

To the General Meeting of
Flughafen Zürich AG, Kloten

Zurich, 11 March 2021

Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the financial statements of Flughafen Zürich AG, which comprise the balance sheet, income statement and notes (pages 134 to 146), for the year ended 31 December 2020.



Board of Directors' responsibility

The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.



Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements for the year ended 31 December 2020 comply with Swiss law and the company's articles of incorporation.



Report on key audit matters based on the circular 1/2015 of the Federal Audit Oversight Authority

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibility* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the financial statements.

Valuation and existence of Property, plant and equipment

Area of focus Property, plant and equipment used for operations (assets in use) and assets under construction for operating activities together comprise 57% of total assets. In 2020, investments in property, plant and equipment amounted to CHF 267.8 million.

The large number of different, partly very long-lived, assets, the high volume of capital expenditure and maintenance expenditure contain inherent risks regarding the existence and valuation of property, plant and equipment.

Furthermore, the ongoing COVID-19 pandemic and related drop in air traffic activities have significantly impacted the revenues and earnings of Zurich Airport triggering a management valuation assessment (impairment test) of property, plant and equipment. Management's assessment resulted in no impairment losses.

Further information regarding property, plant and equipment is included in the consolidated financial statements under note 6.

Our audit response We mainly performed the following audit procedures:

- Evaluation of design, implementation and effectiveness of controls embedded in the procurement and capital expenditure process and of controls securing existence of property, plant and equipment.
- Assessment of the capitalisation of expenditure in assets under construction and reconciliation of capitalised expenditure to the invoices received based on samples.
- Examination of transfers from assets under construction to assets in use based on the evaluation of effectiveness of internal controls and selected project completion protocols based on samples.
- Evaluation of management's assessment of impairment indicators.
- Assessment of management's assumptions (e.g. passenger volumes, capital expenditure) used in the impairment model (value in use calculation).
- Involvement of valuation experts to assist us in the evaluation of the impairment model, assumptions used (e.g. discount-rate, terminal growth-rate) and assessment of the consistency of valuation methodologies applied.

On the basis of our audit procedures, we have no objections regarding existence and valuation of Property, plant and equipment.



Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a para. 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Ernst & Young Ltd

Daniel Zaugg
Licensed audit expert
(Auditor in charge)

Juri Frischknecht
Licensed audit expert