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**Ad hoc announcement pursuant to article 53 LR**

**Valora strengthens its food service business in Germany by purchasing Back-Factory**

**The Valora Group is consistently pushing ahead with its announced growth strategy by taking over the German snack specialist and food service system Back-Factory with more than 80 sales outlets. With this step Valora is substantially expanding its position in the German food service market, making further inroads into the inner cities, extending its German food service platform and exploiting economies of scale.**

With the acquisition of Back-Factory, the Valora Group is strengthening its foodvenience core business in the context of its growth strategy as planned by also making purchases in existing regions thus benefiting from market consolidation. Measured against pre-crisis levels, the acquisition will put Valora among the top five highest-turnover catering companies and food service systems in Germany (previously among the top ten according to foodservice magazine 4/2020).

Valora is buying Back-Factory from Harry-Brot, the most important producer of baked goods in Germany. The takeover is expected to take place on 1 November 2021, subject to the approval of the Bundeskartellamt. The two companies have agreed not to disclose any details about the transaction, which is being financed with existing funds.

Harry-Brot founded Back-Factory some 20 years ago, and the first Back-Factory store opened in Bielefeld in 2002. The classic self-service bakery subsequently developed into a provider of snack foods with more than 80 stores throughout Germany. These are operated as franchises and own outlets, are particularly well represented in city centres and have long-term rental contracts. Back-Factory generated external sales of some EUR 80 million and EBITDA of around EUR 5 million in 2019.

With Back-Factory, Valora is expanding its food service platform in Germany, which already includes the BackWerk and Ditsch brands. "With its self-service concept and wide range of cold and warm snacks, Back-Factory compares well with our BackWerk food service bakery format," explains Thomas Eisele, CEO of Valora Food Service. "Back-Factory also ideally complements our current German store portfolio of some 500 BackWerk and Ditsch sales outlets with additional locations and allows us to make further inroads into downtown areas."

Michael Mueller, CEO of the Valora Group, says: "We're looking forward to welcoming Back-Factory to Valora very soon. Valora boasts pronounced expertise in the foodvenience business and a proven capacity to integrate companies that have been taken over. Thanks to Back-Factory we will strengthen our market position and this growth will allow us to benefit from interesting economies of scale. This expansion also underlines our conviction that the foodvenience business will remain attractive in future."

This ad hoc announcement is available online at [www.valora.com/newsroom](http://www.valora.com/newsroom).

**If you have any questions, please do not hesitate to contact:**

**Investor Relations**

Annette Carrer-Martin  
Fon +41 61 467 21 23  
[annette.carrer@valora.com](mailto:annette.carrer@valora.com)

**Media Relations**

Christina Wahlstrand  
Fon +41 61 467 24 53  
[media@valora.com](mailto:media@valora.com)

**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](http://www.valora.com).