issued out of treasury shares, in respect of restricted shares for non-executive directors (2020: 510,817).

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.

8 Participations

As at 31 July 2021, 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 2021 | Number of shares % 2021 |
|--|-----------------------------|-------------------------------|
| Francisco Garcia Parames and Maria Angeles Leon Lopez ¹ | 93,332,990 | 9.40% |
| Credit Suisse Funds AG | 30,703,083 | 3.09% |
| Lodbrok Capital, LLP | 30,181,273 | 3.04% |

¹ Francisco Garcia Parames and Maria Angeles Leon Lopez, Direct shareholder: Cobas Asset Management, SGIIC, S.A

Any significant shareholder notifications during the period, and since 31 July 2021, are available from the Group's website at:
and also on the SIX Exchange Regulation's website at: www.six-exchange-regulation.com/en/home/publications/significant-shareholders.html

9 Pension fund liability

The pension fund liability was CHF 23,731 at 31 July 2021 (2020: CHF 21,610).

10 Non-executive Directors and Executive Management share interests

Please refer to the ARYZTA AG Compensation Report on pages 56 to 72 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.

Notes to the Company Financial Statements (continued)

Beneficial interests at 31 July 2021 and 1 August 2020 were as follows:

| Shares in ARYZTA at CHF 0.02 each | No. of ordinary shares 2021 | No. of restricted shares (issued FY2020) 2021 | No. of restricted shares (issued FY2021) 2021 | Total 2021 | Total 2020 |
|--|--------------------------------|--|--|-------------------|------------------|
| Directors | | | | | |
| Current directors | | | | | |
| Urs Jordi ¹ | 107,000 | – | 159,526 | 266,526 | – |
| Luisa Delgado ² | – | 38,281 | 72,700 | 110,981 | 38,281 |
| Gordon Hardie ³ | – | – | 51,364 | 51,364 | – |
| Heiner Kamps | 15,692,707 | – | 47,413 | 15,740,120 | – |
| Jörg Riboni ³ | 750,000 | – | 55,809 | 805,809 | – |
| Hélène Weber-Dubi ³ | – | – | 59,267 | 59,267 | – |
| Alejandro Legarda Zaragüeta ⁴ | 132,000 | 38,281 | 47,413 | 217,694 | 170,281 |
| Former directors | | | | | |
| Gary McGann ⁵ | – | – | – | – | 406,929 |
| Mike Andres ⁶ | – | – | – | – | 84,274 |
| Greg Flack ⁶ | – | – | – | – | 84,274 |
| Dan Flinter ⁵ | – | – | – | – | 98,398 |
| Annette Flynn ⁵ | – | – | – | – | 93,680 |
| Jim Leighton ^{6, 9} | – | – | – | – | 84,274 |
| Tim Lodge ⁶ | – | – | – | – | 72,885 |
| Andrew Morgan ⁷ | – | – | – | – | 34,604 |
| Rolf Watter ⁵ | – | – | – | – | 613,540 |
| Armin Bieri ⁸ | – | – | – | – | – |
| Total | 16,681,707 | 76,562 | 493,492 | 17,251,761 | 1,781,420 |

1 U. Jordi became a member and Chair of the ARYZTA Board on 16 September 2020 and was appointed by the ARYZTA Board as interim CEO on 19 November 2020.

2 L. Delgado became a member of the Board on 14 November 2019 (2019 AGM) and was appointed Senior Independent Director in November 2020.

3 G. Hardie, J. Riboni and H. Weber-Dubi were elected to the Board effective 15 December 2020 (2020 AGM).

4 A. Legarda Zaragüeta was elected to the Board effective 14 November 2019 (2019 AGM).

5 G. McGann, D. Flinter, A. Flynn and R. Watter retired from the Board with effect from the conclusion of the EGM on 16 September 2020.

6 M. Andres, G. Flack, J. Leighton and T. Lodge retired without seeking re-election at the ARYZTA 2020 AGM on 15 December 2020.

7 A. Morgan retired from the Board without seeking re-election effective 14 November 2019 (2019 AGM).

8 A. Bieri stepped down from the Board 6 November 2020.

9 The Beneficial holding of J. Leighton includes 40,011 of Restricted Stock Units.

Notes to the Company Financial Statements (continued)

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 31 July 2021 (2020: Nil).

Executive Management's interests in equity instruments

| | No. of shares closing position FY 2021 | No. of RSUs Closing position FY 2021 | No. of PSUs Closing position FY 2021 ^{1,2,3} | No. of options Closing position FY 2021 ³ | No. of shares closing position FY 2020 | No. of PSUs Closing position FY 2020 ^{1,2,3} | No. of options Closing position FY 2020 ³ |
|---|--|--|---|--|--|---|--|
| Urs Jordi | 107,000 | 159,526 | – | – | – | – | – |
| Jonathan Solesbury | – | – | – | – | – | – | – |
| Rhona Shakespeare | – | – | 291,916 | – | – | 466,051 | 150,670 |
| Claudio Gekker | – | – | 290,684 | – | – | 617,232 | 515,951 |
| Chris Pluss | 176,000 | – | 252,804 | – | 76,863 | 494,556 | 381,973 |
| Total current executive management | 283,000 | 159,526 | 835,404 | – | 76,863 | 1,577,839 | 1,048,593 |
| Kevin Toland ⁴ | – | – | 637,043 | – | 572,240 | 2,418,721 | 1,936,777 |
| John Heffernan ⁴ | – | – | 184,894 | – | 14,014 | 639,670 | 397,324 |
| Dave Johnson ⁴ | – | – | 292,384 | – | – | 1,620,252 | 1,561,245 |
| Anthony Murphy ⁴ | – | – | 164,803 | – | – | 715,381 | 598,122 |
| Robert O'Boyle | – | – | – | – | 111,397 | – | – |
| Frederic Pflanz | – | – | – | – | 100,000 | 1,263,839 | 1,056,683 |
| Gregory Sklikas | – | – | 323,203 | – | – | 1,152,505 | 804,712 |
| Tyson Yu ⁴ | – | – | 147,276 | – | – | 570,842 | 452,867 |
| Total former executive management | – | – | 1,749,603 | – | 797,651 | 8,381,210 | 6,807,731 |
| Total | 283,000 | 159,526 | 2,585,007 | – | 874,514 | 9,959,048 | 7,856,324 |

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

2 The awards granted during financial period 2020 are unvested as at 31 July 2021.

3 As the performance conditions associated with the PSU and option awards granted during financial period 2019 were not met, these awards were forfeited during the period ended 31 July 2021.

4 Number of PSUs awarded to executives who departed during FY 2021 adjusted pro rata up to last contractual working day based on exit agreements.

Notes to the Company Financial Statements (continued)

Previous and discontinued compensation plans

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

| | No. of options carried forward FY 2021 | Forfeited during the year | No. of options Closing position FY 2021 | No. of options of which Vesting criteria have been fulfilled ¹ |
|--|--|---------------------------------|--|---|
| Owen Killian | 2,116,177 | – | 2,116,177 | 2,116,177 |
| Patrick McEniff | 1,692,941 | – | 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 | 4,514,510 | – | 4,514,510 | 4,514,510 |

¹ 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.

11 Post balance sheet events - after 31 July 2021

As announced on 19 August 2021, the Group has successfully signed binding documentation concerning the disposal of its Brazil businesses to Grupo Bimbo SAB de CV. The transaction is expected to complete by the end of Q2 of ARYZTA's financial year 2022, and is subject to closing conditions customary for this type of transaction.

As announced on 19 August 2021, ARYZTA has entered into an underwritten agreement with three banks for a new €500m revolving credit facility. The facility which is expected to be utilised in Q1 2022 is underwritten by Credit Suisse, Rabobank and UBS has replaced the current €800m revolving credit facility that was due to mature in September 2022.

In October 2021, the Group announced that it will pay all deferred and actual dividends on its CHF Hybrids and the deferred, actual and compound dividends on its Euro Hybrid in FY 2022, totalling approximately CHF 143m and €81m respectively.

Company Appropriation of Available Earnings and Re-appropriation of Reserves

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 | 2021 | 2020 |
|---|------------------|-------------|
| Balance of retained earnings carried forward | (664,884) | 564,526 |
| Net loss for the period | (216,270) | (1,229,410) |
| Closing balance of retained earnings | (881,154) | (664,884) |
| Dividend payment from retained earnings | - | - |
| Balance of retained earnings to be carried forward | (881,154) | (664,884) |

Re-appropriation of reserves - 2021 Annual General Meeting

The Board of Directors will propose to the 2021 Annual General Meeting of Shareholders the following re-appropriation of reserves:

| in CHF'000 | 2021 |
|---|-----------|
| Legal reserves from capital contribution | 827,160 |
| Legal reserves from foreign capital contribution | 26,244 |
| Re-appropriation to free reserves from capital contribution | (823,187) |
| Re-appropriation to free reserves from foreign capital contribution | (26,244) |
| Legal reserves from capital contribution | 3,973 |
| Legal reserves from foreign capital contribution | - |
| Free reserves from capital contribution | 823,187 |
| Free reserves from foreign capital contribution | 1,093,975 |

Re-appropriation of reserves - 2020 Annual General Meeting

Subsequent to the issuance of the 2020 Annual Report and Accounts, the Board of Directors proposed to the 2020 Annual General Meeting of Shareholders the following re-appropriation of reserves, which was approved on 15 December 2020:

| in CHF'000 | 2020 |
|--|-------------|
| Legal reserves from foreign capital contributions | 1,067,731 |
| Re-appropriation to free reserves from foreign capital contributions | (1,067,731) |
| Legal reserves from foreign capital contributions | - |
| Free reserves from foreign capital contributions | 1,067,731 |

Report of the statutory auditor to the General Meeting of ARYZTA AG on the financial statements 2021

As statutory auditor, we have audited the accompanying financial statements of ARYZTA AG, which comprise the income statement, balance sheet and notes, for the period ended 31 July 2021.



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 168 to 178) for the period ended 31 July 2021 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 2021 (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 31 July 2021 Aryzta AG holds direct and indirect investments in subsidiaries with a carrying amount of CHF 1'133 million (41% of total assets and 102% of total equity). When indicators of impairment are identified, Aryzta AG estimates the recoverable amount of its investments. An impairment charge of CHF 372 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 2020/21 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 171, Accounting policies and Note 5 on pages 173, Details of investments.

Our audit response

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

We obtained the impairment analysis prepared by management and performed the following procedures, among others:

- We tested the analysis prepared by Management, which consisted of comparing the net assets and discounted cash-flow balances with the carrying amount of the investment.
- We tested the mathematical accuracy of the investment valuation model and also considered the results of the impairment test 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 2021 (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, 4 October 2021