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Ad hoc announcement pursuant to article 53 LR

Valora completes the acquisition of Back-Factory, thereby strengthening its market position in Germany

Valora has successfully completed the announced acquisition of German-based snack specialist Back-Factory. This strengthens its position as one of the largest catering companies in Germany. The purchase will be followed by the takeover of Back-Factory's former headquarters and its organisational integration into Valora. Over time, the Back-Factory brand will be integrated into the BackWerk format. This will allow Valora's German food service platform to benefit from synergies and economies of scale.

Since 1 November 2021, Valora has been among the top five German catering businesses and systems measured by pre-crisis levels (previously among the top ten according to foodservice magazine 4/2020). The Bundeskartellamt has approved the purchase of snack food provider Back-Factory without conditions. Valora is acquiring Back-Factory and its more than 80 sales outlets from founder Harry-Brot, the most important producer of baked goods in Germany.

Integration of Back-Factory into BackWerk food service bakery format over time

Back-Factory is expanding the Valora food service platform in Germany, which already includes the BackWerk and Ditsch brands. The intention is to integrate the Back-Factory brand into the BackWerk food service format over time and to strengthen BackWerk further. The changes to the product range, brand identity and franchise agreements will take place in several stages. First, the offering will be upgraded and added value created for customers. Only then will the external image be rebranded as BackWerk. The Back-Factory self-service concept with its wide range of hot and cold snacks is so closely related to that of BackWerk that Valora is convinced the process will be successful.

Valora already owns more than 340 BackWerk stores in Germany, the Netherlands, Austria and Switzerland. Thanks to the complementary Back-Factory locations, its food service offering will now make further inroads into German city centres. In addition, Back-Factory already has a highly innovative solution for digital self-checkout. Valora intends to install this technology in its BackWerk stores too.

Previous managing director of Back-Factory becomes a franchise partner

Among the Back-Factory stores, around half are currently run as franchises and half as own outlets. As at BackWerk, Valora will continue to focus on independent entrepreneurs in future and will hand over the own outlets to franchisees. Peter Gabler, the former managing director of Back-Factory, will himself take on an important role as a franchise partner.

"Peter Gabler's commitment is a huge vote of confidence," says Karl Brauckmann, Managing Director of the Valora Food Service Germany business unit. "Demand from the existing Back-Factory and BackWerk franchisees and people looking to start a business is already good in other respects. Thanks to Back-Factory's attractive portfolio of locations, we're convinced that this will ensure continuity in store operations."

Jobs created in Essen and synergies of around CHF 3 million per year in the medium term

The administrative organisation of Back-Factory in Hamburg will also be integrated into that of Valora Food Service Germany in Essen. Further significant synergies and economies of scale will result from purchasing and logistics. Here, too, the intention is to merge these functions.

Overall, Valora anticipates total synergies of around CHF 3 million per year in the medium term. Despite one-off integration costs, the Back-Factory acquisition is expected to make a positive contribution to EBIT in 2022.

“Our market knowledge, our franchising expertise and our presence in Essen as a platform organisation make us the ideal buyer – always ready and willing to integrate further food brands. We're very much looking forward to continuing to develop the Back-Factory business together with the employees in the network,” says Thomas Eisele, CEO of Valora Food Service.

This ad hoc announcement is available online at www.valora.com/newsroom.

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About Valora

Each and every day, around 15,000 employees in the Valora network work to brighten up their customers' journey with a comprehensive foodvenience offering – nearby, quick, convenient and fresh. The around 2,700 small-scale points of sale of Valora are located at highly frequented locations in Switzerland, Germany, Austria, Luxembourg and the Netherlands. The company includes, among others, k kiosk, Brezelkönig, BackWerk, Ditsch, Press & Books, avec, Caffè Spettacolo and the popular own brand ok.– as well as a continuously growing range of digital services. Valora is also one of the world's leading producers of pretzels and benefits from a well-integrated value chain in the area of baked goods. In 2020, Valora generated annual external sales of CHF 2.2 billion. The Group's registered office is in Muttenz, Switzerland. The registered shares of Valora Holding AG (VALN) are traded on SIX Swiss Exchange AG.

More information is available at www.valora.com.

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