



Dear Shareholder,

On behalf of the Board of Directors of ARYZTA AG, I wish to express our thanks and appreciation for your continuing support and positive feedback. I am delighted to report to you on the progress made within the Company in particular on organic growth, the balance sheet and sustainability. I will also take this opportunity to inform you on the Board proposals for election and re-elections.

Organic growth focus continues to drive improvements

We have now aligned our financial reporting year to the calendar year. Our 2023 annual report details our performance for the 17-month period from August 2022 to December 2023, as well as pro forma information for the calendar years 2022 and 2023.

I am happy to report that we have made significant progress in our turnaround plan and have made substantial progress towards our mid-term targets over the last 17 months. ARYZTA's performance continued to improve despite the challenging business environment, highlighted by input price volatility, significant labour inflation, supply chain disruptions, consumer spending under pressure from cost inflation, tough customer pricing discussions and an increasing interest rate environment.

Our revenue in the 17-month period until the end of December 2023 increased by 12.9% to €3,046.0m. We achieved a strong organic growth of 17.3% in the 17-month period, with volume remaining positive despite the significant necessary pricing. We achieved an EBITDA for the 17-month period of €400.8m, representing an EBITDA margin of 13.2%. Profit for the 17-month period increased significantly to €160.5m.

In terms of the calendar year 2023 performance compared to calendar year 2022, our revenue increased by 14.4% to €2,192.7m driven by an organic growth improvement of 14.7%. EBITDA increased strongly by 32.3% to €304.5m in the 12-month period of 2023 and we achieved a 55.4% increase in profit to €125.7m. Free cash generation for the 12-month period of 2023 also improved strongly by 131% to €132.4m.

Balance sheet further strengthened

This strong operational performance especially in cash generation allowed us to continue to reduce our hybrid bond levels. We are also investing in further growth with plans to invest €40.0m in a new bakery in Western Australia. Our goal remains to optimize the capital structure over time by using our strong cash generation to further reduce debt. Our total net debt (incl. hybrids and leases) leverage ratio declined to 3.3x EBITDA for the period ended 31 December 2023 compared to 3.7x at the end of July 2023.

Board

In relation to governance matters, the Board is proposing the election of Cornelia Gehrig as an additional Board member of ARYZTA AG and member of the Remuneration Committee at the forthcoming AGM in April 2024.

Cornelia Gehrig qualifies as an independent director under good governance criteria. She has strong financial experience as Group CFO in international industrial companies. Cornelia has also good experience in transformation, M&A activities, turnaround and business excellence projects as well as in developing and implementing growth strategies. We believe that Cornelia's expertise will support the continuing growth and development of ARYZTA. In addition, this appointment aligns the Board's gender diversity ratio with the current best in class diversity governance recommendations.

I am delighted to inform you that my three Board colleagues and I have accepted the Board's proposal to go forward for re-election at the forthcoming AGM. I would like to extend my sincere thanks to my Board colleagues, H el ene Weber-Dubi, Alejandro Legarda Zarag eta and Heiner Kamps for their dedication, continued commitment to ARYZTA and always acting in the best interests of the Company and its shareholders.

As you know, the dual role of Group Interim CEO and Chairman of ARYZTA AG will cease at the end of this year and we are advancing the recruitment of a new, permanent CEO. We believe that now is the right time to appoint and onboard a permanent CEO to focus on the next phase of our organic growth strategy. The onboarding and transition to a permanent CEO will be well organized with good

oversight by the Chairman and Board. We will also update the mid-term targets for 2026-2028 in the course of this year underpinning the organic growth strategy.

Sustainability report

We continue to progress our sustainability agenda. The Board is committed to actively contributing to a more sustainable planet and society and believes it is fundamental to our strategy to create long term shareholder value. The Annual Report 2023 includes a detailed sustainability report including disclosure on non-financial matters and the commitment to the Science Based Targets Initiative (SBTi). We have three pillars, namely environmental efficiency, inspiring innovation and our people and communities, involving 13 specific goals. This strategy will address our greenhouse gas emissions and water usage reductions targets, to ensure we source sustainable ingredients, to support our people and communities and to ensure we produce healthy and nutritious bakery products for our customers and consumers.

Outlook

We look forward to reporting further business improvement and growth in 2024 and are targeting to achieve organic growth in the low- to mid-single-digit-range for the full year.

Finally, on behalf of the Board, I wish to express our thanks and appreciation to you for your continuing support and trust.



Urs Jordi

Chairman ARYZTA AG

