2024
Annual Report and Accounts

ARYZTA
SERVING INSPIRATION

FINANCIAL HIGHLIGHTS

Total Revenue	EBITDA Group
2,194.5	14.6%
in € million	of total revenues
Revenue Europe	EBITDA Europe
1,945.1	14.0%
in € million	of segment revenues
Revenue Rest of World	EBITDA Rest of World
249.4	19.8%
in € million	of segment revenues
Profit for the period	Diluted EPS
129.6	10.0
in € million	in € cent

TABLE OF CONTENTS

FINANCIAL HIGHLIGHTS 2024

ARYZTA AG is an international bakery company with a leadership position in convenience bakery. We offer a comprehensive range of products and services for in-store bakery solutions. ARYZTA has excellent capabilities in the baking industry, offering high quality and great tasting bread, rolls, buns, pastries, savoury and American bakery such as cookies.

Revenue

€2,195m

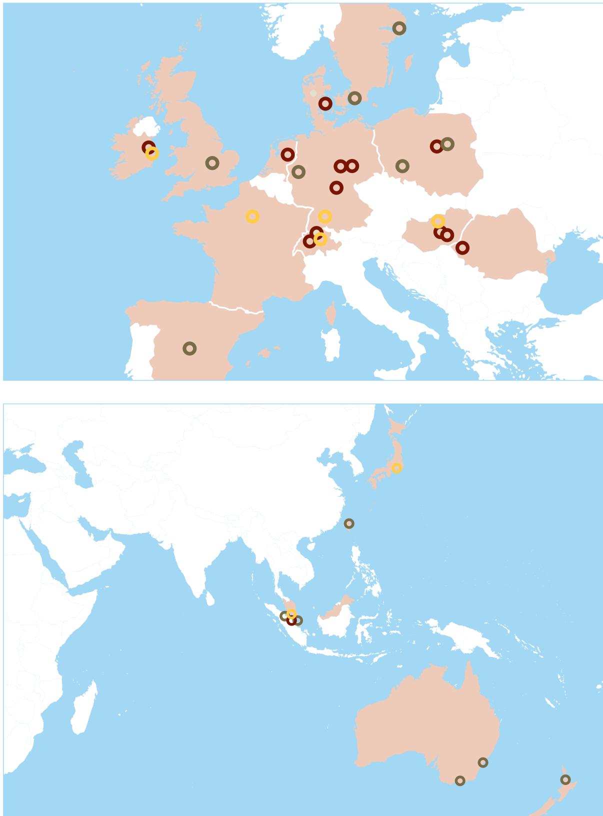
Bakeries

26

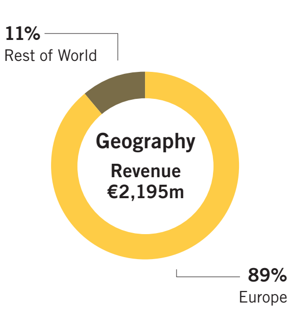
Countries

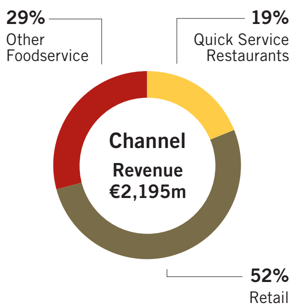
27

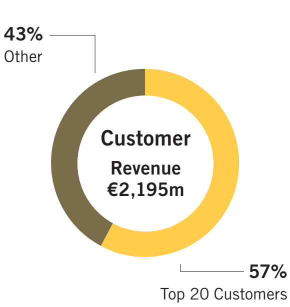
ARYZTA Group

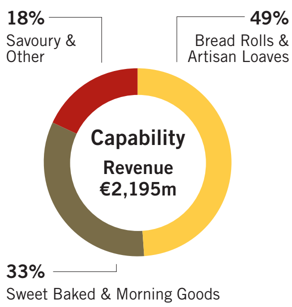


Bakery production facilities
QSR production facilities
Food solutions businesses
ARYZTA bakery & food solutions footprint



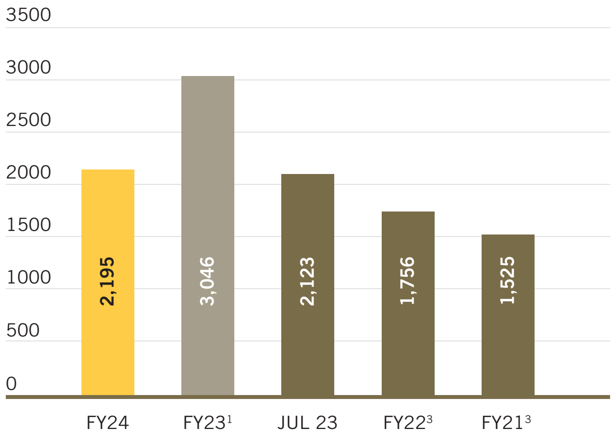




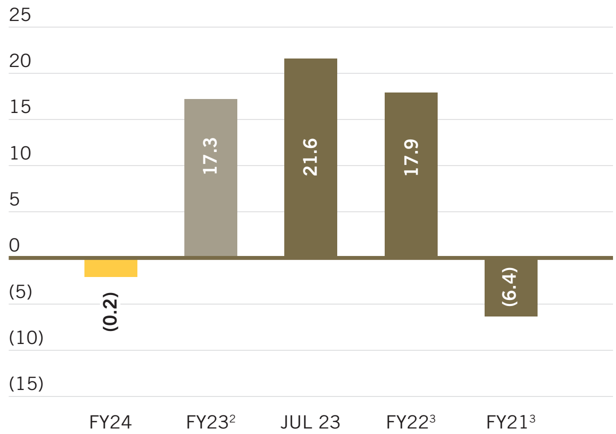


FINANCIAL HIGHLIGHTS 2024

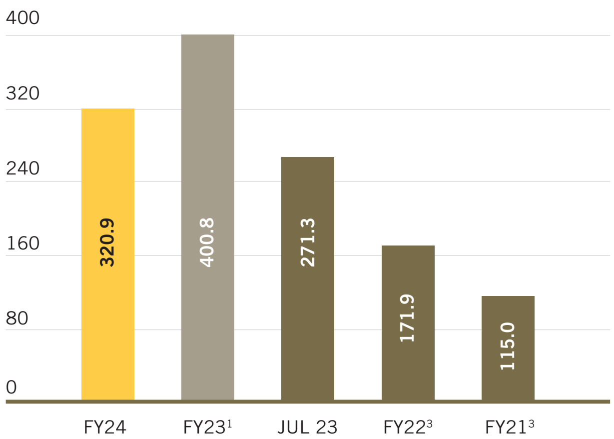
Revenue
in EUR million



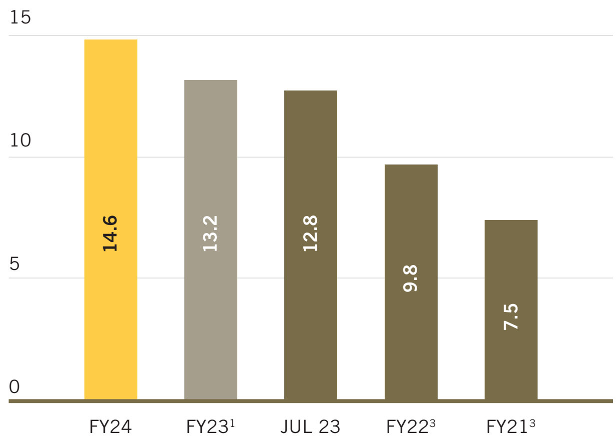
Organic growth
in %



EBITDA
in EUR million



EBITDA margin
in %



[1] 17-month period ended 31 December 2023
[2] Represents the organic growth comparing the 17-month financial period ended December 2023 to the 17-month prior period ended December 2022
[3] Represents results of Continuing operations Europe and Rest of World segments for the 12-month periods to July

LETTER TO SHAREHOLDERS

Dear Shareholder,

On behalf of the Board of Directors of ARYZTA AG, I wish to express our sincere thanks and appreciation for your continuing support. 2024 was both a challenging and a successful year for our company. In an inflationary and weak consumer spending environment with ongoing geopolitical challenges, we have achieved very significant milestones across a broad range of topics and successfully positioned ARYZTA for future growth and performance. We continue the focus on our core business, strengthening our presence in the markets and driving operational excellence.

All mid-term targets achieved ahead of schedule – new CEO in charge
I am delighted to confirm that we have delivered all our mid-term targets one year ahead of schedule and we look forward to setting new goals for the next strategic cycle 2025–28 at our Capital Markets Day in May this year. This accomplishment is a testament to the dedication and hard work of our entire team. It underscores our ability to effectively execute our strategy and deliver sustainable value to our shareholders.

Our new CEO, Michael Schai, will be instrumental in executing our company's strategy. Michael joined in January 2025 and brings a wealth of food industry experience as well as 18 years with ARYZTA. Michael was responsible for Switzerland, Asia and our large Quick Service Restaurant business. He has a proven track record in the food industry, and I am convinced that with his leadership and vision he is well suited to take ARYZTA to the next level. Our Board will provide Michael with strong support and oversight to ensure a smooth transition and successful delivery of the next mid-term plan.

With Michael's appointment, while my CEO tenure ends, I will remain as Chairman. This aligns with our commitment to separate these roles in line with good corporate governance practices. It also allows us to focus on ensuring appropriate oversight and accountability.

Very robust performance in 2024
In 2024, we achieved a remarkable performance in terms of profitability and cash generation. We experienced a challenging top line growth environment due to weak consumer spending and an inflationary context. We continued to grow volume and have returned to positive pricing as the year progressed. This resulted in reported revenues of €2,195m reflecting an annual average volume/mix growth over the period 2022-2024 of 4.2%.

With an EBITDA of €321m in 2024 corresponding to an EBITDA margin of 14.6%, we also achieved our remaining EBITDA mid-term target one year ahead of our 2025 timeline. This reflects our strong focus on innovation and its customisation to suit our individual markets and customers. Innovation coupled with our strict and disciplined approach to cost management and increase of operational efficiency supported this margin performance. All this translated into a very strong cash generation in the year which helped us reduce debt and interest costs further. We improved our total net debt position to €894m and a leverage ratio of 2.8x.

Investment in new innovation lines coming on stream
During 2024 we made significant investments in new innovation lines in Switzerland, Malaysia, Germany and Australia. Malaysia started production in the last quarter of 2024, the new line in Dagmersellen in Switzerland will come on stream in the first quarter of 2025 and the remaining investments will be completed over the next 12 months. These investments will support our excellent quality level and customer relevance. They will support top line growth and margin enhancement as they are producing premium segment products, meeting the evolving consumer demands. Innovation remains at the core of our strategy and accounted for 18% of revenue in 2024, up from 15% in the prior year.

LETTER TO SHAREHOLDERS

Urs Jordi
Chairman, Board of Directors

LETTER TO SHAREHOLDERS

Importance of AI in driving future plant efficiency

Artificial Intelligence (AI) will play a pivotal role in driving our entire efficiency in the future. We are going to leverage AI technologies to optimize all our processes and improve overall efficiency. This focus on AI-driven innovation will enable us to maintain our competitive edge. To further support our technological advancements, we have established a new Board Committee on Technology. This committee will oversee our technology strategy and development, ensure alignment with our business goals, and drive the state of the art technology application across the organization, supported by AI.

Reverse stock split

ARYZTA has also announced its intention to complete a reverse stock split based on a ratio of 40 to 1 new share subject to shareholder approval at the upcoming Annual General Meeting (AGM). The proposed reverse stock split is intended to align the trading price of ARYZTA shares more closely with the median value of shares listed on the SIX Swiss Exchange. We expect this will enhance the attractiveness of the stock.

Further progress on Sustainability commitment

ARYZTA continues to progress its ESG agenda with a 5% reduction in Greenhouse Gas (GHG), a 5% reduction in water usage and a 8% reduction in food waste compared to the baseline year. We have increased the use of renewable energy by 56% and we are sourcing 7% of our wheat from farms applying regeneration agriculture practices. Further, we have also improved our employee safety with a 28% reduction in reported accidents and increased our safety education and training.

Our new investments are also tailored to our sustainability agenda: the oven that was installed as part of our new artisanal bread line in Germany is 30% more energy efficient than the existing ones. Our new plant in Australia will remove an estimated 1.7 million food miles currently involved in transporting our bakery products from Eastern Australia to Western Australia and 100% of the electricity will come from renewable sources.

2025 Outlook

ARYZTA expects to deliver continued business improvement across its key financial metrics in 2025 building on the strong progress achieved since 2022.

In conclusion, I would like to thank our valued shareholders, for their continued support and confidence in our company. We are excited about the future and remain committed to delivering value and growth.
Together, we will continue to build an even stronger and resilient ARYZTA.

Urs Jordi
Chairman, Board of Directors

28 February 2025

MARKETS AND BUSINESS MODEL

MARKETS AND BUSINESS MODEL

Bake-off market leader

ARYZTA is an international bakery company with a leadership position in convenience bakery and offers a comprehensive range of products and services for in-store bakery solutions.

ARYZTA is focused on the bake-off segment of the bakery market. Bake-off is the premium segment of the total bakery market and accounts for c. 25% of the total market. Products are manufactured and semi-finished frozen and are baked-off or thawed at the point of sale. As such, these products are sold ultra fresh throughout the day and are available 24/7.

ARYZTA services three channels Retail, Quick Service Restaurants (‘QSR’) and Other Foodservice. These three channels have different functionalities and pricing models. Other Foodservice offers a large assortment of quality bakery products that are delivered directly to customers. The Retail channel supplies large grocery and wholesale customers with bake-off products manufactured in our own bakeries. And in the QSR channel, our ARYZTA bakeries are integrated into the value chain of globally or regionally active Quick Service Restaurants.

ARYZTA’s bake-off product portfolio covers three key categories of Bread Rolls & Artisan Loaves, Sweet Baked & Morning Goods, and Savoury & Other. The portfolio focuses on convenience with a range of semi-finished as well as thaw and serve assortments. Its product ranges are focused on the key consumer trends of freshness, health, artisan and ethical, while leveraging the competitive advantages of optimising the value chain of the customers.

Large scale manufacturing capabilities

ARYZTA operates 13 bread bakeries as well as 13 manufacturing sites for the QSR channel producing burger buns, and 7 sales organisations for Other Foodservice. ARYZTA is present in 27 countries with market leading positions in Germany, Switzerland, France, Ireland, the UK, the Netherlands, Hungary, Poland, Denmark, Spain, Sweden, and Romania in Europe; and Australia, Japan, Malaysia, Singapore, New Zealand and Taiwan in Rest of World. All bakeries are well-invested, and future investments will be mainly planned for capacity expansion or the introduction of new production lines and technologies at existing facilities.

	ARYZTA **Other Foodservice**	ARYZTA **Retail**	ARYZTA **Quick Service Restaurants**
Channel focus	– Foodservice – Convenience – Grocery independent – Bakeries independent	– Large Grocery – Wholesale	– QSR
Customer/ Product Base	– Large number of products and customers – Bought-in finished goods from external and ARYZTA bakeries	– Few and large customers – Customised SKUs – Produced by our bakeries	– Global and regional QSR chains dedicated products – Produced by our bakeries
Business model	– Service and distribution model **– Direct Store delivery** – Number of sales organisations: 7	– Production and logistics model **– Central warehouse delivery** – Number of bakeries: 13	– Integrated production model **– Pick up from factory** – Number of bakeries: 13

MARKETS AND BUSINESS MODEL

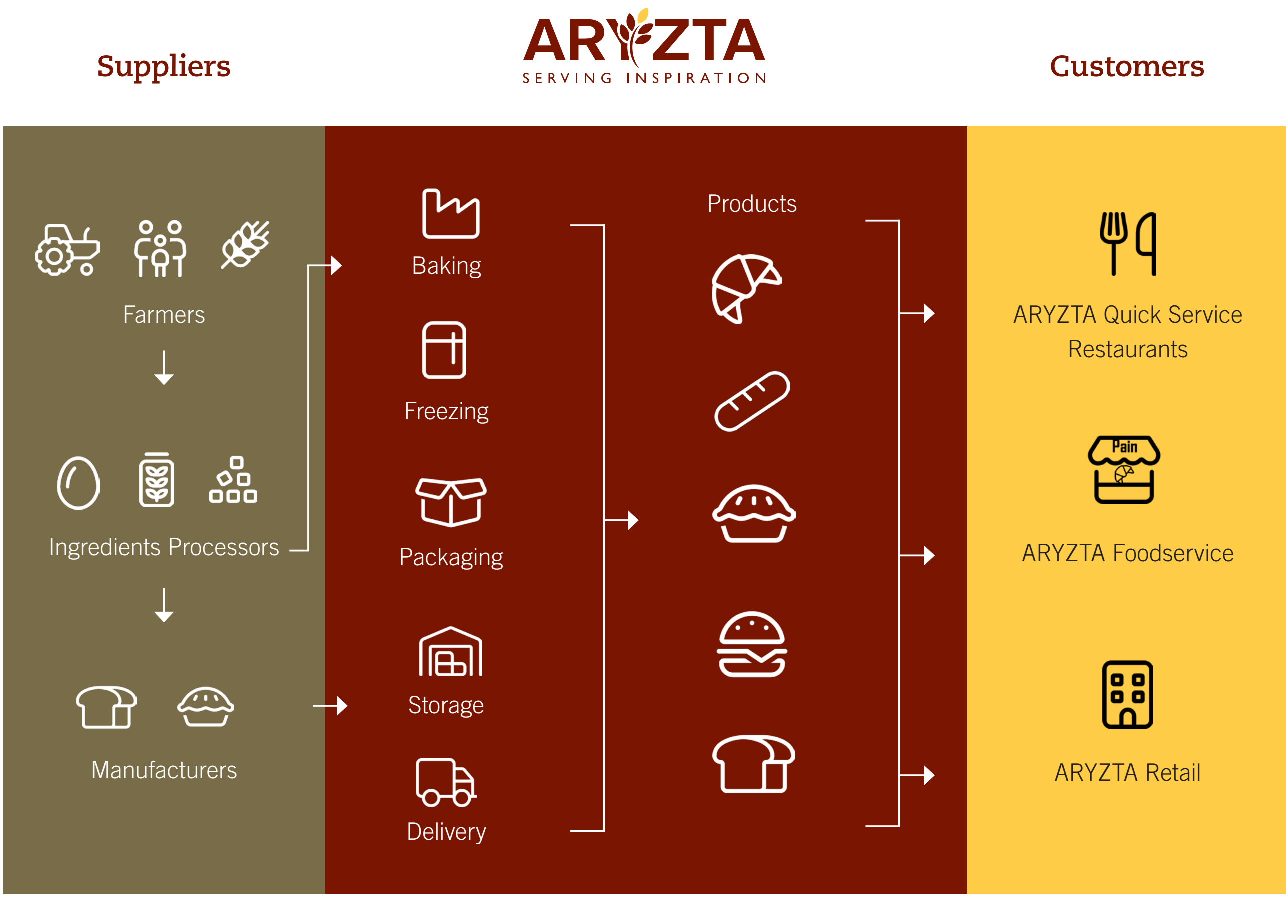
ARYZTA offers the gold standard for oven baked freshness and has the perfect range of products and services for in-store bakery solutions. It all begins with the finest ingredients – along with bakers and chefs whose top priorities are great taste, consistency, and creating memorable food for our customers – respecting local market preferences.

Business model driven by innovation and premiumisation

ARYZTA is a business dedicated to local market needs that empowers local leadership teams and creates value for our customers. The multi-local approach allows efficient structures, and empowers fast decision making to address our local customers' needs. As such, ARYZTA is closer to its customers with shorter supply chains and accelerated innovation response times. This improves the local management's engagement and understanding of our clients and drives deeper customer relationships.

ARYZTA's business model is focused on delivering above market growth through innovation and customised premium product development for our customers. The business model aims to deliver enhanced performance through operational improvements, cost optimisation and end-to-end ('E2E') process efficiency. This approach leverages the continuous market share gain of bake-off within the overall bakery category because of its competitive advantages of delivering freshly baked products, which drive store footfall while minimising waste, labour and space.

Business Model



SUCCESS STORIES

FROM INNOVATION TO SUSTAINABILITY: HOW ARYZTA IS INVESTING IN THE FUTURE

Investing in future-oriented themes like product innovation, sustainability, and technology is crucial for generating long-term shared value. By staying attuned to evolving consumer trends and focusing on efficiencies, ARYZTA can drive growth and remain competitive in a changing market environment.

ARYZTA "Better for YOU"

The "ARYZTA Better for You" program recognises the market movement towards healthier eating habits and the need to give consumers access to products which offer improved nutritional benefits. This program aims to achieve this by increasing the positive nutritional value of products, improving labels to allow customers and consumers to make informed choices. By prioritizing nutritional improvements, ARYZTA aims to align with consumer expectations, offer products with a distinct point of difference to our competitors and deliver a program which is transparent and independently verifiable by our customers.
The Program aims to clearly display the products' energy, protein and fibre levels and to reduce ingredients such as salt, sugar, hydrogenated oils, artificial colours and preservatives. In addition these products will be produced with cage free eggs, responsibly sourced palm oil and certified cocoa.

ARYZTA will continue to apply this approach to all new products introduced from 2025 onwards and in addition will continue to modify existing products with the aim of improving nutritional scores and the elimination of health negative ingredients. Our stated ESG goal is to have 40% of all new products introduced annually, classified as "Better for You" by 2028.

New capacity focused on innovation

ARYZTA is continuously investing in the expansion and modernisation of its production facilities. These new production lines increase capacity and efficiency, and also enable the production of new and innovative products that offer customers added value and the company higher margins. ARYZTA will complete and commission its new laminated dough line in Dagmersellen in Switzerland in Q1 2025 and has made good progress in building its new facility in Perth in Australia which is focused on the QSR (Quick Service Restaurants). The Perth facility will become operational in 2025. Furthermore, investment in additional laminated dough capacity in Malaysia is taking place as well as a new artisanal bread line in Eisleben in Germany.

The new German line will produce a range of attractive artisanal bread products baked in a stone oven. Significant work has already been completed in terms of test marketing these new products in blind tastings with customers. These investments are also being made mindful of our ESG commitments to lower our carbon footprint and improve energy efficiencies. The new oven in Germany is expected to be 30% more energy efficient while the Perth investment will remove the need to transport our products across the country removing an estimated 1.7 million food miles.

THE ARYZTA JOURNEY TO PREMIUMISATION

Throughout 2024 ARYZTA has continued the journey to premiumise its product range across all categories of the business. This strategic decision to move away from commoditised products enables the business to focus on differentiated high quality products with improved profit margins and strong customer loyalty.

Ireland / UK

Our Crafted range is the perfect marriage of artisan methods with industrial baking. Using our 35 year old perpetual sourdough starter combined with simple clean ingredients and hand finishing this is bread making at its most natural. Through its focus on Premium Specialty, Artisanal and Sourdough Breads ARYZTA has gained significant customer listings and market recognition.

Denmark / Mette Munk

From our Mette Munk bakery in Odense, Denmark, we continue to develop market-leading, authentic, premium Danish pastries. In 2024 we developed a specific range of Mini Danish pastries all of which are crispy, flaky and filled with tasty fillings and toppings. We also developed soft dough rolls, which were launched in early 2025.

Malaysia

From our Bakery in Malaysia we have created a bespoke premium range of artisanal products that epitomize indulgence and sophistication.

Chairman Urs Jordi and CFO Martin Huber (on left) discuss the improvement in innovation revenue achieved in 2024 of 18% of sales, up from 15%

Germany

In Germany ARYZTA is installing a new artisanal line, which will enhance the number and diversity of innovative products for our German and European customers. The new innovation center is based in the Eisleben plant and is already developing a range of products, which will be produced when the new line becomes operational later in 2025. These customised products have been blind tested with customers with strong positive feedback.

American Cheesecake & strawberry pastry in heart form

Snow-white Berliner

Yogurt Honey Nut Bar

Handbrot Tzatziki

Blueberry Cheesecake Cookie

INNOVATION AND EFFICIENCY CORE FOCUS

Innovation at the core of what we do

ARYZTA's business model is focused on delivering above market growth through innovation and customised premium product development for our customers. Consumer trends indicate that health as well as small moments of indulgence remain important drivers of demand in the bake-off market. ARYZTA has refocused significant effort in innovation to drive revenue. We see 15% of revenue from innovation products as being sustainable over the long term.

The move to premium product is also a key consumer trend, supported by the growth in sourdough, high fibre, high protein bakery products. Our artisan range is increasing its market share driven by the switch to sourdough bakery items, more attractive whole grain inclusions and clean label. Our investment in new lamination technology is delivering superior laminated products which remain fresh for longer, are more crispy and lighter.

Creating platform for continuous business improvement

ARYZTA's new Shared Services Business Center in Poland is advancing well and will form a key platform for future business improvement across the Group, especially when leveraged with the other significant initiatives taking place across the ARYZTA IT landscape.

Approximately 60% of the group's transactional financial services are now carried out at the new center by its multilingual team based in Wroclaw in Poland. The center is located in an important shared service center hub and is close to ARYZTA's existing Polish manufacturing operations.

During 2024 ARYZTA completed the roll out of SAP in Switzerland. In addition, we have further invested in our above market procurement organisation and are now managing more than 75% of our total spend at a centralised level. The global procurement organisation is not only ensuring competitive sourcing but also supporting ESG roll-out and best-in-class governance.

These investments will be the core drivers of future business performance improvements and allow the Group to harness the emerging AI (artificial Intelligence) technologies to improve processes even further and improve operational cost effectiveness.

OPERATING REPORT

FULL YEAR 2024 PERFORMANCE

Full year 2024 vs. 17-month December 2023

In 2023, we aligned our financial reporting year end to the calendar year end, which resulted in an extended 17-month reported period (from August 2022 to December 2023). Please see below table for reference.

To facilitate the interpretation of results, a comparison of the 12-month period ended December 2024 versus the pro forma 12-month period ended December 2023 is included in the subsequent pages.

in €m	12-month December 2024	17-month December 2023	% Change
Revenue	2,194.5	3,046.0	(28.0%)
Organic growth[1]	(0.2%)	17.3%[3]	
EBITDA[1]	320.9	400.8	(19.9%)
EBITDA margin	14.6%	13.2%	140 bps
Profit for the period	129.6	160.5	
Free cash flow[1]	137.8	139.6	(1.3%)
ROIC[1]	13.4%	12.3%	110 bps
Net Debt[2]	(739.3)	(490.8)	
Hybrid instrument funding[2]	(154.9)	(510.0)	
Total net debt and hybrid funding[2]	(894.2)	(1,000.8)	

1 See Alternative Performance Measures on pages 243-246 for definitions and reconciliations.
2 Further details on the Groups financial covenants and capital management are included in note 21 to the financial statements on page 219 of this annual report.
3 Represents the organic growth comparing the 17-month financial period ended December 2023 to the 17-month prior period ended December 2022

FULL YEAR 2024 PERFORMANCE

EBITDA margin increases 70bps to 14.6%; EPS growth of 22.5%; Free Cash Flow +4% to €137.8m

Robust performance in 2024
ARYZTA achieved very robust results in the period, despite weak consumer sentiment and a volatile input costs environment. The performance also marks the achievement of the mid-term financial targets one year ahead of schedule. The bake-off market continues to grow its relevance in the baked goods market reflecting its competitive advantages especially in relation to labour, waste, energy and space.

Full year 2024 organic growth was flat (-0.2%) year on year, reflecting a very strong growth of +14.7% in the comparable 12-month period, as well as the negative impact on volume from active portfolio management (c. -1%). In addition revenue in some QSR markets while recovering was negatively impacted by the fallout from geopolitical conflicts during 2024.

Revenue
in € million

2,194.5

Organic growth

(0.2%)

Despite this, the overall volume growth was positive at 0.3%; while pricing was negative at (0.4%) for the full year, ARYZTA returned to positive pricing in Q4. Mix remained marginally negative at (0.1%) for 2024, but continued to improve sequentially and turned positive in Q4, in line with expectations.

EBITDA margin expanded by 70bps to reach 14.6%. This significant profit improvement reflects the benefit of margin enhancing innovations, active portfolio management and disciplined cost management. Innovation remains at the core of ARYZTA's strategy and accounted for 18% of revenue in 2024. Q4 2024 saw the new lamination line in Malaysia commence production. Additional new capacity will come on stream over the next 12 months in Switzerland, Germany and Australia, supporting top line growth and margin development, as these new investments will improve the mix through premiumization of our product portfolio.

Full year performance 2024

in €m	12-month December 2024	12-month December 2023[3]	% Change
Revenue	2,194.5	2,192.7	0.1%
Organic growth[1]	(0.2%)	14.7%	
EBITDA[1]	320.9	304.5	5.4%
EBITDA margin	14.6%	13.9%	70 bps
Profit for the period	129.6	125.7	
Free cash flow[1]	137.8	132.4	4.1%
Net Debt[2]	(739.3)	(490.8)	
Hybrid instrument funding[2]	(154.9)	(510.0)	
Total net debt and hybrid funding[2]	(894.2)	(1,000.8)	

1 See Alternative Performance Measures on pages 243-246 for reconciliations.
2 Further details on the Groups financial covenants and capital management are included in note 21 to the financial statements on page 219 of this annual report.
3 Pro forma 12-month results are unaudited. Please refer to pages 247-248 for further breakdowns.

FULL YEAR 2024 PERFORMANCE

EBITDA margin increased to 14.6%
EBITDA increased by 5.4% to €320.9m, corresponding to an EBITDA margin increase of 70bps to 14.6%. This was supported by margin enhancing product innovation reflected in an increase of the share of revenue attributable to new and innovative products to 18%. In addition, active portfolio management supported the margin expansion while operational efficiency and strict cost discipline measures also positively contributed to the overall profitability development.

Continued positive progress was achieved in the Group's cost efficiencies initiatives, resulting in more than €36m worth of cumulative cost optimisations, since the launch of the mid-term plan, reaching already in 2024 the higher end of the guided range.

Approximately 60% of the group's transactional financial services are now carried out at the new shared service centre based in Wroclaw, Poland. During 2024 ARYZTA also completed the roll-out of SAP in Switzerland and made additional investment in the procurement resources to centralize more than 75% of all group purchases. These efficiency initiatives will allow ARYZTA to capitalize on future growth and further improved business performance.

EBITDA margin

14.6%

Costs optimisation
in € million

>36.0

Strong cash flow delivery
ARYZTA's cash generation was remarkable in 2024, delivering €137.8m free cash flow, compared to €132.4m in the comparable 12-month prior period. This was achieved despite higher investment in growth and innovation as well as IT-related capital expenditure. Working capital contribution was positive but slightly lower than in the comparable prior period These effects were more than compensated by higher profitability and lower financing costs.

Value creation acceleration
Value creation as measured through ROIC further accelerated to 13.4% (+110bps), which is significantly above ARYZTA's WACC of 8%. This improvement was supported by higher profitability, strong cost control and prudent management of the invested capital base. EPS strongly increased by 22.5% to 10.0 € cent, supported by operational performance and lower financing costs.

Free cash flow
in € million

137.8

ROIC

13.4%

FULL YEAR 2024 PERFORMANCE

Total Net Debt leverage falls to 2.8x EBITDA
The continued improvement in business performance and strong cash generation resulted in a further reduction of the leverage ratio to 2.8x EBITDA, from 3.3x at year-end 2023. The key contributors were improved profitability and €106.6m lower total net debt (including hybrids), supported by the strong free cash flow generation.

Total net debt leverage ratio

2.8x

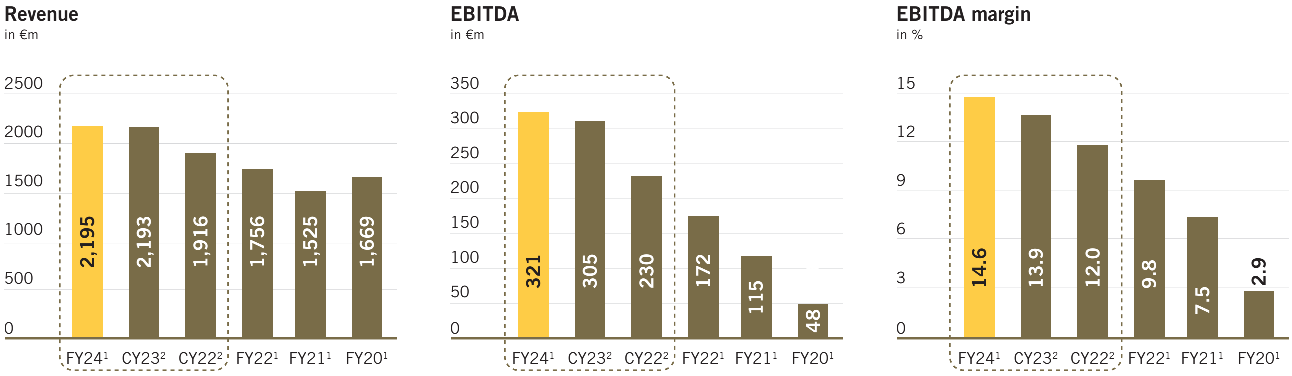
Earnings per share

10 cents

Hybrid buy-backs completed in the last two years delivered financing cost savings of €14.6m in 2024. The full effect of the CHF 325.4m hybrid bond buy-back executed in October 2024 will materialize in 2025 and ARYZTA continues to expect the corresponding savings to amount to about €11.5m.

For full year 2025, ARYZTA expects financing costs to be in the range of €46-50m.

ARYZTA Group



1 Presented as Financial Year (FY) for the 12-month period to December 2024 and for the 12 month periods to July 2020, 2021 and 2022
2 Presented as pro forma Calendar Year (CY) to December 2022 and December 2023

ARYZTA Group organic growth	Q1 2024	Q2 2024	Q3 2024	Q4 2024	FY 2024
Volume %	0.2%	(0.2%)	3.2%	(1.8%)	0.3%
Price %	0.3%	(1.1%)	(1.1%)	0.2%	(0.4%)
Mix %	(0.4%)	(0.2%)	(0.1%)	0.1%	(0.1%)
Organic growth %	**0.1%**	**(1.5%)**	**2.0%**	**(1.5%)**	**(0.2%)**

FULL YEAR 2024 PERFORMANCE

Europe
European revenue was largely flat with positive volume growth and currency effect offset by price and mix. This was achieved in a competitive market where consumer spending remains under pressure after a long period of inflationary price increases. In addition, active portfolio management, which favoured value over volume, impacted growth. The overall organic growth in Europe was negative (0.7%) in 2024.

Nonetheless, ARYZTA successfully achieved positive organic growth in many of its key European markets. All channels performed to expectation in a challenging environment of volatile input costs and weaker consumer spending.

Innovation supported revenue development strongly in the period, accounting for 17% of Europe revenue. During 2024 ARYZTA made significant investments in new lines in Switzerland and Germany. These investments are expected to enhance ARYZTA's excellent product range, its high service levels and customer relevance. They will also benefit top line growth and margin enhancement.

EBITDA increased to €271.5m, representing a margin increase of 100bps to 14.0%. Margin progression was broad-based across the European businesses. It was supported by strong operational performances with contribution from efficiencies and benefits from active portfolio management, which favoured margin over volume.

EBITDA margin

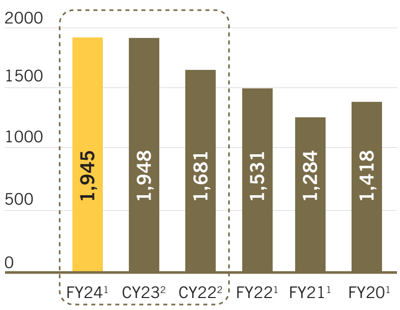
14.0%

Innovation as % of revenue

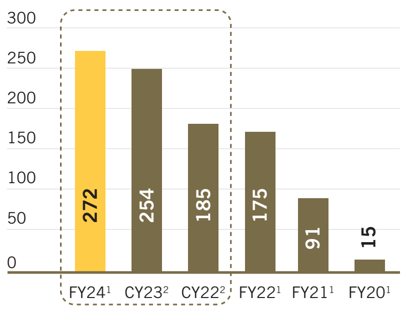
17%

ARYZTA Europe

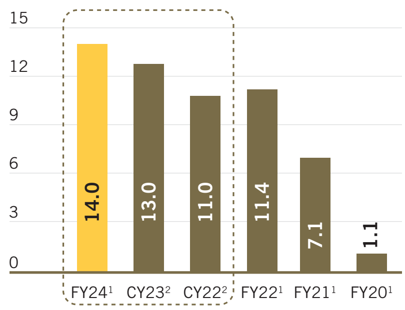
Revenue
in €m



EBITDA
in €m



EBITDA margin
in %



1 Presented as Financial Year (FY) for the 12-month period to December 2024 and for the 12 month periods to July 2020, 2021 and 2022
2 Presented as pro forma Calendar Year (CY) to December 2022 and December 2023

ARYZTA Europe organic growth	Q1 2024	Q2 2024	Q3 2024	Q4 2024	FY 2024
Volume %	0.8%	(0.7%)	3.4%	(2.4%)	0.2%
Price %	–	(1.6%)	(1.5%)	–	(0.8%)
Mix %	(0.5%)	(0.2%)	(0.1%)	0.1%	(0.1%)
Organic growth %	**0.3%**	**(2.5%)**	**1.8%**	**(2.3%)**	**(0.7%)**

FULL YEAR 2024 PERFORMANCE

Rest of World
Rest of World achieved an overall organic growth of 3.7% driven by positive pricing and volume effects, while mix remained flat. This was achieved against very strong growth of 11.2% in the comparable 12-month period and the ongoing recovery in the QSR business from the impact of geopolitical events.

Both the QSR and Other Foodservice channels performed in line with expectations, assisted by strong innovation, reflecting the additional new lamination line in Malaysia becoming operational in Q4 2024.

Rest of World achieved an EBITDA of €49.4m, corresponding to a margin of 19.8%, 80bps lower than in the prior year. This mainly reflects the temporary weakness in the QSR channel mentioned above.

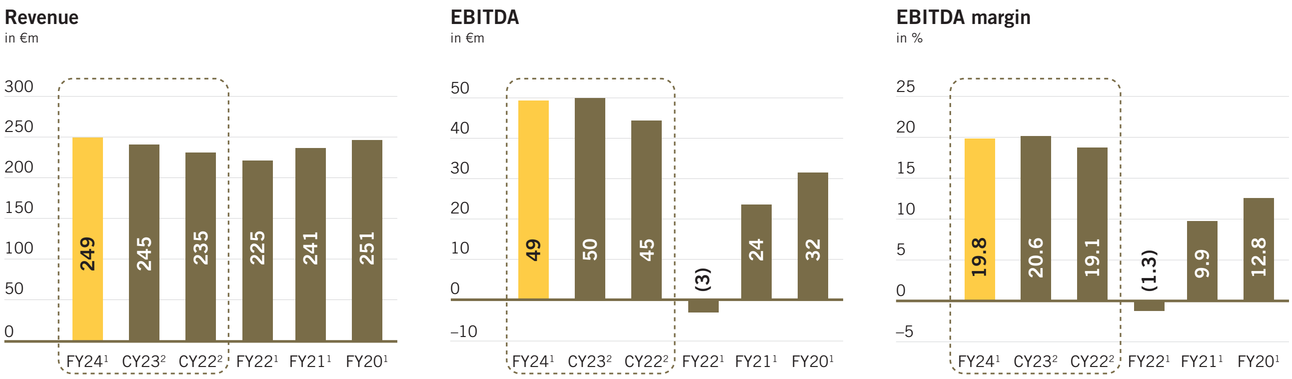
Organic growth

3.7%

EBITDA margin

19.8%

ARYZTA Rest of World



1 Presented as Financial Year (FY) for the 12-month period to December 2024 and for the 12 month periods to July 2020, 2021 and 2022
2 Presented as pro forma Calendar Year (CY) to December 2022 and December 2023

ARYZTA Rest of World organic growth	Q1 2024	Q2 2024	Q3 2024	Q4 2024	FY 2024
Volume %	(4.2%)	4.2%	2.2%	3.0%	1.3%
Price %	2.7%	2.8%	1.8%	1.9%	2.3%
Mix %	0.2%	–	0.1%	(0.1%)	0.1%
Organic growth %	**(1.3%)**	**7.0%**	**4.1%**	**4.8%**	**3.7%**

INVESTOR INFORMATION

SHARE AND BOND INFORMATION

Share Data

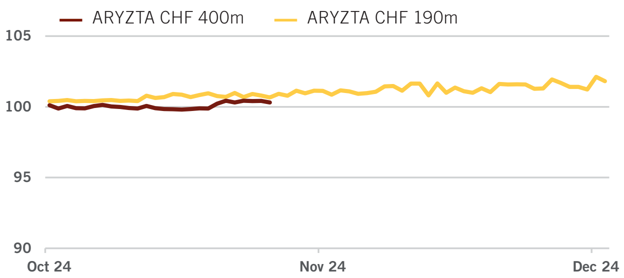
	2024 (01.01.–31.12.)	2022/2023 (01.08.–31.12.)	2021/2022 (01.08.–31.07.)	2020/2021 (01.08.–31.07.)
Share capital in CHF	19,862,114.54	19,862,114.54	19,862,114.54	19,862,114.54
Registered shares issued	993,105,727	993,105,727	993,105,727	993,105,727
Of which treasury shares	3,782,149	3,148,437	817,839	1,320,510
Nominal value per share in CHF	0.02	0.02	0.02	0.02
Diluted earnings/(loss) per share in € cent	10.0	9.7	(4.5)	(28.4)
Market capitalisation as at reporting date in CHF	1,568,077,871	1,536,413,714	1,074,647,783	1,198,076,542

Share Price Performance (Indexed)

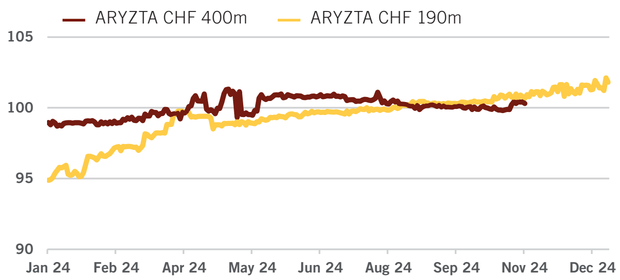
ARYZTA AG (SIX Swiss Exchange)	2024	2023	2022	2021
Performance	+4.34%	+37.22%	–3.42%	+72.36%
Yearly High	1.82	1.75	1.20	1.41
Yearly Low	1.45	1.13	0.80	0.65
Yearly Close	1.59	1.55	1.10	1.14

SHARE AND BOND INFORMATION

ARYZTA Hybrid Performance 3M



ARYZTA Hybrid Performance 12M



Shareholder Structure

The following shareholders held 3% or more of the share capital on 31 December 2024:

	NUMBER OF SHARES 2024	NUMBER OF SHARES % 2024
UBS Fund Management (Switzerland) AG	100,702,816	10.14%
Heiner Kamps, Ella Kamps, Michael Phillips, Wilhelm Beier, Karl Gerhold and Jürg Kallay[1]	59,930,120	6.03%
Swisscanto Fondsleitung AG	50,398,011	5.07%
Accuro Fund Solutions AG[2]	30,159,443	3.04%
FIL Limited[3]	29,994,708	3.02%

1 Direct shareholder: NOLEKSUM Investment Fund, Teilfonds der NOLEKSUM Inv. Man., Themis Beteiligungs-AG, KFRH Kamps Management GmbH, Occasio Gmbh
2 Direct shareholder: NOLEKSUM Investment Fund, Teilfonds der NOLEKSUM Inv. Man, Tortuga Equity Fund Europe, Teilfonds der Tortuga Fonds SICA, Swiss Select I, Teilfonds des AMCFM Fund
3 Direct shareholder: Fidelity Active Strategy SICAV

Financial Calendar

03 Mar 2025	Full-Year results & 2024 Annual Report
22 Apr 2025	Q1 2025 Revenue
30 Apr 2025	Annual General Meeting 2025
07 May 2025	Capital Markets Day 2025
11 Aug 2025	Announcement of half-year results 2025
20 Oct 2025	Q3 2025 Revenue

Investor Relations Contact

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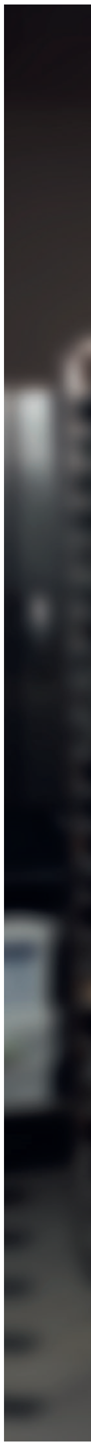
Head of Investor Relations
Tel: +353 87 065 5368
paul.meade@aryzta.com

ARYZTA Share Register

Computershare AG
P.O.Box, CH-4601 Olten
Tel: +41 (0)62 311 6111
Email: office@computershare.ch

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE REPORT



Letter from the Chair of the Governance, Nomination and Sustainability Committee

Dear Shareholder,

On behalf of the Board of Directors of ARYZTA AG, I wish to thank you for the support and trust that you continue to place in the Board.

We are delighted to introduce ARYZTA's Corporate Governance Report for the financial period 2024. The Board is satisfied with the Group's progress over the financial year 2024 with the delivery of all the existing mid-term targets one year ahead of schedule. The Board is grateful for the leadership of Urs Jordi as Group Interim CEO, who, together with his executive management team, made significant progress during 2024.

The dual mandate of Chairman and interim CEO ended on 1 January 2025 with the appointment of Michael Schai as CEO of the ARYZTA Group. Mr. Schai has the attributes that the Board sought during the lengthy recruitment process, including strong leadership values, in-depth knowledge of the food and bakery industry, and commercial expertise in international markets. The new CEO will have full access to and support from the Board and the Chairman and the Board is confident that Mr. Schai will continue to drive performance for ARYZTA.

With the conclusion of the dual mandate, Urs Jordi remains Chairman and member of the Board. In line with the Swiss Code of Best Practice for Corporate Governance, the role of the Lead Independent Director (LID) at Board level will remain in place. As LID, Heiner Kamps is authorised under the Organisational Regulations to convene non-executive Board sessions with the other independent non-executive members of the Board.

The Board supports gender diversity and this is demonstrated in our gender representation at Board level. We are also satisfied that the non-executive Board members have significant international business experience in board and executive roles and demonstrate and express independence of judgement, in line with the Swiss Code of Best Practice for Corporate Governance. As a Board, we continue to keep apprised of corporate governance developments within Switzerland and Europe. The ARYZTA Board remains committed to maintaining high standards of governance and performance.

We look forward to continuing our journey towards achieving our strategic goals and delivering value for our shareholders.

Thank you for your continued support.

Alejandro Legarda
Chair of the Governance, Nomination and
Sustainability Committee

28 February 2025

CORPORATE GOVERNANCE REPORT

Urs Jordi
Chairman, Board of Directors

Michael Schai
CEO

CORPORATE GOVERNANCE REPORT

The format of the ARYZTA Corporate Governance Report

The ARYZTA Corporate Governance Report follows the SIX Swiss Exchange Directive on Information relating to Corporate Governance and takes into account the Swiss Code of Best Practice for Corporate Governance also referred to herein as the Swiss Code for Corporate Governance.

The ARYZTA Group Consolidated Financial Statements are prepared in accordance with IFRS Accounting Standards ('IFRS') and the requirements of Swiss law. The ARYZTA AG company financial statements are prepared in accordance with the requirements of Swiss law and the Company's Articles of Association. Where necessary, the financial statement disclosures have been extended to comply with the requirements of the SIX Swiss Exchange Directive on Information relating to Corporate Governance.

In this report, the terms 'ARYZTA AG' and the 'Company' refer to ARYZTA AG, whereas the 'Group' and 'ARYZTA' refer to ARYZTA AG and its subsidiaries.

To avoid duplication in some sections, cross-references are made to the 2024 Financial Statements (comprising the Group consolidated financial statements and company financial statements of ARYZTA AG), as well as to the Articles of Association of ARYZTA AG (available on the ARYZTA website at www.aryzta.com/corporate-governance/regulations).

CORPORATE GOVERNANCE REPORT

Corporate Governance at ARYZTA

As a Board, we are committed to strengthening the corporate governance standards and practice at ARYZTA to deliver against the expectations of all stakeholders. Driving this approach is a Board that is focused on delivering the highest standards of governance.

During FY 2024, the Board continued to work on improving our corporate governance practice in line with the principles of the Swiss Code for Corporate Governance.

We aim to provide clear and meaningful reporting while enhancing our governance processes to reduce risk, in line with our values and framework. We commit to all stakeholders that our long-term performance and high governance standards will go hand in hand.

ARYZTA Board and Executive Management

At the AGM held on 24 April 2024, Urs Jordi was re-elected as Chair of the Board while Heiner Kamps, Hélène Weber-Dubi and Alejandro Legarda were all re-elected as directors of the Board. Heiner Kamps and Hélène Weber-Dubi were also re-elected as members of the Remuneration Committee. Additionally, Cornelia Gehrig was elected as a new member of the Board and as a member of the Remuneration Committee.

Full biographical details of each director are set out on pages 45 to 47.

The Swiss Code for Corporate Governance recommends the appointment of a Lead Independent Director ("LID"), if reasons specific to the company, e.g. because of the circumstances relating to availability of top management, make it appropriate that the Board decides that a single person should perform both the Chair and CEO positions. The Board introduced the role of LID in November 2020 following the appointment of the Chairman of the Board as the Group Interim CEO. While ARYZTA has now successfully recruited a new CEO, Heiner Kamps, who was appointed by the Board as LID in November 2023, will continue to act as LID for the financial year 2025. Heiner Kamps is a successful food entrepreneur with over 40 years of experience.

In accordance with the Swiss Code for Corporate Governance and given the dual role mandate of Chairman and Group Interim CEO until 31 December 2024, the Chairman did not participate in any of the main Board Committees nor did he attend the non-executive Lead Independent Director Board meetings, except when specifically invited. The composition of the Board Committees will be reviewed by the Board following the next AGM on 30 April 2025.

CORPORATE GOVERNANCE REPORT

In accordance with good corporate governance, the LID is authorised to convene and chair meetings of the Board on his own, if necessary. The role of the LID and his duties are set out in detail in the Organisational Regulations of ARYZTA AG (available on the ARYZTA website: https://www.aryzta.com/aryzta-policies/#organisational-regulations).

We believe that the ARYZTA AG Board has the requisite expertise and skills in place at Board level to oversee and support senior management.

During the period from 1 January 2024 through 24 October 2024, the Executive Management Committee comprised:
Urs Jordi (Group Interim CEO);
Martin Huber (Group CFO);
Rhona Shakespeare (nee O'Brien) (General Counsel and Company Secretary);
Sandip Gudka (COO – Chief Operations Officer); and
Christophe Toitot (CPO – Chief Procurement Officer).

During the period from 24 October 2024 through 31 December 2024, the Executive Management Committee comprised:
Urs Jordi (Group Interim CEO);
Martin Huber (Group CFO);
Rhona Shakespeare (nee O'Brien) (General Counsel and Company Secretary); and
Christophe Toitot (COO – Chief Operations Officer).

On 24 October 2024, Mr. Gudka stepped down from the Executive Management Committee and officially departed the company on 1 January 2025.

Gender balance
ARYZTA is focused on creating a fully gender-balanced working environment that is reflective of the world we live in. During the period from 1 January 2024 through 31 December 2024, at Executive Management Committee level, we had 20% female participation and overall, we managed to increase the percentage of women in senior leadership positions from 16% to 24%. We firmly believe that our sustainable growth will largely drive our ability to attract, develop and retain diverse talent.

With the election of Cornelia Gehrig as member of the Board at the AGM held on 24 April 2024, we now have 40% female participation at Board level.

Leadership

The Board
The Board is responsible for stewardship, governance and oversight, and for setting the strategic direction of ARYZTA, in order to deliver sustainable value. The Board is also responsible for defining risk appetite and risk mitigation/management. The Board is committed to the highest standards of corporate governance in its management of ARYZTA and its accountability to shareholders and other stakeholders. Strong leadership and strong corporate governance are integral parts of our corporate culture and the Board recognises its obligation to lead by example.

Board Independence
During the financial year 2024, all of the Board members were independent non-executive directors, with the exception of the Chairman who has been serving as Group Interim CEO until 31 December 2024. All non-executive directors are considered by

CORPORATE GOVERNANCE REPORT

the Board to be independent in character and judgement within the meaning of the Swiss Code for Corporate Governance and none of the non-executive directors are party to relationships or circumstances with ARYZTA which, in the Board's opinion, are likely to affect their independence or judgement.

With the appointment of Michael Schai as new CEO effective 1 January 2025, the Chairman no longer holds the position of Group Interim CEO from that date. The Board is very pleased with the rapid progress on the Group transformation under the leadership of Urs Jordi as Group Interim CEO.

To ensure the effective oversight of financial reporting, risk management, remuneration and the future leadership of the business, the Board delegates certain functions to the Board Committees namely the Audit Committee, the Remuneration Committee and the Governance, Nomination and Sustainability Committee. The Board also has an Adhoc Committee in place in relation to public disclosures. Effective 1 January 2025, the Board established the Technology Committee to provide oversight and guidance on the execution of the company's technology and operational efficiency strategy. Further details on the role of these key Committees are provided on pages 50 to 52.

CORPORATE GOVERNANCE REPORT

The Chair

The Chair is responsible for the effective leadership, operation and governance of the Board and its Committees. It is the Chair's responsibility to ensure that the Board contributes effectively to the definition and execution of the Group's strategy and annual plans, whilst ensuring that the nature and extent of the significant risks the Group is willing to embrace in the implementation of its strategy are assessed, challenged, justified and where appropriate, accepted.

Lead Independent Director

In line with the Swiss Code for Corporate Governance guidance, the Board first appointed a LID in November 2020. The Swiss Code for Corporate Governance recommends a LID if there is a dual role of Chair and CEO. The Organisational Regulations were amended in November 2020 to establish the role and responsibilities of the LID. In November 2023, Heiner Kamps was appointed as LID replacing Jörg Riboni in that role. For further information, please see our Organisational Regulations on our website: https://www.aryzta.com/aryzta-policies/#organisational-regulations.

Governance Framework

Details of the corporate governance framework adopted by ARYZTA (namely the Articles of Association, the Organisational Regulations and the Terms of Reference for the Committees of the Board) are available on the ARYZTA website:
https://www.aryzta.com/corporate-governance/regulations/#articlesofassociation
https://www.aryzta.com/aryzta-policies/#organisational-regulations
https://www.aryzta.com/corporate-governance/organization/#committeeandmember

Governance and Culture

As a Board, we are committed to following best-practice corporate governance principles and apply them to add value to ARYZTA. Continually enhancing our corporate governance is central to our aim to deliver business performance and growth.

An inclusive culture and the fostering of a performance-based organisation are key focus areas for us as part of our wider governance framework. The Board will continue to work so that ARYZTA's strategy, operating model and remuneration framework are aligned with our cultural focus. The success of our strategy is dependent on developing a culture across ARYZTA that supports the pursuit of teamwork, diversity and excellence. We continue to focus on ensuring ARYZTA's core vision and values are developed and clearly understood by all our stakeholders, particularly our colleagues in all parts of the organisation. We recognise that the Board and senior executives must lead by example to ensure these values are embedded not just in the boardroom, but are shared and understood throughout the company and form an integral part of interaction with all stakeholders

A unifying culture embraced by the entire organisation leads to success for the business and pride for our people. At ARYZTA, we are proud of our rich baking heritage and seek to passionately fulfil the needs and ambitions of our customers, our people and the environment in which we operate in an increasingly sustainable fashion. We will continue to foster a culture that delivers on our commitments; is focused on our customers and operational excellence; relentlessly prioritises food safety and quality; and creates a safe, accepting and inspired workplace.

CORPORATE GOVERNANCE REPORT

Governance and Culture – Compliance Oversight

ARYZTA is continually enhancing our corporate governance. With continuous improvement in mind, we have a clear focus on compliance, which plays a crucial role in ensuring ethical behaviour, legal adherence, and overall responsible management throughout the organisation.

For the period from 1 January 2024 through 31 December 2024, the **Group Legal & Compliance** function was responsible for overseeing:

Group Policy Development: developing and reviewing Group policies and cascading to the businesses within the Group.

Monitoring and Enforcement: monitoring the organisation's activities to identify and address any potential breaches of laws, regulations, or internal policies including the Code of Conduct.

Training and Education: monitoring local businesses within the Group to assess the awareness of employees of relevant laws, regulations and internal policies, including the Code of Conduct, through training programs to ensure understanding and adherence.

Reporting and Documentation: maintaining records of compliance activities and reporting to relevant stakeholders.

Risk Management: working collaboratively with Internal Audit to identify, evaluate and deploy mitigation strategies for legal and compliance risks. Risk Management activities include making recommendations for the management of disclosed conflicts of interest, as well as mitigating potential legal and compliance risks.

The Group Legal & Compliance function works across the business to promote a culture of responsibility, ethical conduct, and legal adherence within the organisation. It contributes to building trust amongst all stakeholders in support of the long-term sustainability of the business.

CORPORATE GOVERNANCE REPORT

IT and Cybersecurity oversight

The Chief Information Officer has appointed a Cybersecurity Officer who is the Company's inhouse expert in cybersecurity. This officer provides regular updates and presentations to the Audit Committee and the Board on cybersecurity through the period of reporting including discussion on key topics to enhance the Board's awareness and understanding of the ARYZTA IT roadmap and cybersecurity management and assessment of risks. The Audit Committee and Board members are committed to ensuring that they stay fully up to date and informed on this rapidly evolving, dynamic and important topic. The Chief Information Officer together with the Cybersecurity Officer have rolled out cybersecurity awareness training for the Executive Management and senior management within the Group to enable them to make informed decisions to protect the Company's information systems and data.

ESG/Sustainability oversight

The Board of Directors is responsible for setting and approving ARYZTA's environmental, social and governance (ESG)/ Sustainability strategy, ensuring alignment with the Company's long-term value creation and compliance with the Swiss Code of Obligations (Art. 964a et seqq.) and the Swiss Climate Ordinance. This includes oversight of non-financial disclosures, climate-related financial risks, and social responsibility, in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) and Global Reporting Initiative (GRI) standards.

The Board is responsible for the Company's strategy and organization and provides over-sight over its financial and non-financial performance and reporting. The Board approves the Company's ESG/Sustainability strategy proposed by management including the measures which ensure the Company's sustainability and how its long-term strategy relates to its ability to create shared value. This includes overseeing the identification and implementation of both statutory and internal disclosure rules on ESG/ Sustainability matters. The Board is assisted in its tasks by:

i. The Governance, Nomination and Sustainability Committee, which oversees the identification and management of climate risks and opportunities, performance monitoring against sustainability targets, and compliance with relevant environmental and social laws and regulations.
ii. The Audit Committee oversees the progress of Enterprise Risk Management (ERM) risk mitigation plans including in relation to climate and ESG risks.

Climate and ESG Risk Management
The Board receives annual climate risk reports, evaluating financial impacts under different climate scenarios. The Governance, Nomination and Sustainability Committee monitors compliance with the Swiss Climate Ordinance, reinforcing ARYZTA's commitment to transparent and responsible environmental governance.

CORPORATE GOVERNANCE REPORT

Board ESG Awareness & Training

To ensure effective oversight of ESG-related risks, Board members received regular ESG updates including on the legal and regulatory landscape in 2024. A comprehensive ESG training session was conducted in the second half of 2024 from the members of the Executive Management Team and external third party specialists. This training addressed the ARYZTA ESG goals, ESG from customers perspective and the legal and regulatory landscape from a Swiss and EU perspective. Sustainability remains a regular discussion topic at Board and Committee meetings, ensuring continued Board awareness of ESG risks and regulatory developments.

Executive Responsibility & Reporting

Effective 24 October 2024, the Group Chief Financial Officer (CFO) assumed responsibility for ESG/Sustainability, ensuring that ESG risks are factored into financial planning and operational decision making. The CFO, together with the Head of Group Reporting, oversees the collection and validation of sustainability data via ARYZTA's software platform, ensuring transparency and compliance with global ESG frameworks. The Board receives quarterly ESG updates, covering:

- **Climate-related financial risks & mitigation strategies** (TCFD, Swiss Climate Ordinance)
- **Supplier due diligence & human rights compliance** (GRI, Swiss CO)
- **Sustainability performance against targets & regulatory updates**

ARYZTA is continuously enhancing its sustainability governance and reporting practices in preparation for evolving regulatory requirements, including CSRD. Further details on ESG governance and sustainability strategy are available in the Sustainability Report (pages 93–159).

CORPORATE GOVERNANCE REPORT

Shareholder Engagement

The Board is committed to ongoing communication with shareholders to enable clear communication of ARYZTA's objectives and to foster mutual understanding of what is important to the Board and the shareholders. In addition, during the financial year 2024, the Board was continually apprised of shareholder interaction by the Chairman and Group Interim CEO, the Group CFO and the Investor Relations team, consistent with the obligation to develop an understanding of the views and concerns of major shareholders. With the appointment of Michael Schai as new CEO effective 1 January 2025, the Chairman and the CEO will continue shareholder engagement and interactions.

Risk Management

The Board is and will continue to be focused on the Group's risk management and internal control systems in order that they are effective in identifying, managing and mitigating potential risks, and thereby underpinning robust decision-making on all capital allocation decisions. The Board has continued to debate and develop its understanding of risk and how to maximise business opportunities. Supported by the Audit Committee, the Board continues to strive for a better understanding of the risks the Group faces and the actions taken to mitigate them.

Compensation Report

At the 2024 AGM, in line with Swiss law, shareholders approved the maximum aggregate amount of remuneration of the Board for the period ending at the next AGM and for the Executive Management for the 2025 financial period ending 31 December 2025. In addition, shareholders approved a maximum aggregate amount of remuneration of the Board for the period from 1 December 2023 up to the 2024 AGM, being the additional 5 months of the 17-month long 2023 financial year. The 2024 Compensation Report can be found on pages 66 to 87 of this report.

CORPORATE GOVERNANCE REPORT

1 Group structure and shareholders

1.1 Group structure

The ARYZTA General Meeting is the ultimate governing body of the Group and the Board is accountable and reports to the shareholders, by whom it is elected. The Board, while entrusted with the ultimate direction of ARYZTA Group, as well as the supervision of management, has delegated responsibility for the day-to-day management of the Group, to the extent allowed under Swiss law, through the Group Chief Executive Officer ('CEO'), to Executive Management. The Group's management and organisational structure corresponds to its current segmental reporting lines: ARYZTA Europe and ARYZTA Rest of World. Please refer to the section 'Segment Information' in note 2 to the ARYZTA Group Consolidated financial statements on pages 185 to 187, for further details regarding the Group's reporting segments.

Each segment's management team is responsible for the day-to-day activities of their segment and reports to Executive Management, which in turn reports through the CEO to the Board.

1.1.1 Listed companies of ARYZTA AG

Name and domicile:	ARYZTA AG, 8952 Schlieren, Switzerland
Listing:	SIX Swiss Exchange, Zurich, Switzerland
Swiss Security number:	4323836
ISIN:	CH0043238366
Cedel/Euroclear common code:	037252298
SEDOL Code:	B39VJ74
Swiss Stock Exchange symbol:	ARYN

Stock market capitalisation as of 31 December 2024 was CHF 1,568,077,871 based on 989,323,578 registered shares outstanding (i.e. disregarding 3,782,149 treasury shares) and a closing price of CHF 1.585 per share.

Stock market capitalisation as of 31 December 2023 was CHF 1,536,413,714 based on 989,957,290 registered shares outstanding (i.e. disregarding 3,148,437 treasury shares) and a closing price of CHF 1.552 per share.

CORPORATE GOVERNANCE REPORT

1.1.2 Non-listed companies of the ARYZTA Group

Details of the significant subsidiaries and associated companies of ARYZTA (being their company names, domicile, share capital, and the Company's participation therein) as well as the basis for classifying such subsidiaries as significant are set out in note 28 of the 2024 ARYZTA Group Consolidated Financial Statements on page 223.

1.2 Significant shareholders

As at 31 December 2024, 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 2024	Number of shares % 2024
UBS Fund Management (Switzerland) AG	100,702,816	10.14%
Heiner Kamps, Ella Kamps, Michael Phillips, Wilhelm Beier, Karl Gerhold and Jürg Kallay[1]	59,930,120	6.03%
Swisscanto Fondsleitung AG	50,398,011	5.07%
Accuro Fund Solutions AG[2]	30,159,443	3.04%
FIL Limited[3]	29,994,708	3.02%

1 Direct shareholder: NOLEKSUM Investment Fund, Teilfonds der NOLEKSUM Inv. Man., Themis Beteiligungs-AG, KFRH Kamps Management GmbH, Occasio Gmbh

2 Direct shareholder: NOLEKSUM Investment Fund, Teilfonds der NOLEKSUM Inv. Man, Tortuga Equity Fund Europe, Teilfonds der Tortuga Fonds SICA, Swiss Select I, Teilfonds des AMCFM Fund

3 Direct shareholder: Fidelity Active Strategy SICAV

Any significant shareholder notifications during the period, and since 31 December 2024, are available from SIX Exchange Regulation's website at: https://www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html#.

1.3 Cross-shareholdings

The ARYZTA Group has no interest in any other company exceeding 5% of voting rights and/or equity capital of that other company, where that other company has an interest in the ARYZTA Group exceeding 5% of the voting rights and/or equity capital in ARYZTA.

CORPORATE GOVERNANCE REPORT

2 Capital structure

2.1 Capital

The registered share capital of the Company, as at 31 December 2024, amounts to CHF 19,862,114.54 and is divided into 993,105,727 (including treasury shares) registered shares with a par value of CHF 0.02 per share. The share capital is fully paid-up.

2.2 Capital range and conditional capital

ARYZTA AG's authorised share capital (amounting to 10% of the share capital) expired on 17 November 2023. At the 2024 AGM, the shareholders voted in favour of an introduction of a capital range replacing the lapsed authorised capital, by introducing a new Article 5 to the Articles of Association. The lower and upper limits of the capital range are set at CHF 17,875,903.10 (corresponding to 90% of the share capital) and CHF 21,848,325.98 (corresponding to 110% of the share capital), respectively. Pursuant to the new Article 5 of the Articles of Association, the Board of Directors is authorised within the capital range to increase or reduce the share capital once or several times and in any amounts or to acquire or dispose of shares directly or indirectly, until 24 April 2029, or until an earlier expiry of the capital range. The capital increase or reduction may be effected by issuing up to 99,310,572 fully paid-in registered shares with a par value of CHF 0.02 each and cancelling up to 99,310,572 registered shares with a par value of CHF 0.02 each, as applicable, or by increasing or reducing the par value of the existing shares within the limits of the capital range.

Pursuant to Article 4 of the Articles of Association (governing conditional capital), the share capital of the Company may be increased by a maximum of 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, through the direct or indirect issuance of shares, options or related subscription rights 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.

At the 2024 AGM, shareholders voted in favour of an amendment to Article 4 (e) and an insertion of a new Article 5^{bis} of the Articles of Association. Based on the new Article 5^{bis} of the Articles of Association, until 24 April 2029, or an earlier expiry of the capital range, the total number of newly issued shares which may be issued with the restriction or withdrawal of pre-emptive rights and/or advance subscription rights (i) from the conditional capital pursuant to Article 4 of the Articles of Association, and/or (ii) from the capital band pursuant to Article 5 of the Articles of Association, shall not exceed 99,310,572 new shares (corresponding to 10% of the share capital).

For further details, refer to Article 4, 5 and 5^{bis} of the Articles of Association, which are available on the ARYZTA website at https://www.aryzta.com/corporate-governance/regulations/.

CORPORATE GOVERNANCE REPORT

2.3 **Changes in capital**

Changes in share capital and treasury shares over the last three financial periods are as follows:

	Nominal value CHF	Shares in issue	Shares outstanding	Treasury shares
FY 2021	**0.02**	**993,105,727**	**991,785,217**	**1,320,510**
Exercise of LTIP awards		–	143,483	(143,483)
Release of treasury shares as restricted shares		–	359,188	(359,188)
FY 2022	**0.02**	**993,105,727**	**992,287,888**	**817,839**
Exercise of LTIP awards		–	372,861	(372,861)
Release of treasury shares as restricted shares		–	377,541	(377,541)
Purchase of treasury shares		–	(3,081,000)	3,081,000
FY 2023	**0.02**	**993,105,727**	**989,957,290**	**3,148,437**
Exercise of LTIP awards		–	4,788,833	(4,788,833)
Release of treasury shares as restricted shares		–	214,754	(214,754)
Purchase of treasury shares		–	(5,637,299)	5,637,299
FY 2024	**0.02**	**993,105,727**	**989,323,578**	**3,782,149**

As of 31 December 2024, of the 993,105,727 registered shares, 989,323,578 are outstanding and 3,782,149 are classified as treasury shares.

2.4 **Shares and participation certificates**

ARYZTA's capital is composed of registered shares only. As at 31 December 2024, ARYZTA has 993,105,727 fully paid-up, registered shares (including 3,782,149 treasury shares) with a nominal value of CHF 0.02 each. Each share entered in the share register with voting rights entitles the holder to one vote at the General Meeting and all shares have equal dividend rights. ARYZTA has not issued any participation certificates[1].

2.5 **Profit-sharing certificates**

ARYZTA has not issued any profit-sharing certificates[1].

1 Participation and profit-sharing certificates are instruments which have similar features to shares, but may differ with regard to their entitlement to dividend payments, voting rights, preferential rights to company assets or other similar rights.

CORPORATE GOVERNANCE REPORT

2.6 Restrictions on transferability and nominee registrations

Article 7 of the Articles of Association deals with the Shareholders' Register and Restrictions on Transferability, and is available on the ARYZTA website at https://www.aryzta.com/corporate-governance/regulations/.

2.6.1 Limitations on transferability

Pursuant to Article 7 b) of the Articles of Association, persons acquiring registered shares are, on application, entered in the share register without limitation as shareholders with voting power, provided they comply with the disclosure requirement stipulated by the Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading (Financial Market Infrastructure Act) of 19 June 2015 ('FMIA') and expressly declare that they have acquired the shares in their own name and for their own account, that there is no agreement on the redemption of the relevant shares, and that they bear the economic risk associated with the shares. Pursuant to Article 7 f) of the Articles of Association, the Company may in special cases approve exceptions to the regulations described in section 2.6. The decision to grant exceptions is at the Board's discretion.

2.6.2 Admissibility of nominee registrations

Pursuant to Article 7 c) of the Articles of Association, nominee shareholders are entered in the share register with voting rights without further inquiry up to a maximum of 1.5% of the outstanding share capital available at the time. Above this 1.5% limit, registered shares held by nominees are entered in the share register with voting rights only if the nominee in question (at the application for registration or thereafter upon request by the Company) discloses the names, addresses and shareholdings of the persons for whose account the nominee holds 0.3% or more of the outstanding share capital available at that time, and provided that the disclosure requirement stipulated by the FMIA is complied with. The Board has the right to conclude agreements with nominees concerning their disclosure requirements.

Pursuant to Article 7 d) of the Articles of Association, the limit of registration in Article 7 c) of the Articles of Association described above also applies to the subscription for, or acquisition of, registered shares by exercising pre-emptive, option or convertible rights arising from shares or other securities issued by the Company or third parties.

Pursuant to Article 7 e) of the Articles of Association, legal entities, or partnerships, or other associations or joint ownership arrangements, which are linked through capital ownership or voting rights, through common management or in like manner, as well as individuals, legal entities or partnerships that act in concert with intent to evade the entry restriction, are considered as one shareholder or nominee.

CORPORATE GOVERNANCE REPORT

2.6.3 Procedure and conditions for cancelling transferability privileges

After due consultation with the person concerned, the Company is authorised to delete entries in the share register as a shareholder with voting rights, with retroactive effect, if they were effected on the basis of false information, or if the respective person does not provide the information pursuant to Article 7 c) of the Articles of Association described in section 2.6.2 above.

2.7 Convertible bonds, warrants and options

As of 31 December 2024, ARYZTA has not issued any convertible bonds or warrants.

As of 31 December 2024, a total of 6,306,116 Performance Share Unit and Restricted Stock Unit awards were outstanding, subject to fulfilment of predefined vesting conditions in connection with the ARYZTA Long Term Incentive Plan.

Please refer to the Compensation Report on pages 66 to 87 of this Annual Report for further information pertaining to any Long Term Incentive Plan awards granted as an element of Executive Management compensation.

3 Board of Directors

3.1 Members of the Board of Directors

Board policy is that a majority of its membership consists of independent non-executive Directors, as determined in accordance with the Swiss Code for Corporate Governance. The Board confirms that it is fully compliant with the Swiss Code.

With the appointment of Michael Schai as new CEO effective 1 January 2025, the Chairman no longer holds the position of Group Interim CEO from that date. With the exception of the Chairman, all other directors are considered by the Board to be fully independent in character and judgement and none of these non-executive directors are party to relationships or circumstances with ARYZTA which, in the Board's opinion, are likely to affect their independence and judgement.

Post the election of Cornelia Gehrig at the AGM 2024 held on 24 April 2024, the Board is comprised of:
Urs Jordi (Chairman);
Cornelia Gehrig;
Heiner Kamps (Lead Independent Director);
Hélène Weber-Dubi (Chair of Audit Committee, Remuneration Committee and Adhoc Committee); and
Alejandro Legarda (Chair of Governance, Nomination and Sustainability Committee).
Full biographical details of each director are set out on pages 45 to 47.

CORPORATE GOVERNANCE REPORT

Urs Jordi (1965, Swiss)
Business economist, NKS (Aarau, Baden)

Chairman and Group Interim CEO (until 31 December 2024)

Urs Jordi has more than 30 years of experience in various national and international food companies at management and board level. He held various management positions within the Hiestand and ARYZTA Group, most recently as CEO of the listed Hiestand Holding AG (from 2008 within ARYZTA AG), and from 2010 to 2013 as CEO ARYZTA Food Europe & Asia Pacific. Since 2014, Mr. Jordi has been involved in various own investments. Mr. Jordi serves on the board of Schweizer Zucker AG. Mr. Jordi is a trained baker and confectioner. Mr. Jordi became a member and Chairman of the Board in September 2020 and was appointed by the ARYZTA Board as Group Interim CEO on 19 November 2020. With the appointment of Michael Schai as new CEO effective 1 January 2025, Mr. Jordi has continued in the role as Chairman and Board member.

Cornelia Gehrig (1966, Swiss)
Master in Economics from the University of Bern (lic. rer. pol.), Certified Public Accountant

Non-executive member

Cornelia Gehrig is an experienced independent board member with a proven track record as Group CFO in international industrial companies and several years of practice as Certified Public Accountant. Cornelia Gehrig has more than 20 years of Group Finance & Controlling experience at management level where she gained broad experience in transformation, M&A activities, turnaround and business excellence projects as well as in developing and implementing growth strategies. From 2006 to 2009 she was CFO of Ionbond Group, followed by CFO of Precious Woods Group from 2009 to 2011, and latterly CFO of Bystronic Group from 2011 to 2021. Cornelia Gehrig is a member of the Board of Directors of publicly-listed SKAN Group AG, Allschwil (CH), as well as being a member of the Board of Directors in 2 privately held companies in Switzerland. Cornelia Gehrig holds a Master in Economics from the University of Bern (lic. rer. pol.) and is a Certified Public Accountant. Ms. Gehrig became a member of the Board in April 2024.

CORPORATE GOVERNANCE REPORT

Heiner Kamps (1955, German)
Masterbaker and Business Degree

Non-executive member and Lead Independent Director

Heiner Kamps is a successful food entrepreneur with over 40 years of industrial experience. Mr. Kamps founded the bakery chain Kamps AG, which he led as CEO until 2002. Since 2003, Mr. Kamps has held shares in various companies. From 2005 to 2018, he and other investors, owned a majority stake in the Nordsee GmbH fast food chain. From 2011 to 2015, Mr. Kamps was CEO of the Müller Milch Group and from 2015 to 2018 Chair of its supervisory board. Mr. Kamps founded the charitable foundation Brot gegen Not (Bread against misery), which supports training in the bakery trade in needy regions. Mr. Kamps is a trained baker and confectioner. Mr. Kamps became a member of the Board in September 2020. Mr. Kamps was appointed Lead Independent Director in November 2023.

Hélène Weber-Dubi (1955, Swiss)
Masters in Business Administration, Accounting and Finance from the University of St. Gallen (lic. oec. HSG)

Non-executive member

Hélène Weber-Dubi has over 20 years of experience in the food industry with a focus on Finance and Accounting, as well as Management Buy-Out, Mergers and Acquisitions and IPO. From 1982 to 1995 she held various management positions with Unilever in Switzerland and the UK, mostly in auditing and finance. In 1996, Ms. Weber-Dubi accepted a position as financial controller with Bally. That same year, Ms. Weber-Dubi was promoted to Managing Director of Bally Switzerland, Bally Italy and Bally Spain with a seat on the international Executive Board. In 1999 Ms. Weber-Dubi was put in charge of financial control of Bally International and was primarily tasked with executing the sale of Bally to Texas Pacific Group. From 1999 to 2015, Ms. Weber-Dubi was CFO of the ORIOR-Group, a major Swiss food company and was a member of the Group Management Board. From 2012 to 2023, Ms. Weber-Dubi was member of the Board of an international Med Tech company, Medela Holding AG, based in Baar, CH. Ms. Weber-Dubi is a member of the Board of Directors and Chair of the Audit Committee of Herbert Ospelt Anstalt in Bendern (FL). Ms. Weber-Dubi became a member of the Board in December 2020.

CORPORATE GOVERNANCE REPORT

Alejandro Legarda (1956, Spanish)
Graduate in Mechanical Engineering, Master in Business Administration from IESE University of Navarra, Spain, PhD in Economics and Innovation Management from Polytechnic University, Madrid

Non-executive member

Alejandro Legarda is a highly experienced senior executive with significant management and non-executive director experience within various sectors, including transport, gas and food related industries. From 1994 to 2004 Mr. Legarda was managing director of Construcciones y Auxiliar de Ferrocarriles S.A. ('CAF'), a listed group which manufactures railway vehicles and signalling equipment and stayed on as a director of the non-executive board until 2019. His responsibilities were the management of the company's global business. From 2006 to 2018, Mr. Legarda was an independent director of Viscofan S.A., a listed group and the world leader in the manufacturing of casings for meat products. Mr. Legarda was independent director for Pescanova, a multinational fishing, farming and processing group from 2014 to 2017. Amongst the boards he has served on, Mr. Legarda was executive Chair of the board of Nortegas Energía y Distribución S.A. from 2017 to 2019 and an independent director of Duro Felguera S.A. from 2018 to 2019. In 2022, Mr. Legarda was appointed member of the Board of Instituto Navarro de Inversiones, a regional promotion Bank in Spain. Mr. Legarda became a member of the Board in November 2019.

CORPORATE GOVERNANCE REPORT

Retired Board Members (2019-2024)

Jörg Riboni served during the 2023 financial period and resigned from the Board in November 2023. His biographical details are available in the 2022 Corporate Governance Report.
https://www.aryzta.com/investor-center/reporting/#annualreports

Gordon Hardie served during the 2023 financial period and resigned from the Board in November 2023. His biographical details are available in the 2022 Corporate Governance Report.
https://www.aryzta.com/investor-center/reporting/#annualreports

Luisa Deplazes de Andrade Delgado retired from the Board without seeking re-election at the 2021 AGM. Her biographical details are available in the 2021 Corporate Governance Report.

Armin Bieri resigned from the Board in November 2020 for private reasons. His biographical details are available in the 2020 Corporate Governance Report. Mike Andres, Greg Flack, Jim Leighton, Tim Lodge, Gary McGann, Dan Flinter, Annette Flynn and Rolf Watter retired from the Board without seeking re-election. Their biographical details are available in the 2020 Corporate Governance Report. Kevin Toland was not re-elected to the Board at the 2020 EGM. His biographical details are also available in the 2020 Corporate Governance Report.

The Governance Reports 2020 to 2022 are contained in the corresponding Annual Reports available at: https://www.aryzta.com/investor-center/reporting/#annualreports

3.2 Other activities and functions

None of the non-executive members of the Board has fulfilled any operational management functions for companies of the ARYZTA Group in the three years immediately preceding the period. There were no related-party transactions with any members of the Board or Executive Management during the periods ended 31 December 2024 and 31 December 2023. The members of the Board are not active in managing or performing consulting functions with any interest group, nor do they hold public or political office.

3.3 Number of activities permitted outside the Group

Pursuant to Article 25 of the Articles of Association, the members of the Board may hold no more than the following number of additional mandates outside of the Company:
- up to four mandates in listed companies;
- up to five mandates in non-listed companies;
- up to four mandates in (i) charitable organisations, (ii) associations or foundations and (iii) other non-profit institutions.

CORPORATE GOVERNANCE REPORT

External mandates held by the ARYZTA Board of Directors

Urs Jordi (Chairman)	Schweizer Zucker AG (Director)
Cornelia Gehrig	SKAN Group AG (Vice President, Director and Chair of Audit Committee), Ernst Schweizer AG (Director), Koras AG (Director and Chair of Audit Committee)
Heiner Kamps	KFRH Kamps Management GmbH (owner and CEO), Brot gegen Not (Chairman of Board of Trustees)
Hélène Weber-Dubi	Herbert Ospelt Anstalt (FL) (Director and Chair of Audit Committee)
Alejandro Legarda	Instituto Navarro de Inversiones (Director)

For further details, refer to Article 25 of the Articles of Association, which is available on the ARYZTA website at https://www.aryzta.com/corporate-governance/regulations/#articlesofassociation

3.4 Elections and terms of office

The General Meeting has the competence to appoint and remove the members of the Board and the Chair. All directors are subject to individual annual election by the General Meeting for a one-year term until the next AGM.

3.5 Internal organisational structure

3.5.1 Allocation of tasks within the Board of Directors

The Board has adopted Organisational Regulations that define the essential roles and responsibilities of the Board, the Chair, the Committees of the Board and the Executive Management. By virtue of Swiss law, the office of Chair and the members of the Remuneration Committee are subject to annual individual election by the General Meeting for a one-year term until the next AGM. The Chair of the Remuneration Committee and membership of the Audit Committee, the Governance, Nomination and Sustainability Committee and the respective Chairs thereof, are determined annually by the Board, following the Annual General Meeting, in accordance with the Organisational Regulations, which are available on the ARYZTA website at https://www.aryzta.com/aryzta-policies/#organisational-regulations.

3.5.2 Tasks and areas of responsibility for each Committee of the Board of Directors

For the reporting year 2024, the three main Committees of the ARYZTA Board are the Audit Committee, the Governance, Nomination and Sustainability Committee and the Remuneration Committee. ARYZTA also has an Adhoc Committee, which oversees all public releases by the Group. In January 2025, the ARYZTA Board also created an additional committee in the form of the Technology Committee. The powers and responsibilities of the main Committees are set out in their respective Terms of Reference, as approved by the Board and which are available on the ARYZTA website at:
https://www.aryzta.com/corporate-governance/organization/;
https://www.aryzta.com/corporate-governance/organization/#committeeandmember

CORPORATE GOVERNANCE REPORT

As at 31 December 2024, these Board Committees were comprised as follows:

	Governance, Nomination and Sustainability Committee	Audit Committee	Remuneration Committee	Adhoc Committee
Urs Jordi (Chairman)				
Cornelia Gehrig		X	X	X
Heiner Kamps		X	X	
Hélène Weber-Dubi	X	X[1]	X[1]	X[1]
Alejandro Legarda	X[1]	X		

X Denotes that the Board Member is on the applicable Committee.
1 Denotes the Board Member who chairs the applicable Committee.

Audit Committee
The Audit Committee is comprised of four non-executive directors, namely Hélène Weber-Dubi (Chair), Cornelia Gehrig, Heiner Kamps and Alejandro Legarda. Each of these directors is considered by the Board to be independent in judgement and character. As stated in the Audit Committee Terms of Reference, the Audit Committee shall meet at least four times a year and at the request of any of its members. In the financial year ended on 31 December 2024, the Audit Committee met six times and the average duration of the meetings was approximately three hours.

The Audit Committee's role includes reviewing the Group Consolidated Financial Statements and Company Financial Statements, the interim and full-year results and the significant financial reporting judgements contained therein. The Audit Committee reports its recommendations to the Board and any decision is made by the entire Board.

The Audit Committee also reviews the Group's internal controls, and the scope and effectiveness of the Group's Internal Audit function. The Head of Internal Audit has access to the Audit Committee at all times and as well as the Group CFO, attend meetings of the Audit Committee by invitation. The Head of Internal Audit meets regularly with the Chair of the Audit Committee for interim updates and he participated in all Audit Committee meetings during the financial period ended on 31 December 2024 and has regular meetings with the Group CFO.

CORPORATE GOVERNANCE REPORT

In the financial period ended 31 December 2024, the Audit Committee, operating under its Terms of Reference, discharged its responsibilities by reviewing:
- the draft Group Consolidated Financial Statements, Company Financial Statements and interim results statement prior to Board approval and reviewing the external auditor's reports thereon;
- the appropriateness of the Group's accounting policies;
- the audit and non-audit fees payable to the external auditor;
- the external auditor's plan for the audit of the Group's accounts, which included key areas of extended scope work, key risks to the accounts, confirmations of the external auditor independence, and approving the terms of engagement for the audit;
- the Group's financial controls and risk systems;
- the Internal Audit function's terms of reference, resources and work programme and reports on its work during the year;
- the arrangements by which, and the effectiveness of how, members of staff may, in confidence, raise matters of concern, including potential fraud; and
- the quality of earnings reported by ARYZTA.

Remuneration Committee

The Remuneration Committee comprises three non-executive Directors, namely Hélène Weber-Dubi (Chair), Cornelia Gehrig and Heiner Kamps. Each of these directors is considered by the Board to be independent in judgement and character. As stated in the Remuneration Committee Terms of Reference, the Remuneration Committee shall meet at such times as the Committee Chair shall require. The Remuneration Committee may meet from time to time in joint session with the Governance, Nomination and Sustainability Committee. In the financial period ended 31 December 2024, the Remuneration Committee met eight times and the average duration of the meetings was approximately one and half hours.

The Remuneration Committee is responsible for determining all elements of the remuneration of the members of the Board and the Group CEO, and for approving the remuneration of other members of the Executive Management, upon the recommendation of the Group CEO. The Remuneration Committee also reviews and makes recommendations to the Board on an annual basis regarding the proposed total remuneration of the Board and the Executive Management for future financial periods for approval at the Annual General Meeting of shareholders.

The Group's remuneration policy for executive and non-executive directors and details of directors' remuneration are contained in the Compensation Report on pages 66 to 87 of this Annual Report, in accordance with the Swiss Code of Obligations ('CO') and the SIX Directive on Information relating to Corporate Governance.

CORPORATE GOVERNANCE REPORT

Governance, Nomination and Sustainability Committee

The Governance, Nomination and Sustainability Committee comprises two non-executive directors, Alejandro Legarda (Chair) and Hélène Weber-Dubi. Each of these directors is considered by the Board to be independent in judgement and character. As stated in the Governance, Nomination and Sustainability Committee Terms of Reference, the Governance, Nomination and Sustainability Committee shall meet at such times as the Committee Chair shall require. The Governance, Nomination and Sustainability Committee may meet from time to time in joint session with the Remuneration Committee. In the financial period ended 31 December 2024, the Governance, Nomination and Sustainability Committee met ten times and the average duration of the meetings was approximately two hours. The Board as a whole also discussed matters relating to the election of new directors to the Board.

The Governance, Nomination and Sustainability Committee is responsible for identifying and nominating, for approval by the Board and ultimately the shareholders, candidates to fill Board vacancies and for the continuous review of senior management succession plans. In addition, the Governance, Nomination and Sustainability Committee is responsible for regularly reviewing the structure, size and composition of the Board and making appropriate recommendations to the Board in order to ensure an adequate size and a well-balanced composition of the Board. The Governance, Nomination and Sustainability Committee is also responsible for making determinations regarding the independence of members of the Board.

The Governance, Nomination and Sustainability Committee is charged with monitoring the Company's compliance with corporate governance best practices and with applicable legal, regulatory and listing requirements and recommending to the Board such changes or actions as it deems necessary.

The Governance, Nomination and Sustainability Committee is also tasked with oversight over the structure and content of the Company's ESG/Sustainability reporting and validates that the Company's overall approach is in line with the Company's ESG/Sustainability strategy and applicable reporting requirements and regulations. In order for the Governance, Nomination and Sustainability Committee to discharge its duties on ESG/Sustainability matters, the Chair of this Committee can procure advice from any third-party independent advisor. Furthermore, management will provide regular reports to this Committee on several ESG/Sustainability matters as set out in the Committee's Terms of Reference.

The Chair of the Governance, Nomination and Sustainability Committee is responsible for reviewing the performance and effectiveness of the Chair in consultation with each member of the Board, and of the full Board. In the financial period ended 31 December 2024, the Governance, Nomination and Sustainability Committee worked collaboratively with the Remuneration Committee on matters which were of common interest and relevance.

Adhoc Committee

The Adhoc Committee comprises two non-executive directors, Hélène Weber-Dubi (Chair) and Cornelia Gehrig. The Board has delegated authority to the Adhoc Chair to review and approve announcements to be made on behalf of the Company to comply with the Company's disclosure and other obligations under the EU Market Abuse Regime and certain Swiss securities laws, including the FMIA and the Listing Rules of the SIX Swiss Exchange. The Committee usually meets by teleconference ahead of every company release. In the financial period ended 31 December 2024, the Adhoc Committee met twelve times and the average duration of the meetings was approximately one hour. Management engages with the Adhoc Committee on matters falling within the scope of the Committee and legal advice is taken as required.

CORPORATE GOVERNANCE REPORT

3.5.3 Work methods of the Board and its Committees

A total of fifteen Board meetings and update calls were held during the financial period ended 31 December 2024. These included meetings held in person and by conference and video call. Board and Committee meetings were attended by members of the Executive Management team on the invitation of the Board. External subject matter experts were invited to attend Board and Committee meetings when appropriate. Furthermore, both the external auditor and the Head of ARYZTA Internal Audit participated in the Audit Committee meetings. The average duration of the Board meetings held in person was approximately three hours. At the Board meetings, the Chairs of the Committees reported to the Board on their activities and recommendations to the Board. Details of the remit of the Committees are set out in section 3.5.2. The attendance rates for the Board and Committee meetings held during the financial period ended 31 December 2024 are set out below:

Board of Directors[1]	Eligible to attend	Attended
Urs Jordi (Chairman)	15	15
Cornelia Gehrig[2]	9	9
Heiner Kamps	15	15
Hélène Weber-Dubi	15	15
Alejandro Legarda	15	15

1 There were 15 Board meetings.
2 Cornelia Gehrig joined the Board on 24 April 2024 and therefore did not attend the first 6 Board meetings held in 2024.

Audit Committee[1]	Eligible to attend	Attended
Hélène Weber-Dubi (Chair)	6	6
Cornelia Gehrig[2]	4	4
Alejandro Legarda	6	6
Heiner Kamps	6	6

1 There were 6 Audit Committee meetings.
2 Cornelia Gehrig joined the Board on 24 April 2024 and therefore did not attend the first 2 Audit Committee meetings held in 2024.

Governance, Nomination and Sustainability Committee[1]	Eligible to attend	Attended
Alejandro Legarda (Chair)	10	10
Hélène Weber-Dubi	10	10

1 There were 10 Governance, Nomination and Sustainability Committee meetings.

Remuneration Committee[1]	Eligible to attend	Attended
Hélène Weber-Dubi (Chair)	8	8
Cornelia Gehrig[2]	5	5
Heiner Kamps	8	8

1 There were 8 Remuneration Committee meetings
2 Cornelia Gehrig joined the Board on 24 April 2024 and therefore did not attend the first 3 Remuneration Committee meetings held in 2024.

Adhoc Committee[1]	Eligible to attend	Attended
Hélène Weber-Dubi (Chair)	12	12
Cornelia Gehrig[2]	8	8

1 There were 12 Adhoc Committee meetings
2 Cornelia Gehrig joined the Board on 24 April 2024 and therefore did not attend the first 4 Adhoc Committee meetings held in 2024.

CORPORATE GOVERNANCE REPORT

3.6 Definition of areas of responsibility

The Board is the ultimate governing body of ARYZTA AG. It has the power and competencies afforded by Swiss law (art. 716a of the CO) including in particular:

1) to approve the strategic objectives, annual budget and capital allocations;
2) to appoint and remove executive management; and
3) to act as the ultimate supervisory authority.

The following matters fall within the exclusive competency of the Board of Directors:
- To ultimately direct the Company and issue necessary directives;
- To determine the organisation of the Company;
- To organise the accounting, the internal control system, the financial control and the financial planning system, as well as perform a risk assessment;
- To appoint and remove the persons entrusted with the management and the representation of the Company and to grant signatory power;
- To ultimately supervise the persons entrusted with the management, in particular with respect to compliance with the law and with the Articles of Association, regulations and directives;
- To prepare the annual report, the compensation report and the report on non-financial matters, as well as to convene the General Meeting and to implement its resolutions;
- To file an application for a debt restructuring moratorium and to notify the court in the event of over-indebtedness;
- To pass resolutions regarding the subsequent payment of capital with respect to non-fully paid-up shares;
- To pass resolutions, to the extent that such power is vested in the Board, on the change of the share capital or the currency of the share capital, the ascertainment of capital changes, the preparation of the report on capital increases and the resulting amendments to the Articles of Association;
- To examine compliance with the legal requirements regarding the appointment, election and the professional qualifications of the external auditors; and
- The non-transferable and inalienable duties and powers of the Board pursuant to the Swiss Merger Act.

The Board has delegated responsibility for the day-to-day management of the Group, through the Group CEO, to Executive Management, to the extent allowed by Swiss law.

3.7 Information and control instruments pertaining to Group Executive Management

The Executive Management reports in a structured manner to the Board through the Group CEO and Group CFO. In particular, at each Board meeting, the Group CEO informs the Board of the status of current business operations, significant developments and major business transactions and the Group CFO reports on financial performance across the Group and on key financial figures and parameters. In addition, other executives within the Group deliver presentations directly to the Board as and when appropriate.

CORPORATE GOVERNANCE REPORT

Education is an important consideration for the Board to keep abreast of the latest developments across a variety of key topics. A total of six trainings were held during the financial period ended 31 December 2024. These included sessions held in person and by conference and video call, and were carried out both by internal personnel and by qualified external providers. The topics covered comprised supply chain due diligence, executive remuneration development in the Swiss market, ESG/Sustainability, Artificial Intelligence as well as Swiss Law/Governance. The attendance rates for the educational sessions are set out below:

Educational sessions[1]	Board	Remuneration Committee	Governance, Nomination and Sustainability Committee
Supply Chain Due Diligence			x
Executive Remuneration in Swiss market		x	
Artificial Intelligence	x		x
ESG/Sustainability	x		
Swiss Law/Governance	x		

1 There were 6 educational sessions.

Three visits at ARYZTA manufacturing facilities were also organised during the financial year 2024 as part of the Board's continuous educational programme. The factory visits took place at two facilities located in Malaysia (ARYZTA Food Solutions Malaysia and ARYZTA QSR Malaysia) and at the QSR facility located in Strzegom, Poland.

As a new Board member, Cornelia Gehrig received additional training, in line with best practices for induction. The Board induction programme was conducted in a hybrid format, with sessions held both in person and virtually. These included informative meetings with key internal personnel, and covered topics ranging from financing matters and corporate governance to insider trading policy. In addition, two dedicated factory visits in Switzerland and Germany were organised as part of Cornelia Gehrig's onboarding process.

The Board and its Committees undertake an annual self-evaluation of their performance and effectiveness, on the basis of anonymous questionnaires. This involves assessing the company's own performance and accomplishments, organisation, work processes, competencies and responsibilities in accordance with the organisational regulations, the composition and diversity of the Board of Directors, the renewal process and cooperation with the Executive Management, as well as the focus areas and goals of the year under review. Based on this, the Board collegially discusses the findings and determines any opportunities or measures that are needed to appropriately address them.

As detailed in the Group Risk Statement, on pages 90 to 92, the Group has formal risk assessment processes in place to identify risks that could prevent the Group from achieving its strategic objectives and associated mitigating controls are evaluated. The Board is ultimately responsible for risk management with the Audit Committee taking ownership for monitoring the risk assessment process. The Group Risk Statement details the principal risks and its risk mitigation strategies, as well as the uncertainties faced by the Group.

On an annual basis, the Board approves the formal Risk Assessment, along with the design, implementation, and maintenance of the Internal Control System. The risk and control matrices within the Internal Control System provide a detailed overview of required controls for various defined entity levels, financial, operational, and IT processes, aimed at minimizing and mitigating risk in each area. These matrices undergo annual updates or adjustments in response to material business or process changes. All business units and Group functions are mandated to maintain completed risk control matrices and associated documentation as evidence of effective control operations. The Internal Control System and associated documentation undergo scrutiny by both Internal and External Audit, with results presented to business units, regional and Executive Management, Group Functions, and the Audit Committee.

CORPORATE GOVERNANCE REPORT

The ARYZTA Group Internal Audit function reports directly to the Audit Committee and administratively to the Group CFO. Group Internal Audit is tasked with examining and evaluating the adequacy and effectiveness of the organisation's risk management processes, internal control system, and compliance with laws, regulations, policies, and procedures. The Audit Committee is responsible for reviewing and approving the annual audit plan. Audit reports, key findings and respective action plans are presented and reviewed in the Audit Committee meetings. Furthermore, all audit reports are shared with business units, on a need-to-know basis, regional and Executive Management, Group Functions and the external auditors. Group Internal Audit conducts quarterly follow-ups on agreed action plans, presenting the results to the Audit Committee. Additionally, Group Internal Audit holds meetings at least on a biannual basis but also as required, with the Group CEO and other members of the Executive Management team. The external auditors Ernst & Young AG, Zurich (the external auditors of the ARYZTA Group consolidated financial statements and the company financial statements of ARYZTA AG), conduct their audits in compliance with the auditing standards referenced in their respective opinions. Ernst & Young AG were first appointed as external auditors by the shareholders of the Company at the 2019 AGM and have since been re-elected.

CORPORATE GOVERNANCE REPORT

4 Executive Management

4.1 Group Executive Management

During the period from 1 January 2024 through 24 October 2024, the Executive Management Committee comprised as follows: Urs Jordi (Group Interim CEO); Martin Huber (Group CFO); Rhona Shakespeare (nee O'Brien) (General Counsel and Company Secretary); Sandip Gudka (COO – Chief Operations Officer) and Christophe Toitot (CPO – Chief Procurement Officer). During the period from 24 October 2024 through 31 December 2024, the Executive Management Committee comprised as follows: Urs Jordi (Group Interim CEO); Martin Huber (Group CFO); Rhona Shakespeare (nee O'Brien) (General Counsel and Company Secretary); and Christophe Toitot (COO – Chief Operations Officer). With the appointment of Michael Schai as new Group CEO effective 1 January 2025, Mr. Jordi no longer holds the position of Group Interim CEO and has continued as Chairman and Board member. On 24 October 2024, Mr. Gudka stepped down from the Executive Management Committee and officially departed the company on 1 January 2025.

Urs Jordi (1965, Swiss)
Business economist, NKS (Aarau, Baden)

Group Interim Chief Executive Officer (until 31 December 2024)

Urs Jordi has more than 30 years of experience in various national and international food companies at management and board level. He held various management positions within the Hiestand and ARYZTA Group, most recently as CEO of the listed Hiestand Holding AG (from 2008 within ARYZTA AG), and from 2010 to 2013 as CEO ARYZTA Food Europe & Asia Pacific. Since 2014, Mr. Jordi has been involved in various own investments. Mr. Jordi serves on the board of Schweizer Zucker AG. Mr. Jordi is a trained baker and confectioner. Mr. Jordi became a member and Chairman of the Board in September 2020 and was appointed by the ARYZTA Board as Group Interim CEO on 19 November 2020. With the appointment of Michael Schai as new Group CEO effective 1 January 2025, Mr. Jordi no longer holds the position of Group Interim CEO and has continued as Chairman and Board member.

Martin Huber (1970, Swiss)
Lic. oec HSG in Business Administration, Finance and Accounting from University of St. Gallen

Group Chief Financial Officer

Martin Huber joined ARYZTA with a wealth of finance and controlling expertise and a strong track record in driving value creation in both turnaround and growth business situations. Mr. Huber is a highly experienced multinational executive having lived and worked in Switzerland, Germany, Venezuela, Colombia, Mexico, and Brazil. Over 20 years at Nestlé, Mr. Huber has held senior finance and controlling positions at market and corporate level. From 2011 to beginning of 2016 Mr. Huber was the market CFO for Nestlé Brazil, subsequently he assumed the role of Head of Group Control at Nestlé S.A. for 2 years and since 2018 Mr. Huber was the CFO for the globally managed business of Nespresso. Mr. Huber joined the Executive Management Committee in August 2021.

CORPORATE GOVERNANCE REPORT

Rhona Shakespeare (nee O'Brien) (1974, Irish)
Solicitor, Law Society of Ireland; Law (LLB Hons), Trinity College Dublin; Masters (LLM Hons) in Commercial Law from University College Dublin; Diploma in Notarial Law & Practice (Dip. Not.) (F.N.P.I.), Faculty of Notaries Public in Ireland

General Counsel and Company Secretary

Rhona Shakespeare has served as a senior legal and regulatory advisor with over 20 years of legal and governance experience. Ms. Shakespeare joined ARYZTA on 11 September 2018 from DCC Vital Ltd (part of the DCC plc business) where she held the role of Senior Counsel, Legal & Compliance from 2017 to 2018. Prior to joining DCC Vital, Ms. Shakespeare was Senior Director of Legal and Risk Management at Parexel International (IRL) Limited from 2016 to 2017. Ms. Shakespeare was General Counsel and a member of the Executive Senior Management Team from 2013 to 2016 and Director of Regulation, Public Policy, Compliance and Equivalence from 2014 to 2016 at eir (formerly eircom). Ms. Shakespeare trained with Arthur Cox and is a qualified solicitor admitted in Ireland by the Law Society of Ireland and in England and Wales by the Law Society of England and Wales. Ms. Shakespeare joined the Executive Management Committee in September 2018.

Sandip Gudka (1976, British)
Bachelors of Law (LLB) & LPC (Distinction), Cardiff University (UK); Executive MBA, London Business School

Chief Operations Officer (until 24 October 2024)

Sandip Gudka has 20 years of experience in the Bakery industry and was appointed as Chief Operations Officer in April 2023. Mr. Gudka joined ARYZTA in 2015 and has held a variety of leadership roles across the Group, most recently as the Managing Director of the Global Bun Bakeries business unit (since 2018) and preceding that as Chief Customer Officer, ARYZTA Europe (since February 2017) and prior to that as Managing Director, ARYZTA Nordics and Benelux (since February 2015). Before joining ARYZTA, Mr. Gudka spent more than a decade at United Biscuits (now Pladis) working across a number of geographies (Europe, Asia and Africa) in diverse leadership and commercial roles. Mr. Gudka started his career as a lawyer at Allen & Overy LLP (London) in 2001. Mr. Gudka joined the Executive Management Committee in April 2023. On 24 October 2024, Mr. Gudka stepped down from the Executive Management Committee and, for personal reasons, he left the company effective 1 January 2025.

CORPORATE GOVERNANCE REPORT

Christophe Toitot (1968, French)
Executive MBA from HEC Paris

Chief Operations Officer
(from 24 October 2024; prev. Chief Procurement Officer)

Christophe Toitot has over 25 years of experience in the food industry. Mr. Toitot has held various procurement leadership positions in ARYZTA for the past 17 years and rejoined the group in January 2021 to be appointed Chief Procurement Officer in July 2021. Prior to that, Mr. Toitot held a COO and Board member position for a mid-sized business growing a sustainable organic and fairtrade food farm to fork model in Europe, West Africa, South America, and Maghreb. Trained in the food industry, Mr. Toitot holds an executive MBA from HEC Paris and started his career in South Africa taking over and reviving a struggling bakery business. Mr. Toitot joined the Executive Management Committee in October 2023. Effective 24 October 2024, Mr. Toitot assumed the role of Chief Operations Officer (COO), which includes the merged responsibilities and reporting lines for procurement, manufacturing and logistics.

4.1.2 Former Executive Management (2019-2024)

Biographical details of previous Executive Management are available in the 2020 and the 2022 Corporate Governance section of the Annual Report:
https://www.aryzta.com/investor-center/reporting/#annualreports

4.2 Other activities and functions

Except for the above-mentioned assignments, members of Group Executive Management are currently not involved in other management or supervisory bodies. They are not active in managing or consulting functions with interest groups, nor do they hold public or political office. No member of the Group Executive Management holds management contracts for any company outside the ARYZTA Group.

4.3 Number of activities permitted outside the Group

Pursuant to Article 25 of the Articles of Association, the members of the Executive Management, subject to the approval by the Chair of the Board, may currently hold no more than the following number of additional mandates outside of the Company:

- up to one mandate in listed companies;
- up to two mandates in non-listed companies;
- up to four mandates upon instruction of the Company in companies that are not directly or indirectly controlled by the Company (such as in pension funds and joint- ventures); and
- up to four mandates in (i) charitable organisations, (ii) associations or foundations and (iii) other non-profit institutions.

Mandates shall mean mandates in comparable functions at other enterprises with an economic purpose.
For further details, refer to Article 25 of the Articles of Association, which is available on the ARYZTA website at https://www.aryzta.com/corporate-governance/regulations/#articlesofassociation.

4.4 Management contracts

There are no management contracts with third parties at ARYZTA Group.

CORPORATE GOVERNANCE REPORT

5 Compensation, shareholdings and loans

Please refer to the Compensation Report on pages 66 to 87 for disclosures pertaining to compensation, as well as the content and method of determining the compensation and share-ownership programmes. Also, see Articles 20, 21, 22 and 23 of the Articles of Association (available on the ARYZTA website https://www.aryzta.com/corporate-governance/regulations/#articlesofassociation), which govern the responsibilities of the Remuneration Committee and Group Remuneration principles, incentive and participations plans, and the approval of remuneration by the General Meeting.

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

As at 31 December 2024, the Directors and Executive Management had no interests, other than those shown below, in the ordinary shares in, or loan stock of, the Company or other Group undertakings.

Shares in ARYZTA at CHF 0.02 each	No. of ordinary shares 2024	No. of restricted shares (issued FY 2022–FY 2024) 2024	Total 2024	Total 2023
Directors				
Urs Jordi[1]	1,429,228	329,311	1,758,539	834,985
Heiner Kamps[2]	59,930,120	118,066	60,048,186	59,081,269
Hélène Weber-Dubi[3]	165,492	139,315	304,807	224,020
Alejandro Legarda[4]	217,694	105,926	323,620	292,430
Cornelia Gehrig[5]	22,900	22,820	45,720	–
Former Directors[6]				
Gordon Hardie[7]	–	–	–	144,785
Jörg Riboni[7]	–	–	–	198,433
Executive management				
Martin Huber	387,054	–	387,054	201,000
Rhona Shakespeare	118,009	–	118,009	–
Sandip Gudka	–	–	–	–
Christophe Toitot	157,864	–	157,864	–
Total	**62,428,361**	**715,438**	**63,143,799**	**60,976,922**

1 U. Jordi became a member and Chairman of the Board on 16 September 2020 and was appointed by the ARYZTA Board as Group Interim CEO on 19 November 2020.
2 H. Kamps was appointed as Lead Independent Director (LID) in November 2023. The holdings of shares disclosed includes the total holding of a shareholder group that Heiner Kamps is a member of.
3 H. Weber-Dubi was elected to the Board effective 15 December 2020 ('2020 AGM').
4 A. Legarda was elected to the Board effective 14 November 2019 ('2019 AGM').
5 C. Gehrig was elected to the Board effective 24 April 2024 ('2024 AGM'). The holdings of shares disclosed includes shares held by related third party.
6 The restriction on the shares awarded to Gordon Hardie and Jörg Riboni expired during 2024. In line with Article 734d CO, no former directors' share interests are being reported for the financial year 2024.
7 G. Hardie and J. Riboni were elected to the Board effective 15 December 2020 ('2020 AGM'). They resigned from ARYZTA AG in November 2023.

No loans or advances were made by the ARYZTA Group to members of the Board or to the Executive Management during the financial period, or were outstanding at 31 December 2024 (2023: Nil). Further details regarding the benefits under the ARYZTA LTIP are set out in the Compensation Report on pages 82 to 84 of this Annual Report.

CORPORATE GOVERNANCE REPORT

6 Shareholders' participation

6.1 Voting rights

Each ARYZTA share registered as a share conferring a voting right entitles the holder to one vote at a General Meeting. Only holders who are registered as shareholders with voting rights are entitled to exercise voting rights or the rights associated with them. The consent of the Company is required for registration in the share register as a shareholder with voting rights and such consent may be declined in the circumstances specified in Article 7 c), d) and e) of the Articles of Association (available on the ARYZTA website (https://www.aryzta.com/corporate-governance/regulations/#articlesofassociation/) as described in more detail in section 2.6.2 above.

Under Article 7 f) of the Articles of Association, the Company may approve exceptions to these restrictions in special cases.

Proxies are entitled to attend General Meetings and exercise all rights of the represented shareholders at such meetings. Provisions regarding the appointment of proxies and the issuing of instructions to the independent proxy are contained in Article 13 of the Articles of Association (available on the ARYZTA website:
https://www.aryzta.com/corporate-governance/regulations/#articlesofassociation/).

6.2 Statutory quorums

Pursuant to Article 14 of the Articles of Association (see: https://www.aryzta.com/corporate-governance/regulations/#articlesofassociation/) General Meetings adopt resolutions and elections by the majority of the votes represented unless otherwise provided for in the Articles of Association or applicable law.

Pursuant to Article 15 of the Articles of Association (see: https://www.aryzta.com/corporate-governance/regulations/#articlesofassociation/), resolutions at the General Meeting calling for a quorum of at least two-thirds of the votes represented are required for:
– The cases listed in art. 704 para. 1 CO and in art. 18 and 64 Merger Act;
– The easement or abolition of the restriction of the transferability of registered shares; and
– Any change to the provisions of Article 15 of the Articles of Association.

6.3 Convocation of General Meeting of the shareholders

General Meetings are convened by the Board and, if need be, by the external auditors. In addition, the Board must convene a General Meeting within 60 days if shareholders representing, alone or together, at least 5% of the share capital or votes of the Company request in writing that a meeting be called and give details of the items to be discussed and the proposals, and, in case of elections, the names of the nominated candidates. Notice of the General Meeting is given by way of a single announcement pursuant to Article 33 of the Articles of Association (see: https://www.aryzta.com/corporate-governance/regulations/#articlesofassociation/) at least 20 days before the date of the meeting. The notice must state, inter alia, the day, time, mode and place of the Meeting and the agenda.

The Board may convene General Meetings as in-person, hybrid or virtual meetings. In case of hybrid or virtual meetings, the Board must ensure that the shareholders can exercise their rights by electronic means (Article 9 of the Articles of Association; https://www.aryzta.com/corporate-governance/regulations/#articlesofassociation/).

CORPORATE GOVERNANCE REPORT

6.4 Inclusion of items on the agenda

In accordance with Article 11 of the Articles of Association (available on the ARYZTA website (https://www.aryzta.com/corporate-governance/regulations/#articlesofassociation/), the Board puts the items for discussion and decision on the agenda. One or more registered shareholders with voting rights who, alone or together, represent at least 0.5% of the share capital or the votes may call for the Board to put an item on the agenda or to include a proposal relating to an agenda item in the invitation to the General Meeting. Such a request must be submitted in writing to the Chairman of the Board specifying the agenda item and proposals at least 45 days prior to the General Meeting.

6.5 Entries in the share register

The relevant date to determine the shareholders' right to participate in the General Meeting, on the basis of the registrations appearing in the share register, is set by the Board in the invitation to the General Meeting.

7 Change of control and defence measures

7.1 Obligation to make an offer

ARYZTA does not have a provision on opting out or opting up in its Articles of Association. Thus, the provisions regarding the legally prescribed threshold of 33 1/3% of the voting rights for making a public takeover offer set out in Article 135 of the FMIA are applicable.

7.2 Change of control clauses

Benefits under the ARYZTA LTIP vest upon a change of control unless the Board resolves otherwise. If the time at which a change of control has occurred cannot be ascertained precisely, the Board shall determine the time at which the change of control shall be deemed to have occurred. Otherwise, the agreements and plans benefiting the members of the Board or of the Executive Management team are unaffected by a change of control. Further details regarding the benefits under the ARYZTA LTIP are set out in the Compensation Report on pages 82 to 84 of this Annual Report.

8 Auditors

8.1 Duration of the mandate and term of office of the lead auditor

Following the conclusion of a formal tender process in 2019 overseen by the Audit Committee, and on recommendation by the Board, Ernst & Young AG, Zurich, was elected by shareholders at the 2019 AGM as the external statutory auditor and Group auditor for the 2020 financial year and has since been re-elected. Olivier Mange was appointed lead auditor during the period 2022, replacing Martin Gröli who had been the lead auditor since the 2020 financial period. The lead auditor is required to rotate every seven years in accordance with Swiss law.

8.2 Audit fees

The total audit and audit-related fees charged by the Group auditors in financial period ended 31 December 2024 amounted to €3.0m (2023: €4.9m). FY 2023 audit fees include fees related to the non-statutory audit of the interim consolidated Group Financial Statements for the 12-month period ended 29 July 2023 and fees related to the statutory audit of the Group and Company Financial Statements for the 17-month period ended 31 December 2023. FY 2024 audit fees relate only to the audit of the December 2024 Group and Company Financial Statements.

CORPORATE GOVERNANCE REPORT

8.3 **Additional fees**

The Group's policy is to manage its relationship with the external auditor to ensure their independence is maintained. In order to achieve this, the Board has determined limits on the type and scale of non-audit work that can be provided by the external auditor.

In November 2023 the Audit Committee approved the process for pre-concurrence of non-audit services ("NAS") to be performed from 1 January 2024. The Audit Committee delegated authority to Executive Management to contract for NAS. Any service above this amount would be subject to approval from the Audit Committee. Fees for additional services rendered by the external auditors to the ARYZTA Group in financial period 2024 totalled €0.4m (2023: €0.2m).

Auditor's remuneration

	December 2024 12-month €m	December 2023 17-month €m
– Auditor's remuneration for audit and audit-related services	3.0	4.9
– Auditor's remuneration for tax compliance and related services	0.1	0.1
– Auditor's remuneration for tax consulting services	–	–
– Auditor's remuneration for advisory services	0.3	0.1
	3.4	**5.1**
– Total other fees / Audit and audit-related services	11%	5%
– Tax consulting or advisory services / Audit and audit-related services	0%	0%

8.4 **Information pertaining to the external audit**

Ernst & Young AG ("EY") has presented to the Audit Committee a detailed report on the results of the 2024 Group consolidated and Company financial statement audits, the findings on significant financial accounting and reporting issues, as well as the findings on the Group's internal control system ('ICS'). In the financial period 2024, both EY and the Group Head of Internal Audit participated in regularly scheduled Audit Committee meetings on invitation from the Audit Committee Chair. The Group CFO attended and participated in all Audit Committee meetings during their respective appointments, as required by the Audit Committee agenda. Other members of the Group Executive Management attended the meetings as invited. During the period, the Audit Committee and the Chair of the Audit Committee met with EY without management present and vice versa. On an annual basis, the Board reviews the selection of the external auditors, in order to propose their appointment to the Annual General Meeting of ARYZTA. The Audit Committee assesses the effectiveness of the work of the auditors in accordance with Swiss law. The lead auditor rotates every seven years in accordance with Swiss law. During meetings of the Audit Committee, audit and non-audit-related fees to be charged by EY during the period, are reviewed to mitigate the risk of any potential impairment to EY's independence. EY monitors its independence throughout the period and confirms its independence to the Audit Committee annually.

CORPORATE GOVERNANCE REPORT

9 Investor Communications Policy

Guiding principles

ARYZTA is committed to pursuing an open and consistent communication policy with shareholders, potential investors and other interested parties. ARYZTA gives equal treatment to all its shareholders. Any price-sensitive information is published in a timely fashion and the information is provided in a format that is as complete, simple, transparent and consistent as possible. Media releases sent via e-mail, including ad hoc disclosures, can be subscribed to on https://www.aryzta.com/newsroom/media-services/.

In accordance with Article 33 of the Articles of Association (see: https://www.aryzta.com/corporate-governance/regulations/#articlesofassociation/), the official means of publication of ARYZTA is the Swiss Official Gazette of Commerce. Notices of the Company to the shareholders and other announcements are made, at the election of the Board, by publication in the Swiss Official Gazette of Commerce or in another form that allows proof by text.

ARYZTA's Investor Relations programme for institutional investors is carried out in line with the quarterly announcement cycle. These investor communications focus either on recently announced financial results, recent corporate activity or the longer-term strategy of the Group. They do not serve the purpose of disclosing new information that might encourage an investment decision. During open periods, ARYZTA holds ad hoc dialogue with individual shareholders and the Chair meets with major investors as requested.

Investor relations contact details

Paul Meade
Head of Communications

ARYZTA AG
Ifangstrasse 9
8952 Schlieren Switzerland
E-mail: info@aryzta.com

Quarterly announcement cycle

Announcement	News Release	Report	Conference Call	Webcast
First-quarter revenue update	x			
Half-Year results	x	x	x	x
Third-quarter revenue update	x			
Full-year results	x	x	x	x
Annual Report	x	x		

CORPORATE GOVERNANCE REPORT

Key dates to December 2025

Full-Year Results	3 March 2025
First quarter revenue update	22 April 2025
Annual General Meeting 2025	30 April 2025
Capital Markets Day 2025	7 May 2025
Half-Year Results	11 August 2025
Third quarter revenue update	20 October 2025

10 Trading Quiet periods

Dealing in securities of ARYZTA AG by insiders is regulated by the laws of Switzerland, including in particular the provisions of the FMIA and The Listing Rules of the SIX Stock Exchange. In line with best practice, ARYZTA prohibits dealings in Securities of the Company by Company directors, senior executives and their related persons, as well as any other insider within the Company, connected during periods when they may be in possession of non-public, price sensitive information.

Trading quiet period dates are:

– The period from 31 March up to the release of ARYZTA's Q1 Revenue Update or 30 calendar days prior to the release of the Q1 Revenue Update (if greater).

– The period from 30 June up to the release of ARYZTA's Half Year Results or 30 calendar days prior to the release of the Half Year Results (if greater).

– The period from 30 September up to the release of ARYZTA's Q3 Revenue Update or 30 calendar days prior to the release of the Q3 Revenue Update (if greater).

– The period from 31 December up to the release of ARYZTA's Annual Results or 30 calendar days prior to the release of the Annual Results (if greater).

Trading quiet periods to December 2025

Full-Year Results	31 December 2024 – 3 March 2025
First quarter revenue update	23 March – 22 April 2025
Half-Year Results	30 June – 11 August 2025
Third quarter revenue update	20 September – 20 October 2025

COMPENSATION REPORT

COMPENSATION REPORT

Letter from the Chair of the Remuneration Committee

Dear Shareholders,

On behalf of the Board of Directors (the 'Board') and the Remuneration Committee, I am pleased to introduce ARYZTA's Compensation Report for the financial period 2024 ('FY 2024'). Overall, ARYZTA achieved very strong results in the 2024 financial period, delivering all the existing mid-term targets one year ahead of schedule.

During FY 2024, the Remuneration Committee keenly took on board last year's feedback in our compensation practices. The Company engaged widely with shareholders and analysts in 2024 at results events, broker roadshows and investors conferences both in Switzerland and international financial centres. During 2024, Investor Relations conducted a large and detailed perception study to obtain feedback in key topics of concern.

As part of our ongoing commitment to refining our compensation framework to ensure alignment with company strategy and market practices, we have reviewed and enhanced the design of our Short-Term Incentive Plan. This review has led to adjustments in performance measures and weightings to better reflect strategic priorities. Additionally, we have strengthened the focus on ESG within individual performance measures for all Executive Management members. For the first time, ESG-related criteria have been introduced, accounting for 50% of their Qualitative Individual target assessments. These measures embed the objectives of our Sustainability Strategy and reinforce ARYZTA's commitment to environmental and social targets, ensuring a balanced approach to financial and non-financial performance.

Furthermore, we have re-assessed our shareholding guidelines to ensure alignment between our Executive Management and shareholders. By considering best practices as well as the specificities of the Swiss market, we have decided to maintain our existing shareholding requirements along with their current build-up period. To support the build-up process, we are giving the option for Executive Management to elect to take up to 30% of their STIP towards the share building requirements.

Due to substantial progress in our turnaround plan, the LTIP 2022 vested on all three KPIs, rewarding the Executive Management for their continuous efforts. For our LTIP, we included enhanced disclosure regarding the vesting by metric for the 2022 award.

Following our announcements at our last Annual General Meeting (AGM), there have been several changes to our Board of Directors and Executive Leadership Team. We welcomed Cornelia Gehrig as a new member to our Board, in our Remuneration and Audit Committee, enhancing the diversity of expertise and skills on our team. Urs Jordi stepped down as interim CEO at the end of FY 2024 and from that date he no longer receives compensation for the CEO role. Any STIP awards relate only to the period that he was CEO. Equally, his LTIP entitlements awarded in years 2023 and 2024 relate only to the period during which he performed the role of CEO of the Company and these awards will vest at a later date in accordance with and subject to the LTIP Regulations. Michael Schai has rejoined ARYZTA as CEO, effective 1 January 2025. His compensation package was developed in line with market standards, as advised by third-party experts, and is set at a comparable salary level to that of his predecessor, which will be disclosed in the FY 2025 Annual Report. Additionally, Sandip Gudka departed effective 1 January 2025, with leaving arrangements in compliance with Swiss law and accounting standards, and Christophe Toitot, former Chief Procurement Officer (CPO) has taken over as Chief Operations Officer (COO). His compensation has been adjusted to reflect the increased responsibility in line with market benchmark, while his bonus structure (STIP and LTIP) remains unchanged. Despite these changes, it is important to note that the shareholder approved budget for Executive Management has not been exceeded. In addition, we conducted comprehensive benchmarking for the Executive Leadership Team to ensure that our compensation remains fair and competitive.

COMPENSATION REPORT

At the upcoming Annual General Meeting, we will ask you to approve, as last year, prospectively in a binding vote the maximum aggregate remuneration of the Board of Directors for the period from the 2025 Annual General Meeting to the next Annual General Meeting, and the maximum aggregate remuneration for the newly constituted Executive Management Committee for the 2026 financial year (ending 31 December 2026). Furthermore, you will have the opportunity to register your opinion on this Compensation Report in a consultative vote.

Looking ahead, we will continue refining our compensation framework in order to ensure alignment with the company strategy, market practice and evolving developments such as the aforementioned inclusion of ESG targets.

On behalf of ARYZTA and the Remuneration Committee, I would like to thank you for your support and valuable feedback

Chair of the Remuneration Committee

H. Weber

Hélène Weber-Dubi

28 February 2025

COMPENSATION REPORT

Introduction to Compensation

ARYZTA's Compensation Report for FY 2024 has been prepared in accordance with the relevant sections of the Swiss Code of Obligations (CO), particularly Art. 734 et seqq. CO, applicable to Swiss listed companies, and the Directive on Information relating to Corporate Governance, issued by SIX Exchange Regulation AG. The report also takes into account the recommendations set out in the Swiss Code of Best Practice for Corporate Governance of economiesuisse (www.economiesuisse.ch).

Compensation Governance

The compensation governance at ARYZTA is mainly comprised of three key bodies: The Remuneration Committee which advises the Board in compensation-related matters; the Board which ultimately decides on compensation-related matters; and the shareholders of ARYZTA at the AGM who approve the maximum aggregate amount of remuneration of the Board for the period until the next AGM, and of the Executive Management for the subsequent financial year. The Organisational Regulations, the Terms of Reference of the Remuneration Committee and the Articles of Association of ARYZTA describe and define the roles and responsibilities of these three bodies. The Articles of Association contain the following relevant provisions on compensation:

- Compensation principles for the compensation of the Board and the Executive Management, including incentive and participation plans (Art. 21 and 22)
- Approval of compensation by the AGM (Art. 23)
- Supplementary amounts available for members newly joining the Executive Management after the relevant approval of compensation by the AGM (Art. 23 lit.e)
- Retirement benefits and pensions (Art. 24)
- Duration and termination of employment contracts (Art. 26)

The Articles of Association can be found on our website:
https://www.aryzta.com/corporate-governance/regulations/

COMPENSATION REPORT

The general division of duties, responsibilities, and powers between the three key bodies of compensation governance (Remuneration Committee, Board and AGM) is shown in the table below.

	CEO	Remuneration Committee	Board	AGM
Compensation strategy and guidelines		P	A	
Compensation principles (Articles of Association)		P	A (subject to AGM approval)	A (binding vote, in case of changes)
Key terms of compensation plans for Board and Executive Management		P	A	
Total compensation for the Board		P	A (subject to AGM approval)	A (binding vote)
Total compensation for the Executive Management		P	A (subject to AGM approval)	A (binding vote)
Individual total compensation for the CEO		P	A	
Individual total compensation for other members of the Executive Management	P	R	A	
Employment and termination agreements for the CEO		P	A	
Employment and termination agreements for other members of the Executive Management	P	R	A	
Compensation Report		P	A	A (consultative vote)

A: Approve, P: Propose, R: Review

Role of the Shareholders regarding the AGM

The AGM approves the maximum aggregate amount of compensation of the Board for the period from one AGM until the next AGM and the maximum aggregate amount of compensation for the Executive Management for the subsequent financial period (Art. 23 lit. a of the Articles of Association). Shareholders will be asked at the 2025 AGM, to be held on 30 April 2025, to approve the maximum aggregate amount of compensation of:

- The Board for the period until the next AGM (i.e. the period from 30 April 2025 until the 2026 AGM in April 2026, specific date TBC); and
- The Executive Management for the following financial period (i.e. the financial period commencing 1 January 2026 and ending 31 December 2026).

In addition, as in prior periods, the Board will submit this Compensation Report to a separate consultative vote for the shareholders at the forthcoming AGM in line with Art. 735 para. 3 no. 4 of the Swiss Code of Obligations (‘CO’).

COMPENSATION REPORT

At the 2024 AGM, the Board submitted three, relevant, separate compensation-related resolutions, which were all approved by shareholders.

1. The maximum aggregate amount of compensation for the members of the Board for the period from the 2024 AGM until the 2025 AGM (binding vote): CHF 1,200,000.

2. The maximum aggregate amount of compensation for the Executive Management for the FY 2025 (binding vote): CHF 12,000,000.

3. The compensation report for FY 2023.

The Board is cognisant of the minority vote against the resolution related to Executive Management compensation. We acknowledge shareholders' concern and take it very seriously. During FY 2024, the Remuneration Committee keenly absorbed last year's feedback in our compensation practices and enhanced our engagement with institutional investors and proxy advisors to better understand shareholder concerns. We remain committed to increasing transparency and ensuring the strategic alignment of our incentive plans with shareholder expectations. For the second year running, we provide more transparency on the measures for our STIP payouts than in prior years in the relevant section of this report. For example, we outline specifically the qualitative individual performance measures for Executive Management. We also include additional disclosure on our LTIP; namely a column detailing vesting by KPI for the LTIP 2022 award (see page 84), as well as a table detailing the vesting curve for our LTIP 2024 award (see page 83).

In addition and without further approval by shareholders, ARYZTA is authorised to use, as needed, supplementary amounts of 40% of the approved maximum aggregate amount (in full and not pro rata) of the compensation for the Executive Management for the relevant financial periods for new members joining the Executive Management after the AGM has approved the relevant maximum aggregate amount (Art. 23 lit. f of the Articles of Association).

For the avoidance of doubt, this supplementary amount was not used during the course of FY 2024 and may not be used to support base salary increases for existing members of the Executive Management.

Role of the Remuneration Committee

The Remuneration Committee has the duties of supervision and governance of ARYZTA's compensation framework and philosophy as well as the purpose to assist the Board in fulfilling its responsibilities regarding the compensation of the members of the Board and the Executive Management of ARYZTA.

The Remuneration Committee comprises a minimum of three independent non-executive members of the Board who are elected annually and individually by the AGM pursuant to Swiss law for a one-year period until the next AGM. The Remuneration Committee organises itself and appoints its Chairperson (Art. 20 lit. a of the Articles of Association).

COMPENSATION REPORT

Post the AGM 2024, the Remuneration Committee consisted of three members: Hélène Weber- Dubi, Heiner Kamps and, subsequent to her election at the AGM, Cornelia Gehrig, with Hélène Weber-Dubi appointed by the Board as Remuneration Committee Chair. Please refer to the Corporate Governance Report section for further details on Remuneration Committee composition, duties, and election (page 51 of the Annual Report).

For details about gender representation in the Board of Directors, and all activities of the Board members in comparable roles at other companies with a business purpose, please refer to the Corporate Governance Report (pages 45-49 of the Annual Report).

As in prior periods, in FY 2024 the Remuneration Committee acted within the limits of the relevant shareholder approvals, being responsible for (Art. 20 lit b. of the Articles of Association):
- Considering and determining all elements of the compensation of the members of the Board and the CEO.
- Approving the compensation of other members of the Executive Management, upon the recommendation of the CEO.
- Reviewing and recommending to the Board on an annual basis a proposal regarding the total compensation amount of the Board and the Executive Management for approval at the AGM.
- Preparing and recommending to the Board the Compensation Report for approval at the AGM in a non-binding vote.

The Remuneration Committee reviews the level and structure of the compensation for the Executive Management on an annual basis to ensure that executives are remunerated in line with the level of their authority and responsibility within the Group and so as to ensure ARYZTA's capacity to recruit and retain a high calibre of professional managers.

After each Remuneration Committee meeting, the Remuneration Committee Chair reports to the Board at the following Board meeting, ensuring that the Board members are kept informed in a timely and appropriate manner of all material matters within the Remuneration Committee's area of responsibility. In addition, all Remuneration Committee papers (e.g. agenda, minutes, presentations, etc.) are available to all members of the Board. When the Remuneration Committee considers it appropriate to do so, it may directly ask members of the Executive Management or members of the Human Resources department to attend meetings as a guest. The Remuneration Committee regularly holds private sessions (i.e. without the presence of members of the Executive Management, members of the Human Resource department or third parties). Executives and the Chair of the Board do not participate during the sections of the meetings where their own performance and/or compensation are discussed. The Remuneration Committee is authorised to obtain appropriate external advice and to invite those persons to attend the meetings of the Remuneration Committee. In such cases, and where applicable, the Board has availed of the services of HCM International to provide such advice. No further mandates have been assigned to HCM outside of their initial engagement. The Remuneration Committee Chair convenes meetings of the Remuneration Committee as often as the business affairs of ARYZTA require. During FY 2024, the Remuneration Committee held eight meetings with an average duration of one and half hours each.

COMPENSATION REPORT

The agenda items covered by the Remuneration Committee during the eight meetings of the FY 2024 are described in the table below.

	Agenda item	Jan 2024	Feb 2024	April 2024	June[1] 2024	Sept 2024	Oct 2024	Dec 2024
General Framework	Committee Terms of Reference				●			
	Review of Compensation Trends in Switzerland					●		
	Annual Work Plan				●	●		
Executive Management	Management Compensation Packages				●	●		●
	ESG related Compensation Targets		●					
	Shareholding Requirements		●				●	
	Maximum Aggregate Compensation Amount FY 2025	●						
	STIP							
	– Review of STIP FY 2024 design	●	●	●				
	– Performance achievement FY 2023		●					
	– Target setting for STIP FY 2024			●				
Compensation	LTIP							
	– Design LTIP grant FY 2024	●						
	– Target setting LTIP FY 2024			●	●			
	– FY 2022 LTIP Vesting			●	●	●		
	– FY 2025 LTIP Design						●	●
	Benchmarking		●	●	●			
Board compensation	Maximum Aggregate Compensation Amount		●					
	Board Equity Awards							●
Reporting & Communication	– Compensation Report FY 2023	●	●					
	– Compensation Report FY 2024					●	●	●

[1] Two meetings were held in June 2024

COMPENSATION REPORT

Compensation Principles

ARYZTA's compensation framework and principles are designed to attract and retain top talent, to underpin the implementation and support of the Group's strategic plans and to provide a balance between motivating and challenging the members of the Executive Management to deliver ARYZTA's near-term business priorities together with achieving sustainable, long-term success (Art. 21 lit. a of the Articles of Association). Furthermore, ARYZTA's compensation framework aims to be aligned with shareholders' interest and driving the creation of shareholder value. The Remuneration Committee gives careful and detailed consideration to the Board and Executive Management compensation. As one reference point, the Remuneration Committee regards market data on compensation to assess its competitiveness in the market environment.

Compensation objectives and principles

Retain & Incentivise

The company aims to retain and incentivise top talent to support delivery of the strategic plan

Motivate & Challenge

A balance between a motivating and challenging environment is established to achieve near-term business objectives and drive long-term success

Align with shareholders

Compensation outcomes shall be aligned with shareholder interests to reward management for creating shareholder value

Provide Equal Opportunity

Equal opportunities are provided in recruitment, selection, promotion, employee development, succession planning, training and compensation

COMPENSATION REPORT

Compensation Framework for the Board of Directors

Members of the Board of Directors
A detailed description of the members of the Board of Directors can be found in the Corporate Governance Report, see pages 45-47.

Compensation Approach for the Board of Directors
The total compensation of the Board consists of an annual base fee and an additional fee for individual assignments to Committees of the Board (Art. 21 lit. c of the Articles of Association), all determined on a yearly basis.

In order to assure the independence of the members of the Board in executing their supervisory duties, the total compensation of the Board is fixed and does not include any performance-related, variable compensation component.

For FY 2024, non-executive Board members were paid a fixed annual base fee, reflecting the time commitment and responsibilities of the role, and additional compensation for non-executive directors for service on a Board Committees was paid (see image page 76).

As noted and approved by the shareholders at the 2024 AGM under the resolution to Approve the Remuneration of Directors, the compensation structure and fee levels for the members of the Board for FY 2024 included the following changes from the previous term to align with practice among relevant comparators and to reflect a higher workload:
- Base fee for Board membership increases from CHF 88,000 to CHF 100,000
- Committee member fees increase from CHF 8,000 to CHF 12,000
- Chair fees for Remuneration and Governance, Nomination and Sustainability Committees increase from CHF 16,000 to CHF 20,000 and CHF 25,000 respectively
- Ad Hoc Committee Chair fee reduces from CHF 16,000 to CHF 12,000
- In January 2025, the ARYZTA Board created an additional Committee in the form of the Technology Committee with member fees of CHF 12,000 and chair fee of CHF 20,000

The Board undertook a thorough benchmarking exercise with 3rd party advisors to inform these changes and is reassured that these changes are representative of the market and denote increased workload, particularly in light of recent Board changes. No further mandates have been assigned to the 3rd party advisors outside of their initial engagement.

COMPENSATION REPORT

Annual base fee for Board membership for non-executive Directors

Chair
CHF 323,000

Lead independent Director
CHF 158,200

Other Board Members
CHF 100,000

Annual Committee Fees (AGM to AGM)	Committee Chair	Member
Audit Committee	CHF 25,000	CHF 12,000
Governance, Nomination & Sustainability Committee	CHF 25,000	CHF 12,000
Remuneration Committee	CHF 20,000	CHF 12,000
Adhoc Committee	CHF 12,000	CHF 12,000

40% Restricted Share – 3 Year Holding/ Vesting Period

60% Cash

The individual sum of the fixed annual base fee and, where applicable, the fixed annual committee fee per member are compensated 60% in cash and 40% in the form of restricted shares, entitling the recipient to receive ARYZTA shares upon expiration of the three-year holding period. Starting in the second half of FY 2024, restricted share awards were granted quarterly, whereas in previous years, they were awarded annually. This equity component further strengthens the long-term focus of the Board in performing its duties as well as the alignment of the Board's interests with those of ARYZTA's shareholders.

The compensation of the Board is subject to regular social security contributions. The Company made pension contributions for certain Swiss- based non-executive directors in line with its obligations under the Federal Law on Occupational Old Age, Survivors' and Disability Pension Plans (BVG / Berufliche Vorsorge). No additional compensation components such as lump-sum expenses or attendance fees are awarded to the members of the Board.

Compensation Awarded to the Board of Directors (audited)

The following table reflects the total compensation of the Board for the 12-month period of the FY 2024 including information of the prior, 17-month financial period. The change in the Group's Financial Year to 31 December 2023, resulted in delay of the next Annual General Meeting and additional 5 months between AGM 2022 and AGM 2023. The total provisions for compensation of the Board for FY 2024 amounts to CHF 1,036,000.

In terms of payments made ARYZTA has not exceeded the shareholder approved amount of CHF 1,200,000 approved at the Annual General Meeting on 24 April 2024. An additional CHF 300,000 was approved for the period from 1 December 2023 to the subsequent Annual General Meeting on 24 April 2024.

COMPENSATION REPORT

	Board	Independent Director	Audit committee	Governance, Nomination & Sustain-ability Committee	Remu-neration Committee	Settled in Cash CHF '000	Settled in Shares[1] CHF '000	12-month to December FY 2024 Total Compensation CHF '000	17-month to December FY 2023 Total Compensation CHF '000
Current Board Members									
Urs Jordi[2]	Chairman					194	129	323	458
Hélène Weber-Dubi[3]	•		Chair	•	Chair	128	66	194	195
Heiner Kamps[3,4]	•	•	•		•	138	72	210	148
Alejandro Legarda[4]	•		•	Chair		107	52	159	138
Cornelia Gehrig[5]	•		•		•	47	37	84	–
Former Board Members									
Jörg Riboni [6]						–	–	–	231
Gordon Hardie[6]						–	–	–	152
Total						**614**	**356**	**970**	**1,322**
Social Security Payments								56	110
Pension contribution								10	71
Total including Social Security								**1,036**	**1,503**

1 Equity is awarded during the year equal to 40% of the total annual compensation. Typically the awards are made quarterly with the number of shares based on the average closing price of the ARYZTA shares on the SIX over the five trading days immediately preceding the award date.
2 U. Jordi became a member and Chairman of the ARYZTA Board on 16 September 2020 and was appointed by the ARYZTA Board as Group Interim CEO on 19 November 2020.
3 Given the increased level of work required by the Directors to cover the nearly 6 month period from 8 November 2023 to 24 April 2024 (AGM 2024) when the Board membership had reduced from 6 members to 4 members, a one-time payment of CHF30,000 was paid to each of Hélène Weber-Dubi, Alejandro Legarda and Heiner Kamps. The Directors committed additional time to ARYZTA during a particularly demanding period, managing an increased workload and carrying out their board duties over the course of the 17-month calendar. During this period ARYZTA did not pay director base fees, pension or committee fees to the 2 Directors who had resigned from the ARYZTA AG Board.
4 H. Kamps was appointed Lead Independent Director on 3 November 2023.
5 C. Gehrig was appointed new Board member on 24 April 2024 (AGM 2024).
6 G. Hardie and J. Riboni were elected to the Board effective 15 December 2020 ('2020 AGM'). They resigned from ARYZTA AG in November 2023.

The following table reflects the total compensation for the Board for the 12-month period ended December 2024 and the 12-month period ended December 2023 and is presented for comparability following the transition to a December financial year-end in 2023.

	Settled in Cash CHF '000	Settled in Shares CHF '000	12-month to December 2024 Total Compensation CHF '000	12-month to December 2023 Total Compensation CHF '000
Current Board Members				
Urs Jordi	194	129	323	323
Hélène Weber-Dubi	128	66	194	139
Heiner Kamps	138	72	210	108
Alejandro Legarda	107	52	159	98
Cornelia Gehrig	47	37	84	-
Former Board Members				
Jörg Riboni	–	–	–	155
Gordon Hardie	–	–	–	102
Total	**614**	**356**	**970**	**925**
Social Security Payments			56	78
Pension contribution			10	50
Total including Social Security			**1,036**	**1,053**

COMPENSATION REPORT

The following table shows the shareholdings of the Board as of 31 December 2024 including information of the prior financial period. This table includes registered shares purchased privately as well as fully vested shares allocated in connection with compensation.

Furthermore, unvested RSUs and restricted shares are included. In total, the members of the Board held 62,480,872 shares or 6.3% of the share capital (FY 2023: 60,886,903 shares or 6.1% of the share capital).

Beneficial interests at 31 December 2024 and 31 December 2023 were as follows:

Shares in ARYZTA at CHF 0.02 each	No. of ordinary shares 2024	No. of restricted shares 2024	Total 2024	Total 2023
Directors				
Urs Jordi[1]	1,429,228	329,311	1,758,539	834,985
Heiner Kamps[2]	59,930,120	118,066	60,048,186	59,081,269
Hélène Weber-Dubi[3]	165,492	139,315	304,807	224,020
Alejandro Legarda[4]	217,694	105,926	323,620	292,430
Cornelia Gehrig[5]	22,900	22,820	45,720	-
Former Directors[6]				
Gordon Hardie[7]	–	–	-	144,785
Jörg Riboni[7]	–	–	-	198,433
Total	**61,765,434**	**715,438**	**62,480,872**	**60,775,922**

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

2 H. Kamps was appointed as Lead Independent Director (LID) in November 2023. The holdings of shares disclosed includes the total holding of a shareholder group that Heiner Kamps is a member of.

3 H. Weber-Dubi was elected to the Board effective 15 December 2020 ("2020 AGM")

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

5 C. Gehrig was elected to the Board effective 24 April 2024 ("2024 AGM"). The holdings of shares disclosed includes shares held by related third party.

6 The restriction on the shares awarded to Gordon Hardie and Jörg Riboni expired during 2024. In line with Article 734d CO, no former directors' share interests are being reported for the financial year 2024.

7 G. Hardie and J. Riboni were elected to the Board effective 15 December 2020 ("2020 AGM"). They resigned from ARYZTA AG in November 2023.

Compensation Framework for the Executive Management

Members of the Executive Management

A detailed description of the members of the Executive Management can be found in the Corporate Governance Report, see pages 57–59.

General compensation approach for the Executive Management

The compensation of the Executive Management consists of fixed and variable components. The fixed compensation consists of an annual base salary, additional fixed compensation in the form of pension and other benefits. The variable compensation includes short-term and long-term incentive plans. These variable elements are dependent on the achievement of performance which includes the financial performance of the Group, performance relative to the market, and individual performance for all members of the Executive Management (Art. 21 lit. d and 22 lit. a of the Articles of Association). The overview of the compensation elements of the Executive Management is summarised in the following table:

COMPENSATION REPORT

	Base salary	Pension and other benefits	Short-term incentive plan (STIP)	Long-term incentive plan (LTIP)
Basis	**Fixed**	**Fixed**	**Variable**	**Variable**
Purpose	Attraction, retention, reward for scope and complexity of the function as well as level of responsibility	Participation in pension plans, insurance and health care plans in line with local market practice	Motivation, reward for achieving annual business objectives	Retention, alignment with shareholders, reward for delivering long-term performance
Performance period	–	–	One year	Three years
Performance measures	–	–	Group Financial measures and qualitative individual measures	Three financial measures (% Improvement in EBITA[1] & ROIC; relativeTSR)
Payout range	–	–	0 to 150% of individual target award	0% to 150% of number of granted PSUs
Payment	Cash	Contributions to pension and insurance plans, other in-kind benefits	Cash	Shares

1 Defined as earnings before interest, taxation, and non-ERP amortisation.

Annual base salary

The annual base salary is the main fixed compensation component paid to the members of the Executive Management. Typically, it is paid in cash in twelve equal monthly instalments unless local laws require otherwise. The annual base salary is contractually agreed in local currency. The level of base salary is determined considering the scope and complexity of the function, level of responsibility, and other relevant factors deemed appropriate. Furthermore, the compensation for the role in the location where ARYZTA competes for talent is considered. Fixed base salaries of the Executive Management members are reviewed every year by the Remuneration Committee based on the above mentioned factors and adjustments are made according to market developments.

Pension and other benefits

ARYZTA may establish one or more independent pension fund(s) for occupational pension benefits or may join such funds. Contributions to such pension funds on the part of the employer, but not contributions which are paid out by such pension funds, are deemed part of the compensation. Retirement benefits accumulated or paid directly by the employer based on country-specific regulations on occupational pension benefits are treated the same way as contributions to and benefits by pension funds (Art. 24 lit. a of the Articles of Association). Members of the Executive Management participate in the pension plans, which consist primarily of retirement, insurance and health care plans designed to provide an adequate level of protection for employees and their dependents in the event of retirement, sickness, disability or death. The plans vary according to legal conditions, but at least meet the legal requirements of the countries concerned. The members of the Executive Management are also granted certain benefits and benefits in-kind in accordance with competitive market practice, e.g. a car allowance.

Short-term incentive plan (STIP)

The short-term incentive plan (‘STIP’) is a variable compensation element designed to reward eligible participants for delivering strong short-term performance and contribution to ARYZTA’s annual business objectives, whilst limiting the Group’s exposure to downside risk in the case of financial underperformance, over a time horizon of one year. The STIP for the Executive Management drives alignment across the Group by a shared philosophy with common core measures. These measures cascade into our business, ensuring that Senior Management are evaluated by the same common KPIs.

COMPENSATION REPORT

STIP

In relation to STIP design, the Board continually strives to ensure the incentive measures are fit for purpose and align with market practice, shareholder interests and the unique strategic circumstances related to our continuing progress towards our mid-term targets.

Over the past number of years, for consistency purposes, the Board has retained the core measures of Revenue, Earnings and Cash as the core KPI's for Executive Management. For FY 2024 the Board has retained the specific KPI's from prior year while slightly rebalancing their weightings in order to focus Executive Management on the strategic imperatives for the year.

Our stated Strategic Plan FY 2022 – 2025 calls out our intention to:

- Deliver Organic Growth (CAGR): 4.5–5.5%
- Improve Profit Margin: EBITDA Margin ≥ 14.5%
- Deleveraging the Balance Sheet and Driving Capital Efficiency

Thus:

- Our Revenue measure - Organic Growth % – was increased from 20% in FY 2023 to 30% weighting in FY 2024; depicting the significant need to grow market share and to pass on commodity inflation
- Our Earnings measure – Group EBITDA margin % – reduced from 40% in FY 2023 to a 30% weighting in FY 2024. This is a key metric for our mid-term targets and is aligned with shareholder interests.
- Our cash generation metric was adapted to Free Cash Flow, retaining its' 20% weighting. This change was introduced because Free Cash Flow is a comprehensive KPI for measuring cash generation. It not only encompasses the contribution and impact on cash flow from operations such as EBITDA, Working Capital, and CAPEX but also includes contributions from financing and tax strategy. The Working Capital as % of 3rd Party Revenue – 5 Quarter Average is maintained for the management levels below ExCo as this measure is more adequate for their scope of influence.

In summary, FY 2024 STIP consisted of financial performance measures on Group level, as well as Qualitative Individual performance measures and is shown in the table below. Additionally, we have rebalanced the weightings of key performance indicators to reflect the financial year's priorities, ensuring that incentives drive performance in the most critical areas.

	CEO	Other Executive Management Members
Measures		
Organic Growth %	30%	30%
Group EBITDA %	30%	30%
Free Cash Flow	20%	20%
Qualitative Individual Targets incl. ESG	20%	20%
Total	**100%**	**100%**

The Board or the Remuneration Committee determines performance metrics and target levels, and their achievement (Art. 22 lit. b of the Articles of Association). At the beginning of the financial period, STIP targets are set for each financial performance measure in a calibration process in accordance with the overall business plan and a robust budget of the respective year. Minimum and maximum performance achievement levels are defined considering, amongst other elements, the previous year's performance level. A rigorous approach is conducted in order to define the individual objectives for the Executive Management for whom the individual objectives are specific, and taking into account their scope of influence and responsibilities as well as focusing on value-addition to the business.

COMPENSATION REPORT

The individual target level for the STIP is expressed as a percentage of the annual base salary. Depending on achieved performance, this element of compensation may amount up to a pre-determined multiplier of target level.

For the STIP FY 2024, the individual on-target STIP awards vary between 67% and 100% of the base salary for members of the Executive Management.

For the financial performance measures, overachievement is driven by their respective performance. For the Qualitative Individual performance measure, the Remuneration Committee rigorously and comprehensively assess performance achievement. In the context of Qualitative Individual targets, each member of Executive Management have 10% of their STIP associated with shared ESG targets, such as Greenhouse Gas Reduction and 10% associated with individual targets, as detailed below:

- For the CEO – Profit for the Period target in EURm; set with a threshold, target and maximum level
- For the CFO – Profit for the Period target in EURm; set with a threshold, target and maximum level
- For the Group Company Secretary & Counsel – specific measures related to the Group's Compliance & Governance structures and framework; each target is weighted
- For the Group COO– Specific targets associated with the Group's global QSR business
- For the Group CPO – Ensuring supplier sign-up to the Group's Supplier Code of Conduct

	Actual performance FY 2024 v Target	STIP Achievement factor in %	CEO Achievement Factor in %
Group Organic Growth %	0%	0%	0%
Group EBITDA %	104.3%	150%	150%
Free Cash Flow	123.7%	150%	150%
Qualitative Individual Targets incl. ESG	Varies by Individual from 50%-150%	Varies by Individual from 50%-150%	125%
Total Payout (accounting for KPI weights)			**100%**

For each performance measure, a minimum threshold performance, below which there is no payout, as well as a maximum performance, at which payout is capped at 150% of target, applies. In case of termination of employment during the performance period, the STIP payout may be reduced or forfeited depending on country-specific forfeiture rules and subject to applicable law.

During FY 2024, payments under the STIP were made to incumbent members of Executive Management according to the level of achievement of the defined short-term targets (Group Organic Growth, EBITDA % and Free Cash Flow, and Qualitative Individual Targets). Performance levels were achieved and resulted in an overall payout of 100% for each member of Executive Management.

COMPENSATION REPORT

Long-term incentive plan (LTIP)
ARYZTA's long-term incentive plan ('LTIP') has historically been designed to reward eligible participants for delivering long-term performance.

The LTIPs are based on our strategic plans and regularly validated by an independent third-party remuneration consultant. The third-party remuneration consultant has no other mandates assigned.

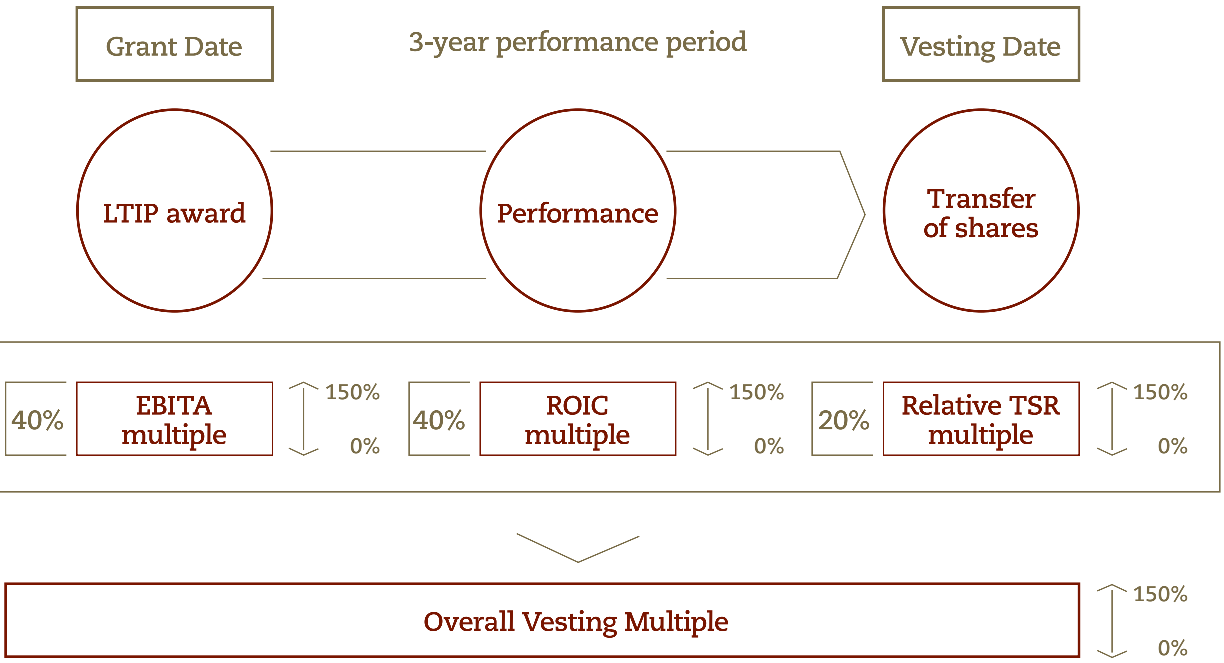
The purpose of the equity-based LTIP is to provide the participants with performance- driven future rewards for the accomplishment of the Group's long-term financial and strategic goals. The LTIP is intended to retain and motivate and to promote behaviour towards enhancing the value of ARYZTA for the benefit of its shareholders.

ARYZTA's LTIP is granted in the form of Performance Share Units ('PSUs'), which represent an unsecured contingent right to receive ARYZTA shares at the end of the three-year performance period, subject to the achievement of certain predefined performance targets and subject to continuous employment. The Company has introduced a one-year blocking period which applies to current and future LTIP awards to LTIP participants below Executive Management.

The number of granted PSUs depends on the individual LTIP grant, which were determined by the Board each year and the fair value of one PSU at the grant date. The individual target grant levels under the LTIP are expressed as a percentage of the annual base salary (Art. 22 lit. c of the Articles of Association).

The current LTIP awards outstanding (LTIP 2023 and LTIP 2024) remain subject to the pre-determined performance targets during the three-year performance period and are expected to vest as per the regular vesting schedule. In relation to the fiscal year end change, no performance metrics or targets were amended.

In FY 2024 the Remuneration Committee made grants under the LTIP to members of Executive Management, including the CEO, at an individual target grant level ranging from 66% – 100% of base salary (100% being the amount awarded to the CEO).



COMPENSATION REPORT

LTIP grant FY 2024

	Minimum threshold (0.0 vesting multiple)	Target (1.0 vesting multiple)	Maximum (1.5 vesting multiple)
Three year average annual EBITA[1] improvement %	57% of target	100% target as set by the Board	123% target
Three year average annual ROIC improvement	64% of target	100% target as set by the Board	118% target
Three year relative TSR	–20 p.p. of index	0 p.p.	+10 p.p. of index

1 Defined as earnings before interest, taxation, and non-ERP amortisation.

Straight line vesting
The vesting of granted PSUs solely depends on the achievement of financial performance measures and is subject to continued service.

The EBITA improvement measure provides a focus on profitability. It is weighted at 40% and is calculated as actual versus target % improvement in EBITA. Please note that we see this as distinct from an EBITDA margin KPI in our STIP. Using EBITA in our LTIP brings a focus to driving value from the cost of our assets. For the STIP, EBITDA margin is used which enables focus on cash-flow generation.

The Return on Invested Capital (ROIC) measure provides a focus on capital efficiency. It is weighted at 40% and is calculated as the three-year average annual improvement %.

The relative TSR (rTSR) measure adds a stock market perspective to ARYZTA's LTIP and is designed to reward management for outperformance as well as to create alignment with shareholder experience. It is weighted at 20% and calculated as the percentage point difference over the three- year performance period between ARYZTA's TSR and the TSR of the iSTOXX® Europe Total Market Food Producers Capped 30-15 index.

The TSR is the total shareholders' return, considering the variations of the share price and dividends distributed over the performance period, assuming the reinvestment of any dividends paid during the performance period into ARYZTA shares.

The iSTOXX® Europe Total Market Food Producers Capped 30-15 Index includes 55 stocks (as of December 5, 2024) and is a capped version of the STOXX Europe Total Market Food Producers Index. Members of this peer group include, amongst others, Nestle, Danone, Kerry Group, Lindt & Sprüngli, Barry Callebaut, Emmi & Orior.

STOXX is the service provider and administrator of the index, therefore responsible for quality standards and legal compliance of the index as well as maintenance in terms of rebalancing and handling of corporate events of index constituents.

The index is rebalanced on a quarterly basis, whereas the largest component is capped at 30% and the second largest at 15%. The threshold for a payout of the rTSR measure is at – 20 percentage points, while the cap for a 1.50 vesting multiple is at + 10 percentage points. A vesting below the median of the index is considered common practice in Switzerland and was purposefully determined to establish an adequate opportunity and risk profile for the rTSR measure within the LTIP. The Board has the discretion under the LTIP regulation to decide to adjust vesting multiples if it considers the results of calculations not reflecting either the interest of management or those of shareholders, further the Board has the ability to adjust the TSR design and KPI's if deemed arbitrary or materially misaligned with the shareholders' interests. Overall the payout curve provides for stretching targets and, at

COMPENSATION REPORT

the same time, sets statistically reasonable performance corridors, and therewith supports balanced performance and payout situations below and above the target. In doing so, potential excessive risk-taking around the kink of payout curves is avoided.

In the case of termination of employment or a change in control regarding ARYZTA before the end of the three-year performance period, modified vesting rules apply (Art. 22 lit. e of the Articles of Association).

In the case of death or disability, the number of unvested PSUs will be adjusted pro-rata and will vest immediately with an overall vesting multiple of 1.00. In the case of retirement or termination of employment by ARYZTA without cause, the number of unvested PSUs will be adjusted pro-rata and will vest at the ordinary vesting date according to the effective overall vesting multiple. Furthermore, in case of engagement in a competitive activity without prior consent of the Board, all unvested PSUs will lapse without any compensation. In all other cases (e.g. termination for cause), then effective on the date notice of termination is provided by either party, all unvested PSUs will lapse without any compensation.

In the event of change of control, the number of unvested PSUs will also be adjusted pro-rata.

Additionally, a clawback clause, in the event of a serious breach of ARYZTA's Articles of Association, Organisational Regulations, any applicable policies, procedures or guidelines, gives the Board the right to recoup all or part of the vested shares or forfeit all or part of any unvested PSUs.

FY 2022 LTIP Vesting

In FY 2022 the Board awarded grants under a LTIP to Executive Management. The table below defines the vesting criteria associated with this award and transparently shows the vesting achievement for the various criteria.

Over the three-year performance period, we achieved an average EBITA reflecting 84% of the target we set, resulting in a vesting factor of 0.68 for this measure. Additionally, the three-year average ROIC performance was, with 120%, well beyond our target, and we significantly outperformed our rTSR peer group, which led to maximum vesting for both measures.

LTIP grant FY 2022	Minimum threshold (0.0 vesting multiple)	Target (1.0 vesting multiple)	Maximum (2.0 vesting multiple)	Vesting
Three year average annual EBITA[1] improvement %	55% of target	100% Target as set by the Board	109% of target	84% of target 0.68x Vesting
Three-year average ROIC improvement	72.7% of target	100% target as set by the Board	108% of target	120% of target 1.5x Vesting
Three-year relative TSR	–20 p.p. of index	0 p.p.	+10 p.p. of index	+68 p.p. 1.5x Vesting
Total Vesting				1.17x

1 Defined as earnings before interest, taxation, and non-ERP amortisation.

COMPENSATION REPORT

Peer group and benchmarking

As previously mentioned, the Remuneration Committee reviews the compensation of the Executive Management and Senior Management annually with the support of the global organisational consulting firm Korn Ferry Hay Group as part of a peer compensation benchmarking analysis. No additional mandates have been assigned. The benchmarking serves as an additional external reference point to ARYZTA in order to remain competitive in its compensation arrangements and was undertaken during the course of FY 2024 to give the Committee confidence that the Executive Management packages are within the appropriate range for our business and within our industry. The benchmarking was conducted using the European Top Executive database (Euro TOPEX) and the Switzerland-specific Euro TOPEX dataset for top executive roles, while general industry data and a sector-specific peer group comprising companies in the FMCG sector were used for other roles. The selection criteria for the peer group included comparability to ARYZTA with regards to business model, size (in terms of headcount, revenue, and market capitalization), respective roles and responsibilities, and relevant geographic presence. The composition of the peer group for benchmarking is reviewed on a periodical basis, every two to three years.

Compensation awarded to the Executive Management (audited)

The following table summarises the total compensation for the current and former members of the Executive Management during FY 2024. The total compensation for the Executive Management amounted to CHF 7,749,000 which is within the maximum amount approved at the AGM 2024 of CHF 12,000,000. In the case of termination of employment or a change in control regarding ARYZTA before the end of the three-year performance period, modified vesting rules apply (Art. 22 lit. e of the Articles of Association).

in CHF '000	Total Executive Management 12-month to December FY 2024	Highest paid Executive Management member, Urs Jordi 12-month to December FY 2024	Total Executive Management 17-month to December FY 2023	Highest paid Executive Management member, Urs Jordi 17-month to December FY 2023
Basic salaries	2,901	773	2,687	1,094
Benefits in kind	115	–	114	–
Pension contributions	465	136	525	189
STIP (payout for respective FY)	2,061	773	2,726	1,292
Long-term incentives (LTIP)	2,207	899	1,117	538
Total compensation paid to members of ARYZTA Executive Management	**7,749**	**2,581**	**7,169**	**3,113**

The following table reflects the total compensation for the Executive Management for the 12-month period ended December 2024 and the 12-month period ended December 2023 and is presented for comparability following the transition to a December financial year-end in 2023.

in CHF '000	Total Executive Management 12-month to December FY 2024	Highest paid Executive Management member, Urs Jordi 12-month to December FY 2024	Total Executive Management 12-month to December FY 2023	Highest paid Executive Management member, Urs Jordi 12-month to December FY 2023
Basic salaries	2,901	773	2,026	773
Benefits in kind	115	–	89	–
Pension contributions	465	136	392	134
STIP (payout for respective FY)	2,061	773	1,990	919
Long-term incentives (LTIP)	2,207	899	1,117	538
Total compensation paid to members of ARYZTA Executive Management	**7,749**	**2,581**	**5,614**	**2,364**

COMPENSATION REPORT

There have been no salary increases in the Financial Year. The variances between the two financial years are largely attributable to the addition of two new Executives during FY 2023, which did not impact the entire calendar year as in FY 2024, and higher LTIP grant related to extended financial year.

The employment contracts of the Executive Management are in compliance with Swiss laws and other applicable regulations (Art. 26 lit. a and 26 lit. b of the Articles of Association).

Shareholding Guidelines

As of FY 2020, Shareholding Guidelines for members of the Executive Management were introduced to further strengthen the long-term focus and to increase the alignment of the Executive Management's interests with those of ARYZTA's shareholders. The Shareholding Guidelines applied to the Executive Management starting from FY 2020, expect each member of the Executive Management to build up an ownership of shares of ARYZTA worth the equivalent of 150% of their annual base salary or 300% in the case of the CEO.

As we refine our Remuneration Strategy and LTIP scheme we are reviewing these Shareholding Guidelines ensuring the concept of Executive Management is aligned with shareholder interests and retaining a long-term focus.

Shareholdings of the Executive Management

The following table shows the shareholdings and interests in equity of the Executive Management as of 31 December 2024 and 31 December 2023. The number of shares held corresponds to the amount of directly or beneficially held ordinary registered shares of ARYZTA. The number of interests in equity held corresponds to the amount of PSUs granted through former LTIP awards and, in the case of the Group Interim CEO, through his dual role as Chairman. PSUs are disclosed at target. The vested number of PSUs will depend on performance achievement levels at vesting. In total, the members of the Executive Management held 2,421,466 shares (including ordinary and restricted shares) or 0.244% of the share capital (FY 2023: 625,000 ordinary shares or 0.063% of the share capital or 1,035,985 shares including ordinary and restricted or 0.105% of the share capital).

	No. of shares closing position FY 2024	No. of restricted shares Closing position FY 2024	No. of PSUs Closing position FY 2024	No. of shares closing position FY 2023	No. of restricted shares Closing position FY 2023	No. of PSUs Closing position FY 2023
Urs Jordi	1,429,228	329,311	1,161,512	424,000	410,985	880,392
Martin Huber	387,054	-	511,066	201,000	–	586,929
Rhona Shakespeare	118,009	-	311,772	–	–	374,925
Sandip Gudka	-	-	74,550	–	–	–
Christophe Toitot	157,864	-	188,100	–	–	–
Total executive management	**2,092,155**	**329,311**	**2,247,000**	**625,000**	**410,985**	**1,842,246**

COMPENSATION REPORT

Functions in other undertakings

Pursuant to Article 25 of the Articles of Association, the members of the Board may hold no more than the following number of additional mandates outside of the Company:

- up to four mandates in listed companies;
- up to five mandates in non-listed companies;
- up to four mandates in (i) charitable organisations, (ii) associations or foundations and (iii) other non-profit institutions.

External mandates held by the ARYZTA Board of Directors

Urs Jordi (Chairman)	Schweizer Zucker AG (Director) [1]
Cornelia Gehrig	SKAN Group AG (Vice President, Director and Chair of Audit Committee), Ernst Schweizer AG (Director), Koras AG (Director and Chair of Audit Committee)
Heiner Kamps	KFRH Kamps Management GmbH (owner and CEO), Brot gegen Not (Chairman of Board of Trustees) [1]
Hélène Weber-Dubi	Herbert Ospelt Anstalt (FL) (Director and Chair of Audit Committee) [1]
Alejandro Legarda	Instituto Navarro de Inversiones (Director) [1]

1 Mandate held in FY 2023

For further details, refer to Article 25 of the Articles of Association, which is available on the ARYZTA website at https://www.aryzta.com/corporate-governance/regulations/#articlesofassociation

Executive Management

No member of the Group Executive Management holds management contracts for any company outside the ARYZTA Group. With the exception of the Chairman and interim CEO, no other member of the Group Executive Management holds a board of directors position for any company outside the ARYZTA Group.

Loans Granted to the Board of Directors or the Executive Management

No loans or advances were made by the ARYZTA Group to members of the Board or of the Executive Management during FY 2024 or were outstanding at 31 December 2024.

During FY 2024 no payments were made to former members of the Executive Management or of the Board or to related parties, nor were any loans or credits made or outstanding.

Outlook

Looking ahead to FY 2025, the Remuneration Committee will continue to prioritise the interests of shareholders while actively engaging with them to ensure alignment between executive compensation and long-term company performance. A key focus will be on closely monitoring current trends in Swiss compensation practices, with particular attention to the evolving designs of STIP and LTIP programmes. This will include refining the approach to ensure it remains competitive, fair, and fully aligned with shareholder expectations.

In addition, the Committee will maintain a proactive approach to ensuring that executive compensation structures incentivise behaviours that align with both financial and non-financial goals, such as fostering a strong corporate culture. As part of the Board's work plan, emphasis will also be placed on cultivating a culture of diversity, reflecting the Company's core values, and reinforcing the integration of sustainability goals within compensation metrics.

REPORT OF THE STATUTORY AUDITOR ON THE AUDIT OF THE COMPENSATION REPORT

To the General Meeting of
ARYZTA AG, Schlieren **Zurich, 28 February 2025**

Opinion
We have audited the compensation report of ARYZTA AG (the Company) for the year ended 31 December 2024. The audit was limited to the information pursuant to Art. 734a-734f of the Swiss Code of Obligations (CO) in the tables marked "audited" on pages 67 to 87 of the compensation report.

In our opinion, the information pursuant to Art. 734a-734f CO in the compensation report complies with Swiss law and the Company's articles of incorporation.

Basis for opinion
We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the compensation report" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Other information
The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the paragraphs and tables marked "audited" in the compensation report, the consolidated financial statements, the stand-alone financial statements and our auditor's reports thereon.

Our opinion on the compensation report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the compensation report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the compensation report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the compensation report
The Board of Directors is responsible for the preparation of a compensation report in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a compensation report that is free from material misstatement, whether due to fraud or error. It is also responsible for designing the remuneration system and defining individual remuneration packages.

REPORT OF THE STATUTORY AUDITOR ON THE AUDIT OF THE COMPENSATION REPORT (continued)

Auditor's responsibilities for the audit of the compensation report

Our objectives are to obtain reasonable assurance about whether the information pursuant to Art. 734a-734f CO is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this compensation report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the compensation report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

EY Shape the future with confidence

Ernst & Young Ltd

Olivier Mange
Licensed audit expert
Auditor in charge

Alan D'Arcy
Associate Chartered Accountant (ACA)

Zurich, 28 February 2025

GROUP RISK STATEMENT
Principal Risks and Uncertainties

GROUP RISK STATEMENT
Principal Risks and Uncertainties

2024 Group Risk Statement Principal Risks and Uncertainties

The Board of Directors and Senior Management continue to invest significant time and resources in identifying specific risks across the Group, and in developing a culture of balanced risk mitigation. The Group has established a structured risk assessment process to ensure that uncertainties impacting strategic objectives are carefully analysed across the organization and incorporated into essential decision-making activities. The Board of Directors is ultimately responsible for risk management with the Audit Committee taking ownership for monitoring the risk assessment process.

All levels of management across the Group are engaged in the identification and assessment of significant ongoing and emerging risks facing their business. The outputs of these risk assessment processes are subject to various levels of review by Group Internal Audit, Group Functions and Executive Management, who layer in strategic risks. Risks are consolidated into a Group Risk Map, denoting the potential frequency and severity of identified risks, which is reviewed and challenged by the Board of Directors at least annually.

The Group has identified the key risks that could potentially impact the achievement of the Group's strategic objectives. The assessment considered geo-political and macro-economic events, including price volatility and supply chain impacts, as well as potential reputational and customer relationship risks due to Environmental, Social and Governance (ESG) compliance expectations and standards. The principal risks and uncertainties identified and associated mitigating controls are also subject to audit as part of various operational, financial, sustainability, food safety and quality and health and safety audit programs.

Price Variability and Supply Chain

Continued price volatility across all input costs, including labour, energy, raw materials and logistics, as well as incremental costs related to ESG measures, have resulted in a landscape characterized by both fluctuating prices and the uncertain availability of crucial inputs. While costs relating to existing customer contracts are predominantly covered, new tenders are structured based on prevailing prices. The Group's procurement team along with the CORE[1] diligently oversees all critical input.

The Group has a strong track record and success around managing historic market price volatility and supply chain risks. There is also robust governance around the customer tendering process. The Group's strategic procurement approach is focused on risk mitigation, overseen by the CORE, which ensures speedy alignment of pricing with any market price volatility.

The Group maintains an active stance in managing supply chain risk by prioritizing dual supply for key materials and services. This involves ongoing collaboration with key suppliers and the maintenance of sufficient safety stock levels, reflecting the company's commitment to proactive risk management and resilience in the face of market uncertainties. Over the last 12 months, the Group has further developed its proficiency to quickly adjust and manage supply continuity of its key ingredients in periods of supply chain disruptions. This strategic development positions the Group favourably to address forthcoming challenges effectively.

Environmental, Social and Governance (ESG)

The Group identified material ESG topics in its materiality assessment, complemented with topical risk assessments on climate and supply chain risks. Key elements of the Group's sustainability strategy and performance are described in more detail in the Sustainability Report 2024. Integrated within the Group's strategic objectives is a close alignment with the evolving ESG landscape. Factors such as greenhouse gas emissions, the effects of climate change, business ethics and human rights present both opportunities and risks. Intermittent risks tied to customer, supplier, regulatory and other stakeholder expectations and uncertainty due to new and developing regulation add complexity.

ORE is the committee responsible for overseeing commodity hedging processes, engaging in risk decision-making and implementing respective actions within the company in response to heightened risks in raw material, packaging, and energy coverage, as well as potential shortages or defaults.

GROUP RISK STATEMENT
Principal Risks and Uncertainties

Key Group initiatives, which collectively contribute to an effective risk management include an adjusted organisational framework featuring a Compliance and Human Rights Office, robust procurement practices enforcing the Supplier Code of Conduct, supplier management supported by SEDEX and climate transition planning. Moreover, the Group has committed to setting Greenhouse Gas Emission reduction targets in line with the Science Based Targets initiative (SBTi) and the Scope 1, 2 and 3 targets along with a climate roadmap. These measures underscore the Group's dedication to responsible business practices and the protection of its reputation.

Regulatory Compliance and Operational Risks
Consistent with the business environment of a global company, the Group must comply with the evolving regulations, such as ESG requirements, GDPR and labour laws. These regulations can pose challenges to business continuity and financial stability in the absence of appropriate and robust risk assessment protocols and mitigation strategies.

Dedicated regional and local functional managers, supported by specialized corporate functions and external advisors, ensure compliance with applicable laws and regulations. The implementation of regular maturity assessments utilising the Capability Maturity Model Integration (CMMI) framework facilitates the evaluation and enhancement of processes. Furthermore, the integration of regular horizon scanning enables the identification of potential risks and opportunities at an early stage. Compliance training through a Learning Management System (LMS) fosters awareness of regulatory and ethical standards, and internal compliance tools strengthen supply chain oversight. Governance documents are routinely updated with local input to ensure actionable insights and compliance.

These measures enable the Group to navigate regulatory complexities, safeguard operations, and maintain resilience in a rapidly changing landscape.

The key risks facing the Group include the following:[2]
- Commercial risks arising from loss of major customer or contract and/or non-recovery of raw material cost inflation through pricing, adversely impacting profitability.
- Supply chain disruption risks due to ongoing geo-political, macro-economic and societal events, impacting availability of key inputs, including labour, raw materials, logistics and energy.
- Cyber insecurity and adverse outcome of AI technology: The risk of cyber-attacks, emerging technologies like AI, or inadequate governance during rapid digital transformation could compromise data security, operational reliability, and competitive advantage.
- Talent management and labour shortage: People risk arising from loss of key management personnel and/or labour shortage, including the scarcity of bakery skills impacting operational performance.
- Operational risks, including food safety, quality, and health and safety concerns.
- Shifting consumer habits and values: Risk of losing business or customer trust due to inability to anticipate or meet increasing or shifting customer and stakeholder expectations (e.g., ESG, health preferences).
- Environmental, Social and Governance (ESG) compliance risks: Risks arising from the nature of the Group's activities, which are subject to changing stakeholder expectations and evolving regulatory frameworks.
- Climate-related physical disruptions: Risks from extreme weather events, water scarcity, yield changes of key commodities, changes in land use, deforestation, biodiversity loss, and transitional disruptions (e.g., policy shifts, technological innovations, changing market sentiment).

[2] These risks are not listed in order of importance

SUSTAINABILITY REPORT

INTRODUCTION

BAKING JOY, SUSTAINING TOMORROW

2024

BAKING SUSTAINABILITY INTO OUR BUSINESS

Dear Stakeholders,

2024 marked a pivotal year for ARYZTA as we moved from setting our sustainability goals to embedding them into our culture, activities, and governance. As Chair of the Governance, Nomination & Sustainability Committee, we present this year's Sustainability Report, which demonstrates our progress and commitment to **"Baking Joy, Sustaining Tomorrow".**

Sustainability has always been a part of ARYZTA's **DNA**, exemplified by initiatives of Hiestand, our Swiss ARYZTA subsidiary, and its **30-year partnership** with **IP-SUISSE**, a Swiss sustainability label promoting biodiversity, soil health, and animal welfare, which has championed sustainable agricultural practices. Building on this heritage, 2024 was a year of laying strong foundations, embedding sustainability into every facet of the organisation, and preparing for accelerated progress in the years ahead.

This commitment reflects ARYZTA's belief that sustainability is a **long-term strategy**, integral to how we create value for our stakeholders while contributing to a more sustainable planet. Initiatives like the **Energy Excellence Programme**, identifying over 200 Greenhouse gas (GHG) reduction opportunities, and the **Water Conservation Programme**, targeting water resource optimisation, are evidence of this enduring focus.

Our governance structure plays a critical role in driving this progress. Led by the Governance, Nomination & Sustainability Committee, ARYZTA ensures transparency and accountability at all levels. Quarterly ESG reviews align sustainability goals with business priorities and guide investment decisions that contribute to meaningful outcomes.

Additionally, in 2024, we strengthened our reporting practices in reference with the **Global Reporting Initiative (GRI) Standards**, the **Task Force on Climate-Related Financial Disclosures (TCFD)**, and the **Swiss Code of Obligations**. Sustainability is an immensely complex and multifaceted topic, requiring the coordination of diverse governing bodies, frameworks, and initiatives to ensure meaningful progress. These frameworks enable ARYZTA on one side to transparently track and communicate progress, and on the other side ensuring stakeholder confidence in our strategy.

This report reflects ARYZTA's journey to embed sustainability across its activities and value chain, highlighting both achievements and future opportunities. We invite you to explore the initiatives described within as we continue our path to **"Baking Joy, Sustaining Tomorrow".**

Alejandro Legarda
Chair of the Governance, Nomination & Sustainability Committee

ABOUT THIS REPORT

This report provides a detailed account of ARYZTA's progress in embedding its **5-Year Sustainability Strategy**, into the way it does business and advancing its **13 Sustainability Goals** during 2024. These goals, introduced in 2023, are aligned with ARYZTA's long-term commitment to contributing to a more sustainable planet and society.

The report has been prepared in reference with leading international frameworks:
- **Global Reporting Initiative (GRI) Standards 2021:** Ensuring transparent and comparable disclosures.
- **Task Force on Climate-Related Financial Disclosures (TCFD):** Serving as the framework to comply with the Swiss Ordinance on Climate Disclosures.
- **Swiss Code of Obligations (Art. 964a et seqq.):** For reporting on non-financial matters which includes disclosures on due diligence and transparency in relation to child labour.

The report references key international frameworks that guide ARYZTA's sustainability strategy, including the Greenhouse gas Protocol (GHG Protocol), Science-Based Targets initiative (SBTi), United Nations Sustainable Development Goals (SDGs), CDP, International Labor Organization (ILO) Conventions, and OECD Guidelines for Multinational Enterprises, among others.

The baseline year for ARYZTA's sustainability targets is **2022**, unless otherwise stated, and the strategy is informed by the materiality assessment conducted that year. The report highlights significant progress, including achievements in GHG reductions, water conservation, and responsible sourcing. It also showcases how ARYZTA is fostering innovation and collaboration across the value chain to drive long-term value creation.

To illustrate the real-world impact of these efforts, the report includes **case studies** and **examples** of community partnerships, regenerative agriculture initiatives, and employee-driven projects.

Independent limited assurance on key sustainability metrics for 2024 has been provided by Ernst & Young Ltd (see assurance letter in the Appendix).

For further details on ARYZTA's business model, performance, and results, refer to pages 4–11 of the Annual Report.

For additional information, please contact:
Paul Meade, Head of Communication
Email: Paul.Meade@aryzta.com

SUSTAINABILITY HIGHLIGHTS 2024

56%
Increase in renewable energy use

5%
Reduction in Scope 1 & 2 GHG emissions

SAFETY
28%
Reduction in total incident rate

82%
Cage Free Eggs

5%
Reduction in water consumption (non-product related)

99%
Sustainable sourced Palm Oil

74%
Sustainable sourced Cocoa

REGENERATIVE AGRICULTURE
8,000 Tonnes of CO_2 reduced and removed

Supported by 8,500 new hectares of regenerative agriculture

Percentages are compared to baseline years 2022 or 2023. See the graph "Progress on ARYZTA's Ambitions Under Three Pillars".

STRATEGY & PROGRESS: BUILDING A SUSTAINABLE FUTURE

ARYZTA's sustainability strategy is built on a foundation of stakeholder engagement, regulatory alignment, and operational innovation, driving measurable environmental, social, and economic outcomes that create value for all stakeholders.

In 2024, ARYZTA focused on further embedding its three sustainability pillars and 13 goals into its activities and decision-making. These efforts were guided by governance processes operating across all levels of the organisation, from the Board to operational teams. Regular reviews, supported by the Enterprise Risk Management (ERM) process and other site-specific environmental standards, ensured the strategy remained relevant and adaptable.

The 2022 materiality assessment continues to guide ARYZTA's approach, identifying key Environmental, Social, and Governance (ESG) issues that align with stakeholder priorities. These insights ensure the company's goals address critical global challenges and deliver measurable results across the value chain.

Through this comprehensive strategy, ARYZTA is laying the groundwork for meaningful progress, fostering innovation, and meeting the expectations of its stakeholders, while building a sustainable future for all.

STRATEGY & PROGRESS: BUILDING A SUSTAINABLE FUTURE

Key areas of progress in 2024 include:

- **Energy Excellence & Water Conservation:** As an outcome of the GHG emission and water reduction assessments, over 200 GHG reduction opportunities were identified and a 5% reduction in non-product water use was achieved[1].
- **Renewable Energy through Power Purchase Agreements (PPAs):** Implemented two new local PPAs and advanced others to the final stage of development. These long-term renewable energy contracts enhance energy security, reduce carbon emissions, and support ARYZTA's sustainability commitments.
- **Regenerative Agriculture:** 8,500 hectares was transitioned to regenerative agriculture through a partnership with Klim, a regenerative agriculture support platform, contributing to a total of 7% wheat sourced sustainably.
- **Sustainable Sourcing:** 99% certified palm oil, 74% certified cocoa and 82% cage-free eggs were sourced for own production purposes, progressing towards 2026 targets.
- **Enhanced Climate Disclosures:** Strengthened transparency through alignment with the TCFD and Ordinance on Climate Disclosures which includes a more granular climate risk assessment.
- **SEDEX:** In 2024, all ARYZTA sites were integrated into the SEDEX platform, a third-party platform for supply chain due diligence, enhancing supply chain transparency and ethical compliance.

[1] refers to all water utilized on-site except for water directly incorporated into products (e.g., in the baking process).

STRATEGY & PROGRESS: BUILDING A SUSTAINABLE FUTURE

Progress on ARYZTA's ambitions under three pillars

13 Targets	Baseline	2024	Target
Greenhouse Gases Reduction	2022	–5%	–34% by 2028
Water Reduction	2023	–5%	–10% by 2028
Food Waste Reduction	2022	–8%	–20% by 2028
Sustainable/Regenerative Wheat	2023	7%	25% by 2028
Certified Palm Oil (segregated & mass-balance)[1]	2023	99%	100% by 2026
Certified Cocoa Beans[2]	2023	74%	100% by 2026
Cage-Free Eggs[3]	2023	82%	100% by 2026
Virgin Plastic Purchased	2023	–2%	–30% by 2028
Healthier Products – Better For You	2024	49%[4]	40% by 2028
Supplier Due Dilligence – SMETA Audits	2023	196	500 by 2028
Human Capital Development[5]	2024	47%	100% by 2028
Health & Safety Incident Rate	2023	–28%	–50% by 2028
Ethical & Safe Workplaces[6]	2024	3	3.5 by 2028

[1] The 2024 progress for palm oil relates to products produced by ARYZTA.
[2] The 2024 progress for cocoa relates to products produced by ARYZTA.
[3] The 2024 progress for cage-free eggs relates to products produced by ARYZTA.
[4] The target for 2028 has already been exceeded in 2024 by 9%.
[5] Training hours per employee against total target of 24 hours on average.
[6] SEDEX assessment from 34 entities in 2024.

STRATEGY & PROGRESS: BUILDING A SUSTAINABLE FUTURE

1. Environmental Efficiency

- **Greenhouse gas Reductions:** ARYZTA achieved a **5% absolute reduction** in Scope 1 and 2 GHG emissions **in 2024**, maintaining progress toward its **34% absolute reduction** target by 2028 (vs 2022 baseline). This reduction marks a positive step in ARYZTA's transition to environmentally aligned refrigerant systems and its broader commitment to sustainable operations. As the programme advances and identified efficiency projects are implemented, greater reductions are expected in the coming years.
- **Water reduction:** Reduced non-product water use per production volume by **5%** in 2024, making steady progress toward the **10% reduction target** by 2028 (vs 2023 baseline)
- **Food Waste Reduction:** ARYZTA achieved a **8% reduction** in operational food waste by the end of 2024, with initiatives underway to meet its 20% reduction target by 2028 (from the 2022 baseline). The baseline value was adjusted to account for a more standardized methodology for food waste reporting, allowing for improved data collection and ensuring greater accuracy. By leveraging root cause analysis and refining validation processes, ARYZTA remains well-positioned to accelerate progress toward its 2025 food waste reduction milestones.

2. Responsible Sourcing & Innovation

- **Sustainable/Regenerative Wheat:** Sourced over **7% of wheat sustainably** in 2024, advancing toward the **25% target** for 2028 through partnerships with IP-SUISSE, Klim, and collaboration projects with customers and suppliers (vs 2023: 6% baseline).
- **Certified Palm Oil:** Achieved **99% certification** through RSPO segregated and mass-balance approaches (76% in 2023). ARYZTA is committed to maintaining this 100% certification annually moving forward.
- **Certified Cocoa Beans:** Reached **74% certification** of cocoa beans in 2024, progressing toward **100% by 2026** (vs 2023: 65%).
- **Cage-Free Eggs:** Achieved **82% cage-free egg sourcing** in 2024, targeting full compliance by **2026** (vs 2023: 74%).
- **Virgin Plastic reduction:** Continued efforts to reduce virgin plastic use, targeting a **30% reduction** by 2028, from a 2023 baseline.
- **Healthier Products/Better for you:** In 2024, ARYZTA's efforts to introduce "Better for You" products exceeded expectations, achieving a significant milestone with 49% of new product launches meeting the established criteria, well ahead of the original target of 40% by 2028. This early achievement reflects the company's strong commitment to innovation and consumer needs. ARYZTA will continue to assess progress and explore opportunities to further raise its ambitions in this area.
- **Supply Chain Due Diligence[1]:** By the end of 2024, 196 ARYZTA supplier sites had completed SMETA (Sedex Members Ethical Trade Audit) audits, building on the 2023 baseline and advancing toward the target of 500 audits by 2028. These audits play a key role in ensuring ethical sourcing practices and compliance with international labour and sustainability standards.

3. People & Communities

- **Human Capital Development:** Employees completed **11 training hours** on average in 2024, establishing a baseline toward the goal of **three days (24 hours) of training annually per employee by 2028.**
- **Health & Safety:** ARYZTA reduced its **Total Recordable Incident Rate (TRIR) by 28%** in 2024, advancing toward its goal of a **50% reduction by 2028** (vs 2023 baseline).
- **Ethical & Safe Workplaces:** Achieved an average SEDEX management controls score of 3.0 in 2024, reflecting ARYZTA's commitment to fair and safe workplaces. With a target score of 3.5 by 2028, SEDEX assessments continue to drive improvements in employee well-being, workplace safety, and ethical business practices across ARYZTA's operations.

[1] This target has been reclassified under Pillar Responsible Sourcing & Innovation to better reflect its strategic focus.

STRATEGY & PROGRESS: BUILDING A SUSTAINABLE FUTURE

ARYZTA's Sustainability Strategy is built around three core pillars: **Environmental Efficiency, Responsible Sourcing & Innovation, and People & Communities.** This graph illustrates how ARYZTA's 13 goals align with these pillars, showcasing the company's commitment to reducing environmental impact, fostering ethical supply chains, and prioritising the well-being of its people and communities. Together, these goals drive meaningful progress toward ARYZTA's mission to 'Baking Joy, Sustaining Tomorrow'.

MATERIALITY: ALIGNING SUSTAINABILITY WITH STAKEHOLDER PRIORITIES

ARYZTA understands that aligning its sustainability strategy with the priorities of its stakeholders is essential for long-term success. In 2022, ARYZTA conducted a comprehensive materiality assessment, engaging internal and external stakeholders to identify the key topics critical to the company's sustainable performance. This process involved over 40 stakeholders across various functions and geographies, including senior leadership, operational teams, major customers, suppliers, and investors.

In 2024, ARYZTA revisited the relevance of its materiality assessment during a Sustainability Steering Committee review. The results validated that the company's Sustainability Strategy and Goals remain aligned with stakeholder expectations. The importance of controlling upstream supply chains for human rights compliance and environmental impact emerged as a heightened focus, driven by evolving regulatory requirements.

Corporate governance was also highlighted as a cornerstone for achieving sustainability goals, alongside effective environmental management and ARYZTA's ability to meet diverse consumer dietary needs. These critical topics were mapped to ARYZTA's strategic pillars, as illustrated in the Materiality Matrix:

Materiality Matrix:

Key priorities were identified as having increasing importance for both our business and our stakeholders. These are categorised into 3 Key Pillars:

1. **ENVIRONMENTAL EFFICIENCY:**
   - To minimize our carbon footprint and effects of climate change
   - To reduce waste and water and improve circularity in our systems
2. **RESPONSIBLE SOURCING & INNOVATION:**
   - Collaborate with our customers and suppliers for sustainable innovation
   - To serve our consumers more sustainable products with a better nutritional profile
3. **PEOPLE AND COMMUNITIES:**
   - To improve the lives of our people and our communities

In 2024, ARYZTA also initiated its Double Materiality Assessment to align with the EU Corporate Sustainability Reporting Directive (CSRD) requirements for the 2025 reporting year and in preparation for expected Swiss regulatory changes. This assessment evaluates ARYZTA's environmental, social, and governance impacts, risks, and opportunities, aiming to deliver long-term sustainable value. The Double Materiality Assessment is scheduled for completion in early 2025, further reinforcing ARYZTA's commitment to meeting stakeholder needs and advancing its sustainability ambitions.

STAKEHOLDER ENGAGEMENT: INFORMING DECISION-MAKING

ARYZTA recognises the critical importance of understanding stakeholder perspectives in shaping its sustainability priorities. To ensure that stakeholder insights are effectively integrated into decision-making processes, ARYZTA has established formal mechanisms for engagement.

Regular dialogues with investors, customers, employees, suppliers, and local communities form the cornerstone of ARYZTA's approach to stakeholder engagement. These conversations not only provide valuable feedback, to align with stakeholder expectations, but also serve as an opportunity for ARYZTA to keep stakeholders regularly informed about its progress, actions and commitments, fostering mutual understanding and collaboration. This proactive engagement also ensures alignment with stakeholder engagement requirements under the Swiss Code of Obligations (CO) and the Global Reporting Initiative (GRI).

Additionally, ARYZTA monitors market developments to stay ahead of key sustainability trends, enabling it to anticipate shifts in stakeholder priorities and adapt strategies to drive long-term sustainable value creation.

Who?	Key topics addressed	Communication channels
Employees	Group strategic agenda/priorities on sustainability including energy efficiency and water reduction Occupational Safety and support at work Career development Reward framework	HR email communication Townhall meetings Sustainability trainings On-line training Workshops
Board	Sustainability Strategy roll-out including Climate Roadmap Sustainability Committee and Audit Committee Performance against the goals Compliance with relevant ESG legislation Review of Risks and Opportunities Allocation of resources	Quarterly reporting to Governance, Nomination & Sustainability Committee and Audit Committee
Customers	Insights on consumer trends Stable supply of high-quality products and ingredients Food safety and quality Sustainable strategy alignment Engagement on projects across the supply chain Climate – GHG reduction strategies	ARYZTA Customer Survey Account management and sales team engagement Key Customer meetings Customer reporting through platforms and ad-hoc questionnaires Sustainability reporting
Suppliers and business partners focused on sustainability	Responsible sourcing and use of raw materials long-term, sustainable partnerships Positive environmental and social impact Ethical business conduct Climate – GHG reduction strategies	Supplier Code of Conduct SEDEX and other specialised platforms Industry wide collaboration around sustainability
Shareholder/Analysts	Business performance and strategic topics including ESG	Investor meetings, investor conferences, regular results presentation updates and our Annual General Meeting (AGM) Investor and proxy questionnaires
Financial institutions	Business performance, Financing and Refinancing options Sustainability strategy and performance	Bank and Bondholder Meetings
Industry Organisations	Sustainability initiatives Supply-chain issues Government initiatives and regulations	Regular working group meetings
Communities	Supporting charities, assisting parents visiting sick children, and driving environmental initiatives for sustainability	Direct communications through on-site and offsite meetings
Farmers	Regenerative agriculture	Through partner organisations and direct engagement

RISK MANAGEMENT: EMBEDDING SUSTAINABILITY ACROSS ARYZTA

ARYZTA integrates sustainability into its **Enterprise Risk Management (ERM)** process, ensuring that risks and opportunities are systematically identified, assessed, and mitigated at both local and Group levels. This approach enables the company to prioritise its most significant risks while aligning mitigation actions with its long-term Sustainability Strategy.

Oversight and Governance

The **Audit Committee** oversees the progress of ERM risk mitigation plans, while the **Governance, Nomination & Sustainability Committee** focuses specifically on ESG-related risks. These committees ensure risks are monitored effectively, and ARYZTA's responses align with its sustainability goals. Regular updates are provided by the **Head of Sustainability and ESG**, embedding risk management as a core aspect of decision-making.

Framework for Identifying Risks and Opportunities

ARYZTA employs a robust framework for identifying and managing risks and opportunities, which includes:
- **ERM Evaluation:** Long-term risk assessment with a horizon of up to 10 years.
- **Materiality Assessments:** Annual reassessments to ensure the materiality matrix reflects stakeholder priorities and to reflect sustainability-related risks and opportunities.
- **Climate Risk Assessment and Water Risk Assessment:** ARYZTA has conducted a scenario analysis in alignment with the TCFD Recommendations (see page 114-127) and a water risk assessment using the World Resources Institute's "Aqueduct Water Risk Atlas".
- **Supply Chain Due Diligence:** Ethics and Human Rights
- **Sustainability Steering Committee:** Quarterly reviews of sustainability opportunities.
- **ISO Standards Compliance:** Annual certification of ISO14001, ISO50001, and ISO45001 management systems.

Ensuring enterprise-wide awareness and management of sustainability risks is critical to ARYZTA's long-term resilience and performance. In 2024, ARYZTA's Enterprise Risk Management (ERM) process identified six principal risks related to its Sustainability Strategy, detailed in this report and the **2024 Group Risk Statement: Principal Risks and Uncertainties.** Key risks include:
- **Environmental, Social, and Governance (ESG) Risks:** Environmental and social risks, including those linked to ARYZTA's supply chain. (See "Supply Chain Due Diligence" and "Climate Scenario Analysis" sections for further details.)
- **Regulatory Compliance and Operational Risks:** Ensuring compliance with evolving ESG regulations, including the Corporate Sustainability Reporting Directive (CSRD), European Union Deforestation Regulation (EUDR) and the German Supply Chain Due Diligence Act (LkSG), which requires companies to assess and mitigate human rights and environmental risks within their supply chains[1]. ARYZTA manages this through conducting risk-based supplier audits, strengthening supplier due diligence, and ensuring transparency through SEDEX and SMETA reporting.
- **Talent Management and Labour Shortages:** Addressing workforce challenges by enhancing upskilling and training initiatives.
- **Shifting Consumer Habits and Values:** Responding to changing demands through ARYZTA's "Better for You" product innovations.
- **Food Safety, Quality, and Workplace Safety Risks:** Maintaining high standards across product quality and health and safety measures.
- **Climate-Related Physical Disruptions:** Managing the impact of physical climate risks (see "Climate Scenario Analysis").

In alignment with these identified risks, ARYZTA undertook several in-depth risk assessments in 2024, focusing on climate-related and supply chain due diligence risks. These assessments included the initiation of a **Double Materiality Assessment**, in compliance with the Corporate Sustainability Reporting Directive (CSRD). This process further enhances ARYZTA's ability to manage sustainability risks effectively while identifying opportunities for growth and adaptation.

[1] https://aryzta.de/lieferkette/

RISK MANAGEMENT: EMBEDDING SUSTAINABILITY ACROSS ARYZTA

Enterprise Risk Management Framework

Dual Perspectives on Sustainability Matters: Inside-Out and Outside-In

The Swiss Code of Obligations (CO) requires companies to assess sustainability matters from two perspectives: Inside-Out, examining how business activities impact environmental and social factors, and Outside-In, assessing how sustainability challenges affect the company's operations and financial performance.

ARYZTA integrates this dual perspective into its risk management approach to ensure a comprehensive understanding of both its impact on the world and the risks it faces from external factors.

Inside-Out Impacts: ARYZTA's activities contribute to environmental and social impacts, including Greenhouse gas emissions, water use, waste disposal, and the sustainable production of raw materials, while also upholding high ethical and human rights standards across its operations and supply chain. The company reinforces positive impacts and addresses negative ones through comprehensive initiatives, including supplier audits, sustainable sourcing policies, and emissions reduction strategies.

Outside-In Risks: ARYZTA also faces external risks such as physical climate risks (e.g., extreme weather events disrupting operations or supply chains), regulatory risks from evolving sustainability regulations (e.g., EU Corporate Sustainability Report Directive (CSRD), carbon pricing), and reputational risks due to heightened stakeholder expectations for supply chain transparency.

RISK MANAGEMENT: EMBEDDING SUSTAINABILITY ACROSS ARYZTA

Supply Chain Due Diligence: Ethics and Human Rights

In 2024, ARYZTA conducted a comprehensive third-party evaluation of supply chain risks in accordance with the Swiss Code of Obligations (Art. 964a et seqq.), addressing environmental factors such as climate impacts, biodiversity, water usage, and energy, alongside social considerations including child labour, wages, working hours, and health and safety. The assessment was conducted using internationally recognised frameworks, such as the Ethical Trading Initiative (ETI) Base Code, United Nations Guiding Principles (UNGPs), and relevant local laws.

The findings indicated that the majority of ARYZTA's direct suppliers falls within medium-risk categories, with all sourcing countries for third-party sourced Finished Goods assessed as medium or low risk. These results reaffirm ARYZTA's ongoing commitment to environmental sustainability, responsible sourcing, and ethical practices across its supply chain.

The processes described align with ARYZTA's legal and regulatory obligations under applicable due diligence frameworks and reflect its commitment to continuous improvement in supply chain governance and ethical standards. By leveraging platforms like SEDEX and SMETA audits enhancing supplier engagement, and fostering transparency, ARYZTA demonstrates its dedication to sustainable practices across its value chain while ensuring alignment with evolving stakeholder expectations and regulatory landscapes.

A separate report was commissioned by ARYZTA to ensure compliance with the Swiss regulatory requirements on child labour and conflict minerals and metals, i.e. art. 964j-l of the Swiss Code of Obligations (CO) and the Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour (DDTrO). ARYZTA engaged KPMG to conduct a full assessment to determine whether there were any indications of child labour or conflict minerals and metals within ARYZTA's supply chain for the year 2023. The assessment included multiple workshops, extensive interviews with senior management and a thorough review of internal and external documentation.

The 2024 assessment confirmed:

- There were no indications suggesting the presence of child labour in ARYZTA's supply chain, nor any reasonable grounds to suspect its presence during the financial year 2023. While the assessment pertains specifically to 2023, the absence of significant changes in ARYZTA's supplier base or manufacturing operations in 2024 reinforces confidence in the continuity of these findings. The assessment will be conducted on an annual basis and in the event of a significant change in the supplier base, ARYZTA will promptly reassess the situation.

- On conflict minerals & metals, KPMG determined that ARYZTA is a bakery company producing products like bread, rolls, buns, pastries, savoury, and cookies and ARYZTA is not shipping, treating, or processing any minerals and metals for the final product. In any event, ARYZTA has not exceeded any import or processing thresholds for minerals and metals outlined in Appendix 1 of the DDTrO in 2023, nor placed any listed minerals and metals into free circulation. As ARYZTA has not changed its business activities, its supplier base or product portfolio in a way that would affect this analysis, the analysis remains valid for the financial year 2024. Therefore, it can be concluded that ARYZTA was also exempted from due diligence and reporting obligations in relation to minerals and metals according to the Swiss CO for the financial year 2024. Additionally, the independent assessment concluded that, as a bakery company, ARYZTA is not involved in the shipping, treating, or processing of minerals and metals from conflict-affected areas.

Looking ahead, ARYZTA will continue to conduct annual risk assessments, embedding its commitment to continuous improvement in all aspects of supply chain management and human rights due diligence.

RISK MANAGEMENT: EMBEDDING SUSTAINABILITY ACROSS ARYZTA

Climate Scenario Analysis

In alignment with the Ordinance on Climate Disclosures and **TCFD** recommendations, ARYZTA completed a scenario analysis in 2024 to evaluate risks related to climate change. Key risks identified and integrated into the ERM process include:

- **Physical Risks:** Disruption of own operations due to extreme heat.
- **Policy and Legal Risks:** Evolving climate legislation affecting operations and compliance.
- **Market Risks:** Risks associated with volatile yields due to changing environmental conditions.

The details of the risk and opportunity assessment are further discussed on page 114-127.

Strengthening Risk Resilience

Building resilience is critical to ARYZTA's ability to adapt and thrive in an ever-changing global landscape. By anticipating and mitigating risks, ARYZTA safeguards its operations, supports long-term sustainability goals, and enhances stakeholder trust. ARYZTA's approach to risk resilience includes:

1. A structured Enterprise Risk Management (ERM) process for annual evaluation and proactive mitigation.
2. Supply chain due diligence supported by third-party platforms and the Supplier Code of Conduct to address environmental and social risks.
3. Third-party ESG audits target high-risk suppliers to ensure compliance and drive improvements.
4. Strategic investments in sustainable practices like regenerative agriculture and water conservation to mitigate climate-related risks and secure future resource availability.

Commitment to Continuous Improvement

In 2024, ARYZTA achieved significant improvements across key ESG ratings, reflecting enhanced sustainability performance and alignment with industry best practices. Upgrades in MSCI and EcoVadis ratings, along with a reduced Sustainalytics risk score, underscore ARYZTA's commitment to responsible business practices and environmental stewardship. These improvements are a testament to ARYZTA's ongoing efforts to integrate sustainability into its operations and decision-making processes.

Rating Agency	Prior Score	2024 Score	Improvement
MSCI	BBB	A	Upgraded by 1 level
Sustainalytics	44.8	31.5	Decreased risk score
EcoVadis	43	56	Increased sustainability rating

MSCI: ESG ratings range from CCC (laggard) to AAA (leader), with higher ratings indicating stronger ESG performance.
Sustainalytics: ESG risk scores range from 0 (negligible risk) to 100 (severe risk), where lower scores are better.
EcoVadis: Scores range from 0 to 100, with higher scores reflecting stronger sustainability practices.

GOVERNANCE: BUILDING A STRONG FOUNDATION FOR SUSTAINABILITY

Effective governance is integral to ARYZTA's ability to navigate the complex challenges of sustainability and deliver long-term value to stakeholders. In 2024, ARYZTA enhanced its governance framework to ensure clear accountability, transparency, and robust oversight at all organisational levels. These structures reflect ARYZTA's commitment to addressing environmental, social, and governance (ESG) issues with diligence and foresight.

Governance Framework and Oversight

The following governance framework ensures that climate-related risks and opportunities are embedded in the company's governance framework, enabling proactive management and strategic decision making.

Board Oversight

The ARYZTA Board of Directors holds ultimate responsibility for the company's ESG and sustainability strategy overseeing climate related risks and opportunities. This includes integrating climate considerations into the company's strategic planning and risk management processes. The Board approves the strategic goals, including targets and measures, aligning them with ARYZTA's long-term vision of value creation. The Board receives regular updates on climate-related performance, risks and opportunities. In 2024, the Chair of the Governance, Nomination & Sustainability Committee presented an update on ESG topics including monitoring progress against the climate related goals, targets and KPI measurements, the ESG expectations from customers and the regulatory landscape, at every Board meeting. The Board also approves ARYZTA's non-financial reporting, ensuring compliance with evolving regulatory requirements.

Governance, Nomination & Sustainability Committee

This committee, comprised of independent directors, is dedicated to overseeing ARYZTA's sustainability agenda. Meeting 10 times in 2024, it reviewed climate change risks, governance updates, and social issues at 8 of those meetings. The committee also received specialised ESG training, empowering members to remain aligned with industry trends and regulatory landscapes. This training was cascaded to the full Board to ensure consistent understanding and focus on ESG priorities.

Audit Committee

The Audit Committee oversees the accuracy and compliance of ARYZTA's financial and ESG reporting. In 2024, it reviewed quarterly updates on sustainability performance, validating progress against publicly stated targets and ensuring robust risk management processes.

Executive and Operational Leadership

Executive Management Committee

The Executive Management Committee comprising the Group Interim CEO and senior management executives including the Chief Financial Officer who is responsible for Sustainability, lead sustainability integration across ARYZTA's operations, ensuring alignment with strategic goals. The Chief Financial Officer, responsible for Sustainability, leads the company's climate strategy and is responsible for assessing and managing climate-related risk and opportunities. Accountability is embedded within the roles of all Executive Committee members, with specific sustainability-related targets, including climate goals, tied to executive compensation.

Sustainability Steering Committee

Chaired by the Group Head of Sustainability and ESG, this committee of senior leaders convenes quarterly to guide corporate sustainability strategy. It evaluates risks and opportunities, ensuring ARYZTA remains informed and responsive to emerging social, ethical, and environmental challenges, including climate-related issues. The work of this committee is reported to the Governance, Nomination & Sustainability Committee and shared with the Board when determining ESG strategy.

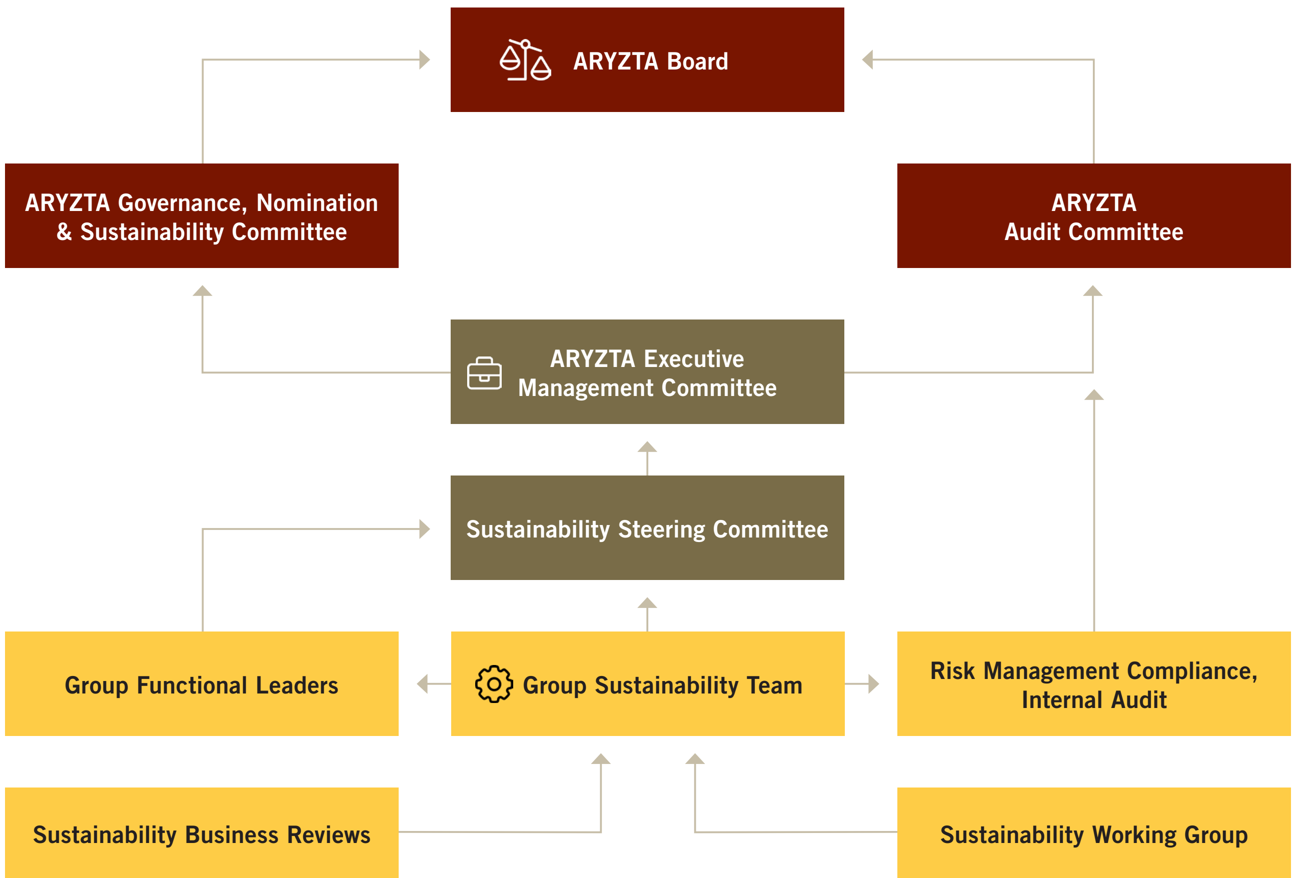
GOVERNANCE: BUILDING A STRONG FOUNDATION FOR SUSTAINABILITY

Sustainability Team

The Group Sustainability Team spearheads the daily implementation of ARYZTA's sustainability strategy, coordinating cross-functional initiatives and facilitating knowledge sharing. In 2024 monthly Sustainability Working Group meetings, comprising coordinators from each business and the Group team, fostered dynamic engagement across business units. These meetings ensure that there is awareness of climate related issues and enable the identification and management of both local and global risks, ensuring a cohesive and proactive approach to sustainability.

Sustainability Governance Model

Sustainability Governance



GOVERNANCE: BUILDING A STRONG FOUNDATION FOR SUSTAINABILITY

Anti-Bribery and Corruption: Zero Tolerance Approach

ARYZTA upholds a zero-tolerance policy for bribery and corruption, recognising the societal risks these practices pose, such as social and economic inequality, and the operational risks of reputational damage and financial penalties. In 2024, ARYZTA reinforced its commitment to integrity through its **Global Code of Conduct for Employees** and **Supplier Code of Conduct**, both of which emphasise the company's dedication to ethical business practices across its operations and supply chain. Both codes are aligned with International Labour Organization (ILO) Conventions and United Nations (UN) principles, ensuring adherence to fundamental labour rights, fair working conditions, and responsible business conduct.

Key initiatives included:
- **Global & Local Leadership Engagement:** Reminders were issued to the Executive Management Committee, local management and finance leadership teams, and the compliance champions who cascaded consistent anti-bribery and anti-corruption messaging throughout the organisation. The Global Code of Conduct for Employees reinforces ARYZTA's zero-tolerance stance on bribery and corruption, ensuring alignment with its ethical standards and commitment to accountability at every level of the organisation.
- **Supplier Engagement:** ARYZTA's efforts to extend its commitment to integrity includes requiring suppliers to sign the **Supplier Code of Conduct**, ensuring compliance with anti-corruption standards. By the end of 2024, **96% of targeted direct and third-party produced goods (Bought-In Finished Goods) suppliers** had signed the new Supplier Code of Conduct, Letter of Understanding or Supplier Framework Agreement, reflecting ARYZTA's focus on accountability across its value chain. ARYZTA has the right to terminate a supplier relationship in the event of a breach of the Supplier Code of Conduct.
- **Whistleblower Hotline:** The whistleblower system remains a cornerstone of ARYZTA's governance. Managed by an independent third party, it provides employees, suppliers, and other stakeholders a confidential and anonymous channel to report unethical behaviour or suspected corruption.

Looking ahead to 2025, ARYZTA plans to deploy a global e-learning platform to further enhance awareness and compliance across its operations and supply chain. This initiative underscores ARYZTA's proactive approach to fostering a culture of transparency, accountability, and ethical excellence.

Advancing Governance: Ensuring Transparency and Integrity

Sustainability Reporting and Double Materiality Assessment (DMA)

As most of ARYZTA's subsidiaries operate within the EU, the company initiated a Double Materiality Assessment (DMA) in 2024 to align with the EU Corporate Sustainability Reporting Directive (CSRD) and to identify and evaluate its financial and non-financial impacts, risks, and opportunities. Senior leaders participated in training led by independent experts, ensuring a comprehensive understanding of this critical framework.

SEDEX and SMETA Implementation

To enhance transparency and supplier accountability, ARYZTA expanded its engagement with SEDEX in 2024, onboarding further suppliers. SMETA audits were conducted across key supplier sites, driving corrective actions and supporting compliance with international labour and environmental standards.

Looking Ahead

ARYZTA's governance structures reflect its unwavering commitment to meeting investor expectations and addressing sustainability challenges with clarity and accountability. By fostering transparency, aligning with best practices, and equipping its leadership with the tools to navigate a rapidly evolving ESG landscape, ARYZTA is well-positioned to **"Baking Joy, Sustaining Tomorrow".**

ENVIRONMENTAL EFFICIENCY

NATURAL RESOURCES: AT THE CORE OF ARYZTA'S OPERATIONS

ARYZTA understands that natural resources are fundamental to its operations and its ability to deliver high-quality products to customers worldwide. From the grains used in its baked goods to the energy powering its facilities, these resources are integral not just to ARYZTA's recipes but also to its vision of building a sustainable future. In 2024, ARYZTA made significant strides in protecting and optimizing its use of natural resources, driven by a comprehensive climate strategy, innovative programs, and bold goals.

Climate Strategy and TCFD Compliance

In 2024, ARYZTA exemplified its commitment to **"Baking Joy, Sustaining Tomorrow"** by taking decisive action to understand and address the risks and opportunities posed by climate change. Through a comprehensive climate risk assessment and scenario analysis aligned with the **TCFD** framework, the cross-sectoral guidance on the TCFD recommendations, the sector-specific guidance, and, where possible and appropriate, the Guidance on Metrics, Targets, and Transition Plans, the company established a solid foundation for long-term resilience.

Collaborating with global experts, ARYZTA leveraged advanced climate models to gain a deep understanding of its vulnerabilities and potential pathways to sustainability. By proactively tackling regulatory and market challenges, ARYZTA is not merely adapting to a rapidly changing world, it is actively shaping a more sustainable and resilient future.

Environmental Risks: Inside-Out and Outside-In Perspectives

Inside-Out Impacts: ARYZTA's operations contribute to environmental impacts such as Greenhouse gas emissions, water use, and waste generation. For example, Scope 1 and Scope 2 emissions result from production processes and energy sourcing, while Scope 3 emissions arise from supplier activities, such as raw material production and logistics.

Outside-In Risks: Climate change presents physical risks, such as droughts and floods that disrupt ingredient supply chains, and transition risks, including regulatory changes like the potential introduction of carbon pricing in markets where ARYZTA operates. These risks could increase operational costs and affect ARYZTA's ability to meet market demands.

Approach to Scenario Analysis

The climate risk assessment leveraged recognised models from leading organisations, including the World Resources Institute (WRI), The World Bank, and the World Business Council for Sustainable Development (WBCSD), the International Energy Agency (IEA), the Intergovernmental Panel on Climate Change (IPCC) and the Network for Greening the Financial System (NGFS). ARYZTA explored three distinct scenarios:

1. **Paris-Accord aligned Pathway (<2°C):** A Paris Agreement-aligned pathway, with strong global climate action and higher transition risks but lower physical risks.
2. **Middle of the Road Pathway (<3°C):** Fragmented climate action, characterised by delayed but abrupt interventions, resulting in elevated transition and physical risks.
3. **Business as Usual Pathway (>3°C):** A business-as-usual scenario with limited policy action, leading to severe physical risks and minimal regulatory transition risks.

Time Horizons and Risks Evaluated

ARYZTA assessed risks across three-time horizons:

- **Short-term (to 2028):** Aligned with the company's business planning cycle. Focusing on immediate regulatory compliance and operational planning.
- **Medium-term (2029–2035):** Addressing transitional risks, such as evolving climate regulations, supply chain disruptions, and market shifts, while physical risks like resource scarcity begin to emerge.
- **Long-term (2036–2050):** Preparing for enduring impacts, including severe physical risks such as extreme heat, water stress, and other climate-induced disruptions to operations and supply chains.

NATURAL RESOURCES: AT THE CORE OF ARYZTA'S OPERATIONS

The assessment examined both physical risks, which can be categorized as either acute weather events (e.g., wildfires) or chronic longer-term shifts in climate patterns (e.g., extreme temperatures), as well as transition risks, including regulatory changes, market shifts, technological disruptions, and reputational challenges.

To ensure the robustness and reliability of its approach, the methodologies and results were subject to an independent review, further enhancing confidence in the outcomes.

Key Findings from Scenario Analysis

ARYZTA has identified several climate-related risks with potential to impact its operations and supply chain:
– Physical risks: extreme heat, water stress and wildfires, which may disrupt production and sourcing regions.
– Transition risks: market risks affecting key ingredients such as wheat and dairy, as well as policy and legal risks linked to evolving climate regulations.

The assessment allowed ARYZTA to examine its potential level of influence, the mitigation strategies available, and the resilience of its supply chain partners. Given these factors, ARYZTA has prioritized operational and upstream value chain risks, where mitigation efforts can have the greatest impact.

Each scenario highlighted a distinct set of risks, challenges and opportunities with the potential to significantly impact ARYZTA's business. The upper and the lower pathways are characterized as follows:
– **Paris Accord-aligned Pathway (<2°C):** This scenario highlights increased carbon pricing and stricter regulatory burdens, particularly in Europe, where ARYZTA operates significant facilities.
– **Business as Usual Pathway (>3°C):** Projected price increases for raw materials like wheat and barley driven by climate-induced yield volatility.

Prioritised Risks

After considering existing mitigating measures in place, Senior management prioritised three key risks for immediate focus, that impact the company in the short, medium, and long term:
1. Policy and Legal Risks: Stricter carbon pricing mechanisms and compliance costs in markets like the European Union.
2. Market Risks: Price volatility in key commodities, such as cereals, which dominate upstream spending.
3. Chronic Physical Risks: Rising temperatures impacting critical production processes at sites in Spain, Hungary, Romania, Bulgaria, and Australia, necessitating investments in cooling technologies.

Potential Financial Implications

The potential financial impact of these risks was categorized into:
– **Low (<€500K per annum):** Manageable within current budgets.
– **Moderate (€500K–€5M per annum):** Requiring targeted interventions.
– **High (>€5M per annum):** Demanding significant strategic investments.

NATURAL RESOURCES: AT THE CORE OF ARYZTA'S OPERATIONS

The table below shows the three prioritized risks, the methodology used for their evaluation, their potential impacts, and the corresponding mitigation strategies. ARYZTA has chosen to disclose financial impact ranges for the medium term (2029–2035), as both transition and physical risks are expected to materialize within this timeframe. ARYZTA's assessment revealed that these risks have the potential to impact the business to varying degrees across both the short- and long-term. In addition, the analysis also identified several potential opportunities related to climate change.

	Risk 1			Risk 2			Risk 3		
Risk type	Transition			Transition			Physical		
Risk category	Policy and Legal			Market risk			Chronic		
Named risk	Carbon pricing			Price of cereals (wheat, barley, etc.)			Adverse heat conditions		
Value chain	Own operations			Upstream value chain			Own operations		
Description	Increased regulatory burden through climate reporting and the introduction or enhancement of carbon pricing mechanism in ARYZTA's markets.			Increased volatility of the market price of key raw materials, such as wheat flour caused by changing yields at ARYZTA's key sourcing markets.			Rise in the number of days with temperatures exceeding 35°C[1] impacting baking and distribution process. Controlling temperature during the baking process is crucial in assuring the quality of ARYZTA's products, with increased outside temperatures there is potential risk for revenue loss due to operational disruptions. To date, no such event has occurred thanks to directed investment and adapted processes.		
Impacts	Policy & Legal risk, particularly related to carbon pricing, is significant for ARYZTA and the bakery sector. New policy frameworks, such as carbon taxes in countries we operate in are expected to increase costs. This risk is most pronounced in countries such as Germany and Sweden due to stringent EU legislation and the scale of ARYZTA's business in these countries.			The price changes of cereals poses a climate-related market risk for ARYZTA as well as for the bakery sector at large. The availability and cost of high-quality flour is expected to shift in the coming decades, however this risk is not unique to ARYZTA. The primary concern is price volatility, with European prices projected to fluctuate significantly.			Within ARYZTA's own operations, adverse heat conditions present substantial risks, especially at critical production sites in Spain, Hungary, Romania, Bulgaria and Australia. Projections indicate a rising number days exceeding 35°C in these region requiring increasing ARYZTA's spend on cooling technology within production facilities in order to maintain the high quality standard of our products.		
Time period	Medium-term (2029-2035)								
Scenario	Paris Accord-aligned	Middle of the road	Business as Usual	Paris Accord-aligned	Middle of the road	Business as Usual	Paris Accord-aligned	Middle of the road	Business as Usual
Potential Financial Implications	High	High	High	Not material	High	High	Moderate	Moderate	Moderate

[1] The World Bank: CMPI 6 (Coupled Model Intercomparison Projects).

NATURAL RESOURCES: AT THE CORE OF ARYZTA'S OPERATIONS

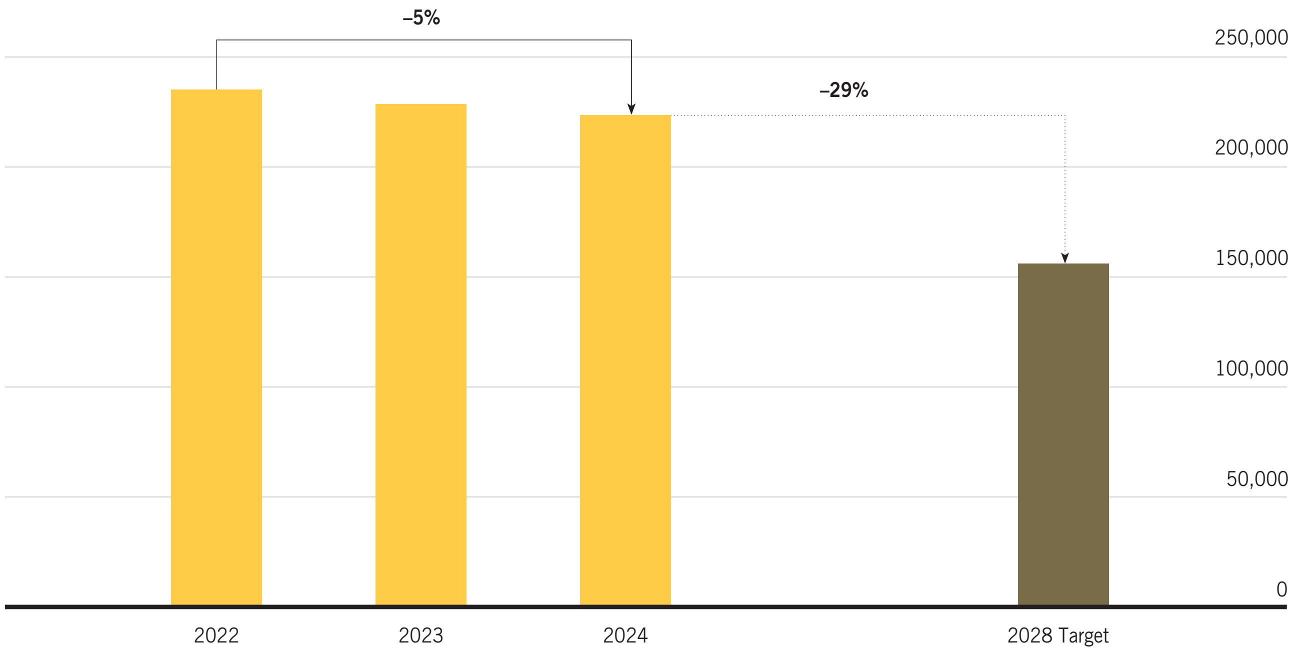
	Risk 1	Risk 2	Risk 3
Methodology	Based on data from the International Energy Agency (IEA) the likelihood and cost of carbon pricing in the different countries that ARYZTA's business units are located was assessed. The impact of ARYZTA's current Scope 1 and 2 emissions together with its current climate targets was incorporated into the projected emission levels.	The evolution of the cost of cereals was modelled based on projected price index provided by the World Business Council on Sustainable Development (WBCSD).	ARYZTA has analysed the impact of increased Capital Expenditure required to maintain operational excellence in an environment with increased intensity and frequency of extreme hot days (defined as >35°C). For cooling equipment a useful asset life of 15 years was considered.
Mitigating strategies	ARYZTA has set ambitious short-term Greenhouse gas reduction targets aligned with the Paris Accord. The Company aims to achieve a 34% absolute reduction in its Scope 1 and 2 Greenhouse gas emission targets by 2028. The achievement of this target requires focused capital investment over the next four years. Measuring the product footprint of our portfolio of baked goods is an increasing customer demand. ARYZTA has initiated the adoption of a scalable and effective solution to these requests and is working collaboratively with its customers and suppliers to decarbonize the food supply chain.	ARYZTA has been sourcing key ingredients from sustainable sources, such as IP Suisse flour in Switzerland for the past 30 years. In 2023 a new set of projects was initiated to support the transition of farmers to regenerative practices. These practices work towards increasing the food system's resilience to the adverse impacts of climate change and as such help stabilize the market for our key raw materials. Read more about our progress on page 129-133.	The impact of adverse heat events are managed both on the daily tactical level by adapted maintenance practices and on a strategic level through capital investment. In 2024 ARYZTA took a formalized approach to upgrading cooling technology across its key sites, where possible relying on systems utilizing natural refrigerants instead of refrigerants with high global warming potentials.
Opportunities	By aligning ARYZTA with Paris Accord aligned targets, several opportunities present themselves such as: – Strengthen customer retention and attract new environmentally conscious consumers, driving revenue growth and profitability. – Optimize energy efficiency across ARYZTA's direct operations, lowering energy costs while enhancing climate resilience. – Partner with regenerative farmers to improve supply chain resilience, ensuring sustainable ingredient sourcing. – Expand the use of renewable energy and energy-efficient technologies, reducing operating costs and carbon emissions. – Enhance supply chain resilience by strengthening sustainable sourcing practices for key ingredients like wheat, dairy, and cocoa. – Optimize logistics and reduce transportation emissions, improving cost efficiency and sustainability across the supply chain.		

NATURAL RESOURCES: AT THE CORE OF ARYZTA'S OPERATIONS

Reducing Greenhouse Gas Emissions

For the second year in a row, ARYZTA has achieved Scope 1 and 2 GHG emission reductions, resulting in a 5% decrease from the 2022 baseline. In 2024, emissions from refrigerant leaks dropped by 5%, and indirect emissions from purchased electricity (Scope 2 market-based emissions) decreased by 3%. This reduction in purchased electricity emissions was made possible by an increase in renewable electricity sourcing, either through power suppliers or dedicated Power Purchasing Agreements, where ARYZTA supports the development of new renewable generation capacity. Highlighting the improved efficiency of our operations while growing the business, ARYZTA's emissions on a per-revenue basis decreased by an impressive 17% between 2022 and 2024.

Scope 1 & 2 emissions (tonnes CO2e)



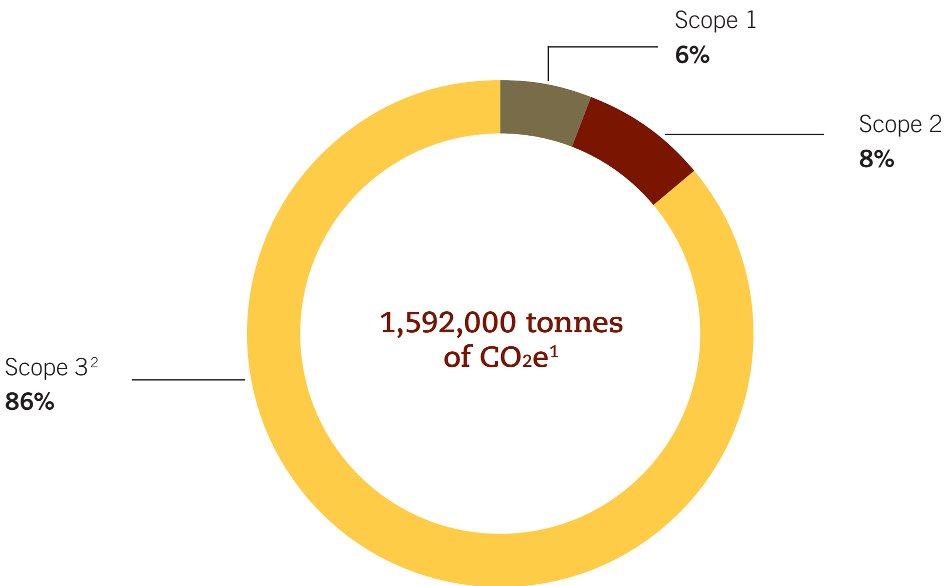
ARYZTA's commitment to tackling climate change is reflected in its **Climate Transition Roadmap**, a comprehensive plan designed to achieve a **34% reduction in Scope 1 and 2 GHG emissions by 2028 from a 2022 baseline**. While the current targets focus on these scopes and time horizon, the company's efforts are an important step towards aligning with Switzerland's long-term climate goals as outlined in the Swiss Ordinance on Climate Disclosures.

NATURAL RESOURCES: AT THE CORE OF ARYZTA'S OPERATIONS

Following ARYZTA's commitment to the Science-Based Targets initiative (SBTi) in October 2023, the company dedicated 2024 to defining its Scope 1 and 2 roadmap while also establishing a Scope 3 GHG baseline inventory, a critical starting point for understanding and managing these emissions. These efforts will advance with the submission of finalized Scope 1, 2, and 3 targets and a detailed Climate Roadmap to SBTi in 2025.

The Climate Roadmap identifies key decarbonization levers across short-, medium-, and long-term horizons, including energy efficiency projects, renewable energy procurement, and sustainable logistics.

Carbon Footprint



[1] CO_2e (carbon dioxide equivalent) standardizes all Greenhouse gases. Total footprint figures partially assured for CY2023.
[2] The 2024 Scope 3 inventory to be finalized by mid-2025.

NATURAL RESOURCES: AT THE CORE OF ARYZTA'S OPERATIONS

ARYZTA Climate Transition Roadmap

The Climate Roadmap outlines key decarbonization levers across short-, medium-, and long-term horizons:

Climate Roadmap

Foundation & Measurement	Target Setting & Action Plan	Execution & Reduction
– Measured Scope 1, 2, and 3 emissions – Identified decarbonization levers: Energy efficiency, renewable electricity sourcing, natural refrigerants, sustainable logistics, renewable energy generation – Increased employees' knowledge through trainings	– Define Scope 3 reduction targets (get SBTi-approval) – Expand Renewable Energy Partnerships – Engage suppliers to develop Scope 3 roadmap	– Implement Scope 1, 2, and 3 reduction measures – Achieve 34% reduction in Scope 1 and 2 emissions – Expand renewable energy sourcing and optimize sustainable logistics
2023 – 2024	2025	2025 – onwards

The Board of Directors and Sustainability Committee oversee the execution of the Climate Roadmap to ensure alignment with ARYZTA's goals and stakeholder expectations.

Key Decarbonisation Levers:

1. Energy Efficiency:
- **Phase 1 (2024):** Site-level energy audits conducted through the Energy Excellence Programme, identifying over 200 projects to optimise energy use.
- **Phase 2 (2025 on):** Implementation of prioritised energy efficiency projects, including equipment upgrades and refrigerant replacements.

NATURAL RESOURCES: AT THE CORE OF ARYZTA'S OPERATIONS

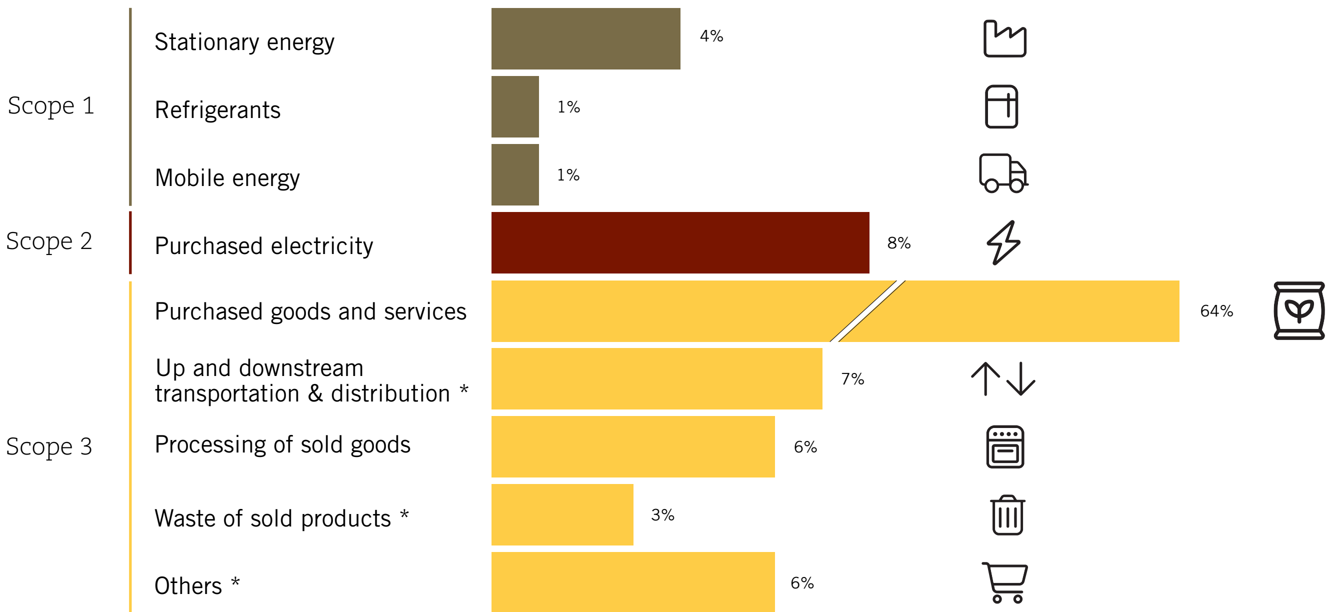
2. Renewable Energy Procurement:
- **2024:** Renewable electricity sourcing in Switzerland, Ireland, France, UK, and partially in Hungary and Germany through supplier contracts and small-scale Power Purchase Agreements (PPAs). Finalized Power Purchase Agreements (PPAs) for Spain and Hungary scheduled to commence in 2025. Additionally, engaged an energy consultant to develop a Group-wide PPA initiative, with the project started in 2024 and set to go-to-market to find suitable projects in 2025.
- **2025–2027:** Expansion of Power Purchase Agreements (PPAs) and virtual PPAs (vPPAs) across major facilities.
- **2028:** Goal of significant renewable energy adoption across global operations.

3. Renewable Energy Generation:
- **2022:** On-site photovoltaic installation in Spain
- **2024–2025:** Pilot additional renewable energy projects to assess feasibility.
- **2026–2028:** Full-scale implementation of additional renewable energy generation technologies, including solar installations.

4. Natural Refrigerants:
- **2024:** Surveys to identify refrigerant hotspots at facilities.
- **2025–2027:** Replacement of high Global Warming Potential refrigerants with sustainable alternatives.

5. Sustainable Logistics:
- **2024–2025:** Introduction of eco-driving programs and route optimization to reduce transportation emissions.
- **2024-2026:** Additional electric trucks and passenger vehicles brought into use
- **2026:** Adoption of biofuels and other sustainable fuel sources.

Carbon emissions



Source: 2023 Figures
* Non-audited figures

NATURAL RESOURCES: AT THE CORE OF ARYZTA'S OPERATIONS

Extending Responsibility to Scope 3

ARYZTA recognizes that its responsibility extends beyond its own operations. In 2024, the company implemented an externally reviewed methodology to measure **Scope 3 emissions**, which account for **86% of its total 2023 carbon footprint**. For 2023, ARYZTA conducted a comprehensive Scope 3 Greenhouse gas (GHG) emissions inventory, adhering to the Greenhouse gas Protocol's Corporate Value Chain (Scope 3) Standard, Scope 3 Calculation Guidance, and the draft Land Sector and Removals Guidance. Additionally, the assessment aligned with the Science Based Targets initiative's Forest, Land, and Agriculture (SBTi FLAG) Guidance. Upon evaluating all 15 Scope 3 categories, 11 were identified as pertinent to ARYZTA's operations. Notably, approximately 44% of ARYZTA's supply chain emissions are related to FLAG impacts.

The analysis of these 11 categories revealed:
- **~64%** come from purchased goods and services, particularly agricultural materials.
- **~7%** stem from inbound and outbound logistics.
- **~6%** arise from energy consumption during customer processing of products.
- **~3%** from the disposal, recycling, or treatment of products sold by the company at the end of their life.
- **~6%** others

Other Scope 3 categories that were found to be relevant for ARYZTA and were assessed are: Category 2 - Capital Goods, Category 3 - Fuel- and energy-related activities not included in Scope 1 or Scope 2, Category 5 – Waste generated in operations, Category 6 – Business travel, Category 7 – Employee commuting,Category 14 – Franchises.

Emissions from purchased goods and services represent a significant share of ARYZTA's Scope 3 footprint, primarily driven by raw materials for in-house production (63%) and finished products sourced from third parties (28%). Given the high volume of wheat flour used, it remains a major contributor to overall emissions. To mitigate this impact, ARYZTA launched regenerative agriculture initiatives in 2023, supporting farmers in transitioning to sustainable practices. These efforts not only enhance soil health and biodiversity but also contribute to reducing both corporate and product-level carbon footprints (see page 129-133 for more details).

Animal-based ingredients, such as butter and meat, while used in smaller volumes, have a disproportionately high Greenhouse gas intensity, contributing emissions comparable to wheat flour. These products present a key opportunity for future Scope 3 reductions through sourcing efficiencies and the potential integration of lower-carbon, plant-based alternatives. A similar emissions pattern is observed in finished products from third-party suppliers, where items containing meat and dairy have the highest climate impact. By prioritizing sustainable ingredient sourcing and supplier engagement, ARYZTA continues to drive meaningful progress in decarbonizing its supply chain. ARYZTA's work in **regenerative agriculture**, through partnerships such as IP-SUISSE and Klim, which have a leading role in this category have the potential to reduce and remove significant carbon emissions in the supply chain. As of 2024, ARYZTA's partnership with Klim[3] has facilitated the removal of 8,000 tonnes of CO_2e. These initiatives, coupled with packaging innovations and supplier collaborations, will inform the company's Scope 3 decarbonization roadmap, set for release in 2025.

[3] Platform: Encourages sustainable farming practices and climate certifications.

NATURAL RESOURCES: AT THE CORE OF ARYZTA'S OPERATIONS

Optimizing Energy and Transportation: A Commitment to Efficiency

Maximizing Energy Efficiency: Compressor Focus

Figure 1: Cooling systems and compressors

As part of ARYZTA's **Energy Excellence Program**, teams identified significant opportunities to optimize compressed air systems across various sites. By analysing compressor motor types, sizing air receivers, and balancing system capacity with demand, ARYZTA uncovered potential energy and GHG savings at several facilities. Many of these solutions also offered excellent financial paybacks. The roll-out of these projects will be based on financial viability.

However, implementing changes to these critical systems, responsible for cooling, warming, freezing, and equipment controls, presents a unique challenge. To avoid disruptions to production and customer service, teams carefully planned upgrades to align with operational schedules. This focused effort ensures that ARYZTA continues to deliver on its sustainability commitments without compromising operational excellence.

At ARYZTA's Eisleben bakery in Germany, a new oven line was installed, reducing GHG emissions by approximately 30% compared to the previous system. This initiative demonstrates how operational efficiency and environmental impact reduction can go hand in hand.

Expanding Efficiency Beyond the Bakery

ARYZTA understands that its environmental responsibility extends beyond its bakeries. In 2024, ARYZTA's German Food Service Business (AFS Germany) identified and implemented innovative solutions to reduce transport-related emissions and optimise logistics operations, demonstrating a clear commitment to sustainability.

Under the motto **"Mehr Raum, weniger CO_2, More Loading Capacity, Less CO_2,"** AFS Germany enhanced transport efficiency by introducing **long semi-trailers**, increasing **pallet capacity by 10% per trip** (from 33 to 36 pallets). This **reduced the annual number of trips per truck by 24**, cutting **CO_2 emissions by 10%** and saving over **8 tonnes of CO_2 per vehicle each year.**

To further drive efficiency, **drivers received eco-driving training**, now embedded in ARYZTA's Driver Manual, ensuring sustained emissions reductions. These initiatives reinforce ARYZTA's commitment to **sustainable logistics and climate protection.**

NATURAL RESOURCES: AT THE CORE OF ARYZTA'S OPERATIONS

Trucks efficiency

~1 kg

CO_2 Reduced Per Pallet
Optimized packing and loading techniques

8 MT

CO_2 Reduced Per Vehicle Yearly
Improved route planning and fuel efficiency

24

Fewer Routes Per Vehicle Yearly
Enhanced logistics coordination and load optimization

Driver Bernd, an enthusiastic participant in the initiative, highlighted its impact on both sustainability and operational efficiency. Inspired by its success, AFS Germany plans to expand the program further in 2025, incorporating more long semi-trailers into its fleet to amplify environmental benefits.

Through these transportation innovations, ARYZTA exemplifies how **efficiency and sustainability go hand in hand.** These initiatives not only minimise environmental impact but also reflect ARYZTA's dedication to building a sustainable future while delivering moments of joy to its stakeholders.

NATURAL RESOURCES: AT THE CORE OF ARYZTA'S OPERATIONS

Figure 2: Our new German delivery trucks, reducing emissions

Water Conservation

Water is essential to ARYZTA's operations, from sourcing raw materials to maintaining food safety. In 2024, ARYZTA conducted a comprehensive water risk assessment using the World Resources Institute's "Aqueduct Water Risk Atlas" to evaluate current and projected risks over the next five years. The analysis revealed that all except one of ARYZTA's 26 manufacturing sites are classified as medium or low risk. By 2030, the assessment indicated the potential for up to 5 manufacturing sites to be in high or very high water risk areas.

Recognising the importance of safeguarding water resources, ARYZTA launched its **Water Conservation Programme** in 2024, **aiming to reduce non-product-related water use,** which includes all water used on-site except for water added to products during baking, **by 10% by 2028 (from a 2023 baseline).** This initiative reinforces ARYZTA's commitment to responsible water management and long-term sustainability. In 2024, ARYZTA achieved a 5% reduction in non-product related water use compared to its 2023 baseline, making significant progress toward its 2028 target.

Key initiatives in 2024 included:
– **Workshops:** On-site sessions led by external experts uncovered water-saving opportunities.
– **"Play Book":** A guide to standardize best practices for water efficiency across facilities.
– **Community of Practice:** A platform for sharing insights on conservation strategies.
– **Enhanced Wastewater Management:** Improved sampling and treatment systems ensure sustainable discharge.

ARYZTA focused on **cooling systems** and **cleaning processes**, optimizing water use while maintaining high hygiene standards. These efforts reflect ARYZTA's commitment to addressing water stress and building resilience across its operations.

NATURAL RESOURCES: AT THE CORE OF ARYZTA'S OPERATIONS

Non-product related water consumed per tonne of product produced (m³/tonnes)

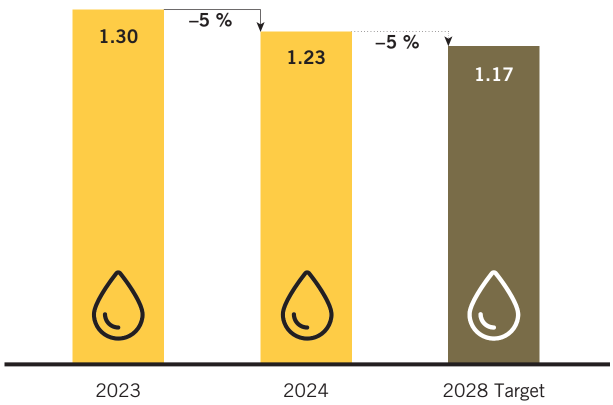


Figure 3: Air cooling systems

Minimizing Food Waste: Closing the Loop on Sustainability

Food waste is a critical environmental challenge, contributing to significant GHG emissions and inefficient use of resources. Addressing this issue is central to ARYZTA's commitment to **"Baking Joy, Sustaining Tomorrow"**. In 2024, ARYZTA achieved an **8% reduction in food waste** compared to its 2022 baseline, progressing steadily toward its goal of a **20% reduction by 2028.**

Food Waste – Key Achievements in year 2024

1. Operational Improvements:
- **Material Losses Toolkit:** Standardized tools and innovative strategies distributed across all bakeries.
- **Employee Training:** Enhanced staff capabilities to identify waste causes and improve production quality.
- **Process Enhancements:** Targeted improvements reduced inefficiencies and non-conformity-related waste.

2. Collaborative Partnerships:
- **Ireland:** Partnered with **FoodCloud**, redistributing **15 tonnes of surplus food in 2024**, equivalent to providing **36,500 meals** and avoiding **35 tonnes of CO_2 emissions**. This reflects a doubling in the contributions compared to the previous year. Cumulatively, ARYZTA has helped redistribute **48 tonnes of food**, equating to **114,000 meals** and preventing **140 tonnes of CO_2e emissions.**
- **Hungary:** Saved **10,100 food packages** through the **Munch** initiative, promoting the sale of near-expiry products.
- **Poland:** Prevented **19,870 food packages** from waste via the **Too Good to Go** program since 2021.

3. Circular Economy Innovations:
- **Composting at Grange Castle Bakery (Ireland):** A bioreactor converted canteen waste into compost, supporting biodiversity initiatives.
  Fergus O'Sullivan, Plant Manager at Grange Castle, notes: *"This is a great way of closing the loop and contributing to our biodiversity plan".*
- **Biogas Production at Fornetti (Hungary):** Bakery by-products were processed into biogas, generating green electricity that met **8% of electricity needs** for ARYZTA's two Hungarian plants.

NATURAL RESOURCES: AT THE CORE OF ARYZTA'S OPERATIONS

Figure 4: Bio-reactors – creating energy from waste

The Path Forward

ARYZTA is committed to closing the loop on food waste by expanding its initiatives and driving innovation:

- **Scaling partnerships** with food redistribution programs to ensure surplus food benefits communities in need.
- **Broadening circular economy projects** like biogas and composting to additional facilities.
- **Investing in new technologies** and process optimizations to reach its 2028 waste reduction target.

By embedding waste reduction into its operations and value chain, ARYZTA transforms waste into opportunity, ensuring its products nourish both people and the planet while minimizing environmental impacts. This approach embodies ARYZTA's mission to create a sustainable, joyful future.

Circular Economy Initiatives

ARYZTA's circular economy initiatives in Ireland and Hungary exemplify its commitment to sustainable resource management and environmental stewardship. By transforming waste into valuable resources, the company not only reduces its environmental footprint but also supports local ecosystems and communities. These efforts highlight ARYZTA's dedication to integrating circular economy principles across its operations, contributing to a more sustainable future.

RESPONSIBLE SOURCING & INNOVATION

RESPONSIBLE SOURCING – DRIVING INNOVATION FOR A BETTER FUTURE

ARYZTA is transforming the way it sources ingredients and develops products by embedding sustainability into every stage of its operations. From raw material procurement to delivering baked goods, ARYZTA aims to create positive impacts across the supply chain, empower farmers, and reduce its environmental footprint. By adopting innovative and sustainable practices, ARYZTA is strengthening trust among customers and contributing to long-term resilience in the food system. Sustainability is not just a business goal—it is a shared responsibility.

Understanding Risks in Responsible Sourcing: Inside-Out and Outside-In Perspectives

Inside-Out Impacts: Supply chain activities, including the sustainable sourcing of cocoa, palm oil, and eggs, contribute to reducing deforestation, biodiversity loss, and labour rights concerns, such as fair working conditions and occupational safety. While child labour is a known risk in certain agricultural supply chains, ARYZTA enforces its high standards through supplier audits, certification programs, and ethical sourcing policies. These due diligence measures help ensure that ARYZTA's supply chain mitigates such risks effectively.

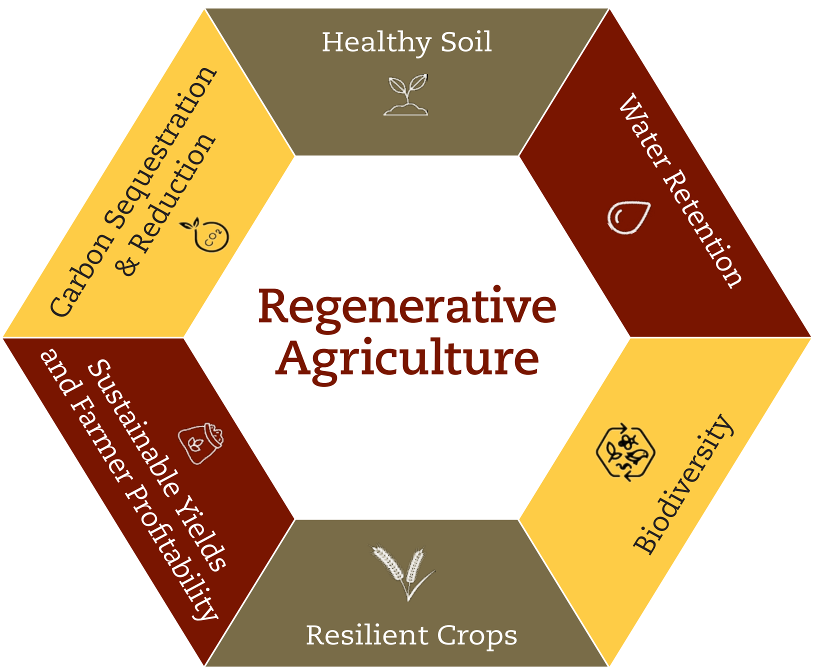
Outside-In Risks: External pressures, such as stricter human rights due diligence laws (e.g. LkSG) and increased scrutiny from stakeholders, pose compliance and reputational risks. Failure to meet these expectations could disrupt supplier and customer relationships and impact ARYZTA's reputation.

Regenerative Agriculture – Growing the Future

ARYZTA's Vision for 2028

ARYZTA aims to source 25% of its wheat from regenerative agriculture by 2028. Through investments in partnerships, farmer training, and technology, ARYZTA is empowering farmers to transition toward regenerative practices while meeting consumer demand for sustainable products.

Regenerative agriculture restores soil health, enhances biodiversity, and improves water retention, going beyond sustainability to actively renew ecosystems. Farmers achieve this through methods such as planting cover crops, rotating crops and minimising soil disturbance.



RESPONSIBLE SOURCING – DRIVING INNOVATION FOR A BETTER FUTURE

Key Benefits of Regenerative Agriculture:

1. **Healthy Soil:** Enriched with nutrients, enabling reduced fertiliser use and improving overall soil health.
2. **Water Retention:** Increased capacity to hold water, reducing drought impacts.
3. **Biodiversity:** Enhanced ecosystems, both above and below ground.
4. **Resilient Crops:** Better equipped to handle extreme weather.
5. **Sustainable Yields and Farmer Profitability:** Ensures consistent production and farmer income under challenging conditions.
6. **Carbon Sequestration and Reduction:** Helps the soil absorb and store carbon from the air while reducing harmful emissions, making farming more climate-friendly and sustainable.

Farmer Spotlight: Tristan Sammer (Thüringen, Germany)

For Tristan, regenerative agriculture starts with understanding the soil.

> "An important tool is the spade: go out, turn the soil, smell it, observe it, and study the roots to understand what the plant truly needs", he says.

Figure 5: Regenerative farming, with Tristan Sammer

RESPONSIBLE SOURCING – DRIVING INNOVATION FOR A BETTER FUTURE

With ARYZTA's support, Tristan has:
- **Increased cover cropping** from 50 to 200 hectares, reducing soil erosion.
- **Improved water retention**, making his farm more resilient to droughts.
- **Diversified crops**, strengthening ecosystems and extending harvest windows.

"If the soil holds more water, we can better navigate droughts. But this isn't achieved in one or two years, it's a process that takes time."

"We want to stabilize our farm to adapt to extreme weather and ensure it's still here in 10 years." – Tristan Sammer, Farmer

ARYZTA collaborates with Klim to support farmers in transitioning to regenerative agriculture across their entire farm ecosystem by providing expertise, technology, and financial incentives. Through this partnership, farmers receive guidance on best practices, access digital tools to measure and track environmental impact, and benefit from knowledge-sharing within the farming community. These efforts help ensure data-driven improvements and create market opportunities for sustainably grown products. By taking a structured, science-based approach, ARYZTA helps mitigate short-term risks for farmers while advancing regenerative agriculture at scale.

"With ARYZTA's commitment and long-term support, we are making significant strides in advancing regenerative agriculture. By working together, we are not only helping farmers transition to more sustainable practices but also improving soil health, enhancing biodiversity, and reducing Greenhouse gas emissions. This partnership is a strong example of how collaboration between food producers and the agricultural sector can drive meaningful environmental progress while ensuring a resilient food system for the future." – Klim Representative

Scaling Regenerative Agriculture Globally

ARYZTA is driving change **one farm at a time,** working with farmers and partners to integrate regenerative practices into its global supply chain. Current initiatives include:
- **Germany:** ARYZTA collaborates with Klim to support initiatives covering nearly 8,500 hectares, removing and reducing **8,000 tonnes of CO2 emissions in 2024.**
- **Switzerland:** Over 80% of ARYZTA's Swiss products bear the "IP-SUISSE Mehl" Ladybird label, reflecting a 30-year partnership that has set a benchmark for sustainable agriculture.
- **Australia:** ARYZTA collaborates with Allied Pinnacle and the Cool Soil Initiative to test regenerative practices.
- **Other Europe:** Exploring segregated wheat supplies to create certified sustainable products.

Hiestand, an ARYZTA Subsidiary and IP-SUISSE: A 30-Year Regenerative Agriculture Partnership

ARYZTA's Hiestand business in Switzerland demonstrates the long-term potential of sustainable collaboration. Since **1994**, Hiestand has partnered with **IP-SUISSE**, a leading Swiss sustainability label, to promote environmentally and socially responsible farming practices. More than **80% of ARYZTA's Swiss products** now bear the "IP-SUISSE Mehl" Ladybird label, recognised by consumers as a symbol of sustainability.

RESPONSIBLE SOURCING – DRIVING INNOVATION FOR A BETTER FUTURE

"The 30-year partnership between Hiestand and IP-SUISSE is a source of pride. Since 1994, the Ladybird symbol has appeared on Hiestand's freshly baked goods, helping consumers make choices they can feel good about. This collaboration has established a benchmark for sustainable grain cultivation in Switzerland." – Andreas Stalder, IP-SUISSE President.

Switzerland's mature market for regenerative agriculture, supported by the IP-SUISSE certification process, is now serving as a model for similar supply chains in other regions.

Mass Balance vs. Segregation

ARYZTA integrates regenerative wheat into its supply chain through two main approaches:

Mass Balance vs Segregated

IP-SUISSE MEHL · FARINE

IP Suisse

100% Segregated Wheat

used in milling to produce a specific certified batch of flour

Klim

Klim

Mass Balance Approach

Certified and non-certified ingredients are mixed during shipping and manufacturing processes

Production of wheat and other crops or products

Farm ecosystem applying regenerative agriculture practices (sustained by the relevant certification)

Mass Balance: Scaling Impact and Accelerating Transition

Mass balance means mixing regenerative wheat (grown with sustainable methods) with conventional wheat during processing, while still tracking the total regenerative amount. This helps more farmers transition to regenerative farming faster without needing new storage or transport systems. It also brings immediate environmental benefits, like lower GHG_2 emissions, while avoiding logistical challenges.

RESPONSIBLE SOURCING – DRIVING INNOVATION FOR A BETTER FUTURE

Segregation: Ensuring Full Traceability for the Future

Segregation means keeping regenerative wheat completely separate throughout the supply chain, ensuring full traceability from farm to product. However, this requires major investments in infrastructure (like dedicated silos and transport). Right now, it is only practical in markets with a high supply of regenerative wheat, such as Switzerland. The IP-SUISSE program shows that fully traceable regenerative sourcing is possible, but it is a long-term goal.

By leveraging mass balance as a **scalable transition model** and segregation as a **future ambition**, ARYZTA ensures both **immediate progress** and **long-term sustainability** in wheat sourcing.

Achievements, Challenges, and Opportunities

What Has Been Achieved:

1. **Healthier Soil:** Cover cropping and reduced tillage have activated soil biology.
2. **Climate Resilience:** Improved water retention reduces the risks of droughts and heavy rains.
3. **Farmer Empowerment:** ARYZTA's support helps farmers adopt innovative techniques without added financial risks.

Challenges:

- Transitioning to regenerative practices requires a shift in mindsets and farming traditions. Many farmers are relearning how to "look under the plants" and nurture the biology of the soil. This process takes time, collaboration, and long-term investment.
- Encouraging customers to choose regenerative products is critical to ensuring sustainable supply chains.

The Role of Customers in Supporting Sustainability

While ARYZTA and its partners lead the way, the transition to a fully sustainable supply chain cannot succeed without customer support. ARYZTA is actively partnering with its customers to drive demand for regenerative products and encourage sustainable practices. Every purchase of a regenerative product reinforces the need for sustainable supply chains, providing farmers with the confidence to adopt new practices.

Message to Customers:

> **"When you choose ARYZTA products made with sustainably sourced ingredients, whether segregated or mass balance, you support healthier soils, thriving biodiversity, and improved crop yields. Together, we can strengthen the food supply chain and create a Sustainable Future." Christophe Toitot – Chief Operations Officer**

Sustainable Sourcing: Progress on Key Raw Materials

ARYZTA's commitment to sustainability extends beyond regenerative agriculture to encompass responsible sourcing, innovative packaging solutions, and a focus on improving the nutritional value of its products. By addressing global challenges such as deforestation, climate change, human rights and social equity in supply chains, ARYZTA not only meets stakeholder expectations but also delivers tangible value to its customers and partners. For more details on how these efforts align with ARYZTA's wider risk mitigation strategy, refer to the **Supply Chain Due Diligence (SCDD)** section of this report.

RESPONSIBLE SOURCING – DRIVING INNOVATION FOR A BETTER FUTURE

ARYZTA continues to make significant progress in sourcing key ingredients sustainably:
- **Certified Palm Oil:** Achieved 99% certification (76% in 2023), on raw material sourced, using segregated and mass balance approaches, with a commitment to maintaining this standard annually.
- **Certified Cocoa Beans:** Progressing toward 100% by 2026, with 74% already certified (65% in 2023), on raw material sourced, this year.
- **Cage-Free Eggs:** Reached 82% compliance (74% in 2023) on raw material sourced, with full compliance targeted by 2026.

These milestones highlight ARYZTA's dedication to building sustainable supply chains that meet the expectations of customers, support socially and environmentally friendly food production and align with global standards.

Packaging: Balancing Necessity with Sustainability

Packaging is essential for preserving food quality and safety, ensuring products reach customers in top condition. However, its environmental impact is a growing concern. Globally, **430 million tonnes of plastic**[1] are produced annually, with most not recycled or reused, contributing to pollution that harms birds and marine life, particularly plankton, the foundation of the food chain.

Recycled plastic cannot be used for direct food contact due to strict safety and hygiene regulations, presenting a unique challenge in the food industry. However, ARYZTA is committed to reducing its plastic footprint by exploring sustainable alternatives for non-food-contact plastics, prioritising innovations in materials and design to enhance recyclability and minimise waste.

ARYZTA is tackling these challenges by embedding sustainability into its packaging strategy. While the global plastic production figure highlights the scale of the issue, ARYZTA is committed to doing its part by reducing virgin plastic use in its operations. The company has set ambitious targets to cut virgin plastic use by **10% by 2026** and **30% by 2028**, based on a 2023 baseline of over 4,700 tonnes. Through innovation and collaboration, ARYZTA is transitioning to more sustainable materials, minimizing its environmental footprint while maintaining food safety standards.

[1] Source: https://www.un.org/sustainabledevelopment/blog/2023/08/explainer-what-is-plastic-pollution/

RESPONSIBLE SOURCING – DRIVING INNOVATION FOR A BETTER FUTURE

Key Initiatives and Achievements:

1. **Reducing Plastic Thickness:** ARYZTA has optimized packaging by reducing plastic thickness and introducing food-contact cardboard alternatives currently being tested in stores in Ireland, minimizing environmental impact without compromising food safety.
2. **Sustainable Labels:** Select sites have adopted direct printing on cardboard packaging, eliminating the need for plastic labels.
3. **Shrink-Wrap Innovation:** At the Grange Castle site in Ireland, shrink-wrap with 30% recycled content has been implemented, significantly reducing virgin plastic use.
4. **Stretch Film Efficiency:** In Eisleben, Germany, ARYZTA enhanced pallet stretch film usage, reducing material consumption by 30% while improving load stability.
5. **Circular Packaging:** In Germany, ARYZTA introduced reusable IFCO cases for a customer, saving **143 tonnes of cardboard, 1.6 million litres of water,** and approximately **68 tonnes of CO_2** in 2024.

Figure 6: IFCO reusable crates

These innovative solutions demonstrate ARYZTA's commitment to reducing environmental footprints while maintaining operational efficiency.

Responsible Sourcing: Strengthening Supply Chain Governance

In 2024, ARYZTA strengthened its supply chain governance, onboarding 77% of its targeted suppliers to SEDEX (or equivalent). These efforts have enhanced supply chain traceability, ensured compliance with international labour standards, and facilitated the identification of social and environmental risks. By leveraging SEDEX methodology, ARYZTA continues to uphold ethical, human rights and broader sustainable practices in its supply chain, advancing its commitment to responsible sourcing and transparency.

Promoting Ethical Standards in Operations

By end of 2024, SMETA audits were conducted across 196 ARYZTA supplier sites, with a target of completing 500 audits by 2028. These audits evaluated key sustainability criteria, including workplace safety, employee well-being, environmental stewardship, and human rights.

RESPONSIBLE SOURCING – DRIVING INNOVATION FOR A BETTER FUTURE

Cleaner Labels, Healthier Choices

ARYZTA is committed to improving the nutritional profile of its products. Through its **"ARYZTA – Better For You"** framework, the company has set a goal for **40% of all new products** to meet specific nutritional criteria by **2028**, based on guidelines for energy, fat, sugar, salt, fiber, and protein content. Additionally, products are categorized by the absence of **Artificial Colours, Artificial Flavours, GMO, and Hydrogenated Fats**, reflecting ARYZTA's commitment to clean label principles.

In **2024**, ARYZTA conducted a detailed assessment of both new and existing products using this methodology. This review highlighted opportunities to further enhance the nutritional value of its offerings and align new product launches with the **"Better For You"** framework. The **2024 results with 49% of new product introductions classified as "Better for You",** demonstrate ARYZTA's progress and its focus on healthier, cleaner food options that meet consumer expectations.

RESPONSIBLE SOURCING – DRIVING INNOVATION FOR A BETTER FUTURE

Food Safety: A Core Pillar of Responsible Sourcing and Innovation

ARYZTA places food safety at the forefront of its operations, recognising it as fundamental to its promise of quality and customer trust. In 2024, the company reinforced this commitment through the Global Food Safety Week, which carried the theme *"To Be Prepared for the Unexpected."* This initiative engaged employees across all bakery businesses and extended to key suppliers and customers. Highlights included interactive workshops and awareness campaigns centred on vital principles such as:
– Standing Together for Food Safety
– Food Safety First, Quality Always: ZERO Food Safety Incidents Is Our Goal
– Do Not Dismiss a Near Miss: See It, Fix It, Report It & Prevent It!

A key event of the year was a two-day workshop at the Grodzisk site in Poland, where ARYZTA's Food Safety and Quality Assurance (FSQA) and Health, Safety, and Environment (HSE) leads collaborated to strengthen a unified safety culture. With "safety is everyone's responsibility" as its guiding message, the workshop included *Train-the-Trainer* sessions to empower local teams at all sites with the tools to sustain ARYZTA's high standards.

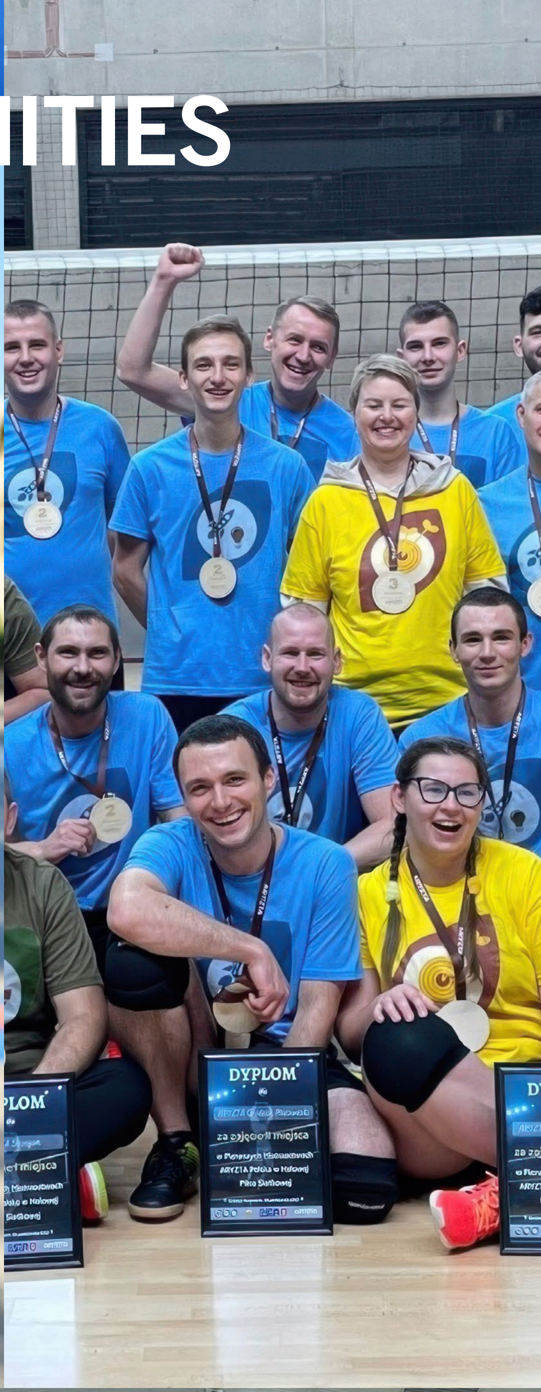
ARYZTA's vision is to be a trusted industry leader in food safety and quality, striving for zero incidents under the motto *"Safety First, Quality Always."* The FSQA roadmap for 2025–2027 focuses on compliance, continuous improvement, and an ingrained culture of safety across the organisation.

Through proactive risk assessments, partnerships with external research bodies, and the use of emerging risk tools, ARYZTA evaluates potential hazards and fortifies its supply chain. Preventative controls, such as allergen management, hygienic plant design, rigorous cleaning systems, and foreign-body reduction initiatives, underpin this approach.

– ARYZTA's manufacturing sites worldwide are now certified for food safety under GFSI-recognized standards.
– In 2024, several of ARYZTA's warehouses and logistics operations also achieved food safety certifications, with further expansion planned for 2025.
– There were no public food safety recalls reported in 2024.
– Additionally, customer and consumer complaints decreased by over 10% compared to 2023, including a notable reduction in complaints related to foreign bodies.

The message *"Food Safety & Quality is Everyone's Responsibility"* is reinforced through formal reviews with senior management and extended to upstream suppliers, driving accountability throughout the value chain. By embedding food safety deeply into its operations, ARYZTA continues to meet the highest standards, ensuring trust and quality in every product.

PEOPLE AND COMMUNITIES



ARYZTA'S DRIVING FORCE: PEOPLE AND COMMUNITIES

ARYZTA recognises that its success is deeply connected to the dedication of its employees and the strength of the communities it serves. By fostering a supportive, inclusive, and safe environment and building meaningful connections through community partnerships, ARYZTA demonstrates its commitment to creating long-term positive impact. These efforts reflect ARYZTA's sustainability strategy and its mission to deliver shared value across its operations and beyond.

Valuing Employees: A Thriving Workforce

ARYZTA's employees are the backbone of its operations, and their well-being, development, and engagement are key to ensuring long-term success. In 2024, ARYZTA strengthened its Global Code of Conduct, reinforcing its core values of care, integrity, equity, and inclusivity. The Code emphasises:

- **Diversity, equity, and inclusion** as drivers of long-term success. See Appendix 3.
- **Health, safety, and mental well-being** as operational priorities.
- **Professional growth and recognition** to support employee engagement.

To deliver on its Human Capital goal, in 2024, employees across the organisation completed an average of 11 training hours per employee in areas such as leadership, sustainability, compliance, and occupational safety, fostering a culture of continuous learning. The goal is to ensure every employee receives an average of 24 hours of training annually by 2028.

Understanding Risks in People and Communities: Inside-Out and Outside-In Perspectives

Inside-Out Impacts: ARYZTA's activities impact employees and local communities through workforce health and safety, well-being, and fair labour practices. Ensuring safe working conditions and providing adequate training for employees are key priorities for ARYZTA. The company enhances its positive impacts and addresses any negative ones through employee well-being programs, training initiatives, and responsible labour policies.

Outside-In Risks: External factors such as evolving labour laws (e.g., Swiss CO, LkSG), demographic shifts, and talent shortages create compliance and operational risks. Failure to adapt could affect workforce retention, regulatory compliance, and stakeholder trust. ARYZTA mitigates these risks by aligning with global labour standards, enhancing employee engagement, and investing in skills development.

Fostering Sustainability Expertise

ARYZTA places a strong emphasis on equipping its employees with the knowledge and tools necessary to drive sustainability initiatives across the organisation. In 2024, the company implemented targeted training programmes designed to enhance employees' understanding of sustainability issues and empower them to integrate these principles into their daily work. Key efforts included:

- **Specialised Training for Sustainability Leaders:** Employees received training on Scope 1, 2 and 3 emissions calculation methodologies, ensuring alignment with international standards and ARYZTA's broader climate goals.
- **Peer Learning and Best Practices Exchange:** Through access to an external best practice sharing platform, employees were able to learn from industry leaders, gain insights into regulatory challenges, and explore innovative solutions.
- **Sustainability Knowledge Sharing:** Resources and workshops provided employees across all levels with actionable insights into sustainability, fostering a culture of continuous learning and innovation.

By investing in capability building, ARYZTA ensures that its workforce is not only equipped to meet today's challenges but also prepared to lead the organisation towards a more sustainable future.

ARYZTA'S DRIVING FORCE: PEOPLE AND COMMUNITIES

Vision: Roadmap to health & safety excellence

Lift our culture	Compliance	Risk Prevention
– Foster shopfloor engagement – Implement Behaviour-Based Safety	– Local compliance scorecards active – Transparent incident reporting (100% compliance)	– Risk reduction plans: 100% in place – Unsafe situations resolved promptly

Workplace Safety: A Core Priority

In 2024, ARYZTA expanded its safety initiatives with targeted workshops that not only educated employees on compliance but also empowered them to identify risks proactively. This was complemented by the introduction of innovative safety technologies, leading to a 28% reduction in the Total Recordable Incident Rate (TRIR) relative to 2023. Continuous improvement remains a cornerstone of ARYZTA's safety culture, with plans to reduce incident rates further in 2025.

Figure 7: Automatic wheel-locking

Key actions taken to foster a culture of safety included:

- **Alignment with Code of Conduct and Sustainability Policy:** ARYZTA's Code of Conduct and Sustainability Policy emphasize the company's dedication to ethical practices, environmental stewardship, and social responsibility. These guiding documents outline standards for health and safety, environmental management, and ethical business conduct, underscoring ARYZTA's commitment to fostering a safe and sustainable workplace.
- **Life Saving Rules Policy:** This policy addressed high-risk activities such as electrical hazards, working at heights, and confined spaces. These guidelines provided a robust framework for accountability, vigilance, and proactive safety measures across the organisation.

ARYZTA'S DRIVING FORCE: PEOPLE AND COMMUNITIES

- **Advanced Safety Technologies:** Swiss and French facilities implemented cutting-edge technologies, such as person-detection systems for forklift operations. These systems feature innovative warning functions that minimise risks of accidents between forklifts and personnel. Additionally, automatic wheel-locking systems at loading bays were introduced, eliminating hazards associated with forklifts and trucks during loading operations.
- **Comprehensive Training Programmes:** ARYZTA conducted extensive safety training and mentoring initiatives, ensuring employees and contractors were equipped to identify and mitigate risks effectively. In one business unit, an intensive training programme engaged senior leadership, operational teams, and contractors to understand risks, apply controls, and foster a supportive environment for sustaining safe behaviours. This initiative resulted in excellent employee engagement and marked improvements in safety practices.

Figure 8: Safety programme workshop

Figure 9: Sustainability Workshop

ARYZTA's safety efforts extend beyond compliance, focusing on creating a culture of shared responsibility:
- Employees are encouraged to take ownership of risk prevention, actively contributing to the development of safer practices.
- Training workshops not only enhance technical safety skills but also empower employees to prioritise safety and compliance in their daily roles.

These initiatives exemplify ARYZTA's commitment to fostering a resilient, safety-conscious workforce. By combining innovative technologies, rigorous training, and a safety-first culture, ARYZTA ensures its people are protected while advancing its mission to "Baking Joy, Sustaining Tomorrow."

Promoting Ethical Workplaces and Employee Well-being

ARYZTA ensures a responsible and ethical workplace with fair, safe, and dignified conditions.

- Integrates social and ethical standards through SEDEX (Supplier Ethical Data Exchange) assessments.
- Achieved an average SEDEX management score of 3 in 2024, aiming for 3.5 by 2028.
- Assessments monitor labour conditions, health & safety, business ethics, and environmental performance.
- Enhances transparency, accountability, and continuous improvement in employee welfare.

ARYZTA'S DRIVING FORCE: PEOPLE AND COMMUNITIES

Strengthening Employee Well-Being

ARYZTA is dedicated to creating a supportive and healthy workplace for all employees.

- Improves working conditions, fair treatment, and workplace safety through audits, action plans, and well-being initiatives.
- In 2024, ARYZTA Poland held 24 training sessions for 213 participants, including 19 mental health workshops for 64 employees.
- Training covered stress management, resilience, relaxation techniques, and handling workplace challenges (e.g., high workloads, conflicts, decision-making pressure).
- Ensures compliance with global human rights and labour standards, reinforcing ARYZTA as an employer of choice.
- Embeds ethical governance, prioritizing integrity, fairness, and inclusivity in the workplace.
- SEDEX performance and well-being initiatives highlight commitment to workplace standards, employee engagement, and sustainable business practices.

Strengthening Transparency: Anti-Corruption practices, Whistleblower System and Awareness

ARYZTA upholds the highest ethical standards through its whistleblower hotline, managed by an independent third party. This is in addition to other routes by which whistleblower reports can be made. Available 24/7 in local languages, this independent third-party system ensures employees or stakeholders across the value chain can report concerns including corruption, anonymously without fear of retaliation. The data is closely monitored and appropriate actions taken proportionate to the circumstances.

In 2024 there were 12 notifications submitted through the independent whistleblower system, including 4 corruption cases (all relating to the same case). These reports were fully resolved by the time of this report`s publication, reinforcing ARYZTA`s commitment to zero tolerance, accountability, and trust.

ARYZTA ensures that all workers in our supply chain have access to an anonymous grievance mechanism. The whistleblower system covers also our supplier workers, allowing them to report labour rights, unethical practices or corruption concerns, in their local language. No reports were received in 2024 specifically related to the supply chain.

In 2024, all of ARYZTA's senior management confirmed through signed individual declarations their awareness of ARYZTA's policy on anti-bribery and corruption as stated in the Employee Code of Conduct. They also confirmed that these principles were communicated to employees within their respective areas of responsibility and appropriate training and awareness is in place.

Promoting Equity: Collective Bargaining

In 2024, ARYZTA continued to engage with unions and employee representatives across its businesses, ensuring fair terms and conditions amidst global economic challenges. Transparent dialogue and mutual respect have allowed ARYZTA to address concerns constructively while maintaining operational efficiency.

Figure 10: ARYZTA Ireland - supporting the Irish Cancer Society


Figure 11: ARYZTA Poland - Strzegom Half Marathon

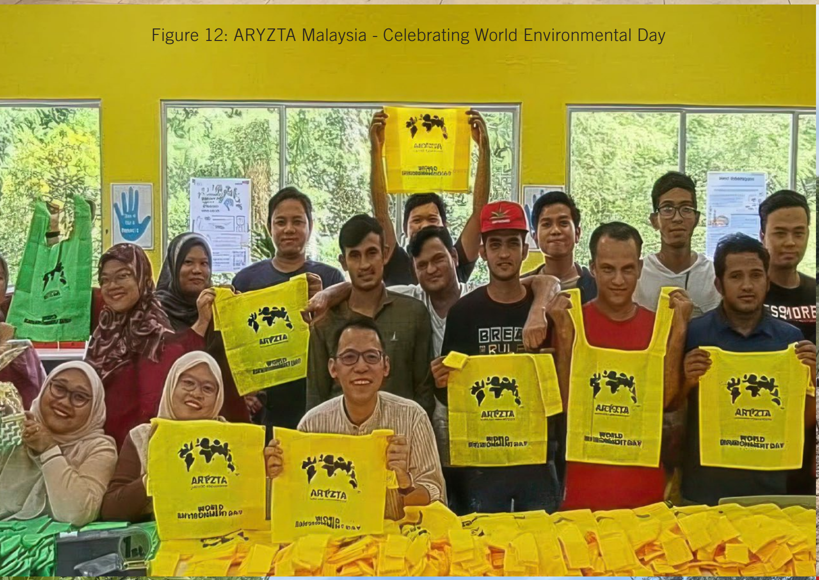
Figure 12: ARYZTA Malaysia - Celebrating World Environmental Day


Figure 13: ARYZTA Singapore - Mangrove restoration project


Figure 14: ARYZTA Singapore - learning about mangroves


Figure 15: ARYZTA Germany - charity race


Figure 16: ARYZTA France, Coup de Pates, biodiversity and bees


Figure 17: ARYZTA New Zealand - Tree Planting


ARYZTA'S DRIVING FORCE: PEOPLE AND COMMUNITIES

Strengthening Communities: Local Engagement and Global Impact

ARYZTA actively champions initiatives that support the social and environmental well-being of the communities it serves, recognising that thriving communities are vital to a sustainable future. In 2024, employees around the globe engaged in impactful activities that fostered meaningful connections and delivered positive change, including:

- **World Environment Day Asia Pacific (APAC):** Under the theme "Our Land, Our Future. We are #GenerationRestoration," employees participated in tree planting, sustainability quizzes, and educational games to raise awareness about environmental challenges and ARYZTA's commitment to restoration.
- **Mangrove Restoration (Singapore):** Employees joined a mangrove tree planting programme, enhancing biodiversity and coastal resilience. This hands-on effort included guided tours to emphasise the critical role of mangroves in ecosystem protection and combating deforestation.
- **Sports and Well-Being Events:** Initiatives like the ARYZTA Poland Volleyball Championship and Strzegom Half Marathon promoted health, teamwork, and community spirit, drawing participation from over 500 employees, their families, and local residents.
- **Charity and Volunteering:** ARYZTA deepened its community impact in 2024 for Ronald McDonald House Charities and participated several volunteering initiatives across its operational regions. These activities, which range from supporting local food banks to hosting open days for the public, reinforce ARYZTA's role as a responsible corporate citizen.

Supporting Families Through Charity

ARYZTA's partnership with Ronald McDonald House underscores its commitment to giving back to communities. In 2024, employees across several countries raised funds and volunteered their time to support the organisation, helping families stay together during challenging times.

brot gegen not

die heiner kamps stiftung

Empowering Communities Through Baking Skills

ARYZTA collaborates with Brot gegen Not, a charity dedicated to supporting communities in developing countries by teaching baking skills. This initiative equips individuals with vocational expertise, enabling them to establish micro-bakeries and create sustainable livelihoods, furthering ARYZTA's mission to "Baking Joy, Sustaining Tomorrow."

These activities not only strengthen ARYZTA's ties with the communities it operates in but also reflect its holistic approach to building a sustainable and inclusive future.

Looking Ahead: A Shared Commitment

ARYZTA's focus on its people and communities is integral to its sustainability journey. By prioritising employee well-being, fostering safety, and actively engaging with local communities, ARYZTA is creating a culture of shared responsibility and continuous improvement. Moving forward the company remains committed to empowering its employees and strengthening its communities as it works to "Baking Joy, Sustaining Tomorrow."

APPENDIX

Appendix 1: Summary reference for Swiss Civil Code, Part Five: The Code of Obligations Art. 964a et seqq.

AREAS COVERED	DETAILS	LOCATION
Business model		Markets and Business Model section, pg. 9–11
Environmental matters (including CO_2 goals) (See Appendix 8 for more details)	Policies	Environmental Efficiency section, pg. 113–127
	Implemented measures and an assessment of their effectiveness	Environmental Efficiency section, pg. 113–127
	Main risks within operations and supply chain, risk management, and due diligence	Risk management section, pg. 106-109
	Key Performance Indicators	Environmental Efficiency section, pg. 113–127 Appendix 3: Metrics and Targets, pg. 148-151
Social issues	Policies	Appendix 2: Policies and Frameworks, pg. 146-147
	Implemented measures and an assessment of their effectiveness	People and Communities section, pg. 138-144
	Main risks within operations and supply chain, risk management, and due diligence	Risk management section, pg. 106-109
	Key Performance Indicators	Metrics and Targets to be developed
Employee related issues	Policies	Appendix 2: Policies and Frameworks, pg. 146–147, People and Communities section, pg. 138-144
	Implement measures and an assessment of their effectiveness	People and Communities section, pg. 138-144
	Main risks within operations and supply chain , risk management, and due diligence	People and Communities section, pg. 138-144
	Key Performance Indicators	Appendix 3: Metrics and Targets, pg. 148-151
Respect for human rights including modern slavery and child labour	Policies	People and Communities section, pg. 138-144
	Implement measures and an assessment of their effectiveness	People and Communities section, pg. 138-144
	Main risks within operations and supply chain , risk management, and due diligence	Risk Management section, pg. 106–109, People and Communities section, pg. 138-144
	Key Performance Indicators	Appendix 3: Metrics and Targets, pg. 148-151
Combatting corruption	Policies	Governance section, pg. 110–112
	Implement measures and an assessment of their effectiveness	Governance section, pg. 110–112
	Main risks within operations and supply chain , risk management, and due diligence	Governance section, pg. 110–112
	Key Performance Indicators	Appendix 3: Metrics and Targets, pg. 148-151

APPENDIX

Appendix 2: Policies and Frameworks

ARYZTA has developed comprehensive policies and frameworks to support and guide decision-making and operations at both Group and local levels. These policies establish clear commitments to sustainable practices, define the company's approach to managing environmental and social risks, and provide guidance on ethical conduct and responsible business practices.

Key policies include:

- **Sustainability Policy:** It covers ARYZTA's commitments to protecting the environment, ensuring the safety and wellbeing of employees and workers within the supply chain as well the development of employees to meet today`s and future needs.

- **Employee Code of Conduct:** It promotes integrity, fairness, and compliance, prohibiting unethical behaviour while fostering responsibility, respect, and transparency in all business interactions.

- **Supplier Code of Conduct:** It emphasizes ethical practices, including the prohibition of bribery and corruption, respect for human rights, environmental responsibility, and maintaining health, safety, and quality standards.

- **Whistleblower Policy** ARYZTA's Whistleblower Policy allows confidential and anonymous reporting of unethical behavior, including corruption. Managed by an independent third party, it applies to all employees, contractors, and suppliers, ensuring reports are handled professionally with zero tolerance for misconduct.

- **Data Protection Policy:** ARYZTA's Data Protection Policy ensures compliance with GDPR and other data laws, safeguarding personal data of employees, customers, and suppliers, while upholding privacy and legal standards.

- **Sustainable Sourcing Policy for Palm Oil:** This policy outlines ARYZTA's commitment to sourcing palm oil that is produced without contributing to deforestation or harming biodiversity, ensuring responsible environmental and social practices.

- **Sustainable Sourcing Policy for Cocoa Beans:** This policy details ARYZTA's dedication to procuring cocoa beans that are sustainably grown, emphasizing ethical labour practices and environmental stewardship in the supply chain.

- **Sustainable Sourcing Policy for Eggs:** This policy describes ARYZTA's approach to sourcing eggs from suppliers that adhere to high standards of animal welfare and sustainable farming practices.

- **Sustainable Sourcing Policy for Packaging:** It explains ARYZTA's strategy to utilize packaging materials that are environmentally friendly, focusing on recyclability and the reduction of environmental impact.

- **Sustainable Sourcing Policy for Nuts & Seeds:** It outlines ARYZTA's commitment to sourcing nuts and seeds from suppliers who practice sustainable agriculture, ensuring traceability and responsible sourcing.

These policies are publicly available and can be accessed on ARYZTA's Policies page.
https://www.aryzta.com/aryzta-policies/#code-of-conduct
https://www.aryzta.com/aryzta-policies/#sustainability-sourcing
Not publicly available.

- **Food Safety Policy:** This policy covers ingredient sourcing, production processes, packaging, storage, distribution, employee training and hygiene, supplier standards, cleanliness and sanitation, traceability, regulatory compliance, and fostering a proactive food safety culture to ensure the safety, quality, and integrity of products.

APPENDIX

As part of its due diligence process, ARYZTA conducted a full review of its governance policies in 2023 to ensure alignment with evolving ESG-related laws and regulations. This review was initiated and overseen by the Board and led by the Governance, Nomination & Sustainability Committee. The process included a rigorous assessment, gap analysis, and validation by both internal stakeholders and external independent advisors.

ARYZTA recognises that strong sustainability governance is fundamental to maintaining alignment with key stakeholders, creating long-term value, and contributing to a more sustainable future. The company remains fully committed to upholding the highest standards of governance and transparency in all business operations, particularly as it navigates the evolving sustainability landscape.

Performance Monitoring and Reporting

ARYZTA has established robust systems for monitoring and reporting sustainability performance. Key performance indicators (KPIs) are tracked regularly to measure progress toward sustainability goals. Internal audits and external assessments are conducted to ensure the accuracy and reliability of sustainability data, with findings published in ARYZTA's annual Sustainability Report, which provides a comprehensive overview of the company's progress, initiatives, and future commitments.

Commitment to Continuous Improvement

ARYZTA is dedicated to continuously enhancing its sustainability performance and governance practices. The company regularly reviews and updates its Sustainability Strategy and targets to align with best practices and stakeholder expectations. External expertise and industry benchmarking are leveraged to identify areas for improvement, while innovation and collaboration are encouraged to drive sustainable solutions and responsible business practices.

APPENDIX

Appendix 3: Metrics and Targets[1]

Environmental Efficiency

TOPIC	KPI	UNIT	2022	2023	2024	% Change from baseline	TARGET
Climate Change & GHG Emissions	**Total Scope 1 and Scope 2 Market-based GHG Emissions**	**Tonnes CO_2e**	**235,655**	**228,651**	**▶223,844**	**(5%)**	34% of absolute reduction of Scope 1 and 2 Market-based emissions by 2028 from a 2022 baseline
	Scope 1	Tonnes CO_2e	98,144	91,840	▶91,090	(7%)	
	Scope 2 Market-based	Tonnes CO_2e	137,511	136,811	▶132,754	(3%)	
	Scope 2 Location-based	Tonnes CO_2e	101,931	103,853	▶105,150	3%	
	Scope 3, Indirect supply chain emissions	Tonnes CO_2e	N/A	1,363,455	N/A	N/A	N/A
	Category 1: Purchased Goods and Services	Tonnes CO_2e	N/A	▶1,016,989	N/A	N/A	N/A
	Category 2: Capital Goods	Tonnes CO_2e	N/A	▶20,084	N/A	N/A	N/A
	Category 3: Fuel and Energy-related Activity	Tonnes CO_2e	N/A	▶36,257	N/A	N/A	N/A
	Category 10: Processing of Sold Goods	Tonnes CO_2e	N/A	▶102,894	N/A	N/A	N/A
	Other categories[2]	Tonnes CO_2e	N/A	187,230	N/A	N/A	N/A
	GHG Emissions Intensity – Scope 1 and 2 emissions per revenue[3]	Tonnes CO_2e/€m	123	104	▶102	(17%)	N/A
	Biogenic Scope 1 GHG emissions[4]	Tonnes CO_2e	977	812	▶1,248	28%	N/A
	Non-Kyoto GHG emissions related to refrigerants[5]	Tonnes CO_2e	129	23	▶159	23%	N/A
Energy	**Total Energy Consumption**	**MWh**	**656,881**	**652,605**	**▶658,348[6]**	**0%**	**N/A**
	Renewable Energy Consumption	**MWh**	**62,782**	**82,193**	**▶98,069**	**56%**	**N/A**
	Of which self-generated	MWh	24	720	▶749	**2,995%**	N/A
	Non-Renewable Energy Consumption	**MWh**	**594,099**	**570,412**	**▶560,532**	**(6%)**	**N/A**
	Direct Energy Consumption	**MWh**	**340,653**	**335,644**	**▶338,318**	(1%)	**N/A**
	Fuel consumption from natural gas	MWh	261,766	260,548	▶260,100	(1%)	N/A
	Other fuel energy sources	MWh	78,887	75,096	▶78,219	(1%)	N/A
	Indirect Energy Consumption	**MWh**	**316,228**	**316,961**	**▶320,283**	**1%**	**N/A**
	Electricity consumption	MWh	315,686	314,540	▶317,424	1%	N/A
	Heating consumption	MWh	542	605	▶927	71%	N/A
	Cooling consumption	MWh	0	1,816	▶1,932	6%[7]	N/A
	Steam consumption	MWh	0	0	▶0	N/A	N/A
	Energy Intensity – energy consumption per revenue[3]	MWh/€m	343	298	▶300	(13%)	N/A

APPENDIX

Appendix 3: Metrics and Targets (continued)

TOPIC	KPI	UNIT	2022	2023	2024	% Change from baseline	TARGET
Water	Water efficiency: non-product water consumed/tonne produced	m^3/tonne	Measurement started in 2023	1.3[8]	1.2	(5%)	10% reduction by 2028 from a 2023 baseline on a production volume basis
Food waste	Reduction of food wasted as a percentage of raw material consumption[9]	%	Baseline	(8%)[10]	▶ 0%	(8%)	20% reduction by 2028 from a 2022 baseline on a production volume basis

1 Certain numbers in this Sustainability report have been rounded up or down. There may therefore be discrepancies between the actual totals of the individual amounts in the tables and the totals shown.
2 Other Scope 3 categories that were found to be relevant for ARYZTA and were assessed are: Category 4 – Upstream transportation and distribution, Category 5 – Waste generated in operations, Category 6 – Business travel, Category 7 – Employee commuting, Category 9 – Downstream transportation and distribution, Category 12 – End-of-life treatment of sold products, Category 14 – Franchises.
3 2024 metric based on revenue reported for the 12-month period ended December 2024 and 2023 metric based on pro forma revenue for the 12-month period ended December 2023 as disclosed on page 247.
4 Biogenic emissions include GHG Emissions from Biofuels (including fuel blends), and wood pallets and are not included in Scope 1 GHG emissions.
5 Emissions from GHGs not covered by the Kyoto Protocol (e.g.: HCFC22).
6 Total energy consumption is calculated by adding up Renewable and Non-Renewable energy consumption, and then deducting energy sold (253 MWh in 2024).
7 From 2023 baseline.
8 In an effort to increase its accuracy, ARYZTA has reinforced its water reporting methodology in 2024. Consequently the 2023 figure is restated.
9 ARYZTA measures its progress on reducing food waste by calculating the share of food waste in proportion to the raw material input used in our production. Food waste includes, amongst others, scrap, nonconformity and handling damages. We aim to reduce our food waste by 20% by 2028 from the 2022 level.
10 In an effort to increase its accuracy, ARYZTA has reinforced its food waste reporting methodology in 2024. Consequently the 2023 figure is restated.

▶ Key Performance Indicators marked with a check mark have been assured by Ernst & Young LTD.

Technical note on GHG Calculations: Scope 1 and 2 emissions were calculated in line with the GHG Protocol Corporate Standards and Scope 2 Guidance. Scope 3 emissions were calculated in line with the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard and the Technical Guidance for Calculating Scope 3 Emissions.

The inventory is based on operational control consolidation methods and covers all applicable Greenhouse gases emitted (CO2, CH4, N2O, HFCs). Emission factors were sourced from recognized sources such as Department for Environment, Food & Rural Affairs, the International Energy Agency and Agri-Footprint. Global Warming Potentials according to IPCC's 4th Assessment Report or later were used.

APPENDIX

Appendix 3: Metrics and Targets (continued)

Inspiring Innovation

TOPIC	KPI	UNIT	2023	2024	Change from baseline	TARGET
Sustainable Sourcing	Share of sustainable/regenerative flour sourcing	%	6%	7%	1 percentage point	25% share on a mass-balance basis by 2028
	Share of palm oil sourced from RSPO-certified sources in products sold	%	76%[1]	99%[1] 27% Mass balance 72% Segregated	23 percentage points	100% on a mass-balance basis by 2024 100% on a segregated basis by 2026
	Share of cocoa beans from certified sources in products sold	%	65%[1]	74%[1]	9 percentage points	100% certified by 2026
	Share of eggs from cage-free sources in products sold	%	74%[1]	82%[1]	8 percentage points	100% cage-free by 2026
	Volume of virgin plastic purchased[2]	Tonnes	4,700	4,621	(2%)	30% reduction from a 2023 basis by 2028
Sustainable Diets and Nutrition	Share of New Product Development meeting the “ARYZTA – Better For You”criteria	%	Measurement started in 2024	49%	N/A	40% of NPD will fall into the “ARYZTA – Better For You” criteria by 2028
Supplier due Diligence	SMETA Audits: Number of audits at supplier sites since the baseline year of 2023	No.	91	196	105	200 or more of ARYZTA’s supplier sites, audited by end of 2025 – and additional 300 supplier sites, audited by end of 2028

1. Figures for palm oil, cocoa and cage-free eggs relate to products produced by ARYZTA.
2. In an effort to increase its accuracy, ARYZTA has reinforced its virgin plastic reporting methodology in 2024. Consequently the 2023 figure is restated.

APPENDIX

Appendix 3: Metrics and Targets (continued)

People and Communities

TOPIC	KPI	UNIT	2023	2024	% Change from baseline	TARGET
Health and Safety	Total Recordable Incident Rate	Rate per 1 m hrs worked	12.17	8.72	28%	50% reduction by 2028 from 2023 baseline
	Fatalities because of work-related injury	No.	0	0	N/A	N/A
Human Capital Development	Share of employees with a training and development plan	%	Measurement started in 2024	47%	N/A	Each business unit will have in place training and development plans for 100% of employees, so that on average each employee receives a minimum of 3 days role-specific training annually, by 2028
Human Capital Development	Average number of days of role- specific training received by employees	No.	Measurement started in 2024	11	N/A	
Ethical and Safe Workplaces	SEDEX Management Controls Score	No.	N/A	3	N/A	3.5
Anti-corruption and bribery	Convictions for violation of anti-corruption and anti-bribery laws	No.	0	0	N/A	N/A
	Amount of fines for violation of anti-corruption and anti-bribery laws	€	0	0	N/A	N/A
People and Talent	Headcount of total Employees	No.	N/A	▶8,056		N/A
	• Headcount of Employees – Permanent	No.	7,771	▶7,654		N/A
	• Headcount of Employees – Temporary	No.	N/A	▶402		N/A
	Headcount of non-Employees	No.	N/A	379		N/A
	Headcount of Employees – Female	No	2,956[1]	▶3,090		N/A
	Headcount of Employees-Male	No	4,815[1]	▶4,966		N/A
	Headcount of Employees – Europe	No.	6,796[1]	▶6,969		N/A
	Headcount of Employees – APAC	No.	975[1]	▶1,087		N/A
	Headcount of Employees – <30 years old	No.	1,125[1]	▶1,299		N/A
	Headcount of Employees – 30–50 years old	No.	4,170[1]	▶4,182		N/A
	Headcount of Employees – >50 years old	No.	2,476[1]	▶2,575		N/A

1 Represents the total number of permanent employees in ARYZTA at the period ended 31 December 2023. Individuals who are contracted to the Group through a third party agency are excluded from this metric.

▶ Key Performance Indicators marked with a check mark have been assured by Ernst & Young LTD.

APPENDIX

Appendix 4: GRI Content Index

ARYZTA has reported the information cited in this GRI content index for the period 1 January 2024 through 31 December 2024 with reference to the GRI Standards.

STANDARD	DISCLOSURE	LOCATION
GRI 1	GRI 1: Foundation 2021	Applied throughout the report
GRI 2: General Disclosures 2021	2-1 Organisational details	Group structure and shareholders, pg. 39-40 Financial highlights 2024, pg. 4-5
	2-2 Entities included in the organisation's sustainability reporting	Significant subsidiaries are listed on pg. 223
	2-3 Reporting period, frequency and contact point	About this report, pg. 97
	2-4 Restatements of information	Appendix 3: Metrics and Targets, pg. 148-151
	2-5 External assurance	Ernst & Young Ltd assurance letter, pg. 160-162
	2-6 Activities, value chain and other business relationships	Markets and Business Model, pg. 9–11
	2-7 Employees	Appendix 3: Metrics and Targets, pg 148-151
	2-9 Governance structure and composition	Corporate Governance Report pg. 27–65 Governance section, pg. 110-112
	2-10 Nomination and selection of the highest governance body	Corporate Governance Report pg. 27–65 Governance section, pg. 110-112
	2-11 Chair of the highest governance body	Corporate Governance Report pg. 27–65
	2-12 Role of the highest governance body in overseeing the management of impacts	Governance section, pg. 110-112
	2-13 Delegation of responsibility for managing impacts	Governance section, pg. 110-112
	2-14 Role of the highest governance body in sustainability reporting	Governance section, pg. 110-112
	2-15 Conflicts of interest	Corporate Governance Report pg. 27–65
	2-16 Communication of critical concerns	Governance section, pg. 110-112
	2-17 Collective knowledge of the highest governance body	Governance section, pg. 110-112
	2-19 Remuneration policies	Compensation report, pg. 66-87
	2-20 Process to determine remuneration	Compensation report, pg. 66-87
	2-22 Statement on sustainable development strategy	Strategy section, pg. 99–103
	2-23 Policy commitments	Appendix 2: Policies and Frameworks, pg. 146-147
	2-24 Embedding policy commitments	Appendix 2: Policies and Frameworks, pg. 146-147
	2-25 Processes to remediate negative impacts	Governance section, pg. 110-112 Our People and Communities section, pg. 138-144
	2-26 Mechanisms for seeking advice and raising concerns	Governance section, pg. 110-112 Our People and Communities section, pg. 138-144
	2-29 Approach to stakeholder engagement	Stakeholder Engagement, pg. 105
	2-30 Collective bargaining agreements	Collective Bargaining, pg. 142

APPENDIX

Appendix 4: GRI Content Index (continued)

STANDARD	DISCLOSURE	LOCATION
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality section, pg. 104
	3-2 List of material topics	Materiality section, pg. 104
	3-3 Management of material topics	Materiality section, pg. 104
GRI 205: Anti-corruption 2016	3-3 Management of material topics	Governance section, pg. 110-112
	205-3 Confirmed incidents of corruption and actions taken	Governance section, pg. 110-112
GRI 301: Materials 2016	3-3 Management of material topics	Responsible sourcing & Innovation section – Packaging, pg. 134-135
	301-1 Materials used by weight or volume	Partial disclosure, focused on virgin plastic, Appendix 3: Metrics and Targets, pg 148-151
GRI 302: Energy 2016	3-3 Management of material topics	Environmental Efficiency – Climate change section, pg. 114-124
	302-1 Energy consumption within the organization	Appendix 3: Metrics and Targets, pg. 148-151, including technical note
	302-3 Energy intensity	Appendix 3: Metrics and Targets, pg. 148-151, including technical note
GRI 303: Water and Effluents 2018	3-3 Management of material topics	Environmental Efficiency section – Water Resources, pg. 125-126 and Appendix 3: Metrics and Targets, pg. 148-151
GRI 305: Emissions 2016	3-3 Management of material topics	Environmental Efficiency – Climate change section, Pg. 114-124
	305-1 Direct (Scope 1) GHG emissions	Appendix 3: Metrics and Targets, pg. 148-151, including technical note
	305-2 Energy indirect (Scope 2) GHG emissions	Appendix 3: Metrics and Targets, pg. 148-151, including technical note
	305-3 Other indirect (Scope 3) GHG emissions	Appendix 3: Metrics and Targets, pg. 148-151, including technical note
	305-4 GHG emissions intensity	Appendix 3: Metrics and Targets, pg. 148-151, including technical note
GRI 306: Waste 2020	3-3 Management of material topics	Environmental Efficiency – Food waste section, Pg. 126-127, and Appendix 3: Metrics and Targets, pg. 148-151
GRI 403: Occupational Health and Safety 2018	3-3 Management of material topics	Our people and communities section, pg. 140-141
	403-9 Work-related injuries	Appendix 3: Metrics and Targets, pg. 148-151 (Partial disclosure focused on fatalities and work related injuries)
GRI 408: Child Labor 2016	3-3 Management of material topics	Risk management – Supply Chain due diligence section, pg. 108
GRI 413: Local Communities 2016	3-3 Management of material topics	People and communities – Community section, pg. 143–144
GRI 414: Supplier Social Assessment 2016	3-3 Management of material topics	Risk management – Supply Chain due diligence section, pg. 108 Responsible sourcing & Innovation section – pg. 135
GRI 416: Customer Health and Safety 2016	3-3 Management of material topics	Responsible sourcing & Innovation – Cleaner Labels, Healthier Choices, pg. 136 Responsible sourcing & Innovation – Food Safety section, pg. 137

APPENDIX

Appendix 5: Organisations referenced in the report

ORGANISATION	PURPOSE/ROLE	LINK TO WEBSITE	LOCATION
Allied Pinnacle	Supplier: Provides bakery ingredients and products to support ARYZTA's operations.	https://alliedpinnacle.com/	Pg. 131
Brot Gegen Not	Charity: Supports charitable efforts to fight hunger and food insecurity.	https://brotgegennot.de/en/	Pg. 46, 49, 87, 144, 220
EcoVadis	Rating Agency: Provides sustainability ratings and insights for supply chains.	https://ecovadis.com/	Pg. 109
Ethical Trading Initiative (ETI)	Alliance of companies, non-governmental organisations and trade unions which exists to identify and promote good practice in the implementation of codes of labour practice.	https://www.ethicaltrade.org/	Pg. 108
European Union Corporate Sustainability Reporting Directive (CSRD)	Framework: European Union framework for sustainability reporting for companies operating in Europe	https://finance.ec.europa.eu/capital-markets-union-and-financial-markets/company-reporting-and-auditing/company-reporting/corporate-sustainability-reporting_en	Pg. 37, 104, 106, 107, 112
FoodCloud	NGO: Redistributes surplus food to reduce waste and tackle food insecurity.	https://food.cloud/	Pg. 126
Global Food Safety Initiative (GFSI)	NGO: The GFSI collaborates with the world's leading consumer goods companies, across borders and barriers to help ensure safe food for people everywhere.	https://mygfsi.com/	Pg. 137
Global Reporting Initiative (GRI)	NGO: Provides standards for sustainability reporting and disclosure.	https://www.globalreporting.org/	Pg. 36, 37, 96-97, 105, 152, 153, 156, 160
Greenhouse Gas Protocol (GHG Protocol)	Framework: Sets standards for Greenhouse gas accounting and reporting.	https://ghgprotocol.org/	Pg. 97, 122, 149, 156
IEA (International Energy Agency)	Research Body: Publishes energy-related insights, including the World Energy Outlook.	https://www.iea.org/	Pg. 114, 117
International Labor Organisation (ILO)	UN Agency: Promotes social justice and internationally recognised human and labour rights.	https://www.ilo.org/	Pg. 97, 107, 112
International Organisation for Standardization (ISO)	Standards Body: Develops and publishes international standards for various industries.	https://www.iso.org/home.html	Pg. 106
Intergovernmental Panel on Climate Change (IPCC)	Research Body: Provides scientific reports on climate change and its impacts.	https://www.ipcc.ch/	Pg. 114, 149, 156
IP-SUISSE	NGO: Supports sustainable agriculture practices in Switzerland.	https://www.ipsuisse.ch/	Pg. 96, 102, 117, 122, 131-133
Klim	Platform: Encourages sustainable farming practices and climate certifications.	https://www.klim.eco/en/	Pg. 100, 102, 122, 131-132, 157
Munch	Platform: Reduces food waste through a circular food redistribution model.	https://munch.eco/	Pg. 126
MSCI (Morgan Stanley Capital International)	Rating Agency: Provides ESG ratings, research, and tools for sustainable investment.	https://www.msci.com/	Pg. 109

APPENDIX

Appendix 5: Organisations referenced in the report (continued)

Network for Greening the Financial System (NGFS)	Framework: Provides guidelines for integrating climate risks into financial systems.	https://www.ngfs.net/en	Pg. 114
Organisation for Economic Co-operation and Development (OECD)	Research Body: Promotes policies to improve economic and social well-being globally.	https://www.oecd.org/	Pg. 97, 191
Ronald McDonald House Charity	Charity: Provides support to families of children undergoing medical treatment.	https://www.rmhc.ie/ https://www.mcdonalds-kinderhilfe.org/	Pg. 144
Roundtable on Sustainable Palm Oil (RSPO)	Certification Body: Develops and implements standards for sustainable palm oil production.	https://rspo.org/as-an-organisation/	Pg. 102, 150
Science Based Targets Initiative (SBTi)	Framework: Provides targets for reducing Greenhouse gas emissions in line with climate science.	https://sciencebasedtargets.org/	Pg. 92, 97, 119-120, 122
SEDEX (Supplier Ethical Data Exchange)	Platform: Facilitates ethical supply chain management and supplier assessments.	https://www.sedex.com/	Pg. 92, 100-102, 105-106, 108, 112, 135, 141-142, 151, 157
SMETA (Sedex Members Ethical Trade Audit)	Audit Framework: Assesses compliance with ethical standards in the supply chain.	https://www.sedex.com/our-services/smeta-audit/	Pg. 101, 102, 106, 108, 112, 135, 150, 157
Sustainalytics	Rating Agency: Offers ESG risk ratings and research for investment decision-making.	https://www.sustainalytics.com/	Pg. 109
Task Force on Climate-Related Financial Disclosures (TCFD)	Provides guidelines for reporting climate-related financial risks and opportunities.	https://www.fsb-tcfd.org/	Pg. 36-37, 96-97, 100, 106, 109, 114, 159
Too Good to Go	Platform: Reduces food waste by connecting consumers with surplus food from businesses.	https://www.toogoodtogo.com/en-ie	Pg. 126
United Nations	Promotes sustainable development and global peace through various initiatives.	https://www.un.org/sustainabledevelopment/	Pg. 97, 108, 112, 158
WBCSD (World Business Council for Sustainable Development)	NGO: Provides a platform for sustainable business practices and innovation.	https://www.wbcsd.org/	Pg. 114, 117
World Bank	Research Body: Offers financial and technical assistance for global development projects.	https://www.worldbank.org/	Pg. 114, 116
WRI (World Resources Institute)	Research Body: Conducts research on environmental and climate issues.	https://www.wri.org/ ttps://www.wri.org/research/aqueduct-floods-methodology	Pg. 106, 114, 125

APPENDIX

Appendix 6: Glossary

GLOSSARY TERM	DEFINITION	SOURCE
Greenhouse gas (GHG) emissions	Greenhouse gases are those gaseous constituents of the atmosphere, both natural and anthropogenic, that absorb and emit radiation at specific wavelengths within the spectrum of thermal infrared radiation emitted by the Earth's surface, the atmosphere itself, and by clouds. This property causes the greenhouse effect.	Intergovernmental Panel on Climate Change (IPCC) https://www.icc.ch/site/assets/uploads/2018/03/wg2TARannexB.pdf
Scope 1 emissions	Emissions from operations that are owned or controlled by the reporting company.	GHG Protocol, Corporate Standard https://ghgprotocol.org/sites/default/files/standards/ghg-protocol-revised.pdf
Scope 2 emissions	Emissions from the generation of purchased or acquired electricity, steam, heating, or cooling consumed by the reporting company.	GHG Protocol, Corporate Standard) https://ghgprotocol.org/sites/default/files/standards/ghg-protocol-revised.pdf
Location-based emissions	A location-based method reflects the average emissions intensity of grids on which energy consumption occurs (using mostly grid-average emission factor data).	GHG Protocol, Scope 2 Guidance https://ghgprotocol.org/sites/default/files/2023-03/Scope%202%20Guidance.pdf
Market-based emissions	A market-based method reflects emissions from electricity that companies have purposefully chosen (or their lack of choice).	GHG Protocol, Scope 2 Guidance https://ghgprotocol.org/sites/default/files/2023-03/Scope%202%20Guidance.pdf
Scope 3 emissions	All indirect emissions (not included in scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions.	GHG Protocol, Corporate Standard https://ghgprotocol.org/sites/default/files/standards/ghg-protocol-revised.pdf
FLAG emissions	Forest, Land and Agriculture (FLAG) emission includes the Greenhouse gases (carbon dioxide (CO2), methane (CH4), and nitrous oxide (N2O)) from land-based activities, as well as CO2 removals and storage.	GHG Protocol: Land Sector and Removals Guidance (Draft) https://ghgprotocol.org/land-sector-and-removals-guidance
Indirect energy consumption	Purchased or acquired electricity, heat, steam and cooling supplied from outside, to the site.	Adapted from GRI Standards Glossary https://www.globalreporting.org/publications/documents/english/gri-standards-glossary-2022/
Direct energy consumption	Total fuel consumption within the organisation.	Adapted from GRI Standards Glossary https://www.globalreporting.org/publications/documents/english/gri-standards-glossary-2022/
Double Materiality Assessment (DMA)	Double materiality has two dimensions: impact materiality and financial materiality. A sustainability matter meets the criterion of double materiality if it is material from the impact perspective or the financial perspective or both.	CSRD: ANNEX II Acronyms and Glossary of Terms
Mass balance sourcing	Mass balance is a sourcing method that allows for certified and non-certified ingredients to become mixed during the shipping and manufacturing processes. All major international sustainability initiatives use mass balance in one form or another.	Rainforest Alliance What is Mass Balance Sourcing? | Rainforest Alliance (rainforest-alliance.org)
Segregated sourcing	Segregated sourcing is a sourcing method that requires companies to keep the ingredients purchased from a certified farm physically separated from non-certified ingredients throughout the whole supply chain. There is direct traceability.	Adapted from Rainforest Alliance What is Mass Balance Sourcing? | Rainforest Alliance (rainforest-alliance.org)

APPENDIX

Appendix 6: Glossary (continued)

GLOSSARY TERM	DEFINITION	SOURCE
Certified Cocoa	Evaluated using accepted industry standards and certification schemes, such as: • Cocoa Horizons • Rainforest Alliance • Fairtrade • CEN/ISO Other schemes may be in use across our supply base and these will also be considered.	ARYZTA Sustainable Sourcing Policy for Cocoa Beans
"ARYZTA – Better For You"	"ARYZTA – Better For You" product framework, including health, nutrition and environmental considerations meets the growing awareness and demands from consumers. ARYZTAs products are categorised based on energy, fat, sugar, salt, fibre and protein content, using an independently verifiable methodology. Additionally, products are categorized by the absence of Artificial Colours, Artificial Flavours, GMO, and Hydrogenated Fats.	
Regenerative/Sustainable Agriculture	Regenerative agriculture refers to agricultural practices that contribute to humus enrichment in the soil. This stores carbon, improves soil structure and increases biodiversity in fields. In this way, the soil is regenerated and its fertility and climate resilience are improved. In addition, farmers reduce their emissions at farm level through improved management. Regenerative agriculture utilises more sustainable farming methods that protect the soil, water and emit less GHGs, whilst allowing the farmers to benefit from a fair price for their products.	Adapted from KLIM Regenerative agriculture (klim.eco)
Total Recordable Incident Rate (TRIR)	Total recordable incident rate (TRIR) is a measure of occupational health and safety based on the number of safety incidents reported against the number of workers present and the number of hours worked.	https://www.bls.gov/help/def/iirc.htm
Virgin Plastic	Virgin plastic refers to new and pristine materials that are often used to manufacture plastic products such as films and packages. The majority of these come from Hydrocarbon sources.	https://apps1.unep.org/resolutions/uploads/eia_-_essential_elements_-_production_consumption.pdf
Cage-free egg	Cage-free eggs are evaluated using accepted industry standards and certification schemes, such as: • Free Range • RSPCA Assured • Free-Range Organic • Cage-free Certified Other schemes may be in use across our supply base and these will also be considered.	ARYZTA Sustainable Sourcing Policy for Eggs
SEDEX Members Ethical Trade Audit (SMETA)	SMETA is one of the most widely used ethical audit formats in the world. It combines the best practices in the field of corporate social responsibility. The concept describes a methodology based on the Ethical Trading Initiative (ETI) Base Code. Audits in the SMETA format focus as much on labour conditions and occupational safety as on environmental standards and ethical business practices.	TUV Rheinland https://www.tuv.com/content-media-files/master-content/services/systems/1444-tuv-rheinland-sedex-audit-according-to-smeta/tuv-rheinland-sedex-audit-smeta-faq-en.pdf

APPENDIX

Appendix 7: ARYZTA's Contribution to the UN Sustainable Development Goals (SDGs)

Aligning Sustainability with Global Priorities
ARYZTA is committed to advancing sustainability across its value chain, aligning its efforts with the **United Nations Sustainable Development Goals (SDGs)**. These 17 goals provide a universal framework for tackling global challenges related to climate change, responsible resource use, and social well-being.

Through its **three sustainability pillars—Environmental Efficiency, Responsible Sourcing & Innovation, and People & Communities**—ARYZTA actively contributes to a selection of SDGs highlighted below.

Environmental Efficiency

Responsible Sourcing & Innovation

People & Communities

APPENDIX

Appendix 8: TCFD Index table

TCFD Recommended Disclosures in Alignment with the Swiss Ordinance on Climate Disclosures

RECOMMENDATION	DISCLOSURE	LOCATION
Governance Disclose the organization's governance around climate-related risks and opportunities.	A) Describe the board's oversight of climate-related risks and opportunities.	Governance section, pg. 110-112
	B) Describe management's role in assessing and managing risks and opportunities.	Governance section, pg. 110-112 and Environmental Efficiency, pg. 114-115
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	A) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Strategy & Progress section, pg. 99-103 and Environmental Efficiency section, pg. 113-127
	B) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	Environmental Efficiency section, pg. 113-127
	C) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Environmental Efficiency section, pg. 113-127
Risk Management Disclose how the organization identifies, assesses, and manages climate-related risks.	A) Describe the organization's processes for identifying and assessing climate-related risks.	Risk management section, pg. 106-109 and Environmental Efficiency section, pg. 113-127
	B) Describe the organization's processes for managing climate-related risks.	Risk management section, pg. 106-109 and Environmental Efficiency section, pg. 113-127
	C) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Risk management section, pg. 106-109
Metrics and Targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	A) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Environmental Efficiency section, pg. 113-127 and Appendix 3: Metrics and Targets, pg. 148-151
	B) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 Greenhouse gas (GHG) emissions, and the related risks.	Environmental Efficiency section, pg. 113-127 and Appendix 3: Metrics and Targets, pg. 148-151
	C) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Environmental Efficiency section, pg. 113-127 and Appendix 3: Metrics and Targets, pg. 148-151

INDEPENDENT ASSURANCE REPORT ON SELECTED SUSTAINABILITY METRICS

To the Management of
ARYZTA AG, Schlieren

Zurich, 28 February 2025

We have been engaged to perform assurance procedures to provide limited assurance on selected indicators (including GHG emissions) included in ARYZTA AG's and its consolidated subsidiaries' (the Group's) Sustainability Report 2024 (the Report) for the reporting period from 1 January 2024 to 31 December 2024.

Our limited assurance engagement focused on selected indicators (including GHG emissions) presented in the Report and marked with the check mark ►, namely:

- GRI 2-7: Employees; page 151
- GRI 302-1: Total energy consumption within the organization; page 148
- GRI 302-3: Energy intensity; page 148
- GRI 305-1: Direct (Scope 1) GHG emissions; page 148
- GRI 305-2: Energy indirect (Scope 2) GHG emissions ; page 148
- GRI 305-3: Other indirect (Scope 3) GHG emissions (cat. 1, 2, 3, 10); page 148
- GRI 305-4: GHG emissions intensity; page 148
- Custom criteria: Reduction of food wasted as a percentage of raw material consumption; page 149

We did not perform assurance procedures on other information included in the Report, other than as described in the preceding paragraph, and accordingly, we do not express a conclusion on that information.

Applicable criteria

The Group defined as applicable criteria (applicable criteria):

- Global Reporting Initiative Sustainability Reporting Standards (GRI Standards).
- ARYZTA's Custom Criteria

A summary of the GRI standards is presented on the GRI homepage and the Custom Criteria is described within the Company's Sustainability Report 2024.

Inherent limitations

The accuracy and completeness of selected indicators (including GHG emissions) are subject to inherent limitations given their nature and methods for determining, calculating and estimating such data. In addition, the quantification of the non-financial matters indicators is subject to inherent uncertainty because of incomplete scientific knowledge used to determine factors related to the emissions factors and the values needed to combine e.g. emissions of different gases. Our assurance report should therefore be read in connection with ARYZTA AG's Sustainability Report 2024, its definitions and procedures on non-financial matters reporting therein.

INDEPENDENT ASSURANCE REPORT ON SELECTED SUSTAINABILITY METRICS

Responsibility of the Management

The Management is responsible for the selection of the Applicable Criteria and for the preparation and presentation, in all material respects, of the selected indicators (including GHG emissions) in accordance with the Applicable Criteria. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation of the selected indicators that are free from material misstatement, whether due to fraud or error.

Independence and quality control

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our responsibility

Our responsibility is to express a conclusion on the selected indicators (including GHG emissions) based on the evidence we have obtained.

We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information. This standard requires that we plan and perform this engagement to obtain limited assurance about whether the selected indicators (including GHG emissions) are free from material misstatement, whether due to fraud or error.

Summary of work performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered management’s internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

INDEPENDENT ASSURANCE REPORT ON SELECTED SUSTAINABILITY METRICS

The Greenhouse Gas (GHG) quantification process is subject to scientific uncertainty, which arises because of incomplete scientific knowledge about the measurement of GHGs. Additionally, GHG procedures are subject to estimation (or measurement) uncertainty resulting from the measurement and calculation processes used to quantify emissions within the bounds of existing scientific knowledge.

Our limited assurance procedures included, amongst others, the following work:

- Assessment of the suitability of the Applicable Criteria in terms of their relevance, comprehensiveness, reliability, neutrality and understandability and their consistent application
- Interviews with relevant personnel to understand the business and reporting process, including the sustainability strategy, principles and management
- Interviews with the Group's key personnel to understand the sustainability reporting system during the reporting period, including the process for collecting, collating and reporting the indicators
- 2 Checking that the calculation criteria have been correctly applied in accordance with the methodologies outlined in the Applicable Criteria
- Checking that the calculation criteria have been correctly applied in accordance with the methodologies outlined in the applicable criteria
- Analytical review procedures to support the reasonableness of the data
- Identifying and testing assumptions supporting calculations
- Testing, on a sample basis, underlying source information to check the accuracy of the data

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

Conclusion

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the selected indicators (including GHG emissions) in the Report of the Group have not been prepared, in all material respects, in accordance with the Applicable Criteria.

Ernst & Young Ltd

Olivier Mange
Executive in charge

Grace Gilewicz
Manager

GROUP CONSOLIDATED FINANCIAL STATEMENTS

PAGE	Group Consolidated Financial Statements, presented in euro and prepared in accordance with IFRS Accounting Standards and the requirements of Swiss law

STATEMENT OF DIRECTORS' RESPONSIBILITIES
for the period ended 31 December 2024

Swiss company law requires the directors to prepare Group consolidated and Company financial statements for each financial period. The directors are required to prepare the Group consolidated financial statements in accordance with IFRS Accounting Standards ('IFRS') and the requirements of Swiss law and to prepare the Company financial statements in accordance with Swiss law and the Company's Articles of Association.

This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation and fair presentation of the Group consolidated and Company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing each of the Group consolidated and Company financial statements, the directors are required to:

select suitable accounting policies and then apply them consistently; make judgements and estimates that are reasonable and prudent; and prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the Group and the Company will continue in business.

The directors are responsible for keeping proper books of account that present, with reasonable accuracy at any time, the financial position of the Group and Company and enable them to ensure that its financial statements comply with IFRS, the requirements of Swiss law and the Company's Articles of Association.

They are also responsible for taking such steps as are reasonably available to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website.

On behalf of the Board

Urs Jordi
Chairman, Board of Directors

Hélène Weber-Dubi
Chair, Audit Committee,
Member of the Board of Directors

28 February 2025

GROUP CONSOLIDATED INCOME STATEMENT
for the period ended 31 December 2024

in €m	Notes	December 2024 12-month	December 2023 17-month
Revenue	2	2,194.5	3,046.0
Cost of sales		(1,443.9)	(2,069.4)
Distribution expenses		(281.4)	(383.1)
Gross profit		**469.2**	**593.5**
Selling expenses		(100.6)	(128.9)
Administration expenses		(178.6)	(244.8)
Operating profit	**2**	**190.0**	**219.8**
Financing income	3	24.1	17.7
Financing costs	3	(55.8)	(53.6)
RCF termination costs	3	(4.0)	–
Profit before income tax		**154.3**	**183.9**
Income tax expense	8	(24.7)	(23.4)
Profit for the period attributable to equity shareholders		**129.6**	**160.5**

Earnings per share	Notes	euro cent	euro cent
Basic earnings per share	10	10.1 cent	9.7 cent
Diluted earnings per share	10	10.0 cent	9.7 cent

The notes on pages 170 to 223 are an integral part of these Group consolidated financial statements.
12-month fiscal year 2024 ended on 31 December 2024 and 17-month fiscal year 2023 ended on 31 December 2023. Please refer to Note 1 page 171 for further detail.

GROUP CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the period ended 31 December 2024

in €m	Notes	December 2024 12-month	December 2023 17-month
Profit for the period		**129.6**	**160.5**
Other comprehensive income/(loss)			
Items that may be reclassified subsequently to profit or loss:			
Foreign exchange translation effects			
– Foreign exchange translation effects on net investments		1.1	(3.5)
– Taxation effect of foreign exchange translation movements	8	(0.6)	0.1
Cash flow hedges			
– Effective portion of changes in fair value of cash flow hedges		3.5	(7.1)
– Fair value of cash flow hedges transferred to income statement		0.2	2.7
– Deferred tax effect of cash flow hedges	8	(1.1)	1.0
Total of items that may be reclassified subsequently to profit or loss		**3.1**	**(6.8)**
Items that will not be reclassified to profit or loss:			
Defined benefit plans			
– Actuarial gain on defined benefit pension plans	20	0.3	0.4
– Deferred tax effect of actuarial gain	8	(0.1)	(0.1)
Total of items that will not be reclassified to profit or loss		**0.2**	**0.3**
Total other comprehensive income/(loss)		**3.3**	**(6.5)**
Total comprehensive income for the period		**132.9**	**154.0**

The notes on pages 170 to 223 are an integral part of these Group consolidated financial statements.
12-month fiscal year 2024 ended on 31 December 2024 and 17-month fiscal year 2023 ended on 31 December 2023. Please refer to Note 1 page 171 for further detail.

GROUP CONSOLIDATED BALANCE SHEET
as at 31 December 2024

in €m	Notes	31 December 2024	31 December 2023
Assets			
Property, plant and equipment	11	871.3	834.0
Goodwill and intangible assets	13	632.8	652.3
Other receivables	15	3.1	2.7
Deferred income tax assets	19	41.4	45.2
Total non-current assets		**1,548.6**	**1,534.2**
Inventory	14	128.0	125.4
Trade and other receivables	15	154.7	157.2
Derivative financial instruments	18	1.6	0.5
Cash and cash equivalents		77.1	103.9
		361.4	**387.0**
Assets held-for-sale		1.0	1.3
Total current assets		**362.4**	**388.3**
Total assets		**1,911.0**	**1,922.5**
Equity			
Called up share capital	21	17.0	17.0
Share premium		1,531.2	1,531.2
Retained deficit and other reserves		(1,096.1)	(849.6)
Total equity		**452.1**	**698.6**
Liabilities			
Interest-bearing loans and borrowings	17	784.6	566.2
Employee benefits	20	4.3	4.4
Deferred income from government grants		0.9	1.1
Other payables	16	14.7	17.0
Deferred income tax liabilities	19	83.3	91.4
Derivative financial instruments	18	1.8	2.3
Total non-current liabilities		**889.6**	**682.4**
Interest-bearing loans and borrowings	17	31.8	28.5
Trade and other payables	16	448.0	418.0
Income tax payable		85.6	88.3
Derivative financial instruments	18	3.9	6.7
Total current liabilities		**569.3**	**541.5**
Total liabilities		**1,458.9**	**1,223.9**
Total equity and liabilities		**1,911.0**	**1,922.5**

The notes on pages 170 to 223 are an integral part of these Group consolidated financial statements.

GROUP CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the period ended 31 December 2024

in €m	Share capital	Share premium	Treasury shares	Other equity reserve	Cash flow hedge reserve	Share-based payment reserve	Foreign currency translation reserve	Retained deficit	Total shareholders equity
At 31 July 2022	**17.0**	**1,531.2**	**–**	**671.4**	**(2.1)**	**5.5**	**25.8**	**(1,316.4)**	**932.4**
Profit for the period	–	–	–	–	–	–	–	160.5	160.5
Other comprehensive income/(loss)	–	–	–	–	(3.4)	–	(3.4)	0.3	(6.5)
Total comprehensive income/(loss)	**–**	**–**	**–**	**–**	**(3.4)**	**–**	**(3.4)**	**160.8**	**154.0**
Purchase of treasury shares (note 21)	–	–	(5.1)	–	–	–	–	–	(5.1)
Share-based payments (note 7)	–	–	–	–	–	1.9	–	–	1.9
Transfer of share-based payment reserve to retained deficit	–	–	–	–	–	(1.6)	–	1.6	–
Redemption of hybrid instruments (note 21)	–	–	–	(293.3)	–	–	–	(26.9)	(320.2)
Hybrid dividend (note 21)	–	–	–	–	–	–	–	(64.4)	(64.4)
Total transactions with owners recognised directly in equity	**–**	**–**	**(5.1)**	**(293.3)**	**–**	**0.3**	**–**	**(89.7)**	**(387.8)**
At 31 December 2023	**17.0**	**1,531.2**	**(5.1)**	**378.1**	**(5.5)**	**5.8**	**22.4**	**(1,245.3)**	**698.6**
At 1 January 2024	**17.0**	**1,531.2**	**(5.1)**	**378.1**	**(5.5)**	**5.8**	**22.4**	**(1,245.3)**	**698.6**
Profit for the period	–	–	–	–	–	–	–	129.6	129.6
Other comprehensive income	–	–	–	–	2.6	–	0.5	0.2	3.3
Total comprehensive income	**–**	**–**	**–**	**–**	**2.6**	**–**	**0.5**	**129.8**	**132.9**
Purchase of treasury shares (note 21)	–	–	(9.7)	–	–	–	–	–	(9.7)
Issuance of treasury shares (note 21)	–	–	8.2	–	–	–	–	(8.2)	–
Share-based payments (note 7)	–	–	–	–	–	6.5	–	–	6.5
Transfer of share-based payment reserve to retained deficit	–	–	–	–	–	(5.2)	–	5.2	–
Redemption of hybrid instruments (note 21)	–	–	–	(259.9)	–	–	–	(86.8)	(346.7)
Hybrid dividend (note 21)	–	–	–	–	–	–	–	(29.5)	(29.5)
Total transactions with owners recognised directly in equity	**–**	**–**	**(1.5)**	**(259.9)**	**–**	**1.3**	**–**	**(119.3)**	**(379.4)**
At 31 December 2024	**17.0**	**1,531.2**	**(6.6)**	**118.2**	**(2.9)**	**7.1**	**22.9**	**(1,234.8)**	**452.1**

The notes on pages 170 to 223 are an integral part of these Group consolidated financial statements.
12-month fiscal year 2024 ended on 31 December 2024 and 17-month fiscal year 2023 ended on 31 December 2023. Please refer to Note 1 page 171 for further detail.

GROUP CONSOLIDATED CASH FLOW STATEMENT
for the period ended 31 December 2024

in €m	Notes	December 2024 12-month	December 2023 17-month
Cash flows from operating activities			
Profit for the period		129.6	160.5
Income tax expense	8	24.7	23.4
Financing income	3	(24.1)	(17.7)
Financing costs	3	55.8	53.6
RCF termination costs	3	4.0	–
Net impairment loss		0.4	–
Other restructuring-related payments in excess of current year costs		(0.8)	(3.6)
Depreciation of property, plant and equipment	11	103.7	142.4
Amortisation of intangible assets	13	27.2	38.6
Recognition of deferred income from government grants		(0.1)	(0.5)
Share-based payments	7	6.5	1.9
Other		(0.6)	(3.5)
Cash flows from operating activities before changes in working capital		**326.3**	**395.1**
Increase in inventory		(3.0)	(5.9)
Decrease/(increase) in trade and other receivables		2.5	(16.5)
Increase in trade and other payables		34.6	30.8
Cash generated from operating activities		**360.4**	**403.5**
Interest paid		(52.5)	(49.8)
Interest received		23.5	16.5
Income tax paid		(32.5)	(32.2)
Net cash flows from operating activities		**298.9**	**338.0**
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		0.9	4.5
Purchase of property, plant and equipment		(82.5)	(76.9)
Purchase of intangible assets		(11.8)	(14.9)
Disposal of business, net of cash disposed		–	(0.8)
Net cash flows from investing activities		**(93.4)**	**(88.1)**
Cash flows from financing activities			
Gross drawdown of loan principal	17	661.3	134.9
Gross repayment of loan principal	17	(467.8)	(86.0)
Capital element of finance lease liabilities	17	(33.0)	(45.4)
Purchase of treasury shares	21	(9.7)	(5.1)
Dividends paid on hybrid instruments	21	(34.7)	(65.7)
Hybrid instrument principal repayment	21	(346.7)	(320.2)
Net cash flows from financing activities		**(230.6)**	**(387.5)**
Net decrease in cash and cash equivalents	**17**	**(25.1)**	**(137.6)**
Translation adjustment	17	(1.7)	(4.3)
Cash and cash equivalents at start of period	17	103.9	245.8
Cash and cash equivalents at end of period	**17**	**77.1**	**103.9**

The notes on pages 170 to 223 are an integral part of these Group consolidated financial statements.
12-month fiscal year 2024 ended on 31 December 2024 and 17-month fiscal year 2023 ended on 31 December 2023. Please refer to Note 1 page 171 for further detail.

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS

1 Material Accounting Policy Information

Organisation

ARYZTA AG (the 'Company') is domiciled and incorporated in Schlieren, Switzerland. The consolidated financial statements for the period ended 31 December 2024 consolidate the individual financial statements of the Company and its subsidiaries (together referred to as the 'Group'). ARYZTA AG is the ultimate controlling party of the Group.

The Group consolidated financial statements and the ARYZTA AG Company financial statements were authorised for issue by the directors on 28 February 2025, subject to approval by the shareholders at the Annual General Meeting on 30 April 2025.

Statement of compliance

The Group consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ('IFRS') as issued by the International Accounting Standards Board ('IASB'). References to IFRS hereafter refer to IFRS Accounting Standards. These policies have been consistently applied to all periods presented, unless otherwise stated.

New standards, interpretations and accounting framework
The IFRS applied by the Group in preparation of these financial statements are those that were effective for accounting periods beginning on or before 1 January 2024. The following standards and interpretations, issued by the International Accounting Standards Board ('IASB') and the IFRS Interpretations Committee, are effective for the first time in the current financial period and have been adopted by the Group:
- IFRS 17 – Insurance Contracts
- Definition of Accounting Estimates – Amendments to IAS 8
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12
- Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants – Amendments to IAS 1
- Lease Liability in a Sale and Leaseback – Amendments to IFRS 16
- Disclosures: Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

The above standards and interpretations modified certain presentation and disclosure requirements, these new requirements are not significantly different than information presented as part of the 31 December 2023 period-end financial statements and had no material impact on the consolidated results or financial position of the Group.

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS

The following new standards, interpretations and amendments to accounting framework, issued by the IASB or the IFRS Interpretations Committee, have not yet become effective. The Group has not applied early adoption in relation to any of them.

Standard / Interpretation/Framework	Effective date	Planned implementation by ARYZTA (reporting period)
Lack of exchangeability – Amendments to IAS 21	1 January 2025	2025
Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	1 January 2026	2026
Annual Improvements to IFRS Accounting Standards – Volume 11	1 January 2026	2026
Power Purchase Agreements – Amendments to IFRS 9 and IFRS 7	1 January 2026	2026
IFRS 18 – Presentation and Disclosure in Financial Statements	1 January 2027	2027
IFRS 19 – Subsidiaries without Public Accountability: Disclosures	1 January 2027	2027

The Group has undertaken an initial assessment of the potential impacts of the new standards, amendments and improvements listed above that are effective for the Group. Based on this initial assessment, the Group does not currently believe the adoption of these standards, amendments and interpretations will have a significant impact on the consolidated results or financial position of the Group.

Basis of preparation

The Group consolidated financial statements are prepared on a historical cost basis, with the exception that derivative financial instruments are stated at fair value through profit or loss or other comprehensive income.

The Group consolidated financial statements are presented in millions of euro, rounded to the nearest €0.1 million (m), unless otherwise stated.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions in the application of the Group's accounting policies. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for the judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Further information on areas involving a higher degree of judgement and accounting estimates is set out in note 27.

Financial period
During March 2023, ARYZTA announced a change in its fiscal year from July ending to December ending to align with calendar year reporting. After December 2023, the Group is managing its operations and reports its financial performance on a periodic basis, dividing the financial period into 12 calendar months. Under this method the Group's fiscal period end is defined as 31 December each year. Accordingly, the fiscal periods for 2024 and 2023 are the 12 months commencing 1 January 2024 and ending 31 December 2024, and the 17 months commencing 31 July 2022 and ending 31 December 2023 respectively. As a result, the comparative figures are not directly comparable.

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS

Income statement presentation
In accordance with IAS 1, 'Presentation of Financial Statements', the Group Consolidated Income Statement is presented by function of expense, with the exception of Syndicated Revolving Credit Facility ('RCF') termination costs. In accordance with IAS 1.85, RCF termination costs have been presented separately on the basis of materiality and to distinguish them from other elements of financial performance.

Additionally, to enable a more comprehensive understanding of the Group's financial performance, the Group Consolidated Income Statement by nature of cost, through operating profit, is set out in note 4.

Going concern

In assessing whether the use of the going concern basis is appropriate, the Directors have reviewed projected financial performance, liquidity, available committed banking facilities and compliance with the Group's financial covenants (as defined under the terms of the Group's Syndicated Bank facilities) for a period of not less than 12 months from the date of approval of the Group consolidated financial statements.

The Group has delivered significantly improved profitability and cash generation from operating activities during the period ended 31 December 2024, compared with that of the 12-month period to 31 December 2023. This improved performance has enabled the Group to further improve its financial position, including redemption of Hybrid instruments with a principal value of €346.7m during the period.

As part of the assessment, the Directors have considered the financial projections of the Group together with other relevant market conditions generally (including cost inflation and rising interest rates) and those specifically affecting the food industry. Based on these considerations, the Directors have a reasonable expectation that the Group has adequate financial and other resources to continue in operational existence and will be able to meet its liabilities due over the going concern assessment period. For this reason the Directors consider it appropriate to adopt the going concern basis in preparing the financial statements.

Basis of consolidation

The Group consolidated financial statements reflect the consolidation of the results, the assets and the liabilities of the parent undertaking, and all of its subsidiaries. The Group had no joint venture or associate investments during the financial periods ended 31 December 2024 or 31 December 2023.

Subsidiary undertakings
Subsidiary undertakings are those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Where necessary, the accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS

Disposal of subsidiaries
When the group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount, plus proceeds received, recognised in profit or loss. The fair value of the retained interest is then utilised as the initial carrying amount for purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. Any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Transactions eliminated on consolidation
Intra-group balances and any unrealised gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the Group consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that they do not provide evidence of impairment.

Revenue recognition

Revenue represents the amount of consideration the Group expects to receive in exchange for the sale of goods and services supplied to third parties, after deducting trade discounts, allowances, and promotional and volume rebates, and is exclusive of sales tax/VAT. Revenue is recognised when control of the goods has passed to the buyer, which is usually upon shipment or delivery, depending on the specific terms agreed with the individual customer. Revenue is recorded when there is no unfulfilled obligation that could affect the customer's acceptance of the goods.

An estimate is made on the basis of historical sales returns and is recorded to allocate these returns to the same period as the original revenue is recorded. Rebates, allowances and discounts are provided for based on agreements or contracts with customers, agreed promotional arrangements and accumulated experience, using the expected value method. Any unutilised accrual is released after assessment that the likelihood of such a claim being made is no longer highly probable.

Financing income is recognised on an accrual basis, taking into consideration the sums lent and the actual interest rate applied.

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS

Segmental reporting

Management has determined the operating segments based on the reports regularly reviewed by the Group's Chief Operating Decision Maker ('CODM') in making strategic decisions, allocating resources and assessing performance.

During the financial periods ended 31 December 2024 and 31 December 2023, the Group's Chief Operating Decision Maker ('CODM') was Urs Jordi, Chairman of the Board and Group Interim CEO. Following his appointment as Group CEO on 1 January 2025, the CODM is Michael Schai.

The Group has two operating and reporting segments, ARYZTA Europe and ARYZTA Rest of World.

ARYZTA Europe has leading market positions in the European convenience bakery market. In Europe, ARYZTA has a diversified customer base within Foodservice, Large Retail, QSR and Convenience or independent Retail channels.

ARYZTA Rest of World consists of businesses in Japan, Malaysia, Singapore, Taiwan, Australia and New Zealand, primarily partnering with international QSR and Other Foodservice customers.

Segment assets and liabilities consist of property, plant and equipment, goodwill and intangible assets and other assets and liabilities that can be reasonably allocated to the reported segment. Unallocated assets and liabilities include financial assets at fair value, bank debt, cash and cash equivalents and tax balances. Net finance costs and income tax are managed on a centralised basis. Therefore, these items are not allocated between operating segments for the purpose of presenting information to the CODM.

Exceptional items

Exceptional items relate to significant income and/or expenses that are disclosed in a separate note to the financial statements. Where individual transactions are significantly material to the Group, these are disclosed on the face of the Group Consolidated Income Statement due to their nature or amount to highlight the effect of such items within the Group Consolidated Income Statement and results for the period and to better inform the user of their significance. Examples of such items may include but are not limited to:

- profits or losses on termination or disposal of operations;
- significant impairments of assets, including goodwill impairment;
- transaction, integration and costs related to acquisition or disposal activity;
- significant litigation costs and settlements;
- debt early termination costs;
- significant restructuring programmes;
- costs arising due to the effect of natural disasters and national health emergencies (including pandemics and the related recovery periods, including any government imposed restrictions impacting consumer demand and the production processes, net of directly related government support).

Management exercises judgement in assessing items which, by virtue of its scale or nature, should be highlighted and disclosed in the Group Consolidated Income Statement and notes to the Group Consolidated Financial Statements as exceptional items. Exceptional items are included within the Group Consolidated Income Statement caption to which they relate and are separately disclosed in the notes to the Group Consolidated Financial Statements.

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS

Employee benefits

Pension obligations

Obligations for contributions to defined contribution pension plans are recognised as an expense in the Group Consolidated Income Statement, as the related employee service is received. The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan, by estimating the amount of future benefit employees have earned in return for their service in the current and prior period. The future benefit is discounted to determine the present value of the obligation and the fair value of any plan assets is deducted. The discount rate is the yield at the balance sheet date on high-quality corporate bonds that have maturity dates approximating the terms of the Group's obligations.

The defined benefit calculations are performed by a qualified actuary using the projected unit credit method on an annual basis. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in the Group Consolidated Statement of Comprehensive Income, net of related taxes. Current and past service costs are recognised as employment costs in the Group Consolidated Income Statement. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets, and is recognised in financing costs / income in the Group Consolidated Income Statement.

Share-based compensation

As defined in IFRS 2, 'Share-based Payment', the cost of equity instruments is recognised at grant date fair value in the Group Consolidated Income Statement, with a corresponding increase in equity. The fair value is measured at the grant date and recognised over the period during which the employees become unconditionally entitled to the equity instrument. The fair value of the performance share units are measured based on a Monte Carlo simulation, taking into account the terms and conditions under which the equity instruments were granted. A portion of the Group's equity-settled share-based compensation plans are subject to non-market vesting conditions; therefore, the amount recognised in respect of this portion is adjusted annually to reflect the current estimate of achieving these conditions and the number of equity instruments expected to eventually vest.

Income taxes

Income tax expense on the profit or loss for the period comprises current and deferred tax. Income tax is recognised in the Group Consolidated Income Statement except to the extent that it relates to items recognised directly in equity or in other comprehensive income, in which case the related tax is also recognised directly in equity or in other comprehensive income, respectively. Current income tax is the expected tax payable on the taxable income for the period, using tax rates and laws that have been enacted or substantively enacted at the balance sheet date, in the respective countries where the Group and its subsidiaries operate and generate taxable income.

Deferred income tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred income tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. If the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, does not affect accounting or taxable profit or loss, it is not recognised. Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS

A deferred income tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be recovered. Deferred income tax assets are reduced to the extent it is no longer probable the related tax benefit will be realised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Foreign currency

Items included in the financial statements of the Group's entities are measured using the currency of the primary economic environment in which each entity operates (the 'functional currency'). The consolidated financial statements are presented in euro, the Group's presentation currency.

Transactions in currencies other than the functional currency of each respective entity are converted to the relevant functional currency using the foreign exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are converted to the relevant functional currency using the foreign exchange rate at the balance sheet date. Foreign exchange differences arising on conversion into the local functional currency are recognised in the Group Consolidated Income Statement, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to euro at the foreign exchange rates at the balance sheet date. Income and expenses of foreign operations are translated to euro at the average exchange rates for the period, unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions. Foreign exchange differences arising on translation of the net assets of a foreign operation are recognised in other comprehensive income, as a change in the foreign currency translation reserve.

Exchange gains or losses on long-term intra-group loans and on foreign currency borrowings used to finance or provide a hedge against Group equity investments in non-euro denominated operations are included in other comprehensive income, as a change in the foreign currency translation reserve, to the extent they are neither planned nor expected to be repaid in the foreseeable future, or are expected to provide an effective hedge of the net investment. Any differences that have arisen since transition to IFRS are recognised in the foreign currency translation reserve and are recycled through the Group Consolidated Income Statement on the repayment of the intra-group loan, or on disposal of the related business.

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS

The principal euro foreign exchange currency rates used by the Group for the preparation of these consolidated financial statements are as follows:

Currency	Average December 2024	Average December 2023	% Change	Closing December 2024	Closing December 2023	% Change
CHF	0.9525	0.9732	2.1%	0.9398	0.9332	(0.7%)
AUD	1.6397	1.5958	(2.8%)	1.6756	1.6185	(3.5%)
GBP	0.8468	0.8685	2.5%	0.8292	0.8688	4.6%
PLN	4.3060	4.5977	6.3%	4.2763	4.3382	1.4%

Property, plant and equipment

Property, plant and equipment is stated at historical cost, less accumulated depreciation and impairment losses. Other subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the item of property, plant and equipment. All other expenditures, including repairs and maintenance costs, are recognised in the Group Consolidated Income Statement as an expense as incurred.

Interest on specific and general borrowings used to finance construction costs of property, plant and equipment is capitalised during the period of time that is required to complete and prepare the asset for its intended use. All other borrowing costs are expensed.

Depreciation is calculated to write-off the cost, less estimated residual value, of property, plant and equipment, other than freehold land and assets under construction, on a straight-line basis, by reference to the following estimated useful lives:

Buildings	25 to 50 years
Plant and machinery	3 to 20 years
Motor vehicles	3 to 7.5 years

The residual value of assets, if significant, and the useful life of assets is reassessed annually. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals of property, plant and equipment are recognised on the completion of sale. Gains and losses on disposals are determined by comparing the proceeds received, net of related selling costs, with the carrying amount of the asset and are included in operating profit.

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS

Leases

Identifying a lease
Where a contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration it is treated as a lease.

As Lessee
Where the Group acts as a lessee the Group recognises a right of use asset and lease liability at the lease commencement date, which is the date the underlying asset is available for our use.

The Group recognises right-of-use assets at the commencement date of the lease (the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The recognised right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and estimated useful lives of the assets. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. Right-of-use assets are subject to impairment under IAS 36 'Impairment of assets'. Right-of-use assets are presented within Property, Plant and Equipment in the Group Consolidated Balance Sheet.

Lease liabilities are initially measured at the present value of lease payments that are not paid at the commencement date. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. In the Group Consolidated Cash Flow Statement the payments made are separated into the principal portion, and interest (both presented in financing activities). It is remeasured if there is a change in future lease payments, a change in the lease term, or as appropriate, a change in the assessment of whether an extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date or the interest rate implicit in the lease, if this is readily determinable. Incremental borrowing rates are calculated using a portfolio approach, based on the risk profile of the entity holding the lease, the term and currency of the lease. Lease liabilities are presented within interest-bearing loans and borrowings.

Short-term and low-value leases
The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS

Business combinations and goodwill

Business combinations are accounted for by applying the acquisition method. The cost of each acquisition is measured as the aggregate of the fair value of the consideration transferred, as at the acquisition date, and the fair value of any non-controlling interest in the acquiree.

The consideration transferred includes the fair value of any assets or liabilities resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities assumed in a business combination, including contingent liabilities, are measured initially at their fair values at the acquisition date. Where any part of the consideration for a business combination is contingent, the fair value of that component is determined by discounting the estimated amounts payable to their present value at the acquisition date. The discount is unwound as a finance charge in the Group Consolidated Income Statement over the life of the obligation. Subsequent changes to the estimated amounts payable for contingent consideration are recognised as a gain or loss in the Group Consolidated Income Statement.

Where a business combination is achieved in stages, the Group's previously held interest in the acquiree is re-measured to fair value at the acquisition date and included within the consideration, with any gain or loss recognised in the Group Consolidated Income Statement.

Goodwill is initially recognised at cost, being the difference between the cost of the acquisition over the fair value of the net identifiable assets and liabilities assumed. Following initial recognition, goodwill is stated at cost, less any accumulated impairment losses.

When the initial accounting for a business combination is only provisionally determined at the end of the financial period in which the combination occurs, any adjustments to the provisional values allocated to the identifiable assets and liabilities are made within a period of no more than 12 months from the acquisition date.

Acquisition costs arising in connection with a business combination are expensed as incurred.

Cloud software licence agreements

Licence agreements to use cloud software are treated as service contracts and expensed in the Group Consolidated Income Statement, unless the Group has both a contractual right to take possession of the software at any time without significant penalty, and the ability to run the software independently of the host vendor. In such cases, the licence agreement is capitalised as software within intangible assets. Costs to configure or customise a cloud software licence are expensed alongside the related service contract in the Group Consolidated Income Statement, unless they create a separately identifiable resource controlled by the Group, in which case they are capitalised.

Intangible assets

Intangible assets acquired as part of a business combination are initially recognised at fair value, being their deemed cost as at the date of acquisition. These generally include brand and customer-related intangible assets.

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS

Computer software that is not an integral part of an item of computer hardware is also classified as an intangible asset. Where intangible assets are separately acquired, they are capitalised at cost. Cost comprises purchase price and other applicable directly attributable costs. Directly attributable costs that are capitalised as part of the ERP and computer-related intangibles include the employee costs and an appropriate portion of relevant overheads. Other development expenditures that do not meet these criteria are recognised as an expense as incurred.

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the Group Consolidated Income Statement as an expense as incurred. Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products or processes, is capitalised, if the product or process is technically and commercially feasible, the attributable expenditure can be reliably measured, and the Group has sufficient resources to complete development. The expenditure capitalised includes the cost of materials, direct labour or an appropriate proportion of overheads. Capitalised development expenditure is stated at cost, less accumulated amortisation and impairment losses. Other development expenditure is recognised in the Group Consolidated Income Statement as an expense as incurred.

Intangible assets with finite lives are amortised over the period of their expected useful lives in equal annual instalments, generally as follows:

Customer relationships	10 to 15 years
Brands	10 to 15 years
Computer-related intangibles	3 to 12 years
Patents and other	8 to 12 years

Subsequent to initial recognition, the expected useful lives and related amortisation of finite life intangible assets are reviewed at least at each financial period end and, if the expected economic benefits of the asset are different from previous estimates, amortisation is adjusted accordingly. Intangible assets are stated at cost, less accumulated amortisation and any impairment losses incurred.

There are no intangible assets with an indefinite useful life.

Impairment of non-financial assets

The carrying amounts of the Group's assets, other than inventories (which are carried at the lower of cost and net realisable value), deferred tax assets (which are recognised based on recoverability), are reviewed to determine whether there is an indication of impairment when an event or transaction indicates that there may be, and at least at each reporting date. If any such indication exists, an impairment test is carried out and, if necessary, the asset is written down to its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and an asset's value-in-use. The Group tests goodwill for impairment annually in the third quarter of the financial year, or more frequently if events or changes in circumstances indicate a potential impairment.

An impairment loss is recognised whenever the carrying amount of an asset, or its cash-generating unit, exceeds its estimated recoverable amount. Impairment losses are recognised in the Group Consolidated Income Statement as an expense. Goodwill is allocated to the various cash-generating units for the purposes of impairment testing.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit, and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS

An impairment loss for goodwill is not subsequently reversed. An impairment loss for other assets may be reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Inventory

Inventory is stated at the lower of cost, on a first-in, first-out basis, and net realisable value. Cost includes all expenditure incurred in the normal course of business in bringing the products to their present location and condition. Net realisable value is the estimated selling price of inventory on hand, less all further costs to completion and all costs expected to be incurred in marketing, distribution and selling.

Cash and cash equivalents

Cash equivalents are defined as short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents in the balance sheet comprise cash at bank and on hand, call deposits and other short-term highly liquid investments with original maturities of three months or less. The group operates a multi-currency cash pooling arrangement that is always in a net cash position.

Share capital

Shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity, net of tax, as a deduction from the proceeds.

If any Group company purchases ARYZTA AG's equity share capital, those shares are accounted for as treasury shares in the consolidated financial statements of the Group. Consideration paid for treasury shares, including any directly attributable incremental cost, net of tax, is deducted from equity attributable to the shareholders of the Company, until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's shareholders.

Financial assets and liabilities

Financial assets are recognised in or derecognised from the Group Consolidated Balance Sheet on trade-date basis, being the date on which the Group contractually commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised only when the Group's obligations are discharged, cancelled or expired.

At initial recognition, the group measures a financial asset or liability at its fair value plus directly attributable transaction costs, except in the case of a financial instrument through profit or loss (FVPL), which are initially recognised at fair value.

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS

Financial Assets classifications

Financial assets are classified into one of the following categories depending on the Group's business model for managing the financial assets and the contractual terms of the cash flows:

Amortised cost

Trade and other receivables (excluding prepayments) and cash and cash equivalents are initially measured at fair value and are thereafter measured at amortised cost, using the effective interest method, less loss allowance.

Fair value through income statement (FVPL) or Other Comprehensive Income (FVOCI)

Derivative financial instruments are initially recorded at fair value on the date the contract is entered into and are subsequently re-measured to fair value, as of each reporting date, using quoted market values. The gain or loss arising on re-measurement is recognised in the Group Consolidated Income Statement, except where the instrument is a designated cash flow hedging instrument in which case fair value changes in the effective portion of the derivative are recognised in Other Comprehensive Income.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Any gain or loss arising on derecognition is recognised directly in the Group Consolidated Income Statement. Impairment losses are presented in the Group Consolidated Income Statement.
- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. The Group has no debt instruments measured at FVOCI.
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. In addition, assets that are irrevocably designated as FVPL at origination to eliminate or significantly reduce an accounting mismatch are also measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in the Group Consolidated Income Statement.

Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9 'Financial Instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets. Credit losses associated with trade and other receivables are recognised in administration expenses.

Where risks associated with trade receivables are transferred out of the Group under receivables purchase arrangements, such receivables are derecognised from the balance sheet, except to the extent of the Group's continued involvement or exposure.

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS

Trade and other payables

Trade and other payables are recognised initially at fair value and are subsequently measured at amortised cost, using the effective interest method. Trade and other payables are classified as non-current liabilities, if payment is specified as due after more than one year, otherwise, they are presented as current liabilities.

Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation and the outflow can be reliably measured. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Derivatives

Derivative financial instruments, including forward currency contracts, interest rate swaps and commodity futures contracts are used to manage the Group's exposure to foreign currency risk, interest rate risk and commodity price risk. These derivatives are generally designated as cash flow hedges. The Group does not use derivatives for speculative purposes.

Derivative financial instruments are initially recorded at fair value on the date the contract is entered into and are subsequently re-measured to fair value, as of each reporting date, using quoted market values. The gain or loss arising on re-measurement is recognised in the Group Consolidated Income Statement, except where the instrument is a designated hedging instrument.

The fair value of derivative instruments is calculated using quoted prices. Where such prices are not available a discounted cash flow analysis is used based on the applicable yield curve adjusted for counterparty risk for the duration and currency of the instrument, which are observable:

- Foreign exchange forward contracts are measured using quoted forward exchange rates to match the maturities of these contracts;
- Interest rate swap contracts are measured using quoted daily reference rates to match the maturities of these contracts; and
- Commodity swap contracts are marked to market using observable market data and dealer quotes at the balance sheet date.

Cash flow hedges

Subject to the satisfaction of certain criteria relating to the documentation of the risk, objectives and strategy for the hedging transaction and the ongoing measurement of its effectiveness, cash flow hedges are accounted for under hedge accounting rules.

At inception of a hedge relationship, the Group documents the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions. In order to achieve and maintain cash flow hedge accounting, it is necessary for management to determine, at inception and on an ongoing basis, whether a forecast transaction is highly probable.

In such cases, any unrealised gain or loss arising on the effective portion of the derivative instrument is recognised in other comprehensive income, as part of the cash flow hedge reserve. Unrealised gains or losses on any ineffective portion are recognised in the Group Consolidated Income Statement. When the hedged transaction occurs, the related gains or losses in the cash flow hedge reserve are transferred to the Group Consolidated Income Statement. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred cost of hedging that were reported in equity are immediately reclassified to profit or loss.

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS

Net investment hedge

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised in the Group Consolidated Income Statement. Gains and losses accumulated in equity are included in the Group Consolidated Income Statement when the foreign operation is disposed of or sold.

Interest-bearing loans and borrowings

Interest-bearing borrowings are recognised initially at fair value, net of attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost, using the effective interest rate method.

Fees paid on the establishment of loan facilities are capitalised as transaction costs of the loan, to the extent that it is probable that some or all of the facility will be drawn down, and are amortised over the period of the facility to which the fees relate. Remaining loan transaction costs are recognised in the Group Consolidated Income Statement on derecognition of the related loan liability.

For interest-bearing loans and borrowings with a contractual re-pricing date of less than six months, the nominal amount is considered to approximate fair value for disclosure purposes. For loans with a re-pricing date of greater than six months, the fair value is calculated based on the expected future principal and interest cash flows, discounted at appropriate current market interest rates.

Other equity reserve

As the perpetual callable subordinated instruments ('Hybrid instruments') have no maturity date and repayment is at the option of ARYZTA, they are recognised within other equity reserves at historical cost, net of attributable transaction costs, until such time that management and the Board of Directors have approved settlement of the applicable instrument. Any difference between the amount paid upon settlement of these instruments and the historical cost is recognised directly within retained earnings.

Dividends on these Hybrid instruments accrue at the coupon rate applicable to each respective instrument on an ongoing basis; however, a contractual obligation to settle these dividends in cash only arises when a Compulsory Payment Event, such as payment of a cash dividend to equity shareholders, has occurred within the last twelve months.

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS

2 Segment information

2.1 Analysis by business segment

I) Segment revenue and result (in €m)	ARYZTA Europe December 2024 12-month	ARYZTA Europe December 2023 17-month	ARYZTA Rest of World December 2024 12-month	ARYZTA Rest of World December 2023 17-month	ARYZTA Group December 2024 12-month	ARYZTA Group December 2023 17-month
Segment revenue[1]	**1,945.1**	**2,697.8**	**249.4**	**348.2**	**2,194.5**	**3,046.0**
EBITDA[2]	271.5	330.4	49.4	70.4	320.9	400.8
Depreciation	(93.3)	(126.4)	(10.4)	(16.0)	(103.7)	(142.4)
Amortisation	(22.5)	(31.8)	(4.7)	(6.8)	(27.2)	(38.6)
Operating profit[3]	**155.7**	**172.2**	**34.3**	**47.6**	**190.0**	**219.8**
Financing income[4]					24.1	17.7
Financing costs[4]					(55.8)	(53.6)
RCF termination costs[4]					(4.0)	–
Profit before income tax as reported in Group Consolidated Income Statement					**154.3**	**183.9**

1 There were no significant intercompany revenues between business segments.
2 "EBITDA" – presented as earnings before interest, taxation, depreciation and amortisation.
3 Certain central executive and support costs have been allocated against the operating results of each business segment.
4 Finance income/(costs), RCF termination costs and income tax expense are managed on a centralised basis. Therefore, these items are not allocated between business segments for the purposes of presenting information to the Chief Operating Decision Maker.

II) Segment revenue by location (in €m)	December 2024 12-month Revenue	December 2024 12-month % of Group Revenue	December 2023 17-month Revenue	December 2023 17-month % of Group Revenue
Switzerland (ARYZTA's country of domicile)	278.7	12.7%	381.4	12.5%
Germany	619.3	28.2%	887.6	29.2%
France	340.1	15.5%	459.8	15.1%
Other[1]	707.0	32.2%	969.0	31.8%
ARYZTA Europe segmental revenue	1,945.1	88.6%	2,697.8	88.6%
ARYZTA Rest of World segmental revenue[2]	249.4	11.4%	348.2	11.4%
ARYZTA Group revenue[3]	**2,194.5**	**100.0%**	**3,046.0**	**100.0%**

1 Other includes foreign countries in the Europe segment which individually did not represent greater than 10% of ARYZTA Group revenue in the current or prior financial period.
2 No country in the Rest of World segment represented greater than 10% of the ARYZTA Group revenue in the current or prior financial period on an individual country basis.
3 For the purposes of this analysis, customer revenues are allocated based on geographic location of vendor.

Two external customers represented more than 10% of the ARYZTA Group revenue in the current and prior financial periods. One external customer represented 16% of the ARYZTA Group revenue in the current financial period (2023: 16%), which was earned across all of the Group's operating segments in the current and prior financial period. A second customer represented 10% of the ARYZTA Group revenue in the current financial period (2023: 12%), which was earned in the ARYZTA Europe operating segment in the current and prior financial period. No other customer represented more than 10%. There is no significant credit risk associated with receivables from these customers.

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS

III) Segment revenue by product (in €m)	ARYZTA Europe December 2024 12-month	ARYZTA Europe December 2023 17-month	ARYZTA Rest of World December 2024 12-month	ARYZTA Rest of World December 2023 17-month	ARYZTA Group December 2024 12-month	ARYZTA Group December 2023 17-month
Bread Rolls & Artisan Loaves[1]	898.0	1,192.3	168.0	236.6	1,066.0	1,428.9
Sweet Baked & Morning Goods[1]	655.9	916.8	74.7	97.5	730.6	1,014.3
Savoury & Other[1]	391.2	588.7	6.7	14.1	397.9	602.8
Revenue	**1,945.1**	**2,697.8**	**249.4**	**348.2**	**2,194.5**	**3,046.0**

1 The Group has updated its classification of products within the above categories from FY24 onwards. If the new classifications had been applied to the previous period, the revenue by product breakdown for the prior 17 months to December 2023 would be as follows:
– Bread Rolls & Artisan Loaves: ARYZTA Group €1,485.0m (+€56.1m); ARYZTA Europe €1,246.6m (+€54.3m); ARYZTA Rest of World €238.4m (+€1.8m);
– Sweet Baked & Morning Goods: ARYZTA Group €1,011.7m (-€2.6m); ARYZTA Europe €912.1m (-€4.7m); ARYZTA Rest of World €99.6m (+€2.1m); and
– Savoury & Other: ARYZTA Group €549.3m (-€53.5m); ARYZTA Europe €539.1m (-€49.6m); ARYZTA Rest of World €10.2 (-€3.9m).

IV) Segment revenue by channel (in €m)	ARYZTA Europe December 2024 12-month	ARYZTA Europe December 2023 17-month	ARYZTA Rest of World December 2024 12-month	ARYZTA Rest of World December 2023 17-month	ARYZTA Group December 2024 12-month	ARYZTA Group December 2023 17-month
QSR	234.4	323.5	180.3	256.7	414.7	580.2
Retail	1,122.2	1,571.0	20.0	26.8	1,142.2	1,597.8
Other Foodservice	588.5	803.3	49.1	64.7	637.6	868.0
Revenue	**1,945.1**	**2,697.8**	**249.4**	**348.2**	**2,194.5**	**3,046.0**

V) Segment assets and liabilities (in €m)	ARYZTA Europe 31 December 2024	ARYZTA Europe 31 December 2023	ARYZTA Rest of World 31 December 2024	ARYZTA Rest of World 31 December 2023	ARYZTA Group 31 December 2024	ARYZTA Group 31 December 2023
Segment assets	**1,638.7**	**1,632.4**	**152.2**	**140.5**	**1,790.9**	**1,772.9**
Reconciliation to total assets as reported in Group Consolidated Balance Sheet						
Deferred income tax assets					41.4	45.2
Derivative financial instruments					1.6	0.5
Cash and cash equivalents					77.1	103.9
Total assets as reported in Group Consolidated Balance Sheet					**1,911.0**	**1,922.5**
Segment liabilities	**566.0**	**513.1**	**54.4**	**53.3**	**620.4**	**566.4**
Reconciliation to total liabilities as reported in Group Consolidated Balance Sheet						
Interest-bearing bank loans and borrowings (excluding leases)					663.9	468.8
Derivative financial instruments					5.7	9.0
Current and deferred income tax liabilities					168.9	179.7
Total liabilities as reported in Group Consolidated Balance Sheet					**1,458.9**	**1,223.9**

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS

VI) Other segment information (in €m)	ARYZTA Europe December 2024 12-month	ARYZTA Europe December 2023 17-month	ARYZTA Rest of World December 2024 12-month	ARYZTA Rest of World December 2023 17-month	ARYZTA Group December 2024 12-month	ARYZTA Group December 2023 17-month
Asset additions						
– Property, plant and equipment	119.6	106.9	21.2	17.6	140.8	124.5
– Intangibles	11.7	14.2	0.1	0.3	11.8	14.5
Total asset additions	**131.3**	**121.1**	**21.3**	**17.9**	**152.6**	**139.0**

2.2 Segmental non-current assets

I) Segment non-current assets by segment (in €m)	ARYZTA Europe 31 December 2024	ARYZTA Europe 31 December 2023	ARYZTA Rest of World 31 December 2024	ARYZTA Rest of World 31 December 2023	ARYZTA Group 31 December 2024	ARYZTA Group 31 December 2023
IFRS 8 non-current assets[1]	**1,384.3**	**1,372.8**	**122.9**	**116.2**	**1,507.2**	**1,489.0**

1 Non-current assets as reported under IFRS 8, Operating Segments, include all non-current assets as presented in the Group Consolidated Balance Sheet, with the exception of deferred taxes and derivative financial instruments.

II) Segment non-current assets by location	31 December 2024 Non-current assets €m	31 December 2024 % of Group non-current assets	31 December 2023 Non-current assets €m	31 December 2023 % of Group non-current assets
Switzerland (ARYZTA's country of domicile)	382.0	25.3%	363.8	24.4%
Germany	337.5	22.4%	338.1	22.7%
Ireland	182.6	12.1%	188.2	12.6%
Other[1]	482.2	32.0%	482.7	32.5%
ARYZTA Europe segmental non-current assets	1,384.3	91.8%	1,372.8	92.2%
ARYZTA Rest of World segmental non-current assets[2]	122.9	8.2%	116.2	7.8%
ARYZTA Group non-current assets	**1,507.2**	**100.0%**	**1,489.0**	**100.0%**

1 Other includes foreign countries in the Europe segment which individually did not represent greater than 10% of ARYZTA Group non-current assets at the end of the current or prior financial year.

2 No country in the Rest of World segment represented greater than 10% of the ARYZTA Group non-current assets in the current or prior financial year on an individual country basis.

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS

3 Financing income and costs

in €m	December 2024 12-month	December 2023 17-month
Financing income		
Total financing income recognised in Group Consolidated Income Statement	**24.1**	**17.7**
Financing costs		
Interest cost on bank loans and overdrafts	(50.8)	(48.0)
Interest cost on lease liabilities	(4.9)	(5.5)
Defined benefit plan: net interest cost on plan liabilities (note 20)	(0.1)	(0.1)
Total financing costs recognised in Group Consolidated Income Statement	**(55.8)**	**(53.6)**
RCF termination costs (note 17)	**(4.0)**	**–**
Recognised directly in other comprehensive income		
Effective portion of changes in fair value of interest rate swaps[1]	–	(3.5)
Fair value of interest rate swaps transferred to income statement	(0.7)	–
Total financing costs recognised directly in other comprehensive income	**(0.7)**	**(3.5)**

1 No unrealised gains or losses on any ineffective portion of derivatives have been recognised in the Group Consolidated Income Statement.

4 Other information

Group Consolidated Income statement by nature of cost through to operating profit (in €m)	December 2024 12-month	December 2023 17-month
Revenue	2,194.5	3,046.0
Raw materials and consumables used	(1,004.6)	(1,465.2)
Employment costs (note 6)	(441.0)	(568.3)
Storage and distribution costs	(152.4)	(205.8)
Amortisation of intangible assets (note 2)	(27.2)	(38.6)
Depreciation of property, plant and equipment (note 2)	(103.7)	(142.4)
Light, heat and power	(76.8)	(139.9)
Operating lease rentals	(3.9)	(3.5)
Repairs and maintenance	(46.3)	(60.0)
Advertising and marketing	(10.0)	(7.4)
Research and development	(7.7)	(8.2)
Asset disposals and impairments	(0.4)	–
Other direct and indirect costs	(130.5)	(186.9)
Operating profit	**190.0**	**219.8**

Group revenue categories

Group revenue relates primarily to sale of products.

5 Directors' compensation

Please refer the compensation of key management disclosure as included in note 24.

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS

6 Employment

Average number of persons employed by the Group by function	December 2024 12-month	December 2023 17-month
Production	5,052	5,089
Sales and distribution	2,284	2,210
Management and administration	754	746
Average number of persons employed	**8,090**	**8,045**

Average number of persons employed by the Group by region	December 2024 12-month	December 2023 17-month
Europe	6,866	6,832
Rest of World	1,224	1,213
Total Group	**8,090**	**8,045**

Employment costs of the Group (in €m)	December 2024 12-month	December 2023 17-month
Wages and salaries	366.8	481.1
Social welfare costs	55.2	67.1
Severance and other staff-related costs	1.1	2.7
Defined contribution plans (note 20)	7.5	8.1
Defined benefit plans – current service cost (note 20)	3.6	4.7
Defined benefit plans – past service cost (note 20)	0.3	(1.1)
Share-based payments (note 7)	6.5	5.7
Employment costs	**441.0**	**568.3**

7 Share-based payments

The Group has equity-based incentive awards outstanding under various ARYZTA Long-Term Incentive Plans ('LTIPs'). In addition, since the November 2018 AGM, non-executive members of the Board of Directors have been compensated in the form of restricted shares or Restricted Stock Units ('RSUs') in respect of 40% of their fixed annual fees.

As the Group has no legal or constructive obligation to repurchase or settle the awards in cash, the equity instruments granted under these LTIPs are equity-settled share-based payments, as defined in IFRS 2 'Share-based Payment'.

During the period ended 31 December 2024, the Group granted Performance Share Units ('PSUs') to Executive Management and other members of senior management. Vesting of these awards is conditional on achievement of EBITA, ROIC and relative Total Shareholder Return ('rTSR') targets during the associated performance periods ending in 2024, 2025 and 2026, as well as continued employment throughout the respective performance periods. The Group also granted Performance Share Units ('PSUs') to Executive Management and other members of senior management during the prior period ended 31 December 2023. Vesting of these awards is conditional on achievement of EBITA, ROIC and rTSR targets during the associated performance periods ending in 2023, 2024 and 2025, as well as continued employment throughout the respective performance periods.

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS

The number of awards granted during the period, as included in the respective tables below, represents the target number of awards that could potentially vest. The actual vesting level will be determined based on the level of performance achieved during the applicable vesting period and applying the corresponding vesting multiple, ranging between 0 and 1.5, to the number of awards received by each participant.

The total cost reported in the Group Consolidated Income Statement in relation to equity-settled share-based payments is €6.5m for the 12-month period ended 31 December 2024 and €5.7m for the 17-month period ended 31 December 2023. The analysis of movements within the LTIP plans is as follows:

Performance Share Units and Restricted Stock Units

Performance Share Unit and Restricted Stock Unit awards outstanding	Weighted conversion price 2024 in CHF	Number of equity entitlements 2024	Weighted conversion price 2023 in CHF	Number of equity entitlements 2023
Outstanding at beginning of the period	0.00	6,968,030	0.00	13,034,762
Granted during the period	0.00	3,938,496	0.00	3,153,205
Exercised during the period	0.00	(4,080,146)	0.00	(6,087,774)
Forfeited during the period	0.00	(520,264)	0.00	(443,232)
Cancelled during the period	–	–	0.00	(2,688,931)
Outstanding at the end of the period	**0.00**	**6,306,116**	**0.00**	**6,968,030**
Vested at end of the period	**–**	**–**	**–**	**–**

Performance Share Unit and Restricted Stock Unit awards outstanding by conversion price	Actual remaining life (years)	Conversion price in CHF	Number of equity entitlements
Issued during financial year 2023	8.1	0.00	2,968,957
Issued during financial year 2024	9.5	0.00	3,337,159
As of 31 December 2024	**8.8**	**0.00**	**6,306,116**

During the financial periods ended 31 December 2024 and 31 December 2023, awards relating to certain PSUs were forfeited as certain employees exited the business before the vesting period ended.

The weighted average fair value assigned to PSUs issued during the period ended 31 December 2024 was CHF 1.63 (2023: CHF 1.35), which represents the full value of an ordinary share on the grant date, as the exercise price associated with these awards is nil and the expected dividend yield was 0.0%.

During the 12-month period ended 31 December 2024, the performance conditions associated with 4,080,146 PSUs were fulfilled. Therefore, these awards were approved as vested by the Remuneration Committee. The weighted average share price at the time of these exercises was CHF 1.66.

During the prior 17-month period ended 31 December 2023, the performance conditions associated with 6,087,774 PSUs were fulfilled. Therefore, these awards were approved as vested by the Remuneration Committee. Subsequent to vesting, employees were given the option of exercising via transfer of shares or settlement of equivalent amount via cash. Accordingly, 372,861 shares were issued out of treasury shares and cash in the amount of €3.8m was transferred to employees during the period. The weighted average share price at the time of these exercises was CHF 1.00. The movement in the share based payment reserve of €1.9m is the net of the €5.7m cost reported in the income statement and the €3.8m transferred to employees during the prior period.

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS

8 Income taxes

Income tax (charge)/credit (in €m)	December 2024 12-month	December 2023 17-month
Current tax charge	(31.1)	(36.5)
Deferred tax credit (note 19)	6.4	13.1
Income tax charge	**(24.7)**	**(23.4)**

Reconciliation of average effective tax charge to applicable tax charge (in €m)	December 2024 12-month	December 2023 17-month
Profit before income tax	**154.3**	**183.9**
Income tax on profit for the period at 19.26% (2023: 20.83%)[1]	(29.7)	(38.3)
Income/(expenses) not taxable/(deductible) for tax purposes	(5.7)	(14.2)
Income subject to other rates of tax	(3.1)	(3.2)
Prior year losses recognised / (impact of losses not recognised)	13.1	30.8
Change in estimates and other prior year adjustments:		
– Current tax	0.2	1.4
– Deferred tax	0.5	0.1
Income tax charge	**(24.7)**	**(23.4)**

Income tax recognised in other comprehensive income (in €m)	December 2024 12-month	December 2023 17-month
Relating to foreign exchange translation effects	(0.6)	0.1
Relating to cash flow hedges	(1.1)	1.0
Relating to Group employee benefit plans actuarial gain (note 19)	(0.1)	(0.1)
Tax recognised directly in other comprehensive income	**(1.8)**	**1.0**

1 19.26% is the standard rate of income tax applicable to trading profits in Zurich, Switzerland.

Impact of BEPS 2.0 Global Minimum Tax

Pillar Two legislation has been enacted in Switzerland, the jurisdiction in which ARYZTA AG is incorporated, and its domestic top-up tax provisions came into effect from 1 January 2024. In addition, most of the jurisdictions where the Group operates have introduced their own domestic top-up tax provisions with effect from 1 January 2024. The Pillar Two legislation applicable to the Group follows the approach set out in the OECD Model Rules, and includes transitional safe harbour provisions which aim to ease the administrative burden for in-scope groups during the initial periods of the application of the legislation.

The Group has no related current tax exposure in respect of the Pillar Two legislation for the financial period ended 31 December 2024. The Group expects that transitional safe harbour relief will apply in most jurisdictions. For the limited number of jurisdictions where the transitional safe harbour relief does not apply, no additional Pillar Two related taxes are expected to arise.

The Group does not expect a future material exposure to Pillar Two income taxes in those jurisdictions where the Pillar Two legislation is not yet in effect.

The Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS

9 Proposed dividend

No dividend on ordinary shares was proposed or paid during the period ended 31 December 2024 (2023: nil).

10 Earnings per share

Basic earnings per share	December 2024 12-month €m	December 2023 17-month €m
Profit attributable to equity shareholders	129.6	160.5
Hybrid instrument dividend (note 21)	(29.5)	(64.4)
Profit used to determine basic EPS	**100.1**	**96.1**
Weighted average number of ordinary shares	**in Millions**	**in Millions**
Ordinary shares outstanding at start of period[1]	990.0	992.3
Effect of exercise of equity instruments	1.4	0.3
Purchase of treasury shares	(2.6)	(0.4)
Release of treasury shares as restricted shares	0.1	0.2
Weighted average ordinary shares used to determine basic EPS	988.9	992.4
Basic earnings per share	**10.1 cent**	**9.7 cent**

Diluted earnings per share	€m	€m
Profit used to determine basic EPS	100.1	96.1
Weighted average number of ordinary shares (diluted)	**in Millions**	**in Millions**
Weighted average ordinary shares used to determine basic EPS	988.9	992.4
Effect of equity-based incentives with a dilutive impact	7.4	2.9
Weighted average ordinary shares used to determine diluted EPS	996.3	995.3
Diluted earnings per share	**10.0 cent**	**9.7 cent**

1 Issued share capital excludes treasury shares as detailed in note 21.

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS

11 Property, plant and equipment

in €m	Land and buildings	Plant and Machinery	Motor Vehicles	Assets under construction	Right-of-use leased assets	Total
Net book value at 31 December 2023	**303.0**	**378.3**	**–**	**31.1**	**121.6**	**834.0**
Additions	1.9	18.9	–	60.3	59.7	140.8
Transfer from assets under construction	3.8	35.9	–	(39.7)	–	–
Asset disposals	(0.1)	(1.1)	–	(0.4)	–	(1.6)
Depreciation charge for period	(11.4)	(58.5)	–	–	(33.8)	(103.7)
Translation adjustments	1.3	0.7	–	(0.1)	(0.1)	1.8
Net book value at 31 December 2024	**298.5**	**374.2**	**–**	**51.2**	**147.4**	**871.3**
At 31 December 2024						
Cost	396.9	877.3	–	51.2	256.3	1,581.7
Accumulated depreciation	(98.4)	(503.1)	–	–	(108.9)	(710.4)
Net book value at 31 December 2024	**298.5**	**374.2**	**–**	**51.2**	**147.4**	**871.3**

in €m	Land and buildings	Plant and Machinery	Motor Vehicles	Assets under construction	Right-of-use leased assets	Total
Net book value at 30 July 2022	**304.6**	**390.8**	**0.2**	**36.0**	**122.0**	**853.6**
Additions	1.4	23.8	–	54.4	44.9	124.5
Transfer from assets under construction	12.8	46.4	–	(59.2)	–	–
Asset disposals	(0.2)	(2.5)	(0.1)	(0.3)	–	(3.1)
Depreciation charge for period	(15.5)	(81.2)	(0.1)	–	(45.6)	(142.4)
Translation adjustments	(0.1)	1.0	–	0.2	0.3	1.4
Net book value at 31 December 2023	**303.0**	**378.3**	**–**	**31.1**	**121.6**	**834.0**
At 31 December 2023						
Cost	393.7	836.9	–	31.1	223.2	1,484.9
Accumulated depreciation	(90.7)	(458.6)	–	–	(101.6)	(650.9)
Net book value at 31 December 2023	**303.0**	**378.3**	**–**	**31.1**	**121.6**	**834.0**

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS

12 Leases

The movement in the Group's right-of-use leased assets during the period is as follows:

in €m	Land and Buildings	Plant and Machinery	Motor Vehicles	Total
At 31 December 2023, net carrying amount	**87.7**	**16.3**	**17.6**	**121.6**
Net additions	26.1	4.2	29.4	59.7
Depreciation charge for the period	(18.2)	(4.6)	(11.0)	(33.8)
Translation adjustment	–	–	(0.1)	(0.1)
At 31 December 2024, net carrying amount	**95.6**	**15.9**	**35.9**	**147.4**

in €m	Land and Buildings	Plant and Machinery	Motor Vehicles	Total
At 30 July 2022, net carrying amount	**94.1**	**12.2**	**15.7**	**122.0**
Net additions	17.9	9.9	17.1	44.9
Depreciation charge for the period	(24.7)	(5.8)	(15.1)	(45.6)
Translation adjustment	0.4	–	(0.1)	0.3
At 31 December 2023, net carrying amount	**87.7**	**16.3**	**17.6**	**121.6**

Lease Liabilities

The movement in the Group's lease liabilities during the period is as follows:

in €m	31 December 2024	31 December 2023
Balance at beginning of period	**125.9**	**126.1**
Net additions	59.7	44.9
Payments	(37.9)	(50.9)
Discount unwinding	4.9	5.5
Translation adjustment and other	(0.1)	0.3
Balance at end of period	**152.5**	**125.9**
Non-current (note 17)	120.7	97.4
Current (note 17)	31.8	28.5
Balance at end of period	**152.5**	**125.9**

Undiscounted lease liabilities

The table below shows analysis of the maturity profile of the undiscounted lease liabilities arising from the Group's leasing activities as at 31 December 2024. The projections are based on the foreign exchange rates applicable at the end of the relevant financial period:

in €m	31 December 2024	31 December 2023
Within one year	37.1	31.6
Between one and two years	30.0	23.8
Between two and three years	25.8	19.6
Between three and four years	20.1	16.2
Between four and five years	16.2	11.9
Over five years	55.1	46.3
Total	**184.3**	**149.4**

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS

Short term and low value leases

The Group avails of the exemption from capitalising lease costs for short-term leases and low-value assets where the relevant criteria are met. The following lease costs have been charged to the Group Consolidated Income Statement as incurred:

in €m	December 2024 12-month	December 2023 17-month
Short term leases	2.1	2.0
Leases of low value assets	1.8	1.5
Total	**3.9**	**3.5**

Future possible cash outflows not included in the lease liability

Some leases contain break clauses or extension options to provide operational flexibility. Potential future undiscounted lease payments not included in the reasonably certain lease term, and therefore not included in lease liabilities, total €65.2m. Future increases or decreases in rentals linked to an index or rate are not included in the lease liability until the change in cash flows takes effect.

13 Goodwill and intangible assets

in €m	Goodwill	Customer Relationships	Brands	Computer-related	Patents and other	Total
Net book value at 31 December 2023	**556.7**	**35.8**	**0.4**	**58.5**	**0.9**	**652.3**
Additions	–	–	–	11.8	–	11.8
Amortisation charge for the period	–	(12.7)	(0.2)	(14.0)	(0.3)	(27.2)
Translation adjustments	(3.7)	(0.4)	–	–	–	(4.1)
Net book value at 31 December 2024	**553.0**	**22.7**	**0.2**	**56.3**	**0.6**	**632.8**
At 31 December 2024						
Cost	553.0	175.0	113.5	179.7	4.9	1,026.1
Accumulated amortisation	–	(152.3)	(113.3)	(123.4)	(4.3)	(393.3)
Net book value at 31 December 2024	**553.0**	**22.7**	**0.2**	**56.3**	**0.6**	**632.8**

in €m	Goodwill	Customer Relationships	Brands	Computer-related	Patents and other	Total
Net book value at 30 July 2022	**547.4**	**55.1**	**0.7**	**62.8**	**1.5**	**667.5**
Additions	-	-	-	14.5	-	14.5
Amortisation charge for the period	–	(18.3)	(0.3)	(19.4)	(0.6)	(38.6)
Translation adjustments	9.3	(1.0)	–	0.6	–	8.9
Net book value at 31 December 2023	**556.7**	**35.8**	**0.4**	**58.5**	**0.9**	**652.3**
At 31 December 2023						
Cost	556.7	177.7	114.4	180.3	5.0	1,034.1
Accumulated amortisation	–	(141.9)	(114.0)	(121.8)	(4.1)	(381.8)
Net book value at 31 December 2023	**556.7**	**35.8**	**0.4**	**58.5**	**0.9**	**652.3**

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS

Goodwill Impairment testing

Goodwill acquired through business combinations is allocated at acquisition to the cash-generating units ('CGUs'), or groups of CGUs, that are expected to benefit from the synergies of the business combination.

The Group tests goodwill for impairment annually in the third quarter of the financial year, or more frequently if changes in circumstances indicate a potential impairment.

The business units shown in the following table represent the lowest level at which goodwill is monitored for internal management purposes. Accordingly, this is also the level at which the 2024 goodwill impairment testing was performed. The carrying amount of goodwill allocated to the relevant CGUs, as well as the key assumptions used in the 2024 impairment testing, are summarised as follows:

	Pre-tax discount rate 2024	Pre-tax discount rate 2023	Projection period 2024	Projection period 2023	Terminal growth rate 2024	Terminal growth rate 2023	Carrying Value 2024 €m	Carrying Value 2023 €m
North West Europe[1]	9.3%	8.5%	5 years	5 years	2.0%	2.0%	63.2	63.2
Germany and Other Europe	10.4%	9.9%	5 years	5 years	2.2%	2.1%	87.1	87.8
Switzerland	8.6%	7.3%	5 years	5 years	1.2%	1.0%	282.3	284.3
France	10.3%	9.4%	5 years	5 years	1.7%	1.6%	85.4	85.4
ARYZTA Europe							518.0	520.7
ARYZTA Rest of World	10.0%	9.1%	5 years	5 years	2.2%	2.2%	35.0	36.0
							553.0	**556.7**

1 The North West Europe CGU comprises businesses in Ireland, Netherlands and Denmark

The recoverable amounts of CGUs are based on value-in-use calculations. These calculations use pre-tax cash flow projections based on expected future operating results and related cash flows at the time the impairment test is performed. These projections are based on current operating results of the individual CGU and an assumption regarding future organic growth. For the purposes of the calculation of value-in-use, the cash flows are projected based on current financial budgets, with additional cash flows in subsequent periods calculated using a terminal value methodology and discounted using the relevant rate, as disclosed in the table above.

Goodwill sensitivity analysis

A significant adverse change in the expected future operational results and cash flows may result in the value-in-use being less than the carrying amount of a CGU, which would result in an impairment. Key assumptions include management's estimates of the terminal growth rate, the discount rate, future revenue and profitability.

The terminal growth rates used approximate relevant long-term inflation rates and industry growth trends within each CGU. The discount rates used are based on the relevant risk-free rates, adjusted to reflect the risk associated with the respective future cash flows of that CGU.

Based on the results of the impairment testing undertaken, sufficient headroom exists for the CGUs, such that any reasonably possible movement in any of the underlying assumptions, including a reduction in the terminal growth rate by 1.0%, or increasing the discount rate by 1.0%, would not give rise to an impairment charge.

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS

Revenue is projected to grow over the plan period in line with industry growth projections, consistent with external market data, with further assumed improvements in annual EBITDA. A decrease of 1% in the revenue compound annual growth rate across the projection period, or a reduction in EBITDA realised of 5% per annum across the projection period in each of the CGUs would not result in an impairment.

14 Inventory

in €m	31 December 2024	31 December 2023
Raw materials	19.8	19.9
Finished goods	103.4	101.0
Packaging and other	4.8	4.5
Balance at end of period	**128.0**	**125.4**

During the 12-month period ended 31 December 2024, a total expense of €8.2m (17-month to December 2023: €9.2m) was recognised in the Group Consolidated Income Statement arising from write-down of inventory.

15 Trade and other receivables

in €m	31 December 2024	31 December 2023
Non-current		
Other receivables	3.1	2.7
Balance at end of period	**3.1**	**2.7**
Current		
Trade receivables, net	106.9	103.2
VAT recoverable	18.0	19.5
Prepayments	12.2	18.3
Other receivables	17.6	16.2
Balance at end of period	**154.7**	**157.2**

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS

16 Trade and other payables

in €m	31 December 2024	31 December 2023
Non-current		
Other payables	14.7	17.0
Balance at end of period	**14.7**	**17.0**
Current		
Trade payables	243.5	216.7
Accruals and other payables[1]	179.9	180.2
Employee-related tax and social welfare	15.3	12.7
VAT payable	9.3	8.4
Balance at end of period	**448.0**	**418.0**

1 Accruals and other payables consist primarily of balances due for goods and services received not yet invoiced and for staff compensation.

Trade payables includes €62.8m (2023: €61.1m) due to suppliers that have signed up to a supplier financing arrangement.

The terms and conditions of the supplier financing arrangements in which ARYZTA participates in are as follows:
– Trade payables are non-interest bearing and are normally settled by the Group in less than four months (payment terms up to 120 days), including those liabilities that are included in the Group's supplier financing arrangements.
– Under the supplier financing arrangements, suppliers can elect, at their own discretion, on an invoice by invoice basis to receive discounted early payment from the partner bank rather than being paid in line with agreed payment terms.
– The value of the of the liability payable by the Group remains unchanged and the Group remains obligated to settle invoices at the contractually agreed payment terms.
– The Group does not receive any extended payment terms from the partner bank beyond those agreed with suppliers.
– The Group bears no cost from either the supplier or partner bank in the event that a supplier opts to receive an early discounted payment.
– No collateral or security is pledged to the finance provider.
– The Group assesses the terms of these arrangements to assess if invoices settled through supplier financing arrangements continue to meet the definition of trade payables or should be classified as borrowings.
– At December 2024, these payables met the criteria of trade payables.
– Related payments are included within cash flows from operating activities as they remain operational in nature.
– There were no significant foreign exchange differences or other non-cash transfers relating to the carrying amount of liabilities subject to supplier financing arrangements.

in €m	31 December 2024	31 December 2023
Carrying amount of liabilities that are part of supplier financing arrangements		
Carrying amount of trade payables that are part of a supplier financing arrangement	62.8	61.1
- of which suppliers have received payment	56.2	55.2

Range of payment due dates	
Liabilities that are part of the arrangements	60–120 days after invoice date
Trade payables that are not part of an arrangement	0–120 days after invoice date

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS

17 Interest-bearing loans and borrowings

Details of the Group's interest bearing loans and borrowings are outlined below.

in €m	31 December 2024	31 December 2023
Included in non-current liabilities		
Loans	663.9	468.8
Leases (note 12)	120.7	97.4
Non-current interest-bearing loans and borrowings	**784.6**	**566.2**
Included in current liabilities		
Leases (note 12)	31.8	28.5
Current interest-bearing loans and borrowings	**31.8**	**28.5**
Total loans	**663.9**	**468.8**
Total leases	**152.5**	**125.9**
Total interest-bearing loans and borrowings	**816.4**	**594.7**

An analysis of the movements in net debt during the periods ended 31 December 2024 and 31 December 2023, is shown below:

Analysis of net debt (in €m)	31 December 2023	Cash flows	Non-cash movements	Translation adjustment	31 December 2024
Cash and cash equivalents	103.9	(25.1)	-	(1.7)	77.1
Loans	(468.8)	(193.5)	(5.6)	4.0	(663.9)
Leases (note 12)	(125.9)	33.0	(59.7)	0.1	(152.5)
Net debt	**(490.8)**	**(185.6)**	**(65.3)**	**2.4**	**(739.3)**

Analysis of net debt (in €m)	30 July 2022	Cash flows	Non-cash movements	Translation adjustment	31 December 2023
Cash and cash equivalents	245.8	(137.6)	–	(4.3)	103.9
Loans	(409.7)	(48.9)	(2.3)	(7.9)	(468.8)
Leases (note 12)	(126.1)	45.4	(44.9)	(0.3)	(125.9)
Net debt	**(290.0)**	**(141.1)**	**(47.2)**	**(12.5)**	**(490.8)**

During the prior financial period, in October 2023, the Group drew down on a new CHF 71.8m and €60.0m term loan facility, on the same interest and maturity terms as the existing RCF, allowing for additional flexibility around its capital management. In December 2023, the Group repaid its remaining Schuldschein borrowings.

During the current financial period, in August 2024, the Group replaced its existing €500m RCF Agreement with a new five year €930m RCF Agreement substantially on the same terms as the existing facility. The term loan facility was repaid in full in August 2024 from the proceeds of the new RCF. In connection with this, the Group recognised €4.0m of costs in respect of the write-off of existing RCF capitalised borrowing costs during the period ended 31 December 2024.

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS

The terms of outstanding loans are as follows:

2024	Currency	Financial year of maturity	Nominal Value €m	Carrying amount €m
Syndicated Bank RCF	Various	2029	668.0	663.9
Total outstanding loans at 31 December 2024			**668.0**	**663.9**

1 All debt instruments above are unsecured.

2023	Currency	Financial year of maturity	Nominal Value €m	Carrying amount €m
Syndicated Bank RCF	Various	2026	337.2	332.5
Term Loan	Various	2026	136.9	136.3
Total outstanding loans at 31 December 2023			**474.1**	**468.8**

The weighted average effective interest rate in respect of the Group's interest-bearing loans was as follows:

	31 December 2024	31 December 2023
Total bank loans	**3.5%**	**4.1%**

Repayment schedule – loans (nominal values in €m)	31 December 2024	31 December 2023
Less than one year	–	–
Between one and five years	668.0	474.1
After five years	–	–
	668.0	**474.1**

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS

18 Financial instruments and financial risk

Financial assets and financial liabilities, together with the carrying amounts shown in the balance sheet, are as follows:

31 December 2024 (in €m)	Fair value hierarchy	Fair value through OCI 2024	Amortised cost 2024	Total carrying amount 2024
Trade and other receivables (excluding prepayments)		–	127.6	127.6
Cash and cash equivalents		–	77.1	77.1
Derivative financial assets	Level 2	1.6	–	1.6
Total financial assets		**1.6**	**204.7**	**206.3**
Trade and other payables (excluding non-financial liabilities)		–	(438.1)	(438.1)
Bank borrowings	Level 2	–	(663.9)	(663.9)
Lease liabilities		–	(152.5)	(152.5)
Derivative financial liabilities	Level 2	(5.7)	–	(5.7)
Total financial liabilities		**(5.7)**	**(1,254.5)**	**(1,260.2)**

31 December 2023 (in €m)	Fair value hierarchy	Fair value through OCI 2023	Amortised cost 2023	Total carrying amount 2023
Trade and other receivables (excluding prepayments)		–	122.1	122.1
Cash and cash equivalents		–	103.9	103.9
Derivative financial assets	Level 2	0.5	–	0.5
Total financial assets		**0.5**	**226.0**	**226.5**
Trade and other payables (excluding non-financial liabilities)		–	(413.9)	(413.9)
Bank borrowings	Level 2	–	(468.8)	(468.8)
Lease liabilities		–	(125.9)	(125.9)
Derivative financial liabilities	Level 2	(9.0)	–	(9.0)
Total financial liabilities		**(9.0)**	**(1,008.6)**	**(1,017.6)**

Estimation of fair values

Set out below are the major methods and assumptions used in estimating the fair values of the financial assets and liabilities disclosed in the preceding tables.

Fair value hierarchy

The tables at the beginning of this note summarise the financial instruments carried at fair value, by valuation method. Fair value classification levels have been assigned to the Group's financial instruments carried at fair value. The different levels assigned are defined as follows:

Level 1: Prices quoted in active markets
Level 2: Valuation techniques based on observable market data
Level 3: Valuation techniques based on unobservable inputs

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS

Trade and other receivables/payables
Trade and other receivables are carried at amortised cost, less loss allowance. Trade and other payables are carried at amortised cost. For any trade and other receivables or payables with a remaining life of less than six months or demand balances, the carrying value, less impairment provision where appropriate, is deemed to approximate fair value.

Cash and cash equivalents, including short-term bank deposits
For short-term bank deposits and cash and cash equivalents, all of which have an original and remaining maturity of less than three months, the nominal amount is deemed to approximate fair value.

Derivatives (forward currency, interest rate and commodity swap contracts)
Forward currency contracts are marked to market using quoted forward exchange rates, interest rate swap contracts are measured using quoted daily reference rates to match the maturities of the contracts; and commodity contracts are marked to market using observable market data and dealer quotes at the balance sheet date.

Interest-bearing loans and borrowings
For interest-bearing loans and borrowings with a contractual re-pricing date of less than six months, the nominal amount including accrued interest is considered to approximate fair value for disclosure purposes. For loans with a re-pricing date of greater than six months, the fair value is calculated based on the expected future principal and interest cash flows, discounted at appropriate current market interest rates.

The fair values by classification level of financial assets and financial liabilities within the fair value hierarchy, together with the carrying amounts shown in the balance sheet, are as follows:

31 December 2024 (in €m)	Fair value hierarchy	Fair value through OCI 2024	Amortised cost 2024	Total carrying amount 2024	Fair value 2024
Derivative financial assets	Level 2	1.6	–	1.6	1.6
Bank borrowings	Level 2	–	(663.9)	(663.9)	(668.0)
Derivative financial liabilities	Level 2	(5.7)	–	(5.7)	(5.7)

31 December 2023 (in €m)	Fair value hierarchy	Fair value through OCI 2023	Amortised cost 2023	Total carrying amount 2023	Fair value 2023
Derivative financial assets	Level 2	0.5	–	0.5	0.5
Bank borrowings	Level 2	–	(468.8)	(468.8)	(474.1)
Derivative financial liabilities	Level 2	(9.0)	–	(9.0)	(9.0)

Risk exposures

Group risk management

Risk management is a fundamental element of the Group's business practice at all levels and encompasses different types of risks. This overall Group risk management process includes the performance of a risk assessment that is described in more detail in note 26. Financial risk management specifically is described in further detail below.

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS

Financial risk management
The Group's international operations expose it to different financial risks that include:
credit risks;
liquidity risks;
foreign exchange rate risks;
interest rate risks; and
commodity price risks.

The Group has a risk management programme in place, which seeks to limit the impact of these risks on the financial performance of the Group. The Board has determined the policies for managing these risks. It is the policy of the Board to manage these risks in a non-speculative manner.

Credit risk

Exposure to credit risk
Credit risk arises from credit issued to customers on outstanding receivables and outstanding transactions, as well as cash and cash equivalents, favourable derivative financial instruments and deposits with banks and financial institutions.

The Group has not pledged any financial assets as collateral for liabilities or contingent liabilities.

Cash and short-term bank deposits
Cash and short-term bank deposits are invested with institutions with a high short-term credit rating, with limits on amounts held with individual banks or institutions at any one time. Management does not expect any losses from non-performance by these counterparties.

Trade and other receivables
The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. There is no significant concentration of credit risk by dependence on individual customers or geographies. The Group has detailed procedures for monitoring and managing the credit risk related to its trade receivables based on experience, customer's track record and historic default rates. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial re-organisation, and default in payments are considered to be indicators that the trade receivable is impaired. Individual risk limits are generally set by customer, and risk is only accepted above such limits in defined circumstances. The utilisation of credit limits is regularly monitored. Management does not expect any significant counterparty to fail to meet its obligations. The maximum exposure to credit risk is represented by the carrying amount of each asset.

The Group applies the simplified approach to providing for expected credit losses ('ECL') permitted by IFRS 9 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales and the corresponding historical credit loss experience. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of customers to settle receivables.

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS

The Group also manages credit risk through the use of a receivables purchase arrangement with a financial institution. Under the terms of this non-recourse agreement, the Group has transferred substantially all credit risk and control of certain trade receivables, amounting to €130.5m (2023: €131.6m). The Group has continued to also recognise an asset within trade and other receivables, of €10.3m (2023: €10.8m), representing the fair value and maximum extent of its continuing involvement or exposure. This maximum exposure was determined based on a Reserve Calculation Ratio (approximately 8%), as per the terms of the receivables purchase arrangement. Total expenses associated with this receivables purchase agreement during 12-month period ended December 2024 were €6.3m (17-months to December 2023: €7.3m).

The undiscounted cash outflows required to repurchase these derecognised financial assets would be equal to the receivables transferred, net of the Group's remaining continuing involvement asset. The estimated maturity of any such cash outflows would be expected to be less than 6 months, as the Group's trade and other receivables are also generally settled in less than 6 months. As the carrying value of the receivables transferred and the continuing involvement retained both equal fair value, no gain or loss has arisen, either at the date of transfer or in connection with the Group's continuing involvement in these assets.

The carrying amount of financial assets, net of loss allowances, represents the Group's maximum credit exposure. The maximum exposure to credit risk at year-end was as follows:

in €m	31 December 2024	31 December 2023
Cash and cash equivalents	77.1	103.9
Trade and other receivables	127.6	122.1
Derivative financial assets	1.6	0.5
	206.3	**226.5**

The maximum exposure to credit risk for trade receivables at the reporting date by geographic region was as follows:

in €m	31 December 2024	31 December 2023
ARYZTA Europe	92.1	83.9
ARYZTA Rest of World	14.8	19.3
	106.9	**103.2**

The aging of trade receivables at the reporting date was as follows:

in €m	Gross 31 December 2024	Loss allowances 31 December 2024	Gross 31 December 2023	Loss allowances 31 December 2023
Not past due	80.0	0.6	78.5	0.6
Past due 0–30 days	23.9	0.2	23.9	0.2
Past due 31–120 days	4.0	0.6	2.5	0.9
Past due more than 121 days	1.8	1.4	1.3	1.3
	109.7	**2.8**	**106.2**	**3.0**

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS

The analysis of movement in loss allowances in respect of trade receivables was as follows:

in €m	31 December 2024	31 December 2023
Balance at beginning of period	3.0	3.6
Utilised during the year	(0.2)	(1.1)
Increase in loss allowance during the financial year	–	0.6
Translation adjustment	–	(0.1)
Balance at end of period	**2.8**	**3.0**

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

The Group's objective is to maintain a balance between flexibility and continuity of funding, so that not more than 40% of total bank borrowing facilities should mature in the next 12-month period. At 31 December 2024, none of the Group's bank borrowings will mature within the next 12 months.

The following are the contractual maturities of financial liabilities, including estimated interest payments:

31 December 2024 (in €m)	Carrying amount	Contractual cash flows	6 mths or less	6 – 12 mths	1 – 2 years	2 – 5 years	More than 5 years
Non-derivative financial liabilities							
Variable rate bank loans	(663.9)	(754.9)	(9.4)	(9.4)	(18.8)	(717.4)	–
Lease liabilities	(152.5)	(184.3)	(19.5)	(17.6)	(30.0)	(62.1)	(55.1)
Trade and other payables	(438.1)	(438.1)	(406.9)	(16.5)	(9.7)	(0.3)	(4.7)
Derivative financial instruments							
Interest rate swaps used for hedging	(4.2)	(4.2)	(1.2)	(1.2)	(1.8)	–	–
Financial instruments used for hedging							
– Inflows	149.9	149.9	139.4	10.5	–	–	–
– Outflows	(151.4)	(151.4)	(140.6)	(10.8)	–	–	–
	(1,260.2)	**(1,383.0)**	**(438.3)**	**(45.0)**	**(60.3)**	**(779.8)**	**(59.8)**

31 December 2023 (in €m)	Carrying amount	Contractual cash flows	6 mths or less	6 – 12 mths	1 – 2 years	2 – 5 years	More than 5 years
Non-derivative financial liabilities							
Variable rate bank loans	(468.8)	(531.5)	(10.5)	(10.5)	(20.9)	(489.6)	–
Lease liabilities	(125.9)	(149.4)	(16.8)	(14.8)	(23.8)	(47.7)	(46.3)
Trade and other payables	(413.9)	(413.9)	(378.7)	(18.2)	(7.8)	(4.4)	(4.8)
Derivative financial instruments							
Interest rate swaps used for hedging	(3.5)	(3.5)	(0.6)	(0.6)	(1.3)	(1.0)	–
Financial instruments used for hedging							
– Inflows	175.5	175.5	150.3	21.2	4.0	–	–
– Outflows	(181.0)	(181.0)	(154.9)	(22.1)	(4.0)	–	–
	(1,017.6)	**(1,103.8)**	**(411.2)**	**(45.0)**	**(53.8)**	**(542.7)**	**(51.1)**

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS

Accounting for derivatives and hedging activities

The fair value of derivative financial assets and liabilities at the balance sheet date is set out in the following table:

in €m	Assets 31 December 2024	Liabilities 31 December 2024	Assets 31 December 2023	Liabilities 31 December 2023
Cash flow hedges				
Currency forward contracts	0.2	(1.2)	0.2	(2.8)
Interest rate swaps	–	(4.2)	–	(3.5)
Commodity contracts	1.4	(0.3)	0.3	(2.7)
At end of period	**1.6**	**(5.7)**	**0.5**	**(9.0)**

Cash flow hedges

Cash flow hedges are hedges of highly probable forecasted future income or expenses. In order to qualify for hedge accounting, the Group is required to document the relationship between the item being hedged and the hedging instrument and demonstrate, at inception, that the hedge relationship will be highly effective on an ongoing basis. The hedge relationship must be tested for effectiveness on subsequent reporting dates. The impact on the Group Consolidated Statement of Comprehensive Income is on page 166.

There is no significant difference between the timing of the cash flows and the Group Consolidated Income Statement effect of cash flow hedges. The fair value included in the hedging reserve will primarily be released to the Group Consolidated Income Statement within 6 months (2023: 6 months) of the balance sheet date.

Market risk

Market risk is the risk that changes in market prices and indices, such as foreign exchange rates and interest rates, will affect the Group's income or the value of its holdings of financial instruments.

Foreign exchange risk

The Group Consolidated Balance Sheet is exposed to currency fluctuations including, in particular, Sterling, US dollar and Swiss franc movements. The Group manages its balance sheet having regard to the currency exposures arising from its assets being denominated in a wide range of currencies.

Net investment hedges

As part of its approach towards mitigating its exposure to foreign currency risk, the Group will, when required, fund foreign currency investments in the currency of the related assets.

These relationships are typically designated by the Group as net investment hedges of foreign currency exposures on net investments in foreign operations using the borrowings as the hedging instrument. These hedge designations allow the Group to mitigate the risk of foreign currency exposures on the carrying amount of net assets in foreign operations in its Group consolidated financial statements.

The borrowings designated in net investment hedge relationships are measured at amortised cost, with the effective portion of the change in value of the borrowings being recognised directly through other comprehensive income in the foreign currency translation reserve. Any ineffectiveness arising on such hedging relationships is recognised immediately in the Group Consolidated Income Statement.

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS

Foreign currency contracts

The Group also hedges a portion of its transactional currency exposure through the use of currency swaps. Transactional exposures arise from sales or purchases by an operating unit in currencies other than the unit's functional currency. The Group uses forward currency contracts to eliminate the currency exposures on certain foreign currency purchases. The forward currency contracts must be in the same currency and match the settlement terms of the hedged item.

The following table details the Group's exposure to transactional foreign currency risk at 31 December 2024:

2024 in Millions	GBP	USD	CHF	EUR	Other	Total
Trade receivables	5.7	1.3	–	11.1	0.9	19.0
Other receivables	0.4	–	–	5.5	0.4	6.3
Cash and cash equivalents	0.6	2.1	0.2	3.5	0.4	6.8
Trade payables	(1.3)	(0.8)	(0.2)	(15.8)	(1.7)	(19.8)
Other payables	(1.1)	(1.4)	–	(3.1)	(0.7)	(6.3)
Derivative financial instruments	(0.7)	–	–	(2.7)	–	(3.4)
At 31 December 2024	**3.6**	**1.2**	**–**	**(1.5)**	**(0.7)**	**2.6**

The following table details the Group's exposure to transactional foreign currency risk at 31 December 2023:

2023 in Millions	GBP	USD	CHF	EUR	Other	Total
Trade receivables	5.5	0.4	–	9.7	0.8	16.4
Other receivables	0.4	–	–	5.1	0.3	5.8
Cash and cash equivalents	0.5	2.9	–	8.2	1.9	13.5
Trade payables	(1.4)	(0.2)	(0.4)	(16.0)	(2.4)	(20.4)
Other payables	(0.9)	(0.1)	–	(5.6)	(0.6)	(7.2)
Derivative financial instruments	(0.1)	–	–	(4.0)	(4.2)	(8.3)
At 31 December 2023	**4.0**	**3.0**	**(0.4)**	**(2.6)**	**(4.2)**	**(0.2)**

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS

Currency sensitivity analysis

A 10% strengthening or weakening of the euro against the foreign currencies below at 31 December 2024 would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis as in the prior year.

2024 (in €m)	10% strengthening income statement	10% strengthening equity	10% weakening income statement	10% weakening equity
GBP	(0.4)	0.1	0.4	(0.1)
USD	(0.1)	–	0.1	–
CHF	–	–	–	–
At 31 December 2024	**(0.5)**	**0.1**	**0.5**	**(0.1)**

2023 (in €m)	10% strengthening income statement	10% strengthening equity	10% weakening income statement	10% weakening equity
GBP	(0.4)	–	0.4	–
USD	(0.3)	0.7	0.3	(0.8)
CHF	–	–	–	–
At 31 December 2023	**(0.7)**	**0.7**	**0.7**	**(0.8)**

The impact on equity from changing exchange rates results principally from foreign currency loans designated as net investment hedges. This impact would be offset by the revaluation of the hedged net assets, which would also be recorded in equity.

Interest rate risk

The Group's debt bears both variable and fixed rates of interest as per the original contracts. Fixed rate debt is achieved through the issuance of fixed rate debt or the use of interest rate swaps. The Group's interest rate swaps involve paying fixed interest rates in exchange for receiving floating interest rates, corresponding to the underlying floating debt instrument being hedged. All interest rate derivative financial instruments are in a cash flow hedge relationship where the effective portion of the changes in fair value are recognised in Other comprehensive income. At 31 December 2024, the interest rate profile of the Group's interest-bearing financial instruments was as follows:

in €m	31 December 2024	31 December 2023
Fixed rate instruments		
Lease liabilities	(152.5)	(125.9)
	(152.5)	**(125.9)**
Variable rate instruments		
Cash and cash equivalents	77.1	103.9
Bank borrowings	(663.9)	(468.8)
Total interest-bearing financial instruments	**(739.3)**	**(490.8)**

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS

Cash flow sensitivity analysis for variable rate liabilities

A change of 50 bps in interest rates at the reporting date would have had the effect as shown below on the Group Consolidated Income Statement and equity. This analysis assumes that all other variables, in particular interest earned on cash and cash equivalents and foreign currency exchange rates, remain constant. The analysis is performed on the same basis as in the prior year.

31 December 2024 (in €m)	Principal amount	Impact of 50 bp increase on income statement	Impact of 50 bp increase on equity
Variable rate bank borrowings	(663.9)	(3.3)	–
Interest rate swaps	203.2	–	1.0
Cash flow sensitivity, net	**(460.7)**	**(3.3)**	**1.0**

31 December 2023 (in €m)	Principal amount	Impact of 50 bp increase on income statement	Impact of 50 bp increase on equity
Variable rate bank borrowings	(468.8)	(2.3)	–
Interest rate swaps	203.6	–	1.0
Cash flow sensitivity, net	**(265.2)**	**(2.3)**	**1.0**

Commodity price risk

The Group purchases and sells certain commodities for the purposes of receipt or delivery and uses derivative contracts to protect itself from movements in prices other than exchange differences. Where a commodity contract is not entered into, or does not continue to be held, to meet the Group's own purchase, sale or usage requirements, it is treated as a derivative financial instrument, and the recognition and measurement requirements of IFRS 9 are applied.

Where contracts are entered into and continue to be held for the purpose of the receipt or delivery of the non-financial item, in accordance with the business unit's expected purchase, sale or usage requirements, they are classified as 'own use' contracts. 'Own use' contracts are outside the scope of IFRS 9, 'Financial Instruments', and are accounted for on an accrual basis.

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS

19 Deferred income tax

The deductible and taxable temporary differences at the balance sheet date, in respect of which deferred income tax has been recognised, are analysed as follows:

in €m	31 December 2024	31 December 2023
Deferred income tax assets (deductible temporary differences)		
Property, plant and equipment ('PPE') and computer intangible assets	5.7	6.3
Employee compensation	2.9	2.6
Pension related	4.7	5.8
Financing related	0.3	1.9
Tax loss carry-forwards and tax credits	21.4	24.5
Other	6.4	4.1
	41.4	**45.2**

in €m	31 December 2024	31 December 2023
Deferred income tax liabilities (taxable temporary differences)		
Property, plant and equipment ('PPE') and computer intangible assets	(64.7)	(68.6)
Acquired intangible assets	(5.4)	(8.6)
Employee compensation	(0.1)	–
Pension related	(4.9)	(6.1)
Financing related	(2.1)	(2.8)
Other	(6.1)	(5.3)
	(83.3)	**(91.4)**

Unrecognised deferred income taxes

The deductible temporary differences, as well as the unused tax losses and tax credits, for which no deferred tax assets are recognised as it is not probable that these losses will be utilised prior to their expiration, expire as follows:

in €m	31 December 2024	31 December 2023
Within one year	–	–
Between one and five years	287.1	288.4
After five years	240.5	247.0
Total unrecognised tax losses	**527.6**	**535.4**

Deferred income tax liabilities of €5.0m (2023: €2.6m) have not been recognised for withholding tax and other taxes that would be payable on the unremitted earnings of certain subsidiaries, as the timing of the reversal of these temporary differences is controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future.

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS

Movements in net deferred tax assets/(liabilities), during the period, were as follows:

2024 (in €m)	Acquired intangible assets	PPE and computer intangibles	Employee compensation	Pension related	Financing related	Tax losses and credits	Other	Total
At 31 December 2023	**(8.6)**	**(62.3)**	**2.6**	**(0.3)**	**(0.9)**	**24.5**	**(1.2)**	**(46.2)**
Recognised in Group Consolidated Income Statement	3.2	3.4	0.3	0.3	0.2	(2.4)	1.4	6.4
Recognised in Group Consolidated Statement of Comprehensive Income	–	–	–	(0.1)	(1.1)	(0.6)	–	(1.8)
Translation adjustments and other	–	(0.1)	(0.1)	(0.1)	–	(0.1)	0.1	(0.3)
At 31 December 2024	**(5.4)**	**(59.0)**	**2.8**	**(0.2)**	**(1.8)**	**21.4**	**0.3**	**(41.9)**

2023 (in €m)	Acquired intangible assets	PPE and computer intangibles	Employee compensation	Pension related	Financing related	Tax losses and credits	Other	Total
At 30 July 2022	**(13.6)**	**(64.1)**	**2.9**	**(0.2)**	**(2.1)**	**16.6**	**(0.9)**	**(61.4)**
Recognised in Group Consolidated Income Statement	4.6	1.5	–	(0.1)	0.3	7.0	(0.2)	13.1
Recognised in Group Consolidated Statement of Comprehensive Income	–	–	–	(0.1)	1.0	0.1	–	1.0
Translation adjustments and other	0.4	0.3	(0.3)	0.1	(0.1)	0.8	(0.1)	1.1
At 31 December 2023	**(8.6)**	**(62.3)**	**2.6**	**(0.3)**	**(0.9)**	**24.5**	**(1.2)**	**(46.2)**

20 Employee benefits

The Group operates a number of defined benefit and defined contribution pension plans in various jurisdictions. The Group operates two defined benefit plans in Switzerland, two in France and one in Germany. The majority of plans are externally funded with plan assets held in corresponding separate trustee-administered funds, governed by local regulations and practice in each country.

The trustees of the various pension funds are required by law to act in the best interests of the plan participants and are responsible for investment strategy and plan administration. The level of benefits available to members depends on length of service and either their average salary over their period of employment, their salary in the final years leading up to retirement or in some historical salaries, depending on the rules of the individual plan.

Long-term employee benefits included in the Group Consolidated Balance Sheet comprises the following:

in €m	31 December 2024	31 December 2023
Total deficit in defined benefit plans	2.0	1.9
Other[1]	2.3	2.5
Total	**4.3**	**4.4**

1 Other includes provisions to meet unfunded pension fund deficiencies in a variety of insignificant subsidiaries.

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS

The valuations of the defined benefit schemes used for the purposes of the following disclosures are those of the most recent actuarial reviews carried out at 31 December 2024 by an independent, qualified actuary. The valuations have been performed using the projected unit method.

Employee benefit plan risks
The employee benefit plans expose the Group to a number of risks, the most significant of which are:

Asset volatility
The plan liabilities are calculated using a discount rate set with reference to corporate bond yields. If assets underperform this yield, this will create a deficit. The plans hold a significant proportion of equities which, though expected to outperform corporate bonds in the long-term, create volatility and risk. The allocation to equities is monitored to ensure it remains appropriate given the long-term objectives of the plans.

Changes in bond yields
An increase in corporate bond yields will decrease the value placed on liabilities of the plans, although this will be partially offset by a decrease in the value of the bond holdings within the plans.

Life expectancy
In the event that members live longer than assumed, a further deficit will emerge.

The Group ensures that the investment positions are managed with an asset-liability matching ('ALM') framework that has been developed to achieve long-term investments that are in line with the obligations under the pension plans. Within this framework, the Group's ALM objective is to match assets to the pension obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due and in the appropriate currency.

Financial assumptions
The main assumptions used were determined based on management experience and expectations in each country, as well as actuarial advice based on published statistics.

An average of these assumptions across all plans were as follows:

	2024	2023
Rate of increase in salaries	1.1%	1.3%
Discount rate on plan liabilities	1.1%	1.5%

The mortality assumptions imply the following life expectancies, in years, of an active member on retiring at age 65, 20 years from now:

	2024	2023
Male	23.5	23.5
Female	25.2	25.1

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS

The mortality assumptions imply the following life expectancies, in years, of an active member, aged 65, retiring now:

	2024	2023
Male	21.9	21.8
Female	23.6	23.6

The weighted average duration of the defined benefit obligation was as follows:

Average duration	2024	2023	2022
Average duration of Defined benefit obligation (years)	14.8	15.2	14.8

The sensitivity of the defined benefit obligation to changes in the principal financial actuarial assumptions is set out below. The present value of the defined benefit obligation has been calculated using the projected unit credit method, which is the same as that applied in calculating the defined benefit obligation recognised in the Group Consolidated Balance Sheet. The impact on the defined benefit obligation as at 31 December 2024 is on the basis that only one principal financial actuarial assumption is changed, with all other assumptions remaining unchanged.

The impact of a change in the assumption of life expectancy has been measured as at 31 December 2024 in the sensitivity analysis. The method in preparing the sensitivity analysis did not change compared to the previous period.

Assumption	Change in Assumption	Impact on plan liabilities
Discount rate	Increase/decrease 0.5%	Decrease by 5.0% / increase by 5.6%
Salary growth rate	Increase/decrease 0.5%	Increase by 1.1% / decrease by 1.0%
Life expectancy	Increase/decrease 1 year	Increase by 1.4% / decrease by 1.3%

Net pension liability (in €m)	31 December 2024	31 December 2023
Total fair value of assets	95.6	88.3
Present value of plan liabilities	(97.6)	(88.9)
Asset ceiling	–	(1.3)
Deficit in the plans	**(2.0)**	**(1.9)**
Related net deferred tax liability (note 19)	(0.2)	(0.3)
Net pension liability	**(2.2)**	**(2.2)**

Fair value of plan assets (in €m)	Quoted	Non-quoted	31 December 2024	31 December 2023
Cash and cash equivalents	0.9	–	0.9	0.5
Equity instruments	29.3	–	29.3	29.0
Debt instruments	37.9	–	37.9	34.2
Property	25.1	–	25.1	24.6
Other	2.4	–	2.4	–
Total fair value of assets	**95.6**	**–**	**95.6**	**88.3**

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS

Movement in the fair value of plan assets (in €m)	31 December 2024	31 December 2023
Fair value of plan assets at the beginning of the period	88.3	83.5
Interest income	1.2	2.1
Employer contributions	3.5	4.5
Employee contributions	2.8	3.6
Benefit payments made	(5.5)	(8.3)
Actuarial return on plan assets (excluding interest income)	5.8	0.4
Translation adjustments	(0.5)	2.5
Fair value of plan assets at the end of the period	**95.6**	**88.3**

Movement in asset ceiling (in €m)	31 December 2024	31 December 2023
Asset ceiling at beginning of period	(1.3)	–
Change in asset ceiling recognised in other comprehensive income	1.3	(1.2)
Translation adjustments	–	(0.1)
Asset ceiling at end of period	**–**	**(1.3)**

Movement in the present value of plan obligations (in €m)	31 December 2024	31 December 2023
Present value of plan obligations at the beginning of the period	(88.9)	(86.7)
Current service cost (note 6)	(3.6)	(4.7)
Past service cost (note 6)	(0.3)	1.1
Interest expense on plan obligations	(1.3)	(2.2)
Employee contributions	(2.8)	(3.6)
Benefit payments made	5.5	8.3
Actuarial changes in demographic and financial assumptions	(4.1)	(2.1)
Actuarial experience adjustments	(2.7)	3.3
Translation adjustments	0.6	(2.3)
Present value of plan obligations at the end of the period	**(97.6)**	**(88.9)**

Movement in net liability recognised in the Group Consolidated Balance Sheet (in €m)	31 December 2024	31 December 2023
Net liability in plans at the beginning of the period	(1.9)	(3.2)
Current service cost (note 6)	(3.6)	(4.7)
Past service cost (note 6)	(0.3)	1.1
Employer contributions	3.5	4.5
Net interest expense	(0.1)	(0.1)
Actuarial (loss)/gain on Group defined benefit pension plans	(1.0)	1.6
Remeasurement in asset ceiling	1.3	(1.2)
Translation adjustments	0.1	0.1
Net liability in plans at the end of the period	**(2.0)**	**(1.9)**

The estimated contributions expected to be paid during the 12-month period to December 2025 in respect of the Group's defined benefit plans are €3.6m.

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS

Analysis of defined benefit expense recognised in the Group Consolidated Income Statement (in €m)	December 2024 12-month	December 2023 17-month
Current service cost (note 6)	3.6	4.7
Past service cost (note 6)	0.3	(1.1)
Non-financing expense	**3.9**	**3.6**
Expected return on Plan assets	(1.2)	(2.1)
Interest cost on Plan liabilities	1.3	2.2
Included in financing costs, net	**0.1**	**0.1**
Net charge to Group Consolidated Income Statement	**4.0**	**3.7**

Additionally, a charge of €7.5m (2023: €8.1m) was recorded in the Group Consolidated Income Statement in respect of the Group's defined contribution plans.

Defined benefit pension expense recognised in Group Consolidated Statement of Comprehensive Income (in €m)	December 2024 12-month	December 2023 17-month
Return on plan assets (excluding interest income)	5.8	0.4
Remeasurement (changes in asset ceiling)	1.3	(1.2)
Experience (losses)/gains on plan liabilities	(2.7)	3.3
Changes in demographic and financial assumptions	(4.1)	(2.1)
Actuarial gain	**0.3**	**0.4**
Deferred tax effect of actuarial gain (note 19)	(0.1)	(0.1)
Actuarial gain recognised in Group Consolidated Statement of Comprehensive Income	**0.2**	**0.3**

History of experience gains and losses:	31 December 2024	31 December 2023
Difference between expected and actual return on plan assets:		
– Amount (in €m)	5.8	0.4
– % of Plan assets	6.1%	0.5%
Experience (losses)/gains on plan obligations:		
– Amount (in €m)	(2.7)	3.3
– % of Plan obligations	(2.8%)	3.7%
Total actuarial gains recognised in Group Consolidated Statement of Comprehensive Income:		
– Amount (in €m)	0.3	0.4
– % of Plan obligations	0.3%	0.4%

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS

21 Shareholders equity

Registered shares of CHF 0.02 each – authorised, issued and fully paid	31 December 2024 in Millions	31 December 2024 in €m	31 December 2023 in Millions	31 December 2023 in €m
At beginning and end of period	**993.1**	**17.0**	**993.1**	**17.0**

ARYZTA AG's authorised share capital (amounting to 10% of the share capital) expired on 17 November 2023. At the 2024 AGM, the shareholders voted in favour of an introduction of a capital range replacing the lapsed authorised capital, by introducing a new Article 5 to the Articles of Association. The lower and upper limits of the capital range are set at CHF 17,875,903.10 (corresponding to 90% of the share capital) and CHF 21,848,325.98 (corresponding to 110% of the share capital), respectively. Pursuant to the new Article 5 of the Articles of Association, the Board of Directors is authorised within the capital range to increase or reduce the share capital once or several times and in any amounts or to acquire or dispose of shares directly or indirectly, until 24 April 2029, or until an earlier expiry of the capital range. The capital increase or reduction may be effected by issuing up to 99,310,572 fully paid-in registered shares with a par value of CHF 0.02 each and cancelling up to 99,310,572 registered shares with a par value of CHF 0.02 each, as applicable, or by increasing or reducing the par value of the existing shares within the limits of the capital range.

Pursuant to Article 4 of the Articles of Association (governing conditional capital), the share capital of the Company may be increased by a maximum of 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, through the direct or indirect issuance of shares, options or related subscription rights 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.

At the 2024 AGM, shareholders voted in favour of an amendment to Article 4 (e) and an insertion of a new Article 5^{bis} of the Articles of Association. Based on the new Article 5^{bis} of the Articles of Association, until 24 April 2029, or an earlier expiry of the capital range, the total number of newly issued shares which may be issued with the restriction or withdrawal of pre-emptive rights and/or advance subscription rights (i) from the conditional capital pursuant to Article 4 of the Articles of Association, and/or (ii) from the capital range pursuant to Article 5 of the Articles of Association, shall not exceed 99,310,572 new shares (corresponding to 10% of the share capital).

Treasury shares of CHF 0.02 each - authorised, called up and fully paid	31 December 2024 in '000s	31 December 2024 in €'000	31 December 2023 in '000s	31 December 2023 in €'000
At beginning of period	3,148	5,088	818	13
Release of treasury shares upon vesting and exercise of equity entitlements	(4,789)	(7,940)	(373)	(6)
Release of treasury shares as restricted shares	(215)	(276)	(378)	(6)
Purchase of treasury shares	5,638	9,728	3,081	5,087
At end of period	**3,782**	**6,600**	**3,148**	**5,088**

During the period ended 31 December 2024, the performance conditions associated with 4,788,833 PSU awards were fulfilled. 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 (2023: 372,861 PSU awards). The weighted average share price at the time of these exercises was CHF 1.66 (2023: CHF 1.00).

In addition, during the period ended 31 December 2024, 214,754 shares were issued out of treasury shares, in respect of restricted shares for non-executive directors (2023: 377,541).

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS

67,438 of 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, with the remainder issued out of shares held in treasury by ARYZTA AG.

During the period ended 31 December 2024, ARYZTA AG purchased 5,637,299 shares into treasury, for consideration of €9.7m (2023: 3,081,000 shares purchased, for consideration of €5.1m).

Other equity reserve

in €m	31 December 2024	31 December 2023
At beginning of period	378.1	671.4
Redemption of perpetual callable subordinated instrument	(259.9)	(293.3)
At end of period	**118.2**	**378.1**

principal outstanding in millions	Currency	31 December 2024	31 December 2023
Hybrid instrument 2013	CHF	–	325.4
Hybrid instrument 2014	CHF	144.3	144.3

In April 2013, the Group raised CHF 400.0m through the issuance of a Perpetual Callable Subordinated Instrument ('Hybrid Instrument'). This Hybrid Instrument had no maturity date, and as the first call option was not exercised by ARYZTA in April 2018, the coupon during the current and prior periods was 6.045%, plus the SARON 3 months compound rate.

In October 2014, the Group raised CHF 190.0m through the issuance of a Hybrid Instrument. This Hybrid Instrument has no maturity date, and as the first call option was not exercised by ARYZTA in April 2020, the coupon is now 4.213%, plus the SARON 3 months compound rate.

In November 2014, the Group raised €250.0m through the issuance of an additional Hybrid Instrument, which had no maturity date. As the first call option on this instrument was not exercised by ARYZTA in March 2019, the coupon during the prior period was 6.77%, plus the 5 year euro swap rate. In July 2022, the Group repurchased and cancelled €50.0m of the outstanding principal on its Euro Hybrid Instrument.

In March 2023, the Group redeemed the remaining €200.0m of the outstanding principal on its Euro Hybrid Instrument, at face value. In October 2023, the Group repurchased and cancelled CHF 120.3m of the outstanding principal on its CHF Hybrid instruments. The consideration for these transactions was €320.2m. This resulted in a reduction in the other equity reserve of €293.3m and a loss in the retained deficit of €26.9m in the prior financial year ended 31 December 2023.

In November 2024, the Group redeemed the remaining CHF 325.4m of the outstanding principal on its CHF Hybrid Instrument 2013, at face value. The consideration for this transaction was €346.7m. This resulted in a reduction in the other equity reserve of €259.9m and a loss in the retained deficit of €86.8m in the current financial year ended 31 December 2024.

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS

As the Hybrid instruments have no maturity date and payment is at the option of ARYZTA, they are recognised within other equity reserves at historical cost, net of attributable transaction costs, until such time that management and the Board of Directors have approved settlement of the applicable instrument. Any difference between the amount paid upon settlement of these instruments and the historical cost is recognised directly within retained earnings.

Dividends on these Hybrid instruments accrue at the coupon rate applicable to each respective instrument on an ongoing basis; however, a contractual obligation to settle these dividends in cash only arises when a Compulsory Payment Event, such as payment of a cash dividend to equity shareholders, has occurred within the last twelve months.

Unpaid hybrid dividends of €1.4m (2023: €6.7m) have been accrued on the Group Consolidated Balance Sheet.

Movements related to the Hybrid instrument dividends were as follows:

in €m	31 December 2024	31 December 2023
Balance at beginning of period	(6.7)	(7.7)
Hybrid instrument dividend charge	(29.5)	(64.4)
Hybrid instrument dividends paid	34.7	65.7
Translation adjustments	0.1	(0.3)
Balance at end of period	**(1.4)**	**(6.7)**

Cash flow hedge reserve
The cash flow hedge reserve comprises of the effective portion of the cumulative net change in the fair value of cash flow hedging instruments.

Share-based payment reserve
This reserve comprises amounts credited to reserves in connection with equity awards, less the amount related to any such awards that become vested.

Foreign currency translation reserve
The foreign currency translation reserve comprises all foreign exchange differences, since the date of the Group's transition to IFRS, arising from translation of the net assets of the Group's non-euro-denominated functional currency operations into euro, the Group's presentation currency.

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS

Capital and net debt management

The capital managed by the Group as at 31 December 2024 consists of total equity of €452.1m (2023: €698.6m) and net debt of €739.3m at 31 December 2024 (2023: €490.8m). The Group has set the following goals for the management of its capital and net debt:

– To maintain prudent Net Debt: EBITDA and interest cover (EBITDA: Net interest, including Hybrid dividend) ratios to support a prudent capital base and ensure a long-term sustainable business.

– To achieve a return for investors in excess of the Group's weighted average cost of capital.

– To apply a dividend policy that takes into account the Group's financial performance and position, the Group's future outlook and other relevant factors including tax and other legal considerations.

In August 2024, the Group replaced its existing €500m Syndicated Revolving Credit Facility ('RCF') Agreement with a new five year €930m Syndicated RCF Agreement substantially on the same terms as the existing facility, while extending maturity to 2029 and generating additional headroom. This refinancing enables ARYZTA to deliver significant interest cost arbitrage going forward. In August 2024, the CHF 71.8m and €60.0m term loan facility was repaid in full from the proceeds of the new RCF and available cash.

Under the RCF Agreement the Group's financial covenants are as follows:

– Leverage covenant (Net Debt: EBITDA): maximum 3.5x

– Interest cover covenant (EBITDA: Net interest, including Hybrid dividend): minimum 3.50x

The Group's key financial ratios at 31 December 2024 were as follows:

	December 2024	December 2023
Leverage covenant (Net Debt: EBITDA)[1]	2.11x	1.41x
Interest cover covenant (EBITDA: Net interest, including Hybrid dividend)[1]	5.04x	3.91x

1 Calculated as per Syndicated Bank Facilities Agreement terms.

These ratios were complied with throughout the period ended 31 December 2024, and are reported to the Board of Directors at regular intervals through internal financial reporting.

No interim dividend has been paid during the period ended 31 December 2024 (2023: nil).

22 Commitments

22.1 Capital commitments

Capital expenditure contracted for at the end of the period, but not yet incurred, is as follows:

in €m	31 December 2024	31 December 2023
Property, plant and equipment	57.6	29.9
Total	**57.6**	**29.9**

22.2 Other commitments

The Company and its subsidiaries are party to cross guarantees on ARYZTA Group borrowings.

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS

23 Contingent liabilities

Letters of credit and guarantees
Letters of credit and guarantees amounting to €8.7 million are outstanding at 31 December 2024 (2023: €10.2 million). The Group does not expect any material loss to arise from these letters of credit or guarantees.

Litigation
The Group is subject to litigation risks and legal claims that arise in the ordinary course of business, for which the outcomes are not yet known. These claims are not currently expected to give rise to any material significant future cost or contingencies.

24 Related party transactions

During the period ended 31 December 2024, there were no trading balances owing to or owing from the Group from related parties (2023: Nil) and there were no transactions for provision of services rendered or received during the period ended 31 December 2024 (2023: Nil).

Compensation of key management
For the purposes of the disclosure requirements of IAS 24, 'Related Party Disclosures', the term 'key management personnel' (i.e. those persons having authority and responsibility for planning, directing and controlling the activities of the Group) comprises the Board of Directors and the Group Executive Management, which manage the business and affairs of the Group. A summary of the compensation to key management is as follows:

in €m	December 2024 12-month	December 2023 17-month
Short-term employee benefits	6.4	7.2
Other long-term benefits	0.5	0.6
Long-term incentives (LTIP)	2.4	1.4
Total key management compensation	**9.3**	**9.2**

Amounts shown in the table above represent the ongoing wages, salaries and other compensation of Executive Management totalling €8.2m (2023: €7.7m) and the Board of Directors totalling €1.1m (2023: €1.5m). None of the non-executive members of the Board of Directors has fulfilled any operational management functions for companies of the ARYZTA Group in the three years immediately preceding the period.

ARYZTA partners with the charity "Brot gegen Not" ('Bread Against Misery'), a non-profit foundation established by Heiner Kamps, a non-executive director of ARYZTA, to help some of Africa's poorest communities.

25 Post balance sheet events – after 31 December 2024

On 28 February 2025, ARYZTA's Board of Directors approved its intention to complete a reverse stock split based on a ratio of 40 to 1 new share, subject to shareholder approval at the upcoming AGM.

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS

26 Risk assessment

The Board and senior management continue to invest significant time and resources in identifying and managing risks across the Group, and in developing a culture of balanced risk minimisation. The Group has a structured, top-down risk assessment approach, anchored in a Group-wide Risk Catalogue, which is systematically assessed in collaboration with business units. These processes are driven by local management, who are best placed to identify the significant ongoing and emerging risks facing the business. The outputs of these risk assessment processes are subject to various levels of review by Group management and Internal Audit, and a consolidated Risk Map denoting the potential frequency, severity and velocity of identified risks is reviewed by the Board of Directors on at least an annual basis. Risks identified, and associated mitigating controls, are also subject to audit as part of various operational, financial, health and safety audit programmes.

27 Accounting estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses.

Information about significant areas of estimation, uncertainty, and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the Group Consolidated Financial Statements are described below:

Note	Name
Note 1	Going concern
Note 13	Goodwill and intangible assets
Note 12	Leases
Note 20	Employee benefits
Notes 8 & 19	Income taxes and deferred income tax

The Directors' analysis of whether use of the going concern basis is appropriate covers at least 12 months from the date of the financial statements, and is based on management's estimates and judgements, in particular in relation to the projected financial performance and liquidity of the business. Further detail on the Directors' analysis of the going concern basis is disclosed in note 1, page 172.

The Group tests annually whether goodwill and intangible assets have suffered any impairment, in accordance with the accounting policy. The recoverable amounts of cash-generating units (CGUs) have been determined based on value in use calculations. The value in use calculation is based on an estimate of future cash flows expected to arise from the CGUs and these are discounted to net present value using an appropriate discount rate. The tests are dependent on management's estimates and judgements, in particular in relation to the forecasting of future cash flows, the discount rates applied to those cash flows, the expected long term growth rate of the applicable businesses and terminal values. Such estimates and judgements are subject to change as a result of changing economic conditions. Additional information in relation to impairment reviews, including headroom and sensitivity analysis, is disclosed in note 13.

The Group applies estimation in determining the incremental borrowing rates for leases, which has a significant impact on the lease liabilities and right-of-use assets recognised. Incremental borrowing rates are calculated using a portfolio approach, based on the risk profile of the entity holding the lease, the term and currency of the lease. The weighted average incremental borrowing rate applied to lease liabilities on the Group Consolidated Balance Sheet was 4.3% at 31 December 2024.

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS

Judgement is involved in determining the lease term where there are extension or termination options. In determining the lease term, the Group considers all relevant factors that create an economic incentive for it to exercise the renewal or termination of the lease. The Group assesses at lease commencement date whether it is reasonably certain to exercise these options for leases. The Group reassesses whether it is reasonably certain to exercise them if there is a significant event or change in circumstances within its control. Details of the leasing arrangements of the Group are disclosed in note 12.

The estimation of and accounting for employee benefits involves judgements made on a country by country basis, in conjunction with independent actuaries in relation to various assumptions. Estimates are required in respect of uncertain future events including mortality rates of members and increase in pension payments linked to certain obligations and discount rates used in estimating the present value of the schemes' assets and liabilities. Details of the financial position of the employee benefit schemes are set out in note 20.

Judgement and estimation are required in determining the income tax charge as the Group operates in multiple jurisdictions and the tax treatment of many items is uncertain with tax legislation being open to different interpretations. In addition, the Group is subject to uncertainties involving tax audits which can involve complex issues that can require extended periods to conclude. The Group considers these uncertain tax positions in the recognition of its income tax/deferred tax assets or liabilities. The Group uses in-house tax experts, professional firms and previous experience when assessing tax risks and the tax uncertainties have been measured using a probability weighted expected value approach. Details around income taxes are set out in note 8, and deferred taxes are set out in note 19.

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS

28 Significant subsidiaries

A list of all of the Group's significant subsidiary undertakings, as at 31 December 2024 and 31 December 2023, are provided in the table below. For the purposes of this note a significant subsidiary is one that has third-party revenues equal to, or in excess of, 2% of total Group revenue and/or assets equal to, or in excess of, 2% of total Group assets.

Name	Nature of business	Currency	Share capital millions	Group % share 2024	Group % share 2023	Registered office
(a) Significant subsidiaries – ARYZTA Europe						
ARYZTA Food Solutions Ireland UC	Food distribution	EUR	0.635	100	100	1
ARYZTA Bakeries Ireland UC	Food manufacturing and distribution	EUR	131.860	100	100	1
ARYZTA Technology Ireland UC	Asset management company	EUR	0.000	100	100	1
ARYZTA France SAS	Food distribution	EUR	28.750	100	100	2
France Distribution SAS	Food distribution	EUR	0.108	100	100	2
Jallon SAS	Food distribution	EUR	0.312	100	100	3
BOUL'PAT SERVICES SAS	Food distribution	EUR	0.080	100	100	4
HIESTAND Schweiz AG	Food manufacturing and distribution	CHF	3.500	100	100	5
ARYZTA Bakeries Deutschland GmbH	Food manufacturing and distribution	EUR	3.072	100	100	6
HIESTAND Deutschland GmbH	Food manufacturing and distribution	EUR	0.512	100	100	7
ARYZTA Food Solutions GmbH	Food distribution	EUR	0.025	100	100	8
FSB Backwaren GmbH	Food manufacturing and distribution	EUR	0.614	100	100	9
ARYZTA Bakeries UK Ltd	Food manufacturing and distribution	GBP	0.610	100	100	10
Pré Pain B.V.	Food manufacturing and distribution	EUR	0.018	100	100	11
ARYZTA Polska Sp.z o.o.	Food manufacturing and distribution	PLN	69.174	100	100	12
Fornetti Kft	Food manufacturing and distribution	HUF	500.000	100	100	13
(b) Significant subsidiaries – ARYZTA Rest of World						
ARYZTA Australia Pty Limited	Food manufacturing and distribution	AUD	17.000	100	100	14

Registered offices of subsidiaries consolidated as of 31 December 2024:

1. Grangecastle Business Park, New Nangor Road, Clondalkin, Dublin 22, Ireland.
2. ZAC de Bel Air, 14–16 Avenue Joseph Paxton, Ferrières en Brie, 77164, France.
3. ZAC de la Fouillouse, 658 Rue Nicéphore Niépce, Saint Priest, 69800, France.
4. Zone Industrielle du Rousset Peynier Avenue Olivier Perroy, 13790 Rousset, France.
5. Ifangstrasse 9, 8952 Schlieren, Switzerland.
6. Industriestrasse 4, 06295 Lutherstadt Eisleben, Germany.
7. Albert-Einstein-Str. 1, 97447, Gerolzhofen, Germany.
8. Konrad Goldmann Strasse 5 b, 79100 Freiburg im Breisgau, Germany.
9. Hochstrasse 177, 47228 Duisburg, Germany.
10. Unit 12, Humphrys Road, Woodside Estate, Dunstable, LU5 4TP, United Kingdom.
11. Kleibultweg 94, Oldenzaal, 7575 BX, the Netherlands.
12. ul. Zachodnia 10, 05-825 Grodzisk Mazowiecki, Poland.
13. 6000 Kecskemét, Városföld 8683/104.hrsz. dulo 92, Hungary.
14. 'Gate 2', 14 Homepride Avenue, Liverpool, NSW 2170, Australia.

The country of registration is also the principal location of activities in each case.

REPORT OF THE STATUTORY AUDITOR TO THE GENERAL MEETING OF ARYZTA AG ON THE CONSOLIDATED FINANCIAL STATEMENTS 2024

To the General Meeting of
ARYZTA AG, Schlieren

Zurich, 28 February 2025

Opinion

We have audited the consolidated financial statements of ARYZTA AG and its subsidiaries (the Group), which comprise the Group Consolidated Income Statement, and Group Consolidated Statement of Comprehensive Income for the period ended 31 December 2024, the Group Consolidated Balance Sheet as at 31 December 2024 and the Group Consolidated Statement of Changes in Equity and Group Consolidated Cash Flow Statement for the period then ended, and notes to the Group Consolidated Financial Statements, including material accounting policy information.

In our opinion, the Group Consolidated Financial Statements (pages 165 to 223) give a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and comply with Swiss law.

Basis for opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISA) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the “Auditor’s responsibilities for the audit of the Consolidated Financial Statements” section of our report. We are independent of the Group in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession, as well as those of the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

REPORT OF THE STATUTORY AUDITOR TO THE GENERAL MEETING OF ARYZTA AG ON THE CONSOLIDATED FINANCIAL STATEMENTS 2024 (continued)

VALUATION OF GOODWILL

Area of focus

As at 31 December 2024, the carrying value of goodwill was EUR 553.0 million (2023: EUR 556.7 million) which represents 29% of total assets (2023: 29%) and 122% of total equity (2023: 80%). The decline in the carrying value was as a result of foreign exchange movements. Goodwill is subject to impairment testing on an annual basis and at any time during the year, if an indicator of impairment exists. Goodwill acquired through business combination activity has been allocated to cash generating units (CGUs). The recoverable amount of the CGUs is determined based on a value-in-use computation.

Auditing management's annual goodwill impairment test is considered a risk area as it is complex and involves key judgements by management due to the significant estimation required in determining the value in use of each CGU.

In particular, judgmental aspects include assumptions of future profitability, revenue growth, margins and forecast cash flows, and the selection of appropriate discount rates, all of which may be subject to management override.

Key judgments for the impairment test and identified cash generating units are disclosed in the Notes (Note 13).

Our audit response

We obtained an understanding of the Group's goodwill impairment review process and the process for setting significant assumptions (including walkthroughs of the design and implementation of relevant controls), including future profitability, revenue growth, margins and forecast cash flows, and the selection of appropriate discount rates, among others.

We assessed and evaluated the reasonableness of the Group's allocation of goodwill to CGUs taking into consideration internal management reporting and how the business is managed.

We obtained the Group's impairment analysis for each CGU and performed the following procedures, among others:

- We compared the significant assumptions used by management to external economic forecasts, the Group's historical results, and evaluated whether changes in the Group's business could affect the significant assumptions. In these circumstances we applied professional skepticism when assessing the judgements made by management.
- We tested the mathematical accuracy of the models and reconciled the projections to budgets which have been subject to approval by the Board of Directors.
- We assessed the historical accuracy of management's estimates and performed sensitivity analyses on significant assumptions to evaluate the impact on the estimated value in use of the CGUs for changes in these assumptions.
- We involved valuation specialists to assist in our evaluation of the valuation methodology and comparison of key inputs used by management in calculating discount rates to external market data (principally risk-free rates, country risk premia and inflation rates).
- We performed updated procedures as at the year-end 31 December 2024, by assessing the actual results as of 31 December 2024 against management's forecasts at the date of the annual impairment test to determine, if any indicators of impairment existed and performed sensitivity analysis.
- We considered the adequacy of management's disclosures in respect of impairment testing and whether the disclosures appropriately communicate the underlying sensitivities.

Our audit procedures did not lead to any reservations regarding the valuation of goodwill.

REPORT OF THE STATUTORY AUDITOR TO THE GENERAL MEETING OF ARYZTA AG ON THE CONSOLIDATED FINANCIAL STATEMENTS 2024 (continued)

REVENUE RECOGNITION

Area of focus
Revenues from continuing operations for the year ended 31 December 2024 were EUR 2,194.5 million (2023: EUR 3,046.0 million for the 17-month period ended 31 December).

Revenues are a key performance indicator for ARYZTA and are a focus of internal and external stakeholders. There is a significant risk that revenues may be inflated or recognised in an incorrect period through management override of controls and the posting of manual topside journal adjustments to achieve budgeted financial results.

The accounting principles for revenue recognition are disclosed in Note 1, page 173.

Our audit response
For the purpose of our audit, we performed the following procedures, among others:

- We obtained an understanding of the Group's revenue recognition process and considered the Group's revenue recognition policy.
- We performed walkthroughs of the revenue process, including controls over the process.
- For significant journals posted to revenues, we identified journal sources, profiled journal activity by month and compared to the prior year, analysed who posted these journals considering our understanding of the process and followed up on any unusual trends and anomalies.
- We identified and tested non-routine top-side adjustments recorded in revenue accounts
- We performed audit procedures over cut-off, credit memos and other adjustments to obtain assurance over appropriateness of cut-off and to understand the underlying business drivers for credit memos, discounts and rebates, margins achieved and margin fluctuations.
- We assessed the completeness of disclosures against the requirements of IFRS 15 Revenue from contracts with customers.

Our audit procedures did not lead to any reservations regarding recognition of revenue.

Other information in the annual report

The Board of Directors is responsible for the other information in the annual report. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements, the compensation report and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information in the annual report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information in the annual report and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

REPORT OF THE STATUTORY AUDITOR TO THE GENERAL MEETING OF ARYZTA AG ON THE CONSOLIDATED FINANCIAL STATEMENTS 2024 (continued)

Board of Directors' responsibilities for the consolidated financial statements
The Board of Directors is responsible for the preparation of the consolidated financial statements, which give a true and fair view in accordance with IFRS Accounting Standards and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Swiss law, ISA and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located on EXPERT Suisse's website at: https://www.expertsuisse.ch/en/audit-report. This description forms an integral part of our report.

Report on other legal and regulatory requirements
In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

EY
Shape the future with confidence
Ernst & Young Ltd

Olivier Mange
Licensed audit expert
Auditor in charge

Alan D'Arcy
Associate Chartered Accountant (ACA)

Zurich, 28 February 2025

COMPANY FINANCIAL STATEMENTS

COMPANY INCOME STATEMENT
for the period ended 31 December 2024

in CHF m	Notes	December 2024 12-month	December 2023 17-month
Revenues from licences and management fees from Group companies		28.8	26.9
Dividend income from Group companies		–	1.3
Personnel expenses		(12.0)	(11.5)
Other operating expenses to Group companies		(10.2)	(9.6)
Other operating expenses		(14.3)	(17.5)
Depreciation and amortisation		(0.1)	(0.1)
Impairment of investment in Group Companies	5	–	(256.0)
Operating Loss		**(7.8)**	**(266.5)**
Financial income from Group companies		67.1	97.9
Financial expenses		(77.4)	(96.4)
Loss before income tax		**(18.1)**	**(265.0)**
Income tax		**–**	**(1.0)**
Loss for the period		**(18.1)**	**(266.0)**

COMPANY BALANCE SHEET
as at 31 December 2024

in CHF m	Notes	December 2024 12-month	December 2023 17-month
Assets			
Cash and cash equivalents		16.0	17.0
Other current receivables			
– from third parties		7.3	7.2
– from Group companies		1.3	1.3
Total current assets		**24.6**	**25.5**
Financial assets			
– loans to Group companies		1,747.8	2,234.2
Investments			
– investments in Group companies	5	1,220.5	1,064.5
Property, plant and equipment		0.1	0.1
Intangible assets		3.9	1.3
Total non-current assets		**2,972.3**	**3,300.1**
Total assets		**2,996.9**	**3,325.6**
Liabilities			
Trade payable			
– to third parties		1.6	2.7
Other current liabilities			
– to third parties		102.0	111.9
– to Group companies		30.8	27.5
Accrued expenses		20.3	16.6
Total current liabilities		**154.7**	**158.7**
Non-current interest-bearing liabilities			
– to third parties	4	772.1	912.1
– to Group companies		1,284.7	1,450.0
Total non-current liabilities		**2,056.8**	**2,362.1**
Total liabilities		**2,211.5**	**2,520.8**
Equity			
Share capital	6	19.9	19.9
Legal reserves from capital contribution		827.2	4.0
Legal reserves from foreign capital contribution		1,146.4	49.7
Legal reserve for own shares from foreign capital contribution	7	–	2.7
Free reserves from capital contribution		–	823.2
Free reserves from foreign capital contribution		–	1,094.0
Treasury shares	7	(6.3)	(5.0)
Retained earnings			
– loss brought forward		(1,183.7)	(917.7)
– loss for the period		(18.1)	(266.0)
Total equity		**785.4**	**804.8**
Total equity and liabilities		**2,996.9**	**3,325.6**

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 1 January 2024 to 31 December 2024. During March 2023, ARYZTA announced that it is changing its fiscal year from July ending to December ending to align with calendar year reporting. After December 2023, the Group manages its operations and reports its financial performance on a periodic basis, dividing the financial period into 12 calendar months. Under this method the Company's fiscal period end is defined as 31 December each year. Accordingly, the fiscal periods for 2024 and 2023 are 12 months ended 31 December 2024 and 17 months ended 31 December 2023 respectively.

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

NOTES TO THE COMPANY FINANCIAL STATEMENTS

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 liabilities.

Bonds outstanding	Interest Rate	31 December 2024 in CHF m	31 December 2023 in CHF m	Maturity
Hybrid Instrument 2013	–	–	325.4	No specified maturity date
Hybrid Instrument 2014	5.1%	144.3	144.3	No specified maturity date
Bank loans outstanding				**Financial period of maturity**
Syndicated RCF	3.5%	623.9	314.6	2029
Term loan	–	–	127.8	2026

The average interest rate on the bank loans outstanding is 3.5%.

In October 2023, the Group repurchased and cancelled CHF 120.3m of the outstanding principal on its Hybrid instruments, for consideration of CHF 114.4m, which resulted in a gain in the Company Income Statement of CHF 5.9m during the prior period ended 31 December 2023.

In November 2024, the Group redeemed in full the CHF 325.4m outstanding principal on its 2013 Hybrid instrument at face value.

In August 2024, the Group replaced its existing €500m Syndicated Revolving Credit Facility ('RCF') Agreement with a new five year €930m Syndicated RCF Agreement substantially on the same terms as the existing facility.

In October 2023, the Group drew down on a new CHF 71.8m and €60.0m term loan facility. The term loan facility was repaid in full in August 2024 from the proceeds of the new RCF and available cash.

Under the RCF Agreement, the Group's financial covenants are as follows:
- Leverage covenant (Net Debt: EBITDA): maximum 3.5x
- Interest cover covenant (EBITDA: Net interest, including Hybrid dividend): minimum 3.50x

Details of the Group's financing covenants are included in note 21 to the Group Financial Statements on page 219.

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

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.

A list of significant indirect investments in Group companies is disclosed in note 28 of the Group Financial Statements on page 223.

		Share capital millions		Percentage	
Company (Domicile)		December 2024	December 2023	December 2024	December 2023
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
HIESTAND Beteiligungsholding GmbH & Co. KG (Schweinfurt, DE)[1]	EUR	0.026	0.026	100	100
HIESTAND Schweiz AG (Schlieren, CH)	CHF	3.500	3.500	100	100
Summerbake GmbH (Duisburg, 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.

During the prior year ended 31 December 2023, the Group refinanced and redeemed the remaining €200.0m of the hybrid instruments that had been held by a subsidiary indirectly owned by ARYZTA Holdings Ireland Limited. In addition, the value in use of the operating subsidiaries of ARYZTA Holdings Ireland Limited was reduced by higher discount rates and stronger Swiss franc exchange rates in the prior financial year compared to the previous financial year. As a result, the Company recorded an impairment of CHF 256.0m in respect of its investment in ARYZTA Holdings Ireland Limited during the prior financial year ended 31 December 2023.

There were no impairments of investments during the financial year ended 31 December 2024.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

6 ## Share capital

	Period ended 31 December 2024 Number of shares m	Period ended 31 December 2024 in CHF m	Period ended 31 December 2023 Number of shares m	Period ended 31 December 2023 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

ARYZTA AG's authorised share capital (amounting to 10% of the share capital) expired on 17 November 2023. At the 2024 AGM, the shareholders voted in favour of an introduction of a capital range replacing the lapsed authorised capital, by introducing a new Article 5 to the Articles of Association. The lower and upper limits of the capital range are set at CHF 17,875,903.10 (corresponding to 90% of the share capital) and CHF 21,848,325.98 (corresponding to 110% of the share capital), respectively. Pursuant to the new Article 5 of the Articles of Association, the Board of Directors is authorised within the capital range to increase or reduce the share capital once or several times and in any amounts or to acquire or dispose of shares directly or indirectly, until 24 April 2029, or until an earlier expiry of the capital range. The capital increase or reduction may be effected by issuing up to 99,310,572 fully paid-in registered shares with a par value of CHF 0.02 each and cancelling up to 99,310,572 registered shares with a par value of CHF 0.02 each, as applicable, or by increasing or reducing the par value of the existing shares within the limits of the capital range.

Pursuant to Article 4 of the Articles of Association (governing conditional capital), the share capital of the Company may be increased by a maximum of 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, through the direct or indirect issuance of shares, options or related subscription rights 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.

At the 2024 AGM, shareholders voted in favour of an amendment to Article 4 (e) and an insertion of a new Article 5^{bis} of the Articles of Association. Based on the new Article 5^{bis} of the Articles of Association, until 24 April 2029, or an earlier expiry of the capital range, the total number of newly issued shares which may be issued with the restriction or withdrawal of pre-emptive rights and/or advance subscription rights (i) from the conditional capital pursuant to Article 4 of the Articles of Association, and/or (ii) from the capital range pursuant to Article 5 of the Articles of Association, shall not exceed 99,310,572 new shares (corresponding to 10% of the share capital).

The registered share capital of the Company as at 31 December 2024, 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 989,323,578 are outstanding and 3,782,149 were classified as treasury shares.

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

At the 2024 AGM held on 24 April 2024 the shareholders approved a re-appropriation of CHF 823.2m from Free reserves from capital contribution to Legal reserves from capital contribution and of CHF 1,094.0m from Free reserves from foreign capital contribution to Legal reserves from foreign capital contribution.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

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

	Period ended 31 December 2024 ’000	Period ended 31 December 2024 in CHF m	Period ended 31 December 2023 ’000	Period ended 31 December 2023 in CHF m
As at beginning of period	3,148	7.7	818	32.5
Release of treasury shares upon vesting and exercise of equity entitlements	(4,789)	(8.1)	(373)	(14.8)
Release of treasury shares as restricted shares	(215)	(2.6)	(378)	(15.0)
Purchase of treasury shares	5,638	9.3	3,081	5.0
As at end of period	**3,782**	**6.3**	**3,148**	**7.7**

During the period ended 31 December 2024, the performance conditions associated with 4,788,833 PSU awards were fulfilled. 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 (2023: 372,861 PSU awards). The weighted average share price at the time of these exercises was CHF 1.66 (2023: CHF 1.00).

In addition, during the period ended 31 December 2024, 214,754 shares were issued out of treasury shares, in respect of restricted shares for non-executive directors (2023: 377,541).

67,438 of 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, with the remainder issued out of shares held in treasury by ARYZTA AG.

During the period ended 31 December 2024, ARYZTA AG purchased 5,637,299 shares into treasury, for consideration of CHF 9.3m.

8 Participations

As at 31 December 2024, 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 2024	Number of shares % 2024
UBS Fund Management (Switzerland) AG	100,702,816	10.14%
Heiner Kamps, Ella Kamps, Michael Phillips, Wilhelm Beier, Karl Gerhold and Jürg Kallay[1]	59,930,120	6.03%
Swisscanto Fondsleitung AG	50,398,011	5.07%
Accuro Fund Solutions AG[2]	30,159,443	3.04%
FIL Limited[3]	29,994,708	3.02%

1 Direct shareholder: NOLEKSUM Investment Fund, Teilfonds der NOLEKSUM Inv. Man., Themis Beteiligungs-AG, KFRH Kamps Management GmbH, Occasio Gmbh
2 Direct shareholder: NOLEKSUM Investment Fund, Teilfonds der NOLEKSUM Inv. Man, Tortuga Equity Fund Europe, Teilfonds der Tortuga Fonds SICA, Swiss Select I, Teilfonds des AMCFM Fund
3 Direct shareholder: Fidelity Active Strategy SICAV

Any significant shareholder notifications during the period, and since 31 December 2024, are available from the ARYZTA website at: www.aryzta.com/investor-centre/shareholder-notifications and also on the SIX Exchange Regulation’s website at: www.six-exchange-regulation.com/en/home/publications/significant-shareholders.html

NOTES TO THE COMPANY FINANCIAL STATEMENTS

9 Pension fund liability

The pension fund liability was CHF 52,413 at 31 December 2024 (2023: CHF 56,174).

10 Non-executive Directors and Executive Management share interests

Please refer to the ARYZTA AG Compensation Report on pages 66 to 87 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 31 December 2024 and 31 December 2023 were as follows:

Shares in ARYZTA at CHF 0.02 each	No. of ordinary shares 2024	No. of restricted shares 2024	Total 2024	Total 2023
Directors				
Urs Jordi[1]	1,429,228	329,311	1,758,539	834,985
Heiner Kamps[2]	59,930,120	118,066	60,048,186	59,081,269
Hélène Weber-Dubi[3]	165,492	139,315	304,807	224,020
Alejandro Legarda[4]	217,694	105,926	323,620	292,430
Cornelia Gehrig[5]	22,900	22,820	45,720	-
Former Directors[6]				
Gordon Hardie[7]	–	–	–	144,785
Jörg Riboni[7]	–	–	–	198,433
Total	**61,765,434**	**715,438**	**62,480,872**	**60,775,922**

1 U. Jordi became a member and Chairman of the Board on 16 September 2020 and was appointed by the ARYZTA Board as Group Interim CEO on 19 November 2020.
2 H. Kamps was appointed as Lead Independent Director (LID) in November 2023. The holdings of shares disclosed includes the total holding of a shareholder group that Heiner Kamps is a member of.
3 H. Weber-Dubi was elected to the Board effective 15 December 2020 ("2020 AGM")
4 A. Legarda was elected to the Board effective 14 November 2019 ("2019 AGM")
5 C. Gehrig was elected to the Board effective 24 April 2024 ("2024 AGM"). The holdings of shares disclosed includes shares held by related third party.
6 The restriction on the shares awarded to Gordon Hardie and Jörg Riboni expired during 2024. In line with Article 734d CO, no former directors' share interests are being reported for the financial year 2024.
7 G. Hardie and J. Riboni were elected to the Board effective 15 December 2020 ("2020 AGM"). They resigned from ARYZTA AG in November 2023.

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 December 2024 (2023: Nil).

NOTES TO THE COMPANY FINANCIAL STATEMENTS

Executive Management's interests in equity instruments

	No. of shares closing position FY 2024	No. of restricted shares closing position FY 2024	No. of PSUs closing position FY 2024	No. of shares closing position FY 2023	No. of restricted shares closing position FY 2023	No. of PSUs closing position FY 2023
Urs Jordi	1,429,228	329,311	1,161,512	424,000	410,985	880,392
Martin Huber	387,054	–	511,066	201,000	–	586,929
Rhona Shakespeare	118,009	–	311,772	–	–	374,925
Sandip Gudka	–	–	74,550	–	–	–
Christophe Toitot	157,864	–	188,100	–	–	–
Total executive management	**2,092,155**	**329,311**	**2,247,000**	**625,000**	**410,985**	**1,842,246**

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.

11 Post balance sheet events – after 31 December 2024

On 28 February 2025, ARYZTA's Board of Directors approved its intention to complete a reverse stock split based on a ratio of 40 to 1 new share, subject to shareholder approval at the upcoming AGM.

APPROPRIATION OF AVAILABLE EARNINGS AND COMPANY 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	2024	2023
Balance of retained earnings carried forward	(1,183,655)	(917,615)
Net loss for the period	(18,104)	(266,040)
Closing balance of retained earnings	(1,201,759)	(1,183,655)
Dividend payment from retained earnings	–	–
Balance of retained earnings to be carried forward	**(1,201,759)**	**(1,183,655)**

Re-appropriation of reserves – April 2024 Annual General Meeting

The April 2024 Annual General Meeting of Shareholders approved the following re-appropriation of reserves:

in CHF'000	2024
Legal reserves from capital contribution	3,973
Legal reserves from foreign capital contribution	49,722
Free reserves from capital contribution	823,187
Free reserves from foreign capital contribution	1,093,975
Re-appropriation from free reserves to legal reserves from capital contribution	(823,187)
Re-appropriation from free reserves to legal reserves from foreign capital contribution	(1,093,975)
Legal reserves from capital contribution	827,160
Legal reserves from foreign capital contribution	1,143,697
Free reserves from capital contribution	–
Free reserves from foreign capital contribution	–

REPORT OF THE STATUTORY AUDITOR TO THE GENERAL MEETING OF ARYZTA AG ON THE FINANCIAL STATEMENTS 2024

Opinion

We have audited the financial statements of ARYZTA AG (the Company), which comprise the balance sheet as at 31 December 2024, the income statement for the period from 1 January 2024 to 31 December 2024 and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 229 to 237) comply with Swiss law and the Company's articles of incorporation.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Key audit matters

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 the 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 responsibilities for the audit of the financial statements" 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 matter below, provide the basis for our audit opinion on the financial statements.

VALUATION OF INVESTMENTS IN GROUP COMPANIES

Area of focus

As at 31 December 2024 ARYZTA AG holds direct and indirect investments in subsidiaries with a carrying amount of CHF 1'220.5 million (41% of total assets and 155% of total equity). When indicators of impairment are identified, ARYZTA AG estimates the recoverable amount of its investments. No impairment charge was recognised during the period in respect to investments in Group companies.

Due to the significance of the carrying amount of the investments in subsidiaries, the impairment charge in the current 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 231, Accounting policies and Note 5 on page 233, Details of investments.

REPORT OF THE STATUTORY AUDITOR TO THE GENERAL MEETING OF ARYZTA AG ON THE FINANCIAL STATEMENTS 2024 (continued)

Our audit response

We obtained an understanding of management's process to identify indicators of impairment of investments in Group companies 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

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements, the compensation report and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibility for the financial statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

REPORT OF THE STATUTORY AUDITOR TO THE GENERAL MEETING OF ARYZTA AG ON THE FINANCIAL STATEMENTS 2024 (continued)

Auditor’s responsibility for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on EXPERTsuisse’s website at: https://www.expertsuisse.ch/en/audit-report. This description forms an integral part of our report.

Report on other legal and regulatory requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the financial statements according to the instructions of the Board of Directors.

Based on our audit in accordance with Art. 728a para. 1 item 2 CO, we confirm that the proposal of the Board of Directors complies with Swiss law and the Company’s articles of incorporation. We recommend that the financial statements submitted to you be approved.

EY Shape the future with confidence

Ernst & Young Ltd

Olivier Mange
Licensed audit expert
Auditor in charge

Alan D’Arcy
Associate Chartered Accountant (ACA)

Zurich, 28 February 2025

APPENDIX

ALTERNATIVE PERFORMANCE MEASURES

This section contains certain alternative financial performance measures, which are not defined by IFRS Accounting Standards ('IFRS'), that are used by management to assess the financial and operational performance of the Group. Management believes that these non-IFRS financial performance measures provide useful information regarding the Group's financial and operating performance. The main alternative performance measures used by the Group are explained and/or reconciled with related IFRS measures (as per the Consolidated Financial Statements) below.

'Organic growth' – represents the revenue growth during the period, after removing the impact of acquisitions and divestitures and foreign exchange translation. This provides a "like-for-like" comparison with the previous period in constant scope and constant currency.

A breakdown of organic growth compared to total revenue movement by segment comparing the 12-month financial period ended December 2024 to the 12-month prior period ended December 2023 is shown below:

in €m	ARYZTA Europe	ARYZTA Rest of World	ARYZTA Group
Revenue	**1,945.1**	**249.4**	**2,194.5**
Organic movement	(0.7%)	3.7%	(0.2%)
Currency movement	0.5%	(1.7%)	0.3%
Total revenue movement	**(0.2%)**	**2.0%**	**0.1%**

'EBITDA' – presented as earnings before interest, taxation, depreciation and amortisation. A reconciliation of EBITDA by segment to operating profit (excluding depreciation and amortisation) is presented in note 2 to the financial statements, on page 185.

A breakdown of EBITDA by segment, and related EBITDA margin is shown as follows:

EBITDA (in €m)	12-month December 2024	17-month December 2023	% Change
ARYZTA Europe	271.5	330.4	(17.8%)
ARYZTA Rest of World	49.4	70.4	(29.8%)
ARYZTA Group	**320.9**	**400.8**	**(19.9%)**

EBITDA margin	12-month December 2024	17-month December 2023	% Change
ARYZTA Europe	14.0%	12.2%	180 bps
ARYZTA Rest of World	19.8%	20.2%	(40) bps
ARYZTA Group	**14.6%**	**13.2%**	**140 bps**

ALTERNATIVE PERFORMANCE MEASURES

'Free cash flow' – represents the company's ability to generate free funds from its operating activities after its investments in fixed assets and repayments of lease liabilities. It is calculated as net cash flows from operating activities per the IFRS cash flow statement, adjusted for cash flows related to the purchase of property, plant and equipment and intangible assets, proceeds from sale of property plant and equipment, lease principal payments and dividends paid on hybrid instruments.

A breakdown of free cash flow during the current and prior periods is shown below:

in €m	12-month December 2024	17-month December 2023
EBITDA	**320.9**	**400.8**
Working capital movement	31.1	(16.2)
Working capital movement from debtor securitisation	3.0	24.6
Capital expenditure	(94.3)	(91.8)
Net payments on lease contracts	(37.9)	(50.9)
Proceeds from sale of fixed assets	0.9	4.5
Restructuring-related cash flows	(0.4)	(3.6)
Dividends paid on hybrid instruments	(34.7)	(65.7)
Interest and income tax paid, net	(56.6)	(60.0)
Other	5.8	(2.1)
Free cash flow	**137.8**	**139.6**

Reconciliation of IFRS cash flow from operating activities to Free cash flow:

in €m	12-month December 2024	17-month December 2023
IFRS – Net cash flow from operating activities[1]	**298.9**	**338.0**
Purchase of property, plant and equipment	(82.5)	(76.9)
Purchase of intangible assets	(11.8)	(14.9)
Proceeds from sale of property, plant and equipment	0.9	4.5
Lease principal payments	(33.0)	(45.4)
Hybrid instruments dividends paid	(34.7)	(65.7)
Free cash flow	**137.8**	**139.6**

1 Net cash flows from operating activities are presented in the Group Consolidated Cash Flow Statement on page 169

'Net debt' – is defined as the Group's interest bearing loans and bonds and lease liabilities, after deduction of cash and cash equivalents. As of 31 December 2024, the Group's net debt was broken down as follows:

in €m	December 2024	December 2023
Gross term debt	**(668.0)**	**(474.1)**
Upfront borrowing costs	4.1	5.3
Term debt, net of upfront borrowing costs	**(663.9)**	**(468.8)**
Cash and cash equivalents	77.1	103.9
Net debt excluding leases	**(586.8)**	**(364.9)**
Leases	(152.5)	(125.9)
Net debt	**(739.3)**	**(490.8)**

ALTERNATIVE PERFORMANCE MEASURES

A reconciliation of year-on-year net debt evolution is shown as follows:

in €m	12-month December 2024	17-month December 2023
Opening net debt	**(490.8)**	**(290.0)**
Free cash flow	137.8	139.6
Net movements on lease liabilities	(26.7)	0.5
Disposal of businesses, net of tax and leases	-	(0.8)
Hybrid instrument principal repayment	(346.7)	(320.2)
RCF termination costs	(4.0)	–
Foreign exchange movement	2.4	(12.5)
Other[1]	(11.3)	(7.4)
Closing net debt	**(739.3)**	**(490.8)**

1 Other comprises purchase of treasury shares and amortisation of upfront financing costs.

'Hybrid instrument' – presented as Perpetual Callable Subordinated Instruments, which have no contractual maturity date and for which the Group controls the timing of settlement; therefore, these instruments are accounted for as equity instruments in accordance with IAS 32 'Financial Instruments'.

Movements related to the Hybrid instrument principals at current foreign exchange rates and related dividends during the period were as follows:

	Principal €m	Dividends €m	Total €m
Balance at 31 December 2023	**(503.3)**	**(6.7)**	**(510.0)**
Hybrid instrument dividend charge	–	(29.5)	(29.5)
Hybrid instrument dividends paid	–	34.7	34.7
Hybrid instrument redemption	346.7	–	346.7
Translation adjustments	3.1	0.1	3.2
Balance at 31 December 2024	**(153.5)**	**(1.4)**	**(154.9)**

'Net working capital' – The Group monitors net working capital to evaluate how efficient it is at managing its operating cash conversion cycle. Net working capital is the sum of Trade working capital, comprising inventory, trade receivables and trade payables; and other components, including accruals and other payables, prepayments and other receivables, and employee and VAT tax balances. As of 31 December 2024, the Group's working capital was broken down as follows:

in €m	December 2024	December 2023
Inventory	128.0	125.4
Trade receivables	106.9	103.2
Trade payables	(243.5)	(216.7)
Trade working capital	**(8.6)**	**11.9**
Other elements of working capital[1]	(156.7)	(147.3)
Net working capital	**(165.3)**	**(135.4)**

1 Comprises accruals and other payables, prepayments and other receivables, and employee and VAT tax balances

ALTERNATIVE PERFORMANCE MEASURES

'Invested capital' – Excludes financial assets at fair value, bank debt, cash and cash equivalents and tax balances. Invested capital is a measure of the operational net assets used to generate the results of the business, excluding financing, tax and cash-management activities. Invested capital comprises the sum of segment assets and segment liabilities, as set out in note 2 to the financial statements, on page 186. A summary breakdown of the balance sheet, including the operational net assets that comprise invested capital is shown below:

in €m	December 2024	December 2023
Property, plant and equipment	871.3	834.0
Goodwill and intangible assets	632.8	652.3
Net working capital	(165.3)	(135.4)
Other segmental assets	4.1	4.0
Other segmental liabilities	(19.9)	(22.5)
Lease liabilities	(152.5)	(125.9)
Invested capital	**1,170.5**	**1,206.5**
Interest bearing bank loans, net of cash	(586.8)	(364.9)
Deferred tax, net	(41.9)	(46.2)
Income tax payable	(85.6)	(88.3)
Derivative financial instruments	(4.1)	(8.5)
Net assets	**452.1**	**698.6**

'NOPAT' – Net operating profit after tax. This is operating profit after a normalised tax rate of 25%, before gains/losses on disposal of businesses excluding taxation directly attributable to disposal of businesses.

'ROIC' – Return On Invested Capital is a measure of performance which integrates both measures of profitability and measures of capital efficiency. This is calculated as trailing twelve month NOPAT divided by average Invested capital, as at the beginning and the end of the financial performance period.

A summary of the ROIC by segment as of December 2024 and December 2023 is as follows:

in €m	ARYZTA Europe	ARYZTA Rest of World	ARYZTA Group
31 December 2024			
Average invested capital	1,095.9	92.6	1,188.5
NOPAT	131.4	27.4	158.8
ROIC	12.0%	29.6%	13.4%
31 December 2023			
Average invested capital	1,130.6	94.7	1,225.3
NOPAT	122.2	27.9	150.1
ROIC	10.8%	29.5%	12.3%

PRO FORMA 12-MONTH RESULTS

The results set out in this section are based on the 12-month period to December 2024, compared to the unaudited 12-month period to December 2023, and are presented to enable comparability following the change to a December financial year end.

in €m	12-month December 2024	12-month December 2023 Unaudited
Revenue	2,194.5	2,192.7
Cost of sales	(1,443.9)	(1,471.8)
Distribution expenses	(281.4)	(271.3)
Gross profit	**469.2**	**449.6**
Selling expenses	(100.6)	(91.4)
Administration expenses	(178.6)	(182.3)
Operating profit	**190.0**	**175.9**
Financing costs, net	(31.7)	(29.3)
RCF termination costs	(4.0)	–
Profit before income tax	**154.3**	**146.6**
Income tax expense	(24.7)	(20.9)
Profit for the period	**129.6**	**125.7**
Hybrid dividend	(29.5)	(44.1)
Profit used to determine EPS	**100.1**	**81.6**

The EBITDA and Free Cash Flow metrics below are presented in line with the Alternative Performance Measure definitions set out on pages 243–246, comparing the pro forma 12-month period to December 2024, with the 12-month period to December 2023.

EBITDA (in €m)	12-month December 2024	12-month December 2023 Unaudited	% Change
ARYZTA Europe	271.5	254.1	6.8%
ARYZTA Rest of World	49.4	50.4	(2.0%)
ARYZTA Group	**320.9**	**304.5**	**5.4%**

EBITDA margin	12-month December 2024	12-month December 2023 Unaudited	% Change
ARYZTA Europe	14.0%	13.0%	100 bps
ARYZTA Rest of World	19.8%	20.6%	(80) bps
ARYZTA Group	**14.6%**	**13.9%**	**70 bps**

PRO FORMA 12-MONTH RESULTS

in €m	12-month December 2024	12-month December 2023 Unaudited
EBITDA	**320.9**	**304.5**
Working capital movement	31.1	27.4
Working capital movement from debtor securitisation	3.0	8.8
Capital expenditure	(94.3)	(69.0)
Net payments on lease contracts	(37.9)	(35.9)
Proceeds from sale of fixed assets	0.9	4.1
Restructuring-related cash flows	(0.4)	(2.9)
Dividends paid on hybrid instruments	(34.7)	(54.6)
Interest and income tax paid, net	(56.6)	(49.8)
Other	5.8	(0.2)
Free cash flow	**137.8**	**132.4**

Forward looking statement

This document contains forward looking statements which reflect the Board of Directors' current views and estimates. The forward-looking statements involve certain risks and uncertainties that could cause actual results to differ materially from those contained in the forward-looking statements. Potential risks and uncertainties include such factors as general economic conditions, foreign exchange fluctuations, competitive product and pricing pressures, the effects of a pandemic or epidemic or a natural disaster, or war and regulatory developments. You are cautioned not to place undue reliance on any forward-looking statements. These forward-looking statements are made as of the date of this document. The Company expressly disclaims any obligation or undertaking to publicly update or revise any forward-looking statements other than as required by applicable law.

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