

To the General Meeting of
Flughafen Zürich AG, Kloten

Zurich, 11 March 2021

Statutory auditor's report on the audit of the consolidated financial statements



Opinion

We have audited the consolidated financial statements of Flughafen Zürich AG and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2020 and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion the consolidated financial statements (pages 60 to 127) give a true and fair view of the consolidated financial position of the Group as at 31 December 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and comply with Swiss law.



Basis for opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISAs) and Swiss Auditing Standards. 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 and the requirements of the Swiss audit profession, as well as the IESBA Code of Ethics for Professional Accountants, 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 period. 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.

Estimates relating to impairment testing of Investments in airport operator projects

Area of focus As of 31 December 2020, Flughafen Zürich AG reported CHF 282.1 million of Investments in airport operator projects related to concession agreements for the operation of foreign airports.

The ongoing COVID-19 pandemic and related drop in air traffic activities have impacted the revenues and earnings of foreign airport operator projects triggering a management valuation assessment (impairment test). Management's assessment resulted in no impairment losses. Management's assessment of the valuation of Investments in airport operator projects was significant to our audit because due to the pandemic this process requires significant management judgement (especially around the future development of the number of passengers).

Further information regarding Investments in airport operator projects is included in the consolidated financial statements under note 11.

Our audit response We mainly performed the following audit procedures:

- Evaluation of management's assessment of impairment indicators.
- Assessment of management's assumptions used in the business plans for the value in use calculations.
- Involvement of valuation experts to assist us in the evaluation of the impairment model, key assumptions (e.g. discount-rate and tax-rate) used and assessment of the consistency of valuation methodologies applied.

On the basis of our audit procedures, we have no objections regarding estimates relating to impairment testing of Investments in airport operator projects.

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 56% of total assets. In 2020, investments in property, plant and equipment amounted to CHF 224.3 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 8.

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.



Other information in the annual report

The Board of Directors is responsible for the other information in the annual report. The other information comprises all information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements, remuneration report and our auditor's reports 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.



Responsibility of the Board of Directors for the consolidated financial statements

The Board of Directors is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS 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, ISAs and Swiss Auditing Standards 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 at the website of EXPERTsuisse:

<http://www.expertsuisse.ch/en/audit-report-for-public-companies>.

This description forms part of our auditor's report.



Report on other legal and regulatory requirements

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

We recommend that the consolidated financial statements submitted to you be approved.

Ernst & Young Ltd

Daniel Zaugg
Licensed audit expert
(Auditor in charge)

Juri Frischknecht
Licensed audit expert