ANNUAL REPORT

22

DUFRY

WorldClass.WorldWide.

Vision & Strategy

ESG ENGAGEMENT

DUFRY SUBSTITUTES 20% OF ELECTRICITY CONSUMPTION WITH RENEWABLE ENERGY, PROMOTES DIVERSITY & INCLUSION TRAININGS AND ACHIEVES SBTI VALIDATION OF ITS EMISSION REDUCTION TARGETS.

Discover the full story in the ESG Report

Business Review 2022


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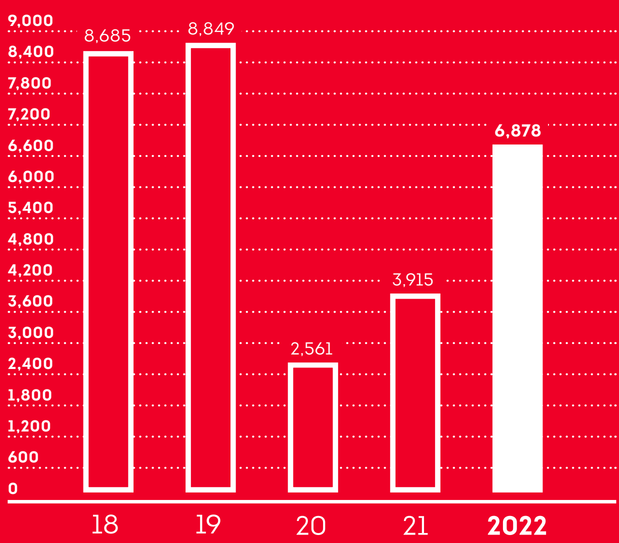
DUFRY
AT A GLANCE

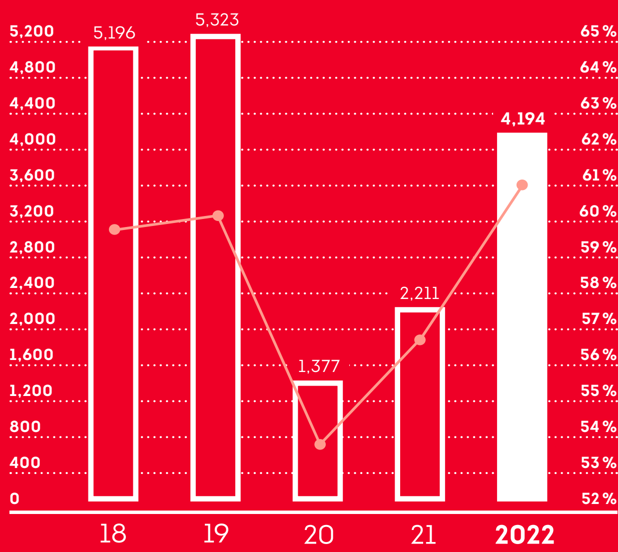
TURNOVER

IN MILLIONS OF CHF



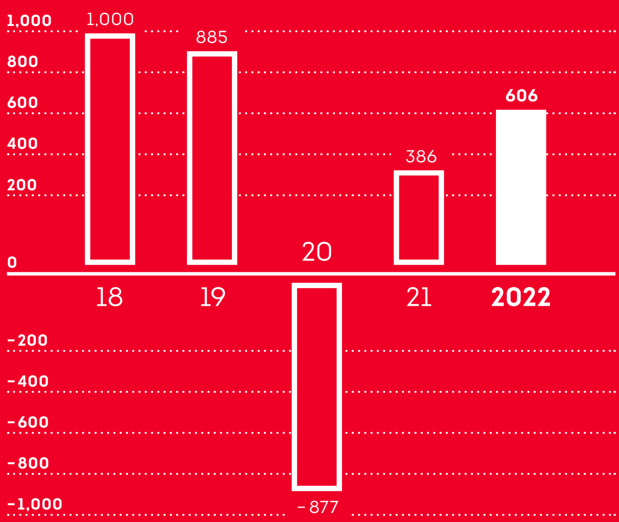
GROSS PROFIT

IN MILLIONS OF CHF | MARGIN



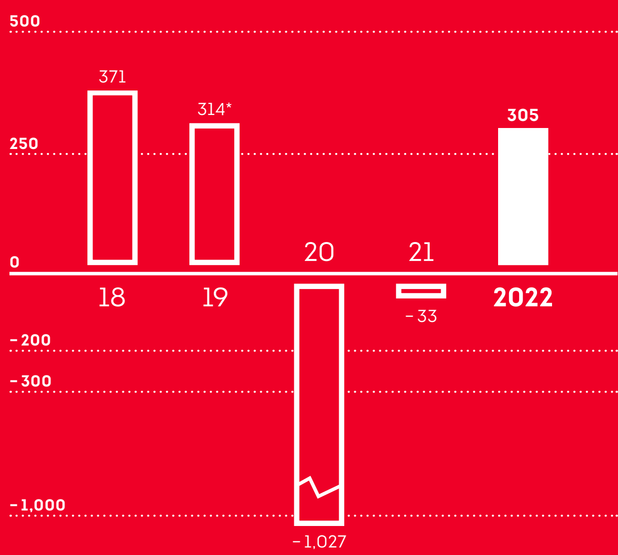
CORE EBITDA

IN MILLIONS OF CHF



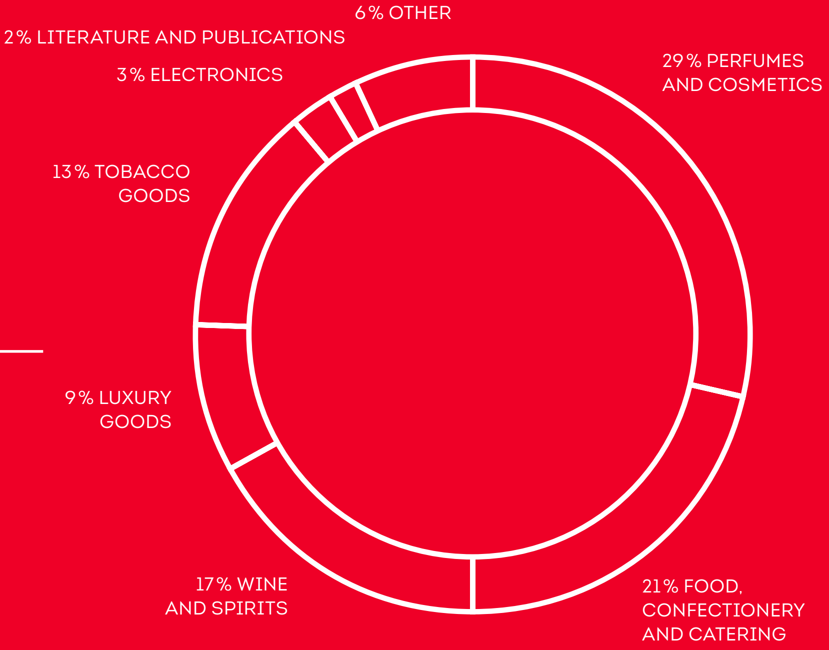
EQUITY FREE CASH FLOW

IN MILLIONS OF CHF

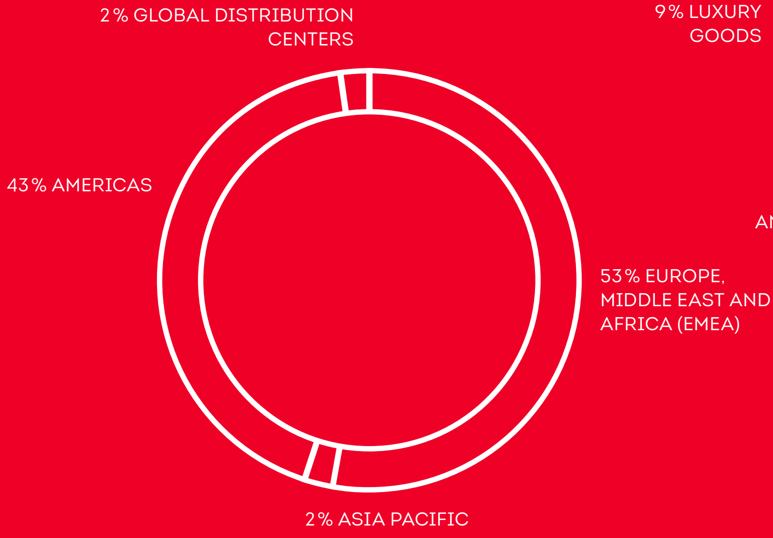


* Excluding one-offs

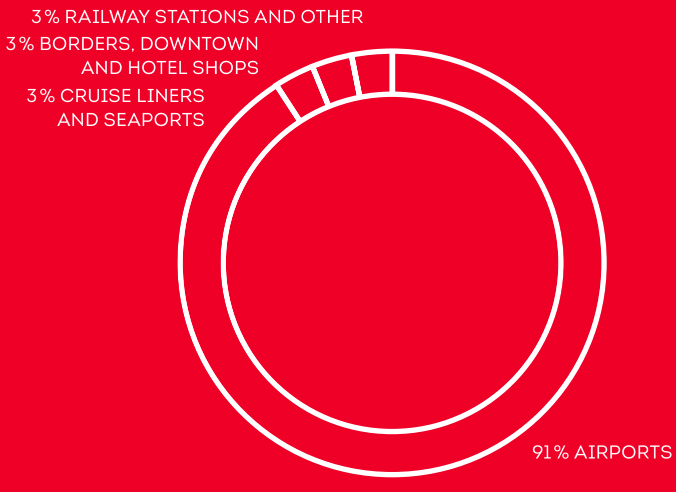
NET SALES BY PRODUCT CATEGORY 2022



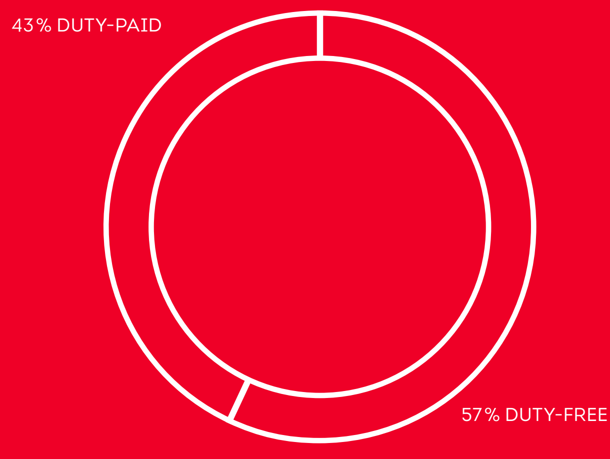
NET SALES BY REGION 2022



NET SALES BY CHANNEL 2022



NET SALES BY MARKET SECTOR 2022



HIGHLIGHTS 2022

NEW STRATEGY «DESTINATION 2027»

Dufry presented its new strategy «Destination 2027», which builds on four pillars to enhance passengers' experience along their whole journey.

DUFRY & AUTOGRILL JOIN FORCES

The combination of Dufry and Autogrill creates a new customer-centric, integrated global travel experience player, who redefines the boundaries of the industry.

CHF 6,878.4 MILLION TURNOVER, 76.1 % ORGANIC GROWTH AND 8.8 % CORE EBITDA MARGIN

Resilient demand for travel with spend-per-passenger above-2019 levels, results in a strong organic growth increase of 76.1 % versus 2021. Target CORE EBITDA margin reached ahead of time.

NET DEBT POSITION FURTHER DECREASED TO LOWEST LEVEL SINCE 2015

Dufry's net debt position further decreased ahead of plan to now only CHF 2,810.7 million as of December 31, 2022, meeting covenant thresholds well ahead of the required timing.

STRONG CASH FLOW GENERATION CONFIRMED

Dufry confirmed its strong cash flow generation capability reaching an above target Equity Free Cash Flow (EFCF) of CHF 305.2 million in FY 2022, despite macroeconomic and geopolitical challenges.

20 % OF ELECTRICITY REPLACED WITH RENEWABLE ENERGY

In line with its target to reach climate neutrality for Scopes 1 & 2 by 2025, Dufry has replaced 20 % of its electric energy consumption (based on 2019 levels) with renewable energy in 2022.

FIRST TCFD REPORT PUBLISHED

Dufry has published its first TCFD Report (Task Force on Climate-Related Financial Disclosures) for the 2022 business year in early 2023.

SBTI VALIDATES DUFRY'S EMISSION REDUCTION TARGETS

SBTi (Science Based Targets initiative) has validated Dufry's emission reduction targets for scopes 1, 2 & 3.

NEW MIND.BODY.SOUL. SHOP-IN-SHOP CONCEPT LAUNCHED

The innovative new retail concept was successfully introduced in several locations globally and caters for the increasing customer interest in purchasing healthier and more sustainable products.

MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

DEAR SHAREHOLDERS

The 2022 business year was characterized by three key developments which positively impacted the company. First, a strong operational performance, especially since the summer months. Second, under the leadership of our newly appointed CEO, Xavier Rossinyol, we developed and presented our new company strategy «Destination 2027». Third, we announced the combination with Autogrill, which will allow us to join forces with the leading operator of travel F&B and to create a new integrated global Travel Experience player.

The strong travel recovery and our customers' propensity to spend, are well reflected in our operational performance. Our turnover increased significantly and reached CHF 6,878.4 million (2021: CHF 3,915.4 million), resulting in a remarkable improvement in organic growth: 76.1% on the previous year. Our CORE EBITDA for full-year 2022, which benefitted from our ongoing cost management, amounted to CHF 606.2 million, equal to a margin of 8.8% despite challenging macroeconomics. Equity Free Cash Flow (EFCF) of CHF 305.2 million for fiscal year 2022 was above expectations. As a result, our net profit turned positive to CHF 121 million (2021: CHF –365.2 million) and represented an improvement over pre-pandemic levels (2019: CHF 30.07 million).

> Creating a new global Travel Experience player.

Our new strategy, characterized by customer centricity and value generation for concession partners, brand suppliers and shareholders, will deliver long-term growth, sustainable profits and strong cash flows. "Destination 2027" builds on four clearly defined pillars – travel experience evolution, geographical diversification, operational improvement culture and strong ESG engagement.

The combination of Dufry and Autogrill is a perfect strategic fit, providing the integrated entity with a strong commercial setup and opening new avenues of growth. Dufry will strengthen its position in the highly attractive and resilient US market as well as benefit from new opportunities in other key geographies, through innovative assortments and service portfolios to customers, brands and concession partners. The business combination with Autogrill fully aligns with the new company strategy and will contribute to the evolution of all four pillars. We expect the combination to strengthen the balance sheet, reduce leverage levels and create sustainable value for shareholders supported by potential for synergies as well as generating cash flow.

As of December 31, 2022, Dufry's market capitalization stood at CHF 3,496.6 million. Dufry shares started the year at CHF 48.19, peaked in February at CHF 50.46 and then had a slightly lower and volatile sideways performance. Shares closed the year at CHF 38.51 after external impacts from the challenging geopolitical and economic environment. The average daily trading volume on all platforms was CHF 46.0 million, confirming good liquidity for our shares. The SIX Swiss Exchange remains an important trading platform, where the average daily volume of Dufry shares reached CHF 15.6 million in 2022. Dufry's trading volumes are mainly concentrated at the SIX 33.93% and BATS Chi-X OTC 38.17% platforms. As is our tradition, we have maintained a continuous dialogue with our shareholders and the financial community through over 1,850 contacts on roadshow or conference meetings, calls and emails – fortunately with an increasing number of in-person meetings. Our Capital Markets Day had around 100 in-person attendees.

At the General Meeting of Shareholders in May 2022, we welcomed Mr Xavier Bouton as a new member to the Board of Directors. He will contribute to Dufry's

For a glossary of financial terms and key performance indicators please see page 239 of this Annual Report.

Dufry is well equipped to redefine Travel Experience globally through its customer centric strategy, solid financial position, and the combination with Autogrill.

Juan Carlos Torres Carretero

2,200

Dufry is a real global player operating over 2,200 shops throughout all six continents.

development with his wealth of experience gained through participation in several board committees of listed and private companies. Jorge Born, a Board Member since 2010, Steven Tadler, Board Member since 2018, and Julián Díaz, Board Member since 2013, decided not to stand for re-election. I thank Messrs Jorge Born and Steven Tadler for their valuable contributions to Dufry, wishing them all the best for their future endeavours.

A special thank you goes to Julián Díaz, not only for his contribution as a Board Member, but particularly for his achievements as CEO of Dufry during his tenure that began in 2004. Julián successfully executed the company's global expansion strategy of profitable and sustainable growth, as well as earning the respect of the travel retail industry. Julián has been the driving force of the Group's development and reliably steered the company on its remarkable path to become not just the leading player, but the only truly global travel retailer of the industry. In the name of the Board of Directors and on behalf of the whole company, I express our gratitude to Julián Díaz for his outstanding dedication and the extraordinary contributions he made to Dufry and all its stakeholders throughout his successful career. Our best wishes of good health, happiness, and further satisfaction accompany him in the future.

Shareholders, bondholders and lending banks provide continued support.

Our shareholders reconfirmed their ongoing support of the overall company strategy and applauded the resilience of our business at the Extraordinary General Meeting held on August 31. A large majority approved several proposals to create authorized and conditional share capital, amend the Articles of Incorporation and appoint two new Board Members in relation to the previously announced business combination with Autogrill. In this context, Alessandro Benetton and Enrico Laghi (Chairman and CEO of Edizione, respectively) were elected as Honorary Chairman and Vice Chairman to the Dufry Board of Directors. Enrico Laghi was also elected as member of the Remuneration Committee. In the name of the entire Board of Directors, I would like to thank our shareholders for their ongoing commitment.

In view of the 2023 General Meeting of Shareholders, the Board of Directors resolved to propose not to pay a dividend for the business year 2022. This allows us to focus on strengthening the company's financial position and on closing the business combination with Autogrill. The Board of Directors will consider reinitiation of dividend payments in line with our overall capital allocation policy considering deleveraging, growth opportunities and returning cash to shareholders. We expect attractive shareholder value generation to result from the successful execution of our new strategy Destination 2027 and the business combination with Autogrill.

Having obtained all anti-trust and regulatory approvals, on February 3, 2023 we announced the closing of the business combination with Autogrill and the related transfer of Edizione's entire stake of 50.3% in Autogrill to Dufry. From February 3, 2023 until the end of the month our share fluctuated between CHF 40 to CHF 43 and our market capitalization reached CHF 5,000 million, indicating an initial positive reaction from the market. The next step is to launch a mandatory tender offer for the remaining Autogrill shares. In the mandatory tender offer, in compliance with Italian takeover law, Dufry offers both, 0.158 new Dufry shares for each Autogrill share the same offer as for the 50.3% or a cash alternative equivalent to EUR 6.33 per Autogrill share. Neither the exchange ratio, nor the cash alternative will be subject to any adjustment. Dufry will publish the relevant announcements and documentation with further details related to the mandatory tender offer in due course. The mandatory tender offer settlement is expected to be completed by Q2 2023.

Dufry substitutes 20 % of its electricity consumption with renewable energy.

In 2022, we continued to expand our ESG engagement with several new initiatives and steady progress on our existing programs. To underline our ESG commitment as an integral part of our company, in 2022 we have for the first time included ESG targets in the long-term incentive plan for management compensation. While we actively reduce energy consumption whenever we refurbish or build new shops, in 2022 we also started substituting 20 % of our electricity consumption with renewable energy. This is an important step to reach our goal of becoming climate neutral for scopes 1 and 2 by 2025. We also disclosed our first TCFD Report (Task Force on Climate-Related Financial Disclosure) to assess and report on climate-related risks and opportunities. Based on the learnings of our first Diversity & Inclusion (D & I) survey in 2021, we launched a series of dedicated D & I trainings across the organization and have verified their impact with the second D & I survey executed in the last quarter of 2022 achieving a response rate of 63 %. A full overview of our ESG progress is available on pages 79 – 120.

Ongoing strong engagement for our communities.

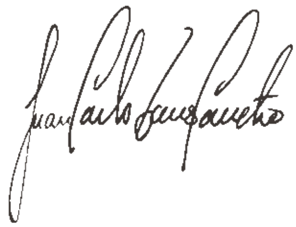
Our community engagement programs around the world continue to support and assist communities in markets in which we operate. It is now the 13th year that we have contributed funds to SOS Children's Villages initiatives in Brazil, Mexico and Kenya. This year, as children and families really needed extra support, we asked our customers to join our efforts by purchasing our Captain Dufry plush bear, the profits of which were donated to SOS Children's Villages. In 2022, we and our employees were also involved in community projects in many other parts of the world such as Switzerland, Greece, the United Kingdom, the United States, Canada, India, Armenia and Spain.

Our employees and management teams generously contributed to all the positive developments and achievements described above. Their dedication, continued commitment, and hard work as a team, resulted in over-achieving our targets this year. I want to express my gratitude and say a sincere thank you to every single one of our employees for their unflagging support and continued motivation.

I thank once again our concession partners and suppliers, for closely collaborating with us to find mutually viable solutions during the recovery. We solidified our partnerships and look forward to enjoying future journeys together.

The ongoing trust of our business partners, shareholders, bondholders and lending banks, further strengthened our long-standing relationships and fostered our common vision of Dufry as a WorldClass.WorldWide company.

Sincerely,



Juan Carlos Torres Carretero

STATEMENT OF THE CHIEF EXECUTIVE OFFICER
DEAR ALL

I am delighted to be reporting on a successful business year and proud of the tremendous achievements of the Dufry team. During 2022, we have not only delivered on our financial targets, but also set the cornerstone for a prosperous future for our company. With our new strategy "Destination 2027", we have clearly defined and started to execute on our ambition, which, together with the Autogrill business combination, will transform our company and offer new opportunities for growth as the global Travel Experience player.

From an operational perspective, since the beginning of 2022 we have seen a gradual and accelerating performance improvement supported by the sequential easing of travel restrictions around the world. Societies and cultures showed their resilient and strong willingness to travel and to enjoy travel retail as an attractive shopping channel. The recovery was first characterized by an increase in domestic travel, followed by an acceleration of regional and intercontinental traffic. Initially driven by a strong demand for leisure destinations, air traffic was increasingly complemented by the resuming business travel. Despite these positive developments, the business environment overall and the industry still had to face considerable geopolitical and operational challenges, such as the war in Ukraine or travel disruptions and capacity caps during the summer season. Considering the still difficult business environment, our performance improvements and the results achieved are all the more remarkable.

All relevant KPI's considerably improved
Our turnover saw an assuring acceleration throughout the course of the year, supported by the willingness of our customers to travel and their ongoing propensity to visit our stores. Turnover reached CHF 6,878.4 million versus CHF 3,915.4 million in the previous year. This is equal to a considerable organic growth of 76.1% compared to 2021. CORE EBITDA increased substantially as well and came in at CHF 606.2 million (2021: CHF 386.0 million) resulting in a margin of 8.8% despite the aforementioned challenging macroeconomics.

Strong equity free cash flow and liquidity position.

Equity Free Cash Flow (EFCF) was well above projections and amounted to CHF 305.2 million as compared to the CHF –33.4 million in 2021. This remarkable acceleration confirmed the company's strong cash flow generation capability, also supported by an ongoing tight cost control. Net debt further decreased ahead of plan to now CHF 2,810.7 million (2021: CHF 3,079.5 million), meeting covenant thresholds well ahead of the required timing. Our available liquidity as per December 31, 2022 amounted to CHF 2,343.0 million versus CHF 2,243.9 million at the end of 2021.

Moreover, in December 2022, we successfully completed the early refinancing of our USD 550 million Term Loan and EUR 1,300 million Revolving Credit Facility through a EUR 2,085 million Revolving Credit Facility. This adds to our well-balanced debt profile, while we confirm our commitment to deleverage to below 3x.

Ongoing footprint expansion and contract extensions
2022 saw an acceleration of contract extensions and new wins, allowing us to considerably foster the resilience of the business. Amongst the most important new concessions won and extended, I want to highlight the new contracts added at Helsinki Airport in Finland, at Sofia International Airport in Bulgaria, at Gusti Ngurah Rai International Airport in Bali, at Felipe Ángeles International Airport in Santa Lucia, México and at Recife International Airport in Brazil, as well as at Chongqing International Airport, China, and the

For a glossary of financial terms and key performance indicators please see page 239 of this Annual Report.

In 2022, we have delivered a solid business performance and set the base for the company's further growth, by defining and starting to implement our new strategy Destination 2027.

Xavier Rossinyol

472,000 m^2

Dufry operates close to
472,000 m^2 of retail space.

joint-venture at Kempegowda International Airport Bengaluru in India.

With respect to extensions, the renewal of the Heathrow concession contract for three years until 2029 is of great importance. Equally relevant are the extensions we were awarded at La Romana International Airport and Seaport in the Dominican Republic, at Salvador International Airport in Brazil, as well as at Birmingham-Shuttlesworth and Harry Reid International Airport in The Americas. Also worth mentioning is the partnership with Starbucks in the United States, which led to the first store openings at LaGuardia Airport in the United States.

Destination 2027 presented and implementation started – making travelers happier
In early September we presented our new company strategy «Destination 2027», which builds on four key pillars – travel experience revolution, geographic diversification, culture of operational improvement and a strong ESG engagement as connecting element. While travel retail and travel food and beverage have proven their resilience, changes in the market, customer behaviours and travel patterns have become evident and we will cater for them with Destination 2027. It allows us to create a unique, new value proposition for customers, to tap into fast-growing markets as well as to fuel profitability, accelerate cash flow generation and reinvest in growth.

Destination 2027 revolutionizes travel experience.

Our new company strategy is crafted based on a deep understanding of our stakeholders' needs, customer insights and market trends evolution. We have already started its implementation with first tangible initiatives implemented in 2022 – such as the new MIND.BODY. SOUL. shop-in-shop concept. The strategy will be delivered by closely working with and further empowering our excellent teams and reinforcing them when needed. In close collaboration with concession partners and brand suppliers, we will create benefits and sustainable long-term value for all our stakeholders.

Through our new strategy we will focus our value proposition on customized offerings for travelers, including elements of experience, new categories and exclusive products. This experience will be delivered both in physical «smart» stores, with a modular concept that allows us to customize offerings to different passengers, routes and nationalities, as well as through digital channels, with extensive digital engagement before and after travel, to drive conversion and loyalty.

From a footprint perspective, we build on a strong portfolio of international airport locations and continue to expand our presence, focusing on the highly attractive and resilient US market, and a specifically defined strategy for Asia-Pacific. A dedicated team will focus on a set of strategic markets in the region and on the fast-growing cohort of the Chinese travelers. In Europe and Rest of the World, Dufry will accelerate its organic business development and set clear priorities and targets.

Along with the strategy implementation, we will continue to strive for superior profitability with a logic of zero-based budgeting, focused on disproportionally allocating resources to activities that make the most impact for the customer, while leveraging technology to simplify work and operations. Adding to the budgeting discipline, Dufry will systematically and actively manage its concessions portfolio with stronger focus on the evaluation of full profitability and cash flow contribution. For a detailed description of Destination 2027, please refer to the dedicated brochure at the beginning of this annual report.

Autogrill business combination progressing well

The combination with Autogrill announced in July 2022 is a perfect strategic fit and fully complements Destination 2027. The transaction allows us to combine the expertise of the two leaders in travel retail and in travel food & beverage respectively, and to create a new unique player of travel experience. The combination will create a new value proposition and holistic experience for travelers through hybrid offers and services, and benefit concession partners and brand suppliers through higher revenue generation and brand exposure opportunities.

New global Travel Experience player created.

The combination process is proceeding well and as planned. Following the approval by Dufry's shareholders at the Extraordinary General Meeting in August 2022, to create authorized and conditional share capital and to amend the Articles of Incorporation, in early 2023 we also obtained the necessary regulatory and antitrust approvals. As separately announced, this enabled us to close the transaction and have Edizione transfer its 50.3% stake in Autogrill to Dufry on February 3, 2023.

In line with Italian law, we will now proceed with the second step, the Mandatory Tender Offer (MTO), to acquire the remaining 49.7% of the Autogrill shares offering 0.158 new Dufry shares for each Autogrill share or alternatively a cash offer equivalent to EUR 6.33 per Autogrill share. We expect to complete the settlement of the MTO in the second quarter 2023.

I want to thank Alessandro Benetton, the Benetton family and the management teams of Edizione and Autogrill for their support in creating this new combined entity, and for sharing our vision and implementing the new strategy together with us. Their contribution during the integration and implementation of the strategy across the joint business will be of crucial importance.

New Organization announced in February 2023

In line with our new strategy Destination 2027 and taking into consideration the new scope and operational footprint of the combined entity, we have also defined a new Global Executive Committee (GEC), which includes representatives of both legacies. With the new organizational setup we are best placed to drive the Travel Experience Revolution together, combining Dufry's and Autogrill's complementary skill sets in Travel Retail and Food & Beverage, and serve all our stakeholders. The new team reflects our strategic priorities to deliver our Destination 2027 strategy including the focus on geographical diversification, customer-centricity and digitalization, and a strong emphasis on our people and ESG. Since March 2, 2023, the new GEC consists of:

- Xavier Rossinyol: Chief Executive Officer
- Yves Gerster: Chief Financial Officer
- Freda Cheung: President and CEO Asia Pacific (APAC)
- Steve Johnson: President and CEO North America (NA)
- Luis Marin: President and CEO Europe, Middle East and Africa (EMEA)
- Enrique Urioste: President and CEO Latin America (LATAM)
- Pascal Duclos: Group General Counsel
- Camillo Rossotto: Chief Public Affairs & ESG Officer
- Vijay Talwar: Chief Digital & Customer Officer
- Katrin Volery: Chief People & Culture Officer

I am thanking all former members of the Global Executive Committee, Eugenio Andrades, Andrea Belardini and Sarah Branquinho, for their tremendous work and commitment to Dufry and I welcome all new members to shape the future of our joint company together.

20% of electricity already covered by renewable energy.

Important ESG milestones achieved

As an inherent element of its long-term strategy, Dufry continues to focus on strengthening its sustainability engagement. In 2022, we further strengthened ESG governance at the Board of Directors level, by expanding the scope of the former Nomination Committee to the new Nomination and ESG Committee, chaired by the Lead Independent Director, and we have made considerable progress implementing new and evolving important initiatives.

While we have received official validation from SBTi (Science Based Targets initiative) for our emission reduction targets, we have in parallel already started to substitute our electricity consumption with 20% renewable energy. We have also published our first TCFD

Report (Task Force on Climate-Related Financial Disclosure) to increase transparency on climate-related risks and opportunities. Furthermore, we have extended the Supplier Code of Conduct recertification adding North America, and now covering 59% of our purchasing volume globally.

In the year under review, we have further expanded our Diversity & Inclusion engagement by deploying several group wide initiatives, such as a comprehensive series of trainings for all employee and management levels across the Group. The specific actions were based on the learnings and feedbacks we had received in the first D & I survey launched in 2021 and have been once again verified with our employees through the second D & I survey executed in the fourth quarter of 2022.

A new important initiative is the creation of our Community Engagement Strategy. While Dufry has a longstanding tradition to support communities in locations where the company operates, going forward we want to further expand and formalize our engagements with focussed initiatives. Implementation of the new Community Engagement Strategy will start in the current business year 2023.

Encouraging outlook for business resilience

While we acknowledge the persisting macro-economic challenges and the uncertainty driven by inflation, political developments and potential travel disruptions, we also have important elements contributing to an overall encouraging outlook for the business. We see a robust propensity to travel and to shop in our channels with strong demand and positive trends on all key indicators. We have a strong and clear strategy in place catering to the current and evolving needs of the market and the expectations of our customers. The business combination with Autogrill is proceeding as planned, and last-but-not-least, we have a solid financial position.

A BIG THANK YOU - TEAM MEMBERS, YOU ARE THE KEY TO OUR COMMON SUCCESS

Above all, I want to thank our employees for the extraordinary motivation and hard work they have given the company, first to support the recovery and second to accelerate sales and operational performance when the business started to resume. On top of this, they have managed additional workloads to develop and start implementing our new strategy, including the preparations for the combination with Autogrill. This demonstrates a great level of dedication and deserves my and our managements' sincere respect and gratitude.

I also want to thank our external business partners including our concession partners, brand suppliers, and the financial community, who all in their specific ways, continue to support the company and share the common vision to further develop Dufry and drive the travel experience revolution. This collaboration has again proven itself as being a solid and key success factor and I am looking forward to continuing this common journey of partnership.

On a more personal note, I want to thank our Chairman, Juan Carlos Torres, and the Board of Directors for their trust and to continue to evolve the company. Also thanks to Edizione and its Chairman Alessandro Benetton for their support for the combination of the two companies. Equally, I want to thank Julián Díaz for the great work done in the past years to grow the company and for his valuable support to secure a smooth transition.

Last, but not least, I thank our shareholders and bondholders for their ongoing support, trust and contributions in making Dufry even more WorldClass.WorldWide.

Sincerely,

Xavier Rossinyol

OUR ORGANIZATIONAL STRUCTURE – GLOBAL EXECUTIVE COMMITTEE

AS OF MARCH 2, 2023

GROUP CHIEF EXECUTIVE OFFICER
Xavier Rossinyol

PRESIDENT & CEO EUROPE, MIDDLE EAST & AFRICA
Luis Marin

CHIEF FINANCIAL OFFICER
Yves Gerster

PRESIDENT & CEO NORTH AMERICA
Steve Johnson

CHIEF PEOPLE & CULTURE OFFICER
Katrin Volery

PRESIDENT & CEO LATIN AMERICA
Enrique Urioste

GROUP GENERAL COUNSEL
Pascal C. Duclos

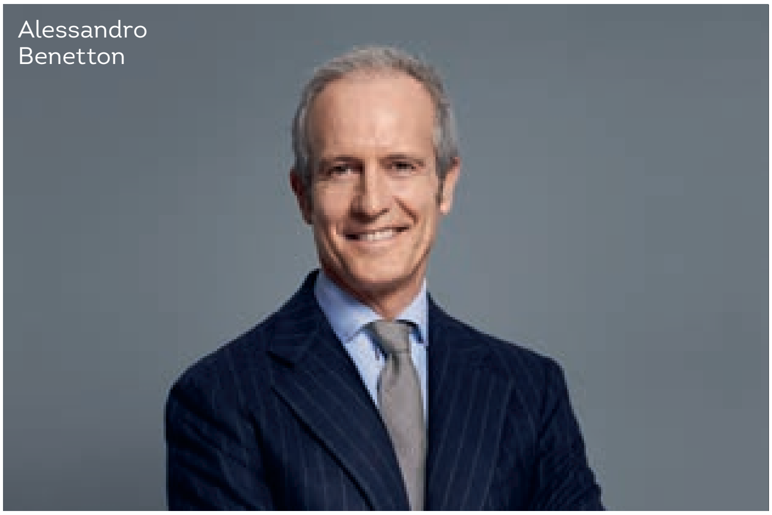
PRESIDENT & CEO ASIA-PACIFIC
Freda Cheung

CHIEF PUBLIC AFFAIRS & ESG OFFICER
Camillo Rossotto

CHIEF DIGITAL & CUSTOMER OFFICER
Vijay Talwar

BOARD OF DIRECTORS MEMBERS

AS OF MARCH 1, 2023

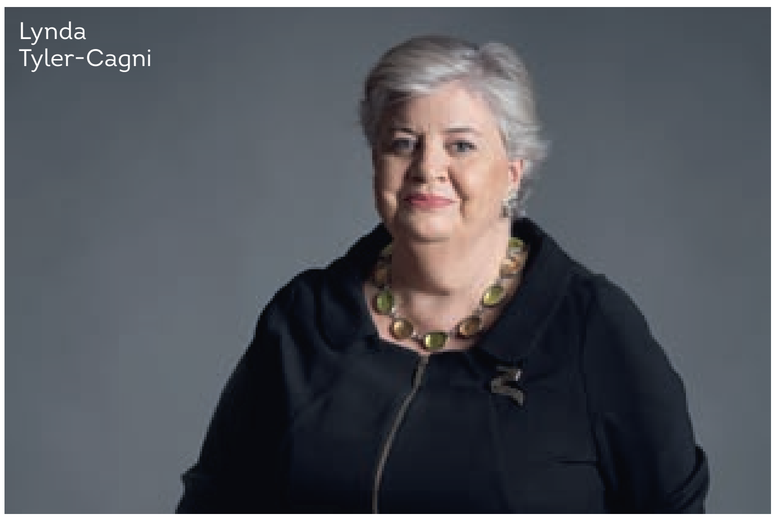



Luis Maroto
Camino


Xavier
Bouton


Ranjan
Sen


Joaquín
Moya-Angeler
Cabrera


Lynda
Tyler-Cagni


Eugenia M.
Ulasewicz

GLOBAL EXECUTIVE COMMITTEE MEMBERS

AS OF MARCH 2, 2023


Steve
Johnson


Luis
Marin


Enrique
Urioste


Camillo
Rossotto


Katrin
Volery


Vijay
Talwar

DUFRY'S INVESTMENT CASE

LONG-TERM GROWING INDUSTRY

Mid-term PAX CAGR of 3.5 % – 4 % as global average, with growth opportunities especially in Asia and in F & B.

GLOBAL MARKET LEADER

Close to 20 % market share in airport retail and 11 % market share in travel retail across all channels pre-COVID, now also leading in travel F & B.

2.3 BILLION CUSTOMERS

Access to 2.3 billion travelers across global network, re-defining value proposition to customers in close collaboration with concession partners and brands.

TRAVEL CONCESSIONS RECOGNIZED AS IMPORTANT CHANNEL

Collaborating with more than 1,000 Travel Retail suppliers and unparalleled F & B portfolio of more than 300 brands.

5–7 % CAGR TURNOVER

Mid-term turnover driven by underlying passenger growth, spend per passenger increase through Travel Retail Revolution and organic business development, with M & A opportunities on top.

COMBINATION WITH AUTOGRILL

Further expanding from USD 86 billion travel retail into resilient USD 28 billion global F & B concession market while transforming boundaries of our industry.

STRONG RISK-ADJUSTED CASH FLOW GENERATION

Long-term track-record of low capital intensity of the business, strong cash generation and fast deleveraging.

TRAVEL EXPERIENCE REVOLUTION

Unique value proposition for travelers with new strategy focusing on enhanced store concepts, data-driven customer insights and digitalization, thus benefitting customer conversion and spending with increase of 1.5 % – 2 % annually.

VAST ARRAY OF UNIQUE CONCEPTS FOR CONCESSION PARTNERS

Dufry has strong relationships with concession partners and airport authorities and is a reliable partner delivering outstanding results for concession partners through a vast offering of unique shop and F&B concepts.

SUSTAINABLE PROFITS

Operational improvement culture, highly variable cost structure and continuous efficiencies drive mid-term profitability improvements.

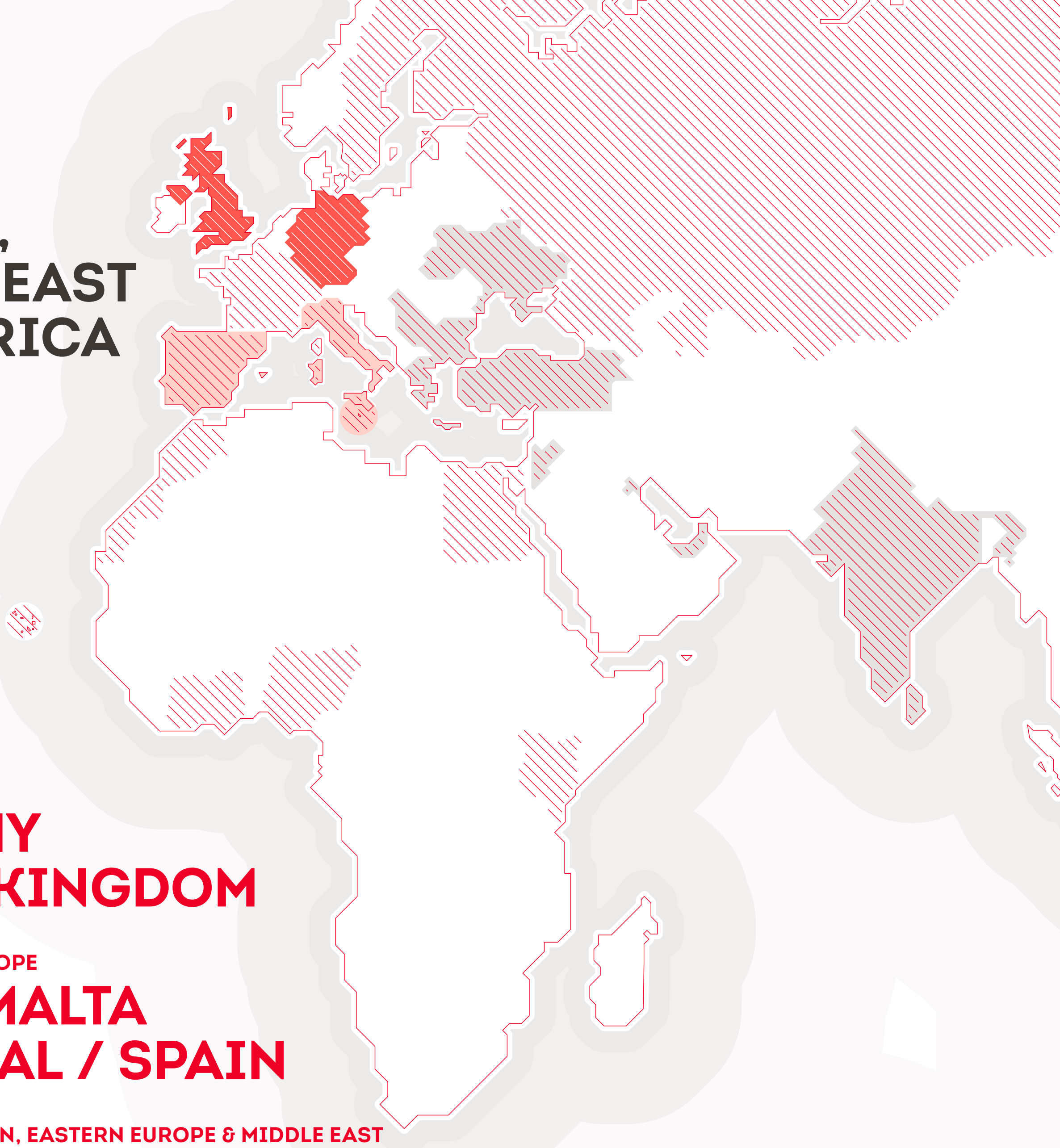
6 YEARS

Close to 6 years of remaining average concession lifetime, across a highly diversified portfolio.

RESILIENT BUSINESS

Proven resilience of travel retail and travel F&B further supported by Dufry´s diversification across geographies, channels, formats and concepts, and its strong stakeholder relations.

EUROPE, MIDDLE EAST AND AFRICA



UK & GERMANY

GERMANY
UNITED KINGDOM

SOUTHERN EUROPE

ITALY / MALTA
PORTUGAL / SPAIN

MEDITERRANEAN, EASTERN EUROPE & MIDDLE EAST

ARMENIA / BULGARIA / GREECE
INDIA / JORDAN / KUWAIT
SERBIA / SRI LANKA / TURKEY
UKRAINE / UNITED ARAB EMIRATES

CENTRAL & NORTH EUROPE, RUSSIA & AFRICA

CAPE VERDE / COTE D'IVOIRE
EGYPT / FINLAND / FRANCE
GHANA / KAZAKHSTAN / KENYA
MOROCCO / NIGERIA / RUSSIA
SWEDEN / SWITZERLAND

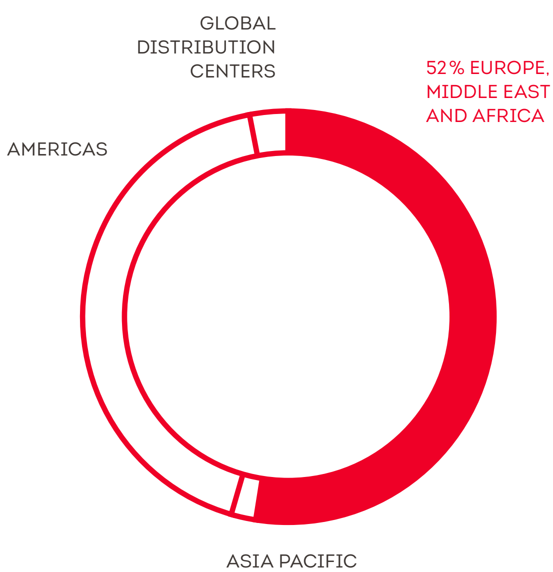
Strong performance acceleration in Dufry's largest region
Dufry's largest region, which includes 31 countries, saw a strong and consistent recovery all year long, with performance peaking during the summer months and continuing well into autumn. Acceleration was mainly driven by leisure demand towards holiday destinations allowing the region to reach a considerable organic growth of 120.7% as compared to the previous year (in constant FX). This is all the more remarkable, as the strong EMEA performance came in despite flight disruptions and capacity cuts across European airports and by airlines throughout the summer months.

In 2022, turnover came in at CHF 3,586.0 million versus CHF 1,723.8 million in 2021. From a country perspective, strong demand increases were reported from Turkey, Greece and the Middle East, while also UK, France, Italy, Spain, Eastern Europe, and Africa made considerable progress.

The EMEA region succeeded in winning new and extending important contracts. Above all, Dufry successfully extended its Heathrow concession contract for three years until 2029, which is the largest single location operated by Dufry serving over 80 million passengers annually (2019 level). Furthermore, Dufry secured concessions at Helsinki Airport in Finland, at Sofia International Airport in Bulgaria as well as at Kuwait International Airport.

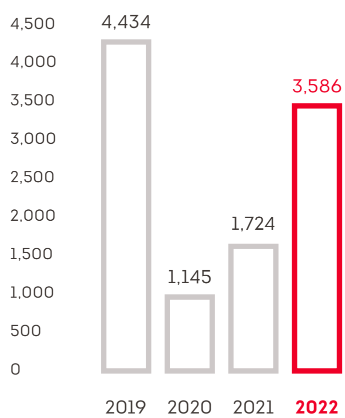
Dufry opened in total 7,219 m^2 of retail space such as in Spain and Turkey. Refurbishments covered 15,508 m^2 and where performed amongst others at Glasgow, Manchester and Stockholm airports.

PORTION OF TURNOVER 2022



TURNOVER (IN MILLIONS OF CHF)

TURNOVER 2022
3,586



KEY REPORTED DATA 2022

NUMBER OF SHOPS
725

SALES AREA IN M^2
214,674

EMPLOYEES IN FTE
10,353

1

2

1

1 **LONDON | HEATHROW**
Dufry inaugurated an exclusive Penhaligon's Haute Parfumerie boutique in Heathrow Terminal 5.

2 **LONDON | GATWICK**
Dufry completed the refurbishment of London Gatwick´s South Terminal stores.

3

4

3 **ATHENS | ELEFTHERIOS VENIZELOS INT. AIRPORT**
The Athens airport saw the expansion of the main duty-free store now extending over a total space of 1,378 m^2.

4 **THESSALONIKI | THESSALONIKI AIRPORT**
Renovated space in the Thessaoliniki airport stores.

5

7

6

5 **TENERIFE | TENERIFE SOUTH-REINA SOFIA AIRPORT**
New duty-free walkthrough store of more than 2,700 m².

6 **ZURICH | ZURICH AIRPORT**
New Kering eyewear concept store located airside.

7 **SEVILLA | SAN PABLO AIRPORT**
Seville's vibrant spirit and color has been translated into the new 518 m² walkthrough store.

8

9

8 AGADIR | AGADIR-AL MASSIRA AIRPORT
Dufry completed the refurbishment of the main duty-free arrivals store and the Hudson store in Agadir.

9 GHANA | KOTOKA INTERNATIONAL AIRPORT
New spaces in Accra, including a 545 m² departures and a 200 m² arrivals store as well a last minute store concept.

ASIA PACIFIC

AUSTRALIA
CAMBODIA
CHINA
INDONESIA
MALAYSIA
SINGAPORE
SOUTH KOREA

Asia-Pacific improving after first signs of easing restrictions

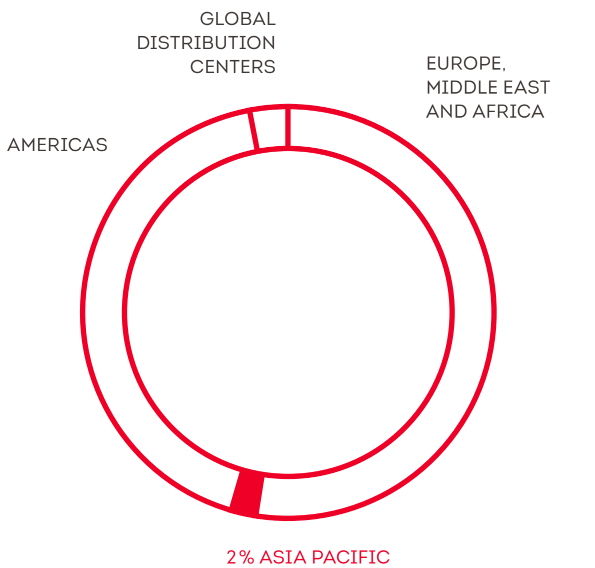
Whilst traveling in Asia-Pacific remained widely impacted throughout the whole year, first steps to lift travel restrictions in the region were seen during the second quarter in Australia, Indonesia and Cambodia. Further gradual progress and opening for international travel was made during the summer. Our operations in Macao and domestic China were operational throughout 2022, with temporary closures related to China's zero-Covid approach. Towards the end of the year, a beginning of easing restrictions was also seen in Hong Kong and for international travel in China.

In 2022, turnover in Asia-Pacific amounted to CHF 165.9 million as compared to CHF 99.0 million in 2021. This improvement was also reflected in an acceleration of organic growth, which came in at 64.8 % on the previous year.

Despite the ongoing challenging business environment in Asia-Pacific, Dufry won some important new contracts such as the fifteen-year joint-venture contract to operate and manage duty-free outlets in the new Terminal 2 of the Kempegowda International Airport Bengaluru in India. An equally important win is the five-year duty-paid concession to operate five shops at Chongqing International Airport in China, which is the ninth busiest in the country, welcoming close to 45 million passengers in 2019. Moreover, Dufry extended its concession contract at Gusti Ngurah Rai International Airport in Bali for six years, which includes an increase in retail space of over 1,400 m², thus extending the total sales area to over 3,600 m² and allowing the introduction of fashion and accessories as new categories in this location.

Total gross retail space opened in 2022 amounted to 2,394 m² and refurbishments reached 5,405 m².

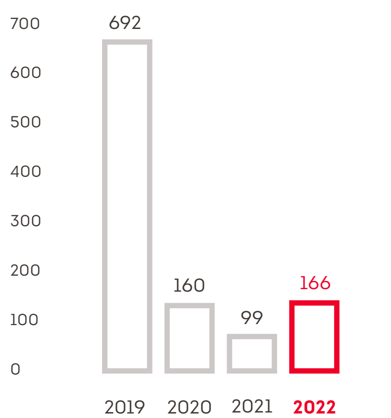
PORTION OF TURNOVER 2022



TURNOVER (IN MILLIONS OF CHF)

TURNOVER 2022

166



KEY REPORTED DATA 2022

NUMBER OF SHOPS

67

SALES AREA IN M²

25,060

EMPLOYEES IN FTE

810

1

2

3

1 HAINAN | GLOBAL DUTY FREE PLAZA AT MOVA HALL
Martell´s 140 m² boutique store aims to immerse shoppers into the world of the Cognac.

2 SIEM REAP | SIEM REAP INTERNATIONAL AIRPORT
Refurbished 1,343 m² walkthrough store featuring all main product categories.

3 PHNOM PENH | PHNOM PENH INTERNATIONAL AIRPORT
The Sprit of Cambodia store is part of the 1,615 m² refurbished space inaugurated in Phnom Penh.

4

5

4 JAKARTA | SARINAH SHOPPING MALL
With 1,815 m², Sarinah Duty Free is the first duty-free shop in downtown Jakarta.

5 BALI | NGURAH RAI INTERNATIONAL AIRPORT
Dufry completed the renovation of its stores in Bali, totaling 1,519 m² of both refurbished and new space.

THE AMERICAS

NORTH AMERICA

CANADA
USA

CENTRAL AMERICA & CARIBBEAN

CARIBBEAN
HONDURAS
MEXICO

SOUTH AMERICA

ARGENTINA
BOLIVIA / BRAZIL
CHILE / COLOMBIA
ECUADOR
PERU / URUGUAY

Strong rebound since early 2022 progressing across the whole region

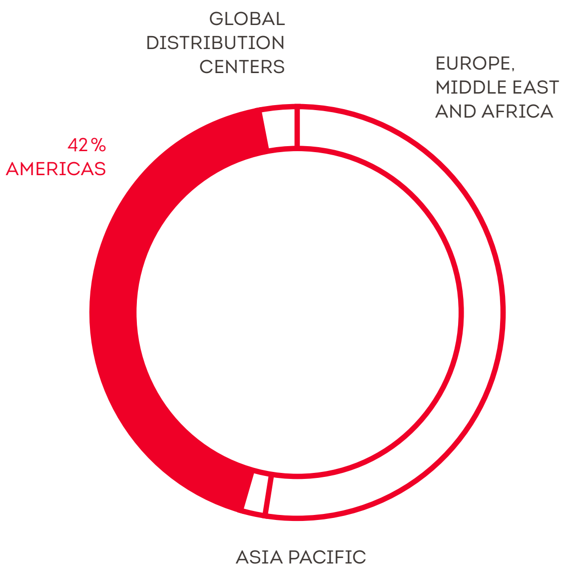
The rebound in The Americas at the beginning of the year was mainly driven by a continuous increase in domestic flights in the US and intra-regional touristic traveling to Mexico, Central America as well as the Caribbean Islands and the Dominican Republic. In a second step, also transatlantic travel as well as South American destinations started to trend upwards, especially in Argentina, Colombia and Ecuador during the third quarter and with the wider region having followed most recently.

Benefitting from the overall more favorable travel environments, the region The Americas saw a strong performance and reported a turnover of CHF 2,918.3 million versus CHF 1,728.5 million in the previous year, reflecting organic growth versus 2021 of 62.7%.

Dufry signed new concessions contracts at Felipe Ángeles International Airport in Santa Lucia, México, at Recife International Airport in Brazil and at Colorado Springs Airport in the US. Moreover, contract extensions have been achieved at La Romana International Airport and Seaport in the Dominican Republic, at Ontario International Airport in Canada, at Salvador International Airport in Brazil as well as at Birmingham-Shuttlesworth and Harry Reid International Airport in the US. Also worth mentioning is the new partnership with Starbucks with the first stores opened at LaGuardia Airport and the Hudson Nonstop travel convenience stores launched in both Nashville International Airport and Dallas Fort Worth International Airport. Total gross retail space opened in 2022 amounted to 6,923 m^2 while refurbishments reached 11,858 m^2.

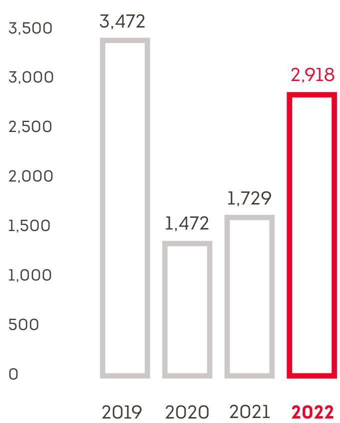
The Americas, which covers some of the World's most iconic travel and tourism destinations, is characterized by the large variety of shops concepts offered within duty-free and duty-paid environments and including several convenience and airport F&B formats. In 2022, ushering into an entirely new era of hybrid retail and dining convenience for travelers, Dufry opened an integrated «Decanted» wine bar and Hudson Nonstop concept at Dallas Fort Worth International Airport, which further enhances the customers' travel experience.

PORTION OF TURNOVER 2022



TURNOVER (IN MILLIONS OF CHF)

TURNOVER 2022
2,918



KEY REPORTED DATA 2022

NUMBER OF SHOPS
1,445

SALES AREA IN M^2
231,834

EMPLOYEES IN FTE
12,046

1

2

3

1 **DALLAS | DALLAS FORT WORTH INTERNATIONAL AIRPORT**
Decanted brings together Hudson's first wine bar and a Hudson Nonstop concept.

2 **LOS ANGELES | LOS ANGELES INTERNATIONAL AIRPORT**
New beauty space inaugurated at LAX.

3 **NASHVILLE | NASHVILLE INTERNATIONAL AIRPORT**
Refurbished Hudson convenience store in Nashville.

4

4

4 **SANTO DOMINGO | AEROPUERTO INTERNACIONAL LAS AMERICAS**
New 1,757 m² walkthrough duty-free store located in the international departures hall at Las Americas International Airport.

5

7

6

5 SÃO PAULO | GUARULHOS INTERNATIONAL AIRPORT
The Mind.Body.Soul. shop-in-shop concept debuted the Brazilian market in São Paulo.

6 PORTO ALEGRE | SALGADO FILHO INT. AIRPORT
Dufry inaugurated two new walkthrough duty-free shops covering a combined retail area of 935 m².

7 RECIFE | GUARARAPES–GILBERTO FREYRE INT. AIRPORT
Combined Dufry Shopping and Hudson concepts in the departures area of the airport.

8

9

8 **LOS CABOS | LOS CABOS INTERNATIONAL AIRPORT**
New 1,726 m² duty-free store in the internatioanl departures hall of Terminal 2.

9 **SANTIAGO | ARTURO MERINO BENÍTEZ INT. AIRPORT**
La Cava del Vino, a new 182 m² space devoted to Chilean wines, is part of the major refurbishment of Dufry's stores at Santiago de Chile airport.


FLAVORS
RON MIEL HONEY RUM
CARAMEL RUM
LICORES LIQUOR

GENERAL TRAVEL RETAIL SHOPS

Perfumes
Cosmetics
Food
Confectionery
Wines
Spirits
Watches
Jewelry

The general travel retail shop is the most commonly used concept at Dufry, covering the full range of categories, such as perfumes & cosmetics, food & confectionery, wines & spirits, watches & jewelry, fashion & leather, tobacco goods, souvenirs & electronics and others.

General travel retail shops carry a large product assortment and are typically located in central areas with high passenger flow, mostly in airports, but can also be in seaports and other locations. In airports, both departure and arrival areas can be fitted with this shop concept. In the duty-free segment, these shops can be identified by carrying the name of several retail brands in our portfolio, including Dufry, Nuance, World Duty Free, and Hellenic Duty Free among others, or a name combination linking to the specific location, such as Zurich Duty-Free or Stockholm Duty-Free. As of December 31, 2022, Dufry operated 917 general travel retail shops.

In 2017, Dufry introduced the new generation store concept, increasing customer communication through digital technology, with the first three stores opened in Madrid (Spain), Melbourne (Australia), and Cancun (Mexico), followed by four in Zurich (Switzerland), a second one in Cancun and one in Heathrow T3 (UK) in 2018. In 2019, Dufry added 4 new generation stores: in Buenos Aires (Argentina), Amman (Jordan), Malaga and Alicante (Spain). From 2020 to 2022 the number of highly digitalized shops, which include specific elements of the new generation store, was increased to 50.

LAS VEGAS DU
EXIT
LONGCHAMP
TUMI
FURLA
MONTBLANC
BURBERRY
YVESSAINTLAURENT
LIBRE
DOLCE & GABBANA

DUFRY SHOPPING

Wide assortment of different product categories and including a similar brand variety

Dufry shopping offers domestic passengers a similar shopping experience to the one offered to international travelers in a classic general travel retail duty-free shop, but in a duty-paid environment instead, with a wide assortment of different product categories and including a similar brand variety. In this context, Dufry Shopping fulfills more of a convenience aspect as there are a number of countries where domestic travelers account for the majority of passengers, specifically in large countries such as among others China, the United States and Brazil, where this concept can offer additional potential.

The concept was first introduced in Brazil in 2014 and was quickly expanded to 7 other locations in the country. The concept is also present in the United States, with a Dufry Shopping store at Las Vegas McCarran International Airport, and at Malta International Airport. Further Dufry Shopping stores were opened in 2020 at Newark Liberty International and the Salt Lake City airports in the U.S. as well as at the Fortaleza and Odessa airports in Brazil and Russia respectively. In 2021, Dufry opened two Dufry Shopping Megastores at its Porto Alegre operation in Brazil as well as a Dufry Shopping at Guadalajara Int. Airport in Mexico. In 2022 Dufry added a Dufry Shopping store in Las Vegas.

K E R
E Y E W

BRAND BOUTIQUES

We design
these shops
as standalone boutiques
or integrate them
as a shop-in-shop
in our general travel
retail stores

Dufry is a partner of choice for global brands to showcase their products in dedicated retail spaces and to mirror their high-street image. To best meet each location's traveler profile, we design these shops as standalone boutiques or integrate them as a shop-in-shop in our general travel retail stores. Brand boutiques exist in both duty-free and duty-paid areas and enhance the traveler's experience, allowing the creation of an exciting shopping mall environment.

As of December 31, 2022, Dufry operated 202 brand boutiques, such as: Armani, Burberry, Bally, Bottega Veneta, Bvlgari, Cartier, Chloe, Coach, Ermenegildo Zegna, Hermès, Hugo Boss, Jo Malone London, Lacoste, LaPrairie, Lindt, MAC, MCM, Michael Kors, Montblanc, Omega, Polo Ralph Lauren, Salvatore Ferragamo, Swatch, Swarovski, Tod's, Tumi, Versace, Victoria's Secret and others. See also a selection of brands on page 67.


Hudson
Healthy Snacks
Just Walk Out
Amazon
One
Pay
Sign up
here
one

CONVENIENCE STORES

soft drinks
confectionery
packaged food
travel accessories
electronics
personal items
books & souvenirs
newspapers & magazines

Our convenience stores offer a wide product assortment that passengers may want or need when traveling. The range includes soft drinks, confectionery, packaged food, travel accessories, electronics, personal items, souvenirs, newspapers, magazines and books. Within this concept, we use different brands according to the passenger profile and the location. North America is home to most of our convenience stores, with more than 633 shops. In addition, we operate 98 Hudson convenience stores outside North America.

"Hudson" is our most important brand in the convenience segment with strong customer recognition and it is highly valued by passengers. As "The Traveler's Best Friend", our goal with Hudson is to provide passengers with anything they may need during their journey. Hudson is a successful, very flexible concept operated at airports within international and domestic areas, as well as in other channels such as railway stations and other transit locations. Hudson shops are carefully designed and facilitate orientation through whimsical, color-coded signage to attract customers' attention to four distinct selling areas: Media, Marketplace, Essentials and Destination.

The newest innovation is the Hudson Nonstop shop which, leveraging Amazon's just-walk-out and Amazone One technologies, allows travelers to enter the store with their credit card or through palm recognition, pick up their travel items, eliminating the need to wait in checkout lines or stopping to pay in-store.


TEQUILERIA
Celebremos los
XCLUSIVOS

SPECIALIZED SHOPS

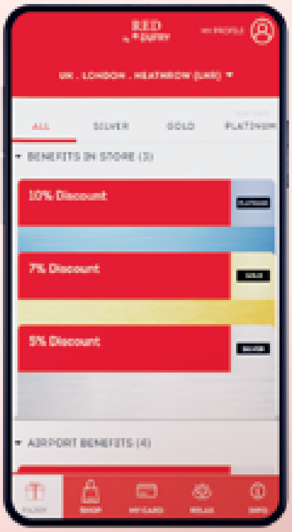
watches & jewelry
sunglasses
electronics
spirits
food
destination products

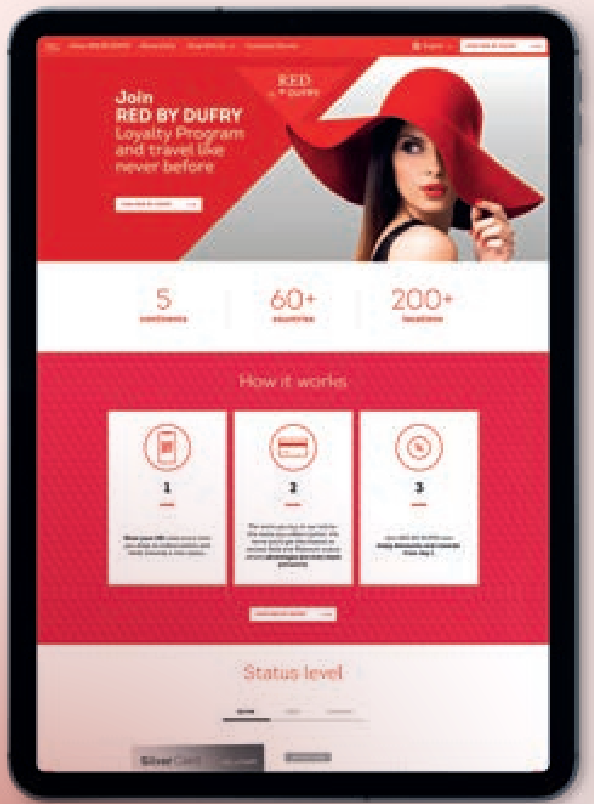
Specialized shops and theme stores are shop concepts that offer products from a variety of different brands, belonging to one specific product category or which convey a sense of place. We often use this concept for products such as watches & jewelry, sunglasses, electronics, spirits, food and destination products, in locations where we see potential for a shop to carry a broad product range relating to one specific theme. These shops can be located in airports, seaports and on-board cruise liners, as well as in hotels or downtown locations.

Examples of the shop concept names include "Colombian Emeralds International", a dedicated watches & jewelry format used in the Caribbean market; "Kids Works" with its wide selection of toys, dolls, games, books and apparel for children and "Tech on the Go", focusing on the needs of the tech-oriented traveler offering electronics and accessories. Further examples are "Sun Catcher" for sunglasses; "World of Whiskies" and "Tequileria" for a selection of finest single malt or blend whiskies and tequilas; "Master of Time" for luxury watches and jewelries; "Temptation" and "Timebox" for fashion watches and accessories; "Sound & Vision" for multi-brand electronics; "Travel Star" for luggage and travel essential products and finally "Atelier", a women's leather accessories store. In 2022, Dufry launched the MIND.BODY.SOUL. shop-in-shop concept featuring a selection of health and well-being products. As of December 31, 2022, Dufry operated 485 shops under the Specialized Shops/Theme Stores concept.

RED BY DUFRY

The Group's customer retention program Red By Dufry is implemented in 51 countries across 260 locations. A complete overview and the respective information is available here: www.redbydufry.com





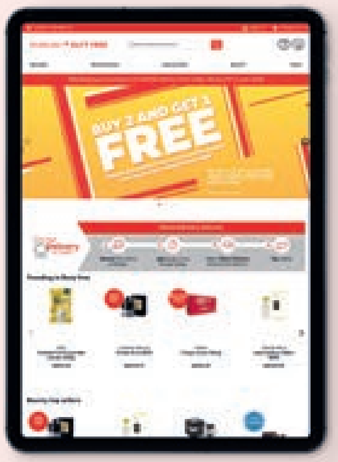
Online Channels & Services

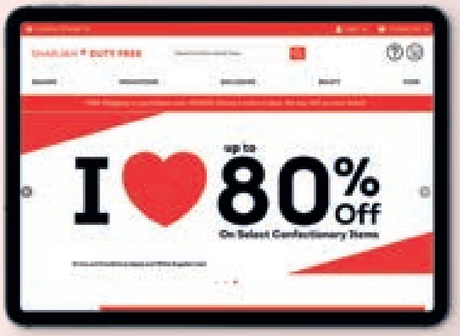
DUFRY MINI APPS

Along with the Mini-Apps currently in use at the Global Duty Free Plaza in Hainan for the Chinese customers, Dufry will develop similar applications going forward to support customers in other geographies, offering them easy to use digital and online shopping experiences and customer engagement features.

RESERVE & COLLECT

Reserve & Collect is available globally in 196 locations across 69 countries and can be accessed through the dedicated website: www.shop-dutyfree.com





FORUM BY DUFRY

Forum by Dufry can be visited at https://forum.shopdutyfree.com/en and connects brand partners and customers in an aspirational environment and gives access to all Dufry online services.

Customers can reserve their most wanted products through Reserve & Collect

Dufry has been connecting its physical stores with digital applications and customer services for many years and continues to develop new digital touchpoints to engage with customers along the whole travel journey.

Starting from when a trip is planned, customers can reserve their most wanted products through Reserve & Collect and just collect their goods and pay at departure or arrival. Our New Generation Stores, welcome travelers in different languages during the day, which are aligned with the flight schedules to suit the respective nationalities, and clearly highlight the latest travel retail exclusives or novelties. Dufry customers benefit globally from attractive and unique airport-specific services through our Red By Dufry customer loyalty program. When approaching airports or other locations where Dufry operates shops, Red By Dufry identifies the customer and sends them the latest updates on the locally available promotions – an easy and convenient way to earn and redeem benefits globally in the Dufry shops or through our partners.

Forum by Dufry is the company's own social media channel, where our brand partners can feature their novelties, special editions and stories related to their products, thus having direct access to their customers. Forum interlinks all Dufry online channels.

Increased digital customer experience services and mini-Apps are in use in selected operations in Hainan, where Dufry participates in the Global Duty Free Plaza Stores. They support local shopping behaviors and are integrated in popular Apps such as Alipay and WeChat. Functionality and services offered are in line with local duty-free sales regulations; e.g. the possibility of home-delivery, thus offering a comprehensive shopping, payment and service experience for online and offline use.

OVER 410 LOCATIONS WORLDWIDE

EUROPE, MIDDLE EAST AND AFRICA

Armenia
- Gyumri
- Yerevan

Bulgaria
- Burgas
- Sofia
- Varna

Cape Verde
- Boa Vista
- Sal
- Santiago

Cote d'Ivoire
- Abidjan

Egypt
- Cairo

Finland
- Helsinki

France
- Calais
- Cayenne
- Fort-de-France
- Nice
- Pointe-à-Pitre
- Toulouse

Germany
- Dusseldorf

Ghana
- Accra

Greece
- Aktio
- Alexandroupoli
- Anchialos
- Araxos
- Athens
- Chania
- Corfu
- Doirani
- Evzonoi
- Heraklion
- Igoumenitsa
- Kafalonia
- Kakavia
- Kalamata
- Karlovasi
- Karpathos
- Kastanies
- Kastelorizo
- Katakolo
- Kavala
- Kipoi
- Kos
- Krystallopigi
- Limnos
- Mertziani
- Mykonos
- Mytilini
- Niki
- Ormenio
- Patras
- Piraeus
- Promachonas
- Rhodes
- Sagiada
- Samos
- Santorini
- Skiathos
- Symi
- Thessaloniki
- Zante

India
- Bangalore

Ireland
- Center Parks

Italy
- Bergamo
- Florence
- Genoa
- Milan Linate
- Milan Malpensa
- Naples
- Piza
- Verona

Jersey
- Saint Peter

Jordan
- Amman
- Aqaba
- Marka

Kazakhstan
- Astana

Kenya
- Nairobi

Kuwait
- Kuwait City

Malta
- Malta

Morocco
- Agadir
- Casablanca
- Fez
- Marrakech
- Nador
- Oujda
- Rabat
- Tanger

Nigeria
- Lagos

Russia
- Mineralnyje Wody
- Moscow Domodedovo
- Moscow Sheremetyevo
- Moscow Vnukovo
- St. Petersburg Pulkovo

Serbia
- Belgrade
- Nis

Spain
- Alicante
- Almeria
- Asturias
- Barcelona
- Bilbao
- Fuerteventura
- Gerona
- Granada
- Ibiza
- Jerez
- La Coruna
- La Palma (SPC)
- Lanzarote
- Las Palmas de Gran Canaria (LPA)
- Madrid
- Mahon
- Malaga
- Murcia
- Palma de Mallorca (PMI)
- Reus
- Santander
- Santiago de Compostela
- Sevilla
- Tenerife Norte
- Tenerife Sur
- Valencia

Sri Lanka
- Colombo

Sweden
- Jönköping
- Kalmar
- Karlstad
- Landvetter
- Luleå
- Norrköping
- Östersund
- Stockholm Arlanda
- Stockholm Bromma
- Sturup
- Sundsvall
- Umeå
- Visby

Switzerland
- Basel-Mulhouse
- Zurich

Turkey
- Antalya
- Istanbul
- Kayseri
- Kutahya

Ukraine
- Odessa

United Arab Emirates
- Sharjah

United Kingdom
- Aberdeen
- Belfast
- Birmingham
- Bournemouth
- Bristol
- Cardiff
- Doncaster
- East Midlands
- Edinburgh
- Exeter
- Folkestone
- Glasgow Airport
- Glasgow Prestwick
- Humberside Airport
- Leeds
- Liverpool
- London Gatwick
- London Heathrow
- London Luton
- London Southend
- London St. Pancras
- Manchester
- Newcastle
- Norwich
- Robin Hood Doncaster Sheffield Airport
- Sherwood Forest Center Parks
- Southampton
- Stansted
- Teeside
- Windsor

Cruise and Ferry ships
- Asterion
- Blue Galaxy
- Blue Horizon
- Blue Star I, II
- Blue Star Delos
- Blue Star Diagoras
- Blue Star Naxos
- Blue Star Paros
- El Venezielos
- Elyros
- Hellenic Spirit
- Highspeed 4
- Kriti Ship, I, II
- Naxos
- Nisos Chios
- Nisos Mykonos
- Nisos Rhodes
- Nisos Samos
- Olympic Champion
- Patmos
- P&O Arcadia
- P&O Aurora
- P&O Ventura
- P&O Queen Elizabeth
- P&O European Highlander
- P&O European Causeway
- P&O Norbay
- P&O Norbank
- P&O Pride of Rotterdam
- P&O Pride of Hull
- P&O Pride of Burges
- P&O Pride of York
- P&O Spirit of Britain
- P&O Spirit of France
- P&O Pride of Canterbury
- P&O Pride of Kent
- P&O Pride of Burgundy
- Prevelis
- Superfast I
- Superfast II
- Superfast XI

ASIA PACIFIC

Australia
- Canberra
- Melbourne
- Perth

Cambodia
- Phnom Penh
- Siem Reap
- Sihanoukville

China
- Chengdu
- Hong Kong
- Macau
- Shanghai

Indonesia
- Bali
- Jakarta

Malaysia
- Kuala Lumpur

Singapore
- Changi

South Korea
- Busan

AMERICAS

Antigua
- Antigua
- Saint Philip

Argentina
- Bariloche
- Buenos Aires Aeroparque
- Buenos Aires Ezeiza
- Cordoba
- Mendoza
- Rosario

Aruba
- Oranjestad

Bahamas
- Bahamas
- Great Exuma
- Lynden Pindling International Airport

Barbados
- Barbados
- Christ Church
- St. Michael

Bolivia
- La Paz
- Santa Cruz

Brazil
- Belém
- Belo Horizonte
- Brasília
- Curitiba
- Florianopolis
- Fortaleza
- Goiânia
- Natal
- Navegantes
- Porto Alegre
- Recife
- Rio de Janeiro
- Rio de Janeiro Galeão
- Rio de Janeiro Santos Dumont
- Salvador
- São Paulo Congonhas
- São Paulo Guarulhos
- Uruguaiana

Canada
- Calgary
- Edmonton
- Halifax
- Toronto
- Vancouver

Chile
- Santiago de Chile

Colombia
- Bogota

Dominican Republic
- Puerto Plata
- Samana
- Santiago
- Santo Domingo

Equador
- Santiago de Guayaquil

Grenada
- Grenada

Honduras
- Roatan

Jamaica
- Jamaica
- Montego Bay

Mexico
- Acapulco
- Cancun
- Cozumel
- Guadalajara
- Guanajuato
- Ixtapa
- Los Cabos
- Mazatlan
- Mexico City
- Monterrey
- Puerto Vallarta
- San José del Cabo
- Santa Lucia

Netherlands
- Bonaire

Peru
- Lima

Puerto Rico
- Ponce
- San Juan

St Kitts & Nevis
- St Kitts
- St Kitts Bradshaw Airport

St Lucia
- St Lucia

St Maarten
- St Maarten

Trinidad & Tobago
- Port of Spain

Turks & Caicos Islands
- Grand Turk
- Turks & Caicos Islands

Uruguay
- Montevideo
- Punta del Este

USA
- Albuquerque
- Anchorage
- Arkansas Clinton International Airport
- Atlanta
- Atlantic City
- Baltimore-Washington
- Birmingham
- Boston
- Burbank
- Burlington
- Charleston
- Chicago
- Chicago Midway
- Chicago O'Hare
- Cleveland
- Corpus Christi
- Dallas Fort Worth
- Dallas Love Field
- Denver
- Des Moines
- Detroit
- Fort Lauderdale Hollywood
- Fresno
- Grand Rapids
- Greater Rochester
- Greenville-Spartanburg
- Harrisburg
- Houston
- Houston George Bush
- Houston William P. Hobby
- Indianapolis
- Jackson
- Las Vegas Hard Rock Cafe
- Las Vegas Mc Carran
- Las Vegas Palazzo
- Los Angeles
- Lubbock
- Manchester Boston
- Miami
- Minneapolis
- Mobile Bates Field
- Myrtle Beach
- Nashville
- New Orleans
- New York Empire State
- New York Grand Central
- New York JFK
- New York LaGuardia
- New York Penn Station
- New York Port Authority
- New York UN Gift Center
- Newark
- Newark Liberty
- Newport News Williamsburg
- Norfolk
- Oakland
- Omaha
- Ontario
- Orlando
- Orlando Sanford
- Philadelphia
- Phoenix Sky Harbour Airport
- Pittsburgh
- Portland
- Raleigh
- Richmond
- Roanoke
- Salt Lake City
- San Antonio
- San Diego
- San Francisco
- San José
- Seattle
- St Louis
- Stewart Newburgh
- Tampa
- Tucson International Airport
- Tulsa Airport
- Washington DC
- Washington Dulles
- Washington Ronald Reagan Airport

Cruise and Ferry ships
- Breakaway
- Carnival Panorama
- Carnival Sensation
- Carnival Valor
- Getaway
- Holland of America Eurodam
- Holland of America Koningsdam
- Holland of America Nieuw Amsterdam
- Holland of America Nieuw Statendam
- Holland of America Noordam
- Holland of America Oosterdam
- Holland of America Volendam
- Holland of America Westerdam
- Holland of America Zaandam
- Holland of America Zuiderdam
- NCL Bliss
- NCL Dawn
- NCL Escape
- NCL Gem
- NCL Jade
- NCL Jewel
- NCL Joy
- NCL Pearl
- NCL Sky
- NCL Spirit
- NCL Sun

CHANNELS
- Airports
- Border, Downtown & Hotel Shops
- Railway Stations & Other
- Cruise Liners & Ferries
- Seaports

CUSTOMERS – Discovering New Value Propositions

Dufry has created new offers and expanded its assortment in close collaboration with our brand partners to satisfy our customers' expectations.


6% OTHER
2% LITERATURE AND PUBLICATIONS
3% ELECTRONICS
29% PERFUMES AND COSMETICS
13% TOBACCO GOODS
MORE THAN
50,000
items are available in our portfolio for our customers to choose from
9% LUXURY GOODS
21% FOOD, CONFECTIONERY AND CATERING
17% WINE AND SPIRITS

Close engagement with customers continued to be a key focus throughout 2022. As well as providing the valuable insights which were used to craft the new company strategy «Destination 2027», our regular in-shop and online surveys to assess customer expectations and identify potential changes in shopping behaviors confirmed the trends for sustainable, eco-friendly and well-being products, as well as premium and innovative assortments. Seizing this great opportunity, Dufry has created new offers and expanded its assortment in close collaboration with our brand partners to satisfy customers' expectations.

Fostering safe shopping and working environments
Providing safe shopping and working environments for our customers and employees remains a key concern. Dufry has a comprehensive Global Health & Safety Protocol implemented throughout all locations. The protocol contains basic health and safety measures defined by the company, but can also be enhanced with and adapted to location specific government or airport health and safety regulations. The protocol substantially contributes to making customers perceive airports and other travel locations as safe environments, allowing them to enjoy their trips and shopping experiences.

CURRENTLY THE SUSTAINABLE PRODUCT SELECTION INCLUDES
675 products from 20 global suppliers covering the main categories and is available in 167 shops across 126 airports, worldwide.

RED BY DUFRY
Red By Dufry is now life and availble in 260 locations across 51 countries.

RESERVE & COLLECT
service is already available in 196 locations in 69 countries around the world.

Enjoying shopping for MIND.BODY.SOUL.

New well-being and eco-friendly assortments introduced
Aligned with customers' expectations, we continued fine-tuning our product assortments and service portfolio. The introduction of the innovative MIND.BODY.SOUL. shop-in-shop concept addresses the increasing customer interest in purchasing healthier and more sustainable products. The new format offers a range of nutritious, energy-focused foods for health-conscious customers, alongside sustainable products for a better environment, and many relaxing products that help promote a sense of well-being.

MIND.BODY.SOUL. is a flexible concept allowing it to be customized to meet the specific wants and needs of each location and customer profile. First introduced in our operation at the Amman Airport in Jordan, the new concept has already been implemented in several other locations worldwide including Cambodia, Brazil and Bali and will be further expanded. Customers have been very receptive to the dedicated range of relevant products lines from existing and new suppliers, many of whom present their products in recyclable and refillable packaging.

We keep updating our offering based on our customers' feedback and expectations for innovations. In 2022, we have identified 40 new brands including skin- and hair-care and indie make-up brands, with more than 20 brands already rolled out across all countries. Equally, we have extended our premium offering in wine & spirits with low and zero alcohol options.

40 new brands introduced.

We foster our focus on experiences with an array of initiatives, such as airport activations, tastings, beauty treatments, an attractive assortment of novelties and exclusive products, as well as a comprehensive service portfolio. Our well-trained and motivated sales representatives help travelers navigate through a large variety of prestigious brands, while providing them with valuable advice and information. For us, a satisfied customer is a customer who can trust us beyond the mere process of buying, but also just as equally when it comes to product and store safety and comprehensive after-sales services.

Helping customers to shop considerately
In 2022, we continued to expand our sustainable product offering, which includes a selection of products that are sustainable under different aspects such as being Sustainable, Plastic Free, Recyclable or Refillable, Vegan, Palm Oil-Free or Supporting Communities and are developed in close collaboration with our brand partners.

These products are marked with dedicated tags and are easily identifiable in our shops or online platforms. Currently the sustainable product selection includes over 675 products from 20 global suppliers covering the main categories – food, liquor, perfumes & cosmetics – and is available in 167 shops across 126 airports, worldwide. A detailed description of this ESG initiative is available in the ESG Report on page 92.

Sustainable product assortment expanded.

Engaging with customers along their whole journey
Each day, we welcome customers representing more than 150 nationalities and we increasingly engage with them along their whole journey. Addressing them in the right language and presenting them with the right products and promotions is key to driving sales. Digital services and tools are key elements to engage with customers from the moment they leave home until their arrival at their destination.

Our New Generation Stores and the other over 50 highly digitalized shops are cornerstones of this end-to-end shopping experience, changing their appearance depending on which nationalities are present at the airport at any given time of the day, based on flight schedules, and presenting the brands that best fit the respective customer profile.

Ongoing increase of digitalization.

Providing the right information and helping customers understand the product characteristics in different languages is a considerable challenge as well. Therefore, we keep providing customers with extensive information, ranging from product specific data, to permitted allowances at their destination. Contactless or online payment devices, as well as the increasing deployment of self-checkout cashiers, eliminate the need to go to the tills and further enhance the shopping experience.

Increased reach of online customer services.

Reserve & Collect – pre-order at home, pick-up at the airport
Convenience is always a key sales proposition, and thus also a priority for Dufry. We believe that engaging with our customers before they enter our shops and well before they reach the airport, provides them with a great opportunity to pre-order products online before they even start their trip, and collect them conveniently once they are at the airport. Dufry's "Reserve & Collect" service is already available in 196 locations in 69 countries around the world and new locations are being added – the full list is available on our website: www.shopdutyfree.com.

Converting travelers into customers.

Red By Dufry
"Red By Dufry" is Dufry's loyalty program working primarily through a mobile application (app), which besides earning points, also offers exclusive advantages, discounts and specific airport benefits at Dufry stores. Members of the program receive personalized notifications on promotions and offers tailored to their preferences once they approach the airport. This allows Dufry to increase conversion of travelers into regular customers and to attract them to the shops. Red By Dufry is live in 260 locations in 51 countries and is being continually expanded to further operations worldwide. For a full list of the locations offering Red By Dufry visit: www.redbydufry.com.

Forum – Social media for brands and travelers
Forum is Dufry's social media platform that provides stories from bloggers and influencers, as well as background information from brands, in an exclusive and aspirational environment. Moreover, Forum by Dufry connects all our other digital initiatives such as Red By Dufry and Reserve & Collect. Forum is designed to position Dufry shops as the place to find the latest

trends and novelties for the main product categories – https://forum.shopdutyfree.com/en.

True global return guarantee
Dufry is the only global travel retailer in the industry to offer a true global return guarantee. No matter whether you purchase something in Madrid, Hong Kong, Toronto, Buenos Aires, Marrakesh or elsewhere in any other of our shops in the world: if there is a problem with any product that you purchased at a Dufry network store, we will replace, refund or exchange your product within 60 days of purchase.

In 2022, Dufry's customer service representatives, who can be reached in several languages by phone, email or online chat, attended 154,242 customers (see further details also on page 93). Our customer service team provides worldwide support through our dedicated and simple to use online platform: www.dufry.com/en/shopping/customer-service.

Simplified customer service access.

Customer satisfaction & product safety
Customer satisfaction and safety is our first priority. We ensure that all products comply with health and safety regulations. Dufry complies with legal requirements at every location in which we operate and takes a proactive approach, working with governments and regulators to clarify any concerns.

Through active membership in the industry's trade associations, Dufry has helped to shape robust Codes of Conduct (e.g. UK Code of Conduct on disruptive passengers, UK Code of Conduct on VAT, ETRC Code of Conduct on Sale of Alcohol, DFWC Code of Conduct on Sale of Alcohol). Moreover, Dufry has defined its own Supplier Code of Conduct and in 2022 has shared it for recertification with an increased number of suppliers across North America. More details are available in the ESG Report on page 92.

Fostering responsible retailing.

Responsible marketing & customer communications
When it comes to marketing and advertising initiatives, Dufry applies the same responsible stance that it shows in all its other activities. We commit to comply with marketing and advertising regulations in customer-oriented communication in the countries where we operate.

We also expect the same behavior from our suppliers when using the space that we make available in our stores and online channels for advertising and promotions. This also applies to product labeling, where we ask our suppliers to comply with the regulations of all the Dufry locations where their products are sold. Given that our stores operate in an environment where we serve many nationalities speaking different languages every day, we are proactively engaging with our industry trade associations to find off-the-label solutions.

Growing importance of customer privacy.

Customer privacy & data protection
In line with the expansion of its online activities and the increased use of digital applications involving customer data, the management and protection of customer privacy in the processes involving the handling of client information is an area of growing importance for Dufry. As a requirement of customs and airport authorities, as well as for contractual reasons, the customer's personal data is collected, processed and retained in accordance with the privacy statement listed on Dufry website: www.dufry.com/en/privacy-cookie-statement.

The company's Reserve & Collect and Red By Dufry services require additional personal customer information to provide them with newsletters and marketing & advertising materials. To protect customer data and ensure it is handled correctly, Dufry applies the highest security standards securing compliance with different legal frameworks. The company operates a number of systems and security processes, including a robust cyber security system, a data protection policy and internal procedures and policies, which follow relevant laws and regulations. Dedicated trainings are also carried out on a regular basis for employees dealing with personal information.

Dufry continuously reviews and adjusts its processes to secure the alignment of our operations in accordance to the EU General Data Protection Regulation (GDPR). This involves maintaining expanded documentation and information requirements, privacy risk assessments and ensuring the right of individuals (customers, employees, partners and suppliers) to request access to, or to correct, delete, or object to processing of their own personal data, and to request data portability. Dufry keeps monitoring new developments in data protection regulations and adapts accordingly where required.

Focussing on customer data protection.

Moreover, the Group also undertakes internal Data Protection Audits and intrusion tests, on top of permanently discussing and improving the protection of customers' personal data in dedicated meetings held quarterly. For any customer, employee or third party who wishes to report a grievance or who has questions regarding Dufry's data privacy, there is a specific compliance address to contact the company, with respective inquiries being coordinated by the Compliance and the Global Internal Audit & Investigations Department Dufry Helpline: https://app.convercent.com/en-us/LandingPage/f1db10da-6b2c-e811-80e2-000d3ab6ebad.

Industry recognition for retail expertise.

Dufry's expertise recognized by the industry
In 2022, Dufry's customer focus and retail excellence was once again recognized by different industry partners. A complete list of the awards is available here: www.dufry.com/en/company/our-award.

SUPPLIERS –

Now Benefit from «Emotion+»

In 2022, Dufry has launched «Emotion+», a new travel retail "advertising" solution for brand partners, which uses online and offline channels, allowing brand partners to expand visibility of their products and offer an improved customer experience.

1,000

Dufry works with over 1,000 of the most renowned global and local brands.

As the largest truly global travel experience player, Dufry offers suppliers the unique opportunity to engage with customers personally and to present them with their novelties and exclusive products through a variety of off- and online shop concepts, which drive both sales and brand value. Dufry's network of over 2,200 shops across 62 countries serves the needs of both domestic and international travelers with dedicated duty-paid, duty-free and convenience retail formats, which will now be further enhanced with the travel food & beverage expertise of Autogrill. Under normal travel conditions – free from any travel restrictions – and considering the new combined entity, Dufry offers its brand partners a potential of 2.3 billion personal customer contacts.

«Emotion+» to engage with customers.

New advertising opportunity «Emotion+»
The new solution «Emotion+» combines and integrates for the first time all of Dufry's customer engagement channels in one single advertising package, thus allowing a seamless customer communication that delivers a cohesive and more impactful experience. Emotion+ allows suppliers to expand their touchpoints with our customers, leveraging not only the Red by Dufry community, but also customers in store and through our websites, where we are attracting an increased number of travelers even before they start their journeys.

In 2022, more than 100 packages of this new 360º promotional campaign opportunity were sold to brands, who then benefitted from attractive placements, brand ambassadors and specific activities in the physical stores. This was further enhanced by promotions on highly visible screens in different stores and by being featured as a key element across all of our online channels. Each campaign lasts one month and following the promotion, we share with the brands the key learnings on awareness, impact and customer insights.

Customers confirm resilience to travel and to purchase goods through travel retail channels
Throughout 2022, customers have clearly and encouragingly confirmed their willingness to travel and to continue shopping in travel retail locations, thus emphasizing the resilience of this highly attractive channel. This has become evident ever since the fast recovery of travel at the beginning of the year and the continued positive trends, with above average spending behavior seen across most locations. It also confirms the longstanding USP of travel retail in terms of its access to a captive and affluent audience of customers, forming a unique face-to-face engagement platform in an attractive environment. With the uptake of international travel, we have also seen a remarkable recovery in duty-free sales and the split between duty-paid and duty-free normalizing towards more historical levels.

Experiences, sustainable and well-being products are key sales drivers
Market research conducted on a regular basis through online surveys amongst our customers and on social media in 2022 found that customers increasingly search for experiences as well as premium offers. They also expect assortments to offer sustainable and well-being products supporting a healthier lifestyle. Novelties, travel exclusives and unique promotions continue to form very attractive propositions, which Dufry continues to develop in collaboration with brand partners, working on new concepts – including the combination of retail and F&B – considerably increasing customers' shopping experiences.

Besides the proven collaboration with its brand partners through strategic initiatives, marketing campaigns, global promotions or product launches, Dufry continued to evolve its shop design strategy: We increased the flexibility in shop layouts and assortment renewals and put additional emphasis on sustainability aspects when it comes to new shop developments, refurbishments, or choosing the right assortment in any particular location.

Increasing importance of well-being products.

Brand partners benefit from improved procurement and logistics processes
During 2022, Dufry has further simplified the procurement platform and streamlined the related processes, allowing both Dufry and its suppliers to generate efficiencies along the centralized procurement process covering the entire supply chain.

Our Global Category Managers act as key relationship managers for brands and coordinate activities with suppliers, by defining individual brand plans and agreeing on contractual parameters. They are supported by our centralized ordering process, which aggregates the orders of the different retail operations and sends a consolidated order to suppliers. Our well-proven logistics organization, with three distribution centers in Uruguay, Switzerland and Hong Kong, which also operate additional warehouses in Hong Kong, Runnymede (UK), Barcelona (Spain) and Miami (US), provides timely shipping of goods to our operations. The process benefits both Dufry and suppliers as it allows for the ordering and shipping of larger volumes to the distribution centers, thus increasing flexibility in product allocation by shop and maximizing product availability.

Increased ESG collaboration
Dufry has further increased its ESG engagement with suppliers with several initiatives in 2022. Besides further expanding the sustainable product initiative which enables customers to shop considerately, (see ESG Report on page 92) Dufry has expanded the re-certification of the Dufry Supplier Code of Conduct within its supplier community in North America (see ESG Report on Page 93), thereby further increasing the purchasing volume covered.

BRAND UNIVERSE

BALLY, BURBERRY, VALENTINO, PUMA, Polaroid, TUMI, VICTORINOX, BAILEYS, Calvin Klein, CITIZEN, FENDI, GUESS, BVLGARI, CAROLINA HERRERA NEW YORK, Kiehl's SINCE 1851, DIESEL, m&m's, GIORGIO ARMANI, Chupa Chups, ABSOLUT Country of Sweden VODKA, Chopard, Desigual, Almendro, L'OCCITANE EN PROVENCE, TOMMY HILFIGER, The New York Times, MAC, COACH EST. 1941 NEW YORK, HERMÈS PARIS, JO MALONE LONDON, Hasbro, SWAROVSKI, HARIBO, MATTEL, HERSHEY'S, playmobil, JAMESON IRISH WHISKEY, L&M, DOLCE & GABBANA, miu miu, MONT BLANC, Superdry., Cadbury, LEGO, mentos, paco rabanne, BOSS, MCM, PANDORA UNFORGETTABLE MOMENTS, RAYMOND WEIL GENEVE, VERSACE, FREDERIQUE CONSTANT GENEVE, Pringles, USA TODAY, POLO RALPH LAUREN, BRAUN, PRADA, LOEWE, KitKat, Newsweek, FINANCIAL TIMES, MICHAEL KORS, VICTORIA'S SECRET, MARTELL, The Economist, CAMEL, CHIVAS, Dior, KENT, FERRAGAMO, Forbes, PM PHILIP MORRIS INTERNATIONAL, VOGUE, Davidoff CIGARS, ESTĒE LAUDER, Coca-Cola, tic tac, COSMOPOLITAN, OREO, CLINIQUE, benefit SAN FRANCISCO, TIME, SMIRNOFF, YVES SAINT LAURENT collection, GIVENCHY, Milka, GODIVA Chocolatier, LANCÔME, Ballantine's, Glenfiddich, THE WALL STREET JOURNAL., Tanqueray, GREY GOOSE World's Best Tasting Vodka, Marlboro, FERRERO, Mars, Crown Royal, BOSE, CHANEL, CLARINS, L'ORÉAL PARIS, CÎROC, The MACALLAN, beats by dr.dre, la prairie SWITZERLAND, BACARDI, JACK DANIEL'S, Kinder, CASIO, LUCKY STRIKE, Winston, SHISEIDO, RÉMY MARTIN FINE CHAMPAGNE COGNAC, TOM FORD, TOBLERONE, Hennessy COGNAC, SONY, Nestlé, Samsonite, swatch+, LA MER, Marc Jacobs, JOHNNIE WALKER., DUNHILL, Lindt OF SWITZERLAND, TISSOT SWISS WATCHES SINCE 1853, BREITLING 1884, BRIC'S, MOËT & CHANDON CHAMPAGNE, OAKLEY, adidas, TravelBlue travel accessories, GUCCI, Crayola, Veuve Clicquot Ponsardin, Frey, Disney, BOMBAY SAPPHIRE, OMEGA, JBL, DKNY DONNA KARAN NEW YORK, FOSSIL 1954, FURLA, MaxMara, LONGCHAMP PARIS, Juicy Couture, FORTNUM & MASON EST 1707, Ray-Ban, TAG Heuer, BOTTEGA VENETA, After Eight, LONGINES, kipling, LACOSTE, PHILIPS

CONCESSION PARTNERS –

Leveraging Value of Hybrid Retail and F&B Concepts

Dufry provides concession partners with best-in-class retail concepts and now with an even larger portfolio, including hybrid travel retail and F&B formats to create value and maximize revenue generation from their retail spaces.


2,200
Global player, with over 2,200 shops
operated in 62 countries on six continents.

Dufry provides concession partners with best-in-class retail concepts and a detailed understanding of customer expectations and shopping behaviors, to create value and maximize revenue generation from their retail spaces. Now substantially expanding our expertise in travel F&B through the combination with Autogrill, the extended offering will provide concession partners with an even larger portfolio, including hybrid travel retail and F&B formats. The trust our concession partners have been placing in Dufry has allowed our company to become the market leader in travel retail, currently operating over 2,200 shops in 62 countries located in airports, seaports, railway stations, downtown areas, border crossings, cruise liners & ferries, hotels and other locations with captive audiences.

Benefitting from the widest industry experience
Dufry traditionally features a comprehensive portfolio of attractive retail concepts tailored to the individual needs of both duty-free and duty-paid environments, to serve domestic and international passengers and this is constantly renewed and updated to meet the expectations of newly emerging customer profiles. Going forward our Group will further expand into travel retail F&B – an evolution already existing in some of our current operations – which will be accelerated through the combination with Autogrill. Additionally, all these physical retail and F&B concepts are supported by a comprehensive array of online services and platforms, which considerably increase the number of touchpoints along the traveler's whole journey. Complemented with the extensive expertise in all operational and regulatory aspects, as well as the sustainability management systems provided by Dufry, concession partners receive a complete package to best operate their spaces in a profitable and sustainable way.

Attractive shopping experiences drive success and profitability.

Customer insights regularly collected through dedicated surveys, in-store technologies and by analyzing online engagement of our customers and social media, allows us to develop successful marketing initiatives tailored to meet the requirements of every single airport or any other shop environment. Our worldwide presence and the extensive intelligence of customer profiles are core competitive advantages and key drivers to increase sales and profitability, combined with our ongoing evolution of shop design and customer services.

Real Partnership is key for value creation
Over the many years we have been in the business, we have been advocating for the importance of close collaboration between concession partners and retailers as a base for optimizing sales. By joining forces with our concession partners, we can create attractive commercial spaces that maximize spend from the passengers' arrival at the airport until their boarding – and if legislation allows – also for arrival duty-free after landing.

Fully integrated digital experience across shops and online channels.

Highly digitalized shops with stunning sense-of-place
Dufry has continued to evolve shop digitalization by offering new services and increasing the level of customer interaction by nationalities and languages, while at the same time still managing location specific shops with highly attractive sense-of-place designs. What started several years ago with the launch of digitalized New Generation Stores – operated in Buenos Aires (ARG), Amman (JOR), Malaga and Alicante (ESP), Madrid (ESP), Cancun T3 and T4 (MEX), Melbourne (AUS), Zurich (CH) and London Heathrow T3 (UK) – has evolved to the opening of the first Hudson Nonstop shops at several locations in the US. These highly digitalized shops offer customers a complete contactless shopping experience by using the Amazon technology, including the newest innovation of the Amazon One palm recognition technology at Dallas Love Field Airport.

Highly digitalized shops – which include applications such as Reserve & Collect and above all the loyalty program Red By Dufry – are currently in operation in over 50 locations and the implementation of the advanced technology is typically done in the context of the periodic refurbishments or when a new shop is built. For a more detailed description of our digital strategy, please also refer to pages 54 and 55.

Dufry's shop format concepts provide for a high degree of customization including the sense-of-place designs of the shops, which are an important aspect for our concession partners. Dufry knows how to perfectly match local requirements and specific customer profiles with efficient retail formats, to best serve travelers' needs and to generate value for concession partners and Dufry alike.

Adding new concessions and extending existing contracts

Concession contracts are the key business driver for travel retail operators, as they provide the right to sell their products and services at a given operation for a defined time period. In 2022, Dufry saw several new contracts wins and renewals of existing concession contracts, thus successfully strengthening the remaining average lifetime of its portfolio, which is currently close to 6 years.

Among the most important contract wins and extensions in 2022, highlights included the extension of the Heathrow concession contract for three years until 2029. Heathrow encompasses 24 of our shops across all terminals, is the largest single location operated by Dufry and annually serves over 80 million passengers (2019 level). Dufry also won the tenders for a five-year duty-paid contract at Chongqing International Airport, China, as well as the Kempegowda International Airport Bengaluru (KIAB), India, with a new fifteen-year contract to operate and manage duty-free outlets. Total gross retail space opened during 2022 amounted to 16,536 m², while 32,722 m² of retail space were refurbished – a detailed overview of concessions wins and extensions is available on pages 28 - 43 as part of the regional reviews.

Dufry was also awarded contract extensions with La Romana International Airport and Seaport in the Dominican Republic, at Ontario International Airport (CA, US), and at Salvador International Airport in Brazil. In addition, Dufry announced a partnership with Starbucks with the first stores already opened in 2022 at LaGuardia Airport (NY, US) and opened new Hudson Nonstop travel convenience stores in both Nashville International Airport and Dallas Fort Worth International Airport, adding to its other Hudson Nonstop locations in the US. Also in the United States, Dufry's subsidiary Hudson won a ten-year contract extension at Charleston International Airport in South Carolina.

New concessions won and current extended.

Within our concession portfolio, 32 % of our contracts have a remaining life-time of one to two years; 25 % of three to five years; another 24 % of between six and nine years, and the final 19 % have a remaining duration of ten years or more. In average, every year Dufry renews existing contracts that generate between 10 % and 15 % of our sales, while at the same time adding new contracts.

First-class concession portfolio enhanced with 131 new shops

In 2022, Dufry opened and expanded 67 new shops adding over 16,536 m² of retail space across all regions. At December 31, 2022, the entire concession portfolio of the group included retail space of close to 472,000 m² thus strengthening our portfolio.

Long-term concession portfolio.

Dufry's concession portfolio is highly diversified and well balanced across emerging and mature markets on all six continents. This considerably reduces risks exposure to impacts in single markets and operations; the largest concession only accounts for less than 6 % of turnover, while the 10 biggest concessions represent less than 28 %.

Focusing on investment returns

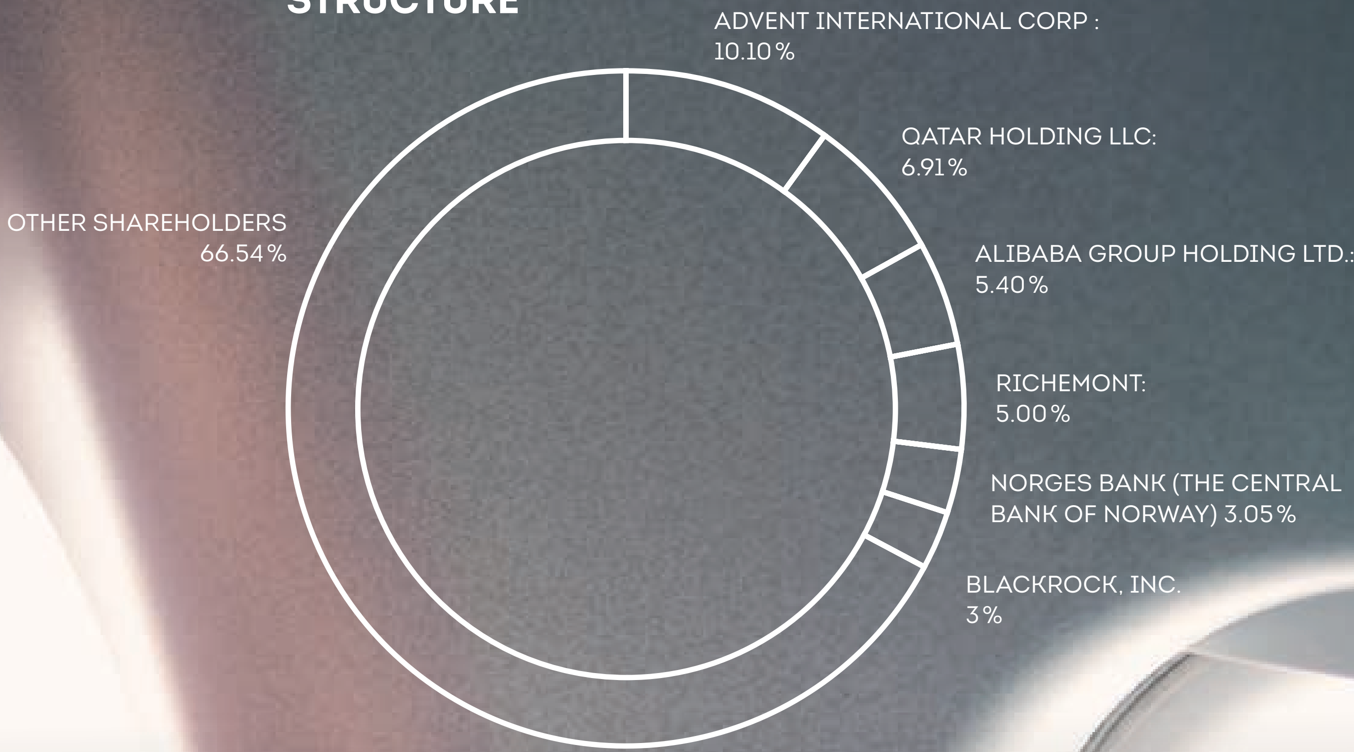
Dufry traditionally follows the approach of financial discipline when evaluating new projects and opportunities. This methodology, successfully developed in the past, has again proven its value during the recently challenging business environment by contributing to optimize costs and adding flexibility to investments. Projects are analyzed individually on a commercial and financial basis. The many aspects of a project being put together include development potential and analyzing initial investment requirements, as well as the expected development of passenger numbers and profile perspectives. Through a strict evaluation of these criteria and our disciplined approach on returns, we ensure that our concession portfolio remains of the highest quality and that each concession offers attractive returns for the Group. This methodology is applied for all project types, irrespective of whether we participate in a tender process, engage in direct negotiations with concession owners or perform acquisitions. As part of "Destination 2027", we have put active portfolio management at the core of our long-term strategy following the principle of full profitability evaluation for each concession contract and, at the appropriate times, renegotiation or exit from any concession that does not match our concession specific objectives. We continuously update and review our portfolio, including post-opening performances.

INVESTORS –

Strong Long-Term Investment Opportunity

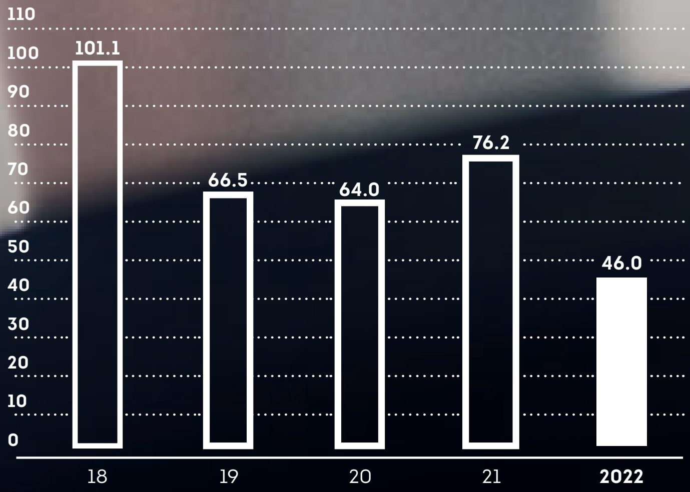
Dufry strives to create sustainable value for its shareholders. In 2022, we presented our new strategy “Destination 2027”, outlining the path to revolutionize Travel Experience for our customers globally as described in detail in the dedicated brochure of this annual report.

SHAREHOLDER STRUCTURE



Note: Based on shares. For a complete overview of Shareholder disclosures as of 31 December 2022 please refer to page 248. The shareholder structure shown above reflects the status pre-combination with Autogrill executed on February 3, 2023. As a consequence of the closing, Edizione is now the largest Dufry shareholder and will remain relevant long-term. It's level of partcipation will be around 27.5% - depending on the results of the Mandatory Tender Offer.

DAILY AVERAGE VOLUME



Note: Decrease in volume in 2019 due to the termination of the EU stock market equivalence to Switzerland since July 2019, where the trading of Swiss shares on EU exchanges has been prohibited as of July.

Through the combination with Autogrill the new entity's footprint includes 75 countries, operating 5,500 outlets and addressing 2.3 billion passengers across 1,200 airports, motorways, cruise lines, seaports, railway stations and other locations. Our unique value proposition for travelers has been further enhanced by a new focus on innovative store concepts, hybrid offerings, data-driven customer insights and digitalization, thus benefitting customer conversion and spending. This will positively add to the strong underlying fundamentals of travel retail and travel F&B – secular long-term global passenger growth fueled by a growing, more affluent population in many countries.

Unique combination of Travel Retail and F&B.

From an organic growth perspective, we will continue to expand our footprint with a strong focus on the highly attractive and resilient North American market, and a dedicated strategy for Asia-Pacific, building a team focused on a set of strategic markets in the region and on the fast-growing cohort of the Chinese travelers. In Europe, Middle East, Latam and Africa, Dufry will accelerate its business development process with clear priorities and targets. The widened new offering and organic growth are expected to translate into a mid-term annual turnover growth of 5% to 7%. On top of these organic growth opportunities, the still high fragmentation offers additional potential to consolidate the industry further, confirming M&A as a cornerstone of Dufry's investment case.

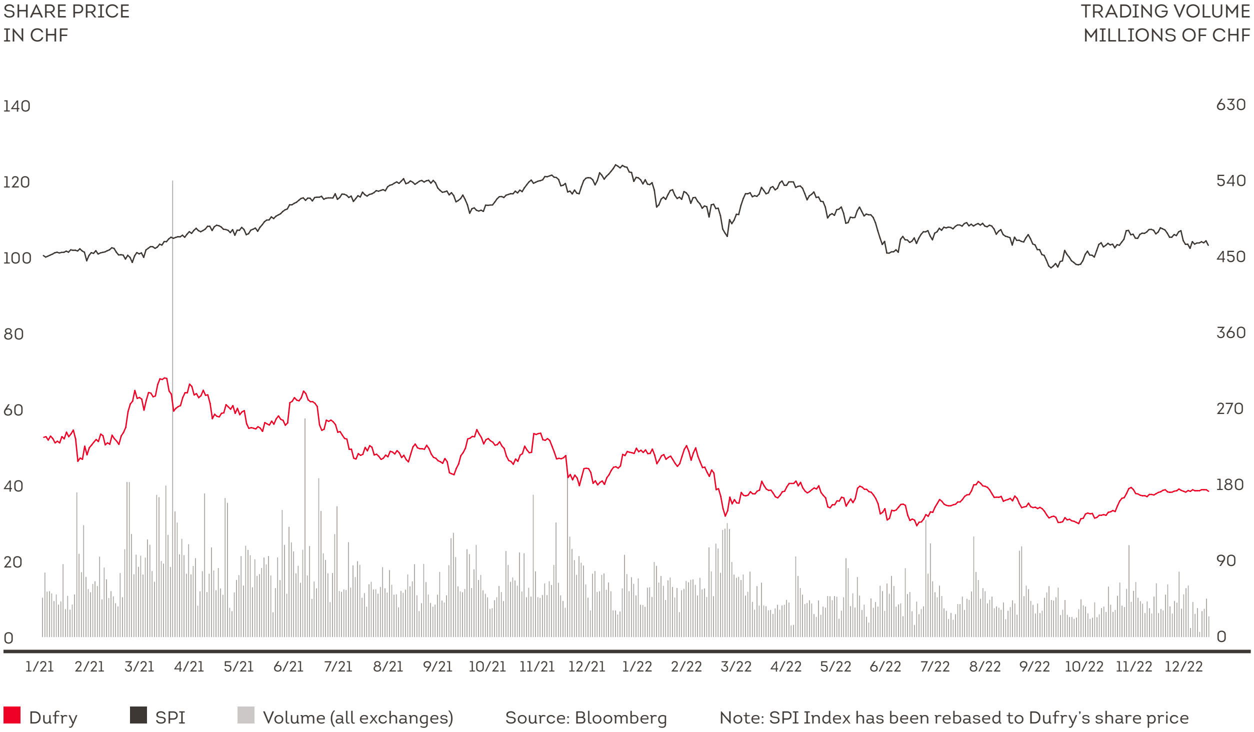
Resilient business
Despite the temporary challenges that our industry and the company were facing due to COVID-19, we strongly believe that travel retail and travel F&B are resilient industries. The willingness of people to travel has been strongly confirmed during 2022 similar to previous crises, showing clear indications of customers' propensity to prioritize travel and travel-related spending compared to other categories. Travel retail is considered a central part of the overall travel experience, and customers continue to be interested in the attractive product assortment, now also with an increasing focus on hybrid offerings and on providing unique experiences to travelers. F&B is expected to be supported by future industry dynamics that can further drive growth, e.g. limited in-flight offerings, increasing travelers' propensity to grab drinks and food before boarding, rising interest in regional food, and demand for new experiences and concepts.

Sustainable profits and strong cash flow generation
Dufry pursues profitable growth and sustainable cash flow generation, reflected in our mid-term outlook provided to the market. We will deliver turnover growth, CORE EBITDA margin improvements and strong cash flows on a sustainable basis while also improving our ESG performance as an integral part of our investment case. We continue to strive for superior profitability with a logic of zero-based budgeting, focused on disproportionally allocating resources to activities that make the most impact for the customer, while leveraging technology to simplify work and operations. In addition to the budgeting discipline, Dufry systematically and actively manages its concessions portfolio, with stronger focus on the evaluation of full profitability and cash flow contribution. We expect medium-term gross 30 to 40 bps annual CORE EBITDA margin improvements for the combined entity, partially reinvested, with expected cost synergies from the Autogrill combination of approx. CHF 85 million p.a. at CORE EBITDA level to come on top. We further expect a sustainable strong cash flow generation, targeting an Equity Free Cash Flow conversion at CORE EBITDA level for the combined entity of Dufry and Autogrill of above 30% in the medium-term.

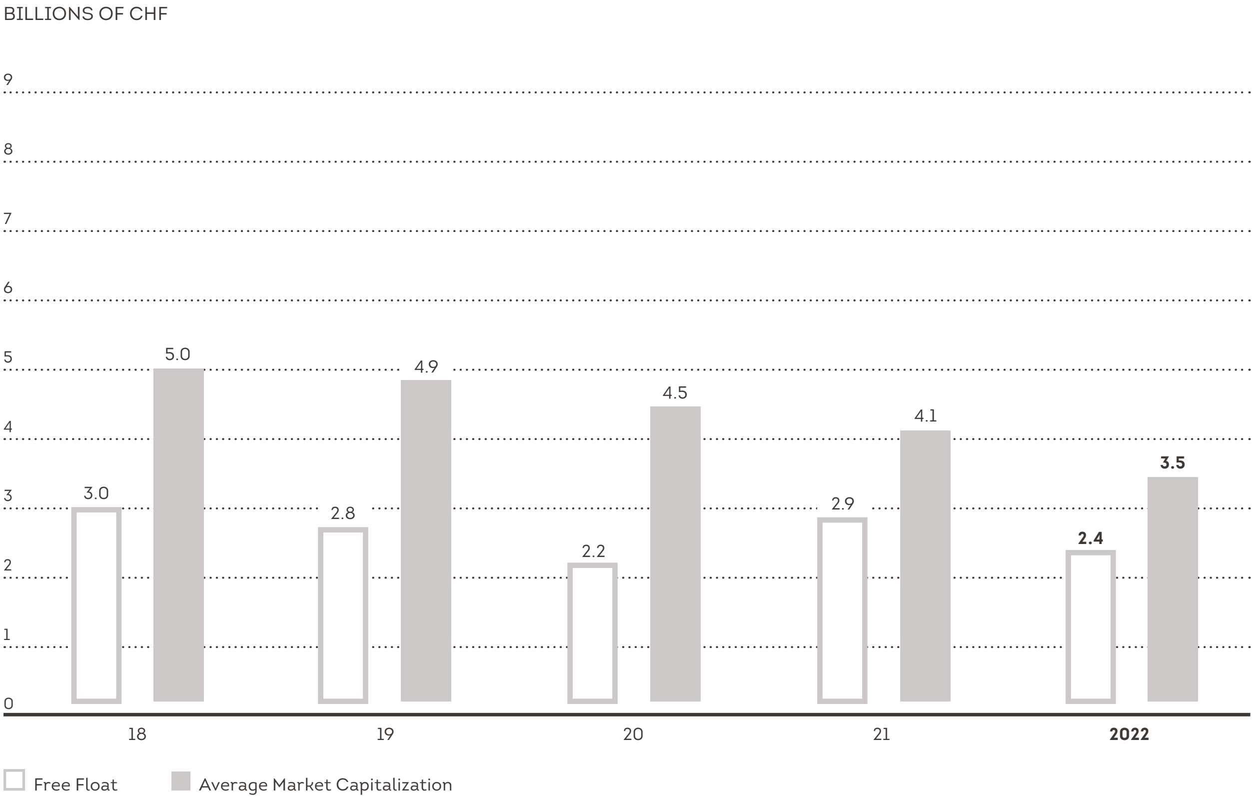
Since its listing in 2005, Dufry has pursued a consistent strategy focusing on growth and cash flow generation. Dufry has a track-record of organic growth in line with regional passenger developments and passenger mix; growth acceleration through M&A; strong cash generation capability on the back of an attractive risk profile based on our diversification by geographies, channels and sectors. Dufry's diversified footprint supported the company even in 2020 and 2021 when facing a global pandemic, by balancing region-specific travel restrictions. In 2022, Dufry announced the business combination with Autogrill, the leading travel food & beverage company thus creating a true giant with respect to size and offerings, which will re-define the boundaries of the industry. For a detailed view on Dufry's investment case please refer to page 26.

Capital allocation
Dufry's capital allocation policy had been adapted to the macro-economic and health-related environment with the objective to protect liquidity during the recovery. During 2022, the business progressed strongly and Dufry entered into a business combination with Autogrill – a transaction expected to create sustainable value to shareholders. The EFCF conversion from

DUFRY AG SHARE PRICE AND TRADING VOLUME



MARKET CAPITALIZATION AND FREE FLOAT



the targeted cost synergies amounts to approx. 65%. In addition, the business combination is expected to generate new revenue opportunities going forward through diversification and innovation. The combined entity is expected to benefit from a materially strengthened balance sheet and lower financial leverage compared to Dufry as a stand-alone business. Further, the combined entity will continue to foster its ESG commitments and engagement for all stakeholders.

In the context of the evolution of the COVID-19 pandemic and the continued limited visibility on the recovery trajectory at the beginning of 2022, the Board of Directors has proposed to the General Meeting of Shareholders 2022 not to pay a dividend to safeguard the short-term liquidity of the company. While in 2022, impacts from the pandemic largely dissipated, but remained material, geopolitical tensions and macro-economic uncertainties resulted in limited visibility on consumer sentiment in the short-term, despite the encouraging mid-term outlook. Dufry is currently completing the business combination with Autogrill while also focusing on its deleveraging as communicated to the market. Under consideration of the macro-economic and geopolitical factors in the short-term as well as the capital allocation focus on the transaction closing and deleveraging, the Board of Directors has decided to propose to the 2023 General Meeting of shareholders not to pay a dividend for the 2022 business year as well. The Board of Directors considers the ongoing transaction to create value for Dufry's shareholders while it will also consider a re-initiation of dividend payment in the future.

Member of the SMI MID (SMIM) Index

With a market capitalization of CHF 3,496.6 million as per December 31, 2022, Dufry is part of the SMI MID (SMIM) Index on the SIX Swiss Exchange, which includes the 30 biggest publicly listed companies in Switzerland not already represented in the Swiss Market Index (SMI).

Dufry's share price started the year at CHF 48.19, reached a high of CHF 50.46 in February due to positive vaccination campaigns and expected re-openings across Europe. Geopolitical tensions, caused by the invasion of Russia into Ukraine, impacted the industry in general since end-February. Dufry's share price experienced a low of CHF 29.50 in early July due to the ongoing war, the related fear of a global recession while seeing rising inflation in many economies globally and increasing interest rates by central banks. Dufry's share price development was strongly driven by external news-flows during 2022, with especially inflation concerns having been associated with the worsening consumer sentiment, including travel. Dufry's share price advanced since the announcement on the transformative business combination with Autogrill and closed the year at CHF 38.51.

Dufry's trading volume continued to be healthy in 2022. The average daily trading volume was approximately CHF 46.0 million. The SIX Swiss Exchange remains an important trading platform, where the average daily volume of Dufry shares reached CHF 15.6 million in 2022. Dufry's trading volumes are mainly concentrated at the SIX 33.93% and BATS Chi-X OTC 38.17% platforms.

We continued to receive strong support from our broad shareholder base. The most important participations (>3%) as of December 31, 2022, were Advent International, Qatar Investment Authority, Alibaba Group and Richemont, representing approximately 27.42% of our share capital. With the announcement of the combination of Dufry and Autogrill in July 2022, Autogrill's largest shareholder, Edizione, agreed to transfer its entire 50.3% stake of the issued share capital of Autogrill to Dufry. The transaction was successfully closed in February 2023 resulting in Edizione becoming Dufry's largest shareholder and joining the company's other longstanding shareholders and free float investors.

Strong investment track-record for bondholders

Dufry has been a well-established investment opportunity in the bond market ever since the issuance of its first Senior Notes in 2012. On the one hand, the bond market represents an important source of financing for the company, while on the other hand, our low operating leverage, as well as the strong and resilient cash flow generation capabilities, are characteristics welcomed by the fixed income market.

Long-term financing strengthened.

In Q4 2022, Dufry successfully refinanced its main bank credit facilities with a new EUR 2,085 million Revolving Credit Facility (RCF) having replaced the outstanding EUR 1,300 million RCF and USD 550 million Term Loan. The new RCF, expiring in December 2027, has extended Dufry's maturity profile by 1.2 years, to now 4.2 years. With the refinancing, we have delivered on our commitment to address upcoming maturities significantly ahead of time, providing additional flexibility with the higher RCF while largely maintaining interest expenses. With CHF 854.7 million cash on the balance sheet and CHF 1,488.3 million additional available committed credit lines, we are well positioned from a financing perspective.

Dufry is currently rated (B+) with Watch Positive Outlook by Standard & Poors and (B1) with Stable Outlook by Moody's. However, we have set a longer-term target to achieve again a BB / Ba3 rating, respectively.

Fair and comprehensive market communication
Dufry is committed to open and transparent communications with the financial market to present our equity story and investment opportunities. We pursue a constant, open dialogue with investors, analysts and the media through direct phone and email exchanges, regular roadshows and conference attendance, one-to-one meetings and dedicated investor days, either in person or virtually.

Senior management presents and discusses financial performance on a regular basis and we provide the financial community and media with in-depth reports and information through press and analyst conferences, conference calls and webcasts. In this context, Dufry releases quarterly trading update statements for Q1 and Q3 and publishes full financial results for the half-year and full-year periods.

As part of our 2022 Investor Relations activities, senior management and the Investor Relations team invested 39 days to meeting investors directly or virtually through roadshows and conferences in Europe, North America and Asia, during which we met around 843 investors in one-to-one or group meetings and many more in presentations. In addition, Dufry held a Capital Markets Day in 2022 to present its new "Destination 2027" strategy. Around 100 capital market representatives participated in London in person, while 200 joined virtually. Apart from meetings, the Investor Relations team answered 1,102 calls and emails in 2022, resulting in a total of 1,855 contacts with investors and analysts. For contact details of our Investor Relations team, please see page 301 of this Annual Report.


LOCAL FOOD
HANDCRAFTS
ARTESANÍAS
COCONUTS
SALT
SOUVENIRS

Environment Social and Governance Report 2022

DUFRY

WorldClass.WorldWide.

ENVIRONMENT, SOCIAL AND GOVERNANCE (ESG) REPORT
ESG AT THE CORE OF OUR BUSINESS

Dufry's ESG Strategy is an inherent part of the company strategy Destination 2027 and contributes to the delivery of its financial and non-financial goals. It is also fully aligned with the role Dufry plays in the travel retail eco-system, and is regularly revised to ensure it remains relevant and meets the evolving needs of our industry. Our ESG engagement is focused on four key areas, where we want to have a positive impact within the scope of our stakeholder eco-system and beyond: customer experience; employee wellbeing and advancement; protecting the environment through the responsible use of our planet's resources and being a trusted partner for all our stakeholders.

Dufry´s ESG Strategy is supervised by the Board of Directors, specifically by the Nomination and ESG Committee, chaired by the Lead Independent Director. All key business areas of the Group – structured under a dedicated ESG committee – take an active role in implementing our strategy based on clearly defined objectives. A detailed description of our ESG Strategy is available on the Dufry website www.dufry.com/en/sustainability.

OVERVIEW OF DUFRY´S SUSTAINABILITY JOURNEY

2016

- First materiality assessment
- Definition and disclosure of Materiality Matrix

2017

- Dufry publishes first GRI report
- Dufry Supplier Code of Conduct published and certification process launched

2018

- Updated Code of Ethics
- Disclosure of Dufry Code of Conduct
- Equal Salary Certification launched in Switzerland

2019

- Dufry launches Recertification of Supplier Code of Conduct
- ESG Governance enhanced with Lead Independent Director supervising ESG strategy implementation
- Materiality Matrix updated

2020

- Disclosure of Dufry´s ESG Strategy
- Signatory member of the UN Global Compact
- Dufry starts reporting on GHG emissions

2021

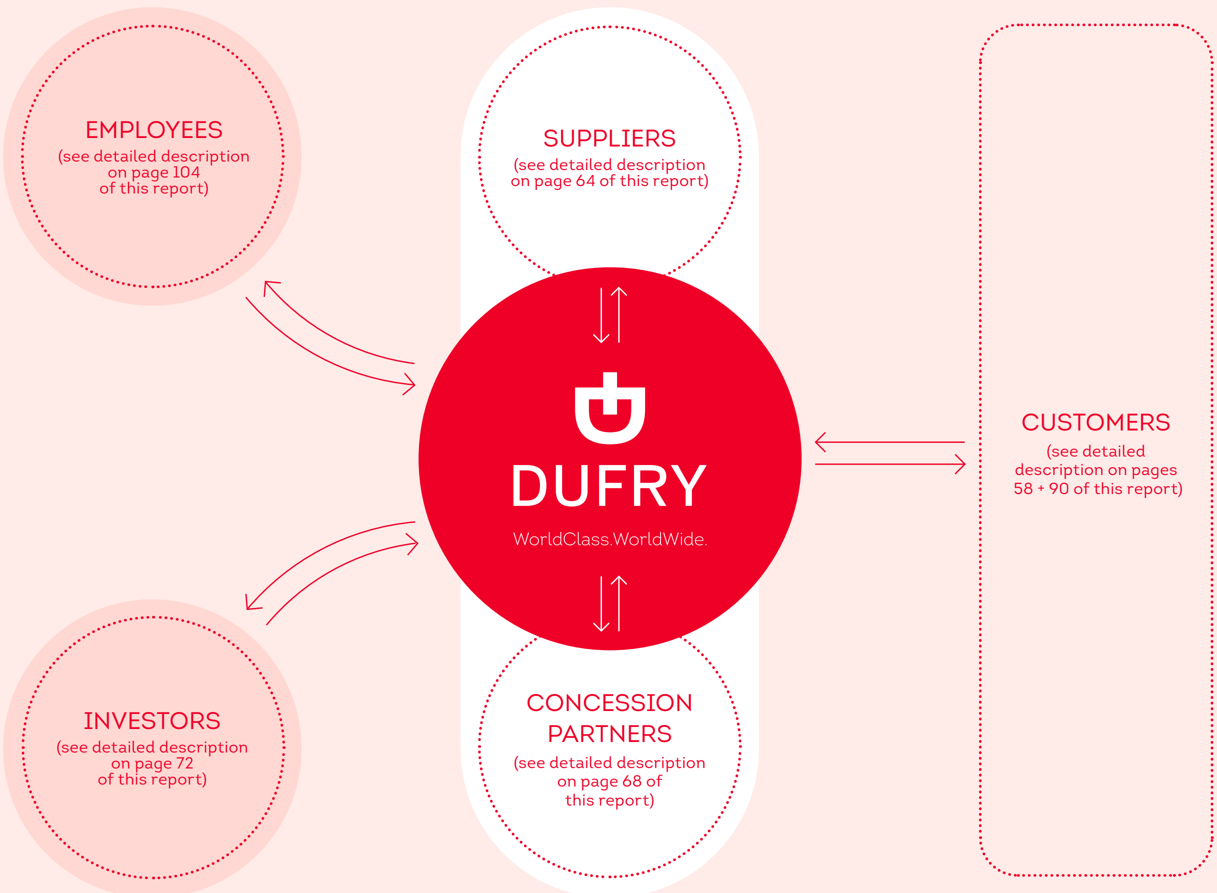
- Dufry commits to establish SBTi emission reduction targets
- Listed in the SXI Sustainability 25 index of the SIX Swiss Exchange
- HR Policy published
- Disclosure of Sustainable Management Guidelines
- First dedicated D & I survey, reaching over 70 % of headcount

2022

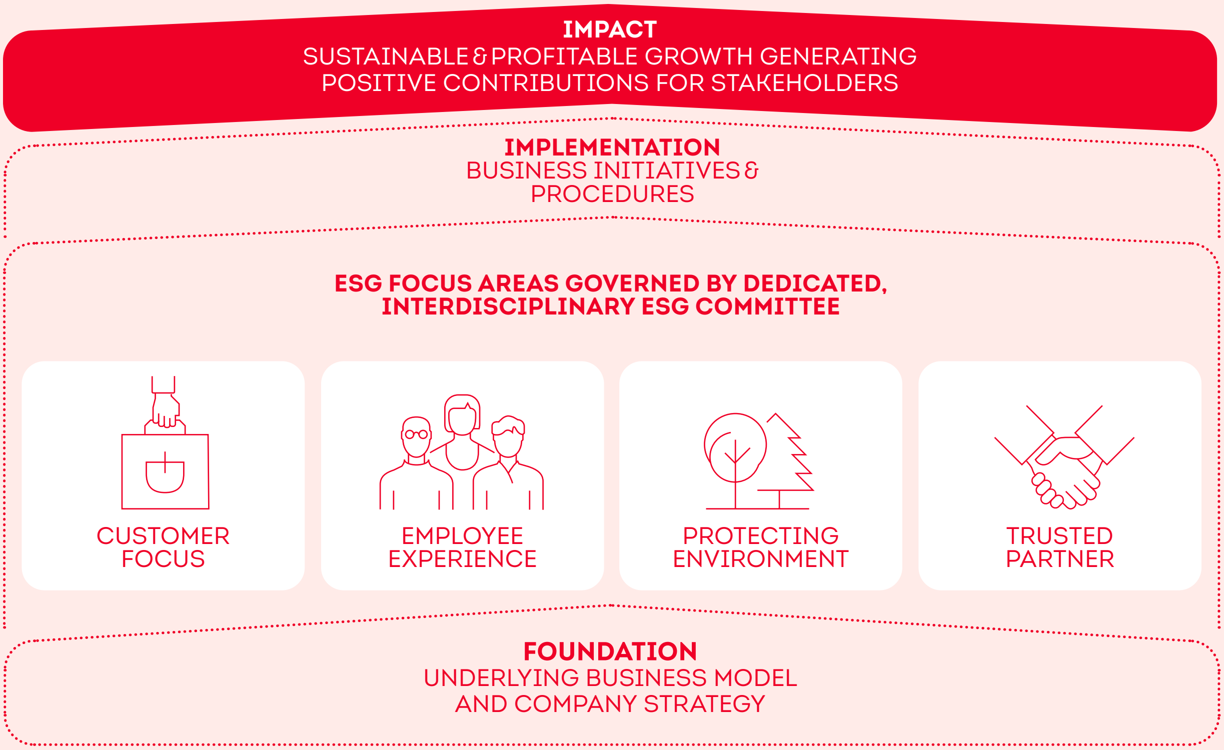
- Dufry receives SBTi validation for its Scope 1, 2 & 3 emission reduction targets
- 20 % electric energy covered by renewable energy
- First TCFD Report 2022, published in the first quarter 2023
- Second Diversity & Inclusion (D & I) survey executed, covering all Dufry operations worldwide

During 2022, Dufry has continued evolving its ESG commitment, taking a leading position in ESG in our industry. Dufry´s ESG developments and ethics are widely recognized across the main players of our business environment. Our strong commitments – such as the establishment of emission reductions targets in line with the Science Based Targets initiative (SBTi), the preparation of a TCFD Report, or our commitment towards protecting Human Rights as signatory member of the UN Global Compact – are strong testimonials of the importance Dufry places to ESG. We are not alone in our journey towards building a more sustainable industry, and in this regard, we share common objectives with our main stakeholders, especially airport concession and brand partners, as reflected in this report.

ALIGNING OUR BUSINESS ECO-SYSTEM



ESG ENGAGEMENT FULLY INTEGRATED IN COMPANY STRATEGY



IMPLEMENTATION OF SUSTAINABILITY STRATEGY SUPERVISED BY BOARD OF DIRECTORS

1. At the level of the Board of Directors the implementation of the ESG strategy is supervised by the Nomination & ESG Committee, chaired by the Lead Independent Director. The Board of Directors is informed on the ESG strategy implementation progress quarterly.

2. The interdisciplinary ESG Committee defines and drives the implementation of the ESG strategy. In 2022 it met every two months and consisted of: Chief Executive Officer, Chief Financial Officer, Chief Corporate Officer, Chief Commercial Officer, CEO Operations, Chief People Officer, Chief Diversity & Inclusion Officer, Group General Counsel, Chief Compliance Officer, Global Internal Audit Director, Global Head Investor Relations, Global Head of Corporate Communications & Public Affairs.

3. Day-to-day implementation of Dufry's ESG strategy is executed by the ESG Department as part of the Corporate Communications & Public Affairs department.

Scope of our reporting
Dufry is a global travel retailer operating over 2,200 duty-free and duty-paid shops in airports, cruise lines, seaports, railway stations and downtown tourist areas. In 2022, we employed 23,779 employees (FTEs) across 62 countries, and we represent over 1,000 different, most renowned global and local brands in our stores. Dufry is part of the Swiss Market Index MID (SMIM) and has a balanced mix of large and small globally diversified shareholders, with a free float of 67%.

This sustainability report has been prepared in accordance with the GRI Universal Standards 2021 and covers our environmental, social and governance (ESG) activities, performance and approach for the year 2022 focusing on the topics we have determined to be of greatest importance for Dufry and its stakeholders.

For an easier comparison, we continue to embed in our ESG Report the UN Sustainability Development Goals (SDGs) and include information on the respective GRI indicators and SDG goals, which Dufry covers in the corresponding sections of this report, thus enabling the reader to obtain a better and more transparent understanding of our strategy and ESG successes.

In early 2020, Dufry became a signatory member of the UN Global Compact and started to prepare a progress report, which together with the GRI Index and the Sustainability Report Annex as well as the new TCFD Report is embedded in and complements the information of this annual report (also including the Corporate Governance Report (page 247) and the Remuneration Report (page 278). All these reports are also available online as individual files in the sustainability section of our corporate website: www.dufry.com/en/sustainability.

As indicated in the Trusted Partner section, Dufry has published its first TCFD Report 2022 in early 2023. With this report, Dufry has taken another step forward in transparency and disclosure in a clear, comparable and consistent manner, by showing detailed information about the risks and opportunities in our business that are triggered by climate change.

Materiality Assessment
Dufry´s materiality assessment helps the company to align its business with the expectations of its stakeholders and with society in general. The materiality assessment process aims to identify and prioritize the issues of the greatest material importance; and it is also the basis for defining our GRI reporting content and the boundaries of the topics. The process follows the principles of stakeholder inclusiveness, environmental and social context, materiality and completeness according to the GRI requirements.

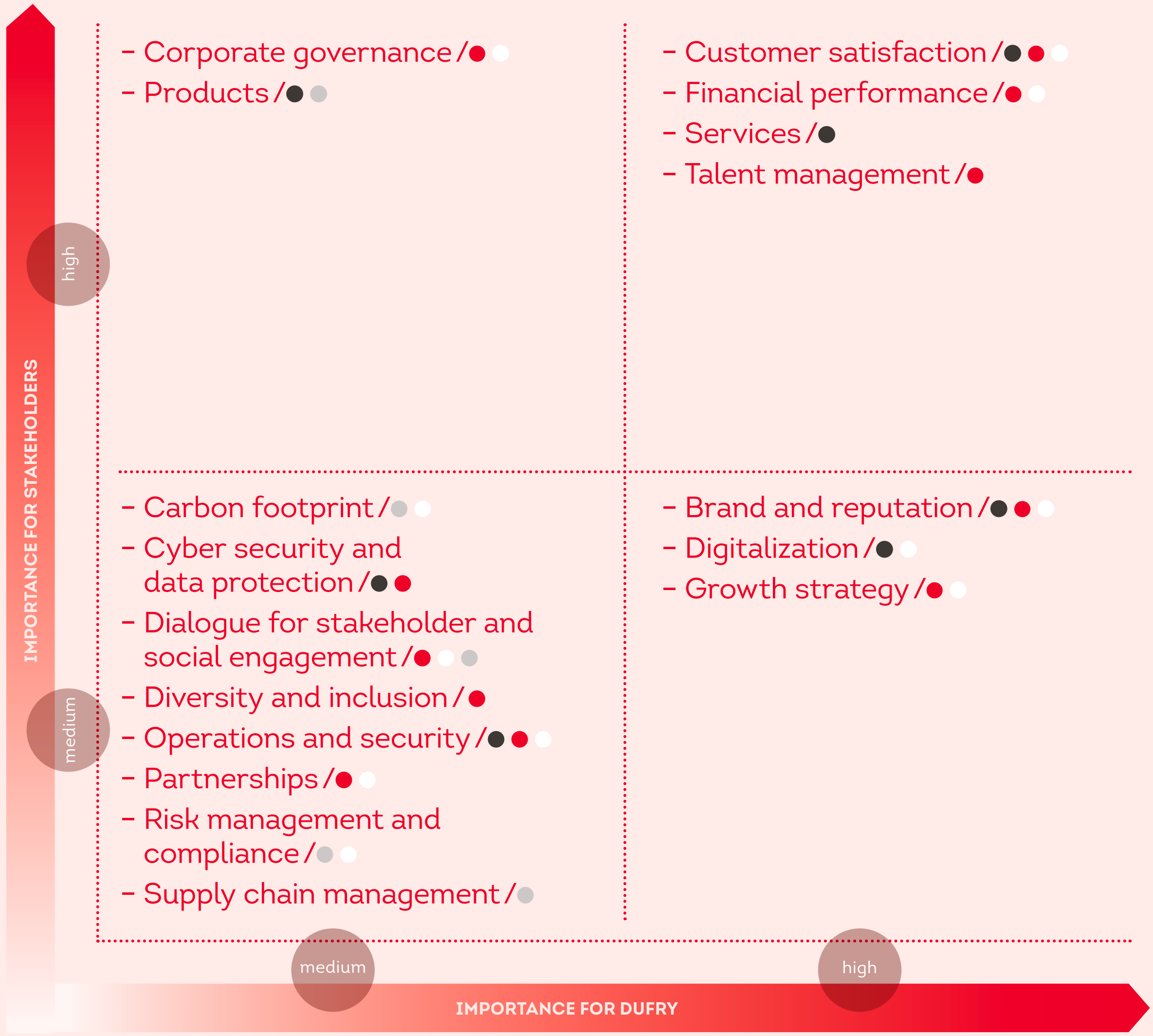
Dufry´s first materiality assessment was conducted in 2016 in collaboration with an external specialized service provider. This resulted in the publication of our first Materiality Matrix, outlining the topics considered most relevant to both our stakeholders and our business.

The initial Materiality Matrix was created through a scaled process, which began with the assessment of a number of internal and external sources such as our existing policies and regulations, publicly available materiality assessments of peers, the SASB requirements (Sustainability Accounting Standards Board) and the report of the Governance & Accountability Institute. As a next step, we gathered stakeholder feedback, mainly through various internal sources, but also through our role in trade conferences and associations, one-on-one discussions and the ongoing dialogue with shareholders and other stakeholders and through regular customer surveys.

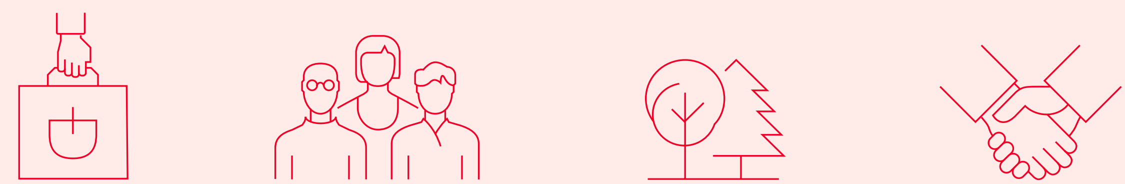
Our vision of sustainability however is not a static one, and Dufry conducts periodic and comprehensive materiality assessments to identify our most relevant reporting topics from an ESG perspective. The last comprehensive materiality assessment which also reflected a variety of external stakeholder interviews – including financial and ESG analysts, business partners and industry associations – was done in 2021. As a result of the assessment, we added “Carbon Footprint” to the Materiality Matrix, building on the voluntary reporting on the Scope 1, 2 & 3 emissions, which we had started to disclose in 2020. For 2022, our Materiality Matrix remained unchanged.

Risk management and control
Risks and opportunities inherent to Dufry´s business consist of two groups: Financial risks – related to interest rates, exchange rates, credit risks and liquidity risks – and non-financial risks and opportunities. While financial risks are described in the Financial Report on pages 209 – 216, a comprehensive description of the Group's non-financial risk mapping, which has been updated in 2022, is included in the ESG Report Annex as well as the TFCD Report, both available on the corporate website: www.dufry.com/en/sustainability.

MATERIALITY MATRIX



● = CUSTOMER FOCUS ● = EMPLOYEE EXPERIENCE ● = PROTECTING ENVIRONMENT ● = TRUSTED PARTNER



Note: Within boxes topics are listed in alphabetical order

IMPROVEMENTS CARRIED OUT DURING 2022

CUSTOMER FOCUS

New shop concept MIND.BODY. SOUL. introduced, catering for increasing demand in respect of sustainable, health related and wellbeing products

Sustainable Product Identification Initiative further expanded

Ongoing training of new staff for responsible retailing

EMPLOYEE EXPERIENCE

Second Diversity & Inclusion (D & I) Survey executed covering all countries

Comprehensive D & I training series launched for all employees

Coverage of internal online communication application now reaching 90 % of employees

PROTECTING ENVIRONMENT

Validation of emission reduction targets by SBTi achieved

20 % of electric energy consumption substituted with renewable energy – equivalent of our total electricity consumption at our operations in Brazil, Greece, Switzerland and the UK

Setup of supplier and logistics provider engagement process initiated to reduce Scope 3 emissions

TRUSTED PARTNER

First TCFD Report (Task Force on Climate Related Financial Disclosure) covering the 2022 business year published in early 2023

Dufry Supplier Code of Conduct recertification further expanded. 52 % of Dufry´s overall procurement budget have now accepted or acknowledged the Supplier Code of Conduct (2021: 45 %)

ESG KPIs introduced in remuneration scheme of Global Executive Committee

OBJECTIVES

Dufry's success goes beyond commercial and financial performance and we understand that our business activities also have an impact on the communities in the countries in which we operate. Since 2019, Dufry has supported the Ten Principles of the United Nations Global Compact on human rights, labor, environment and anti-corruption, and we became a signatory member to the UN Global Compact in 2020. We regularly align our overall sustainability strategy with the 10 principles and develop relevant initiatives geared to achieving a more sustainable business, including:

CUSTOMER FOCUS

As the leading global travel retailer, we aim to further progress in providing a holistic travel experience – in our shops we welcome customers from over 150 nationalities every day – and initiate growth opportunities that benefit travelers, brands and concession partners alike, by developing attractive shopping environments.

While having accelerated the responsible retailer certification in 2021 and 2022, we are committed to keep providing responsible retailer training for the sale of alcohol products. Such training is given to store and office staff involved in the sale of these products and going forward, is also given to all new employees as part of their regular training offer.

Following the launch of the sustainable product identification initiative in 2021, we will further evolve our sustainable product assortment in line with customers' preferences and feedback provided and will continue working with main stakeholders – concession and brand partners – to both enlarge the offering and give higher visibility in our stores.

Dufry will continue delivering retail concepts – such as Mind.Body.Soul. – which cater for the new demands from our customers on sustainability and wellbeing products.

EMPLOYEE EXPERIENCE

Diversity and Inclusion (D&I) will remain an area of focus for Dufry. Based on the findings identified in the D&I surveys of 2021 and 2022, we will develop targeted initiatives to further support employees to better manage work, family and life-balance topics. Moreover, we will continue to evolve our training offers for all employees.

The ongoing development of fair compensation and of gender pay gap reduction programs remained an important part of our efforts in 2021 and 2022. Leveraging on the experience gained through the reconfirmed Equal Salary Certification achieved in Switzerland, we will continue to analyze compensation plans across the Group and develop remediation plans if needed.

The business combination with Autogrill will pose an opportunity to enrich the human capital of our business with the incorporation of additional colleagues and the skills and expertise they are able to offer. In this regard, sharing of best practices and business knowledge will be a key critical area of work for 2023 and the years to follow.

PROTECTING ENVIRONMENT

2023 will see a detailed review of our ESG Strategy to ensure alignment with the Autogrill business combination.

As such, we will continue our path to replace electric energy consumption with renewable energy to reach our goal of climate neutrality for our own operations (Scopes 1 & 2) by 2025.

Following our emission reduction targets validated by SBTi in early 2023, Dufry will further engage with brand and logistic partners to deliver on our targets and to design a comprehensive emission reduction plan in this regard.

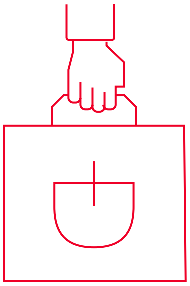
TRUSTED PARTNER

Through our shop network, we directly and indirectly support the local economies of the countries in which we operate: either by employing local staff, sourcing local products, or by paying taxes. Providing jobs and quality working conditions and opportunities, including our training and development programs, are important contributors to developing local wealth.

Dufry continued its plan to monitor its supply chain sustainability, with the addition of new suppliers who have accepted the terms of our Supplier Code of Conduct in 2022. This approach will remain in 2023, when we will extend the reach of the Supplier Code of Conduct to a larger number of suppliers.

We will continue to advocate for sustainable business practices, both in industry forums that we participate in and contribute to define international commitments and initiatives.

CUSTOMER FOCUS



GRI INDICATORS:
401-1, 404-3, 414-1, 416-1, 417-1, 417-2, 417-3, 418-1

SDGs:
4.3, 4.4
5.1
8.1, 8.5, 8.8
10.3
12.8
16.3, 16.7, 16.10

Making Travelers Happy. This is the ambition outlined in Destination 2027, Dufry´s new strategy as disclosed in September 2022 (see separate section at the beginning of the Annual Report). Putting the customer at the center of every decision we make, is what has taken Dufry to its leading position in the travel retail market. Our main mission is to meet and exceed customer expectations, which we achieve through the combination of sourcing unique product choices, providing attractive shopping environments and offering special shopping experiences. Our customers' expectations however have evolved in recent years and have become even more sophisticated. The traditional price-value proposition has been enhanced with additional elements, as consumers today demand higher standards of sustainability from retailers. From privacy and data protection, to responsible marketing and communication practices, or product and supply chain stewardship, there are many elements in our offers that receive special attention from Dufry and enable us to be a more sustainable travel retailer and our customers to shop more considerately.

Creating the best shopping experience
Our corporate brand statement, WorldClass.WorldWide, reflects our ambition to create the best possible travel retail experience and shopping environments to capture the interest of travelers and to generate attractive buying opportunities. As one of the main pillars of our future growth, travel and shopping experience is based on three main elements: store design, product and service - both in-store and online.

When Dufry develops or refurbishes its stores, special attention is paid to creating a strong sense of place, thus linking the shopping environment to the individual country's cultural heritage, where the stores are located. The powerful combination of state-of-the-art store designs with local motifs and references, alongside a carefully curated selection of local products sourced from local suppliers, results in unique shopping spaces that enable customers to experience a full cultural immersion in the destination with a true "sense of place". Dufry cooperates closely with concession partners and brand suppliers on elements including store design, passenger flows and allocation of commercial space. With the same attention to detail, our shop design teams focus on the use of sustainable materials and follow the LEED recommendations (Leadership in Energy and Environmental Design) when designing our stores.

Industry recognition
This collaborative work results in improved passenger services, as well as more visibility and opportunities for brands. Testament to this collaboration is the remarkable example of Heathrow Airport in London, where Dufry operates a large proportion of the stores in all of Heathrow's terminals. Awarded third place for Best Airport Shopping by Skytrax Awards in their 2022 edition, Heathrow has been in the top position for eleven consecutive years until 2020 (due to the COVID-19 pandemic, Skytrax temporarily suspended the Awards in 2021). This recognition is of special interest for Dufry, as the Skytrax Award survey gathers the opinion of over 13 million airport users, from 100 different nationalities, across more than 550 airports.

Delivering consistent outstanding customer service is Dufry´s main aspiration. No matter where our stores are located, the ultimate objective of Dufry´s Customer Retail Excellence program – an on-going training program for our sales staff – is to give our customers the best possible shopping experience. This program focuses on:
– Reinforcing customer service through ideal staffing levels according to store traffic and sales

- Providing employees with a clear focus and target for each shift
- Empowering teams through strong leadership
- Enhancing selling capabilities around our products, promotions and special lines / offers.

In supporting the program, 13 Academy Stores spread across the three main regions were rolled out globally. Located in Stockholm, Zurich, Athens, Madrid, Marrakesh, Jordan, Toronto, New York (Newark), Cancun, São Paulo, Buenos Aires (Ezeiza), Melbourne and Bali, these stores serve to test concepts and best practices, and function as a reference for stores in other airports and geographies.

Fulfilling new consumption habits
New customer behavior trends – observed in the dedicated surveys which are regularly conducted, as well as by analyzing social media channels with artificial intelligence – indicate three main requirements: availability of sustainable and wellbeing products, as well as an ongoing need for more contactless and reduced in-person interaction at the tills and more digital in-store engagement. Further shifts in consumer behavior will happen in the future, and we keep monitoring the evolution to offer suitable solutions.

Looking into the future, and as presented in Destination 2027, with the collaboration of brand and concession partners, Dufry is working on launching a travel experience revolution. The related new value proposition is based on customized offerings for travelers, including elements of a holistic experience, new categories and exclusive products. This experience will be delivered both in physical "smart" stores, with a modular concept that allows us to customize the offering to different passengers, routes and nationalities, as well as through digital channels, with extensive digital engagement before and after travel, to enhance consideration and loyalty.

Dufry has developed a new retail concept known as Mind.Body.Soul., created to meet the increasing consumer interest in purchasing healthier and more wellbeing related products. The "shop-in-shop" concept offers a range of nutritious, energy focused food for health conscious customers, alongside sustainable products for a better environment, and many relaxing products that help promote a sense of wellbeing.

Products from a broad spectrum of categories and brands are displayed under four different themes: Stay Healthy, Relax, Feel Better and Travel Comfort. The majority of the product selection consists of locally sourced brands, but also includes products from established global brands, as well as new and innovative brands that meet the expectation of consumers in terms of their sustainability or wellness credentials.

Dufry´s affiliate Hudson unveiled the combination of its Food & Beverage concept Decanted and its Hudson Nonstop concept at Dallas Fort Worth International Airport (DFW), blending retail and dining options side-by-side. This new space brings together Hudson's first wine bar and its travel essentials store, which uses Amazon's checkout-free technology and palm recognition service, into one walkthrough location.

The concept is adapted to the needs of travelers who are looking for dining, convenience and simplicity and builds on the expertise of Hudson in food & beverage, convenience and retail.

Sustainable product identification / Sustainable products

The choice by customers of more sustainable products when shopping is another trend seen in the last couple of years. According to research from the consultancy M1ndset, 84 % of travel retail and duty-free shoppers think a greater focus on sustainability by manufacturers has a positive impact on their perception of a brand, whilst 74 % feel that a greater focus on sustainability increases the likelihood of them purchasing products of a certain brand.

In 2021, Dufry implemented a Sustainable Product Identification System, highlighting those products that are aligned with customers' personal values and which fulfill defined sustainability criteria. The signage created for the purpose is simple and easy to understand and has been designed to highlight and create customer awareness of the various sustainability criteria associated with Dufry´s selection of products. In 2022, this initiative has been extended to additional locations and products, which now includes 675 products from 20 global suppliers across all Dufry´s core product categories and is implemented in 167 shops across 126 locations globally.

Supplier Code of Conduct

Dufry neither produces any goods nor sells any white-label products; except for a pilot private-label assortment, including for example, destination products introduced in the second half of 2022. As a pure retailer, all products available on our shelves are produced by third party companies. As explained in the Trusted Partner section of this ESG report, Dufry expects all of its suppliers to comply with the law, stipulated contract conditions and international best practices in respect of human rights, the environment, health and safety and labor standards. To ensure this, Dufry regularly updates its Supplier Code of Conduct, available on the company´s website, which stipulates the provisions required to be a supplier to Dufry. As an additional step, since 2018 Dufry proactively approaches its main product suppliers to secure their agreement with and / or acknowledgement of the Supplier Code of Conduct, and hence ensure the provisions included are accepted, following a 3-year cycle for reassessment.

In 2022, we have further increased the reach of our supplier certification process by adding additional providers from all main product categories – from 117 by the end of 2021 to 152. These suppliers represent 59% (2021: 52%) of the Group´s procurement budget (COGS). As of December 31, 2022, suppliers accounting for 52% of Dufry´s overall procurement budget had accepted or acknowledged the Supplier Code of Conduct (2021: 45%). On top of monitoring suppliers to ensure compliance with the principles established in Dufry´s Supplier Code of Conduct, the company will continue to reach out to additional suppliers going forward.

Responsible marketing

Dufry's responsibility goes beyond the products sold and includes its marketing practices (see Customer section of the Annual Report). Traditionally, Dufry has played an active role in the main travel retail associations and in the self-regulation of marketing practices, especially for the sale of alcohol. Dufry has contributed to the development of the Duty Free World Council´s (DFWC) Self-Regulatory Code of Conduct for the Sale of Alcohol Products in Duty Free & Travel Retail – called Responsible Retailer of Alcohol Products. This Code of Conduct, which complements existing codes and guidelines followed by individual alcohol manufacturing companies and other bodies, is widely accepted by most travel retailers worldwide and was signed and implemented by Dufry in 2017.

Responsible Retailer Accreditation

The DFWC's Code of Conduct provides a unique standard for promoting responsible retailing of alcohol products in the duty-free and travel retail channels, establishing clear guidelines for commercial communications, sales of products in the travel retail and duty-free environments and for product sampling and tasting at the point of sale. The Code of Conduct is publicly available from the DFWC website www.dfworldcouncil.com.

In 2021, we took an additional step forward to obtain the DFWC Responsible Retailer accreditation. This accreditation is granted after members of our staff involved in the sale of alcohol products – both at store and office levels – have been trained on the abovementioned code through a DFWC developed training module. By the end of 2022, over 2,300 of our employees had obtained that certification. This important training is incorporated into Dufry´s training catalogue and the company continues to train all other employees who are involved in the sale of alcohol.

Further progress in several areas

Understanding our responsibility, we have made significant progress in:

- Ensuring that products on Dufry shelves adhere to the product safety principles stipulated in the Dufry Supplier Code of Conduct
- Responsible marketing communications, both instore and through our pre- and post-sale points of contact with customers, as well as in product warranties and refund policies
- Data protection and security of customer and company information
- Regularly gathering customer feedback, concerns and suggestions through our own field research and interviews conducted either online or across 50 major airports where Dufry operates, as well as through the Customer Service department, which offers direct email or telephone access to the company.

Customer service engagement

In 2022, Dufry´s global customer service team answered 154,242 inquiries (compared to 80,025 in 2021). Out of all these customer contacts, 24,222 were customer complaints, 80,426 were information requests, 34,180 were services requests, 343 were compliments and 196 were suggestions. The remaining 14,872 queries are related to contacts received that do not refer to Dufry or that the customer does not respond to. The increase in the number of contacts is related, among other factors, to the recovery of traffic volumes across all locations and to a higher number of users of Red By Dufry services (the Group's loyalty program) and the Reserve & Collect pre-order service.

The main causes of complaints were as follows:
- Product damage
- Red By Dufry missing points
- Confiscation of products
- Billing overcharge
- Error in card transaction.

Case resolution time was, on average, less than 13 days.

Customer privacy and data protection
Dufry is committed to safeguarding the privacy of its customers and their personal information. Dufry has implemented the necessary management and Cyber Security systems to treat any customer's personal information as confidential. This also includes securely storing personal information – such as for example name, surname, email address or loyalty card number – to prevent unauthorized access to it, along with ensuring that such personal information is only collected, used and otherwise processed for legitimate business purposes in accordance with applicable laws, the Privacy Notice and Dufry´s Code of Conduct (both accessible in the company´s website).

Dufry offers two website applications that collect some personal information from customers – the Reserve & Collect service and its loyalty program called Red By Dufry. These customer engagement channels have experienced a significant increase in registered users. Some personal information and preferences of these customers are collected during the registration process, so that Dufry can provide more personalized communication and in-store experience.

Online transactions
While Dufry is undergoing a digital transformation of its business and embracing digital technology across multiple customer touchpoints, the company still doesn't handle online transactions that include payment for duty-free goods – exceptions are being made for some locations, where respective customs regulations allow for this kind of service. The above-mentioned Reserve & Collect service only allows customers to reserve products and collect them at their preferred airport location at the time the customer flies. Normally however, it is not until customers collect the products and show their boarding passes as required, that the payment is processed. This is due to customs regulations that only permit Dufry to sell duty-free products at the airport location itself.

Data protection structure and audits
Dufry's Group Data Protection Policy sets out strict requirements for the processing of personal data of customers, business partners, employees and other third parties whose personal information Dufry may have access to. It meets the requirements of the European General Data Protection Regulation (GDPR) and globally ensures compliance with the principles of national and international data protection laws in force all over the world. The policy sets a globally applicable data protection governance and regulates roles and responsibilities among our Group companies. Dufry has a Global Data Protection Coordinator (Global DPC) who reports to the Chief Compliance Officer. The data protection organization relies on a decentralized structure, with local data protection coordinators (Local DPCs) in the relevant countries. The Local DPCs bear the responsibility for data protection matters within their scope of operations.

Our employees, as well as third-parties who provide services on Dufry's behalf, are required by policy and process, as well as by contract, if applicable, to treat customer information with care and confidentiality. Our processes are designed to preclude unnecessary access to confidential information and Dufry has administrative, technical and physical safeguards that reflect this obligation. Dufry regularly reviews and enhances related procedures and policies.

The Group also undertakes internal Data Protection Audits and intrusion tests on a regular basis, while periodic meetings are held to discuss and improve the protection of customers' personal data. Anyone wishing to report a grievance or ask a question regarding Dufry's data privacy policy, or to access, delete, correct or transfer their personal information, can address such data subject requests to privacy@dufry.com.

In 2022, Dufry did not receive or register any incident regarding a breach of customer privacy.

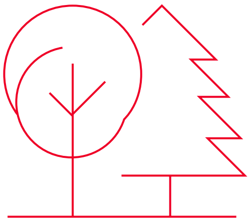
Cyber Security
Dufry is continuously monitoring, reviewing and upgrading its processes to protect its business from potential cyber security threats that ultimately could end with theft of data. At a global level, Dufry has a Global IT Security Team that is responsible for keeping IT threats away from Dufry's business, understanding emerging threats and investing in the necessary technology to mitigate potential new risks.

In this regard, Dufry has a number of systems and security processes in place, including a robust IT security system and a number of internal policies and procedures complying with applicable laws and regulations. This is all included in the company's Global Information Security Policy, which is aligned with the international security frameworks ISO 27000 and the National Institute of Standards and Technology (NIST).

Dufry performs regular tests of its systems and takes several measures to improve cyber security, prevent malware infections and avoid data breaches.
Amongst others, Dufry:
- Encrypts customer, payment and any sensitive data and limits access to it
- Keeps software up-to-date by installing updates and security patches
- Secures point of sale (POS) devices and applications
- Performs regular vulnerability testing to identify weaknesses
- Monitors all activity in Dufry's systems and data for any anomalous activity and indications of threats
- Uses (and promotes amongst its employees) secure passwords and two-factor authentication
- Runs antivirus software continuously, periodically scanning systems for malicious files
- Has introduced advanced Malware protection
- Has PCI certifications in place in most of the countries where it operates
- Has established a global security monitoring and protection system overseeing Dufry's cloud services.

Security Awareness Program
As part of the Security Awareness Program, Dufry conducts regular internal communications campaigns and both mandatory and optional training for all employees regardless of function and location. The content of this communication and training program includes relevant and individual steps towards achieving a secure IT environment, including:
- PCI DSS Awareness
- Secure Remote Working
- Phishing & Ransomware
- Password Safety
- Privacy and Data Protection
- Social Engineering
- Global Information Security Policies
- Global Policy of Acceptable Use of Technology
- Data Leak Prevention.

PROTECTING ENVIRONMENT



GRI INDICATORS:
302-1,3; 305-1, 2, 4, 5

SDGs:
3.9
7.2, 7.3
8.4
12.2, 12.4
13.1
14.3
15.2

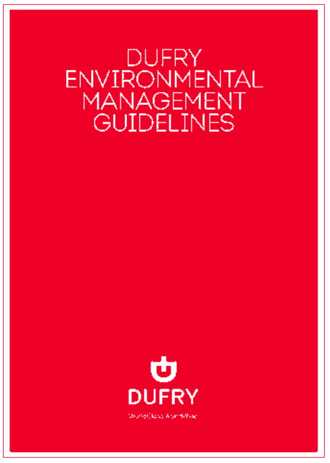
Roadmap towards environmental sustainability
Dufry is committed to conduct business in an environmentally conscious manner. Dufry regularly assesses the environmental reach of its commercial activity and works towards minimizing the impact. Due to the special nature of the travel retail industry in which Dufry operates, we closely collaborate with third parties, in particular with concession partners, brand suppliers and logistics providers, towards reducing the environmental impact of the business and contribute to implement circular economies where possible.

In this regard, Dufry closely collaborates with its partners to become a more sustainable business by promoting effective use of resources – especially energy – across the operations and supply chain, minimizing the generation of unnecessary waste, adopting new technologies that contribute to the reduction on environmental impacts, and supporting our customers in their objective of choosing more sustainable products.

Dufry operates shops in highly regulated, third-party owned premises such as airports, train stations, cruise ships & ferries, seaports and downtown resorts. This means that for most of the stores, a large proportion of the utility consumption, such as water or energy usage, and sourcing in the shops, cannot be directly changed or influenced by Dufry, as these factors are predetermined by the concession partners and the given building construction. Likewise, Dufry does not develop its own products, does not operate any of its own manufacturing sites, and only sells third-party products directly sourced from its brand partners.

The company therefore concentrates its energy-saving and emission reduction efforts mainly in the areas of product sourcing, supply chain & logistics, its own office premises and in the planning of new stores, or in the refurbishment efforts of existing shops. With respect to shop design, the focus is on the related construction materials, fitting equipment and lighting, in accordance with several sustainability criteria.

Dufry recognizes the importance of international initiatives to promote action around environmental sustainability. In this regard, Dufry is firstly a signatory member of the UN Global Compact, adopting the commitment of taking a precautionary approach to its operations; secondly supports the UN Nations to drive awareness about the Sustainability Development Goals (SDGs), and thirdly participates in a number of industry initiatives, such as the ACI Europe Climate Task Force.



Dufry's environmental management system
Dufry has established an environmental management system that permits the company to assess and understand its impact on the environment with a systematic and consistent approach, subsequently enabling

the company to define the main lines of our goals and actions. In some areas, where we have direct and stronger possibilities to influence our footprint, we have already actioned specific initiatives to reduce our footprint, such as the replacement of plastic bags (see page 101). In other circumstances, where our business model provides less potential of directly influencing our footprint, Dufry significantly increases its stakeholder dialogue – mainly with airports and supply chain – to explore opportunities to reduce the impact further.

As a signatory member of the UN Global Compact, Dufry has formally adopted the precautionary approach principle to its operations. The company follows a consistent process to assess its operations from an environmental perspective, to identify current or future environmental impacts of its activities and to promote initiatives that respect the environmental balance and comply with existing environmental laws and regulations.

Dufry´s environmental management system, supervised and implemented by the ESG Committee, hence permits placing the environment at the center of decision-making through:
- Assessment of environmental risks of its activities, facilities, products and services on a regular basis, improving and updating the mechanisms designed to prevent, mitigate or eradicate them
- Ongoing identification, assessment and mitigation of the environmental impacts of the Group's activities, facilities, products and services
- Management of risks and impacts by establishing objectives, programs and plans that promote the continuous improvement
- Environmental training of the Group's professionals.

In this regard, we regularly engage in constructive dialogue with stakeholders in the areas in which we can actively influence the environmental footprint, to assess the impact and eventually implement measures to minimize or even offset the impact. As a complement to Dufry´s Environmental Management System, Dufry has a set of Environmental Management Guidelines that define the environmental principles that Dufry follows when it comes to Climate Change and Energy Efficiency, Resource Consumption and Shop Development. These guidelines are available in the Sustainability section of Dufry´s corporate website: www.dufry.com/en/sustainability.

Reducing resource consumption
To better assess and understand the environmental impact of Dufry´s activity when it comes to resource consumption and emissions, we have identified five different areas of our business that permit the company to track and, in a second stage, implement the necessary measures and goals to minimize the impact. These include the third-party production of the goods sold in our stores (supply chain), goods transportations, warehouses, shops and office environments.

With respect to the types of resources used and the information collected, electricity and fuel consumption are the most material aspects of our footprint; water consumption is marginal and restricted to normal use by our employees and cleaning services within our premises.

Stores
Most of the electric energy consumption of Dufry´s activity happens in the store environment. Lighting, refrigeration and air conditioning of over 2,200 stores are the largest contributors to our energy consumption and, consequently, to our CO_2 footprint. The direct influencing capability of Dufry on these is however limited, due to the nature of our business. Dufry stores are mostly located in third-party owned premises and in highly regulated environments, where Dufry has little or no choice when selecting power sources. The concern for reducing the CO_2 footprint from energy consumption has been raised in a large number of airports where Dufry operates and concession partners have initiated plans to move to green energy sourcing. Although this move works towards the reduction of our Scope 2 emissions, Dufry has defined – as further described in page 99 – its own CO_2 reduction plan to achieve Climate Neutrality in Scope 1 and 2 emissions by 2025 regardless of the efforts already initiated by some of our airport partners. See also dedicated section on page 103.

Based on the utility invoices issued by concession partners for the year 2022, we have identified emissions and resource consumption for operations covering over 90 % of total retail space. By reaching such a high figure, we have been able to extrapolate the information and estimate total emissions for all of our retail space.

Distribution centers and warehouses
The second-largest contributor to Dufry´s environmental footprint is the transportation of goods. Dufry operates three main distribution centers in Uruguay, Switzerland and Hong Kong, which then operate additional warehouses in Hong Kong, Runnymede (UK), Barcelona (Spain) and Miami (USA), to provide timely shipping of goods to our operations. These main logistics centers receive major shipments from the suppliers and further distribute products to our respective operations.

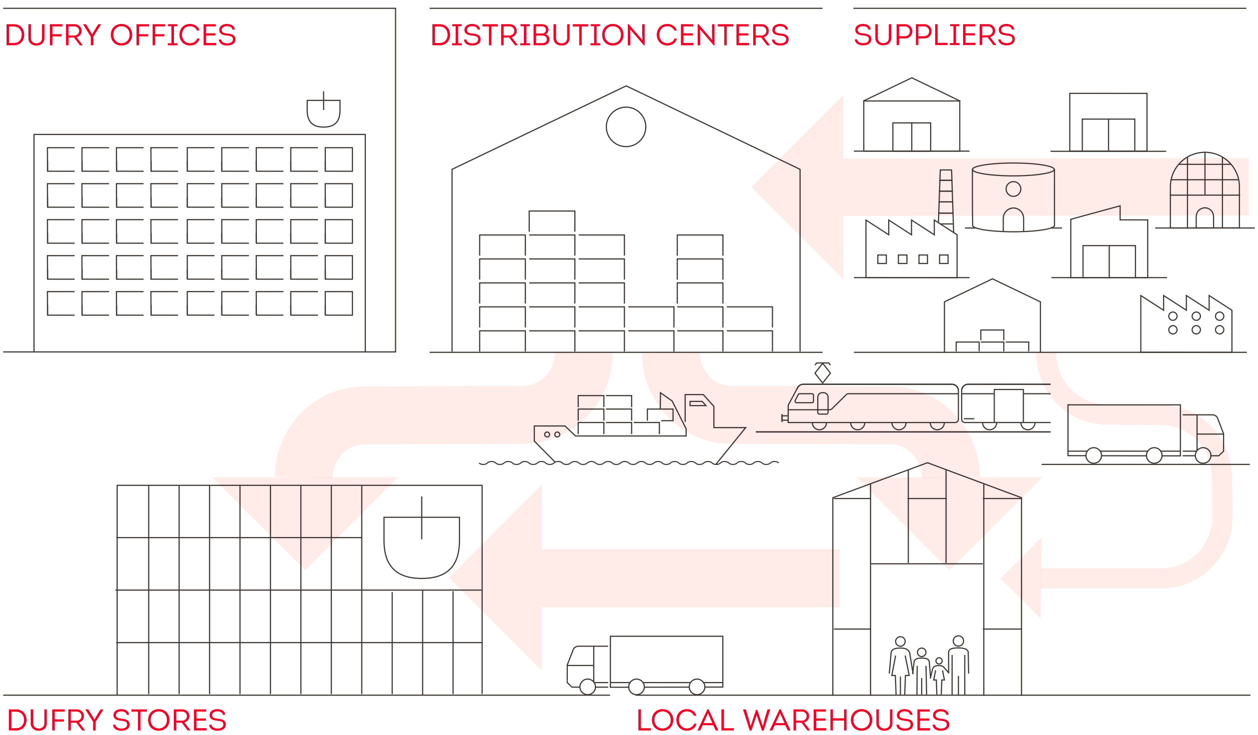
Whenever possible, freight is carried by sea and we aim to consistently select the most efficient means of transport in terms of CO_2 emissions. Furthermore, the vast majority of our long-haul logistics partners are either ISO 14001 accredited and / or have strong environmental management procedures in place.

Additionally, we have over 25 local warehouses, which redistribute goods received from the central warehouses to the operations. These are located where Dufry holds several significant operations within the same country in terms of volumes transported. In general, distribution to individual stores is done by road. These road transports are mostly outsourced to national and international specialized partners, some of which have implemented their own environmental strategies. Only a minimal part of the company's transportation – mostly in the UK – is done with a Dufry-managed transportation fleet. Through the high efficiency in our logistics chain, we ensure that the environmental impact of transporting goods is kept to a minimum.

The vast majority of shipments of goods from the supplier's site to Dufry's Distribution Centers is excluded from the assessment, as these emissions lie within the ESG responsibility of the suppliers. As part of its own emission reduction targets, Dufry actively engages with suppliers to discuss and encourage footprint reduction opportunities.

Office environment
Beyond stores and warehouses, Dufry has office premises in a number of operations across the world. Main ones include the Group´s Headquarter offices in Basel (CH), Bedfont Lakes in Feltham (UK), Madrid (ESP), East Rutherford (US), Miami (US) and Rio de Janeiro (BR). Within these premises, energy consumption is mostly related to lighting and heating. A number of individual measures, such as automatic switch off for lighting and heating systems, presence detector activators and staff awareness campaigns, have been implemented in Dufry offices to reduce utility consumption. Additionally, we advise our employees to question the necessity of any travel and consider using alternatives to travel, such as virtual meeting systems (videoconferences, teleconferences, computer live meetings, etc.) and we promote more environmental alternatives for our employees' daily commuting, such as public transport offers.

TRANSPORTATION CYCLE & EMISSIONS MAPPING



Our CO_2 Footprint
Dufry follows the Greenhouse Gas Protocol (GHGP) standards to report CO_2 emissions. This protocol is the most widely used international accounting tool for governments and businesses to understand, quantify and manage greenhouse gas emissions and classifies emissions into three scopes:

- Scope 1: Direct greenhouse gas emissions from sources owned by the company. For Dufry, Scope 1 emissions are limited to those from the fuel used by Dufry-managed transportation fleets and fossil fuels used mainly for heating purposes.
- Scope 2: Indirect greenhouse gas emissions from electricity use. In the case of Dufry, these include electricity consumption in stores, offices and warehouses.
- Scope 3: These are the emissions released by third parties when they provide their services to Dufry. For Dufry, Scope 3 emissions are dominated by purchased goods (Scope 3 category 1). Other relevant emissions are related to capital goods (category 2), upstream transportation & logistics (category 4), and employee travel (category 7), and use of sold products (category 11).

Compared to other companies, Dufry has a singular emission structure and, unlike other businesses where Scope 1, 2 & 3 emissions are in a similar order of magnitude, Dufry's carbon footprint is vastly dominated by the carbon emissions caused by the production of its purchased goods that are sold to our customers (in the base year 2019 e.g. about 90% of total emissions).

Delivering on our SBTi reduction targets
Dufry has defined science-based emission reduction targets, thus recognizing the crucial role the business community can play in minimizing the climate change risk. Science-based targets are greenhouse gas emissions reduction targets that are in line with the level of decarbonization required to meet the goals of the Paris Agreement – to limit global warming to 1.5°C. After committing to the Science Based Targets initiative in spring 2022, Dufry handed in emission reduction targets following the SBTi guidance (SBTi Target Validation Protocol). SBTi validated Dufry's emission reduction targets in early 2023.

Based on a comprehensive analysis of its business model and emissions profile commissioned to a third-party consultant, Dufry has established an emission reduction strategy for Scope 1 & 2 emissions which follows SBTi`s 1.5°C pathway. It will eliminate emissions from its own operations through energy efficiency measures and commits to increase annual sourcing of renewable electricity from 0% in 2019 to 100% by 2025. In addition, Dufry wants to achieve climate neutrality of its own operations (Scope 1 & 2 emissions) by 2025 by compensating unavoidable emissions with carbon offsetting initiatives to be defined in the near future.

ENERGY CONSUMPTION

in MWh	2022	2021	2020	2019
Electricity[1]	103,669	85,756	92,148	120,857
Fuels[2]	6,188	4,027	3,091	6,900

GREENHOUSE GAS EMISSIONS

In tons of CO_2-eq.	2022	2021	2020	2019
Scope 1[2]	1,524	935	717	1,736
Scope 2[1, 3]	18,900	19,813	21,290	27,923
Scope 3[4]	7,509	3,728	1,451	10,766
Total	27,934	24,477	23,475	40,425

Carbon Intensity[5]	2022	2021	2020	2019
Tons of CO_2-eq. / m^2 of comm. space	0.0697	0.0521	0.0500	0.0740

[1] The consumption levels of the reporting years 2022, 2021 and 2020 are not directly comparable to 2019, as 2022, 2021 and 2020 in particular are impacted by temporary shop closures due to the Covid-19 pandemic. Also, an increased coverage and scope extension of the data collection in additional Dufry entities has to be taken into account (2022: 91% of sales / 2021: 80% of sales / 2020 64% of sales / 2019 64% of sales are covered).

[2] Includes consumption of Dufry-managed goods transportation in the UK, Jordan and Morocco as well as diesel and gas of heating.

[3] Scope 2 emissions for year 2022 includes the contribution or purchased Renewable Energy Certificates (RECs). Without considering, Scope 2 emissions would be 23,844 tons CO_2-eq.

[4] Scope 3 emissions include data from logistics partners accounting for 83% of total volume of good transported globally in 2022 (2021: 64%; 2020 & 2019: 55%) as well as global employee's business flight emissions. Not included here are the product purchasing related Scope 3 emissions or other Scope 3 emission categories.

[5] Carbon intensity calculated over the total square meters of commercial surface operated by Dufry in m^2 (2022: 471,591 / 2021: 469,581 / 2020: 469,041 / 2019:469,990).

EMISSION REDUCTION STRATEGY SCOPE 1 & 2

The emission reduction strategy for Scope 1 & 2 follows the Science Based Targets initiative «1.5° C» pathway.

SCOPE 1 & 2 EMISSIONS TO BE REDUCED AND COMPENSATED

REDUCE ELECTRICITY EMISSIONS OF GROUP THROUGH LOWER CONSUMPTION AND USE OF «GREEN ENERGY»

Purchase Renewable Energy Certificates (RECs) at Group level

COMPENSATE RESIDUAL AMOUNT OF «NON-AVOIDABLE EMISSIONS» SCOPE 1 & 2

Engage in «Carbon offsetting» initiatives to compensate for the residual amount of CO_2 emissions

ACHIEVE CLIMATE NEUTRALITY FOR SCOPES 1 & 2 BY 2025

EMISSION REDUCTION STRATEGY SCOPE 3

The emission reduction strategy for Scope 3 follows the Science Based Targets initiative «well below 2° C» (WB2D) pathway.

SCOPE 3 EMISSIONS TO BE REDUCED

REDUCE CARBON FOOTPRINT OF PURCHASED GOODS THROUGH «SUPPLIER ENGAGEMENT PROGRAM» WITH BRAND PARTNERS

- Establish supplier engagement program and track suppliers who have committed to SBTi*
- Engage and collaborate with suppliers to reach additional SBT commitments

REACH 74% OF EMISSIONS COVERED BY SBTI-COMMITTED SUPPLIERS BY 2027

REDUCE CARBON FOOTPRINT OF UPSTREAM LOGISTICS THROUGH COLLABORATION WITH LOGISTIC PARTNERS

- Expand existing logistics data collection
- Develop Green Logistics Code of Conduct
- Track SBTi or other emission reduction goals of logistics service providers

REDUCE CARBON FOOTPRINT OF LOGISTICS PARTNERS BY 28% BY 2030*

* Based on 2019 emission levels

For Scope 3 emissions, Dufry follows SBTi´s well below 2°C pathway with two separate objectives to be achieved through both supplier engagement programs, and the collaboration with its logistic partners.

Our progress in 2022
Scope 1&2 objective – During 2022, Dufry has purchased Renewable Energy Certificates (RECs) to substitute 20% of our electrical energy consumed with renewable energy (using 2019 as a baseline). These RECs cover the equivalent of our total electricity consumption of our operations in Brazil, Greece, Switzerland and the UK and have permitted Dufry to compensate over 4.9 tons of CO_2-eq. Dufry will continue with its RECs purchasing program during 2023 to cover, at least, an additional 20% of its electricity consumption and taking a next step towards its 2025 objective to use 100% renewable energy.

OVERVIEW OF EMISSION REDUCTION TARGETS AS VALIDATED BY SBTI

- Dufry commits to reduce absolute Scope 1&2 GHG emissions by 94.2% by 2030 from the 2019 base year.
- Dufry commits to increase annual sourcing of renewable electricity from 0% in 2019 to 100% by 2025 and to continue annually sourcing 100% renewable electricity through 2030.
- Dufry commits that 74% of its suppliers by emissions covering purchased goods and services will have science-based targets by 2027.
- Dufry commits to reduce absolute Scope 3 GHG emissions of upstream transportation emissions by 28% by 2030.

Scope 3 objective – In 2022, Dufry has already engaged with its main logistic partners to design an emissions reduction plan for our goods transportation. The objective will be achieved by rationalising the shipments of goods and by selecting means of transportation with a lower carbon footprint. On the latter, we will give preference to lower impact means of transportation (like rail) when possible; will prioritize the use of sustainable fuels for our air transportation; and will prioritize the delivery of goods using Liquefied Natural Gas (LNG) carriers. A detailed plan is to be delivered during 2023 that will permit Dufry to gradually achieve its established target.

When it comes to our suppliers, during 2022 Dufry has conducted a preliminary assessment of our main suppliers to revise their emission reduction strategies towards reducing emissions and committing to SBTi. While the findings are yet preliminary, Dufry is confident to achieve the committed target on time.

Progress on move to non-plastic shopping bags
Starting in the last quarter of 2020, Dufry gradually began replacing existing plastic carrier bags – which already contained more than 70% of recycled plastic – in all its duty-free operations globally, with more environmentally friendly ones made of biodegradable and recyclable materials. The only exception for the time being is that of STEBs (Secure Tamper Evident Bags). These are necessary for certain airport purchases such as liquor or tobacco, as per the requirements of the International Civil Aviation Organization (ICAO) and regulations of certain airports. For this type of bag, Dufry is also exploring recyclable or degradable alter-

natives that will meet ICAO´s and airports´ regulations. Once the substitution of the single-use plastic bags is fully completed, the company will be able to reduce plastic usage by 7.3 tons per annum.

Dufry currently offers non-plastic bags in 26 countries, and introduces paper or other biodegradable bags in additional countries as soon as the existing stock of plastic bags is depleted.

The plastic bag phase-out is coupled with point-of-sale communication campaigns to raise awareness and encourage customers to reduce plastic consumption and replace it with more sustainable alternatives. The company has also agreed to adopt a global price scheme for carrier bags, as an additional way of raising awareness and reducing bag consumption overall.

This formal decommissioning of single-use plastic carrier bags follows other measures adopted in previous years, geared at reducing plastic consumption across our operations, such as offering more sustainable alternatives, including re-usable or jute bags.

Waste and recycling

Avoiding any waste in the first place or recycling it, is an effective way to save valuable resources. In our warehouses, packaging materials, which mainly consist of cardboard, paper, plastic film and wood, as well as electronic and plastic consumables such as neon lamps and PET, are sorted into different containers and sent for recycling. The recycling process is outsourced to specialized service providers.

In the shops, waste produced by our operations is mostly packing material handled through the concession partners' waste disposal system and recycled accordingly where possible. In many of our locations, we are taking measures to reduce single-use plastic film, such as replacing roll containers used to move products from warehouses to the stores. The new models, which include closures on four sides and at the top, drastically reduce consumption of the plastic film needed for the covering and the plastic shrink wrapping used with the old system.

With regard to cartons and pallets used to transport and protect products, Dufry reuses the same units as much as possible, thus consistently reducing consumption of new resources.

In our offices, the reduction of paper consumption is one of our ongoing challenges. Dufry has put in place local initiatives to reduce paper and other office material consumption, including tips to reduce paper usage, such as printing double sided, avoiding printing of the legal text at the bottom of emails, and encouraging people only to print when necessary. The adoption of IT solutions, such as the electronic invoice management system, is also helping to reduce the amount of paper used in the day-to-day work of our staff and contributing to the protection of resources.

Food waste

Food waste is not a material topic for Dufry for two main reasons. First, the majority of food products sold by Dufry belongs to the food & confectionery category, which all have a fairly long shelf life and are not exposed to short expiry dates. Second, with respect to the food offering in our F & B formats, we source locally and with short lead-times allowing us to flexibly adapt quantities and products to the specific needs of the individual operation. The impact of food waste following the business combination with Autogrill will be assessed in 2023.

Store development and sustainable construction

Dufry takes a sustainability approach when designing, constructing and refurbishing stores. In the design phase and the selection of materials, we choose the most environmentally friendly options and use locally sourced furniture and materials whenever possible, to reduce environmental impact. The shop design department is centrally organized at the Group level. It develops guidelines and defines several industry standards enabling us to create attractive shopping environments, while at the same time reducing energy consumption by using renewable or recycled materials. To this end, specific policies are in place to manage the use of materials: timber policy, cement and virgin aggregates policy, hazardous chemicals policy, guidelines and energy targets for brand partners for the supply of branded display devices. These guidelines have to be followed by local construction teams and their respective sourcing of materials.

Following LEED principles

During the shop development and refurbishment phase, Dufry follows the principles established by leading green-building certification programs, such as the Leadership in Energy and Environmental Design (LEED) recommendations. In this regard, Dufry:

- Sustainably designs and plans new store developments and refurbishments considering all aspects, from visioning to renovation preparation, including:
- Comprehensive metering of existing energy consumption,
- Introduction of solutions to improve traffic flow, introduction of smarter construction materials (easier to clean, anti-bacterial, etc.)

- Undertakes a collaborative sustainable approach for the design process by engaging with all stakeholders involved in the process (designers, contractors, concession partners, material suppliers, etc.)
- Prevents construction pollutions by protecting the site during the construction
- Reduces use of natural resources by re-using materials and equipment by giving modular and recyclable design to furniture and other mobile elements of the stores
- Encourages recycling for all users – employees, customers and other stakeholders
- Reduces energy consumption of stores and increases equipment's lifespan
- Conducts selective sourcing of materials (natural materials from sustainably managed sources and / or recyclable materials)
- Selects resource-efficient equipment and fixtures (energy efficient, water efficient, etc.)
- Prioritizes local sourcing of materials.

Dufry´s biggest impact on the environment when it comes to shop development, is in relation to its energy consumption. Being a public space, airports have to provide well-lit facilities and naturally, this is a substantial part of their energy consumption. The main focus therefore is on substituting traditional lighting for more energy-efficient lighting systems (e.g. LED) on ceiling and furniture displays, and on using A- or A+-rated electronic devices (e.g. air conditioning, refrigerators) in our stores, resulting in a significant drop in the overall energy consumption.

The sustainability approach to store construction however goes beyond the environmental dimension. Besides complying with the provisions of the Dufry Supplier Code of Conduct when selecting local construction partners, we ensure that they also comply with social and environmental regulations, hence, ensuring that the efforts initiated in our design studio also result in truly sustainable environments and spaces for our customers.

Engaging in partnerships at operations level
Dufry engages with its stakeholders to promote environmental protection practices wherever this is possible. We actively participate in sustainability committees with our airport partners, with the aim of identifying areas where we can collectively reduce the environmental footprint of our operations. In an increasing number of our operations, Dufry has a designated sustainability manager in charge of liaising with landlords and other airport stakeholders to drive sustainable practices. Either through innovative technologies, adaptation of passenger flows or rethinking the recycling processes in place, we are contributing to the common goal of making airports a more sustainable space.

Airport Carbon Accreditation
The Airport Carbon Accreditation is an Airport Council International (ACI) Europe certification program that independently assesses and recognizes the efforts of airports to manage and reduce their carbon emissions. It defines six different levels of certification: 'Mapping', 'Reduction', 'Optimization', 'Neutrality', 'Transformation' and 'Transition'.

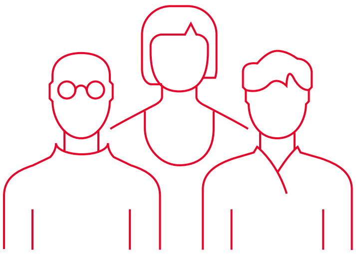
In order to achieve the Optimization accreditation (level 3 of 6) and above, airports need to actively engage with airport stakeholders, as they need to develop a more extensive carbon footprint to include specific Scope 3 emissions and the formulation of a Stakeholder Engagement Plan to promote wider airport-based emission reductions. In many cases, these plans also involve Dufry as the operator of airport stores.

In 2022, according to information from Airport Carbon Accreditation, 76 airports reached the optimization level; 49 airports achieved carbon neutrality; and 49 the superior accreditations (Transformation and Transition). Considering these groups, Dufry operates stores in 59 of these 174 airports, including Dallas Fort Worth, Athens, Helsinki, Stockholm Arlanda, Vancouver, Zurich, Basel, London Heathrow, London Gatwick, Abidjan and Queen Alia Airport in Amman, Jordan.

ACI Europe Climate Task Force
In 2019, Dufry joined the ACI Europe Climate Task Force as the representative of the travel retail industry. The mission of the Climate Change Task Force is to follow up on the implementation of ACI Europe's Climate Resolution from June 2019, which includes the preparation of guidance material for members, to support them in achieving the Net Zero 2050 commitment. Net Zero aims to reduce emissions under the airport´s control down to zero. This is achieved by reducing energy and fuel consumption through the design of new energy-efficient infrastructure, amongst other recommendations. Retailers play an important role in the airport ecosystem and Dufry, as the largest global travel retailer, contributes to the work of the task force with its vision, experience and recommendations in the regular meetings held.

Member of ACI ANARA ESG workgroup
Since 2022, Dufry is also a member of the ACI ANARA (Airport Non-Aeronautical Revenue & Activities) ESG workgroup, working to define ESG recommendations and best practices for the airport community.

EMPLOYEE EXPERIENCE



GRI INDICATORS:

2-7, 2-8, 2.9, 2-30

202, 401-1, 402-1, 403, 404-1, 404-3, 405-1, 406-1, 407-1

SDGs:

1.1

3.3

4.3, 4.4

5.1, 5.5, 3.2

8.1, 8.4, 8.5, 8.8

10.3

16.1, 16.7

Every Dufry employee is an ambassador of the company. Whether in stores, offices or warehouses, all members of our staff contribute with their day-to-day work to shape the company and evolve our brand. Dufry places high importance in building a great and unique place to work for its staff, ensuring it delivers the best in terms of fair and equal working conditions, healthy and safe working environments, attractive salaries, promotion and retention strategies, avant-garde training programs and anything that contributes to generate high engagement levels amongst our staff.

Building on our core brand values – Global, Focus, Delivery and Solid – Dufry has developed a number of policies and procedures to ensure a consistent experience across the 62 countries in which it operates and which represent a strong foundation for the future, including after the combination with Autogrill.

Number of headcounts increased

Dufry had 23,792 people (FTE) working for the Group at December 31, 2022, compared to 19,946 at year-end 2021. The increase in the number of headcounts reflects the progressive re-opening of air routes accompanying the gradual recovery of travel.

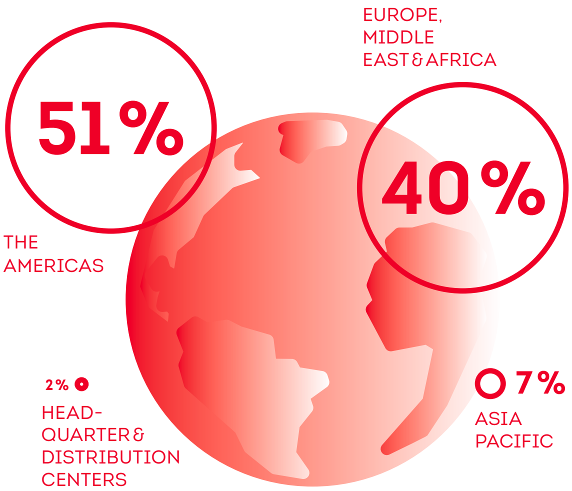
On top of the jobs of its own employees, Dufry actively contributes to the wealth of local communities and societies by offering working opportunities to third party employees, thereby generating additional salaries and tax payments across the 62 countries where the company is present. In this context, our 2,200 plus stores are not just sales locations for us and our brand partners to sell their products, but also work opportunities for over 3,500 people working in our stores representing these brands and other service providers. From beauty advisors to IT developers, they all contribute to create a world class shopping experience and benefit from accessing a dynamic market and unique working opportunities.

Evolution of Diversity & Inclusion

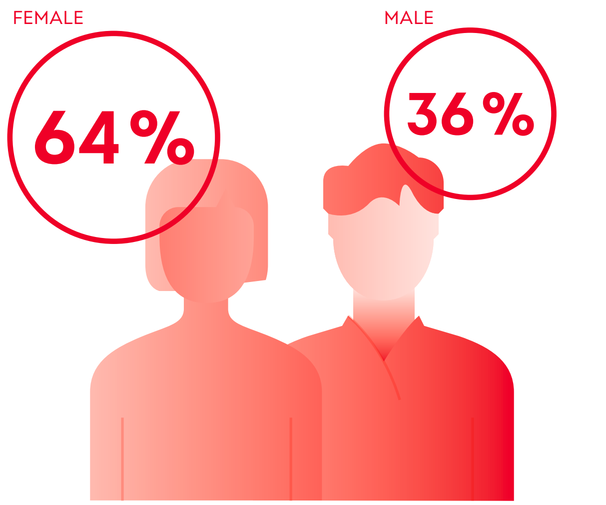
Developing a diverse workforce is a core value for Dufry and something that our company is very passionate about. Unlike traditional retailing, our industry operates in multinational and multicultural environments. Being present in 62 countries, Dufry engages on a daily basis with customers, suppliers and colleagues from more than 150 different nationalities. To succeed in this industry, it is paramount to understand cultural differences as a way of engaging and better serving our customers.

Diversity is an essential asset to – and integral part of – our company and Dufry promotes an inclusive corporate culture that understands and celebrates diversity in all its forms, be it by gender, age, race, ethnicity, culture, beliefs or creed. Our workforce comprises colleagues from over 150 nationalities across all functions and levels of the organization. This has been a consistent situation for many years and we continue to believe that this broad cultural diversity represents a unique competitive advantage. We also view it as a key element in the successful development of our Group and in the implementation of our long-term growth strategy.

EMPLOYEES BY REGIONS



EMPLOYEES BY GENDER



The staff in Dufry's shops in each country are predominantly local. Our presence in 62 countries around the world makes us an important employer in many locations, with many of our operations being located in emerging markets and offering interesting career opportunities. This, in addition to bringing expertise and experience on how to operate an international business, contributes to local development and wealth.

D&I VISION STATEMENT

OUR CUSTOMERS ARE ON A JOURNEY – SO ARE WE

- Dufry is committed to building an inclusive and culturally sensitive workplace for everyone, in which all our people recognize that their unique characteristics, skills and experience are respected and valued.
- Dufry employs great people from a wide variety of backgrounds and with a broad range of skills and experiences to best serve our customers and build a better and stronger company for all our stakeholders.
- Dufry recruits, rewards and promotes people based on capability and performance – regardless of gender, national origin, ethnicity, lifestyle, age, beliefs, or physical ability.

Diversity & Inclusion Survey
In the fourth quarter of 2022, Dufry conducted its second D&I survey, reaching all headcount across all of our operations. Building on the findings of the 2021 survey, this second wave provides a clearer picture of the perception of D&I amongst the Group employees. This valuable input – received through a response rate of 63% – will help Dufry to further evolve in terms of being more inclusive and equal for all, by identifying opportunities and develop targeted initiatives.

Diversity & Inclusion Awareness training
The results of the first survey confirmed our belief that awareness is a key factor in continued improvement in this area. Awareness needs to be driven by Dufry's senior leaders in order to foster a company culture that embraces diversity, and ensures that recruitment decision-making consciously embraces opportunities to continue the diversification of our team, and puts inclusive practices at the heart of the company ethos.

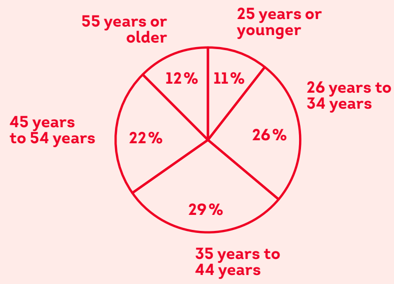
Building on the feedback from the November 2021 survey, between January and May 2022, Dufry facilitated a 'Masterclass on Inclusive Leadership' that was attended in different groups of 20, by over 300 senior leaders and their direct reporting colleagues. It focused on understanding the importance and the different facets of diversity, but also prioritized awareness building on inclusive behaviors. The Masterclass produced significant results and advances, facilitated by a high level of engagement and a general recognition that we need to continue creating change with re-

DEMOGRAPHIC INDICATIONS OF D&I SURVEY RESPONDENTS

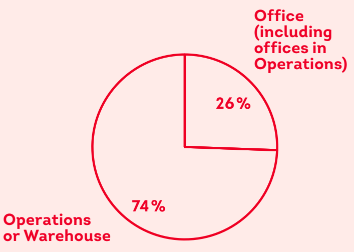
As part of Dufry's anonymous D&I survey conducted in 2022, employees who responded to the survey provided amongst other feedbacks the demographic indications shown here.

As the survey reached out to 100% of the employee population the feedback gives a good representative picture of the company's demographic employee structure.

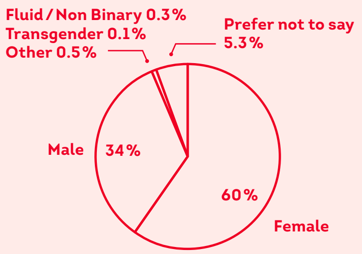
AGE PROFILE OF RESPONDENTS



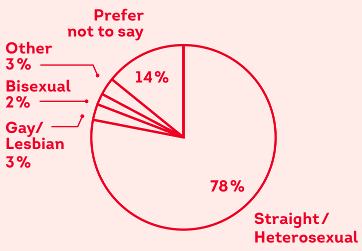
RESPONDENTS BY JOB FUNCTION



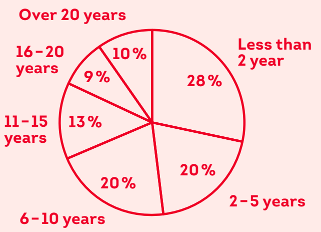
GENDER DIVERSITY



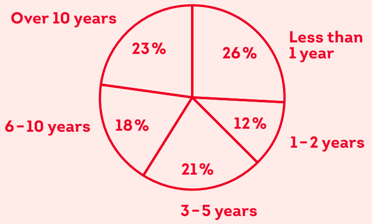
SEXUAL ORIENTATION



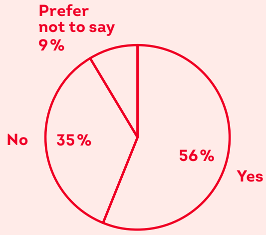
TENURE IN COMPANY



TENURE IN ROLE

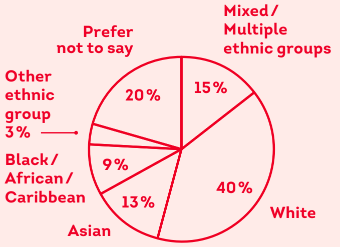


CARE GIVING RESPONSIBILITIES

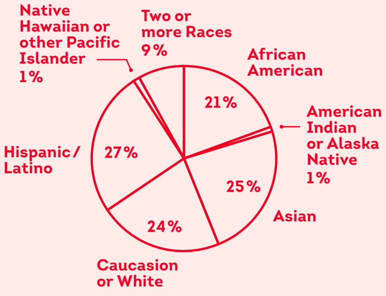


THOSE WHO DEFINE AS HAVING A DISABILITY

ETHNICITY (EXCLUDING US)



ETHNIC ORIGIN (US)



spect to behavior related to D&I. This included recognition that change in a number of areas is key to business growth, such as more diversity in hiring, encouraging 'team-led' approaches to problem solving, and using failures to drive improvement.

In the fourth quarter of 2022, Dufry extended the Diversity & Inclusion Awareness Training to Dufry's entire team across the world. Through a series of video-training sessions – sponsored by the CEO and the members of the Global Executive Committee – topics such as 'What is D & I?', 'Why D & I is important for all of us at Dufry ', 'Why D & I is fundamental to our business and the communities in which we operate' were covered. The trainings also focused on inclusive behaviors and highlighted examples of many things that everyone might do unconsciously (unconscious bias) and can make colleagues feel uncomfortable and / or excluded.

Human Resources Policy as the cornerstone for a great place to work

Making Dufry the place where our employees want to continue working, involves investing time and resources to continuously assess and identify opportunities where Dufry can improve its culture, thus contributing to retaining talent and helping staff achieve their highest potential. Dufry is working relentlessly towards providing the best working conditions for our staff and gathering their feedback with regular employee surveys (see corresponding section on page 112 within this report).

A fundamental element in connection with this objective is Dufry´s HR Policy, which is publicly available on the Group´s website. This Policy describes the common base, principles and guidelines, which, in terms of human resources management, are applicable to the whole Group. The policy, which has been shared and trained with employees, covers diverse topics, including:

- Selection and hiring
- Equality, Diversity and Respect for Human Rights
- Working Conditions and Labor Relations
- Health & Safety
- Remuneration and Working Time
- Career Development and Advancement
- Succession planning.

Compensation and benefits

Dufry offers its employees competitive salaries and incentives as a way of attracting and retaining talented staff. Dufry´s standard compensation includes a fixed and a variable performance-based compensation that rewards the individual efforts of staff members. Variable pay is linked to individual and company objectives.

We regularly review and discuss professional development with employees and link their performance to incentives. Performance reviews are an important aspect of a long-term, successful employer-employee relationship. Therefore, it is important for us to build a constructive dialogue between each individual employee and manager regarding goals, priorities and personal development. All our staff members receive an annual performance review aimed at evaluating their performance and identifying further personal development potential for next career steps.

Our staff also enjoy additional benefits that vary from one location to another, and include medical insurance or transport allowances. In this regard, during 2022 Dufry continued with the rollout of Emporium – a web-based shop with thousands of products from Dufry´s core product categories, as well as exclusive campaigns from luxury brands at retail-discounted prices. This benefit is exclusive to staff members (Dufry & Airport Community) and includes a Friends & Family program. By the end of 2022, Emporium was available in 13 countries, representing Dufry's main locations by headcounts – Brazil, Canada, Greece, Hong Kong, Italy, Macau, Malaysia, Mexico, Spain, Switzerland, United Arab Emirates, United Kingdom and United States. The company will continue with the rollout of Emporium throughout 2023.

Equal employment
As indicated in our HR Policy and in the Dufry Code of Conduct, both available on the corporate website, Dufry offers and promotes working environments where everyone receives equal treatment, regardless of gender, color, ethnicity or national origins, disability, age, marital status, sexual orientation or religion. In addition, we adhere to local legislation and regulations in all the countries in which we operate. Any form of child labor or forced labor is strictly forbidden and clear recruitment procedures and regular workplace controls ensure that this never happens at any location.

Anti-discrimination, diversity and ensuring equal opportunities are, and have always been, important social and corporate issues for Dufry across all locations, especially (but not exclusively) in developing countries. Many locations in which the Group operates still pose challenges to the guaranteeing of equality. We monitor these countries closely to ensure we provide equal opportunities to all our staff. As explained on page 116 of this report, the company has in place whistleblower mechanisms to denounce discrimination cases if they happen.

We provide our employees with fair and competitive wages based on each individual's background and experience, their particular job within our organization, the appropriate market benchmark in the respective countries and locations, as well as their performance. The remuneration structure of our employees is assessed on a regular basis to make sure there is no discrimination related to any kind of diversity.

Equal salary certification in Switzerland
Dufry became equal salary certified in Switzerland at the beginning of 2019 and was re-certified again in 2021 for another three years. This certification underscores the commitment to a fair and unbiased reward structure, which enables employees to develop and thrive in their careers. The certification process took place in three stages through statistical evaluation, on-site audits and interviews with individuals and panel groups. All phases of the certification and re-certification processes were performed at the Basel Headquarters and the Zurich Airport operation and gave proof on how management systems, HR policies and processes integrate the dimensions of equal remuneration.

EQUAL-SALARY
CERTIFIED

Health & Safety
Workplace safety is a priority and an essential commitment for the company in our stores, offices and warehouses. As indicated in the HR Policy, the company ensures that all activities are carried out safely by taking all possible measures to eliminate (or at least reduce) the risks to health, safety and welfare of employees, contractors, customers, visitors and any other person who can be impacted by our operations.

The majority of our workforce operates in airports, seaports, cruise ships and similar environments. As a basic pre-requisite employees have to comply and follow the respective airport's, seaport's or vessel's safety rules as these environments are highly regulated. On top of this, Dufry has specific health & safety regulations for its employees, including internal policies and guidelines – both global and local – which may go beyond the legal health and safety requirements.

Dufry generally strives to achieve high occupational health & safety standards and actively encourages compliance across the whole Group. As a result, Dufry has a number of different health & safety regulations and procedures throughout the organization. Regardless of the specific requirements of each local legislation, there are certain principles that all these procedures adhere to, including:

- Compliance with current labor legislation on health and safety
- Reduce work-related accidents, implementing the necessary occupational risk prevention plans in its locations, to achieve an effective identification of risks and to avoid them
- Promotion of a preventive culture, training employees to achieve the best safety standards
- Having due diligence in the coordination of activities and prevention measures with contractors, suppliers, or any third party that performs activities or is present in Dufry's work centers
- Continuous improvement, establishing objectives and goals for improvement, systematically taking into account the requirements of stakeholders, continuously assessing performance, applying the necessary corrections to achieve the proposed goals and establishing verification, auditing, and control processes to ensure that objectives are met
- Management of occupational health and safety processes change from one location to another, with a number of common guidelines that apply to all our operations, including the following:
  - Dufry operations provide topical information such as health and safety initiatives to employees, including workers who are not members of our staff but work on our premises
  - Health and safety activities are regularly reviewed to ensure issues are effectively managed and improvements are made where necessary. In some of our locations, reviews include employee representation consultations (where appropriate)
  - Responsibility for the governance and review of health and safety is with local operations and HR teams
  - At airport and seaport environments, close collaboration with concession partner teams is maintained to ensure compliance with their own H&S regulations and management process.

Promoting a healthy working environment
Ensuring a safe workplace is a duty of all members of our staff. Whilst the joint work of local Health & Safety Committees and HR teams is crucial in identifying potential risks and hazards, workers are also encouraged to report to these teams any work-related hazards or hazardous situations. The same process is used for workers to remove themselves from work situations that they believe could cause injury or ill health. Work-related incidents are investigated and reported to management to develop and implement remediation plans (where and if needed), thus ensuring that processes are duly updated in cooperation with the Health & Safety committees.

Additionally, Health & Safety Committees undertake regular worksite analysis to identify potential risks and hazards. This analysis aims to identify existing hazards, as well as conditions and operations in which changes might occur to create hazards. Results of these assessments are shared with the local HR teams and management.

The highest incidence of occupational accidents is, of course, among store and warehouse staff. The greatest risks to which Dufry workers are affected include:

- Risks related to material elements, objects, products and constituent elements of machines or vehicles
- Falls at the same level
- Incidents with transport and transfer devices.

Training on health and safety is critical to promote a safe work environment. We therefore conduct induction sessions with new members of our staff and hold regular training sessions with all of our staff, both in stores and offices, ensuring understanding of the policies and procedures. If needed, training is extended to workers who are not members of our staff, but work on our premises on behalf of third-party service providers.

Airport security practices
Due to the nature of our business, most of our staff are located in airport environments, either working in stores, in airport offices and/or in airport warehouses. As part of the airport eco-system, our staff

have to adhere to and follow the security principles and processes established at the specific airports where our stores are located. Most of these regulations and policies are harmonized across the world to ensure consistent levels of safety and consumer protection. Worldwide safety regulations are set by the International Civil Aviation Organization and within Europe by the European Aviation Safety Agency. In order to work in our stores, members of our staff need to obtain the corresponding airport authorization, which in most cases involves training courses on security measures and procedures in the airport environment.

The Dufry employee journey
Dufry has comprehensively mapped all stages of an employee career in our company, starting from when an employee applies for a position, until the moment an employee leaves the organization. All the steps in between these two points and the experiences that the employee makes is what Dufry calls "the employee journey", and it is the company´s systematic approach that then ensures we identify all the opportunities Dufry has to deliver a great place to work across all parts of our organization.

To simplify the assessment, Dufry establishes four critical stages on this employee journey: recruitment, training, career progression and recognition.

Recruitment
To ensure "Fair Play" in everyone's professional career development, Dufry's recruitment process ensures that all applicants are treated fairly, and each applicant is given the same opportunity to be considered, so that the most suitable person can fill the position. The selection is based on the applicant's competencies, skills, results delivered and the decisions taken regardless of: race, color, religion, sexual orientation, age, gender identity or gender expression, national origin, political orientation, disability or other discriminating factors.

Available positions are first published internally to ensure opportunity and growth of internal talent. Dufry's recruiters review the skill pipeline of internal employees ahead of engaging with external hiring professionals. Referrals and recommended potential internal candidates are encouraged and evaluated in the same process against other potential candidates. Job offers are typically also posted on the Group´s website, www.dufry.com/careers.

To ensure fair play in the selection process, all interview evaluations by Dufry recruiters and hiring managers are reported in Dufry's HR portal Dufry Connect. If any gaps or personal development needs of the selected candidate are identified, recruiters are instructed to incorporate that information into the new employee on-boarding and development plan.

Training and education
Dufry's training methodology follows the "Four E's model": Educate (Formal education), Experiences (Development), Environment (Culture of learning), and Exposure (Connections with other colleagues and professionals).

Dufry employees benefit from an extensive learning catalogue that covers programs to improve their performance in their current positions, as well as professional development programs to support career progression. Training is offered through several formats, including face-to-face, as well as virtual and online training sessions, on soft and hard skills. Training is open to all employees and managers at all levels and across the entire organization and all geographical locations. During 2022, 198,047 formal training hours were provided by Dufry.

Some of Dufry´s global learning programs include the following:
- Global Welcome – Designed for office and retail staff alike, the Global Welcome is a comprehensive onboarding program for newcomers aimed at shortening the learning curve. In 2022, over 9,000 new joiners were trained using this program.
- Retail Champions program – The cornerstone of our Learning and Development strategy for retail staff, this program has been designed to provide our professionals with the tools, knowledge and capabilities they need to perform well in their jobs and develop to their full potential at Dufry. Over 6,500 employees, including store leaders, have benefited from this program (interrupted during business clo-

sure). This set of training programs is complemented with product training programs for our store teams, typically delivered by the brands and local teams.

During 2022, we continued leveraging on our online training capabilities through:
- Dufry Connect – Dufry's HR portal, which permits establishing personalized learning programs for every employee based on their role, position and professional category
- Elucidat – Simplifying the creation of training and learning courses by our learning & development teams to reach 100 % of our staff
- Coursera – An online based training platform for management roles.

The introduction of these platforms, together with the continuous rollout of sales tablets and communications tools for our non-desktop employees (further explained in the Connecting with our Employees section on page 112), is increasing the reach of both product and skills training and benefiting a higher number of employees.

Career Progression
Dufry ensures that future and long-term management needs are being addressed by an optimal balance of promoting internal high-level personnel and hiring external talent (for example in new countries where we start operations). Dufry operates a global, systematic process to identify high-potential talent in the organization and to develop them toward key roles in our business model.

We strongly believe that talent management and succession planning are key activities for a sustainable business. Accordingly, we develop new and existing candidates for more senior management roles and we carry out yearly reviews of the quality of our talent pipeline at two levels:

- The first level concentrates on a limited number of candidates who already have management experience and would be able to take over one of the senior positions in our organization.
- The second level focuses on our stores. Amongst the top-performing store personnel and supervisors, we have identified over 200 "Retail Talent" employees as of year-end 2022, on whose development we will focus in order to ensure a quality store-management succession pipeline.

Dufry also established a mentoring program to support employees in taking ownership of their development and helping them to maximize their potential and accelerate their leadership development. The mentoring program pairs Dufry leaders (mentors) and talented staff (mentees). Mentors use their experience and professional background to provide guidance and support to mentees on their learning journey. The first edition of this program started in 2018 and 30 mentoring peers were formed. This program is expected to be resumed during 2023 with additional mentors and mentees.

Awards and staff recognition
Employee recognition is an important way to value employee and team achievements. Every year, Dufry celebrates the One Dufry Awards, which recognize excellence and celebrate the success of our people worldwide who are dedicated to delivering.

The Awards are divided in five categories:
- Best Leader Story Award recognizes individuals who have demonstrated the right behaviors and character and shown exceptional performance in Driving Employee Experience
- Best Customer Experience Award, recognizes the highest scores measured by our Mystery Shopper Survey
- Best Partnership Initiative Award, which recognizes an outstanding initiative with a supplier, business partner, concession partner, inter-company or other party, that was innovative, well designed, well executed and impactful
- Best Business Growth Story Award recognizing the greatest business growth stories, including – but not limited to – a new store opening, a new airport / seaport / border / or other development, growth of a product category, a business channel, or an existing store that has delivered exceptional growth.

- Best Organic Growth Award, which recognizes the country with the strongest year-on-year organic growth.

Engaging with our employees
Understanding our staff concerns and needs is critical for Dufry. For this reason, Dufry fosters a dialogue with its employees and invests in developing the necessary tools to promote communication across all levels of the organization.

Engagement survey
To better gauge our performance both within our company and relative to our competitors, we conduct regular employee engagement surveys that serve to gain understanding of employee perception of the company and identify areas of improvement. We ensure that the surveys always involve a substantial proportion of our employees, and that they reach out across the world. The last wave of our employee engagement survey was done in 2019 with very positive results: 75 % of our staff responded that they were satisfied working for Dufry (vs. the retail industry average of 63 %), and 78 % would recommend Dufry as a place to work.

Freedom of association and collective bargaining
As stated in our HR Policy, Dufry respects legally recognized unions and internal forums created to represent the employees' interests. The company's policy on collective agreements is tailored to each location in which it operates, as each location is subject to its own specific laws and regulations. As an example, the current practice in some of the main Group operations is described below:

- In Brazil, there is a collective agreement in place which covers core employee related topics such as salary reviews, general allowances (meal, transport, benefits, etc.), work contract restrictions / special conditions, work shifts, vacations, health and safety, contributions, benefits, awards and requirements related to employee's guarantees.
- Greece has a collective agreement in place ruling the main employee topics.
- In Spain, Dufry has a collective agreement in place that covers all employees, except senior management. The agreement, negotiated between the company and a committee made up of employee representatives and labor union members, outlines conditions such as salary, holiday days and health and safety in the workplace, along with other HR related matters.
- In the UK, Dufry has an employee forum – "Voice" – made up of staff representatives. This forum is a partnership between the company's management and its employees to influence and communicate business changes.
- In the US, there are a number of recognized trade unions that Dufry engages with, including Unite Here, Workers United, United Food and Commercial Workers, Teamsters, Newspaper Guild and Culinary Workers.

Connecting with our employees
During 2022, we have continued with the rollout of technologies and tools to align information levels between desktop and non-desktop staff. Sales tablets, available in a growing number of our operations, are permitting a more fluid communication, especially with our sales staff and, as indicated before, expanding the learning possibilities.

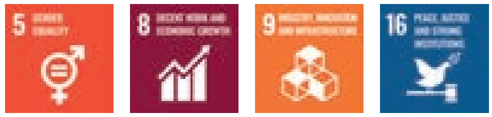
The rollout of Beekeeper was further accelerated during 2022. This app-based solution enables employee connection, facilitates workplace engagement and increases productivity through unified communications. Through Beekeeper, we are able to share with the more unconnected members of our staff, information re-

OVERVIEW EMPLOYEE STRUCTURE 2022

	HQ & Distribution Centers	Europe, Middle East & Africa	Asia Pacific	The Americas	Total
FTEs	583	10,353	810	12,046	23,792
Headcounts	617	11,649	931	12,917	26,114

lated to our company, as well as information related to their day-to-day work environment (such as shifts, product information, events in store, etc.). The app also features tools for internal chats and communications and the sharing of information in a very similar environment to that of the most recognized social networks. Currently, Dufry has over 24,000 live users on the Beekeeper platform, reaching more than 90 % of its workforce and expects to reach full rollout of the app globally during 2023.

Finally, Dufry also utilizes a number of other internal communication vehicles to facilitate the dissemination of corporate news and to keep our staff updated and engaged. These include the company´s corporate online magazine Dufry World – published in five languages four times a year –, the company´s intranet Dufry Gate, and regular e-newsletters that serve to communicate with our staff globally.



TRUSTED PARTNER

GRI INDICATORS:
2-11, 12, 16, 17, 23, 24, 25, 26, 27, 28, 29
201-1, 2, 205-2, 206-1

SDGs:
8.2,
9.1, 9.4, 9.5
16.3, 16.5, 16.6, 16.7
13.1,

Dufry is aware that the long-term sustainability of its business relies on the capacity to build, establish and maintain trusted relationships with all our stakeholders as described on page 118 of this report. Integrity is a key element in our business behavior across all levels of the organization and that has served Dufry over the years to foster a sense of trust with our stakeholders.

Dufry´s Ethic and Compliance model is designed to ensure we go beyond the strict compliance of legal frameworks and are leading the way in terms of sustainability. To do so, Dufry has set up main lines of action, which include:

- Corporate Governance – Continuous assessment of our corporate governance structure and policies to ensure compliance with the applicable legal framework, as well as the Dufry Code of Conduct to reflect our stakeholders' needs and expectations
- Alignment of ESG and business strategies – Ensuring that ESG considerations are always accounted for and are part of the implementation of the company strategy and in particular when making critical business decisions to drive Dufry's sustainable and profitable growth. Dufry´s ESG strategy is supervised by the Board of Directors' Nomination and ESG Committee and ensures alignment of business and sustainability strategies, as well as sustainable value creation for our stakeholders
- Compliance and control – Setting up robust internal bodies and structures that ensure education and control over compliance with codes and regulations, including internationally accepted human rights standards and a zero-tolerance policy in respect of bribery and corruption
- Stakeholder dialogue and engagement – Understanding the needs, concerns and expectations of all our stakeholders and participating in discussions about topics impacting our industry
- Wealth creation – Delivering value to our shareholders and bondholders remains a key priority for Dufry. Furthermore, Dufry is aware that the impact of its operations goes beyond that of revenue generation and its activity can generate a positive impact where it operates its stores. Favoring local economies and communities, ensuring fair salary and working conditions, sharing of expertise and partnering with local companies are all part of this area of focus.

ESG governance
ESG lies in the responsibility of the Board of Directors. To reflect its importance, a dedicated Nomination and ESG Committee at Board level has been implemented following the AGM 2022 (former Nomination Committee). The Lead Independent Director, as chair of the Nomination and ESG Committee, supervises Dufry's ESG strategy development and execution, ensuring alignment with the business strategy. The Lead Independent Director and another member of the Nomination and ESG Committee are experienced in corporate citizenship, sustainability and ESG, allowing them to exercise their supervisory duty successfully.

The entire Board of Directors is updated, at least on a quarterly basis on non-financial information such as, but not exclusively, progress on the implementation of the company's ESG strategy, as well as status updates from the Global Internal Audit & Investigations Department.

Execution of the ESG Strategy is led by the CEO. He presides over the interdisciplinary ESG Committee, which meets every two months and is attended by several members of Dufry´s Global Executive Committee team (GEC), as well as Global Heads of other relevant functions. This committee meets at least six times a year and is supported by Dufry´s ESG department for the day-to-day execution of the strategy. In 2022, the ESG Committee met 6 times. Beyond the ESG strategy execution, the ESG committee assesses emerging risks, opportunities and concerns, as well as new or evolving reporting requirements, and shares them with the Nomination and ESG Committee and the Board of Directors.

Socio-economic compliance

Having operations in 62 countries means complying with different national laws and regulations, as well as maintaining an active dialogue to foster ongoing stakeholder and social engagement. For this reason, from a global perspective, Dufry's position towards compliance necessarily needs to have a more holistic and broader approach, by also taking into account international norms and best practices, including the 10 Principles of the UN Global Compact. In this regard, Dufry has a number of initiatives and control mechanisms in place that permit the company to monitor and ensure compliance with national and international laws and follow respective ethical standards.

Governance

Dufry believes that active corporate governance is important to the development of the company, to ensure the sustainable provision of long-term benefits for shareholders, employees and society.

Dufry´s Governance system serves as a control mechanism in relation to a number of elements, including bribery and corruption, tax, executive remuneration, shareholders' voting possibilities and internal control. Most of these topics are covered in the Corporate Governance Section of this Annual Report.

Especially relevant for the sustainability of our industry is the corruption and bribery phenomena, which can be the cause of negative economic, social and environmental impacts. From a business perspective, corruption distorts the functioning of the market and undermines governance institutions and in general, the rule of law.

In the case of Dufry, the subject of corruption is of considerable importance, as the company expands its operations to many countries with elevated corruption levels and participates in many public procurement processes to bid for airport, seaport and other concessions around the globe each year.

Dufry prohibits bribery and corruption at all times and in any form. We believe that in order to remain a solid business leader, all business must be conducted ethically and in full accordance with all applicable laws, rules, and regulations. Dufry requires all of its employees, officers and directors to behave at all times with honesty, ethics and within the confines of applicable law and in full compliance with Dufry's Code of Conduct. Where laws, rules or customs exist that are different from the principles set out in the Code of Conduct, Dufry employees, officers and directors are required to follow whichever sets the higher standard in this regard.

Dufry also wants its employees, officers and directors to fully respect the safeguarding of integrity and fair dealing when carrying out their activities on behalf of Dufry, and to promote standards adopted by the Dufry Group as set out in the Code of Conduct with respect to sustainability, diversity, decent work and human rights, as well as zero tolerance to harassment and discrimination.

Policy framework

Dufry has a set of internal policies and procedures which describe the minimum ethical principles applied by our employees at all times and which complement the Dufry Code of Conduct. These policies and procedures address specific topics and serve to guide our employees on the expected standards and behaviors in their day-to-day work. This set of policies and procedures is made available to all our employees through the internal communication tools of the company – Dufry´s Intranet (Gate) and the employee communication tool Beekeeper – as well as the corporate web-

site, hence ensuring universal access to them. This set of information includes:
- Dufry Code of Conduct - outlines the types of conduct which are not permissible and imposes strict rules in relation to charitable contributions and sponsorships, as well as gifts, hospitality and entertainment expenses, to minimize the risk of corruption. In addition, the rules require careful due diligence to be conducted on any external partner Dufry is working with, including a procedure that must be followed to vet all new joint venture partners, consultants for business development projects, counterparts to M & A transactions and other similar counterparts.
- Dufry Supplier Code of Conduct
- Human Resources Policy
- Dufry´s Environmental Management Guidelines,
- Dufry´s Policy for Insider Information and Securities Trading
- Reporting on Wrongdoing Procedure.

Compliance education
Beyond ensuring universal access to policies and procedures, Dufry also conducts compliance training of employees, officers and directors, as applicable, on an ongoing basis. These training sessions reflect the ongoing changes introduced in our Code of Conduct. Dufry's Compliance Department regularly evaluates the content of Dufry's training on Compliance and Corporate Policies. The efforts of the Compliance Department are fully coordinated with, and supported by, the COOs of each Region and the respective HR departments, who help identify the individuals, including new hires, who should receive the training.

Individuals who receive training are selected based on the following criteria:
- Community heads at Headquarters (Finance, Treasury, Procurement, Business Development, Internal Audit, HR, IT, Commercial, Marketing, Customer Service)
- Local managers with exposure to business development, external partners and third-party contractors
- Managers with exposure to procurement negotiations
- Managers with exposure to government officials such as airport authorities, customs or other public authorities
- Managers with signatory power or appointed as directors or officers of a Dufry Group subsidiary
- Investor Relations managers
- Corporate Communications and Media managers
- Members of the Legal and Governance Department
- Members of the Internal Audit Department, Loss Prevention and ERM department
- HR managers worldwide.

During 2022, over 740 managers at all levels of the organization and across all the regions have completed this training. This figure includes both personnel new to Dufry and managers who have already been trained and with whom the training has been refreshed. New employees, officers and directors are provided with a copy of the Dufry Code of Conduct when they join the company and are required to acknowledge acceptance of its terms in writing. Additionally, Dufry employees, officers and directors have access to all of Dufry's compliance and corporate policies, including its Code of Conduct on Dufry Gate for their reference.

All employees not included in the managers list also receive compliance training. In 2022, this training reached over 14,500 employees via online compliance update trainings and communication campaigns. The primary training topics included harassment, discrimination, insider trading, data privacy and instructions on how to report a wrongdoing.

Dufry properly investigates all complaints and prohibits retaliation or discrimination against any employees, officers and directors who report a concern made in good faith. Since 2018, two new Group-wide reporting channels complement the email reporting channel compliance@dufry.com: (1) a worldwide, toll-free hotline in 9 languages (English, Spanish, Portuguese, French, Italian, Mandarin, Russian, Greek and German) also accessible via local dial-in numbers for all countries in which Dufry operates; and (2) the online reporting website www.dufry-compliance.com.

These reporting channels, run by an independent third party, ensure the integrity of such investigations by acting as a centralized contact point, through which any wrongdoing or corruption concern are reported directly to the Compliance Department, reporting to Dufry's General Counsel and member of the Global Executive Committee, for further investigation.

Risk management and control
The risks inherent to Dufry´s business are divided into two groups: Financial risks (pages 209 - 216) – related to interest rates, exchange rates, credit risks and liquidity risks – and non-financial risks. A comprehensive description of the Group's risk mapping is available in the Sustainability Report 2022 Annex on pages 303ff as well as in the TFCD Report.

Dufry adopts a risk management model based on three levels. This model is applicable to all subsidiaries of the Group. The company is supported by an Enterprise Risk Management software called GRC (Governance, Risk and Compliance), which allows a comprehensive identification and management of potential risks that may affect the business.

First level – The commitment of Dufry and all its subsidiaries to integrity and transparency begins with its own staff. Dufry requires all its employees, officers and directors to act at all times in accordance with the provisions of the Code of Conduct. The latter describes the types of behavior not allowed, and imposes strict rules regarding the operation of the business.

In addition, the rules require each employee, officer and director to perform due diligence and carefully assess new external partners with whom Dufry plans to work, including a procedure to be followed to examine all new minority partners, consultants for business development projects, partners for transactions and M&A, as well as similar counterparts.

Second level – There are different governance functions across the organization including the Compliance, Legal, Finance and Human Resources departments in charge of monitoring the main risks and establishing the most appropriate controls to mitigate, as well as ensuring compliance with the policies and procedures of the Group. The scope of the Compliance and Corporate Governance function is based on the following pillars:
- Review and compliance with the set of global company policies
- Establishment of the overall framework of approvals of the Group and establishing a policy of "four eyes" for validations
- Training, both for the members of the staff identified with greater exposure to risk, and for the rest of the employees
- Global corporate risk management
- Creating internal communication channels to ensure the integrity of the compliance program.

Third level – The Group's Internal Audit provides independent and objective monitoring and consulting services designed to add value and improve Dufry's operations. This function covers all subsidiaries and applies a systematic and disciplined approach to evaluate and improve the effectiveness of governance processes, as well as risk management and control, including assessing risk management procedures and the potential committing of fraud. The main risks identified in the course of internal audits are reported to senior management and the Audit Committee of the Board of Directors, and its status is updated periodically until resolution or acceptance are given by the governing bodies.

Corporate citizenship:
Key partnerships and initiatives
We engage in numerous external initiatives and strategic collaborations with relevant organisations and partners to support and inform about our work on the most material sustainability issues. We have grouped them under four different categories:

Commitments
- **UNGC –** Dufry is a signatory member of the UN Global Compact (UNGC) since March 2020 and since then, we measure and disclose our progress on the ten principles established by the UNGC. Additionally, Dufry is a member of the UNGC Swiss Network and regularly participates in conferences and meetings where best practices are shared.
- **SBTi –** During 2022 and early 2023, Dufry has sought and gained validation from the SBTi for the emissions reduction targets set for the company, as described in detail in the Protecting Environment section of this report on pages 96 - 103.

Reporting
- **GRI –** The Global Reporting Initiative (GRI) helps organizations to be transparent and take responsibility for their impacts, supporting companies to systematically report on the elements that are material for their businesses in a structured and comprehensive way. This reporting permits better comparability, greater transparency and alignment with international standards, such us the OECD guidelines for multinational organisations; ISO 26000; the United Nations Guiding Principles on Business and Human Rights; the UNGC's Ten Principles and the United Nations' Sustainable Development Goals. Dufry prepares its Sustainability Report following the guidelines of GRI since the reporting year 2018 and in this edition has adopted the GRI Universal Standards.
- **TCFD -** The Task Force on Climate-Related Financial Disclosures (TCFD) was created in 2015 by the Financial Stability Board (FSB) to develop consistent cli-

mate-related financial risk disclosures for use by companies, banks and investors in providing information to stakeholders. In the first quarter 2023 Dufry has disclosed its first report following the guidelines of TCFD, which covers the reporting year 2022 and explores the range of impacts climate change would have for our business, including both risks and opportunities.

Assessments and Ratings
Dufry is regularly assessed and rated by ESG-specialized rating agencies, including Sustainalytics, MSCI ESG Ratings, ISS ESG, Moody's ESG Solutions (Vigeo Eiris) or Inrate. Dufry´s ESG department engages with ESG analysts to assist them in their assessment of our company and to support their research work. Dufry recognises the value of external feedback from these independent agencies as their work helps us to further develop our lines of action towards strengthening our long-term commitment to be a successful, sustainable business.

Industry Initiatives
Dufry participates in several industry initiatives geared towards safeguarding the consumer and environmental protection. Amongst others, Dufry has contributed to the development of several Codes of Conduct for the travel retail industry (such as the UK Code of Conduct on Disruptive Passengers and the ETRC and DFWC Codes of Conduct on Sale of Alcohol), and is a member of the ACI Climate Change Task Force.

Stakeholder interaction and dialogue
Engaging with our stakeholders on a regular basis to understand their expectations, needs and concerns is part of our ongoing commitment to sustainability. We interact with our stakeholders in a number of different ways, both formal and informal. For 2022, the group of relevant stakeholders included in our materiality assessment remains valid, and includes airports and other concession partners, customers, employees, investors (incl. shareholders, bondholders and lending banks), public authorities, suppliers, media and communities.

The eco-system illustration included in the ESG Strategy graphically describes the close interaction of Dufry with its core stakeholders. Especially remarkable is the interaction with both suppliers and concession partners, which permits Dufry to provide a superior service to customers. Known in the industry as the Trinity (concession partners, retailers and suppliers), the tight lines and collaboration between these three groups allow for an improved dialogue and mutual understanding between concession partners, retailers and suppliers, to the ultimate benefit of our customers. This interaction has remained critical and valuable during 2022 as air traffic started to be restored and the operation of our stores further recovered.

Beyond the Trinity described above, our employees and investors are the other two key stakeholders contributing to our company's success. Dufry however, holds relationships with a larger group of stakeholders, which include:

- **Travel Retail Associations and Industry Bodies:** Dufry is an active member of each of the relevant regional and national industry associations in the geographies in which it operates (see pages 56 – 57). We are proud to have senior staff members on the Board of some of the most respected industry bodies – ETRC (European Travel Retail Confederation), MEADFA (Middle East & Africa Duty-Free Association), IAADFS (International Association of Airport Duty-Free Stores), ASUTIL (South American Association of Free Stores), UKTRF (UK Travel Retail Forum) and the DFWC (Duty Free World Council). This gives Dufry a voice in industry debates, ensuring that it plays a proactive role in shaping the industry's future.
- **Government & Public Institutions –** The relationship with this group is of major importance, as they are the generators and guardians of laws and regulations that circumscribe Dufry's operating environment. New laws and regulations can have a significant impact on the business and Dufry needs to be aware of any changes and be prepared to influence draft regulations and react to comply as needed.
- **Service Providers –** Understanding the relationship of Dufry with key service providers – mainly with IT, and logistics suppliers among others – is fundamental for Dufry to have a more holistic view of its ESG impact and to assess and eventually address improvement areas.
- **Media –** Is an important group for Dufry as it permits the company to communicate with some of our main stakeholders. Dufry strives to build strong and close collaborative relationships with media and our communications teams maintain direct and long-term relations with media representatives and influencers and provide them with timely information on a wide range of global, regional and local topics.
- **ESG Community –** Comprises of ESG rating agencies, ESG powerhouses (such as United Nations Global Compact, GRI or SBTi), and the ESG community of the travel retail and airport industry. The relationship with this group of stakeholders permits our company to have a better understanding of the main topics of concern on a global basis and identify areas of improvement within our ESG reporting and communication.

- **Communities and Charities –** As part of its social commitment, Dufry supports many activities in communities in which it operates. Dufry has a particular focus on education, youth development and charities for children, as well as general health and water related initiatives and encourages its employees to work as active members at a local level. For detailed information, please see our Community Engagement section on pages 122 – 128.

Partnerships with concession partners and suppliers

The Trinity approach mentioned above is of special interest for Dufry, as a way of achieving the company's ultimate objective of delivering a superior shopping experience for our customers. The pursuit of this objective however requires both joint collaboration – in the way the offer is presented to customers – and ensuring that responsibility towards society and the environment as expected by Dufry, is also demonstrated and shared by our partners.

Close ESG Cooperation

The close ties with concession partners and brand suppliers have significantly extended in 2022 to ESG-related topics, and especially environmental ones. From the suppliers' standpoint, Dufry has participated in a number of sustainability events and working sessions to identify ways of better engaging with customers when it comes to communicating the environmental brand values. By sharing different visions and strategies, Dufry has learnt more about suppliers' ESG propositions to better engage with our customers.

On the airport front, and as indicated in the Environmental Protection focus area of the report, Dufry plays an active role in several airport´s sustainability bodies, supporting the airport efforts when driving their ESG strategy. This includes cooperation on environmental topics, where Dufry for example, as part of a multi-stakeholder group, has an active role in determining and planning for levels of energy and resource consumption savings that work for the airport´s reduction objectives and targeting.

Collaboration however is also extended to other dimensions of ESG. In this regard, Dufry is also involved in airport forums aimed at establishing responsible employment practices and helping building a pipeline of skills required today and in the future.

Supplier Code of Conduct

As stipulated in its Supplier Code of Conduct, Dufry expects suppliers and business partners to comply with the law, stipulated contract conditions and international best practices in respect of human rights, the environment, health and safety and labor standards. As a further step towards achieving a more sustainable supply chain, Dufry has already developed its Supplier's Code of Conduct in 2017, with the purpose of ensuring that our suppliers across all product categories, have in place and apply accepted business standards, as described by the UN Global Compact, regarding:
- Ethics and integrity
- Labor and employment practices and working conditions
- Environmental compliance and sustainability
- Product safety and security.

Combined with the Corporate Governance and the Remuneration Reports, both the Supplier Code of Conduct and the Dufry Code of Conduct provide detailed insights on how Dufry assumes its responsibility concerning social, ethical and environmental standards and how we put into practice the principles of sustainable development in our day-to-day work. Both Codes are regularly assessed to ensure they remain relevant and reflect developments in law, regulation and professional ethics. All of them are available in the sustainability section of our website: www.dufry.com/sustainability.

We expect all of our suppliers and business partners to comply with the principles included in Dufry's Supplier Code of Conduct and ultimately to replicate these standards further down their own supply chain. As explained in page 92 (Customer Focus – Recertification of Supplier Code of Conduct), in 2022 we continued our efforts to proactively share the Code with additional suppliers from all product categories and we will continue to extend the reach to additional suppliers in 2023.

WE SUPPORT

UN GLOBAL COMPACT

Stakeholder Value Allocation
Dufry contributes to the development of the economies in countries where it operates through the payment of fair and competitive salaries, taxes and the purchase of local products and services. As a way of assessing the economic impact of our business, Dufry annually discloses its stakeholder value allocation, which reflects the direct monetary impact of its operation over its main stakeholders.

Accrued value allocated to our employees in form of remuneration, retirement benefits, social security payments and other personnel expenses amounted to CHF 997.9 million in fiscal year 2022. CHF 284.6 million were interest expenses as payments to our bondholders and lending banks. Income taxes paid to public authorities and communities amounted to CHF 76.1 million in 2022. In view of the 2023 General Meeting of Shareholders, the Board of Directors resolved to propose not to pay a dividend for the business year 2022. This allows us to focus on strengthening the company's financial position and on closing the business combination with Autogrill.

Additionally, Dufry contributes every year to a comprehensive number of social initiatives, which are described in the Community Engagement section of the report.


LEGACY OF PETRA

COMMUNITY ENGAGEMENT

With a presence in 62 countries, and due to the nature of our business, we believe that we have a unique opportunity and responsibility to support local communities in the locations we operate. Dufry's community engagement strategy is built around a wide, complex, and evolving number of initiatives. During 2022, at global, country or location level, Dufry has supported – either financially, by raising awareness, or through the volunteer work of our staff – a broad number of non-profit organizations and social or humanitarian initiatives. We have also continued supporting cultural events and entities.

The support of charitable institutions and causes, as a way of giving back to society, has been inherent in the growth and evolution of Dufry since its early years. The support of disadvantaged children, young people and their families, together with enabling them to have access to education, has remained the main line of action in our corporate community initiatives, both at a Group or country level. In some cases, our employees have actively participated in the process of selecting the projects to be considered, reinforcing the engagement and motivation to collaborate with the initiatives.

Dufry´s help to these causes consists of direct monetary contributions, complemented by the valued and important role fulfilled by our customers, who allow us to raise additional funds by buying charitable products in our stores for the benefit of different NGOs, as well as by making donations in the boxes available in some of our airport locations.

Throughout 2022, we have continued evolving our first global initiative, already launched at the end of 2020: Through the sale of Captain Dufry, a soft toy dog in an aviator costume, Dufry supports SOS Children's Villages by donating the proceeds from the sale of this product.

Special support during 2022 has been given to those impacted by the war in Ukraine. Dufry, who holds operations in Odessa, quickly activated a plan to give support to our Ukrainian colleagues, both to those who stayed on site and to those who decided to leave the country. All were offered the possibility of being moved, together with their families, to different Dufry locations, where they have received support for housing, schooling, etc. and have continued working for the company. Dufry colleagues from all operations made individual contributions to the different funds that were locally installed and that help to support our Ukrainian employees, families and relatives in such challenging times. At the same time, Dufry contributed through donations to a global fund set up by the Travel Retail industry to support existing NGOs supporting Ukrainians.

We are also very proud of the activities carried out by our staff to aid disadvantaged communities and charitable initiatives, often during their own free time. Where and when possible, we have supported and funded them and made the individuals and their great work visible to the rest of their colleagues, by using our internal communication channels. This serves a two-fold purpose, helping them to obtain vital, additional support, as well as providing a way of recognizing and thanking them for their philanthropic efforts.

The initiatives and projects described below represent some of the most prominent projects we support. The progress made and the encouraging results of our ongoing support to these initiatives – the earliest Dufry supported project started in 1995 – make us feel very proud and is an incentive to strengthen our ties with them.

Redefining our Community Outreach strategy
During 2022, we conducted over 50 interviews with stakeholders, including members of the Global Executive Committee and other managers across all Dufry regions, as well as external peers. The different inputs have served to help us assess which of our activities makes the biggest impact, to learn from best practices and to define the main guidelines of our new Community Engagement Strategy, which will be implemented during 2023.

SOS Children's Villages supported programs in Brazil, Mexico and Kenya
Our global collaboration with SOS Children's Villages started several years ago in 2009, with the sponsorship of a project focused on preventive care in Igarassu, a town located in the northeast of Brazil and one of the poorest areas in the country. This project, which is still

supported by Dufry, evolved into a long-standing relationship with SOS Children's Villages and as a result, we have played our part in helping to increase the reach of this institution. Testament to this longstanding relationship is the choice of SOS Children's Villages as the selected partner for our Captain Dufry initiative.

SOS Children Villages work towards keeping families together, provide alternative care when needed, supporting young people on their path to independence, and advocating for the rights of children. With the support of Dufry, SOS Children's Villages improves the lives of at-risk children and families, enabling a future in the communities where SOS Children's Villages work.

The way SOS Children´s Villages works enables families to evolve and reinforce family ties, whilst giving the necessary attention to children. Mothers are given the opportunity to leave their children in the child-care centers during the day so that they can go to work and earn a living for themselves and opt for better work opportunities. At the same time, children in these day-care centers are included in childhood development programs.

Fathers, on the other hand, receive awareness raising support in connection with educational matters and are helped and encouraged to become more constructively involved in family responsibility, thus improving the overall quality of life for these families.

During 2022, Dufry continued supporting the Igarassu village in Brazil. Our donations benefited nearly 500 infants, young children and teenagers with their mothers and enabled them to join family strengthening programs focused on building self-esteem, improving gender relations and preventing domestic violence. Since the start of the collaboration, Dufry has also lent similar support to other villages in Mexico, Russia, Morocco and Cambodia.

SOS Children's Villages also promotes family strengthening programs, like the Dufry-sponsored program in Nairobi, Kenya. This program seeks sustainable and innovative ways to prevent family separation and addresses the situation of those children who are at risk of losing care from their biological family.

The pillars of this program are family and community empowerment, to achieve the ultimate development of children through provision of quality care and protection. Community-based partners are strategically identified, assessed and engaged to help create a strong safety-net around the vulnerable children and youth in the community.

Beyond Dufry´s global contribution to SOS Children's Villages, our Captain Dufry initiative supported the SOS Children's Villages projects worldwide, by generating donations via the sale of Captain Dufry soft toys in Dufry stores in Finland, France, Greece, Morocco, Spain, Sweden and UK. All contributions, big and small, help this organization in their objective of keeping families together, providing alternative care when needed, supporting young people on their path to independence, and advocating for the rights of children.

Captain Dufry – Dufry´s global charity initiative
Dufry continued extending the reach of its global charity initiative, Captain Dufry. Launched in 2020, Dufry sells Captain Dufry, a soft toy dog wearing a Dufry scarf and aviator hat with goggles, across Dufry stores in 23 countries. Benefits from this initiative are donated to a global charity, which for the 2021 – 2023 period is SOS Children´s Villages.

Captain Dufry is available at an accessible price and designed to be an irresistible "feel-good" purchase. This item gives our customers the perfect opportunity to buy a gift that truly makes children feel special – both their loved ones and those in need of support around the world.

Beyond the financial objective pursued with Captain Dufry, this initiative also serves to increase awareness amongst Dufry's customers of SOS Children's Villages and their activities. To this extent, the availability of Captain Dufry in stores is complemented with in-store communication and signage to build awareness. Dufry reserves high visibility spaces across the stores where

Captain Dufry is available, including dedicated sales displays and gondolas. On top of this, Dufry customers are offered additional options to donate by using the Red By Dufry app, hence, increasing the possibilities of helping this charity initiative even more.

The Ocean Cleanup
Understanding that plastic pollution in our oceans is a global challenge, and nobody can solve it alone, Dufry has contributed to The Ocean Cleanup. As an Independent Supporter, we help them in their work towards recycling the plastic collected from our oceans and ensuring it never re-enters the natural environment again.

The Ocean Cleanup is a non-profit organization that develops advanced technologies to rid the world's oceans of plastic. Founded in 2013 by Boyan Slat, The Ocean Cleanup conducts global research, builds scalable cleaning systems for oceans and rivers, and now employs close to 100 engineers and researchers. The foundation is headquartered in Rotterdam, the Netherlands.

Complementary to its approach to solve the legacy problem of plastic in the ocean by means of its passive floating waste collection systems, the organization also developed the Interceptor technology, to help prevent plastic garbage reaching the oceans via rivers. Interceptor technologies are now deployed in Indonesia, the Dominican Republic, Jamaica and Vietnam, and preparations are ongoing for further deployments around the world.

One Water – selling water bottles to provide sustainable clean water
Since 2016, World Duty Free has collaborated with The One Foundation as a commercial supporter for the sale of the charity's bottled water brand "One Water" in all of its UK airport stores. Over the past 6 years, World Duty Free has been raising money through the sale of One Water to bring clean water, sanitation and hygiene solutions to some of the world's poorest communities.

Through the sale of One Water across World Duty Free shops in 2022 alone, over £137,000 has been raised for charitable projects – and an amazing £2.4 million in total to date, changing the lives of over 428,000 people. Together with One Water and The One Foundation, we are helping to strengthen water and sanitation services across Kenya, Rwanda, Ghana and Malawi through the delivery of piped water and sanitation services and by capacity building with local utilities for better service provision. Together, we are repairing broken water points and providing the tools and community training required to ensure the future sustainability of these pumps.

Funds from One Water this year have also contributed to the delivery of emergency hygiene kits to communities impacted by the crisis in Ukraine. This supportive action has also proven to be very critical, as the conflict unfortunately hasn't stopped.

Rio de Janeiro, Brazil – Helping to build the future of young teenagers
Since 1995, Dufry has been sponsoring a social promotion program in Rio de Janeiro aimed at improving the skills of young people and, hence, increasing their employability. The 20 participants of the 2022 class benefited from this program, which features free professional education to young people from communities around Galeão Airport, including various classes and education modules covering various topics and skills such as English, technology, retail operations, professional orientation, teamwork, leadership, rules of etiquette, ethics and citizenship.

The daily classes which run over a 7-months period cover three modules and are attended by 18 to 20 year-old students of different genders, sexual orientation, nationality and ethnicity. They all receive free meals, uniforms, school and educational materials and transportation assistance. Dufry then supports participants in their first steps into professional life. Some join the Dufry team or are employed by other supportive companies, and those who do not immediately find employment are given ongoing support in finding an educational or career path.

This program is also an institution amongst Dufry employees and one of the initiatives Dufry Brazil staff feel very proud of. Our staff in Brazil act as mentors to the program's students and every year more than 60 volunteers from both Dufry and its Brazilian partners get involved.

Over the 27 years that this program has run, it has proven to be a great success. Employability rates usually reach high levels and since Dufry started its collaboration, over 770 young people have benefited.

Hudson Round-up program
In 2022, Hudson switched its previous donation collection platform to a round-up program at the point of sale, which allows travelers to round up their purchases and donate the remaining change to charity. Hudson used this new platform to support two causes throughout the year – Communities In Schools® (CIS®) and the Disasters Emergency Committee (DEC).

Hudson was proud to continue its long-standing partnership with CIS, the largest U.S. organization dedi-

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1 COMITÁN | MEXICO
Helping improving education and quality of life.

2 NAIROBI | KENYA
The SOS Children's Villages promote family strengthening programs.

3 IGARASSU | BRAZIL
Social Centres in Brazil help families to escape from poverty.

cated to empowering students in need. This past year, Hudson expanded its level of support for CIS, with donations benefitting both the CIS National Office and now 29 local CIS affiliates. By further investing in the affiliate network, Hudson deepened its local community involvement, while helping CIS to strengthen its academic impact on even more students and schools.

In recognition of Hudson's ongoing commitment to CIS and being "All In" to help students in school and in life, Hudson received the 2022 "All In For Students" Philanthropic Partner Award. Hudson has now raised nearly $5 million for CIS over its partnership of more than a decade.

During the year, Hudson also worked closely with Dufry on the global fundraising efforts for the DEC, which assisted with Ukraine humanitarian relief. As a result, Hudson collected more than $1 million in donations for the relief efforts.

In addition to its in-store fundraising, Hudson also supported several other causes throughout the year in its local communities. In the U.S., Hudson participated in a 5 km charity run, hosted a coat and shoe drive at its New Jersey corporate office, and helped with a back-to-school event, amongst other local initiatives. Moreover, throughout North America, team members participated in "Movember," a global initiative where individuals grow moustaches and beards to raise awareness and collect donations for men's health issues such as prostate cancer, testicular cancer and mental health challenges.

One Tree Planted
In Canada, our staff organized an Earth Day marketing campaign, working closely with their local airport partners. For any in-store purchases totaling over $125, a tree was planted. In total, more than 5,000 trees were planted during the initiative in partnership with One Tree Planted.

Charity Water Project in Zurich and Basel Airports
Dufry continued the partnership initiated in 2014 with Flughafen Zurich, which, under the name of "Charity Water", raise funds for charitable causes through the sale of bottled water in the airport. For every bottle of mineral water sold at the price of CHF 2.50, which is obtained from the Adello spring in Adelboden, in the Swiss Alps, 50 centimes are donated to a charitable organization.

Kinderhilfe Sternschnuppe has been the beneficiary of this project, for which CHF 375,400 were raised in the June 2021 to November 2022 period. Kinderhilfe Sternschnuppe is a Swiss non-profit organization that brings joy and excitement into the lives of children and young people living with an illness or disability. It fulfils the dearest wishes of children and gives the whole family the opportunity for exciting excursions and worry-free family activities.

Starting January 2023, Sozialwerk Pfarrer Sieber (Social Work Priest Sieber) will be the new beneficiary of this project. Sozialwerk Pfarrer Sieber strives for the greatest possible social reintegration of marginalized people. Where this is not possible due to lack of individual resources on the part of those affected, they should be able to live with the greatest possible autonomy with the support of Sozialwerk Pfarrer Sieber and be embedded in a sustainable network of relationships.

RgZ Foundation – Fostering unhindered development
In Switzerland, Dufry also donated to Foundation RgZ, which is supporting the development, way of life and social integration of children, teenagers and adults with movement disorders, development problems and mental and / or multiple disabilities. Over 3,100 children, young people and adults were fostered, taught and supported by the 290 RgZ employees in the greater Zurich area in 2022.

Support to Children's Cancer and Leukaemia Group
Children's Cancer and Leukaemia Group (CCLG), a leading children's cancer charity and the UK and Ireland's professional association for those involved in the treatment and care of children with cancer, is the charity supported by our UK colleagues. A nominated charity is chosen every three years based on the votes of our UK employees and CCLG was the chosen charity partner.

Throughout the first year of the partnership, Dufry's staff in the UK have managed to raise £60,000, which is twice as much money as expected and are in good shape to reach (and exceed) the £100,000 estimated for the three-year partnership. Funds have been raised through several engaging seasonal campaigns, including Childhood Cancer Awareness Month (CCAM) in September, where staff were involved in selling CCLG's gold ribbon pin badges, taking part in 'Bake it Gold' and 'Wear it Gold' days, participating in the 'C through September' challenge, wearing CCAM T-shirts in store to promote awareness and displaying CCLG's CCAM graphics and videos on screens in store.

The funds raised through the partnership will support CCLG to grow and develop their work – which includes the development of expert information resources, which help lessen the anxiety, stress and loneliness

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4 **BLANTYRE | MALAWI**
"Water for Everyone" is the objective seeked by The One Foundation in Blantyre.

5 **THE OCEAN CLEANUP**
Floating systems are designed to capture plastics ranging from small pieces up to large debris.

6 **RIO DE JANEIRO | BRAZIL**
Dufry´s young professionals program in Brazil is an institution amongst Dufry employees in Brazil.

commonly felt by families, giving them support throughout the whole challenging cancer illness periods. Furthermore, the support received will also allow CCLG to expand and fund even more innovative world-class research, driving forward improvements in childhood cancer treatments.

The partnership is also providing the opportunity to raise further awareness of childhood cancer. Awareness is vitally important, as it can lead to earlier diagnosis, improving outcomes for children who are able to start treatment sooner, and may mean fewer lifelong, life-altering side effects experienced by many survivors of childhood cancer.

Nougat and Perfumes to support SOS Children's Villages

Dufry, through its World Duty Free stores in Spain, conducted a special campaign in the December 2022 and January 2023 period. Thanks to the collaboration between World Duty Free, Turrones Carremi and Perfumes y Diseño (PyD), with one of its Tous fragrances, for every pack of Carremi Mini Turrones purchased during the period, EUR 1 was donated to the campaign and for every Tous EDP fragrance purchased, EUR 3 were donated. The initiative helped to raise over EUR 13,000, which were entirely donated to SOS Children's Villages to fund their various projects in Spain.

HOME MCR

In the UK, World Duty Free supports HOME, a Manchester-based organisation that presents and produces a range of art forms including theatre, film and visual art, alongside a dynamic community engagement programme. Through our engagement HOME will develop and launch HOME Young Creatives, an inspiring 12-week arts course in Wythenshawe for young people aged between 12 and 18 led by experienced and knowledgeable artists. The course will develop and broaden young people's skillsets and aspirations, culminating in the creation of their own work. Over 100 young people will be involved in various stages of the project, which will be developed and delivered between February and August 2023.

HOME and World Duty Free have worked in partnership since 2004 to improve the lives of Wythenshawe communities, running innovative arts projects for a range of beneficiaries across the district.

Fundación Aladina – supporting children with Cancer

Fundación Aladina is a Spanish NGO that provides comprehensive support to many cancer-diagnosed children and teenagers and their families. The support given includes psychological and emotional support, as well as material and financial assistance. With its donations in 2022, Dufry again supported Aladina´s Extraordinary Special Fund, which finances the purchase of prosthesis, wigs, wheelchairs, hearing aids, physical therapy sessions, funerals, and any other expenses incurred as a result of the child's illness.

Support to multiple projects in Greece

Hellenic Duty Free Shops continued with the ongoing support to Make-A-Wish Hellas, an organization granting wishes of children with critical illnesses to transform their lives. For Make-A-Wish, a wish is an inherent part of the healing journey, as these help with the regaining of the physical and emotional strength the children need to go through very serious illnesses.

Hellenic Duty Free Shops also supports the Galilee Palliative Care Center – which provides palliative medical and nursing care along with psychological, social and spiritual support to patients and their families – as well as the Skytali Hellenic Heart-Lung Transplant Association.

Moreover, several non-for-profit organizations, including FOOD BANK, Institution against Hunger and SOS Children's Villages Hellas, were supported through product donations.

And a long list of other local contributions

Support for the underprivileged is deeply rooted in our company. In addition to the main initiatives mentioned above there is a long list of causes and projects of all sizes that Dufry subsidiaries and employees support year after year. Amongst others, these include direct donations to the Prime Minister's National Relief fund (PMNRF) in India to support disaster victims, and the support of our Armenian operation to the social programme Children of Armenia Fund (COAF).

The main protagonists of many of these actions are our employees, who champion the causes and promote their support through micro-donations, charity runs, bike rides, bake sales and other initiatives to support the many deserving projects.

Internally we give voice to these initiatives through our internal communication platforms to recognize the effort, generate awareness and motivate other employees to develop initiatives of their own.

Support to communities in Türkiye and Syria

To support the people and communities impacted by the devastating earthquake in Türkiye and Syria, Dufry Group has significant combined initiatives of the company and our customers in early 2023.

Financial Report 2022

DUFRY

WorldClass.WorldWide.

RESILIENT 2022 PERFORMANCE AND ATTRACTIVE MID-TERM OUTLOOK
DEAR ALL

We are looking back at a successful 2022 and I am happy to share with you my highlights from a CFO perspective. Our turnover for the year progressed strongly and reached CHF 6,878.4 million, representing organic growth of 76.1% versus the previous year (in constant FX). Despite a turbulent year, demand for travel and travel retail returned strongly and we expect it to be sustainable as proven already in the past. Dufry has demonstrated its resilience, which we will further enhance through the combination with Autogrill and the implementation of our strategy «Destination 2027».

EBITDA and Cash flow performance above expectations.

Before turning to key initiatives from a finance perspective, I am proud to present our profitability and Equity Free Cash Flow (EFCF) achievements. Despite an environment impacted by inflation, rising interest rates and ongoing travel disruptions, Dufry has delivered a solid EBITDA performance – reaching CHF 606.2 million with a 8.8 % margin. EFCF came in at CHF 305.2 million – equal to a conversion of 50.3 % from EBITDA – and performed well above our expectations at the beginning of the year. With increased visibility as of Q3 2022, we also provided an outlook to the market. Supported by continued robust travel spending – even in the normally weaker fourth quarter – and ongoing cost discipline and cash flow focus, we delivered on our goal presented to the market.

With the half-year results 2022, we have introduced a CORE EBITDA concept and related performance indicators on top of our IFRS results – following best practice and as suggested by various market participants.

For a glossary of financial terms and key performance indicators please see page 239 of this Annual Report.

The finance teams have undertaken some tremendous work to provide internally and externally meaningful P & L metrics, which fully reflect our business operations including concessions. These CORE figures consider all our concession fees and corresponding payments as a part of our operational results. They better reflect the actual performance of our business, the reality of our concession contracts and are best equipped to follow and evaluate our performance, while we are continuing with our IFRS reporting. We have published historical CORE figures in a consistent manner on our IR website to allow clear comparisons. CORE figures will be applied for the combined business with Autogrill through full consolidation.

We made further progress on strengthening our financing. Net debt amounted to CHF 2,810.7 million as of December 31, 2022 – the lowest level since 2015. Covenants will be tested again after the end of the covenant holidays in June 2023, with the first testing in September 2023 requiring a 5x leverage level. We reached this level already in December 2022 – well ahead the required deadline – and the combination with Autogrill will improve our leverage profile even further. Moreover, we have closed the 2022 business year with CHF 854.7 million cash on the balance sheet, and additional liquidity of CHF 1,488.3 million resulting from undrawn credit facilities. We are very confident to achieve any required thresholds in 2023. With the introduction of CORE EBITDA, we agreed with our banking consortium to also base our leverage calculation on net debt / CORE EBITDA. The covenant thresholds will remain unchanged.

Dufry has a history to address debt financing well ahead of maturity by aligning products and timing to the respective market environment to achieve the best possible financing. Accordingly, we have already started the refinancing of our 2024 maturities at the end of 2022, and have successfully concluded an agreement with our lending banks consortium for a new EUR 2,085 million Revolving Credit Facility (RCF), replacing the existing EUR 1,300 million RCF and

Dufry delivered on its 2022 targets, even in a challenging environment. With our Destination 2027 strategic focus on long-term top-line growth, sustainable profits and strong risk-adjusted cash flow generation and solid balance sheet, we are well positioned to create sustainable value for our shareholders.

Yves Gerster

2,343

CHF 2,343.0 million liquidity as of end December 2022.

USD 550 million Term Loan. The new RCF is maturing in 2027 and comes at attractive terms considering the recent market environment. Covenant requirements are the same as for Dufry's other outstanding debt.

The refinancing of our main bank credit facilities is an important achievement in many aspects. We have delivered on our commitment to address upcoming maturities significantly ahead of maturity, providing additional flexibility with the higher RCF while maintaining interest expenses stable. With the executed refinancing, we are well positioned for any upcoming financing requirements in 2023, both related to the combination with Autogrill or for addressing Dufry's EUR 800 million 2024 bond maturity. Dufry has access to a range of products and strives to balance financing security, maturity profile and cost aspects while also considering market developments. The current available liquidity position of CHF 2,343.0 million, thereof CHF 854.7 million available cash and cash equivalents, provides additional flexibility.

Successful refinancing.

The current debt profile consists of 84% fixed rate debt at attractive rates of 3.1% on a weighted average, while only 16% of our debt has floating rates. Our ratings in 2022 improved to B1 Outlook Stable by Moody's and B+ CreditWatch Positive by S&P.

During 2022, we have continued the close relationship and ongoing interaction with our shareholders, investors, bondholders, equity and debt analysts as well as banks and rating agencies in more than 1,850 interactions, thereof 9 roadshows, 8 conferences, 843 meetings, 1,012 calls and, last but not least, at our Capital Markets Day (CMD) in September 2022. Around 100 capital market participants have joined us in person, and another 200 attended virtually when we presented our new strategy in London at this event. It was among my personal highlights during the year to contribute to presenting Destination 2027 while re-connecting with familiar faces and meeting new ones after a break of more than three-years due to the corona pandemic.

Destination 2027.

Our new long-term strategy to revolutionize the travel retail experience will impact the financial profile of the company. First, the combination with Autogrill and expansion into travel F&B will change our P&L and cash flow while delivering similar returns as the combined entity will have higher gross profit margins and lower concession fees with longer contract durations. Personnel and other expenses as well as CAPEX requirements will be higher due to the different profile of the F&B business.

Second, our company will become more resilient with new growth opportunities in adjacent markets and geographies as we target a higher conversion rate through the combination of enhanced store concepts, data-driven customer insights and digitalization.

Third, and very importantly, we are fostering a culture of operational improvement to fuel profitability, accelerate cash flow generation, and reinvest in growth. Hereby, the finance teams will support our strive for superior profitability driven by a logic of zero-based budgeting, focused on disproportionally allocating resources to activities that make the most impact for the customer, while leveraging technology to simplify work and operations. In addition to the budgeting discipline, Dufry will systematically and actively manage its concession portfolio, with stronger focus on the evaluation of full profitability and cash flow contribution. On top, the combination with Autogrill is expected to generate cost synergies of approx. CHF 85 million at EBITDA level, with an annual conversion to EFCF of around CHF 55 million.

The finance teams are highly committed to contribute to the strategy implementation, including the integration work over the coming years. As a combined entity, we will deliver a very attractive growth, profitability and cash flow generation profile in the mid-term as we target 5-7% p.a. topline growth, 30–40 basis points CORE EBITDA improvements (gross) and above 30% EFCF conversion. We expect 2023 to be a transition year with an impact on profitability and cash flow, while we continue to grow organically.

As our several ESG achievements in 2022 underline, we will keep our commitment to create value for all our stakeholders going forward by further strengthening the implementation of our holistic ESG strategy. In this context, we have also made an additional step in increasing transparency on risks and opportunities of our business with the publication of Dufry's first TCFD-Report (Task-Force on Climate-Related Financial Disclosures). We have also progressed with our Diversity & Inclusion initiatives, having set the strategic framework and started to implement company-wide trainings and specific programs. D&I complements the range of other training initiatives at Dufry to act as a responsible retailer in all our 62 countries and more than 2,200 locations globally. Personally close is our reinforced community engagement approach with which Dufry intends to make a positive impact across our global network.

Managing short-term impacts.

We expect 2023 to be a transition year. Macroeconomic and geopolitical developments remain a concern in the short-term with limited visibility on how inflation, rising energy prices as well as potential other disruptions might impact consumer sentiment in general, and travel-related specifically.

Looking at former crises, travel retail has been more resilient compared to other areas of discretionary spending, and has especially seen a faster rebound versus passenger numbers. We are cautiously optimistic going into 2023 while we continue our diligent approach on cost and cash flow management. With our global exposure, we are naturally well hedged with respect to FX fluctuations from an operational perspective, however it is important to consider translational effects from currency developments when comparing turnover with previous years.

Despite challenges in the short-term, we are excited about the mid- and long-term opportunities ahead of us and convinced that we can generate value for our shareholders and other stakeholders. We have proven in the past – including the most recent history of Dufry – that we can well manage volatile environments and are therefore confident on 2023. With the full combination with Autogrill and the acceleration of our strategy implementation, we will deliver sustainable cash flows for continued growth and value generation.

I would like to thank our customers, shareholders, bondholders, banks, analysts, rating agencies, business partners and key advisors for their continued trust in Dufry and their ongoing support to initiate and execute the right measures helping us to emerge stronger and be in the best position to take advantage of the opportunities we see on our way ahead.

Kind regards,

Yves Gerster

CORE AND IFRS PROFIT OR LOSS

IN MILLIONS OF CHF	CORE 2022	IN %	CORE 2021	IN %	IFRS 2022	IFRS 2021
Turnover	**6,878.4**	**100.0%**	**3,915.4**	**100.0%**	**6,878.4**	**3,915.4**
Cost of sales	(2,684.6)	(39.0%)	(1,704.4)	(43.5%)	(2,684.6)	(1,704.4)
Gross profit	**4,193.8**	**61.0%**	**2,211.0**	**56.5%**	**4,193.8**	**2,211.0**
Concession expenses (CORE) / Lease expenses (IFRS)	(2,029.9)	(29.5%)	(815.0)	(20.8%)	(1,081.9)	176.4
Personnel expenses	(997.9)	(14.5%)	(635.4)	(16.2%)	(997.9)	(635.4)
Depreciation and amortization (IFRS)	–	–	–	–	(1,111.5)	(1,210.0)
(Impairment) / Reversal of impairment, net (IFRS)	–	–	–	–	16.9	(280.5)
Other expenses (CORE) / Other expenses (IFRS)	(620.7)	(9.0%)	(428.5)	(10.9%)	(578.7)	(381.6)
Other income (CORE) / Other income (IFRS)	60.9	0.9%	53.9	1.4%	61.7	53.9
CORE EBITDA / Operating profit / (loss) (IFRS)	**606.2**	**8.8%**	**386.0**	**9.9%**	**502.4**	**(66.2)**
Depreciation, amortization and impairment (CORE)	(135.5)	(2.0%)	(256.1)	(6.5%)	–	–
CORE EBIT / Operating profit / (loss) (IFRS)	**470.7**	**6.8%**	**129.9**	**3.3%**	**502.4**	**(66.2)**
Financial result (CORE) / Financial result (IFRS)	(175.6)	(2.6%)	(253.4)	(6.5%)	(305.6)	(341.6)
CORE Profit before taxes / Profit / (loss) before taxes (IFRS)	**295.1**	**4.3%**	**(123.5)**	**(3.2%)**	**196.8**	**(407.8)**
Income tax (CORE) / Income tax (IFRS)	(105.5)	(35.8%)	(71.0)	(57.5%)	(76.2)	42.6
CORE Net profit / (loss) / Net profit / (loss) (IFRS)	**189.6**	**2.8%**	**(194.5)**	**(5.0%)**	**120.6**	**(365.2)**

CORE CASH FLOW

IN MILLIONS OF CHF	2022	2021
CORE EBITDA	**606.2**	**386.0**
Other non-cash items and changes in lease obligations (MAG related)	79.6	(238.9)
Changes in net working capital	(4.6)	75.7
Capital expenditures	(110.1)	(88.1)
Cash flow related to minorities	(65.0)	(24.4)
Dividends from associates	2.7	–
Income taxes paid	(76.1)	(19.8)
Cash flow before financing	**432.7**	**90.5**
Interest, net	(134.1)	(129.9)
Other financing items	6.6	6.0
Equity free cash flow	**305.2**	**(33.4)**
Financing activities, net	(20.3)	343.8
Foreign exchange adjustments and other	(16.1)	(45.7)
Decrease / (Increase) in net debt	**268.8**	**264.7**
– at the beginning of the period	3,079.5	3,344.2
– at the end of the period	2,810.7	3,079.5

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED DECEMBER 31, 2022

IN MILLIONS OF CHF	NOTE	2022	2021
Net sales	7	6,721.2	3,826.8
Advertising income		157.2	88.6
Turnover		**6,878.4**	**3,915.4**
Cost of sales		(2,684.6)	(1,704.4)
Gross profit		**4,193.8**	**2,211.0**
Lease expenses	8	(1,081.9)	176.4
Personnel expenses	9	(997.9)	(635.4)
Depreciation and amortization	10	(1,111.5)	(1,210.0)
Impairment	10	(49.3)	(463.3)
Reversal of impairment	10	66.2	182.8
Other expenses	11	(578.7)	(381.6)
Other income	12	61.7	53.9
Operating profit / (loss)		**502.4**	**(66.2)**
Finance expenses	13	(350.9)	(364.9)
Finance income	13	68.5	25.9
Foreign exchange gain / (loss)		(23.2)	(2.6)
Profit / (loss) before taxes		**196.8**	**(407.8)**
Income tax	14	(76.2)	42.6
Net profit / (loss)		**120.6**	**(365.2)**
ATTRIBUTABLE TO			
Non-controlling interests		62.4	20.2
Equity holders of the parent		58.2	(385.4)
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT			
Basic earnings per share in CHF	26.2	0.63	(4.39)
Diluted earnings per share in CHF	26.2	0.62	(4.39)

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2022

IN MILLIONS OF CHF	NOTE	2022	2021
Net profit / (loss)		**120.6**	**(365.2)**
OTHER COMPREHENSIVE INCOME			
Remeasurements of post-employment benefit plans	15	(37.6)	77.9
Income tax	14, 15	4.1	(11.6)
Items not being reclassified to net income in subsequent periods, net of tax		**(33.5)**	**66.3**
Exchange differences on translating foreign operations	15	(91.6)	81.3
Net gain / (loss) on hedge of net investment in foreign operations		(3.6)	(7.9)
Fair value gain / (loss) on cash flow hedging instruments	15	–	–
Share of other comprehensive income of associates	15, 20	0.5	0.2
Income tax on above positions	14, 15	–	–
Items to be reclassified to net income in subsequent periods, net of tax		**(94.7)**	**73.6**
Total other comprehensive income, net of tax		**(128.2)**	**139.9**
Total comprehensive income, net of tax		**(7.6)**	**(225.3)**
ATTRIBUTABLE TO			
Non-controlling interests		60.4	19.8
Equity holders of the parent		(68.0)	(245.1)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT DECEMBER 31, 2022

IN MILLIONS OF CHF	NOTE	31.12.2022	31.12.2021
ASSETS			
Property, plant and equipment	16	314.3	329.1
Right-of-use assets	17	2,567.8	3,120.8
Intangible assets	18	1,477.8	1,737.3
Goodwill	18	2,272.2	2,360.0
Investments in associates		24.4	15.2
Deferred tax assets	31	145.4	179.9
Net defined benefit assets	33	17.0	55.0
Other non-current assets	21	155.8	215.3
Non-current assets		**6,974.7**	**8,012.6**
Inventories	22	928.4	692.2
Trade and credit card receivables	23	62.3	85.3
Other accounts receivable	24	467.6	371.8
Income tax assets		21.9	35.0
Cash and cash equivalents	29.1	854.7	793.5
Current assets		**2,334.9**	**1,977.8**
Total assets		**9,309.6**	**9,990.4**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Equity attributable to equity holders of the parent	25	893.0	956.6
Non-controlling interests	27	73.1	77.9
Total equity		**966.1**	**1,034.5**
Borrowings	28	3,452.3	3,771.7
Lease obligations	29	2,010.2	2,558.5
Deferred tax liabilities	31	221.4	275.4
Provisions	32	44.0	30.9
Employee benefit obligations	33	12.3	11.5
Other non-current liabilities	30	29.3	46.7
Non-current liabilities		**5,769.5**	**6,694.7**
Trade payables		486.4	335.1
Borrowings	28	122.7	45.3
Lease obligations	29	992.4	1,077.9
Income tax payables		42.1	61.3
Provisions	32	89.3	88.4
Other liabilities	30	841.1	653.2
Current liabilities		**2,574.0**	**2,261.2**
Total liabilities		**8,343.5**	**8,955.9**
Total liabilities and shareholders' equity		**9,309.6**	**9,990.4**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2022

		ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT									
IN MILLIONS OF CHF	NOTE	Share capital	Share premium	Treasury shares	Capital reserve for mandatory convertible notes	Employee benefit reserve	Trans-lation reserves	Retained earnings	TOTAL	NON-CON-TROLLING INTERESTS	TOTAL EQUITY
Balance at January 1, 2022		**454.0**	**4,542.2**	**(1.3)**	**60.3**	**35.4**	**(450.9)**	**(3,683.1)**	**956.6**	**77.9**	**1,034.5**
Net profit / (loss) of the period		–	–	–	–	–	–	58.2	58.2	62.4	120.6
Other comprehensive income / (loss)	15	–	–	–	–	(33.7)	(92.5)	–	(126.2)	(2.0)	(128.2)
Total comprehensive income / (loss) for the period		**–**	**–**	**–**	**–**	**(33.7)**	**(92.5)**	**58.2**	**(68.0)**	**60.4**	**(7.6)**
TRANSACTIONS WITH OR DISTRIBUTIONS TO SHAREHOLDERS											
Dividends to non-controlling interests		–	–	–	–	–	–	–	–	(74.6)	(74.6)
Purchase of treasury shares	26.1	–	–	(21.6)	–	–	–	–	(21.6)	–	(21.6)
Share-based payments	25	–	–	–	–	–	–	16.4	16.4	–	16.4
Total transactions with or distributions to owners		**–**	**–**	**(21.6)**	**–**	**–**	**–**	**16.4**	**(5.2)**	**(74.6)**	**(79.8)**
CHANGES IN OWNERSHIP INTERESTS IN SUBSIDIARIES											
Put-option held by non-controlling interests		–	–	–	–	–	–	13.4	13.4	5.1	18.5
Other changes in participation of non-controlling interests		–	–	–	–	–	–	(3.8)	(3.8)	4.3	0.5
Changes in participation of non-controlling interests	**27**	**–**	**–**	**–**	**–**	**–**	**–**	**9.6**	**9.6**	**9.4**	**19.0**
Balance at December 31, 2022		**454.0**	**4,542.2**	**(22.9)**	**60.3**	**1.7**	**(543.4)**	**(3,598.9)**	**893.0**	**73.1**	**966.1**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2022

		ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT									
IN MILLIONS OF CHF	NOTE	Share capital	Share premium	Treasury shares	Capital reserve for mandatory convertible notes	Employee benefit reserve	Translation reserves	Retained earnings	TOTAL	NON-CONTROLLING INTERESTS	TOTAL EQUITY
Balance at January 1, 2021		**401.3**	**4,249.9**	**(1.3)**	**68.4**	**(30.9)**	**(524.9)**	**(3,323.2)**	**839.3**	**78.7**	**918.0**
Net Profit / (loss) of the period		–	–	–	–	–	–	(385.4)	(385.4)	20.2	(365.2)
Other comprehensive income / (loss)	15	–	–	–	–	66.3	74.0	–	140.3	(0.4)	139.9
Total comprehensive income / (loss) for the period		**–**	**–**	**–**	**–**	**66.3**	**74.0**	**(385.4)**	**(245.1)**	**19.8**	**(225.3)**
TRANSACTIONS WITH OR DISTRIBUTIONS TO SHAREHOLDERS											
Dividends to non-controlling interests		–	–	–	–	–	–	–	–	(23.0)	(23.0)
Conversion of the CHF 350 million bond	25	52.7	295.0	–	–	–	–	(26.7)	321.0	–	321.0
Related transaction costs	25	–	(2.7)	–	–	–	–	–	(2.7)	–	(2.7)
Share-based payments	25	–	–	–	–	–	–	2.0	2.0	–	2.0
Equity component of the CHF 500 million convertible bond	25	–	–	–	–	–	–	54.1	54.1	–	54.1
Interest component of the mandatory convertible notes		–	–	–	(8.1)	–	–	–	(8.1)	–	(8.1)
Total transactions with or distributions to owners		**52.7**	**292.3**	**–**	**(8.1)**	**–**	**–**	**29.4**	**366.3**	**(23.0)**	**343.3**
CHANGES IN OWNERSHIP INTERESTS IN SUBSIDIARIES											
Put option held by non-controlling interests		–	–	–	–	–	–	(3.2)	(3.2)	0.5	(2.7)
Other changes in participation of non-controlling interests		–	–	–	–	–	–	(0.7)	(0.7)	1.9	1.2
Changes in participation of non-controlling interests	**27**	**–**	**–**	**–**	**–**	**–**	**–**	**(3.9)**	**(3.9)**	**2.4**	**(1.5)**
Balance at December 31, 2021		**454.0**	**4,542.2**	**(1.3)**	**60.3**	**35.4**	**(450.9)**	**(3,683.1)**	**956.6**	**77.9**	**1,034.5**

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2022

IN MILLIONS OF CHF	NOTE	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (loss) before taxes		196.8	(407.8)
ADJUSTMENTS FOR:			
Depreciation and amortization	10	1,111.5	1,210.0
Impairment	10	49.3	463.3
Reversal of impairment	10	(66.2)	(182.8)
Increase / (decrease) in allowances and provisions		64.7	48.3
Other non-cash items		8.7	(3.3)
Relief of lease obligations	8	(80.2)	(847.1)
Loss / (gain) on sale of non-current assets		(0.6)	0.2
Loss / (gain) on foreign exchange differences		23.2	2.6
Finance expense	13	350.9	364.9
Finance income	13	(68.5)	(25.9)
Cash flow before working capital changes		**1,589.6**	**622.4**
Decrease / (increase) in trade and other accounts receivable		(28.7)	(137.5)
Decrease / (increase) in inventories		(288.2)	(26.5)
Increase / (decrease) in trade and other accounts payable		312.3	239.6
Dividends received from associates	20	2.7	–
Cash generated from operations		**1,587.7**	**698.0**
Income tax paid		(76.1)	(19.8)
Net cash flows from operating activities [1]		**1,511.6**	**678.2**
CASH FLOW USED IN INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(97.4)	(74.3)
Purchase of intangible assets	18	(15.9)	(16.9)
Purchase of financial assets		(0.1)	(0.1)
Purchase of interest in associates		–	(4.9)
Proceeds from lease income		4.0	3.1
Repayment of loans receivable granted		4.1	4.7
Proceeds from sale of property, plant and equipment		3.2	3.1
Proceeds from sale of financial assets		2.6	1.5
Interest received [2]		30.8	11.0
Business combinations, net of cash		1.1	–
Proceeds from sale of interests in subsidiaries		0.2	–
Net cash flows used in investing activities		**(67.4)**	**(72.8)**

[1] Includes variable lease payments of CHF 1.109.5 (2021: 586.7) million.
[2] Interest received are disclosed in cash flow from investing activities (consistent to prior year).

CONSOLIDATED STATEMENT OF CASH FLOWS

(CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2022

IN MILLIONS OF CHF	NOTE	2022	2021
CASH FLOW FROM FINANCING ACTIVITIES			
Transaction costs for financial instruments[3]	29	(16.8)	(56.1)
Transaction costs for equity instruments		–	(2.6)
Proceeds from / (repayment) of 3rd party loans	29	(1.8)	8.1
Proceeds from issue of notes	29	–	1,599.3
Proceeds from borrowings	29	–	642.9
Payment of derivatives interests	29	(14.2)	–
Repayment of borrowings	29	(152.2)	(1,689.0)
Dividends paid to non-controlling interests		(68.3)	(21.1)
Purchase of treasury shares	26.3	(21.6)	–
Contributions (paid to) / from non-controlling interests		3.3	1.6
Lease payments	29	(907.8)	(478.4)
Interest paid[4]		(164.9)	(140.9)
Net cash flows used in financing activities		**(1,344.3)**	**(136.2)**
Currency translation on cash	29	(38.7)	(36.0)
Increase / Decrease in cash and cash equivalents		**61.2**	**433.2**
CASH AND CASH EQUIVALENTS AT THE			
– beginning of the period	29.1	793.5	360.3
– end of the period	29.1	854.7	793.5

[3] In 2021, transaction costs for financial instruments include incentives for the conversion of a bond in shares of CHF 28.8 million (refer for further transaction details to note 29).

[4] Interest paid are disclosed in cash flow from financing activities (consistent to prior year).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

1. CORPORATE INFORMATION

Dufry AG (the "Company") is a publicly listed company with headquarters in Basel, Switzerland. The Company is one of the world's leading global travel retail companies. It operates in more than 2.200 shops worldwide. The shares of the Company are listed on the Swiss Stock Exchange (SIX) in Zurich.

On February 3rd, 2023 the Company obtained control over Autogrill S.p.A. Group, one of the world's leading travel food and beverage companies. For further information refer to note 42.1.

The consolidated financial statements of Dufry AG and its subsidiaries (Dufry or the "Group") for the year ended December 31, 2022 and the respective comparative information were authorized for public disclosure in accordance with a resolution of the Board of Directors of the Company dated March 2, 2023, and are subject to the approval of the Annual General meeting to be held on May 8, 2023.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The consolidated financial statements of Dufry AG and its subsidiaries have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial assets, liabilities (including derivative instruments) and defined benefit plan assets, that are measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The carrying values of recognized assets and liabilities that are hedged items in fair value hedges, and are otherwise carried at amortized cost, are adjusted to record changes in the fair values attributable to the risks that are being hedged. The consolidated financial statements are presented in millions of Swiss Francs ("CHF"). All values are rounded to the nearest one hundred thousand, except when indicated otherwise.

2.1.1 Going concern

In 2022, Dufry's performance was characterized by a strong recovery of the travel retail industry, resulting in increasing sales in most regions where Dufry operates.

In relation to the upcoming financing need for the combination with Autogrill, Dufry has as of the date of issuance of the consolidated financial statements obtained:

- all necessary approvals from its shareholders to create sufficient new shares needed in the transaction;
- a corresponding bridge financing; and
- sufficient liquidity to fulfill its potential full obligation to compensate remaining Autogrill shareholder as per of the mandatory tender process.

For more information on the transaction with Autogrill, please refer to Note 42.

The consolidated financial statement are prepared applying on a going concern basis.

2.1.2 Russia's invasion of Ukraine

On February 24, 2022, the Russian Federation initiated a military attack on Ukraine.

In Ukraine, the Dufry Group only has operations at the Airport in Odessa, which are suspended due to the conflict.

The Russian travel market has a very low significance for Dufry Group - since Dufry operations in Russia, operated through a local JV, only represents 1.7 % of the 2022 Group's net sales (2021: 2.2 %).

However, any further deterioration of the economic situation in Russia or escalation in the hostilities between Russia and Ukraine as well as any restrictions of Russian passengers to national or international travel may adversely affect Dufry's business, including its operations in countries that have traditionally been popular with Russian tourists.

The Group cannot predict the outcome of the conflict but is monitoring the situation very closely.

2.2 BASIS OF CONSOLIDATION

The consolidated financial statements of Dufry comprise all entities directly or indirectly controlled by Dufry (its subsidiaries) as at December 31, 2022 and December 31, 2021 respectively for the comparative information.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which Dufry obtains control, and continue to be consolidated until the date when such control is lost. The Group controls an entity when Dufry is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. All intra group balances, transactions, unrealized gains or losses or dividends are eliminated in full.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If Dufry loses control over a subsidiary, it:
- derecognizes the assets (including goodwill) and liabilities of the subsidiary,
- derecognizes the carrying amount of any non-controlling interest as well as derecognizes the cumulative translation differences recorded in equity,
- recognizes the fair value of the consideration received, recognizes the fair value of any investment retained as well as recognizes any surplus or deficit in the statement of profit or loss,
- recognizes any receivable from / payable to this former subsidiary.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Business combinations and Goodwill
Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, Dufry selects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition related transaction costs are expensed and presented in other expenses. When Dufry acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Thereafter any change in the fair value of the contingent consideration not classified as equity will be recognized through the statement of profit or loss.

Dufry measures goodwill at the acquisition date as:
The fair value of the consideration transferred;
- plus the recognized amount of any non-controlling interests in the acquiree;
- plus, if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree;
- less the net recognized amount of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognized immediately in the statement of profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of Dufry's group of cash-generating units that are expected to benefit from the combination.

Where goodwill forms part of a cash-generating unit and an operation within is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained, unless there are specific allocations identifiable.

b) Foreign currency translation

Each subsidiary in Dufry uses its corresponding functional currency. Items included in the financial statements of each entity are measured using that functional currency. Transactions in foreign currencies are recorded at the date of the transaction in the functional currency using the exchange rate of such date.

Monetary assets and liabilities denominated in foreign currencies are re-measured using the functional currency exchange rate at the reporting date and the difference is recorded as unrealized foreign exchange gains / losses. Exchange differences arising on the settlement or on the translation of derivative financial instruments are recognized through the statement of profit or loss, except where the hedges on net investments allow the recognition through other comprehensive income, until the respective investments are disposed of. Deferred tax related to unrealized exchange differences is accounted for accordingly. Non-monetary items are measured at historical cost in the respective functional currency.

At the reporting date, the assets and liabilities of all subsidiaries reporting in foreign currency are translated into the presentation currency of Dufry (CHF), using the exchange rate at the reporting date. The statements of profit or loss of the subsidiaries are translated using the average exchange rates of the respective month in which the transactions occurred. The net translation differences are recognized in other comprehensive income. On disposal of a foreign entity or when control is lost, the deferred cumulative translation difference recognized within equity relating to that particular operation is recognized in the statement of profit or loss as gain or loss on sale of subsidiaries.

Goodwill, intangible assets and fair value adjustments identified during a business combination (purchase price allocation) are treated as assets and liabilities in the functional currency of such operation.

Principal foreign exchange rates applied for valuation and translation:

	AVERAGE RATE		CLOSING RATE	
IN CHF	2022	2021	31.12.2022	31.12.2021
1 USD	0.9546	0.9140	0.9244	0.9122
1 EUR	1.0049	1.0811	0.9896	1.0373
1 GBP	1.1793	1.2574	1.1186	1.2345

c) Net sales

Turnover is comprised of net sales and advertising income and is recognized from contracts with customers. The Group recognizes revenue from retail sales and the related cost of goods sold at the point in time, when it sells and hands over directly at the stores to the traveler. These transactions have to be settled by cash or credit card on delivery. Net sales are measured at fair value of the consideration received for the goods sold, deducting discounts and excluding sales taxes.

d) Advertising income

The Group's advertising income is resulting from several distinctive marketing support activities, not affecting the retail price, performed by Dufry after having been developed and coordinated together with our suppliers. The income is recognized in the period the advertising is performed. The compensation will be received on contractual terms. Usually Dufry is not entitled to offset the income with trade payables related with the same supplier. An allowance on these advertising receivables is recognized to reflect the risks and uncertainties in relation with the final achievements of incentives based on thresholds, to be confirmed after the end of the respective program.

e) Cost of sales

Cost of sales are recognized when the Company sells the products and comprise the purchase price and the cost incurred until the products arrive at the warehouse, i.e. import duties, transport, purchase discounts (price-offs) as well as inventory valuation adjustments and inventory losses.

f) Lease expenses

Dufry adopted the new temporary amendment to IFRS 16 for the first half-year 2022 (note 2.4). Under defined circumstances, the amendment allows to consider that renegotiations related to COVID-19 are not modifications, and can be recognized directly as a reduction of lease expense.

g) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by Dufry are recognized at the proceeds received, net of direct issue costs. Repurchase of Dufry's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in the statement of profit or loss on the purchase, sale, issue or cancellation of Dufry's own equity instruments.

h) Share capital

Ordinary shares are classified as equity. Costs directly attributable to the issuance of shares or options are shown in the statement of changes in equity as transaction costs for equity instruments, net of tax.

For Dufry shares purchased by Dufry AG or any subsidiary, the consideration paid, including any directly attributable expenses, net of taxes, is deducted from equity until the shares are cancelled, assigned or sold. Where such ordinary shares are subsequently sold, any consideration received, net of any direct transaction expenses and income tax, is included in equity.

i) Pension and other post-employment benefit obligations

The employees of the subsidiaries are eligible for retirement, invalidity and death benefits under local social security schemes prevailing in the countries concerned and defined benefit or defined contribution plans provided through separate funds, insurance plans, or unfunded arrangements. The pension plans are either funded through regular contributions made by the employer or the employee or unfunded. The cost of providing benefits under defined benefit plans is determined using the projected unit credit method. The plan assets are valued at fair value.

Re-measurements, the effect of the asset ceiling (excluding net interest) and the return on plan assets (excluding net interest), are recognized in the statement of financial position with a corresponding debit or credit to other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in profit or loss on the earlier of:
- The date of the plan amendment or curtailment, and
- the date that Dufry recognizes restructuring related costs

Net interest is calculated by applying the discount rate to the net defined benefit obligation (asset). Dufry recognizes the following changes in the net defined benefit obligation in the statement of profit or loss:
- Service costs comprising current service costs are disclosed under “personnel expenses”. Past service costs, gains and losses on curtailments and non-routine settlements are shown under “other expenses”
- Net interest expense or income under “finance expenses” or “finance income”

j) Share-based payments

Equity settled share-based payments to employees and other third parties providing services are measured at the fair value of the equity instruments at grant date. The fair value determined at grant date of the equity-settled share-based payments is expensed on a pro rata basis over the vesting period, based on the estimated number of equity instruments that will eventually vest. At the end of each reporting period, Dufry revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in the statement of profit or loss such that the cumulative expense reflects the revised estimate.

Where the terms of an equity settled award are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification, which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the holder of the option as measured at the date of modification.

k) Taxation

Income tax expense represents the sum of the current income tax and deferred tax. Where the functional currency is not the local currency, the position includes the effects of foreign exchange translation on deferred tax assets or deferred tax liabilities.

Income tax positions not relating to items recognized in the statement of profit or loss, are recognized in correlation to the underlying transaction, either in other comprehensive income or equity.

Current income tax

Income tax receivables or payables are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted at the reporting date in the countries where Dufry operates and generates taxable income.

Income tax relating to items recognized in other comprehensive income is recognized in the same statement.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax basis of assets or liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:
- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits or tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available, against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized, except:
- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted at the reporting date applicable for each respective company.

l) Property, plant and equipment

These are stated at cost less accumulated depreciation and any impairment in fair value. Depreciation is computed on a straight-line basis over the shorter of the estimated useful life of the asset or the lease term. The useful lives applied are as follows:
- Real estate (buildings) 20 to 40 years
- Leasehold improvements the shorter of the lease term or 10 years
- Furniture and fixtures the shorter of the lease term or 5 years
- Motor vehicles the shorter of the lease term or 5 years
- Computer hardware the shorter of the lease term or 5 years

m) Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease obligations. The cost of right-of-use assets includes the amount of lease obligations recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life or the lease term. Right-of-use assets are subject to impairment. The contractual term of our assets is up to 40 years.

To contain a lease, an agreement has to convey the right to control the use of an identified asset throughout the period of use in exchange for consideration, so that the lessee has the right to obtain substantially all of the economic benefits from the use of the identified asset and direct the use of the identified asset (i.e. direct how and for what purpose the asset is used). The lease term corresponds to the non-cancellable period of each contract and where the Group is reasonably certain of exercising renewal options contractually foreseen. Right-of-use assets are capitalized at a value equivalent to the lease obligation at inception and depreciated over the useful life of the asset, except for leases with a lease term (or remaining upon adoption) of less than 12 months or leases of low value assets.

Initial direct costs for contracts signed in the past were not recognized as part of the right-of-use asset at the date of initial adoption.

Short-term leases with a duration of less than 12 months and low value leases, as well as those lease elements, not complying with the principles of recognition defined by IFRS 16 are recognized in Profit or Loss when incurred.

Types of right-of-use assets:
a) Shops
Dufry enters into lease agreements with operators of airports, seaports, railway stations etc. to operate retail shops which in substance are considered leases. These lease agreements contain complex features, which include variable payment based on sales, which cannot be lower than a minimal threshold (MAG). The MAG can be fixed or variable depending on certain parameters. The MAG amounts may: a) be fixed by the lease agreement or b) be calculated based on a percentage of fees paid in the previous year, or c) adjusted based on an index. In these cases, the unavoidable portions of the fees are considered as in substance fixed payments, despite having a variable component. Management signs and renews on average more than 50 agreements every year with a typical duration of 5 to 10 years.

These agreements do not contain a residual value guarantee. In some cases, the current parts of the lease obligations are secured with bank guarantees in case the Group would not fulfill its contractual commitments. Dufry has capitalized all elements of the lease contracts in accordance with IFRS 16 when at the commencement of the agreement such commitments are in substance fixed. Payment obligations that do not have a fixed or in substance fixed commitment, will continue to be presented as variable lease expense. Dufry has identified a number of agreements in its portfolio which are not fulfilling the principles of recognition defined by IFRS 16, i.e. they have minimal guaranteed payments based on non-predictable parameters or variables, such as actual number of passengers, which will continue to be presented as variable lease expense.

b) Other buildings
Lease agreements for offices or warehouse buildings usually qualify for capitalization under IFRS 16.

c) Vehicles and other
Dufry has also entered into many other lease agreements for e.g. vehicles, hard or software, and other assets, which in accordance with IFRS 16 will qualify for capitalization of leases.

n) Short-term leases and leases of low-value assets
The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value (i.e., below CHF 5,000, division North America below USD 25.000). Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

o) Intangible assets
These assets mainly comprise of concession rights and brands. Usually these assets are capitalized at cost, but when identified as part of a business combination, these assets are capitalized at fair value as at the date of acquisition. The useful lives of these intangible assets are assessed to be either finite or indefinite. Following initial recognition, the cost model is applied to intangible assets. Intangible assets with finite lives are amortized over the useful economic life. Intangible assets with an indefinite useful life are reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, any changes are made on a prospective basis. The brand assets are not amortized, have indefinite useful life, as they can be renewed without significant costs, are supported by ongoing marketing and selling activities and there is no foreseeable limit to the cash-flows they generate. Concession rights have a useful life based on the lease term, which can be up to 40 years.

p) Software
Software is valued at amortized historical cost, or in case of internal developments by the sum of costs incurred less amortization.

q) Impairment of non-financial assets
Goodwill and intangible assets with indefinite useful life are not subject to amortization and are tested annually for impairment. Assets that are subject to depreciation and amortization are reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of an asset or cash generating unit exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal or its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (cash generating units).

r) Associates

Associates are all entities over which Dufry has significant influence but not control, generally accompanying a shareholding interest of more than 20% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognized at cost. The carrying amount is increased or decreased to recognize changes in the Group's share of net assets of the associate after the date of acquisition and decreased by dividends declared. Dufry's investment in associates may include goodwill identified on acquisition.

Dufry's share of post-acquisition net profit/(loss) is recognized in the statement of profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in the statement of comprehensive income with a corresponding adjustment to the carrying amount of the investment. When Dufry's share of losses in an associate equals or exceeds its interest in the associate, Dufry does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate. If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income is reclassified to net profit/(loss) where appropriate.

Dufry determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, Dufry calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount within the finance expense in the statement of profit or loss.

Profits and losses resulting from upstream and downstream transactions between Dufry and its associate are recognized in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealized losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by Dufry.

Dilution gains and losses arising in investments in associates are recognized in the statement of profit or loss.

s) Inventories

Inventories are valued at the lower of historical cost or net realizable value.

The historical costs are determined according to the weighted average cost method. Historical cost includes all expenses incurred in bringing the inventories to their present location and condition. Beside the purchase price of the goods less the discounts or rebates obtained, the historical cost includes import duties and transport cost. Dufry purchases most of the inventory centrally and provides the subsidiaries the goods in their reporting currency, i.e. free of currency risk for them.

The net realizable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale. Inventory allowances are set up for slow-moving and obsolete stock. Expired items are fully written off.

t) Trade and credit card receivables
These accounts include receivables related to the sale of merchandise. Trade receivables that do not have a significant financing component are initially measured at transaction price and subsequently at amortised cost.

u) Cash and cash equivalents
Cash and cash equivalents consist of cash on hand or current bank accounts as well as current deposits at banks with initial maturity below 91 days. Credit card receivables with a maturity of up to 4 working days are included as cash in transit.

v) Lease obligations
At the commencement date of the lease, the Group recognizes lease obligations measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs. Amounts resulting from a remeasurement of the lease obligation due to an index or a rate are recognized against right-of-use assets.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease obligations is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease obligations is re-measured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Dufry uses a discount rate which is the aggregation of the risk free rate for the respective currency and lease duration, increased by individual company risk factors.

The lease obligation represents the net present value of fixed or in substance fixed lease payments over the lease term. The implied interest charge is presented as interest expenses on lease obligation. Where a lease agreement does not specify a discount rate and as the subsidiaries are financed internally, Dufry uses a discount rate which is the aggregation of the risk free rate for the respective currency and lease duration, increased by individual company risk factors.

Usually our lease contract do not specify interest, so that the accrued interest are considered a part of the minimal in substance fix commitments, which are presented in the cash flow from financing. In case the lease payments are higher due to variable fee clauses, these amounts are presented as cash outflow from operations.

w) Provisions

Provisions are recognized when Dufry has a present obligation (legal or constructive) as a result of a past event, it is probable that Dufry will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate at the end of the reporting period of the consideration required to settle the present obligation, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that the reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liabilities acquired in a business combination

Contingent liabilities acquired in a business combination that represent a present obligation and it's fair value can be measured reliably are initially measured at fair value at the acquisition date. At the end of subsequent reporting periods, such contingent liabilities are measured at the higher of the amount that would be recognized in accordance with IAS 37 Provisions, contingent liabilities and contingent assets and the amount initially recognized less cumulative income recognized in accordance with IFRS 15 Revenue from contracts with customers.

Onerous contracts

Present obligations arising under onerous contracts are measured and recognized as provisions. An onerous contract is considered to exist if Dufry has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

Restructurings

A restructuring provision is recognized when Dufry has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity. Amounts of restructuring are shown in other provisions.

Lawsuits and duties

A lawsuits and duties provision is recognized to cover uncertainties dependent on the outcome of ongoing lawsuits in relation with taxes or contractual commitments, other than income taxes and duties.

x) Investments and other financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:
- Those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For respective criteria refer to section (iii) Measurement. For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

(ii) Recognition and derecognition

Regular purchases and sales of financial assets are recognized on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:
- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss. Impairment losses are presented as part of the financial result.
- FVOCI: Debt instruments that are held for collection of contractual cash flows and for selling the financial assets, where the asset's cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in finance income using the effective interest rate method. Impairment expenses are presented in the other operational result.
- FVPL: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss and presented as net in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognized in the finance income or finance expenses in the statement of profit or loss as applicable.

(iv) Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortized cost and FVOCI. For trade receivables, receivables for refund from suppliers and related services the Group applies the simplified approach which requires expected lifetime losses to be recognized from initial recognition of the receivables.

y) Trade and other account receivables

Trade and other account receivables (including credit cards receivables and other account receivables), that do not have a significant financing component are initially measured at transaction price and subsequently at amortised cost using the effective interest rate.

z) Financial liabilities

i) Financial liabilities at FVPL

These are stated at fair value, with any gains or losses arising on re-measurement recognized in the statement of profit or loss. The net gain or loss recognized in the consolidated statement of profit or loss incorporates any interest paid on the financial liability and is included in the finance income or finance expenses in the statement of profit or loss. Fair value is determined in the manner described in note 34.

ii) Other financial liabilities

Other financial liabilities (including borrowings) are subsequently measured at amortized cost using the effective interest method.

iii) Derecognition of financial liabilities

Dufry derecognizes financial liabilities only when the obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid or payable is recognized in the statement of profit or loss.

iv) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously (see note 29.1).

aa) Compound financial instruments

The component parts of convertible loan notes issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to share capital and share premium. Where the conversion option remains unexercised at the maturity date of the convertible loan note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option. Transaction costs that relate to the issue of the convertible loan notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible loan notes using the effective interest method.

ab) Derivatives and hedging activities
Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either:
- hedges of the fair value of recognized assets or liabilities or a firm commitment (fair value hedges)
- hedges of a particular risk associated with the cash flows of recognized assets and liabilities and highly probable forecast transactions (cash flow hedges), or
- hedges of a net investment in a foreign operation (net investment hedges).

At inception of the hedge relationship, the Group documents the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions. The fair values of derivative financial instruments designated in hedge relationships are disclosed in note 34.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

Cash flow hedges that qualify for hedge accounting
The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in the cash flow hedge reserve within OCI. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss, within other gains/(losses).

When option contracts are used to hedge forecast transactions, the Group designates only the intrinsic value of the options as the hedging instrument.

Gains or losses relating to the effective portion of the change in intrinsic value of the options are recognized in the cash flow hedge reserve within OCI. The changes in the time value of the options that relate to the hedged item ("aligned time value") are recognized within OCI. When forward contracts are used to hedge forecast transactions, the Group generally designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognized in the cash flow hedge reserve within equity. The change in the forward element of the contract that relates to the hedged item ("aligned forward element") is recognized within OCI. In some cases, the entity may designate the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains or losses relating to the effective portion of the change in fair value of the entire forward contract are recognized in the cash flow hedge reserve.

Amounts accumulated in equity are reclassified in the periods when the hedged item affects profit or loss, as follows:
- Where the hedged item subsequently results in the recognition of a non-financial asset (such as inventory), both the deferred hedging gains and losses and the deferred time value of the option contracts or deferred forward points, if any, are included within the initial cost of the asset. The deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss (for example through cost of sales).
- The gain or loss relating to the effective portion of the interest rate swaps hedging variable rate borrowings is recognised in profit or loss within finance cost at the same time as the interest expense on the hedged borrowings.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs, resulting in the recognition of a non-financial asset such as inventory. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss.

Net investment hedges

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognised immediately in the statement of profit or loss within other finance income or finance expense. Gains and losses accumulated in equity are reclassified to profit or loss when the foreign operation is partially disposed of or sold. See notes 28.1 and 28.2 for further details.

Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognized immediately in the statement of profit or loss and are included in other finance income or finance expense.

Further details of derivative financial instruments are disclosed in note 35.

2.4 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

New and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year, except for the following new or revised Standards and Interpretations adopted in these consolidated financial statements (effective January 1, 2022).

New and amended standards adopted by the Group

- IFRS 3: Reference to the Conceptual Framework
- IAS 37: Onerous Contracts – Costs of Fulfilling a Contract
- IAS 16: PP&E: Proceeds before Intended Use
- AIP 2018-2020: IFRS 1, IFRS 9, IFRS 16, IAS 41

The amendments apply for the first time in 2022, but do not have a material impact on the consolidated financial statements of the Group.

The Group has not early adopted any of the amendments that have been issued but not yet effective.

The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these above mentioned new or amended standards, except for reclassification of impairment and impairment reversals in the statement of profit or loss and for the COVID-19 related rent concessions:

Reclassification of impairment and impairment reversals in the statement of profit or loss

As of 2022, the impairment and the impairment reversals were reclassified and presented in separate lines for the prior year.

COVID-19 related rent concessions – Amendment to IFRS 16

On May 28, 2020 the IAS-Board issued an amendment to IFRS 16 providing lessees with an exemption from assessing whether a COVID-19 related relief of lease obligations is a lease modification, requiring lessees that apply the exemption to account for COVID-19 related rent concessions as if they were not lease modifications. Dufry adopted this amendment applying it for the full year 2020. The practical expedient applies only to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all of the following conditions are met:
(a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
(b) any reduction in lease payments affects only payments originally due on or before June 30, 2021 (for example, a rent concession would meet this condition if it results in reduced lease payments on or before June 30, 2021 and increased lease payments that extend beyond June 30, 2021); and
(c) there is no substantive change to other terms and conditions of the lease.

On March 31, 2021, the IASB published a further amendment to extend the date of the practical expedient from June 30, 2021 to June 30, 2022.

The exemption applies only to rent concessions occurring as a direct consequence of the COVID-19 pandemic and subject to the above conditions and was applied in all possible cases. Dufry recognized in 2022 a net relief of lease obligations of CHF 80.2 (2021: 847.1) million presented as lease (expense)/income (see note 8).

3. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of Dufry's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date.

KEY SOURCES OF ESTIMATION UNCERTAINTY

The key assumptions concerning the future and other key sources of estimation include uncertainties at the reporting date, which may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial periods, are discussed below.

Impairment tests
Dufry annually tests goodwill and intangible assets with indefinite useful lives and assesses other non-financial assets for impairment indications. Where required, the company performs impairment tests which are based on the discounted value models of future cash flows. The underlying calculation requires the use of estimates. The estimates and assumptions used are disclosed in note 19.

4. NEW AND REVISED STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET ADOPTED / EFFECTIVE

Certain new accounting standards and interpretations were issued that are not effective for 2022. Dufry will adopt these when they become mandatory. From the current point of view they are not expected to have a material impact in future reporting periods.

5. SEGMENT INFORMATION

Dufry's risks and returns are predominantly affected by the fact that Dufry operates in different countries. Therefore, Dufry presents the segment information as it does internally to the Global Executive Committee, which represents the Chief Operating Decision Maker (CODM), using geographical segments and the global distribution centers as an additional segment.

In 2022, the Group implemented the CORE EBITDA (Non-GAAP) KPI which is used by the Global Executive Committee to monitor the Group's performance. This indicator provides the most relevant view on our business and represents an operational KPI excluding the accounting impact resulting from IFRS 16 related profit or loss line items (i.e. depreciation of right-of-use assets and lease interest) and adding the relevant concession fee owed based on the corresponding concession agreement. Please refer to pages 239 - 246 for details on Dufry's alternative performance measures.

Information reported to the Global Executive Committee for the purposes of resource allocation and assessment of segment performance is focused on the geographical segments. The Group's reportable segments under IFRS 8 are therefore as follows:

	TURNOVER				
2022 IN MILLIONS OF CHF	**with external customers**	**with other divisions**	**TOTAL**	**CORE EBITDA (unaudited)**	**EMPLOYEES (FTE) (unaudited)**
Europe, Middle East and Africa (EMEA)[1]	3,586.0	–	3,586.0	449.4	10,353
Asia Pacific	165.9	–	165.9	(5.8)	810
The Americas[1]	2,918.3	–	2,918.3	456.9	12,046
Global Distribution Centers[2]	208.2	1,303.5	1,511.7	(294.3)	583
Total divisions	**6,878.4**	**1,303.5**	**8,181.9**	**606.2**	**23,792**
Eliminations	–	(1,303.5)	(1,303.5)	–	–
Total	**6,878.4**	**–**	**6,878.4**	**606.2**	**23,792**

	TURNOVER				
2021 IN MILLIONS OF CHF	**with external customers**	**with other divisions**	**TOTAL**	**CORE EBITDA (unaudited)**	**EMPLOYEES (FTE) (unaudited)**
Europe, Middle East and Africa (EMEA)[1]	1,723.8	–	1,723.8	425.5	8,767
Asia Pacific	99.0	–	99.0	11.5	577
The Americas[1]	1,728.5	–	1,728.5	179.1	10,105
Global Distribution Centers[2]	364.1	666.2	1,030.3	(230.1)	497
Total divisions	**3,915.4**	**666.2**	**4,581.6**	**386.0**	**19,946**
Eliminations	–	(666.2)	(666.2)	–	–
Total	**3,915.4**	**–**	**3,915.4**	**386.0**	**19,946**

[1] Dufry Group generated 21.4 % (2021: 25.5 %) of its turnover in the US and 14.7 % (2021: 9.7 %) of is turnover in United Kingdom.
[2] Global Distribution Center have global functions and cannot be allocated to the other segments.

Transactions between operative segments considered on arm's length terms.

Dufry generated 4.0 % (2021: 5.0 %) of its turnover with external customers in Switzerland (domicile).

Profit or loss reconciliation IFRS / CORE

Please refer to pages 241 - 242 in Dufry's alternative performance measures chapter for more details on the reconciliation between the IFRS and CORE profit or loss.

2022 IN MILLIONS OF CHF	IFRS	Acquisition related Adjustments (unaudited)	CORE Adjustments (unaudited)	CORE (unaudited)
Gross profit	**4,193.8**	**–**	**–**	**4,193.8**
Leases expenses (IFRS) / Concession expenses (CORE)	(1,081.9)	–	(948.0)	(2,029.9)
Personnel expenses	(997.9)	–	–	(997.9)
Depreciation and amortization	(1,111.5)	158.3	953.2	–
(Impairment) / Reversal of impairment, net	16.8	15.6	(32.4)	–
Other expenses (IFRS) / Other expenses (CORE)	(578.7)	–	(42.0)	(620.7)
Other income (IFRS) / Other income (CORE)	61.8	–	(0.9)	60.9
Operating profit / CORE EBITDA	**502.4**	**173.9**	**(70.1)**	**606.2**
Depreciation, amortization and impairment (CORE)	–	–	(135.5)	(135.5)
Operating profit / CORE EBIT	**502.4**	**173.9**	**(205.6)**	**470.7**
Financial result (IFRS) / Financial result (CORE)	(305.6)	–	130.0	(175.6)
Profit before taxes / CORE Profit before taxes	**196.8**	**173.9**	**(75.6)**	**295.1**
Income tax (IFRS) / Income tax (CORE)	(76.2)	(37.1)	7.8	(105.5)
Net profit / CORE Net profit	**120.6**	**136.8**	**(67.8)**	**189.6**

2021 IN MILLIONS OF CHF	IFRS	Acquisition related Adjustments (unaudited)	CORE Adjustments (unaudited)	CORE (unaudited)
Gross profit	**2,211.0**	**–**	**–**	**2,211.0**
Leases expenses (IFRS) / Concession expenses (CORE)	176.4	–	(991.4)	(815.0)
Personnel expenses	(635.4)	–	–	(635.4)
Depreciation and amortization	(1,210.0)	195.5	1,014.5	–
(Impairment) / Reversal of impairment, net	(280.5)	224.0	56.5	–
Other expenses (IFRS) / Other expenses (CORE)	(381.7)	–	(46.8)	(428.5)
Other income (IFRS) / Other income (CORE)	54.0	–	(0.1)	53.9
Operating profit / (loss) / CORE EBITDA	**(66.2)**	**419.5**	**32.7**	**386.0**
Depreciation, amortization and impairment (CORE)	–	–	(256.1)	(256.1)
Operating profit / (loss) / CORE EBIT	**(66.2)**	**419.5**	**(223.4)**	**129.9**
Financial result (IFRS) / Financial result (CORE)	(341.6)	–	88.2	(253.4)
Profit / (loss) before taxes / CORE Profit before taxes	**(407.8)**	**419.5**	**(135.2)**	**(123.5)**
Income tax (IFRS) / Income tax (CORE)	42.6	(128.0)	14.4	(71.0)
Net profit / (loss) / CORE Net profit	**(365.2)**	**291.5**	**(120.8)**	**(194.5)**

Financial position and other disclosures

31.12.2022 IN MILLIONS OF CHF	TOTAL ASSETS	TOTAL LIABILITIES	INCOME TAX (EXPENSE) / INCOME	CAPITAL EXPENDITURE PAID	DEPRECIATION AMORTIZATION AND IMPAIRMENT
Europe, Middle East and Africa (EMEA)[1]	4,878.4	3,065.6	(11.7)	(35.7)	(667.7)
Asia Pacific	193.4	384.6	–	(4.8)	(35.4)
The Americas[2]	3,463.0	3,268.9	(64.7)	(59.3)	(375.2)
Global Distribution Centers	1,399.9	3,531.0	1.2	(13.2)	(15.0)
Total divisions[3]	**9,934.7**	**10,250.1**	**(75.2)**	**(113.0)**	**(1,093.3)**
Unallocated positions[4]	41.0	3,045.5	(1.0)	(0.3)	(1.4)
Eliminations	(666.1)	(4,952.1)	–	–	–
Total	**9,309.6**	**8,343.5**	**(76.2)**	**(113.3)**	**(1,094.7)**

31.12.2021 IN MILLIONS OF CHF	TOTAL ASSETS	TOTAL LIABILITIES	INCOME TAX (EXPENSE) / INCOME	CAPITAL EXPENDITURE PAID	DEPRECIATION AMORTIZATION AND IMPAIRMENT
Europe, Middle East and Africa (EMEA)[1]	5,580.2	3,657.9	(48.6)	(29.4)	(557.7)
Asia Pacific	216.5	402.9	(0.9)	(1.1)	(71.4)
The Americas[2]	3,390.8	3,183.5	94.4	(47.3)	(835.9)
Global Distribution Centers	1,468.0	3,618.1	(2.4)	(12.8)	(24.2)
Total divisions[3]	**10,655.5**	**10,862.4**	**42.5**	**(90.6)**	**(1,489.2)**
Unallocated positions[4]	91.5	3,243.0	0.1	(0.6)	(1.3)
Eliminations	(756.7)	(5,149.5)	–	–	–
Total	**9,990.4**	**8,955.9**	**42.6**	**(91.2)**	**(1,490.5)**

[1] Within Dufry Group, 9.4 % (2021: 8.9 %) of the total non-current assets are located in Switzerland (domicile).
[2] Within Dufry Group, 15.1 % (2021: 14.2 %) of the total non-current assets are located in the US.
[3] Before Inter-segment elimination. Change to prior years disclosure.
[4] Total liabilities contain 3rd party financing.

Reconciliation of assets

IN MILLIONS OF CHF	31.12.2022	31.12.2021
Operating assets	**9,934.7**	**10,655.5**
Current assets of corporate and holding companies	26.4	47.8
Non-current assets of corporate and holding companies	14.6	43.8
Eliminations	(666.1)	(756.7)
Total assets	**9,309.6**	**9,990.4**

Reconciliation of liabilities

IN MILLIONS OF CHF	31.12.2022	31.12.2021
Operating liabilities	**10,250.1**	**10,862.4**
Borrowings of corporate and holding companies, current	0.2	0.2
Borrowings of corporate and holding companies, non-current	2,999.0	3,188.8
Other non-segment liabilities	46.3	54.0
Eliminations	(4,952.1)	(5,149.5)
Total liabilities	**8,343.5**	**8,955.9**

6. ACQUISITIONS OF BUSINESSES

There were no significant transactions during 2022 and 2021.

On February 3rd, 2023, Dufry successfully closed the transfer of the 50.3% stake of Autogrill S.p.A. Please refer to note 42.1 for further details.

7. NET SALES

Net sales by product categories:

IN MILLIONS OF CHF	EMEA	ASIA PACIFIC	THE AMERICAS	GLOBAL DC	2022	EMEA	ASIA PACIFIC	THE AMERICAS	GLOBAL DC	2021
Perfumes and Cosmetics	1,279.1	56.5	511.0	73.6	1,920.2	612.5	49.7	241.6	273.1	1,176.9
Food, Confectionery and Catering	490.8	6.8	940.5	3.2	1,441.3	228.4	0.4	601.4	3.0	833.2
Wine and Spirits	619.5	50.4	446.4	25.7	1,142.0	306.1	4.2	313.6	36.5	660.4
Luxury goods	249.2	25.8	296.5	0.6	572.1	120.1	33.5	153.3	2.7	309.6
Tobacco goods	785.3	6.8	104.1	0.3	896.5	367.7	2.1	60.0	0.1	429.9
Electronics	13.0	2.0	168.5	–	183.5	4.9	0.5	97.0	–	102.4
Literature and Publications	9.6	–	93.0	–	102.6	4.1	–	63.1	–	67.2
Other	117.4	15.6	329.9	0.1	463.0	62.3	7.6	175.8	1.5	247.2
Total	**3,563.9**	**163.9**	**2,889.9**	**103.5**	**6,721.2**	**1,706.1**	**98.0**	**1,705.8**	**316.9**	**3,826.8**

Net sales by market sector:

IN MILLIONS OF CHF	EMEA	ASIA PACIFIC	THE AMERICAS	GLOBAL DC	2022	EMEA	ASIA PACIFIC	THE AMERICAS	GLOBAL DC	2021
Duty-free	2,249.6	139.0	1,468.9	0.4	3,857.9	1,095.8	55.6	682.3	0.7	1,834.4
Duty-paid	1,314.3	24.9	1,421.0	103.1	2,863.3	610.3	42.4	1,023.5	316.2	1,992.4
Total	**3,563.9**	**163.9**	**2,889.9**	**103.5**	**6,721.2**	**1,706.1**	**98.0**	**1,705.8**	**316.9**	**3,826.8**

Net sales by channel:

IN MILLIONS OF CHF	EMEA	ASIA PACIFIC	THE AMERICAS	GLOBAL DC	2022	EMEA	ASIA PACIFIC	THE AMERICAS	GLOBAL DC	2021
Airports	3,391.9	132.1	2,621.5	–	6,145.6	1,605.4	45.6	1,571.8	–	3,222.8
Border, downtown and hotel shops	70.0	16.9	91.5	–	178.3	40.2	43.7	59.9	–	143.8
Cruise liners and seaports	55.1	–	134.4	–	189.5	29.7	–	46.6	–	76.3
Railway stations and other	47.0	14.9	42.5	103.5	207.8	30.8	8.7	27.5	316.9	383.9
Total	**3,563.9**	**163.9**	**2,889.9**	**103.5**	**6,721.2**	**1,706.1**	**98.0**	**1,705.8**	**316.9**	**3,826.8**

8. LEASE (EXPENSES)/INCOME

IN MILLIONS OF CHF	2022	2021
Lease expenses [1]	(1,168.9)	(692.2)
Lease expenses short-term contracts	(15.2)	(3.7)
Lease expenses low value contracts	(0.7)	(0.8)
Sublease income from right-of-use assets	10.7	11.8
Relief of lease obligations [2]	80.2	847.1
Change in provision for onerous contract	12.0	14.2
Total	**(1,081.9)**	**176.4**

[1] Lease expenses include only variable lease expenses. Fixed and in substance fixed commitments are recognized in accordance with lease accounting as depreciation of right-of-use assets or interest on lease obligations.

[2] See note 2.4 COVID-19 related rent concessions - Amendment to IFRS 16.

A part of the Company's lease contracts require as compensation the higher of two amounts: a) a percentage of sales or b) a fixed minimal guaranteed amount (MAG). The fair value of these MAG commitments over the contractual term are presented usually as right-of-use assets and expensed as depreciation. Lease payments exceeding the MAG are presented as lease expenses and are normally calculated as a percentage of sales. Other lease contracts require only variable payments, which are fully presented as lease expense. For the following year, the Group estimates that the lease expenses may be between 17% and 21% of net sales.

Variable lease expense approximates the related cash flows due to the short payment term characteristic of these contracts.

For further details of right-of-use assets, please refer to note 17, for lease obligation, note 29 and for the gain in relation to modifications of lease contracts, to note 13.

9. PERSONNEL EXPENSES

IN MILLIONS OF CHF	2022	2021
Salaries and wages	(773.8)	(485.8)
Social security expenses	(129.9)	(87.4)
Retirement benefits	(12.9)	(14.2)
Other personnel expenses	(81.3)	(48.0)
Total[1]	**(997.9)**	**(635.4)**

[1] Dufry received CHF 6.1 (2021: 38.3) million government support in relation to personnel expenses.

10. DEPRECIATION, AMORTIZATION AND IMPAIRMENT

IN MILLIONS OF CHF	2022	2021
Depreciation of property, plant and equipment	(112.7)	(138.0)
Impairment of property, plant and equipment	(1.4)	(73.1)
Reversal of impairment of property, plant and equipment	0.2	10.1
Subtotal property, plant and equipment (note 16)	**(113.9)**	**(201.0)**
Depreciation of right-of-use assets	(818.9)	(837.4)
Impairment of right-of-use assets	(15.0)	(122.2)
Reversal of impairment of right-of-use assets	48.7	166.3
Subtotal right-of-use assets (note 17)	**(785.2)**	**(793.3)**
Amortization of intangible assets	(180.0)	(234.6)
Impairment of intangible assets and goodwill	(32.9)	(268.0)
Reversal of impairment of intangible assets and goodwill	17.3	6.4
Subtotal intangible assets and goodwill (note 18)	**(195.6)**	**(496.2)**
Total	**(1,094.7)**	**(1,490.5)**

Aggregated information of reversal of impairments per division (segment)

			2022			2021
IN MILLIONS OF CHF	Property, plant and equipment	Right-of-use assets	Intangible assets and goodwill	Property, plant and equipment	Right-of-use assets	Intangible assets and goodwill
Europe, Middle East and Africa (EMEA)	0.2	46.1	–	9.9	166.3	–
Asia Pacific	–	2.6	–	0.2	–	–
The Americas	–	–	17.3	–	–	6.4
Total	**0.2**	**48.7**	**17.3**	**10.1**	**166.3**	**6.4**

Aggregated information of impairments per division (segment)

	2022			2021		
IN MILLIONS OF CHF	Property, plant and equipment	Right-of-use assets	Intangible assets and goodwill	Property, plant and equipment	Right-of-use assets	Intangible assets and goodwill[1]
Europe, Middle East and Africa (EMEA)	(1.4)	–	(32.9)	(15.4)	(38.8)	(0.7)
Asia Pacific	–	–	–	(6.7)	(0.8)	–
The Americas	–	(15.0)	–	(51.0)	(82.6)	(267.3)
Total	**(1.4)**	**(15.0)**	**(32.9)**	**(73.1)**	**(122.2)**	**(268.0)**

[1] Includes impairment of goodwill of CHF 21.6 million for division The Americas.

In 2022, Dufry's performance was characterized by a strong recovery of the travel retail industry, resulting in increasing sales in most regions where Dufry operates. However, the level of recovery was not the same for all countries. Whereas some operations performance was better than expected, other operations recovered only slower than expected.

For further details, please refer to note 19 – Impairment test of tangible and intangible assets.

11. OTHER EXPENSES

IN MILLIONS OF CHF	2022	2021
Repairs and maintenance	(44.8)	(36.6)
Utilities	(37.9)	(23.9)
Credit card expenses	(101.3)	(57.3)
Professional advisor expenses	(70.7)	(46.6)
IT expenses	(56.1)	(47.3)
Freight & packaging material	(45.9)	(22.1)
Acquisition related transaction costs[1]	(20.3)	(1.3)
Consulting expenses for projects	(16.7)	(7.0)
Other operational expenses	(25.1)	(35.8)
Advertising expenses	(9.1)	(13.2)
Office and admin expenses	(22.0)	(19.5)
Travel, car, entertainment and representation	(15.2)	(7.8)
Franchise fees and commercial services	(30.1)	(14.5)
Public relations expenses	(14.2)	(6.0)
Taxes, other than income tax expense	(38.8)	(21.0)
Ancillary premises expenses	(7.4)	(6.5)
Insurances	(17.5)	(10.9)
Bank expenses	(5.6)	(4.3)
Total	**(578.7)**	**(381.6)**

[1] Transaction costs in 2022 include costs in relation to business combination transactions mainly in Dufry International AG.

12. OTHER INCOME

IN MILLIONS OF CHF	2022	2021
Selling income	41.2	16.4
Other operating income[1]	20.5	37.5
Total	**61.7**	**53.9**

[1] In 2022, other operating income includes government support of CHF 10.0 (2021: 17.8) million.

13. FINANCE INCOME AND FINANCE EXPENSES

FINANCE INCOME

FINANCE INCOME

IN MILLIONS OF CHF	2022	2021
INCOME ON FINANCIAL ASSETS		
Interest income on current deposits	28.0	11.0
Interest income on 3rd party loans	2.5	4.6
Other finance income[1]	24.7	5.8
Interest income on financial assets	**55.2**	**21.4**
INCOME FROM FINANCIAL INVESTMENTS AND ASSOCIATES		
Share of result in associates	10.7	3.0
Gain on disposal of financial investments	2.6	1.5
Income from financial investments and associates	**13.3**	**4.5**
Total finance income	**68.5**	**25.9**
FINANCE EXPENSES		
EXPENSES ON FINANCIAL LIABILITIES		
Interest expense	(284.6)	(250.2)
of which lease interest[2]	(127.6)	(109.8)
of which bank interest	(130.5)	(113.0)
of which bank commitment fees	(12.8)	(12.8)
of which bank guarantees commission expense	(5.0)	(5.0)
of which related to other financial liabilities	(8.7)	(9.6)
Amortization / write off of arrangement fees	(18.3)	(18.6)
Impairment on other financial assets	(2.6)	(45.0)
Other finance costs[3]	(45.4)	(49.1)
Interest expense on financial liabilities	**(350.9)**	**(362.9)**
EXPENSES ON NON-FINANCIAL LIABILITIES		
Interest expense	–	(2.0)
Interest and other finance expenses	**–**	**(2.0)**
Total finance expenses	**(350.9)**	**(364.9)**

[1] In 2022, contains CHF 24.1 million gains of interest financial derivatives.
[2] Contains gain in relation to modifications of lease contracts of CHF 6.0 (2021: 33.6 million).
[3] In 2022, contains CHF 38.7 million losses of interest financial derivatives. In 2021, contains incentives for early conversion of bonds of CHF 28.8 million.

14. INCOME TAXES

INCOME TAX RECOGNIZED IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

IN MILLIONS OF CHF	2022	2021
Current Income tax income / (expense)	(73.1)	(48.1)
of which corresponding to the current period	(79.7)	(44.5)
of which adjustments recognized in relation to prior years	6.6	(3.6)
Deferred Income tax income / (expense)	(3.1)	90.7
of which related to the origination or reversal of temporary differences	(23.7)	95.6
of which adjustments recognized in relation to prior years	23.1	32.5
of which relates to foreign exchange movements[1]	(2.5)	(7.3)
of which adjustments due to change in tax rates	–	(30.1)
Total	**(76.2)**	**42.6**

INCOME TAX RECONCILIATION

IN MILLIONS OF CHF	2022	2021
Consolidated profit / (loss) before taxes	196.8	(407.8)
Expected tax rate in %	21.8%	22.2%
Income tax at the expected rate	(43.0)	90.4
EFFECT OF		
Income not subject to income tax	3.6	(0.3)
Different tax rates for subsidiaries in other jurisdictions	(0.8)	0.7
Effect of changes in tax rates on previously recognized deferred tax assets and liabilities	–	(30.1)
Non-deductible expenses	(7.1)	(4.3)
Permanent differences	(5.7)	(14.1)
Losses of the year for which no deferred tax asset is recognized	(52.5)	(110.2)
Net change of recognition of temporary differences and tax credits	(0.4)	92.7
Non recoverable withholding taxes	(10.1)	(1.8)
Income taxes in non-controlling interest holders	14.0	(1.4)
Adjustments recognized in relation to prior year	29.7	28.9
Foreign exchange movements on deferred tax balances[1]	(2.5)	(7.3)
Other items	(1.4)	(0.6)
Total	**(76.2)**	**42.6**

[1] In countries where Dufry pays taxes in a currency other than the functional currency, deferred tax assets and liabilities are impacted by foreign exchange fluctuations between the functional and local currencies. These changes are included in the Group's tax expense line.

The expected tax rate in % approximates the average income tax rate of the countries where the Group is active, weighted by the profitability of the respective operations adjusted for impairments. For 2022, there were no major changes in tax rates noted for countries in which Dufry is operating.

DEFERRED INCOME TAX RECOGNIZED IN OTHER COMPREHENSIVE INCOME OR IN EQUITY

IN MILLIONS OF CHF	2022	2021
RECOGNIZED IN OTHER COMPREHENSIVE INCOME		
Actuarial gains / (losses) on defined benefit plans	4.1	(11.6)
Total	**4.1**	**(11.6)**
RECOGNIZED IN EQUITY		
Tax effect on share-based payments	–	–
Total	**–**	**–**

15. COMPONENTS OF OTHER COMPREHENSIVE INCOME

	ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT					
2022 IN MILLIONS OF CHF	Employee benefit reserve	Translation reserves	Retained earnings	TOTAL	NON-CONTROL-LING INTERESTS	TOTAL EQUITY
Remeasurement of post-employment benefits plans	(37.8)	–	–	(37.8)	0.2	(37.6)
Income tax effect	4.1	–	–	4.1	–	4.1
Subtotal	**(33.7)**	**–**	**–**	**(33.7)**	**0.2**	**(33.5)**
Exchange differences on translating foreign operations	–	(89.4)	–	(89.4)	(2.2)	(91.6)
Subtotal	**–**	**(89.4)**	**–**	**(89.4)**	**(2.2)**	**(91.6)**
Net gain / (loss) on hedge of net investment in foreign operations (note 28.1)	–	(3.6)	–	(3.6)	–	(3.6)
Income tax effect	–	–	–	–	–	–
Subtotal	**–**	**(3.6)**	**–**	**(3.6)**	**–**	**(3.6)**
Share of other comprehensive income of associates	–	0.5	–	0.5	–	0.5
Subtotal	**–**	**0.5**	**–**	**0.5**	**–**	**0.5**
Other comprehensive income	**(33.7)**	**(92.5)**	**–**	**(126.2)**	**(2.0)**	**(128.2)**

	ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT					
2021 IN MILLIONS OF CHF	Employee benefit reserve	Translation reserves	Retained earnings	TOTAL	NON-CONTROL-LING INTERESTS	TOTAL EQUITY
Remeasurement of post-employment benefits plans	77.9	–	–	77.9	–	77.9
Income tax effect	(11.6)	–	–	(11.6)	–	(11.6)
Subtotal	**66.3**	**–**	**–**	**66.3**	**–**	**66.3**
Exchange differences on translating foreign operations	–	81.7	–	81.7	(0.4)	81.3
Subtotal	**–**	**81.7**	**–**	**81.7**	**(0.4)**	**81.3**
Net gain / (loss) on hedge of net investment in foreign operations (note 28.1)	–	(7.9)	–	(7.9)	–	(7.9)
Income tax effect	–	–	–	–	–	–
Subtotal	**–**	**(7.9)**	**–**	**(7.9)**	**–**	**(7.9)**
Share of other comprehensive income of associates	–	0.2	–	0.2	–	0.2
Subtotal	**–**	**0.2**	**–**	**0.2**	**–**	**0.2**
Other comprehensive income	**66.3**	**74.0**	**–**	**140.3**	**(0.4)**	**139.9**

16. PROPERTY, PLANT AND EQUIPMENT

2022 IN MILLIONS OF CHF	LEASEHOLD IMPROVE-MENTS	BUILDINGS	FURNITURE FIXTURES	COMPUTER HARDWARE	VEHICLES	WORK IN PROGRESS	TOTAL
AT COST							
Balance at January 1	**580.8**	**15.2**	**530.9**	**53.3**	**6.7**	**50.0**	**1,236.9**
Increase in scope of consolidation	–	–	0.8	–	–	–	0.8
Decrease in scope of consolidation	(0.5)	–	(0.6)	(0.1)	–	(0.2)	(1.4)
Additions	25.3	–	14.7	6.1	0.6	61.1	107.8
Disposals	(12.1)	(1.1)	(9.5)	(2.4)	(0.6)	(2.5)	(28.2)
Reclassification within classes	20.1	–	16.0	1.7	–	(37.8)	–
Reclassification to Intangibles	–	–	–	–	–	(0.5)	(0.5)
Currency translation adjustments	(4.8)	(0.4)	(15.7)	0.8	(0.1)	(0.2)	(20.4)
Balance at December 31	**608.8**	**13.7**	**536.6**	**59.4**	**6.6**	**69.9**	**1,295.0**
ACCUMULATED DEPRECIATION							
Balance at January 1	**(349.7)**	**(8.5)**	**(379.4)**	**(35.8)**	**(5.1)**	**–**	**(778.5)**
Decrease in scope of consolidation	0.1	–	0.2	0.1	–	–	0.4
Additions (note 10)	(55.0)	(0.2)	(48.5)	(8.3)	(0.7)	–	(112.7)
Disposals	11.4	–	9.3	2.3	0.5	–	23.5
Reclassification within classes	1.3	(0.3)	(0.9)	(0.1)	–	–	–
Currency translation adjustments	3.1	0.1	11.8	(0.9)	–	–	14.1
Balance at December 31	**(388.8)**	**(8.9)**	**(407.5)**	**(42.7)**	**(5.3)**	**–**	**(853.2)**
IMPAIRMENT							
Balance at January 1	**(86.2)**	**(3.9)**	**(34.9)**	**(1.8)**	**(0.1)**	**(2.4)**	**(129.3)**
Decrease in scope of consolidation	0.4	–	0.3	0.1	–	0.2	1.0
Impairment (note 10)	(0.4)	–	(1.0)	–	–	–	(1.4)
Reversal of impairment (note 10)	–	–	–	–	–	0.2	0.2
Disposals	0.2	1.1	–	–	–	–	1.3
Reclassification within classes	4.9	–	(3.2)	(0.6)	–	(1.1)	–
Currency translation adjustments	0.1	0.2	0.3	–	–	0.1	0.7
Balance at December 31	**(81.0)**	**(2.6)**	**(38.5)**	**(2.3)**	**(0.1)**	**(3.0)**	**(127.5)**
CARRYING AMOUNT							
At December 31, 2022	**139.0**	**2.2**	**90.6**	**14.4**	**1.2**	**66.9**	**314.3**

2021 IN MILLIONS OF CHF	LEASEHOLD IMPROVE-MENTS	BUILDINGS	FURNITURE FIXTURES	COMPUTER HARDWARE	VEHICLES	WORK IN PROGRESS	TOTAL
AT COST							
Balance at January 1	**618.4**	**15.3**	**472.4**	**49.2**	**6.4**	**53.9**	**1,215.6**
Decrease in scope of consolidation	–	–	(1.8)	–	–	–	(1.8)
Additions	15.6	–	16.4	2.0	0.2	38.5	72.7
Disposals	(53.1)	–	(22.5)	(4.4)	(0.5)	(1.3)	(81.8)
Reclassification within classes	(11.5)	–	50.9	2.1	0.3	(41.8)	–
Reclassification to intangible assets	–	–	–	0.1	–	–	0.1
Currency translation adjustments	11.4	(0.1)	15.5	4.3	0.3	0.7	32.1
Balance at December 31	**580.8**	**15.2**	**530.9**	**53.3**	**6.7**	**50.0**	**1,236.9**
ACCUMULATED DEPRECIATION							
Balance at January 1	**(342.8)**	**(7.5)**	**(309.6)**	**(24.3)**	**(4.4)**	**–**	**(688.6)**
Decrease in scope of consolidation	–	–	1.8	–	–	–	1.8
Additions (note 10)	(68.6)	(0.7)	(56.7)	(11.1)	(0.9)	–	(138.0)
Disposals	45.9	–	21.6	4.1	0.5	–	72.1
Reclassification within classes	28.5	(0.4)	(27.2)	(0.8)	(0.1)	–	–
Currency translation adjustments	(12.7)	0.1	(9.3)	(3.7)	(0.2)	–	(25.8)
Balance at December 31	**(349.7)**	**(8.5)**	**(379.4)**	**(35.8)**	**(5.1)**	**–**	**(778.5)**
IMPAIRMENT							
Balance at January 1	**(33.1)**	**(0.2)**	**(29.0)**	**(1.2)**	**–**	**(10.2)**	**(73.7)**
Impairment (note 10)	(62.1)	(3.7)	(4.4)	(0.8)	(0.1)	(2.0)	(73.1)
Reversal of impairment (note 10)	0.1	–	–	–	–	10.0	10.1
Disposals	6.6	–	0.1	0.2	–	–	6.9
Reclassification within classes	2.0	–	(1.8)	–	–	(0.2)	–
Currency translation adjustments	0.3	–	0.2	–	–	–	0.5
Balance at December 31	**(86.2)**	**(3.9)**	**(34.9)**	**(1.8)**	**(0.1)**	**(2.4)**	**(129.3)**
CARRYING AMOUNT							
At December 31, 2021	**144.9**	**2.8**	**116.6**	**15.7**	**1.5**	**47.6**	**329.1**

Cash flow used for purchase of property, plant and equipment

IN MILLIONS OF CHF	2022	2021
Payables for capital expenditure at the beginning of the period	(9.3)	(10.7)
Additions of property, plant and equipment	(107.8)	(72.7)
Payables for capital expenditure at the end of the period	19.8	9.3
Currency translation adjustments	(0.1)	(0.2)
Total Cash Flow	**(97.4)**	**(74.3)**

17. RIGHT-OF-USE ASSETS

2022 IN MILLIONS OF CHF	SHOPS	OTHER BUILDINGS	VEHICLES	OTHER	TOTAL
AT COST					
Balance at January 1	**5,872.7**	**240.0**	**8.2**	**2.1**	**6,123.0**
Decrease in scope of consolidation	(0.6)	(0.4)	–	–	(1.0)
Additions[1]	50.9	10.5	0.4	0.9	62.7
Disposals[2]	(147.0)	(7.0)	(1.5)	(0.4)	(155.9)
Lease modifications[3]	152.7	6.6	0.3	0.1	159.7
Reclassification within classes	(0.3)	0.3	–	–	–
Currency translation adjustments	(161.5)	(4.3)	(0.5)	(0.1)	(166.4)
Balance at December 31	**5,766.9**	**245.7**	**6.9**	**2.6**	**6,022.1**
ACCUMULATED DEPRECIATION					
Balance at January 1	**(2,528.7)**	**(84.9)**	**(4.2)**	**(1.4)**	**(2,619.2)**
Decrease in scope of consolidation	0.1	0.1	–	–	0.2
Additions (note 10)	(787.4)	(29.4)	(1.6)	(0.5)	(818.9)
Disposals[2]	135.3	6.4	1.3	0.4	143.4
Lease modifications[3]	75.3	(0.1)	–	–	75.2
Reclassification within classes	1.7	(1.8)	–	0.1	–
Currency translation adjustments	88.8	2.9	0.3	–	92.0
Balance at December 31	**(3,014.9)**	**(106.8)**	**(4.2)**	**(1.4)**	**(3,127.3)**
IMPAIRMENT					
Balance at January 1	**(376.5)**	**(6.5)**	**–**	**–**	**(383.0)**
Business combinations	0.5	0.3	–	–	0.8
Impairment (note 10)	(15.0)	–	–	–	(15.0)
Reversal of impairment (note 10)	48.7	–	–	–	48.7
Disposals[2]	4.7	–	–	–	4.7
Lease modifications[3]	7.5	–	–	–	7.5
Reclassification within classes	0.3	(0.3)	–	–	–
Currency translation adjustments	9.1	0.2	–	–	9.3
Balance at December 31	**(320.7)**	**(6.3)**	**–**	**–**	**(327.0)**
CARRYING AMOUNT					
At December 31, 2022	**2,431.3**	**132.6**	**2.7**	**1.2**	**2,567.8**

1 New contracts.
2 Ending of lease contracts.
3 Relates to contractual lease term changes.

2021 IN MILLIONS OF CHF	SHOPS	OTHER BUILDINGS	VEHICLES	OTHER	TOTAL
AT COST					
Balance at January 1	**6,871.1**	**234.9**	**6.2**	**2.1**	**7,114.3**
Additions [1]	36.5	8.9	1.2	–	46.6
Disposals [2]	(129.9)	(7.0)	(0.1)	(0.1)	(137.1)
Lease modifications [3]	(892.8)	1.7	0.8	0.2	(890.1)
Reclassification within classes [2]	–	0.1	–	(0.1)	–
Currency translation adjustments	(12.2)	1.4	0.1	–	(10.7)
Balance at December 31	**5,872.7**	**240.0**	**8.2**	**2.1**	**6,123.0**
ACCUMULATED DEPRECIATION					
Balance at January 1	**(2,167.0)**	**(61.7)**	**(2.4)**	**(1.1)**	**(2,232.2)**
Additions (note 10)	(803.3)	(31.8)	(1.9)	(0.4)	(837.4)
Disposals [2]	109.1	6.8	0.1	0.1	116.1
Lease modifications [3]	306.1	1.6	–	–	307.7
Currency translation adjustments	26.4	0.2	–	–	26.6
Balance at December 31	**(2,528.7)**	**(84.9)**	**(4.2)**	**(1.4)**	**(2,619.2)**
IMPAIRMENT					
Balance at January 1	**(439.8)**	**(3.6)**	**–**	**–**	**(443.4)**
Impairment (note 10)	(118.6)	(3.6)	–	–	(122.2)
Reversal of impairment (note 10)	166.3	–	–	–	166.3
Disposals [2]	0.1	–	–	–	0.1
Reclassification within classes	(0.8)	0.8	–	–	–
Currency translation adjustments	16.3	(0.1)	–	–	16.2
Balance at December 31	**(376.5)**	**(6.5)**	**–**	**–**	**(383.0)**
CARRYING AMOUNT					
At December 31, 2021	**2,967.5**	**148.6**	**4.0**	**0.7**	**3,120.8**

1 New contracts.
2 Ending of lease contracts.
3 Relates to contractual lease term changes.

18. INTANGIBLE ASSETS AND GOODWILL

2022 IN MILLIONS OF CHF	CONCESSION RIGHTS Acquisition related	Plain	BRANDS	OTHER[1]	TOTAL	GOODWILL
AT COST						
Balance at January 1	**4,529.7**	**85.5**	**266.1**	**245.0**	**5,126.3**	**2,512.8**
Additions	–	0.4	–	15.5	15.9	–
Disposals	(25.7)	(1.0)	–	(3.5)	(30.3)	–
Reclassification from property, plant and equipment	–	–	–	0.5	0.5	–
Currency translation adjustments	(146.2)	(0.2)	(4.1)	(1.4)	(151.8)	(122.6)
Balance at December 31	**4,357.8**	**84.7**	**262.0**	**256.1**	**4,960.6**	**2,390.2**
ACCUMULATED AMORTIZATION						
Balance at January 1	**(2,272.4)**	**(51.1)**	**(3.3)**	**(182.5)**	**(2,509.3)**	**–**
Additions (note 10)	(158.3)	(1.3)	–	(20.3)	(179.9)	–
Disposals	25.7	1.1	–	3.5	30.3	–
Reclassification within classes	–	–	–	–	–	–
Currency translation adjustments	60.9	0.1	–	1.6	62.6	–
Balance at December 31	**(2,344.1)**	**(51.2)**	**(3.3)**	**(197.7)**	**(2,596.3)**	**–**
IMPAIRMENT						
Balance at January 1	**(849.9)**	**(20.2)**	**(5.6)**	**(4.0)**	**(879.7)**	**(152.8)**
Impairment (note 10)	(32.9)	–	–	–	(32.9)	–
Reversal of impairment (note 10)	17.3	–	–	–	17.3	–
Currency translation adjustments	9.2	(0.3)	(0.1)	–	8.8	34.8
Balance at December 31	**(856.3)**	**(20.5)**	**(5.7)**	**(4.0)**	**(886.5)**	**(118.0)**
CARRYING AMOUNT						
At December 31, 2022	**1,157.4**	**13.0**	**253.0**	**54.4**	**1,477.8**	**2,272.2**

[1] Other mainly contains IT software.

2021 **IN MILLIONS OF CHF**	**CONCESSION RIGHTS** Acquisition related	Plain	**BRANDS**	**OTHER**	**TOTAL**	**GOODWILL**
AT COST						
Balance at January 1	**4,526.5**	**103.7**	**269.9**	**273.0**	**5,173.1**	**2,497.6**
Decrease in scope of consolidation	(18.1)	(2.7)	–	(0.9)	(21.7)	–
Additions	–	–	–	16.9	16.9	–
Disposals	–	(17.6)	–	(47.4)	(65.0)	–
Reclassification from property, plant & equipment	–	–	–	(0.1)	(0.1)	–
Currency translation adjustments	21.3	2.1	(3.8)	3.5	23.1	15.2
Balance at December 31	**4,529.7**	**85.5**	**266.1**	**245.0**	**5,126.3**	**2,512.8**
ACCUMULATED DEPRECIATION						
Balance at January 1	**(2,068.7)**	**(56.8)**	**(3.3)**	**(189.7)**	**(2,318.5)**	**–**
Decrease in scope of consolidation	9.0	1.2	–	0.6	10.8	–
Additions (note 10)	(195.5)	(7.3)	–	(31.8)	(234.6)	–
Disposals	–	13.3	–	40.9	54.2	–
Reclassification within classes	0.1	–	–	(0.1)	–	–
Currency translation adjustments	(17.3)	(1.5)	–	(2.4)	(21.2)	–
Balance at December 31	**(2,272.4)**	**(51.1)**	**(3.3)**	**(182.5)**	**(2,509.3)**	**–**
IMPAIRMENT						
Balance at January 1	**(638.8)**	**(11.2)**	**(5.5)**	**(2.2)**	**(657.7)**	**(128.3)**
Decrease in scope of consolidation	9.1	1.5	–	0.3	10.9	–
Impairment (note 10)	(224.0)	(19.4)	–	(3.0)	(246.4)	(21.6)
Reversal of impairment (note 10)	–	6.4	–	–	6.4	–
Disposals	–	3.8	–	1.0	4.8	–
Reclassification within classes	1.2	(1.2)	–	–	–	–
Currency translation adjustments	2.6	(0.1)	(0.1)	(0.1)	2.3	(2.9)
Balance at December 31	**(849.9)**	**(20.2)**	**(5.6)**	**(4.0)**	**(879.7)**	**(152.8)**
CARRYING AMOUNT						
At December 31, 2021	**1,407.4**	**14.2**	**257.2**	**58.5**	**1,737.3**	**2,360.0**

19. IMPAIRMENT TESTS OF TANGIBLE AND INTANGIBLE ASSETS

Goodwill and brand names are subject to impairment testing on an annual basis or when indicators of impairment exist. Other tangible and intangible assets, including concession rights are tested for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable.

19.1 KEY ASSUMPTIONS USED FOR VALUE-IN-USE CALCULATIONS

The calculations of value-in-use are most sensitive to the following assumptions:

Sales growth
Recovery of sales and the respective growth rates depend among different factors, on the further development of the COVID-19 pandemic and release of quarantine / traffic restrictions. Management based its assumptions on information available at the time of the preparation of the financial statements and assumes that sales will continue to grow in 2023 in line with the international air traffic growth. Our sales growth assumes that most locations will reach 2019 sales levels by 2023 or 2024. For the periods after 5 years, Dufry has used growth rates between 2.0 % – 3.3 % (2021: 2.5 % – 2.7 %) to extrapolate the cash flow projections. In its projections, Dufry assumes that the climate change & environmental risk has no material impact on future sales levels and the overall recovery of the business.

Margins
The expected margins have been estimated based on actual product assortments. These margins are maintained constant over the planning period, except where specific actions are planned to increase these margins or the competitiveness. The development of our purchase prices are estimated based on negotiations held with suppliers.

Discount rates
The cash flows are discounted using a weighted average cost of capital (“WACC”) rate composed among other factors of:
- a) risk free interest rates derived from actual governmental bonds rates: CHF: up to 1.50 %, EUR: up to 1.97 %, USD: up to 3.89 % (2021: CHF 0.00 %*, EUR 0.00 %*, USD 1.62 %),
- b) a credit spread range of 2.00 % - 4.70 % (2021: 2.64 %) ,
- c) a re-levered beta of 1.07 (2021: 1.30), and
- d) an equity-risk premium used in 2022 is 6.25 % (2021: 6.00 %). Certain WACC components, like country premium or default country risk, have been weighted for each segment.

*Negative risk free rates have been capped at 0 %.

19.2 IMPAIRMENT TEST OF GOODWILL

Goodwill is recognized from the acquisition of businesses by the Group and have been assigned for the purpose of impairment testing to the groups of cash generating units (GCGU). These groups reflect the reportable segments expected to benefit from the synergies related to acquisitions.

IN MILLIONS OF CHF	31.12.2022	31.12.2021
Europe, Middle East and Africa (EMEA)	1,434.6	1,530.3
Asia Pacific	34.1	33.7
The Americas	765.7	754.2
Global Distribution Centers	37.8	41.8
Total carrying amount of goodwill	**2,272.2**	**2,360.0**

The recoverable amount of each group of cash generating units (GCGU) is determined based on value-in-use calculations, which require the use of assumptions (see specific assumptions in next table) and future cash flows. These cash flows reflect projections of financial forecasts approved by the management covering a five-year period and a residual value for the years beyond the five-year period. This residual value is an extrapolation of the 5^{th} year cash flow using a constant terminal growth rate that does not exceed the long-term average growth rate for the respective market. This growth rate is consistent with the growth forecasts disclosed by the travel retail industry. The cash flows used include operational results generated by our Global Distribution Centers in relation to the respective GCGU.

Specific assumptions used for the valuation of goodwill:

	POST TAX DISCOUNT RATES		PRE TAX DISCOUNT RATES		CAGR[1] FOR NET SALES	
GROUP OF CASH GENERATING UNITS IN PERCENTAGE (%)	2022	2021	2022	2021	2022	2021[2]
Europe, Middle East and Africa (EMEA)	6.87	6.45	9.00	8.40	4.76	24.27
Asia Pacific	6.37	7.62	8.20	9.80	21.65	47.24
The Americas	6.33	7.62	8.55	10.30	4.96	20.32

[1] Compound Annual Growth Rate.
[2] The forecasted high growth rates are due to the low base in 2020 due to the COVID-19 pandemic.

Sensitivity analysis to changes in assumptions

At closing, the estimated recoverable amount of goodwill of each Group's segments exceeded their carrying amounts. However, if the key assumptions used in the impairment tests would deteriorate to a possible reasonable value, as indicated in the following table, this change would, in isolation, lead to an additional impairment loss for the year of:

	DISCOUNT RATE		SALES DROP*		MARGIN DROP*	
GROUP OF CASH GENERATING UNITS IN PERCENTAGE (%)	2022	2021	2022	2021	2022	2021
	+2 %	+1%	-3 %	-10 %	-1 %	-1 %
Europe, Middle East and Africa (EMEA)	–	–	–	–	–	–
Asia Pacific	–	–	–	–	34.1	33.6
The Americas	–	–	–	–	–	–

* The reasonable drop in sales or margin (in percentage of sales) has been considered in each year within the impairment test.

19.3 IMPAIRMENT TEST OF BRAND NAMES

Dufry's retail operations apply several retail concepts which use different brand names. The table below indicates the key components used for determining the value-in-use arising during business acquisitions in the past and have been kept at historical values.

At closing the estimated recoverable amount of all brand names of the Group exceed their carrying amounts. Management believes that no possible reasonable change in any of the key assumptions would lead to a situation where the recoverable amounts fall below the respective carrying amount.

Key assumptions used for the valuation of brand names:

BRAND NAMES IN PERCENTAGE (%)	POST TAX DISCOUNT RATES 2022	POST TAX DISCOUNT RATES 2021	GROWTH RATES FOR NET SALES 2022	GROWTH RATES FOR NET SALES 2021
Dufry	6.78	6.49	4.46	23.57
Hudson News	8.35	7.48	8.28	19.02
Nuance	7.16	6.12	4.96	15.53
World Duty Free	7.52	6.39	2.26	25.11

19.4 IMPAIRMENT TEST OF TANGIBLE AND OTHER INTANGIBLE ASSETS

Dufry's management considered the consequences of the negative effects of the COVID-19 pandemic on Dufry's business as a trigger to test its depreciable or amortizable assets for impairment. The selection of CGUs for the test has been made based on historical impairments, profitability and materiality of assets. The methodology and assumptions used for these impairment tests is similar to those described for goodwill, except for:

a) The test were done on CGU level,
b) The period of cash flows is limited to the contractual lease term, ignoring renewal probabilities,
c) The effective tax rate was used as WACC component,
d) For test purposes the carrying amount of the assets was net of linked liabilities, in particular lease obligations,
e) No reliefs of minimal lease payments have been assumed unless contractually agreed by the time of approving these financial statements
f) The cash flows are reduced for a share of expenses related to corporate assets

The table of note 10 discloses the aggregated impairment expense and reversal of impairment by segment incurred in 2022, whereas note 16, note 17 and note 18 show the cumulated impairment on property, plant and equipment, right-of-use assets and intangible assets by type of asset.

20. INVESTMENTS IN ASSOCIATES

These investments are accounted for using the equity method.

Summarized statement of comprehensive income

IN MILLIONS OF CHF	2022	2021
Net profit / (loss)	**10.7**	**3.0**
OTHER COMPREHENSIVE INCOME		
Items to be reclassified to net income in subsequent periods	0.1	0.2
Total comprehensive income	**10.8**	**3.2**

21. OTHER NON-CURRENT ASSETS

IN MILLIONS OF CHF	31.12.2022	31.12.2021
Guarantee deposits	52.6	102.4
Loans	19.1	26.0
Lease receivables	4.0	6.6
Prepayment for leases	32.8	42.7
Tax receivable	55.2	47.5
Other	0.5	0.5
Subtotal	**164.2**	**225.7**
Allowances	(8.4)	(10.4)
Total	**155.8**	**215.3**

MOVEMENT IN ALLOWANCES

IN MILLIONS OF CHF	2022	2021
Balance at January 1	**(10.4)**	**(6.1)**
Creation	–	(4.2)
Utilized	1.7	–
Reclassification	0.6	–
Currency translation adjustments	(0.3)	(0.1)
Balance at December 31	**(8.4)**	**(10.4)**

22. INVENTORIES

IN MILLIONS OF CHF	31.12.2022	31.12.2021
Inventories at cost	1,024.1	786.2
Inventory allowance	(95.7)	(94.0)
Total	**928.4**	**692.2**

Cost of sales includes inventories written down to net realizable value and inventory losses of CHF 74.7 (2021: 42.2) million.

23. TRADE AND CREDIT CARD RECEIVABLES

IN MILLIONS OF CHF	31.12.2022	31.12.2021
Trade receivables[1]	28.1	70.9
Credit card receivables	39.4	21.5
Gross	**67.5**	**92.4**
Allowances	(5.2)	(7.1)
Net	**62.3**	**85.3**

[1] Includes trade receivables against associates of CHF 6.2 (2021: 13.7) million.

AGING ANALYSIS OF TRADE RECEIVABLES

IN MILLIONS OF CHF	31.12.2022	31.12.2021
Not due	6.3	15.4
OVERDUE		
Up to 30 days	11.6	34.1
31 to 60 days	0.2	9.4
61 to 90 days	0.6	0.6
More than 90 days	4.2	4.3
Total overdue	**16.6**	**48.4**
Trade receivables, net	**22.9**	**63.8**

24. OTHER ACCOUNTS RECEIVABLE

IN MILLIONS OF CHF	31.12.2022	31.12.2021
Advertising receivables	194.0	123.1
Services provided to suppliers	1.6	2.0
Loans receivable	0.7	2.0
Receivables from subtenants and business partners	4.0	1.7
Personnel receivables	1.1	1.0
Accounts receivables	**201.4**	**129.8**
Prepayments of lease expenses and rents	28.6	33.7
Prepayments of sales and other taxes	109.6	99.6
Prepayments to suppliers	4.5	6.7
Prepayments, other	14.4	10.1
Prepayments	**157.1**	**150.1**
Receivables from subleases	2.9	3.2
Guarantee deposits	102.4	82.6
Derivative financial assets	10.1	9.0
Accrued income	–	–
Other	16.2	21.8
Other receivables	**131.6**	**116.6**
Total	**490.1**	**396.5**
Allowances	(22.5)	(24.7)
Total	**467.6**	**371.8**

MOVEMENT IN ALLOWANCES

IN MILLIONS OF CHF	2022	2021
Balance at January 1	**(24.7)**	**(31.4)**
Decrease in scope of consolidation	–	3.0
Creation	(3.4)	(0.1)
Released	5.0	4.0
Utilized	0.5	0.2
Reclassification	0.1	(0.2)
Currency translation adjustments	–	(0.2)
Balance at December 31	**(22.5)**	**(24.7)**

25. EQUITY

25.1 FULLY PAID ORDINARY SHARES

IN MILLIONS OF CHF	NUMBER OF SHARES	SHARE CAPITAL	SHARE PREMIUM
Balance at January 1, 2021	**80,263,682**	**401.3**	**4,249.9**
Conversion of the CHF 350 million bond	10,533,325	52.7	295.0
Share issuance costs	–	–	(2.7)
Balance at December 31, 2021	**90,797,007**	**454.0**	**4,542.2**
Balance at December 31, 2022	**90,797,007**	**454.0**	**4,542.2**

In April 2021, 99.3 % of CHF 350 million (CHF 347.6 million) convertible bonds issued in 2020 and due in 2023 were converted into shares.

25.2 MANDATORY CONVERTIBLE NOTES

	NUMBER OF NOTES	IN THOUSANDS OF CHF
Balance at January 1, 2021	**695**	**68,400**
Interest component reclassified	–	(8,100)
Balance at December 31, 2021	**695**	**60,300**
Balance at December 31, 2022	**695**	**60,300**

25.3 TRANSLATION RESERVES

IN MILLIONS OF CHF	ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	NON-CONTROLLING INTERESTS	TOTAL
Balance at January 1, 2021	**(524.9)**		
Exchange differences arising on translating the foreign operations	81.7	(0.4)	81.3
Net gain / (loss) on hedge of net investments in foreign operations[1]	(7.9)	–	(7.9)
Share of other comprehensive income of associates	0.2	–	0.2
Balance at December 31, 2021	**(450.9)**		
Exchange differences arising on translating the foreign operations	(89.4)	(2.2)	(91.6)
Net gain / (loss) on hedge of net investments in foreign operations	(3.6)	–	(3.6)
Share of other comprehensive income of associates	0.5	–	0.5
Balance at December 31, 2022	**(543.4)**		

[1] Foreign exchange gains and losses on financing instruments that are designated as hedging instruments for net investments in foreign operations are included in the translation reserves.

25.4 RETAINED EARNINGS

IN MILLIONS OF CHF	ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	NON-CONTROLLING INTERESTS	TOTAL EQUITY
Balance at January 1, 2021	**(3,323.2)**		
Net profit / (loss)	(385.4)	20.2	(365.2)
Conversion of the CHF 350 million bond	(26.7)	–	(26.7)
Share-based payments	2.0	–	2.0
Put option held by non-controlling interests	(3.2)	0.5	(2.7)
Dividends to non-controlling interests	–	(23.0)	(23.0)
Equity component of convertible bond	54.1	–	54.1
Other changes in participation of non-controlling interests	(0.7)	1.9	1.2
Balance at December 31, 2021	**(3,683.1)**		
Net profit / (loss)	58.2	62.4	120.6
Share-based payments	16.4	–	16.4
Put option held by non-controlling interests	13.4	5.1	18.5
Dividends to non-controlling interests	–	(74.6)	(74.6)
Other changes in participation of non-controlling interests	(3.8)	4.3	0.5
Balance at December 31, 2022	**(3,598.9)**		

26. SHARE-BASED PAYMENT PLANS

2022 Plan

During 2022, Dufry granted to selected members of the management the award 2022 consisting of 553,359 performance share units (PSU). The PSU award 2022 will vest on June 3, 2025 and have a contractual life between 31 and 41 months. At grant dates the fair values of one PSU award 2022 was calculated applying a combination of market share price and applying a Monte Carlo simulation. The range of fair values was determined between CHF 31.73 and CHF 48.78 for the respective grant dates, with a weighted average fair value of CHF 36.19. As part of this plan, 42,761 PSU will be settled in cash.

The PSU granted in 2022 are subject to three performance conditions: Cumulative Adjusted EPS with a 50% weighting (unchanged to the previous year), Relative TSR with a 25% weighting (new KPI), and an ESG target with a 25% weighting (new KPI). The ESG target consists of three different KPIs related to material areas from a business and stakeholder perspective, each with a weighting of $^1/_3$ of the ESG target.

On the vesting date, the PSU vest and are converted into shares based on the achievement of the performance targets. Each PSU may provide between zero share (less than 50 % targets achievement) and 2 shares (150 % or more targets achievement). The target (100 % vesting) in relation to the cumulative adjusted EPS measured corresponds to a total of CHF 7.60 (to be adjusted by the effect of the combination with Autogrill), ranking at 50th percentile of the peer group for the TSR element and defined ESG measures per area, such as 60 % reduction of CO_2 emissions on scope 1 & 2 by 2024. Holders of PSU are not entitled to vote or receive dividends like shareholders do.

As of December 31, 2022, none of the PSU award 2022 and 2021 have forfeited and 948,166 PSU (2021: 394,807) remain outstanding.

2021 Plan

On November 30, 2021, Dufry granted to selected members of the management the award 2021 consisting of 394,807 performance share units (PSU). The PSU award 2021 has a contractual life of 30 months and will vest on June 3, 2024. At grant date the fair value of one PSU award 2021 represented the market value for one Dufry share at that date, i. e. CHF 41.54. As part of this plan, 44,753 PSU will be settled in cash.

Holders of one PSU award 2021 will have the right to receive free of charge up to two Dufry shares depending on two performance targets reached by Dufry during the grant year of award and the following two years compared with the target. The performance targets of the 2021 PSU grant are the cumulative adjusted EPS, with a 50 % weighting, and the cumulative Equity Free Cash Flow (EFCF) with a 50 % weighting. On the vesting date, after the three-year vesting period, the PSU vest and are converted into shares based on the achievement of the performance targets. Each PSU may provide between zero share (less than 50 % targets achievement) and 2 shares (150 % or more targets achievement). The target (100 % vesting) in relation to the cumulative adjusted EPS measured corresponds to an improvement by CHF 26.50 compared to the adjusted EPS for fiscal year 2020, respectively an improvement by CHF 993 million compared to the EFCF for fiscal year 2020. Holders of PSU are not entitled to vote or receive dividends like shareholders do.

Older Plans

During 2020, Dufry did not grant any awards. For the PSU plan 2019, no shares were allocated in 2022, as the vesting performance criteria have not been reached.

26.1 TREASURY SHARES

Treasury shares are valued at historical cost.

	NUMBER OF SHARES	IN MILLIONS OF CHF
Balance at January 1, 2021	**11,281**	**(1.3)**
Balance at December 31, 2021	**11,281**	**(1.3)**
Purchased shares	600,000	(21.6)
Balance at December 31, 2022	**611,281**	**(22.9)**

26.2 EARNINGS PER SHARE

26.2.1 Earnings per share attributable to equity holders of the parent

Basic

Basic earnings per share are calculated by dividing the net profit /(loss) attributable to equity holders of the parent by the weighted average number of shares outstanding during the year plus the weighted average number of ordinary shares of financial instruments that will be mandatory converted into ordinary shares.

IN MILLIONS OF CHF / QUANTITY	2022	2021
Net profit / (loss) attributable to equity holders of the parent	58.2	(385.4)
Weighted average number of ordinary shares outstanding	92,800,277	87,784,450
Basic earnings per share in CHF	**0.63**	**(4.39)**

Diluted

Diluted earnings per share are calculated by dividing the net profit /(loss) attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares of financial instruments that will be mandatory converted into ordinary shares plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

Refer to note 29 and 42.1 for instruments that could potentially dilute basic earnings per share in future, but were not included in the calculation of diluted earnings per share because they are antidilutive for 2022 and 2021.

IN MILLIONS OF CHF / QUANTITY	2022	2021
Net profit / (loss) attributable to equity holders of the parent	58.2	(385.4)
Weighted average number of ordinary shares outstanding used to calculate the diluted earnings per share	94,010,983	87,784,450
Diluted earnings per share in CHF	**0.62**	**(4.39)**

26.2.2 Weighted average number of ordinary shares

IN SHARES	2022	2021
Outstanding shares	90,797,007	87,795,731
Mandatory convertible shares	2,092,113	–
Less treasury shares	(88,843)	(11,281)
Used for calculation of basic earnings per share	**92,800,277**	**87,784,450**
EFFECT OF DILUTION		
PSU plans	1,210,706	–
Used for calculation of diluted earnings per share	**94,010,983**	**87,784,450**

27. BREAKDOWN OF TRANSACTIONS WITH NON-CONTROLLING INTERESTS

The following transactions have been recognized in equity attributable to non-controlling interests holders:

IN MILLIONS OF CHF	NOTE	2022	2021
Change in relation to put option (49% of Dufry Staer Holding Ltd)[1]		5.1	0.5
Other non-controlling interests (disposed) / acquired		2.8	0.7
Change in Dufry's interest		**7.9**	**1.2**
NCI portion of increases in share capital of subsidiaries		1.5	1.2
Share capital changes		**1.5**	**1.2**
Total		**9.4**	**2.4**

[1] No cash flow effects.

27.1 INFORMATION ON COMPANIES WITH NON-CONTROLLING INTERESTS

In 2022, Dufry allocated CHF 62.4 (2021: 20.2) million of net result to non-controlling interests (NCI). Within the Dufry Group, the net earnings allocated to non-controlling interests is predominantly related to our US subsidiaries, totaling CHF 47.2 (2021: 22.5) million.

Airport authorities in the United States frequently require companies to partner with local business partners based on Airport Concession Disadvantaged Business Enterprise (“ACDBE”) regulation. Dufry may partner with third parties to win new business opportunities and maintain existing ones. Consequently, Dufry’s business model contemplates the involvement of local partners. Net profits from these operating subsidiaries attributed to Dufry and to non-controlling interests holders reflect the applicable ownership structure. The net profits and dividend payments attributable to non-controlling interests exclude expenses incurred by Dufry at the acquisition of these businesses, which are not attributable to the local partners, such as acquisition related interest expenses, income taxes and amortization of intangible assets from acquisitions.

There are no individual significant non-controlling interests in 2022 and 2021.

28. BORROWINGS

IN MILLIONS OF CHF	31.12.2022	31.12.2021
Bank debt overdrafts	–	6.4
Bank debt loans	119.6	35.3
Third party loans	3.1	3.6
Borrowings, current	**122.7**	**45.3**
Bank debt loans	453.9	681.6
Senior Notes	2,993.0	3,083.2
Third party loans	5.4	6.9
Borrowings, non-current	**3,452.3**	**3,771.7**
Total	**3,575.0**	**3,817.0**
OF WHICH ARE		
Bank debt	573.5	723.3
Senior Notes	2,993.0	3,083.2
Third party loans	8.5	10.5

BANK DEBT

IN MILLIONS OF CHF	31.12.2022	31.12.2021
BANK DEBTS ARE DENOMINATED IN		
US Dollar	409.5	501.7
Deferred arrangement fees	(17.3)	(11.2)
Subtotal	**392.2**	**490.5**
BANK DEBTS AT SUBSIDIARIES IN		
Euro*	104.9	124.7
Swiss Franc*	11.0	17.0
British Pound*	55.9	61.7
Other currencies*	9.5	29.4
Total	**573.5**	**723.3**

* Includes Government backed COVID-19 loans of CHF 175.9 (2021: 208.0) million.

GOVERNMENT BACKED COVID-19 LOANS

Since the beginning of the COVID-19 pandemic in 2020 and as a consequence thereof economical restrictions, governments granted backed COVID-19 loans to certain Dufry subsidiaries, which are accounted for financial liability in accordance with IFRS 9. As of December 2022, the amount of loans granted was overall CHF 175.9 (2021: 208.0) million, whereas the loans were granted in different currencies. Loans granted were in EUR 106.0 (2021: 120.2) million, in CHF 11.0 (2021: 17.0) million, in GBP 50.0 (2021: 50.0) million and in MAD 46.8 (2021: 46.8). The interest rates vary between 0.0 % and 5.5 % (2021: 0.0 % and 3.5 %).

NOTES

IN MILLIONS OF CHF	31.12.2022	31.12.2021
Senior Notes denominated in Euro	2,251.4	2,359.9
Senior Notes denominated in CHF	300.0	300.0
Convertible Notes denominated in CHF	463.5	453.3
Deferred interest on modification of financing arrangements	(8.9)	(11.4)
Deferred arrangement fees	(13.0)	(18.6)
Total	**2,993.0**	**3,083.2**

DETAILED CREDIT FACILITIES

Dufry negotiates and manages its main credit facilities centrally.

The bank credit agreements and the bank guarantee facilities contain covenants and conditions customary to this type of financing. In 2022 and 2021, Dufry complied with the financial covenants and conditions contained in the bank credit agreements.

In February 2022, we have entered into an amendment of certain borrowing instruments which waived compliance with certain financial covenants for another twelve months until and including June 30, 2023.

In December 2022 Dufry has successfully refinanced its main bank credit facilities. A new EUR 2,085 million Revolving Credit Facility (RCF) is replacing EUR 1,300 million RCF and USD 550 million Term Loan with maturity in December 2027 compared to previous maturity date in November 2024.

Financial covenants included in our borrowing instruments require the Group to comply with:
(i) a maximum ratio of total drawn debt to CORE EBITDA of 5:1 for the test periods ending September 30, 2023 and December 31, 2023 and a maximum ratio of 4.5:1 for the test periods ending March 31, 2024 and thereafter,

(ii) a minimum ratio of CORE EBITDA to total interest expense (excluding lease interest) of 3:1 for the test periods ending September 30, 2023 and thereafter, and

(iii) a minimum liquidity available of CHF 300 million on a monthly basis until and including June 30, 2023.

Bank credit facilities

IN MILLIONS OF	MATURITY	CURRENCY	CREDIT LIMIT IN FOREIGN CURRENCY	DRAWN AMOUNT IN CHF
Revolving credit facility (multi-currency)[1]	19.12.2027	EUR	2,085.0	409.5
Uncommited current facilities	n.a.	CHF	50.0	–
At December 31, 2022				**409.5**

[1] New revolving credit facility replacing the EUR 1,300.0 million revolving credit facility which was cancelled and the USD 550.0 million committed term loan which was fully repaid, both before their maturity.

IN MILLIONS OF	MATURITY	CURRENCY	CREDIT LIMIT IN FOREIGN CURRENCY	DRAWN AMOUNT IN CHF
Committed term loan (multi-currency)[1]	03.11.2024	USD	550.0	501.7
Revolving credit facility (multi-currency)[1]	03.11.2024	EUR	1,300.0	–
Uncommited current facilities[1]	n.a.	EUR	50.0	–
Uncommited current facilities	n.a.	CHF	50.0	–
At December 31, 2021				**501.7**

[1] Cancelled during 2022.

Notes

IN MILLIONS OF	MATURITY	COUPON RATE	CURRENCY	NOMINAL IN FOREIGN CURRENCY	AMOUNT IN CHF 31.12.2022	AMOUNT IN CHF 31.12.2021
Senior notes	15.10.2024	2.50%	EUR	800.0	790.3	826.7
Senior notes	15.02.2027	2.00%	EUR	750.0	732.1	765.0
Senior notes	15.04.2028	3.38%	EUR	725.0	712.2	744.8
Senior notes	15.04.2026	3.63%	CHF	300.0	298.9	299.0
Convertible notes[1]	04.05.2023	1.00%	CHF	350.0	–	–
Convertible notes[2]	30.03.2026	0.75%	CHF	500.0	459.5	447.7
Total					**2,993.0**	**3,083.2**

[1] Early conversion in April 2021 (see note 29).
[2] Equity component CHF 54.1 million.

WEIGHTED AVERAGE INTEREST RATE

Below are the overall weighted average notional interest rates on the main currencies of bank credit facilities and notes:

INTEREST RATE IN PERCENTAGE (%)	2022	2021
Average on USD	4.96	3.31
Average on CHF	2.01	2.09
Average on EUR	3.19	2.54
Weighted Average Total	**3.10**	**2.57**

28.1 HEDGE OF NET INVESTMENTS IN FOREIGN OPERATIONS

The company has designated USD 292.9 million bank loans in relation to the investments in Alliance Inc., Interbaires SA, Navinten SA, Blaicor SA, International Operation & Services SA, Duty Free Ecuador SA.

IN MILLIONS OF	CHF	USD
Balance at January 1, 2021	**259.2**	**292.9**
Currency translation adjustments	7.9	–
Balance at December 31, 2021	**267.1**	**292.9**
Currency translation adjustments	3.6	–
Balance at December 31, 2022	**270.7**	**292.9**

Dufry had a hedge relationship with Dufry do Brasil and WDFG UK Holdings Limited in the past, which are no longer designated, but for which the originally hedged foreign operation is still part of the Group. The related hedge gain accumulated in the CTA amounted respectively to CHF 109.5 and CHF 75.5 million.

There is no ineffectiveness for these hedges and the effect of hedging is presented in line item Net gain / (loss) on hedge of net investment in foreign operations in OCI. The company maintains the hedge ratio by verifying 100 % hedge ratio.

28.2 EQUITY-LIKE LOANS

Dufry granted to below mentioned foreign subsidiaries long-term loans. These loans are considered as part of Dufry's net investment in foreign operations, as settlement is neither planned nor likely to occur in the foreseeable future.

		AMOUNT IN FOREIGN CURRENCY		EQUIVALENT AMOUNT IN CHF	
IN MILLIONS OF	CURRENCY	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Dufry International AG	EUR	1,087.1	1,087.1	1,075.8	1,127.6
Nuance Group (Australia) Pty Ltd.	AUD	121.8	190.1	76.7	125.9
Dufry Americas y Caribe Corp.	USD	10.2	10.2	9.4	9.3
Nuance Group (Sverige) AB	SEK	110.0	110.0	9.8	11.1
Dufry Duty Free (Nigeria) Ltd.	USD	6.8	6.5	6.3	5.9

Any translation difference arising on these loans are accounted for in equity in the line item Exchange difference on translating foreign operations.

29. BORROWINGS AND LEASE OBLIGATIONS, NET

IN MILLIONS OF CHF	CASH AND CASH EQUIVALENTS	LEASE OBLIGATIONS	FINANCIAL DERIVATIVES ASSET - BORROWINGS	FINANCIAL DERIVATIVES LIABILITY - BORROWINGS	BORROWINGS	NET DEBT
Balance at January 1, 2022	**793.5**	**3,636.4**	**7.4**	**63.5**	**3,817.0**	**6,716.0**
Cash flows from operating, financing and investing activities	98.8	–	–	–	–	(98.8)
Business combinations	1.1	–	–		–	(1.1)
Repayment of 3rd party loans payable	–	–	–	–	(1.8)	(1.8)
Transaction costs for financial instruments	–	–	–	–	(16.8)	(16.8)
Repayment of borrowings	–	–	–	–	(152.2)	(152.2)
Payments of derivatives interests	–	–	(24.3)	(38.5)	–	(14.2)
Lease payments	–	(907.8)	–	–	–	(907.8)
Cash flow	**99.9**	**(907.8)**	**(24.3)**	**(38.5)**	**(170.8)**	**(1,192.7)**
Additions to lease obligations	–	63.0	–	–	–	63.0
Interest on lease obligations	–	127.6	–	–	–	127.6
Modification of lease obligations	–	244.2	–	–	–	244.2
Relief on lease obligations	–	(80.2)	–	–	–	(80.2)
Early termination of lease obligations	–	(13.9)	–	–	–	(13.9)
Discounted interests of financial derivatives	–	–	24.1	38.7	–	14.6
Discounted interests	–	–	–	–	10.2	10.2
Arrangement fees amortization	–	–	–	–	17.7	17.7
Currency translation adjustments	(38.7)	(87.3)	2.2	36.1	(147.5)	(162.2)
Unrealized exchange differences on the translation of net debt in foreign currencies	–	20.6	–	–	48.4	69.0
Other non-cash movements	**(38.7)**	**274.0**	**26.3**	**74.8**	**(71.2)**	**290.0**
Balance at December 31, 2022	**854.7**	**3,002.6**	**9.4**	**99.8**	**3,575.0**	**5,813.3**

IN MILLIONS OF CHF	CASH AND CASH EQUIVALENTS	LEASE OBLIGATIONS	FINANCIAL DERIVATIVES ASSET - BORROWINGS	FINANCIAL DERIVATIVES LIABILITY - BORROWINGS	BORROWINGS	NET DEBT
Balance at January 1, 2021	**360.3**	**5,420.4**	**–**	**–**	**3,704.5**	**8,764.6**
Cash flows from operating, financing and investing activities	469.2	–	–	–	–	(469.2)
Repayment of 3rd party loans payable	–	–	–	–	8.1	8.1
Transaction costs for financial instruments	–	–	–	–	(27.2)	(27.2)
Proceeds from convertible bonds	–	–	–	–	1,599.3	1,599.3
Proceeds from bank debt	–	–	–	–	642.9	642.9
Repayment of bank debt	–	–	–	–	(1,689.0)	(1,689.0)
Lease payments	–	(478.4)	–	–	–	(478.4)
Cash flow	**469.2**	**(478.4)**	**–**	**–**	**534.1**	**(413.5)**
Additions to lease obligations	–	51.0	–	–	–	51.0
Interest on lease obligations	–	104.5	–	–	–	104.5
Modification of lease obligations	–	(564.5)	–	–	–	(564.5)
Relief on lease obligations	–	(847.1)	–	–	–	(847.1)
Early termination of lease obligations	–	(22.0)	–	–	–	(22.0)
Equity component of convertible bonds	–	–	–	–	(54.1)	(54.1)
Conversion of CHF 350 million bond to Equity	–	–	–	–	(321.0)	(321.0)
Discounted interests	–	–	–	–	9.7	9.7
Arrangement fees amortization	–	–	–	–	26.7	26.7
Financial derivatives	–	–	7.4	63.5	–	56.1
Currency translation adjustments	(36.0)	(5.9)	–	–	(180.0)	(149.9)
Unrealized exchange differences on the translation of net debt in foreign currencies	–	(21.6)	–	–	97.1	75.5
Other non-cash movements	**(36.0)**	**(1,305.6)**	**7.4**	**63.5**	**(421.6)**	**(1,635.1)**
Balance at December 31, 2021	**793.5**	**3,636.4**	**7.4**	**63.5**	**3,817.0**	**6,716.0**

On March 24, 2021 Dufry, via its subsidiary Dufry One B.V., successfully placed CHF 500 million of senior convertible bonds due in 2026, conditionally convertible into shares of the Company. The convertible bonds have been issued at par with a denomination of CHF 200,000 and carry a coupon of 0.75%, payable semi-annually in arrears. At maturity on March 30, 2026 the bonds will be redeemed at par. During such time bondholders can opt to convert the bonds at a price of CHF 87.00 per share. Such shares will be sourced from conditional capital or from existing shares. On May 18, 2021, the General Assembly approved the respective increase of the conditional share capital by 6,913,025 shares (at nominal value of CHF 5.00 each, CHF 34,565,125).

In April, 2021 Dufry, via its subsidiary Dufry One B.V., successfully concluded the voluntary incentivised conversion offer to holder of the CHF 350 million 1% convertible bonds due 2023, launched on March 23, 2021. Given an acceptance rate of 99.3% of the offer Dufry could early redeem the remaining bonds.

On April 15, 2021 Dufry, via its subsidiary Dufry One B.V., successfully priced two new senior Notes of EUR 725 million bearing a coupon of 3.375% maturing in 2028 and CHF 300 million bearing a coupon of 3.625% maturing in 2026. Proceeds from the offering were used to refinance existing bank debt and for general corporate purposes.

29.1 OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Dufry's notional cash pool is operated by a major finance institute. Based on enforceable master netting agreement, the respective balances at the end of the period have been set-off as follows:

IN MILLIONS OF CHF	BALANCE BEFORE GLOBAL POOLING	SET-OFF	NET BALANCE
31.12.2022			
Cash and cash equivalents	1,727.9	(873.2)	854.7
Borrowings, current	995.9	(873.2)	122.7
31.12.2021			
Cash and cash equivalents	1,401.2	(607.7)	793.5
Borrowings, current	653.0	(607.7)	45.3

29.2 LEGAL RESTRICTIONS ON MONEY TRANSFER

Cash and cash equivalents at the end of the reporting period include CHF 110.1 (2021: 57.7) million held by subsidiaries operating in countries with exchange controls or other legal restrictions on money transfer. There are no material assets that have any other restrictions to realize or settle liabilities of the Group.

30. OTHER LIABILITIES

IN MILLIONS OF CHF	31.12.2022	31.12.2021
Concession fee payables	181.5	153.9
Other service related vendors	255.9	177.9
Personnel payables	158.9	119.6
Sales and other tax liabilities	62.4	55.8
Put option Dufry Staer Holding Ltd	7.7	26.2
Financial derivative liabilities - current	99.8	63.5
Lease obligation due to tax refund	18.6	15.6
Payables for capital expenditure	19.9	9.4
Interest payables	25.4	32.9
Payables to local business partners	1.9	1.1
Other payables	38.4	44.0
Total	**870.4**	**699.9**
THEREOF		
Current liabilities	841.1	653.2
Non-current liabilities	29.3	46.7
Total	**870.4**	**699.9**

31. DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets and liabilities arise from the following positions:

IN MILLIONS OF CHF	31.12.2022	31.12.2021
DEFERRED TAX ASSETS		
Inventories	14.9	13.0
Property, plant and equipment	64.1	61.0
Intangible assets	46.4	35.1
Lease obligations	286.9	336.7
Provisions and other payables	51.5	72.1
Tax loss carry-forward	89.6	110.4
Other	4.5	25.2
Total	**557.9**	**653.5**
DEFERRED TAX LIABILITIES		
Property, plant and equipment	(34.7)	(40.0)
Right-of-use assets	(295.6)	(358.6)
Intangible assets	(282.9)	(314.8)
Provisions and other payables	(13.2)	(19.8)
Other	(7.5)	(15.8)
Total	**(633.9)**	**(749.0)**
Deferred tax liabilities net	**(76.0)**	**(95.5)**

Deferred tax balances are presented in the consolidated statement of financial position as follows:

IN MILLIONS OF CHF	2022	2021
Deferred tax assets	145.4	179.9
Deferred tax liabilities	(221.4)	(275.4)
Balance at December 31	**(76.0)**	**(95.5)**

Reconciliation of movements to the deferred taxes:

IN MILLIONS OF CHF	2022	2021
Changes in deferred tax assets	(34.5)	34.4
Changes in deferred tax liabilities	54.0	46.5
Currency translation adjustments	(18.5)	(1.8)
Deferred tax movements (expense) at December 31	**1.0**	**79.1**
THEREOF		
Recognized in the statement of profit or loss	(3.1)	90.7
Recognized in equity	–	–
Recognized in OCI	4.1	(11.6)

Tax loss carry forward

Certain subsidiaries incurred tax losses, which according to the local tax legislation gives rise to a tax credit usable in future tax periods. However, the use of this tax benefit may be limited by local law in time (expiration) or in quantity or limited by the ability of the respective subsidiary to generate enough taxable profits in the future.

Deferred tax assets relating to unused tax losses carry forwards or temporary differences are recognized when it is probable that such tax credits can be utilized in future periods by the respective entity in accordance with the approved budget 2023 and the management projections thereafter.

The unrecognized tax losses carry forwards by expiry date are as follows:

IN MILLIONS OF CHF	31.12.2022	31.12.2021
Expiring within 1 to 3 years	292.1	209.4
Expiring within 4 to 7 years	775.6	755.8
Expiring after 7 years	117.4	138.3
With no expiration limit	1,089.4	1,254.8
Total	**2,274.5**	**2,358.3**

Unrecognized deferred tax liabilities

Dufry has not recognized deferred tax liabilities associated with investments in subsidiaries where Dufry can control the reversal of the timing differences and where it is not probable that the temporary differences will reverse in the foreseeable future. Dufry does not expect that these differences result in taxable amounts in determining taxable profit (tax loss) of future periods when the carrying amount of the investment is recovered.

32. PROVISIONS

IN MILLIONS OF CHF	CONTINGENT LIABILITIES	ONEROUS CONTRACTS	CLOSEDOWN	LAWSUITS AND DUTIES	LABOR DISPUTES	OTHER	TOTAL
Balance at January 1, 2022	**11.8**	**20.3**	**2.9**	**52.8**	**3.7**	**27.8**	**119.3**
Business combinations	–	–	–	–	–	4.6	4.6
Charge for the year	–	0.1	4.1	9.8	0.4	50.4	64.8
Utilized	–	(11.6)	(0.3)	(7.8)	(0.7)	(1.9)	(22.3)
Unused amounts reversed	–	–	(0.2)	(12.0)	(0.3)	(16.9)	(29.4)
Reclassification within classes	(2.5)	0.4	–	2.1	–	–	–
Reclassification from / to other accounts[1]	–	–	–	–	–	0.6	0.6
Currency translation adjustments	(0.6)	(0.8)	(0.1)	(1.3)	(0.1)	(1.4)	(4.3)
Balance at December 31, 2022	**8.7**	**8.4**	**6.4**	**43.6**	**3.0**	**63.2**	**133.3**
THEREOF							
Current	–	1.3	6.4	41.7	0.6	39.3	89.3
Non-current	8.7	7.1	–	1.9	2.4	23.9	44.0

[1] From other payables 3rd parties.

Management believes that its provisions are adequate based upon currently available information. However, given the inherent difficulties in estimating liabilities in the areas described below, future expenses may be different from the amounts provisioned.

CONTINGENT LIABILITIES

Contingent liabilities are recognized in connection with business combinations, usually in relation with legal claims, from which the final outcome is difficult to assess.

ONEROUS CONTRACTS

Dufry enters in certain non-cancellable agreements. If the economic condition to operate such business deteriorates materially, it can happen that the present value of the unavoidable future cash flows is not enough to cover the carrying amount of the tangible or intangible assets, or even become negative so that the company would need to present a provision for onerous contracts. Estimating these future cash flows requires management to project future sales and operating profits. At balance sheet date, an amount of CHF 8.4 (2021: 20.3) million has been provided mainly in relation to two operation in the region Europe, Middle East and Africa (EMEA) and one operation in The Americas.

CLOSE DOWN

The provision of CHF 6.4 (2021: 2.9) million relates mainly to four operations in Asia and two in Europe.

LAWSUITS AND DUTIES

The provision for lawsuits and duties of CHF 43.6 (2021: 52.8) million covers uncertainties related to the outcome of law suits in relation to taxes-other than income, duties and includes risk in relation to concession fees in connection with our subsidiaries in Europe, Middle East and Africa.

LABOR DISPUTES

The provision of CHF 3.0 (2021: 3.7) million relates mainly to claims presented by sales staff in our segment The Americas based on disputes due to the termination of temporary labor contracts.

OTHER

Other provisions comprise mainly potential liabilities to cover the cost for restoration of leased shops to their original condition at the end of the lease agreement and restructuring costs. The charge of the year relates mainly to concession contracts termination in our segment Europe, Middle East and Africa.

CASH OUTFLOWS OF NON-CURRENT PROVISIONS

The cash outflows of non-current provisions as of December 31, 2022 are expected to occur in:

IN MILLIONS OF CHF	EXPECTED CASH OUTFLOW
2024	23.9
2025	2.7
2026	3.7
2027	1.7
2028+	12.0
Total non-current	**44.0**

33. POST-EMPLOYMENT BENEFIT OBLIGATIONS

Dufry provides retirement benefits through a variety of arrangements comprised principally of stand-alone defined benefit or defined contribution plans, or state administered plans that cover a substantial portion of employees in accordance with local regulations and practices. The most significant plans in terms of the benefits accrued to date by participants are cash balance and final salary plans. Around 92.3% (2021: 97.2%) of the total defined benefit obligation and 96.6% (2021: 97.9%) of the plan assets correspond to pension funds in Switzerland (CH) and the United Kingdom (UK).

			2022			2021
IN MILLIONS OF CHF	Funded	Unfunded	TOTAL	Funded	Unfunded	TOTAL
SWITZERLAND						
Fair value of plan assets	151.3	–	151.3	226.9	–	226.9
Present value of defined benefit obligation	151.3	–	151.3	198.8	–	198.8
Financial (liability) asset	**–**	**–**	**–**	**28.1**	**–**	**28.1**
UK						
Fair value of plan assets	132.1	–	132.1	227.5	–	227.5
Present value of defined benefit obligation	115.1	–	115.1	200.6	–	200.6
Financial (liability) asset	**17.0**	**–**	**17.0**	**26.9**	**–**	**26.9**
OTHER PLANS						
Fair value of plan assets	10.0	–	10.0	9.8	–	9.8
Present value of defined benefit obligation	11.4	10.9	22.3	11.4	9.9	21.3
Financial (liability) asset	**(1.4)**	**(10.9)**	**(12.3)**	**(1.6)**	**(9.9)**	**(11.5)**
CARRYING AMOUNT						
Net defined benefit assets	**17.0**	**–**	**17.0**	**55.0**	**–**	**55.0**
Employee benefit obligations	**(1.4)**	**(10.9)**	**(12.3)**	**(1.6)**	**(9.9)**	**(11.5)**

33.1 SWITZERLAND

In Switzerland Dufry's pension plan is a cash balance plan where contributions are made by employees and employer based on a percentage of the insured salary. The pension plan guarantees the amount accrued on the members saving account, as well as interest on those savings amounts. At retirement date, the savings account are converted into pensions, or optionally part of the savings can be paid out as a lump sum.

LEGAL FRAMEWORK

Pension plans in Switzerland are governed by the Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (BVG), which stipulates that pension plans are to be managed as independent, legally autonomous units, a pension fund. Pension plans are overseen by a regulator as well as by a state supervisory body. A pension plan's most senior governing body (Board of Trustees) must be composed of equal numbers of employee and employer representatives.

MAIN RISKS

The main risks to which the pension fund is exposed are: a) mortality risk, when the effective average life result to be longer than the assumptions used based on the official demographic statistics, then pension payments would need to be done for longer periods, b) Market and liquidity risk as if the future rate of return on plan assets is lower to the actual discount rate used to calculate the conversion factor, then additional funds will be needed and c) Death and disability risk as if the amounts or number of effective cases are higher than the indications provided by the demographic statistics this can result in a mismatch of asset-liabilities relation of the pension fund. These risks are regularly monitored by an actuary and the Board of Trustees.

ASSET-LIABILITY MANAGEMENT

The Swiss pension fund currently invests in a diverse portfolio of asset classes including equities, bonds, property and alternative investments but do not currently use any more explicit asset-liability matching strategy instruments such as annuity purchase products or longevity swaps. With the investment strategy the board of trustees defines the allocation of asset classes, currencies and other risks, which takes into account requirements from BVG, and the objective of achieving an investment return which together with the contributions paid, is sufficient to maintain reasonable control over the various funding risks of the plan.

33.2 UNITED KINGDOM (UK)

Dufry participates in another defined benefit pension plan in the UK under specific regulatory frameworks. The Plan has been closed to new members for many years and as well as to existing members. Under the Plan, members are entitled to annual pensions on retirement at age 65 of one sixtieth of revalued pensionable salary for each year of service. Pensionable salary is defined as basic salary less the statutory Lower Earnings limit. The Plan is administered by a separate board of trustees which is legally separate from the Company. The Trustees are comprised of representatives of employer, employees and independent trustees. The trustees are required by law to act in the interest of all relevant beneficiaries and are responsible for the investment policy with regards to assets plus the day to day administration of the scheme. The pension payments are made from the trustee-administered funds; however, where plans are underfunded, the company meets the benefit payment obligation as it falls due.

Cost of defined benefit plans

	2022		2021	
IN MILLIONS OF CHF	Switzerland	UK	Switzerland	UK
SERVICE COSTS				
Current service costs	(6.3)	–	(5.6)	–
Past service costs	3.9	–	–	–
Net interest	0.2	0.5	–	(0.1)
Total pension expenses recognized in the statement of profit or loss	**(2.2)**	**0.5**	**(5.6)**	**(0.1)**

The current and past service costs are included in personnel expenses, whereas fund administration expenses are included in the other expenses. The past service costs are a consequense of Dufry's modified pension fund plan rules as of 1st of January 2023 (lower convertion rate and increase in the maximum insured salary).

Remeasurements employee benefits

IN MILLIONS OF CHF	2022 Switzerland	2022 UK	2021 Switzerland	2021 UK
Actuarial gains (losses) - experience	(7.9)	(9.1)	15.5	13.2
Actuarial gains (losses) - demographic assumptions	–	1.1	7.7	2.2
Actuarial gains (losses) - financial assumptions	50.2	73.2	3.2	8.9
Return on plan assets exceeding expected interest	(19.7)	(72.8)	15.9	9.2
Effect of asset ceiling	(53.3)	–	–	–
Total remeasurements recorded in other comprehensive income	**(30.7)**	**(7.6)**	**42.3**	**33.5**

The following tables summarize the components of the funded status and amounts recognized in the statement of financial position for the plan:

Change in the fair value of plan assets

IN MILLIONS OF CHF	2022 Switzerland	2022 UK	2021 Switzerland	2021 UK
Balance at January 1	**226.9**	**227.5**	**205.8**	**217.5**
Interest income [1]	0.9	4.0	0.2	3.2
Return on plan assets, above interest income	(19.7)	(72.8)	15.9	9.2
Contributions paid by employer	5.1	–	4.5	–
Contributions paid by employees	7.3	–	4.2	–
Benefits paid	(15.6)	(5.0)	(11.2)	(5.9)
Administration costs	(0.2)	(0.2)	(0.2)	(0.9)
Asset ceiling [2]	(53.3)	–	–	–
Other	–	–	7.7	–
Currency translation	(0.1)	(21.4)	–	4.4
Balance at December 31	**151.3**	**132.1**	**226.9**	**227.5**

[1] Expected interest income on plan assets based on discount rate. See actuarial assumptions.

[2] The plan assets are larger than the DBO. However, as no economic benefit is expected, the net defined benefit asset must be ceiled. There is no economic benefit as the employer service cost is smaller than the employer's expected contributions and no employer's contribution reserve are available.

Change in present value of defined benefit obligation

IN MILLIONS OF CHF	2022 Switzerland	2022 UK	2021 Switzerland	2021 UK
Balance at January 1	**198.8**	**200.6**	**217.7**	**223.1**
Current service costs	6.3	–	5.6	–
Interest costs	0.8	3.5	0.2	3.3
Contributions paid by employees	7.3	–	4.2	–
Actuarial losses / (gains) - experience	7.9	9.1	(15.5)	(13.2)
Actuarial losses / (gains) - demographic assumptions	–	(1.1)	(7.7)	(2.2)
Actuarial losses / (gains) - financial assumptions	(50.2)	(73.2)	(3.2)	(8.9)
Benefits paid	(15.6)	(5.0)	(11.2)	(5.9)
Past service cost - plan amendments	(3.9)	–	–	–
Other	–	–	8.7	–
Currency translation	(0.1)	(18.8)	–	4.4
Balance at December 31	**151.3**	**115.1**	**198.8**	**200.6**
Net defined benefit (obligation) / asset at December 31	**–**	**17.0**	**28.1**	**26.9**

Based on pension legislation of certain countries the employer and/or the employees have the obligation to remedy any default situation of the pension foundation, which usually would result in higher periodic contributions. At the statement of financial position date, there was no such default situation. The actuarial calculations based on IAS 19 resulted in a defined benefit obligation/asset.

Actuarial assumptions
The present value of the defined benefit obligation is determined annually by independent actuaries using the projected unit credit method. The main actuarial assumptions used are:

	2022		2021	
IN PERCENTAGE (%)	**Switzerland**	**UK**	**Switzerland**	**UK**
Discount rates	2.30	4.75	0.40	1.95
Future salary increases	1.50	–	1.25	–
Future pension increases	–	1.85	–	1.95
Mortality table (generational tables)	2020	2021	2020	2020

The mortality table takes into account changes in the life expectancy.

Plan asset structure
The structure of categories of plan assets is as follows:

	2022		2021	
IN PERCENTAGE (%)	**Switzerland**	**UK**	**Switzerland**	**UK**
Shares	27.2	99.6	34.9	99.9
Bonds	13.9	–	18.8	–
Real estates	45.7	–	37.6	–
Other [1]	13.2	0.4	8.7	0.1
Total	**100.0**	**100.0**	**100.0**	**100.0**

[1] Includes liquid positions and alternative investments.

All assets held by the Pension fund in Switzerland and UK are fair-value-level 1 (quoted prices in active markets), except certain real estate and alternative investments in Switzerland which are fair-value-level 3 (significant unobservable inputs) representing 45.7% (2021: 37.6%) of the total assets.

The net outflow of funds due to pension payments can be planned reliably. Contributions are paid regularly to the funded pension plans in Switzerland and UK. Furthermore, the respective investment strategies take account of the need to guarantee the liquidity of the plan at all times. Dufry does not make use of any assets held by these pension plans.

Plan participants

	2023		2022	
IN MILLIONS OF CHF	Switzerland	UK	Switzerland	UK
EXPECTED CASH FLOW FOR				
Contribution Employer	4.9	–	4.8	–
Contribution Employees	3.0	–	2.9	–
Weighted average duration of defined benefit obligation (years)	15.7	16.0	18.3	19.0

Sensitivities of significant actuarial assumptions

The discount rate and the future salary increase were identified as significant actuarial assumptions.

The following impacts on the defined benefit obligation are to be expected:

	SWITZERLAND		UK	
2022 IN MILLIONS OF CHF	Increase	Decrease	Increase	Decrease
A CHANGE OF 0.5% IN THE FOLLOWING ASSUMPTIONS WOULD IMPLY				
Discount rate	(10.9)	12.6	(9.9)	9.9
Salary rate	1.2	(1.1)	–	–

The sensitivity analysis is based on realistically possible changes as of the end of the reporting year. Each change in a significant actuarial assumption was analyzed separately as part of the test. Interdependencies were not taken into account.

34. FAIR VALUE MEASUREMENT

FAIR VALUE OF FINANCIAL INSTRUMENTS CARRIED AT AMORTIZED COST

Except as detailed in the table Quantitative disclosures fair value measurement hierarchy for assets below, Dufry considers that the carrying amounts of financial assets and financial liabilities recognized in the financial statements approximate their fair values.

The following tables provide the fair value measurement hierarchy of Dufry's assets and liabilities, that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:
- **Level 1** fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2** fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3** fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The valuation of the put option related to unlisted shares is derived from the proportional share of the net assets. The movement of the put option is recorded through equity instead of through profit or loss.

Quantitative disclosures fair value measurement hierarchy for assets

DECEMBER 31, 2022 IN MILLIONS OF CHF	TOTAL	FAIR VALUE MEASUREMENT AT DECEMBER 31, 2022 USING Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	CARRYING AMOUNTS
ASSETS MEASURED AT FAIR VALUE					
Derivative financial assets					
Foreign exchange forward contracts - USD	0.1	–	0.1	–	0.1
Foreign exchange swaps contracts - EUR	3.7	–	3.7	–	3.7
Foreign exchange swaps contracts - OTHER	0.5	–	0.5	–	0.5
Cross currency swaps contracts - EUR	5.1	–	5.1	–	5.1
Options - USD	0.7	–	0.7	–	0.7
Total (Note 37.3)	**10.1**	**–**	**10.1**	**–**	**10.1**
ASSETS FOR WHICH FAIR VALUES ARE DISCLOSED					
Loans and receivables					
Trade and credit card receivables	62.0	–	62.0	–	62.3

DECEMBER 31, 2021 IN MILLIONS OF CHF	TOTAL	FAIR VALUE MEASUREMENT AT DECEMBER 31, 2021 USING Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	CARRYING AMOUNTS
ASSETS MEASURED AT FAIR VALUE					
Derivative financial assets					
Foreign exchange swaps contracts - EUR	0.6	–	0.6	–	0.6
Foreign exchange swaps contracts - OTHER	1.4	–	1.4	–	1.4
Cross currency swaps contracts - EUR	5.4	–	5.4	–	5.4
Options - USD	1.6	–	1.6	–	1.6
Total (Note 37.3)	**9.0**	**–**	**9.0**	**–**	**9.0**
ASSETS FOR WHICH FAIR VALUES ARE DISCLOSED					
Loans and receivables					
Trade and credit card receivables	85.1	–	85.1	–	85.3

There were no transfers between Level 1 and 2 during the period.

Quantitative disclosures fair value measurement hierarchy for liabilities

DECEMBER 31, 2022 IN MILLIONS OF CHF	TOTAL	FAIR VALUE MEASUREMENT AT DECEMBER 31, 2022 USING Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	CARRYING AMOUNTS
LIABILITIES MEASURED AT FAIR VALUE					
Derivative financial liabilities					
Foreign exchange forward contracts - USD	0.1	–	0.1	–	0.1
Foreign exchange forward contracts - OTHER	0.6	–	0.6	–	0.6
Cross currency swaps contracts - EUR	99.1	–	99.1	–	99.1
Put option Dufry Staer Holding Ltd	7.7	–	–	7.7	7.7
Total (Note 37.3)	**107.5**	**–**	**99.8**	**7.7**	**107.5**
LIABILITIES FOR WHICH FAIR VALUES ARE DISCLOSED					
At amortized cost					
Senior Notes CHF 300	262.6	262.6	–	–	298.9
Senior Notes CHF 500	420.2	420.2	–	–	459.5
Senior Notes EUR 725	592.9	592.9	–	–	712.2
Senior Notes EUR 800	765.2	765.2	–	–	790.3
Senior Notes EUR 750	604.2	604.2	–	–	732.1
Total	**2,645.1**	**2,645.1**	**–**	**–**	**2,993.0**
Floating rate borrowings USD	412.8	–	412.8	–	392.2
Total	**412.8**	**–**	**412.8**	**–**	**392.2**

There were no transfers between Level 1 and 2 during the period.

DECEMBER 31, 2021 IN MILLIONS OF CHF	TOTAL	FAIR VALUE MEASUREMENT AT DECEMBER 31, 2021 USING Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	CARRYING AMOUNTS
LIABILITIES MEASURED AT FAIR VALUE					
Derivative financial liabilities					
Foreign exchange forward contracts - OTHER	0.1	–	0.1	–	0.1
Foreign exchange swaps contracts - EUR	3.0	–	3.0	–	3.0
Foreign exchange swaps contracts - OTHER	0.3	–	0.3	–	0.3
Cross currency swaps contracts - EUR	60.1	.	60.1	–	60.1
Put option Dufry Staer Holding Ltd	26.2	–	–	26.2	26.2
Total (Note 37.3)	**89.7**	**–**	**63.5**	**26.2**	**89.7**
LIABILITIES FOR WHICH FAIR VALUES ARE DISCLOSED					
At amortized cost					
Senior Notes CHF 300	298.3	298.3	–	–	299.0
Senior Notes CHF 500	466.1	466.1	–	–	447.7
Senior Notes CHF 725	727.9	727.9	–	–	744.8
Senior Notes EUR 800	815.1	815.1	–	–	826.7
Senior Notes EUR 750	721.5	721.5	–	–	765.0
Total	**3,028.9**	**3,028.9**	**–**	**–**	**3,083.2**
Floating rate borrowings USD	532.8	–	532.8	–	490.5
Total	**532.8**	**–**	**532.8**	**–**	**490.5**

There were no transfers between Level 1 and 2 during the period.

35. CAPITAL RISK MANAGEMENT

Capital comprises equity attributable to the equity holders of the parent less hedging and revaluation reserves for unrealized gains or losses on net investments, plus other equity-linked or equity-like instruments attributable to the parent.

The primary objective of Dufry's capital management is to ensure that it maintains an adequate credit rating and sustainable capital ratios in order to support its business and maximize shareholder value.

Dufry manages its financing structure and makes adjustments to it in light of its strategy and the long-term opportunities and costs of each financing source. To maintain or adjust the financing structure, Dufry may adjust dividend payments to shareholders, return capital to shareholders, issue new shares or issue equity-linked instruments or equity-like instruments.

Furthermore, Dufry monitors the financing structure using a combination of ratios, including a gearing ratio, cash flow considerations and profitability ratios. As for the gearing ratio Dufry includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

35.1 GEARING RATIO

The following ratio compares owner's equity to borrowed funds:

IN MILLIONS OF CHF	31.12.2022	31.12.2021
Cash and cash equivalents	(854.7)	(793.5)
Borrowings, current	122.7	45.3
Borrowings, non-current	3,452.3	3,771.7
Borrowings, net (excluding derivatives)	**2,720.3**	**3,023.5**
Equity attributable to equity holders of the parent	893.0	956.6
ADJUSTED FOR		
Accumulated hedged gains / (losses)	(171.6)	(128.4)
Effects from transactions with non-controlling interests [1]	1,497.9	1,507.4
Total capital [2]	**2,219.3**	**2,335.6**
Total net debt and capital	**4,939.6**	**5,359.1**
Gearing ratio	**55.1%**	**56.4%**

[1] Represents the excess paid / (received) above fair value on shares acquired / (sold) from non-controlling interests as long as there is no change in control (IFRS 10.23).

[2] Includes all capital and reserves of Dufry that are managed as capital.

Dufry did not hold collateral of any kind at the reporting dates.

35.2 CATEGORIES OF FINANCIAL INSTRUMENTS

AT DECEMBER 31, 2022

	FINANCIAL ASSETS				
IN MILLIONS OF CHF	at amortized cost	at FVPL	SUBTOTAL	NON-FINANCIAL ASSETS[1]	TOTAL
Cash and cash equivalents	854.7	–	854.7	–	854.7
Trade and credit card receivables	62.3	–	62.3	–	62.3
Other accounts receivable	309.8	10.1	319.9	147.7	467.6
Other non-current assets	119.6	0.4	120.0	35.8	155.8
Total	**1,346.4**	**10.5**	**1,356.9**		

	FINANCIAL LIABILITIES				
IN MILLIONS OF CHF	at amortized cost	at FVPL	SUBTOTAL	NON-FINANCIAL LIABILITIES[1]	TOTAL
Trade payables	486.4	–	486.4	–	486.4
Borrowings, current	122.7	–	122.7	–	122.7
Lease obligations, current	992.4	–	992.4	–	992.4
Other liabilities	654.7	99.8	754.5	86.6	841.1
Borrowings, non-current	3,452.3	–	3,452.3	–	3,452.3
Lease obligations, non-current	2,010.2	–	2,010.2	–	2,010.2
Other non-current liabilities	29.3	–	29.3	–	29.3
Total	**7,748.0**	**99.8**	**7,847.8**		

AT DECEMBER 31, 2021

	FINANCIAL ASSETS				
IN MILLIONS OF CHF	at amortized cost	at FVPL	SUBTOTAL	NON-FINANCIAL ASSETS[1]	TOTAL
Cash and cash equivalents	793.5	–	793.5	–	793.5
Trade and credit card receivables	85.3	–	85.3	–	85.3
Other accounts receivable	219.3	9.0	228.3	143.5	371.8
Other non-current assets	174.1	0.5	174.6	40.2	214.8
Total	**1,272.2**	**9.5**	**1,281.7**		

	FINANCIAL LIABILITIES				
IN MILLIONS OF CHF	at amortized cost	at FVPL	SUBTOTAL	NON-FINANCIAL LIABILITIES[1]	TOTAL
Trade payables	335.1	–	335.1	–	335.1
Borrowings, current	45.3	–	45.3	–	45.3
Lease obligations, current	1,077.9	–	1,077.9	–	1,077.9
Other liabilities	525.7	63.5	589.2	64.0	653.2
Borrowings, non-current	3,771.7	–	3,771.7	–	3,771.7
Lease obligations, non-current	2,558.5	–	2,558.5	–	2,558.5
Other non-current liabilities	46.7	–	46.7	–	46.7
Total	**8,360.9**	**63.5**	**8,424.4**		

[1] Non-financial assets or non-financial liabilities comprise prepaid expenses and deferred income, which will not generate a cash outflow or inflow as well as other tax positions.

35.3 NET INCOME BY IFRS 9 VALUATION CATEGORY

Financial Assets at December 31, 2022

IN MILLIONS OF CHF	at amortized cost	at FVPL	TOTAL
Interest income	31.0	–	31.0
Other finance income	0.1	24.1	24.2
From interest	**31.1**	**24.1**	**55.2**
Foreign exchange gain / (loss)[1]	37.5	1.4	38.8
Impairments / allowances[2]	(2.6)	–	(2.6)
Total – from subsequent valuation	**34.8**	**1.4**	**36.2**
Net (expense) / income	**65.9**	**25.5**	**91.4**

Financial Liabilities at December 31, 2022

IN MILLIONS OF CHF	at amortized cost	at FVPL	TOTAL
Interest expenses	(284.6)	–	(284.6)
Amortization of arrangement fees	(18.3)	–	(18.3)
Other finance expenses	(6.7)	(38.7)	(45.4)
From interest	**(309.6)**	**(38.7)**	**(348.3)**
Foreign exchange gain / (loss)[1]	10.0	(72.0)	(62.0)
Total – from subsequent valuation	**10.0**	**(72.0)**	**(62.0)**
Net (expense) / income	**(299.6)**	**(110.7)**	**(410.3)**

Financial Assets at December 31, 2021

IN MILLIONS OF CHF	at amortized cost	at FVPL	TOTAL
Interest income	15.9	–	15.9
Other finance income	0.1	5.4	5.5
From interest	**16.0**	**5.4**	**21.4**
Foreign exchange gain / (loss)[1]	128.7	(11.3)	117.4
Impairments / allowances[2]	(45.0)	–	(45.0)
Total – from subsequent valuation	**83.7**	**(11.3)**	**72.4**
Net (expense) / income	**99.7**	**(5.9)**	**93.8**

Financial Liabilities at December 31, 2021

IN MILLIONS OF CHF	at amortized cost	at FVPL	TOTAL
Interest expenses	(250.2)	–	(250.2)
Amortization of arrangement fees	(18.6)	–	(18.6)
Other finance expenses	(41.4)	(7.7)	(49.1)
From interest	**(310.2)**	**(7.7)**	**(317.9)**
Foreign exchange gain / (loss)[1]	(2.4)	(117.6)	(120.0)
Total – from subsequent valuation	**(2.4)**	**(117.6)**	**(120.0)**
Net (expense) / income	**(312.6)**	**(125.3)**	**(437.9)**

[1] This position includes the foreign exchange gain / (loss) recognized on third party and intercompany financial assets and liabilities through consolidated statement of profit or loss.

[2] This position includes net income / (expense) from released impairments, allowances or recoveries during the period less the increase of impairments or allowances.

36. FINANCIAL RISK MANAGEMENT OBJECTIVES

As a global retailer, Dufry has worldwide activities which are financed in different currencies and are consequently affected by fluctuations of foreign exchange and interest rates. Dufry's treasury manages the financing of the operations through centralized credit facilities to ensure an adequate allocation of these resources and simultaneously minimize the potential currency and financial risk impacts.

Dufry continuously monitors the market risk, such as risks related to foreign currency, interest rate, credit, liquidity and capital. Dufry seeks to minimize the currency exposure and interest rates risk using appropriate transaction structures or alternatively, using derivative financial instruments to hedge the exposure to these risks. The treasury policy forbids entering or trading financial instruments for speculative purposes.

37. MARKET RISK

Dufry's financial assets and liabilities are mainly exposed to market risk in foreign currency exchange and interest rates. Dufry's objective is to minimize the impact on statement of profit or loss and to reduce fluctuations in cash flows through structuring the respective transactions to minimize market risks. In cases, where the associated risk cannot be hedged appropriately through a transaction structure, and the evaluation of market risks indicates a material exposure, Dufry may use financial instruments to hedge the respective exposure.

Dufry may enter into a variety of financial instruments to manage its exposure to foreign currency risk, including forward foreign exchange contracts, currency swaps and over the counter plain vanilla options.

During the current financial year, Dufry utilized foreign currency forward contracts and options for hedging purposes.

37.1 FOREIGN CURRENCY RISK MANAGEMENT

Dufry manages the cash flow surplus or deficits in foreign currency of the operations through FX-transactions in the respective local currency. Major imbalances in foreign currencies at Group level are hedged through foreign exchange forwards contracts. The terms of the foreign currency forward contracts have been negotiated to match the terms of the forecasted transactions.

37.2 FOREIGN CURRENCY SENSITIVITY ANALYSIS

Among various methodologies to analyze and manage risk, Dufry utilizes a system based on sensitivity analysis. This tool enables Group treasury to identify the level of risk of each entity. Sensitivity analysis provides an approximate quantification of the exposure in the event that certain specified parameters were to be met under a specific set of assumptions.

Foreign Currency Exposure

IN MILLIONS OF CHF	USD	EUR	GBP	BRL	OTHER	TOTAL
DECEMBER 31, 2022						
Monetary assets	1,099.7	704.4	404.6	108.6	2,116.7	4,434.0
Monetary liabilities	516.5	2,637.5	399.3	140.9	2,092.9	5,787.1
Net currency exposure before foreign currency contracts and hedging	**583.2**	**(1,933.1)**	**5.3**	**(32.3)**	**23.8**	**(1,353.1)**
Foreign currency contracts	(815.6)	813.1	–	43.1	98.4	139.0
Hedging	255.7	1,075.9	–	–	(86.5)	1,245.1
Net currency exposure	**23.3**	**(44.1)**	**5.3**	**10.8**	**35.7**	**31.0**
DECEMBER 31, 2021						
Monetary assets	1,226.7	494.1	411.3	91.5	2,096.7	4,320.3
Monetary liabilities	495.5	2,890.3	263.8	162.0	2,225.0	6,036.6
Net currency exposure before hedging	**731.2**	**(2,396.2)**	**147.5**	**(70.5)**	**(128.3)**	**(1,716.3)**
Foreign currency contracts	(998.6)	1,254.4	(158.6)	35.6	49.5	182.3
Hedging	252.3	1,127.6	–	–	(91.8)	1,288.1
Net currency exposure	**(15.1)**	**(14.2)**	**(11.1)**	**(34.9)**	**(170.6)**	**(245.9)**

The sensitivity analysis includes all monetary assets and liabilities irrespective of whether the positions are third party or intercompany. Dufry has considered some intercompany long-term loans as equity like loans. Consequently, the related exchange differences are presented in other comprehensive income and thereafter as translation reserve in equity. In addition, Dufry has entered into cross currency swaps to reduce the currency exposure.

The foreign exchange rate sensitivity is calculated by aggregation of the net currency exposure of Dufry entities at December 31 of the respective year. The values and risk disclosed here are the hedged and remaining net currency exposure assuming a 5 % appreciation of the CHF against all other currencies.

A positive result indicates a profit, before tax in the statement of profit or loss or in the hedging and revaluation reserves when the CHF strengthens against the relevant currency.

IN MILLIONS OF CHF	31.12.2022	31.12.2021
Effect on profit or loss based on USD	(1.2)	0.8
Other comprehensive income based on USD	12.8	12.6
Effect on profit or loss based on EUR	2.2	0.7
Other comprehensive income based on EUR	53.8	56.4
Effect on profit or loss based on GBP	(0.3)	0.6
Effect on profit or loss based on BRL	(0.5)	1.7

Reconciliation to categories of financial instruments:

IN MILLIONS OF CHF	31.12.2022	31.12.2021
FINANCIAL ASSETS		
Total financial assets held in foreign currencies (see above)	4,434.0	4,320.3
Less intercompany financial assets in foreign currencies	(3,584.6)	(3,690.0)
Third party financial assets held in foreign currencies	849.4	630.3
Third party financial assets held in reporting currencies	507.5	651.4
Total third party financial assets[1]	**1,356.9**	**1,281.7**
FINANCIAL LIABILITIES		
Total financial liabilities held in foreign currencies (see above)	5,787.1	6,036.6
Less intercompany financial liabilities in foreign currencies	(3,852.1)	(4,083.4)
Third party financial liabilities held in foreign currencies	1,935.0	1,953.2
Third party financial liabilities held in reporting currencies	5,912.8	6,512.3
Total third party financial liabilities[1]	**7,847.8**	**8,465.5**

[1] See note 35.2 Categories of financial instruments.

37.3 FOREIGN EXCHANGE FORWARD CONTRACTS AND FOREIGN EXCHANGE OPTIONS AT FAIR VALUE

As the management of the company actively pursues to naturally hedge the positions in each operation, the policy of Dufry is to enter into foreign exchange forwards and options contracts only where needed.

The following table shows the contracts or underlying principal amounts and fair values of derivative financial instruments, including foreign exchange forwards and foreign exchange swaps as well as cross currency swaps. Contracts or underlying principal amounts indicate the volume of business outstanding at the balance sheet date. The fair values as per the table below are determined by reference to inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly at December 31 of each year.

IN MILLIONS OF CHF	CONTRACT OR UNDERLYING PRINCIPAL AMOUNT	POSITIVE FAIR VALUE	NEGATIVE FAIR VALUE
December 31, 2022	856.0	10.1	99.8
December 31, 2021	7,025.2	9.0	63.5

38. INTEREST RATE RISK MANAGEMENT

Dufry manages the interest rate risk through interest rate swaps and options to the extent that the hedging cannot be implemented through managing the duration of the debt drawings. The levels of the hedging activities are evaluated regularly and may be adjusted in order to reflect the development of the various parameters.

38.1 INTEREST RATE SENSITIVITY ANALYSIS

The sensitivity analysis below has been determined based on the exposure to interest rates derivatives and non-derivative instruments at the reporting date. The risk analysis provided here assumes a simultaneous increase of 100 basis points of the interest rate of all interest bearing financial positions.

If interest rates had been 100 basis points higher whereas all other variables were held constant, Dufry's net profit/loss for the year 2022 would decrease by CHF 35.3 (2021: decrease by CHF 38.0) million.

38.2 ALLOCATION OF FINANCIAL ASSETS AND LIABILITIES TO INTEREST CLASSES

	IN %		IN MILLIONS OF CHF				
AT DECEMBER 31, 2022	**Average variable interest rate**	**Average fixed interest rate**	**Variable interest rate**	**Fixed interest rate**	**Total interest bearing**	**Non-interest bearing**	**TOTAL**
Cash and cash equivalents	1.0%	4.5%	378.2	92.7	470.9	383.8	854.7
Trade and credit card receivables			–	–	–	62.3	62.3
Other accounts receivable	1.1%		0.1	–	0.1	319.8	319.9
Other non-current assets	0.7%	9.3%	2.4	4.8	7.2	112.8	120.0
Financial assets			**380.7**	**97.5**	**478.2**	**878.7**	**1,356.9**
Trade payables			–	–	–	486.4	486.4
Borrowings, current	2.9%	3.6%	19.0	103.0	122.0	0.7	122.7
Other liabilities			–	–	–	754.5	754.5
Borrowings, non-current	6.1%	2.4%	448.7	3,003.6	3,452.3	–	3,452.3
Lease obligations		4.8%	–	3,002.6	3,002.6	–	3,002.6
Other non-current liabilities			–	–	–	29.3	29.3
Financial liabilities			**467.7**	**6,109.2**	**6,576.9**	**1,270.9**	**7,847.8**
Net financial liabilities			**87.0**	**6,011.7**	**6,098.7**	**392.2**	**6,490.9**

	IN %		IN MILLIONS OF CHF				
AT DECEMBER 31, 2021	**Average variable interest rate**	**Average fixed interest rate**	**Variable interest rate**	**Fixed interest rate**	**Total interest bearing**	**Non-interest bearing**	**TOTAL**
Cash and cash equivalents	0.3%	1.0%	56.2	43.1	99.3	694.2	793.5
Trade and credit card receivables			–	–	–	85.3	85.3
Other accounts receivable	0.3%		34.9	–	34.9	193.4	228.3
Other non-current assets	0.4%	3.9%	0.9	7.8	8.7	165.9	174.6
Financial assets			**92.0**	**50.9**	**142.9**	**1,138.8**	**1,281.7**
Trade payables			–	–	–	335.1	335.1
Borrowings, current	4.1%	2.4%	1.3	24.5	25.8	19.5	45.3
Other liabilities			–	–	–	589.2	589.2
Borrowings, non-current	3.3%	2.5%	512.4	3,300.4	3,812.8	–	3,812.8
Lease obligations		3.7%	–	3,636.4	3,636.4	–	3,636.4
Other non-current liabilities			–	–	–	46.7	46.7
Financial liabilities			**513.7**	**6,961.3**	**7,475.0**	**990.5**	**8,465.5**
Net financial liabilities			**421.7**	**6,910.4**	**7,332.1**	**(148.3)**	**7,183.8**

39. CREDIT RISK MANAGEMENT

Credit risk refers to the risk that counterparty may default on its contractual obligations resulting in financial loss to Dufry.

Almost all Dufry sales are retail sales made against cash or internationally recognized credit / debit cards. Dufry has policies in place to ensure that other sales are only made to customers with an appropriate credit history or that the credit risk is insured adequately. The remaining credit risk is in relation to refunds from suppliers and guarantee deposits.

The credit risk on cash deposits or derivative financial instruments relates to banks or financial institutions. Dufry monitors the credit ranking of these institutions and does not expect defaults from non-performance of these counterparties.

The main banks where the Group keeps net assets positions hold a credit rating of A– or higher.

39.1 MAXIMUM CREDIT RISK

The carrying amount of financial assets recorded in the financial statements, after deduction of any allowances for losses, represents Dufry's maximum exposure to credit risk.

40. LIQUIDITY RISK MANAGEMENT

Dufry evaluates this risk as the ability to settle its financial liabilities on time and at a reasonable price. Beside its capability to generate cash through its operations, Dufry mitigates liquidity risk by keeping unused credit facilities with financial institutions (see note 2.1.1 and 28).

40.1 REMAINING MATURITIES FOR NON-DERIVATIVE FINANCIAL ASSETS AND LIABILITIES

The following tables have been drawn up based on the undiscounted cash flows of financial assets and liabilities (based on the earliest date on which Dufry can receive or be required to pay). The tables include principal and interest cash flows.

AT DECEMBER 31, 2022 IN MILLIONS OF CHF	1-6 MONTHS	6-12 MONTHS	1-2 YEARS	MORE THAN 2 YEARS	TOTAL
Cash and cash equivalents	863.4	8.8	–	–	872.2
Trade and credit card receivables	62.3	–	–	–	62.3
Other accounts receivable	308.4	1.4	–	–	309.8
Other non-current assets	0.2	0.5	2.2	117.2	120.1
Total cash inflows	**1,234.3**	**10.7**	**2.2**	**117.2**	**1,364.4**
Trade payables	486.4	–	–	–	486.4
Borrowings, current	116.6	25.7	–	–	142.3
Other liabilities	754.5	–	–	–	754.5
Borrowings, non-current	55.8	56.1	118.0	3,728.3	3,958.2
Lease obligations[1]	555.8	436.6	514.7	2,087.6	3,594.7
Other non-current liabilities	–	–	–	29.3	29.3
Total cash outflows	**1,969.1**	**518.4**	**632.7**	**5,845.2**	**8,965.4**

[1] Lease obligation with a maturity of more than 2 years contain an amount of CHF 801.5 million with a maturity longer than 5 years.

AT DECEMBER 31, 2021 IN MILLIONS OF CHF	1-6 MONTHS	6-12 MONTHS	1-2 YEARS	MORE THAN 2 YEARS	TOTAL
Cash and cash equivalents	804.0	2.9	–	–	806.9
Trade and credit card receivables	85.3	–	–	–	85.3
Other accounts receivable	183.3	36.0	–	–	219.3
Other non-current assets	–	–	1.9	172.9	174.8
Total cash inflows	**1,072.6**	**38.9**	**1.9**	**172.9**	**1,286.3**
Trade payables	335.1	–	–	–	335.1
Borrowings, current	34.8	19.1	–	–	53.9
Other liabilities	589.7	–	–	–	589.7
Borrowings, non-current	51.2	51.7	224.6	3,945.3	4,272.8
Lease obligations[1]	552.0	525.9	907.0	2,127.8	4,112.7
Other non-current liabilities	–	–	46.7	–	46.7
Total cash outflows	**1,562.8**	**596.7**	**1,178.3**	**6,073.1**	**9,410.9**

[1] Lease obligation with a maturity of more than 2 years contain an amount of CHF 840.7 million with a maturity longer than 5 years.

40.2 REMAINING MATURITIES FOR DERIVATIVE FINANCIAL INSTRUMENTS

Dufry holds derivative financial instruments at year-end.

AT DECEMBER 31, 2022 IN MILLIONS OF CHF	1–6 MONTHS	6–12 MONTHS	1–2 YEARS	MORE THAN 2 YEARS	TOTAL
Derivative financial assets	5.0	–	–	5.2	10.1
Derivative financial liabilities	0.7	–	–	99.1	99.8
AT DECEMBER 31, 2021 IN MILLIONS OF CHF	**1–6 MONTHS**	**6–12 MONTHS**	**1–2 YEARS**	**MORE THAN 2 YEARS**	**TOTAL**
Derivative financial assets	1.9	–	1.6	5.5	9.0
Derivative financial liabilities	3.4	–	–	60.1	63.5

41. RELATED PARTIES AND RELATED PARTY TRANSACTIONS

A party is related to Dufry if the party directly or indirectly controls, is controlled by, or is under common control with Dufry, has an interest in Dufry that gives it significant influence over Dufry, has joint control over Dufry or is an associate or a joint venture of Dufry. In addition, members of the key management personnel of Dufry or close members of the family are also considered related parties as well as post-employment benefit plans for the benefit of employees of Dufry.

Transactions with related parties are conducted at arm's length.

The related party transactions and relationships for Dufry are the following:

IN MILLIONS OF CHF	2022	2021
PURCHASE OF GOODS FROM		
PURCHASE OF SERVICES FROM		
Pension Fund Dufry, post-employment benefits	5.1	4.5
ACCOUNTS PAYABLES AT DECEMBER 31		
Pension Fund Dufry	0.3	0.6

The transactions with associates are the following:

IN MILLIONS OF CHF	2022	2021
PURCHASE OF SERVICES FROM		
Nuance Group (Chicago) LLC	(0.1)	(0.1)
SALES OF SERVICES TO		
Lojas Francas de Portugal S.A.	0.5	(0.3)
Nuance Basel LLC (Sochi)	0.5	0.3
Puerto Libre Int. SA	0.1	0.1
Nuance Group (Chicago) LLC	0.3	0.2
NCM Brookstone Stores Georgia, LLC	0.1	–
SALES OF GOODS TO		
Lojas Francas de Portugal S.A.	15.3	19.9
Nuance Basel LLC (Sochi)	2.7	3.2
Puerto Libre Int. SA	0.8	0.5
Nuance Group (Chicago) LLC	0.7	0.3
NCM Brookstone Stores Georgia, LLC	0.2	0.1
ACCOUNTS RECEIVABLES AT DECEMBER 31		
Lojas Francas de Portugal S.A.	1.6	8.1
Nuance Basel LLC (Sochi)	1.1	9.8
Puerto Libre Int. SA	–	0.2
Nuance Group (Chicago) LLC	2.5	1.9
NCM Brookstone Stores Georgia, LLC	1.0	0.6
ACCOUNTS PAYABLES AT DECEMBER 31		
Lojas Francas de Portugal S.A.	1.6	–
Nuance Group (Chicago) LLC	1.1	0.1
NCM Brookstone Stores Georgia, LLC	0.6	–

The compensation to members of the Board of Directors and the Global Executive Committee for the services provided during the respective years includes all forms of consideration paid, payable or provided by Dufry, including compensation in company shares as follows:

IN MILLIONS OF CHF	2022	2021
BOARD OF DIRECTORS		
Number of directors	9	11
Current employee benefits	7.6	7.6
Post-employment benefits	–	0.1
Total compensation	**7.6**	**7.7**
GLOBAL EXECUTIVE COMMITTEE		
Number of members	8	7
Current employee benefits	18.0	19.9
Post-employment benefits	1.8	1.4
Share-based payments (income) / expense [1]	6.2	0.2
Total compensation	**26.0**	**21.5**

1 Expenses accrued during the year for members of the Global Executive Committee.

For further information regarding participations and compensation to members of the Board of Directors or Global Executive Committee, please refer to the remuneration report at the end of the annual report.

42. EVENTS AFTER REPORTING DATE

42.1 COMBINATION WITH AUTOGRILL S.P.A.

On July 11, 2022, Dufry AG and Autogrill S.p.A. announced the combination of Dufry, global leader in Travel Retail, and Autogrill, global leader in Travel Food & Beverage. The Group's global footprint and presence in more than 75 countries will provide an exceptional experience and knowledge within the industry and enable strong, mutual value-creating relationships with concession partners and suppliers. The Group will employ around 60,000 people from over 150 nationalities globally, united as one team. The new organization is expected to generate cost synergies, comprising both cost reductions and gross profit improvements. First, Dufry expects to realize optimization measures at cost of goods sold level in F&B and convenience with focus on the US. Secondly, Dufry expects to optimize support function costs and reduce business related operating expenses. Synergies are planned to be fully realized in the first two years post-transaction.

In accordance with the Combination Agreement in consideration for the transfer of the 50.3 % stake in Autogrill to Dufry, Edizione (through its wholly owned subsidiary Schema Beta S.p.A.) was issued mandatory convertible non-interest bearing notes convertible into an aggregate of 30,663,329 newly issued Dufry shares, at an implied exchange ratio of 0.158[1] new Dufry shares for each Autogrill share. Edizione exercised its conversion right following closing on 3 February 2023 of the transfer and was issued 30,663,329 Dufry shares[2] (equal to 25.246 % of Dufry's registered share capital). Considering the additional Dufry shares acquired on the

1 The exact exchange ratio being 0.1582781301928567.
2 Dufry share price as of 3 February 2023 equals to 41.71 CHF.

market between the signing and the closing by Edizione, the latter holds a stake of about 27.5 % of Dufry's registered share capital.

Pursuant to Italian law, Dufry will launch a mandatory public exchange offer for the remaining 188,121,226 Autogrill shares (excluding treasury shares) and expects to complete the full transaction including the mandatory exchange offer settlement towards the end of Q2 2023. Dufry will offer 0.1583[3] new Dufry shares for each Autogrill share. In compliance with Italian takeover law, Dufry will also offer a cash alternative equivalent to EUR 6.33 per Autogrill share in the mandatory tender offer. The exchange ratio corresponds to the same ratio as offered to Edizione and has been agreed by reference to the 3-month VWAP of Autogrill and Dufry shares prior to April 14, 2022, equal to EUR 6.33 per share for Autogrill and CHF 40.96 (EUR 39.71) per share for Dufry.

As of December 31, 2022, there was a forward agreement in place for the combination with Autogrill S.p.A. in 2023.

As the acquisition date was only one month before the consolidated financials were authorized for issue and the initial accounting for the business combination is incomplete, we are currently not able to disclose further details of the business combination according to IFRS 3 such as:

- the amounts recognised as of the acquisition date for each major class of assets acquired and liabilities assumed
- Contingent liabilities recognized
- Amount and nature of goodwill and amount of goodwill which is expected to be deductible for tax purposes
- Amount of the non-controlling interest in the acquiree at acquisition date
- Amounts of revenue and profit or loss of the acquiree since the acquisition date.

[3] For the purposes of the Offer, a four-decimal number has been applied and, consequently, the exchange ratio was rounded up to 0.1583.

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To the General Meeting of
Dufry AG, Basel

Basel, March 2, 2023

Statutory Report on the Audit of the Consolidated Financial Statements

Opinion
We have audited the consolidated financial statements of Dufry AG (the Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2022, and the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the 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 accompanying consolidated financial statements (pages 136 to 219) give a true and fair view of the consolidated financial position of the Group as at December 31, 2022, and of 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, the International Standards on Auditing (ISA) and Swiss Standards on Auditing (SA-CH). 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, together with the requirements of the Swiss audit profession, as well as those of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA Code), 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.

Impairment Risk of Goodwill
Key Audit Matter
The Group's balance sheet includes goodwill of CHF 2,272.2 million (2021: 2,360.0 million). As at December 31, 2022, management concluded that the estimated recoverable amount of goodwill of each of the Group's segments exceeded their carrying amounts.

The accounting policies regarding goodwill applied by the Group are explained in the Notes to the consolidated financial statements in sections 2.3a and 2.3q. As detailed in Note 3, 10, 18 and 19 to the consolidated financial statements, the level at which goodwill is monitored and tested annually for impairment is the Group's segments.

The Group focuses on the regional performance of its operations. Key metrics used by management in assessing performance are measured at the operating segment.

The impairment assessment for goodwill is dependent on the assumptions of cash flow projections used in the impairment tests. Key assumptions are projected sales growth rates and the weighted average cost of capital applied.

Consequently, we defined management's assumptions made in relation to goodwill to be a key audit matter; especially because of the high level of judgment and complexity of the estimations, combined with the significance of the above amounts to the financial statements as a whole.

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How the scope of our audit responded to the key audit matter
We obtained an understanding of the controls in relation to the review of management's judgment in allocating goodwill to the operating segments, the review of significant assumptions used in the impairment test and the review of the impairment models.

We included valuation specialists in our team to assess the appropriateness of the mathematical integrity and valuation methodology used in the impairment tests.

We evaluated the projected sales growth rates used in the cash flow projections during the forecast period and the terminal growth rate assumptions. In addition, we performed lookback analyses to assess historical revenue and expenses against the Group's assumptions.

We independently determined the weighted average costs of capital (WACC) and compared them against management's assumptions.

We evaluated the Group's sensitivity analysis by performing an independent analysis using management's models. We assessed the adequacy of impairment related disclosures in the consolidated financial statements, including the key assumptions used and the completeness and accuracy of sensitivities disclosed.

Based on the procedures performed above, we obtained sufficient audit evidence to address the impairment risk of goodwill.

Valuation of concession right intangibles and right-of-use assets
Key Audit Matter
The Group's balance sheet includes concession right intangibles in the amount of CHF 1,170.4 million (2021: CHF 1,421.6 million) and right-of-use assets with definite useful lives in the amount of CHF 2,567.8 million (2021: CHF 3,120.8 million). As at December 31, 2022, management recorded an impairment charge of CHF 47.9 million for concession right intangibles and right-of-use assets and a reversal of impairment of CHF 66.0 from concession right intangibles and right-of-use assets (2021: CHF 365.6 million and CHF 172.7 million, respectively).

The accounting policies regarding concession right intangibles and right-of-use assets applied by the Group are explained in the notes to the consolidated financial statements in sections 2.3m, 2.3o and 2.3q. As detailed in Note 3, 10, 17, 18, and 19 to the consolidated financial statements, the Group assesses at each reporting date whether there are indicators of impairment. When such indicators are identified, the carrying value of the respective cash generating unit, to which the respective concession right intangibles and right-of-use assets belong to, are tested for impairment.

The impairment assessment is dependent on the assumptions of cash flow projections used in the impairment tests. Key assumptions are projected sales growth rates for the forecast period and the weighted average cost of capital applied.

Consequently, we defined management's assumptions made in relation to concession right intangibles and right-of-use assets to be a key audit matter; especially because of the high level of judgment and complexity of the estimations, combined with the significance of the above amounts to the financial statements as a whole.

How the scope of our audit responded to the key audit matter
We obtained an understanding of the controls around the review of management's judgment in the identification of impairment indicators, the review of key assumptions used in the impairment test and the review of the impairment models.

We independently evaluated whether there are any impairment indicators for concession right intangibles and right-of-use assets. For those cash generating units for which there were impairment indicators identified, we performed procedures to assess the appropriateness of the mathematical integrity and valuation methodology used in the impairment tests, with the support of our valuation specialists.

We performed analyses over the projected sales growth rates used in the cash flow projections during the forecast period. In addition, we performed lookback analyses to assess historical revenue and expenses against the Group's assumptions. In addition, we tested on a sample basis the variable and fixed lease payments against contractual agreements.

Deloitte.

We independently determined the weighted average costs of capital (WACC) and compared them against management's assumptions.

We evaluated the Group's sensitivity analysis by performing an independent analysis. We assessed the adequacy of impairment related disclosures in the consolidated financial statement.

Based on the procedures performed above, we obtained sufficient audit evidence to address the risk of valuation of concession right intangibles and right-of-use assets.

Completeness of Lease Contracts and Accounting Treatment
Key Audit Matter
The Group's balance sheet includes right-of-use assets of CHF 2,567.8 million (2021: 3,120.8 million) and lease obligation of CHF 3,002.6 million (current and non-current) (2021: CHF 3,636.4 million).

The accounting policies regarding right-of-use assets and lease obligations applied by the Group are explained in the notes to the consolidated financial statements in sections 2.3f, 2.3m, 2.3v and 2.4. As detailed in Note 8, 17, and 29 to the consolidated financial statements, the Group disclosed the key assumptions for lease accounting.

Given the complexity around assessing the accounting treatment and the completeness of lease contracts recognized based on contractual information, and complexity around the application of the COVID-19 related rent concession practical expedient, this matter was considered a key audit matter.

How the scope of our audit responded to the key audit matter
We obtained an understanding of the Group's process for identifying changes to contractual information of the lease contracts and its corresponding Group's accounting policy and obtained an understanding around the key controls to assess completeness and appropriateness of the accounting treatment.

We tested a sample of additions or changes to lease contracts and analysed whether these represented lease modifications or should be accounted for as separate leases. We evaluated the Group's analysis of the application of the COVID-19 related rent concession practical expedient by selecting a sample of the underlying contract amendments and testing the Group's assessment. We performed inquiries with management on the completeness of lease contracts and considered external available information on changes in concession agreements. Further, we assessed the completeness of the lease liability by selecting a sample of lease expenses to ensure appropriate classification of the variable lease contracts.

We assessed the adequacy of the related disclosures in the corresponding Notes to the consolidated financial statements.

Based on the procedures performed above, we obtained sufficient audit evidence to address the risk of completeness of lease contracts and accounting treatment.

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

Our opinion on the consolidated financial statements does not cover the other information 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 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.

Board of Directors' Responsibilities for the Consolidated Financial Statements
The Board of Directors is responsible for the preparation of the consolidated financial statements, which 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, ISA and SA-CH 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 on EXPERTsuisse's website at: https://www.expertsuisse.ch/en/audit-report-for-ordinary-audits. This description forms an integral part of our report.

Report on Other Legal and Regulatory Requirements
In accordance with article 728a para. 1 item 3 CO and PS-CH 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.

Deloitte AG

Andreas Bodenmann
Licensed audit expert
(Auditor in charge)

Fabian Hell
Licensed audit expert

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED DECEMBER 31, 2022

IN THOUSANDS OF CHF	NOTE	2022	2021
Financial income		26,571	24,076
Other income		21	214
Total income		**26,592**	**24,290**
Personnel expenses	8	(18,149)	(664)
General and administrative expenses		(11,361)	(11,817)
Management fee expenses		(7,107)	(1,778)
Reversal of impairment / (Impairment) of investments in subsidiaries	7	44,114	(223,465)
Financial expenses		(166)	(626)
Taxes		(1,139)	(1,228)
Total expenses		**6,192**	**(239,578)**
Profit / (loss) for the year		**32,784**	**(215,288)**

STATEMENT OF FINANCIAL POSITION

AT DECEMBER 31, 2022

IN THOUSANDS OF CHF	NOTE	31.12.2022	31.12.2021
ASSETS			
Cash and cash equivalents		906	418
Current receivables third parties		64	103
Current receivables subsidiaries		2,313	2,868
Current receivables other group companies		–	1,364
Loan to subsidiaries		775,000	790,000
Current assets		**778,283**	**794,753**
Investments in subsidiaries	3	2,824,339	2,780,225
Non-current assets		**2,824,339**	**2,780,225**
Total assets		**3,602,622**	**3,574,978**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current interest bearing liabilities		965	595
Current liabilities third parties		1,118	5,970
Current liabilities participants and bodies		70	–
Current liabilities subsidiaries		1,094	1,167
Deferred income and accrued expenses		21,561	653
Current liabilities		**24,808**	**8,385**
Non-current liabilities		**–**	**–**
Total liabilities		**24,808**	**8,385**
Share capital	5.1	453,985	453,985
Legal capital reserves			
Reserve from capital contribution	5.1	4,551,169	4,552,310
Reserve from capital contribution for own shares held at subsidiaries	5.1	1,698	557
Legal retained earnings			
Other legal reserves		5,927	5,927
Voluntary retained earnings			
Results carried forward	12	(1,446,186)	(1,230,898)
(Loss) / profit for the year	12	32,784	(215,288)
Treasury shares	6	(21,563)	–
Shareholders' equity		**3,577,814**	**3,566,593**
Total liabilities and shareholders' equity		**3,602,622**	**3,574,978**

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Dufry AG (the "Company") is a publicly listed company. The shares of the Company are listed on the Swiss Stock Exchange (SIX) in Zurich.

Dufry AG was incorporated in 1865 and is registered with the commercial register in the canton of Basel Stadt, Switzerland. The Company has registered offices in Basel, Brunngässlein 12.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

We have prepared the statutory financial statements in accordance with the accounting principles as set out in Art. 957 to Art. 963b of the Swiss Code of Obligations ("CO"). Since we have prepared our consolidated financial statements in accordance with the International Financial Reporting Standards ("IFRS"), a recognized accounting standard, we have, in accordance with the CO, elected to forego presenting the statement of cash flows, the additional disclosures and the management report otherwise required by the CO. Our financial statements may be influenced by the creation and release of excess reserves.

All amounts are presented in Swiss francs ("CHF"), unless otherwise indicated.

Where not prescribed by law, the significant accounting and valuation principles applied are described below.

2.2 GOING CONCERN

In 2022, Dufry's performance was characterized by a strong recovery of the travel retail industry, resulting in increasing sales in most regions where Dufry operates.

In relation to the upcoming financing need for the combination with Autogrill, Dufry has as of the date of issuance of the consolidated financial statements obtained:

- all necessary approvals from its shareholders to create sufficient new shares needed in the transaction;
- a corresponding bridge financing; and
- sufficient liquidity to fulfill its potential full obligation to compensate remaining Autogrill shareholder as per of the mandatory tender process.

For more information on the transaction with Autogrill, please refer to Note 13.

The financial statement are prepared applying on a going concern basis.

2.3 RUSSIA'S INVASION OF UKRAINE

On February 24, 2022, the Russian Federation initiated a military attack on the Ukraine.

In Ukraine, the Dufry Group only has operations at the Airport in Odessa, which are suspended due to the conflict.

The Russian travel market has a very low significance for Dufry Group - since Dufry operations in Russia, operated through a local JV, only represents 1.7 % of the 2022 Group's net sales (2021: 2.2 %).

However, any further deterioration of the economic situation in Russia or escalation in the hostilities between Russia and Ukraine as well as any restrictions of Russian passengers to national or international travel may adversely affect Dufry's business, including its operations in countries that have traditionally been popular with Russian tourists.

The Group cannot predict the outcome of the conflict but is monitoring the situation very closely.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Investments in subsidiaries
Investments are held at historical cost. The Company reviews the carrying amount of these investments annually, and if events and circumstances suggest that this amount may not be recoverable, an impairment or impairment reversal is recognized in the statement of profit or loss.

Treasury shares
Treasury shares are recognized at acquisition cost and deducted from shareholders' equity. Gains or losses arising out of the sale of treasury shares are recorded in the statement of profit or loss.

Share-based payments
The Company accrues personnel expenses related to share-based payment plans for the respective period in deferred income and accrued liabilities. Any difference between the share-based awards granted and the corresponding accrual created for the plan will be recognized in the statement of profit or loss, when the shares are assigned to the member of the share-based payment plans.

Current and non-current interest-bearing liabilities
Interest-bearing liabilities are recognized at their nominal value in the statement of financial position.

Exchange rate differences
All assets and liabilities denominated in foreign currencies are translated into CHF using year-end exchange rates, except investments in subsidiaries, which are recognized at historical values. Net unrealized exchange losses are recognized in the statement of profit or loss and net unrealized gains are deferred within accrued expenses. Realized exchange gains or losses arising from business transactions denominated in foreign currencies are recognized in the statement of profit or loss.

3. DIRECT SUBSIDIARIES

IN THOUSANDS	SHARE IN CAPITAL AND VOTING RIGHTS 31.12.2022	SHARE IN CAPITAL AND VOTING RIGHTS 31.12.2021	SHARE CAPITAL 31.12.2022	SHARE CAPITAL 31.12.2021	CURRENCY
Dufry International AG, Switzerland	100%	100%	1,000	1,000	CHF
Dufry Corporate AG, Switzerland	100%	100%	100	100	CHF
Dufry Holdings & Investments AG, Switzerland	100%	100%	1,000	1,000	CHF

4. SIGNIFICANT SHAREHOLDERS' PARTICIPATION

IN PERCENTAGE (%) OF OUTSTANDING REGISTERED SHARES	31.12.2022	31.12.2021
Advent International Corporation	10.10%	10.10%
State of Qatar	6.91%	6.91%
Alibaba Group Holding Limited	5.40%	5.40%
Compagnie Financiere Rupert	5.00%	5.00%
Norges Bank (the Central Bank of Norway)	3.05%	0.00%
Franklin Resources, Inc.	3.00%	3.00%

5. SHARE CAPITAL

5.1 ORDINARY SHARES

IN THOUSANDS OF CHF	NUMBER OF SHARES	SHARE CAPITAL	RESERVE FROM CAPITAL CONTRIBUTION
Balance at January 1, 2021	**80,263,682**	**401,318**	**4,287,731**
Share capital increases	10,533,325	52,667	292,320
Incentive for conversion of bond	–	–	(28,881)
Reclass from reserve from capital contribution for own shares held at subsidiaries	–	–	1,140
Balance at December 31, 2021	**90,797,007**	**453,985**	**4,552,310**
Reclass from reserve from capital contribution for own shares held at subsidiaries	–	–	(1,141)
Balance at December 31, 2022	**90,797,007**	**453,985**	**4,551,169**

In April 2021, 99.3% of CHF 350 million (CHF 347.6 million) convertible bonds issued in 2020 and due in 2023 were converted into shares.

5.2 CONDITIONAL SHARE CAPITAL

IN	SHARES	CHF
Balance at January 1, 2021	**12,700,000**	**63,500,000**
Conversion of the CHF 350 million bond	(10,533,325)	(52,666,625)
Increase of conditional share capital	6,913,025	34,565,125
Balance at December 31, 2021	**9,079,700**	**45,398,500**
Increase of conditional share capital	30,663,329	153,316,645
Balance at December 31, 2022	**39,743,029**	**198,715,145**

5.3 AUTHORIZED SHARE CAPITAL

IN	SHARES	NOMINAL VALUE IN CHF
Balance at January 1, 2021	**–**	**–**
Balance at December 31, 2021	**–**	**–**
Increase of authorized share capital	45,398,503	226,992,515
Balance at December 31, 2022	**45,398,503**	**226,992,515**

6. TREASURY SHARES

IN THOUSANDS OF	SHARES	CHF
Balance at January 1, 2021	**–**	**–**
Balance at December 31, 2021	**–**	**–**
Share purchases	600,000	(21,563)
Balance at December 31, 2022	**600,000**	**(21,563)**

7. IMPAIRMENTS OF INVESTMENTS IN SUBSIDIARIES

Dufry AG has reviewed the valuation of its investments in Dufry International AG and Dufry Holdings & Investments AG, since its subsidiaries have been adversely affected by the COVID-19 pandemic in the past two years. Based on the assessment performed, the Company recognized an impairment reversal of CHF 44.1 (2021 impairment: 223.5.7) million.

8. PERSONNEL EXPENSES

The personnel expenses correspond to the remuneration of selected members of the senior management.

Dufry AG employed less than 10 employees in 2022 and 2021.

9. GUARANTEE COMMITMENT REGARDING SWISS VALUE ADDED TAX (VAT)

The Company belongs to the Swiss value added tax (VAT) group of Dufry International AG, and thus carries joint liability to the Swiss federal tax administration for VAT. Members of the VAT group as of December 31, 2022, are:

DUFRY International AG	DUFRY Corporate AG
DUFRY Samnaun AG	DUFRY Holdings & Investments AG
DUFRY Participations AG	DUFRY AG
DUFRY Russia Holding AG	DUFRY Altay AG
DUFRY Trading AG	The Nuance Group AG
DUFRY Basel Mulhouse AG	

10. CONTINGENT LIABILITIES

The Company jointly and severally with Dufry International AG and Dufry Financial Services B. V. guaranteed the following credit facilities:

IN MILLIONS OF	MATURITY	COUPON RATE	CURRENCY	NOMINAL AMOUNT IN LOCAL CURRENCY	DRAWN AMOUNT IN CHF
MAIN BANK CREDIT FACILITIES					
Committed revolving credit facility	19.12.2027		EUR	2,085.0	409.5
Subtotal					**409.5**
SENIOR NOTES					
Senior notes	15.04.2028	3.38%	EUR	725.0	717.5
Senior notes	15.04.2026	3.63%	CHF	300.0	300.0
Senior notes	15.10.2024	2.50%	EUR	800.0	791.7
Senior notes	15.02.2027	2.00%	EUR	750.0	742.2
Convertible notes	30.03.2026	0.75%	CHF	500.0	500.0
Mandatory convertible notes	18.11.2023	4.10%	CHF	69.5	–
Subtotal					**3,051.3**
GUARANTEE FACILITY					
Uncommitted guarantee facility	n.a.		EUR	49.0	48.5
Subtotal					**48.5**
At December 31, 2022					**3,509.3**

IN MILLIONS OF	MATURITY	COUPON RATE	CURRENCY	NOMINAL AMOUNT IN LOCAL CURRENCY	DRAWN AMOUNT IN CHF
MAIN BANK CREDIT FACILITIES					
Committed 5-years term loan	03.11.2024		USD	550.0	501.7
5+1+1 - years revolving credit facility (multi-currency)	03.11.2024		EUR	1,300.0	–
Subtotal					**501.7**
SENIOR NOTES					
Senior notes	15.04.2028	3.38%	EUR	725.0	752.0
Senior notes	15.04.2026	3.36%	CHF	300.0	300.0
Senior notes	15.10.2024	2.50%	EUR	800.0	829.8
Senior notes	15.02.2027	2.00%	EUR	750.0	778.0
Convertible notes	30.03.2026	0.75%	CHF	500.0	500.0
Mandatory Convertible Note	18.11.2023	4.10%	CHF	69.5	–
Subtotal					**3,159.8**
GUARANTEE FACILITY					
Uncommitted guarantee facility	n.a.		EUR	49.0	53.0
Subtotal					**53.0**
At December 31, 2021					**3,714.5**

There were no assets pledged as of December 31, 2022 and 2021.

11. PARTICIPATIONS OF THE MEMBERS OF THE BOARD OF DIRECTORS AND THE GLOBAL EXECUTIVE COMMITTEE IN DUFRY AG

The following members of the Board of Directors or of the Global Executive Committee of Dufry AG (including related parties) held directly or indirectly shares or share options of the Company at December 31, 2022 and December 31, 2021 (members not listed do not hold any shares or options):

			31.12.2022			31.12.2021
IN THOUSANDS	SHARES	OUTSTANDING UNVESTED PSU[1]	PARTICIPATION	SHARES	OUTSTANDING UNVESTED PSU[1]	PARTICIPATION
MEMBERS OF BOARD OF DIRECTORS						
Juan Carlos Torres Carretero, Chairman	611.8	–	0.67%	556.2	–	0.61%
H. Jo Min, Lead Independent Director	0.7	–	0.00%	0.7	–	0.00%
Lynda Tyler-Cagni, Director	3.6	–	0.00%	3.6	–	0.00%
ADDITIONAL FORMER MEMBERS OF THE BOARD OF DIRECTORS						
Jorge Born, Director	n/a	n/a	n/a	31.7	–	0.03%
Julián Diáz Gonzalez, Director and former CEO	n/a	n/a	n/a	153.2	57.4	0.23%
Steven Tadler, Director	n/a	n/a	n/a	19.0	–	0.02%
Total Board of Directors	**616.1**	**–**	**0.68%**	**764.4**	**57.4**	**0.91%**
MEMBERS OF GLOBAL EXECUTIVE COMMITTEE						
Xavier Rossinyol, CEO	81.2	76.0	0.17%	n/a	n/a	n/a
Yves Gerster, CFO	8.7	32.4	0.05%	3.7	20.3	0.03%
Eugenio Andrades, CEO Operations	2.0	32.4	0.04%	2.0	22.3	0.03%
Luis Marin, Global Chief Corporate Officer	10.8	32.4	0.05%	10.8	21.3	0.04%
Pascal C. Duclos, Group General Counsel	–	32.4	0.04%	–	21.3	0.02%
Andrea Belardini, Chief Commercial Officer	19.1	32.4	0.06%	19.1	21.3	0.04%
Sarah Branquinho, Chief Diversity & Inclusion Officer	0.5	6.0	0.01%	0.4	3.1	0.00%
ADDITIONAL FORMER MEMBER OF GLOBAL EXECUTIVE COMMITTEE						
Julián Diáz Gonzalez, Director and former CEO	n/a	n/a	n/a	153.2	57.4	0.23%
Total Global Executive Committee	**122.3**	**244.0**	**0.40%**	**189.2**	**167.0**	**0.39%**

[1] Outstanding unvested Performance Share Units (PSU) at target level.

In addition to the above, in the previous reporting year, Juan Carlos Torres held a sale position of 0.12 % through options (114,420 voting rights) and Julián Díaz González held a sale position of 0.04 % through options (40,200 voting rights), both as of December 31, 2021.

The detailed terms of these financial instruments were as disclosed to SIX Exchange Regulation and published on January 9, 2021. Disclosure notices are available on the SIX Exchange Regulation website:

www.ser-ag.com / en / resources / notifications-market-participants / significant-shareholders.html#/

12. MATERIAL INDIRECT SUBSIDIARIES

H = Holding R = Retail D = Distribution Center

AS OF DECEMBER 31, 2022	LOCATION	COUNTRY	TYPE	OWNERSHIP IN %	SHARE CAPITAL IN THOUSANDS	CURRENCY
EUROPE, MIDDLE EAST AND AFRICA (EMEA)						
WDFG UK Limited	London	UK	R	100	360	GBP
WDFG Ferries Limited	London	UK	R	100	50	GBP
World Duty Free Group SA	Madrid	Spain	H/R	100	19,831	EUR
Sociedad de Distribucion Comercial Aeroportuaria de Canarias, S.L.	Telde	Spain	R	60	717	EUR
Urart Gumr. Magaza Isletm. ve Ticaret A.S.	Antalya	Turkey	R	100	1,728	TRY
Hellenic Duty Free Shops S.A.	Athens	Greece	R	100	397,535	EUR
Dufrital SpA	Milan	Italy	R	60	466	EUR
Dufry Basel-Mulhouse AG	Basel	Switzerland	R	100	100	CHF
The Nuance Group AG	Zurich	Switzerland	R	100	82,100	CHF
Aldeasa Jordan Airports Duty Free Shops Ltd	Amman	Jordan	R	100	500	JOD
Nuance Group (Sverige) AB	Stockholm	Sweden	R	100	100	SEK
Dufry East	Moscow	Russia	R	100	19,758	USD
Regstaer-SP LLC	St. Petersburg	Russia	R	51	10	RUB
RegStaer M Ltd	Moscow	Russia	R	31	10,010	EUR
Dufry Sharjah FZC	Sharjah	U. Arab. Emirates	R	50	150	AED
Dufry Maroc SARL	Casablanca	Morocco	R	80	2,500	MAD
World Duty Free Group Helsinki Ltd	Vantaa	Finland	R	100	2,500	EUR
Dufry France SA	Nice	France	R	100	1,100	EUR
WDFG SA, Kuwait Branch	Kuwait City	Kuwait	R	100	2,383	KWD
Nuance Group (Malta) Ltd	Luqa	Malta	R	52	2,795	EUR
Dufry Shops Colombo Limited	Colombo	Sri Lanka	R	100	30,000	LKR
ADF Shops CJSC	Yerevan	Armenia	R	100	553,825	AMD
ASIA PACIFIC						
The Nuance Group (HK) Ltd	Hong Kong	China	R	100	–	HKD
The Nuance Group (Macau) Ltd	Macau	China	R	100	500	MOP
Dufry (Shanghai) Commercial Co., Ltd	Shanghai	China	R	100	142,271	CNY
Nuance Group (Australia) Pty Ltd	Melbourne	Australia	R	100	209,983	AUD
Dufry Thomas Julie Korea Co. Ltd	Busan	South Korea	R	85	1,000,000	KRW
Dufry Cambodia Ltd	Phnom Pen	Cambodia	R	80	4,925,600	KHR
THE AMERICAS						
Dufry do Brasil DF Shop Ltda	Rio de Janeiro	Brazil	R	87	830,214	BRL
Dufry Lojas Francas Ltda	Sao Paulo	Brazil	R	87	1,323,310	BRL
Dufry Mexico SA de CV	Mexico City	Mexico	R	100	4,250	MXN
Interbaires SA	Buenos Aires	Argentina	R	100	1,764,567	ARS
Inversiones Tunc, SA	Santo Domingo	Dominican Republic	R	100	100	DOP
Alliance Duty Free, LLC	San Juan	Puerto Rico	R	100	2	USD
Navinten SA	Montevideo	Uruguay	R	100	3,700	UYP
Aldeasa Chile, Ltd	Santiago de Chile	Chile	R	100	2,517	USD
Dufry Jamaica Ltd	St. James	Jamaica	R	100	–	JMD
DFC Ltd - Barbados	St. Michael	Barbados	R	100	10,000	BBD
Dufry Colombia SAS	Bogota	Colombia	R	100	100,100	COP
Dufry Aruba N.V.	Oranjestad	Aruba	R	100	1,800	AWG
DF Ecuador SA	Guayaquil	Ecuador	R	100	401	USD
The Nuance Group (Canada) Inc.	Toronto	Canada	R	100	1,017	CAD

AS OF DECEMBER 31, 2022	LOCATION	COUNTRY	TYPE	OWNERSHIP IN %	SHARE CAPITAL IN THOUSANDS	CURRENCY
Hudson Group Canada Inc	Vancouver	Canada	R	100	–	CAD
WDFG Vancouver LP	Vancouver	Canada	R	100	–	CAD
AMS Canada, Vancouver Int. Airport	Vancouver	Canada	R	100	–	CAD
Dufry Cruise Services, Inc.	Miami	USA	R	100	–	USD
Hudson Las Vegas JV Hudson News O'Hare JV	Las Vegas	USA	R	73	–	USD
Seattle Air Ventures	Olympia	USA	R	75	–	USD
HG Logan Retailers JV	Boston	USA	R	80	–	USD
WDFG North America LLC	Delaware	USA	H/R	100	–	USD
Hudson News O'Hare JV	Chicago	USA	R	70	–	USD
Hudson Group (HG) Retail, LLC	New Jersey	USA	H/R	100	–	USD
Airport Management Services LLC	Los Angeles	USA	H/R	100	–	USD
JFK Air Ventures II JV	New York	USA	R	80	–	USD
HG Midway JV	Chicago	USA	R	65	–	USD
HG Magic Concourse TBIT	Los Angeles	USA	R	68	–	USD
HG Denver JV	Denver	USA	R	76	–	USD
HG-KCGI-TEI JFK T8 JV	New York	USA	R	85	–	USD
AMS of South Florida JV	Fort Lauderdale	USA	R	31	–	USD
HG St Louis JV	St. Louis	USA	R	70	–	USD
HG PHL Retailers JV	Philadelphia	USA	R	65	–	USD
LAX Retail Magic 3-4 JV	Los Angeles	USA	R	75	–	USD
HG-Multiplex-Regali Dallas JV	Dallas	USA	R	75	–	USD
Dufry Newark Inc	Newark	USA	R	100	–	USD
WDFG TAC ATL Retail LLC, Atlanta	Delaware	USA	R	86	–	USD
WDFG LTL ATL JV LLC, Atlanta	Delaware	USA	R	70	–	USD
HG National JV	Virginia	USA	R	70	–	USD
Hudson-NIA JFK T1 JV	New York	USA	R	90	–	USD
AMS-SJC JV	San Jose	USA	R	91	–	USD
Dufry O'Hare T5 JV	Chicago	USA	R	80	–	USD
LAX Retail Magic 2 JV	Los Angeles	USA	R	73	–	USD
HG EWR Terminal 1 JV	Newark	USA	R	70	–	USD
The Nuance Group (Las Vegas) LLC	Las Vegas	USA	R	73	–	USD
HG-CV-Epicure-Martinez San Diego, JV	San Diego	USA	R	71	–	USD
WDFG Miami Airport Retail Partners JV	Miami	USA	R	35	–	USD
HG-BW Charleston JV	Charleston	USA	R	85	–	USD
GLOBAL DISTRIBUTION CENTERS						
International Operations & Services (HK) Ltd	Hong Kong	Hong Kong	D	100	109,000	HKD
Dufry International Ltd	Basel	Switzerland	H/D	100	6,100	CHF
International Operations & Services (UY) S.A.	Montevideo	Uruguay	D	100	700	UYU
International Operations & Services (USA) LLC	Miami	USA	D	100	398	USD
OTHER COMPANIES						
Dufry Financial Services B.V.	Eindhoven	Netherlands	H	100	–	EUR
Dufry One BV	Eindhoven	Netherlands	H	100	–	EUR

13. EVENTS AFTER REPORTING DATE

13.1 COMBINATION WITH AUTOGRILL S.P.A.

On July 11, 2022, Dufry AG and Autogrill S.p.A. announced the combination of Dufry, global leader in Travel Retail, and Autogrill, global leader in Travel Food & Beverage. The Group's global footprint and presence in more than 75 countries will provide an exceptional experience and knowledge within the industry and enable strong, mutual value-creating relationships with concession partners and suppliers. The Group will employ around 60,000 people from over 150 nationalities globally, united as one team. The new organization is expected to generate cost synergies, comprising both cost reductions and gross profit improvements. First, Dufry expects to realize optimization measures at cost of goods sold level in F&B and convenience with focus on the US. Secondly, Dufry expects to optimize support function costs and reduce business related operating expenses. Synergies are planned to be fully realized in the first two years post-transaction.

In accordance with the Combination Agreement in consideration for the transfer of the 50.3 % stake in Autogrill to Dufry, Edizione (through its wholly owned subsidiary Schema Beta S.p.A.) was issued mandatory convertible non-interest bearing notes convertible into an aggregate of 30,663,329 newly issued Dufry shares, at an implied exchange ratio of 0.158 [1] new Dufry shares for each Autogrill share. Edizione exercised its conversion right following closing on 3 February 2023 of the transfer and was issued 30,663,329 Dufry shares [2] (equal to 25.246 % of Dufry's registered share capital). Considering the additional Dufry shares acquired on the market between the signing and the closing by Edizione, the latter holds a stake of about 27.5 % of Dufry's registered share capital.

Pursuant to Italian law, Dufry will launch a mandatory public exchange offer for the remaining 188,121,226 Autogrill shares (excluding treasury shares) and expects to complete the full transaction including the mandatory exchange offer settlement towards the end of Q2 2023. Dufry will offer 0.1583 [3] new Dufry shares for each Autogrill share. In compliance with Italian takeover law, Dufry will also offer a cash alternative equivalent to EUR 6.33 per Autogrill share in the mandatory tender offer. The exchange ratio corresponds to the same ratio as offered to Edizione and has been agreed by reference to the 3-month VWAP of Autogrill and Dufry shares prior to April 14, 2022, equal to EUR 6.33 per share for Autogrill and CHF 40.96 (EUR 39.71) per share for Dufry.

As of December 31, 2022, there was a forward agreement in place for the combination with Autogrill S.p.A. in 2023.

1 The exact exchange ratio being 0.1582781301928567.
2 Dufry share price as of 3 February 2023 equals to 41.71 CHF.
3 For the purposes of the Offer, a four-decimal number has been applied and, consequently, the exchange ratio was rounded up to 0.1583.

As the acquisition date was only one month before the consolidated financials were authorized for issue and the initial accounting for the business combination is incomplete, we are currently not able to disclose further details of the business combination according to IFRS 3 such as:

- the amounts recognised as of the acquisition date for each major class of assets acquired and liabilities assumed
- Contingent liabilities recognized
- Amount and nature of goodwill and amount of goodwill which is expected to be deductible for tax purposes
- Amount of the non-controlling interest in the acquiree at acquisition date
- Amounts of revenue and profit or loss of the acquiree since the acquisition date.

PROPOSED APPROPRIATION OF RETAINED EARNINGS AND CAPITAL DISTRIBUTION

IN THOUSANDS OF CHF	2022	2021
Proposed appropriation of retained earnings		
Result carried forward	(1,446,186)	(1,230,898)
Loss for the year	32,784	(215,288)
Retained earnings at December 31	**(1,413,402)**	**(1,446,186)**
Proposed distribution out of retained earnings		
Balance at beginning of the year	4,552,310	4,287,731
Share capital increase	–	292,320
Incentive for conversion of bond	–	(28,881)
Reclass from reserve from capital contribution for own shares held at subsidiaries	(1,141)	1,140
Reserve from capital contribution at December 31	**4,551,169**	**4,552,310**

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Deloitte.

To the General Meeting of
Dufry AG, Basel

Basel, March 2, 2023

Statutory Report on the Audit of the Financial Statements

Opinion
We have audited the financial statements of Dufry AG (the Company), which comprise the statement of financial position as at December 31, 2022, and the statement of profit or loss for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements, presented on pages 224 to 236 comply with Swiss law and the Company's articles of incorporation.

Basis for Opinion
We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession, 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 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.

Valuation of investments in subsidiaries
Key Audit Matter
As described in Notes 2.4, 3 and 7 to the financial statements, Dufry AG holds investments in Dufry Group companies with the carrying value of CHF 2,824.3 million (2021: CHF 2,780.2 million), representing 78% (2021: 78%) of the total assets. As at December 31, 2022, management recorded an impairment reversal of CHF 44.1 million (2021: CHF 223.5 million impairment charge).

In accordance with Article 960 para. 1 CO, each investment held is valued individually and reviewed annually for impairment indicators. Each investment showing impairment indicators is tested for impairment and an impairment would need to be recorded by management if the recoverable amount is lower than the carrying amount.

The impairment test and in particular the assessment of the recoverable amount of each investment is complex and contains judgment. The assessment is dependent on the assumptions of cash flow projections used in the impairment tests. Key assumptions are projected sales growth rates for the forecast period and the weighted average cost of capital applied.

Consequently, we defined management's assumptions made in relation to valuation of investments in subsidiaries to be a key audit matter; especially because of the high level of judgment and complexity of the estimations, combined with the significance of the above amounts to the financial statements as a whole.

How the scope of our audit responded to the Key Audit Matter
We obtained an understanding of the controls around the review of management's judgment in the identification of impairment indicators, the review of key assumptions used in the impairment test and the review of the impairment models.

We assessed the appropriateness of the mathematical integrity and valuation methodology used in the impairment tests. We evaluated the key inputs and assumptions used in impairment tests of the investments in the Dufry Group companies.

We performed analyses over the projected sales growth rates used in the cash flow projections during the forecast period. We independently determined the weighted average cost of capital (WACC) and compared them against management's assumptions, with the support of our valuation specialists.

We assessed the adequacy of investment related disclosures in note 7 to the financial statements.

Based on the procedures performed above, we obtained sufficient audit evidence to address the risk of valuation of investments in subsidiaries.

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

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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.

Board of Directors' Responsibilities for the Financial Statements
The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the 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 and SA-CH 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 financial statements.

A further description of our responsibilities for the audit of the financial statements is located on EXPERTsuisse's website at: https://www.expertsuisse.ch/en/audit-report-for-ordinary-audits. This description forms an integral part of our report.

Report on Other Legal and Regulatory Requirements
In accordance with article 728a para. 1 item 3 CO and PS-CH 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.

Furthermore, we 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.

Deloitte AG

Andreas Bodenmann	Fabian Hell
Licensed audit expert	Licensed audit expert
(Auditor in charge)	

DUFRY'S ALTERNATIVE PERFORMANCE MEASURES

Dufry believes that disclosing adjusted results of the Group's performance enhances the financial markets' understanding of the company because the adjusted results enable better comparison across years. These CORE figures exclude exceptional expenses and income such as acquisitions, disinvestments, impairments and amortization of acquisition-related intangible assets, which can differ significantly from year to year. In addition, the CORE figures exclude the accounting impact resulting from IFRS 16 lease accounting standard. This is achieved by reversing IFRS 16 related profit or loss line items (i.e. depreciation of right-of-use assets and lease interest) and adding the relevant concession fee owed based on the corresponding concession agreement. For this same reason, Dufry's profit or loss statement in accordance with IFRS is materially impacted by IFRS 16 lease accounting. We consider all our concession fees and corresponding payments as CORE to our business, in contrast to IFRS 16, which treats fixed payments as a financing activity. In addition, we believe that the straight line depreciation of right-of-use assets does not reflect the economic reality of our business and the operational performance of our Group. Dufry uses these adjusted results in addition to IFRS as important factors in internally assessing the Group's performance.

Organic growth

IN MILLIONS OF CHF	2022	2021
Like-for-like	77.9%	39.0%
Net new concessions	(1.8%)	14.2%
Organic Growth	**76.1%**	**53.2%**

Organic growth describes the turnover growth of the Company in CHF excluding turnover from acquisition and disinvestments to allow for annual comparison of Dufry Group's operational performance. Turnover, consisting of net sales and advertising income, is converted at constant previous year exchange rates.

Organic growth is further split into Like-for-Like (LFL) growth and Net new concessions. LFL growth considers only shops that were open and comparable under same conditions with last year. Shops that are not comparable are adjusted as scope effects and are being reported as Net new concessions.

CORE profit or loss

IN MILLIONS OF CHF	2022	2021
Net sales	6,721.2	3,826.8
Advertising income	157.2	88.6
Turnover	**6,878.4**	**3,915.4**
Cost of sales	(2,684.6)	(1,704.4)
Gross profit	**4,193.8**	**2,211.0**
Concession expenses (CORE)	(2,029.9)	(815.0)
Personnel expenses	(997.9)	(635.4)
Other expenses (CORE)	(620.7)	(428.5)
Other income (CORE)	60.9	53.9
CORE EBITDA	**606.2**	**386.0**
Depreciation, amortization and impairment (CORE)	(135.5)	(256.1)
CORE EBIT	**470.7**	**129.9**
Financial result (CORE)	(175.6)	(253.4)
CORE Profit before tax	**295.1**	**(123.5)**
Income tax (CORE)	(105.5)	(71.0)
CORE Net profit	**189.6**	**(194.5)**
ATTRIBUTABLE TO		
Non-controlling interests	83.9	41.7
Equity holders of the parent	105.7	(236.2)
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		
CORE basic earnings / (loss) per share in CHF	1.14	(2.69)
CORE diluted earnings / (loss) per share in CHF	1.12	(2.69)

Our CORE profit or loss statements replaces the IFRS related lease expense lines with our concession fees as per the contracts and moves non-shop related leases back to other expenses. Also, we remove the FX impact on our lease obligations and the financing component of IFRS 16. In addition, all depreciation and amortization expenses related to previous acquisitions are removed to enable a better view of the performance of the current year. CORE EBITDA is used by Dufry's lenders to calculate covenants under the bank financing agreements.

Profit or loss reconciliation IFRS / CORE

2022 IN MILLIONS OF CHF	IFRS	Acquisition related Adjustments (unaudited)	CORE Adjustments (unaudited)	CORE (unaudited)
Net sales	6,721.2	–	–	6,721.2
Advertising income	157.2	–	–	157.2
Turnover	**6,878.4**	**–**	**–**	**6,878.4**
Cost of sales	(2,684.6)	–	–	(2,684.6)
Gross profit	**4,193.8**	**–**	**–**	**4,193.8**
Leases expenses (IFRS) / Concession expenses (CORE)	(1,081.9)	–	(948.0)	(2,029.9)
Personnel expenses	(997.9)	–	–	(997.9)
Depreciation and amortization[1, 2]	(1,111.5)	158.3	953.2	–
(Impairment) / Reversal of impairment, net	16.8	15.6	(32.4)	–
Other expenses (IFRS) / Other expenses (CORE)[3]	(578.7)	–	(42.0)	(620.7)
Other income (IFRS) / Other income (CORE)	61.8	–	(0.9)	60.9
Operating profit / CORE EBITDA	**502.4**	**173.9**	**(70.1)**	**606.2**
Depreciation, amortization and impairment (CORE)[4]	–	–	(135.5)	(135.5)
Operating profit / CORE EBIT	**502.4**	**173.9**	**(205.6)**	**470.7**
Financial result (IFRS) / Financial result (CORE)[5]	(305.6)	–	130.0	(175.6)
Profit before taxes / CORE Profit before taxes	**196.8**	**173.9**	**(75.6)**	**295.1**
Income tax (IFRS) / Income tax (CORE)[6]	(76.2)	(37.1)	7.8	(105.5)
Net profit / CORE Net profit	**120.6**	**136.8**	**(67.8)**	**189.6**
ATTRIBUTABLE TO				
Non-controlling interests	62.4	22.0	(0.5)	83.9
Equity holders of the parent	58.2	114.8	(67.3)	105.7
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT				
Basic Earnings / CORE Basic Earnings per share in CHF	0.63			1.14
Diluted Earnings / CORE Diluted Earnings per share in CHF	0.62			1.12

1 CHF 158.3 million amortization of acquisition related concession rights, refer to note 18 of consolidated financial statements.

2 CHF 953.2 million depreciation of property, plant and equipment, right-of-use assets and amortization of intangibles other than acquisition related concession rights.

3 Other expenses (CORE) include non-shop leases.

4 Depreciation of property, plant and equipment and amortization of intangibles other than acquisition related concession rights.

5 Lease interest expenses and IFRS 16 related foreign exchange effect.

6 CHF 37.1 million deferred taxes on acquisition related concession rights and CHF 7.8 million deferred taxes related to IFRS 16.

2021 IN MILLIONS OF CHF	IFRS	Acquisition related Adjustments (unaudited)	CORE Adjustments (unaudited)	CORE (unaudited)
Net sales	3,826.8	–	–	3,826.8
Advertising income	88.6	–	–	88.6
Turnover	**3,915.4**	**–**	**–**	**3,915.4**
Cost of sales	(1,704.4)	–	–	(1,704.4)
Gross profit	**2,211.0**	**–**	**–**	**2,211.0**
Leases expenses (IFRS) / Concession expenses (CORE)	176.4	–	(991.4)	(815.0)
Personnel expenses	(635.4)	–	–	(635.4)
Depreciation and amortization[1, 2]	(1,210.0)	195.5	1,014.5	–
(Impairment) / Reversal of impairment, net	(280.5)	224.0	56.5	–
Other expenses (IFRS) / Other expenses (CORE)[3]	(381.7)	–	(46.8)	(428.5)
Other income (IFRS) / Other income (CORE)	54.0	–	(0.1)	53.9
Operating profit / (loss) / CORE EBITDA	**(66.2)**	**419.5**	**32.7**	**386.0**
Depreciation, amortization and impairment (CORE)[4]	–	–	(256.1)	(256.1)
Operating profit / (loss) / CORE EBIT	**(66.2)**	**419.5**	**(223.4)**	**129.9**
Financial result (IFRS) / Financial result (CORE)[5]	(341.6)	–	88.2	(253.4)
Profit / (loss) before taxes / CORE Profit before taxes	**(407.8)**	**419.5**	**(135.2)**	**(123.5)**
Income tax (IFRS) / Income tax (CORE)[6]	42.6	(128.0)	14.4	(71.0)
Net profit / (loss) / CORE Net profit	**(365.2)**	**291.5**	**(120.8)**	**(194.5)**
ATTRIBUTABLE TO				
Non-controlling interests	20.2	14.1	7.4	41.7
Equity holders of the parent	(385.4)	277.4	(128.2)	(236.2)
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT				
Basic Earnings / CORE Basic Earnings per share in CHF	(4.39)			(2.69)
Diluted Earnings / CORE Diluted Earnings per share in CHF	(4.39)			(2.69)

1 CHF 195.5 million amortization of acquisition related concession rights, refer to note 18 of consolidated financial statements.

2 CHF 1,014.5 million depreciation of property, plant and equipment, right-of-use assets and amortization of intangibles other than acquisition related concession rights.

3 Other expenses (CORE) include non-shop leases.

4 Depreciation of property, plant and equipment and amortization of intangibles other than acquisition related concession rights.

5 Lease interest expenses and IFRS 16 related foreign exchange effect.

6 CHF 128.0 million deferred taxes on acquisition related concession rights and CHF 14.4 million deferred taxes related to IFRS 16.

CORE cash flow

IN MILLIONS OF CHF	2022	2021
CORE EBITDA	**606.2**	**386.0**
Other non-cash items and changes in lease obligations (MAG related)	79.6	(238.9)
Changes in net working capital	(4.6)	75.7
Capital expenditures	(110.1)	(88.1)
Cash flow related to minorities	(65.0)	(24.4)
Dividends from associates	2.7	–
Income taxes paid	(76.1)	(19.8)
Cash flow before financing	**432.7**	**90.5**
Interest, net	(134.1)	(129.9)
Other financing items	6.6	6.0
Equity free cash flow	**305.2**	**(33.4)**
Financing activities, net	(20.3)	343.8
Foreign exchange adjustments and other	(16.1)	(45.7)
Decrease / (Increase) in net debt	**268.8**	**264.7**
– at the beginning of the period	3,079.5	3,344.2
– at the end of the period	2,810.7	3,079.5

Cash flow before financing is calculated from CORE EBITDA, corrected by changes in net working capital and concession related non-cash items (such as prepayments). In addition, capital expenditure (Capex), cash flows to minorities and income taxes are deducted. Cash flow before financing provides an effective measure of Dufry's cash flow generation from operations and investing activities.

Equity free cash flow measures the relevant cash generation of the Company and provides the basis for further capital allocation decisions. It therefore can be considered the single-most important KPI from a shareholder perspective, reflecting the amount of cash available for creating value to investors.

Financial net debt

IN MILLIONS OF CHF	31.12.2022	31.12.2021
Borrowings (current and non-current)	3,575.0	3,816.9
Financial derivatives liability - Borrowings	99.8	63.5
Less financial derivatives assets - Borrowings	(9.4)	(7.4)
Less cash and cash equivalents	(854.7)	(793.5)
Financial net debt	**2,810.7**	**3,079.5**

Dufry's financial net debt is not considering IFRS 16 related lease obligations.

Trade net working capital*

IN MILLIONS OF CHF	31.12.2022	31.12.2021
Inventories	928.4	692.2
Trade and credit card receivables	62.3	85.3
Less trade payables	(486.4)	(335.2)
Trade net working capital	**504.3**	**442.3**

* Formerly called core net working capital, renamed in order to improve clarity while in substance keeping consistency.

As a retail company, working capital management related to all trade-related items is one of the main focus areas. For better transparency, Dufry provides details on its trade-related core net working capital including inventories, trade and credit card receivables and trade payables.

Capital expenditure (Capex)

IN MILLIONS OF CHF	2022	2021
Purchase of property, plant and equipment	(97.4)	(74.3)
Purchase of intangible assets	(15.9)	(16.9)
Proceeds from sale of property, plant and equipment	3.2	3.1
Capex	**(110.1)**	**(88.1)**

Capex includes purchase of property, plant, equipment, intangible assets, other investing activities and proceeds from sale of property, plant, equipment. Any purchase or proceeds related to financial assets are not included within the definition as not considered core to Dufry's business operations and as those activities might differ over time.

OTHER DUFRY KPI's

For transparency and comparison reasons, Dufry provides all previously reported KPIs as below:

Adjusted operating profit

IN MILLIONS OF CHF	2022	2021
Operating profit / (loss)	**502.4**	**(66.2)**
Adjusted for:		
Amortization of concession rights[1]	158.3	195.5
Impairment of concession rights[1]	15.6	224.0
Impairment of goodwill[1]	–	21.6
Adjusted operating profit	**676.3**	**374.9**

[1] Related to acquisitions.

Adjusted operating profit is calculated from operating profit before amortizations and impairments of acquisition related intangible assets (i. e. concession rights and goodwill). The aim of this performance measure is to simply exclude the impacts of previously undertaken acquisitions, to focus on current year's operational performance of Dufry Group and its segments.

Adjusted operating cash flow

IN MILLIONS OF CHF	2022	2021
Cash flow before working capital changes	1,589.6	622.4
Lease payments	(907.8)	(478.4)
Proceeds from lease income	4.0	3.1
Adjusted operating cash flow	**685.8**	**147.1**

Adjusted operating cash flow is winding out the IFRS 16 impact. It is therefore calculated from cash flow before working capital changes less lease MAG payments and adds proceeds from lease income. It reflects Dufry's cash generation from operations by considering full amount of concession fee payments. IFRS 16 lease accounting, results in a lower reflection of concession fees as part of operating cash flow and with a corresponding increase in the cash flow from financing activities.

Adjusted net profit & Adjusted earnings per share (EPS)

IN MILLIONS OF CHF	2022	2021
Net profit / (loss) attributable to equity holders of the parent	**58.2**	**(385.4)**
Adjusted for:		
Amortization of concession rights [1]	158.3	195.5
Impairment of concession rights [1]	15.6	224.0
Impairment of goodwill [1]	–	21.6
Deferred income tax on above lines	(37.1)	(128.0)
Non-controlling interests on above lines	(22.0)	(14.1)
Interest on lease obligations	127.6	109.8
Adjusted net profit	**300.6**	**23.4**
Basic Adjusted EPS in CHF	**3.24**	**0.27**
Diluted Adjusted EPS in CHF [2]	**3.16**	**0.27**

[1] Related to acquisitions.
[2] No dilution effect in 2021.

Adjusted net profit is calculated from net profit / (loss) attributable to equity holders of the parent before amortizations and impairments of acquisition related intangible assets (i. e. concession rights and goodwill) and acquisition- / divestment-related transaction costs. Further, adjusted net profit excludes IFRS-16 lease interest. The rational to exclude lease interest is to eliminate the front load effect of a new concession agreement with fixed MAG payments and to make the performance measure comparable over time.

As Dufry's concession agreement vary significantly in relation to concession length and magnitude of contractual volume (fixed minimal annual guarantees (MAG) payments), as such one single new concession can have a material impact on lease interest in the year of the commencement of the lease and in the subsequent years.

On all of the above-mentioned lines, deferred tax and minority interest are deducted. For the calculation of adjusted earnings per share the average weighted numbers of ordinary shares outstanding during the period is considered. Both metrics measure the value generated for shareholders of the Company and allow for annual comparison.

The financial reports are available under:

www.dufry.com/en/media/download-center
Page section "All categories" – select Financial Reports

For the Investor Relations and Corporate Communications contacts as well as a summary of anticipated key dates in 2023 please refer to pages 300 / 301 of this Annual Report.

CORPORATE GOVERNANCE

INTRODUCTION

This Report is prepared in accordance with the Corporate Governance Directive (DCG) of SIX Exchange Regulation. All information within this Corporate Governance Report and within the Remuneration Report (see page 278) refers to the Company Organization, Internal Regulations and Articles of Incorporation that were in effect as of December 31, 2022 (if not specifically mentioned otherwise).

On July 11, 2022, Dufry, as a leading global travel retailer, announced the combination with Autogrill S.p.A. ("Autogrill"), a global leader in Travel Food & Beverage, to create a new, integrated global Travel Experience player. The changes in Corporate Governance that are related to this transaction are mentioned in the relevant sections of this Report. A short summary of the transaction details is also provided in section 11. The Dufry / Autogrill Combination on page 276.

The Articles of Incorporation are available on the Company website, www.dufry.com, section Investors – Corporate Governance – Articles of Incorporation: www.dufry.com/en/investors/corporate-governance page section "Featured downloads – Articles of Incorporation".

Dufry engages with shareholders, analysts and investors on a regular basis to better understand their expectations, needs and concerns as part of the company's stakeholder dialogue strategy and its ESG engagement. Such feedback received is taken into consideration when evolving the company strategy as well as corporate governance and remuneration matters. In this context, management and the investor relations team had more than 1,850 contacts with equity and debt investors, analysts and rating agencies in the form of personal meetings, capital market day, investor and video conferences, calls and emails in 2022.

1. GROUP STRUCTURE AND SHAREHOLDERS

1.1 GROUP STRUCTURE

For an overview of the management organizational chart and operational Group structure as at March 2, 2023, please refer to page 21 and see also the tables with members of the Global Executive Committee (for additional information as at December 31, 2022) on page 266 of this Annual Report.

Listed company as of December 31, 2022

COMPANY

Dufry AG, Brunngässlein 12, 4052 Basel, Switzerland
(hereinafter "Dufry AG" or the "Company")

LISTING

Registered shares: SIX Swiss Exchange

MARKET CAPITALIZATION BASED ON SHARES ISSUED

CHF 3,496,592,740 as of December 31, 2022

PERCENTAGE OF SHARES HELD BY DUFRY AG

0.67% of Dufry AG share capital as of December 31, 2022

SECURITY NUMBERS

Registered shares:
ISIN-Code CH0023405456, Swiss Security-No. 2340545,
Ticker Symbol DUFN

Non-listed consolidated entities as of December 31, 2022

For a table of the operational non-listed consolidated entities please refer to page 233 in the section Financial Statements of this Annual Report*.

* Including the company names, locations, percentage of shares held, share capital. The list of consolidated entities does not include all subsidiaries of the Company, but the most important subsidiaries in terms of sales for Retail and Distribution Center companies and in terms of total assets for holding companies.

1.2 SIGNIFICANT SHAREHOLDERS

Pursuant to the information provided to the Company by its shareholders in compliance with the Financial Market Infrastructure Act during 2022, the following shareholders disclosed significant positions as of December 31, 2022[1].

Further details regarding these shareholders and shareholder groups as well as additional information regarding the individual disclosure notices in 2022 are available on the website of SIX Exchange Regulation at: www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html#/.

SHAREHOLDER	Through shares	Long position through financial instruments[2]	Short positions[3]	Total of long positions
Edizione S.p.A.[4]	–	33.77%	–	33.77%
Advent International Corporation[5]	10.1%	–	–	10.1%
State of Qatar[6]	6.91%	1.13%	–	8.04%
Alibaba Group Holding Limited[7]	5.4%	2.3%	–	7.7%
Compagnie Financière Rupert[8]	5.00%	–	–	5.00%
Norges Bank (the Central Bank of Norway)[9]	3.05%	–	-0.6%	3.05%
BlackRock, Inc.[10]	2.51%	0.49%	-0.05%	3.00%

1 The percentage of voting rights has to be read in context with the relevant and applicable stock exchange and disclosure rules. The actual shareholdings may differ from the figures indicated in the table, as the Company must only be notified by its shareholders if one of the thresholds defined in Article 120 of the Financial Market Infrastructure Act is crossed.

2 Financial instruments such as convertible bonds, conversion and share purchase rights, granted (written) share sale rights and other derivative holdings.

3 Financial instruments that provide for or permit cash settlement (i.e. contracts for difference).

4 Mandatory convertible notes, directly held by Schema Beta S.p.A., Treviso / Italy. The beneficial holder of the mandatory convertible notes is Edizione S.p.A., Treviso / Italy. The mandatory convertible notes referred to this disclosure notice are in conjunction with the Dufry / Autogrill Combination, and will be issued and delivered on the first Friday following the 10th business day after satisfaction of certain conditions precedent agreed in the combination agreement dated July 11, 2022, among Dufry AG, Schema Beta S.p.A. and Edizione S.p.A., but in no event earlier than January 20, 2023 (note: such mandatory convertible notes have been issued after the here relevant date of December 31, 2022, namely on Friday 3, 2023 and have converted into Dufry shares on February 3, 2023). Note: With decision dated August 17, 2022, the Swiss Takeover Board decreed that Edizione S.p.A. was exempt from making a public takeover offer to the Dufry AG shareholders.

5 Shares directly held by the legal entity AI Louvre (Luxembourg) S.à.r.l., Luxembourg / Grand Duchy of Luxembourg. The beneficial holder of the shares is Advent International Corporation, Boston, MA / USA.

6 Shares and financial instruments directly held by Qatar Holding LLC, Doha / Qatar. The beneficial holder of the shares is the Qatar Investment Authority, Doha / Qatar, which was established and is controlled by the State of Qatar.

7 Shares and financial instruments directly held by the legal entity Taobao China Holding Limited, Hong Kong S.A.R. / China. The beneficial holder of the shares (and mandatory convertible bonds due 2023) is Alibaba Group Holding Limited, Grand Cayman, Cayman Islands.

8 Shares directly held by Richemont Luxury Group Ltd, St Helier / Jersey. The beneficial holder of the shares is Compagnie Financière Rupert, Geneva / Switzerland.

9 Norges Bank (the Central Bank of Norway), Oslo / Norway. Of the total share position of 3.05%, 0.001% relate to securities lending and similar transactions.

10 BlackRock, Inc., New York, NY / USA. Of the total share position of 2.51%, 0.24% relate to securities lending and similar transactions and 0.7% to delegated voting rights.

In addition, Dufry AG disclosed a purchase position and a sale position (disclosure notice dated July 13, 2022) as further described here: www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html#/.

Understandings among shareholders
The Company is not aware of shareholder agreements or understandings to be published pursuant to Art. 120 et seq. FMIA.

1.3 CROSS-SHAREHOLDINGS

Dufry AG has not entered into cross-shareholdings with other companies in terms of capital shareholdings or voting rights in excess of 5%.

2. CAPITAL STRUCTURE

2.1 SHARE CAPITAL

As of December 31, 2022, the Company's capital structure is as follows:

ORDINARY SHARE CAPITAL

CHF 453,985,035 (nominal value) divided in 90,797,007 fully paid registered shares with a nominal value of CHF 5 each

CONDITIONAL CAPITAL

CHF 45,398,500 (nominal value) divided in 9,079,700 to be fully paid registered shares with a nominal value of CHF 5 each; plus

CHF 153,316,645 (nominal value) divided in 30,663,329 to be fully paid registered shares with a nominal value of CHF 5 each

AUTHORIZED CAPITAL

CHF 226,992,515 (nominal value) divided in 45,398,503 to be fully paid registered shares with a nominal value of CHF 5 each

For the website link regarding the Articles of Incorporation referred to in the following chapters please see page 276 of this Corporate Governance Report.

2.2 DETAILS ON CONDITIONAL AND AUTHORIZED CAPITAL

Conditional capital
Article 3^{bis} of the Articles of Incorporation, dated August 31, 2022, reads as follows:

1. The share capital may be increased in an amount not to exceed CHF 45,398,500 by the issuance of up to 9,079,700 fully paid registered shares with a nominal value of CHF 5 each through the exercise of conversion and / or option rights granted in connection with the issuance of newly or already issued convertible debentures, debentures with option rights or other financing instruments by the Company or one of its group companies.
2. The preferential subscription rights of the shareholders shall be excluded in connection with the issuance of convertible debentures, debentures with option rights or other financing instruments. The then current owners of conversion and / or option rights shall be entitled to subscribe for the new shares.
3. The acquisition of shares through the exercise of conversion and / or option rights and each subsequent transfer of the shares shall be subject to the restrictions set forth in Article 5 of these Articles of Incorporation.
4. The Board of Directors may limit or withdraw the right of the shareholders to subscribe in priority to convertible debentures, debentures with option rights or similar financing instruments when they are issued, if:
   a) An issue by firm underwriting by one or several banks with subsequent offering to the public without preferential subscription rights seems to be the most appropriate form of issue at the time, particularly in terms of the conditions or the time plan of the issue; or
   b) The issuance occurs in domestic or international capital markets or through a private placement; or
   c) The instruments are issued in connection with the financing or refinancing of the acquisition of an enterprise or parts of an enterprise or with participations or new investments of the Company or one of its group companies.
5. If advance subscription rights are denied by the Board of Directors, the following shall apply:
   a) Conversion rights may be exercised only for up to 15 years; and option rights only for up to 7 years from the date of the respective issuance.
   b) The respective financing instruments must be issued at the relevant market conditions.

The conditional capital of CHF 45,398,500 under Article 3^{bis} represents 10.00 % of the issued ordinary share capital of the Company registered in the commercial register as of December 31, 2022.

Article 3^{quater} of the Articles of Incorporation, dated August 31, 2022, reads as follows:

1. The share capital may be increased in an amount not to exceed CHF 153,316,645 by the issuance of up to 30,663,329 fully paid registered shares with a nominal value of CHF 5 each through the exercise of conversion rights granted in connection with the issuance of convertible notes by the Company to Schema Beta S.p.A., a wholly-owned subsidiary of Edizione S.p.A., as consideration for the transfer of the 193,730,675 shares in Autogrill S.p.A., in accordance with the provisions of the Combination Agreement;
2. The preferential subscription rights of the shareholders shall be excluded in connection with the issuance of convertible notes. The then current owners of the conversion rights shall be entitled to subscribe for the new shares;
3. The acquisition of shares through the exercise of conversion rights and each subsequent transfer of the shares shall be subject to the restrictions set forth in Article 5 of these Articles of Incorporation;
4. The conversion rights may be exercised for up to one year. The Combination Agreement determines the number of shares into which the convertible notes can be converted. The nominal amount and the conversion price of the convertible notes shall be deter-

mined on the basis of the value assigned to the shares of Autogrill S.p.A. under the terms of the Combination Agreement.

The conditional capital of CHF 153,316,645 under Article 3quater in conjunction with the Dufry / Autogrill Combination represents 33.77 % of the issued ordinary share capital of the Company registered in the commercial register as of December 31, 2022.

Authorized capital
Article 3ter of the Articles of Incorporation, dated August 31, 2022, reads as follows:

1. The Board of Directors shall be authorized to increase the share capital in an amount not to exceed CHF 226,992,515 through the issuance of up to 45,398,503 fully paid registered shares with a nominal value of CHF 5 per share by not later than August 31, 2024. Increases in partial amounts shall be permitted.
2. The subscription and acquisition of the new shares, as well as each subsequent transfer of the shares, shall be subject to the restrictions of Article 5 of these Articles of Incorporation.
3. The Board of Directors shall determine the issue price, the type of contribution (including cash, contribution in kind and set-off), the date of issue of new shares, the conditions for the exercise of the preferential subscription rights, and the beginning date for dividend entitlement. In this regard, the Board of Directors may issue new shares by means of a firm underwriting through a banking institution, a syndicate or another third party and a subsequent offer of these shares to the current shareholders. The Board of Directors may permit preferential subscription rights that have not been exercised to expire or it may place these rights and / or shares as to which preferential subscription rights have been granted but not exercised, at market conditions or use them for other purposes in the interest of the Company.
4. The Board of Directors is further authorized to restrict or deny the preferential subscription rights of shareholders in whole or in part or allocate such rights to third parties in connection with the issuance of registered shares:
   a) To the remaining shareholders of Autogrill S.p.A. within the framework of the mandatory tender offer by the Company for all remaining outstanding shares of Autogrill S.p.A. following the consummation of the combination agreement by and among the Company, Schema Beta S.p.A., and Edizione S.p.A. dated as of July 11, 2022 (the "Combination Agreement") and the acquisition of 193,730,675 shares of Autogrill S.p.A. from Schema Beta S.p.A., a wholly-owned subsidiary of Edizione S.p.A., by the Company contemplated thereunder, one or several voluntary tender offers by the Company for all remaining outstanding shares of Autogrill S.p.A. and / or any subsequent re-opening of the tender period and / or proceeding for the fulfillment of the obligation to purchase the remaining outstanding shares of Autogrill S.p.A. and / or proceeding for the exercise of the right to purchase the remaining outstanding shares of Autogrill S.p.A. in accordance with applicable law; and / or
   b) In connection with the refinancing of cash payments to be made within the framework of the transactions set forth under paragraph a) above.

The authorized capital of CHF 226,992,515 under Article 3ter represents 50.00 % of the issued share capital of the Company registered in the commercial register as of December 31, 2022.

2.3 CHANGES IN CAPITAL OF DUFRY AG

ORDINARY SHARE CAPITAL	
December 31, 2020	CHF 401,318,410
December 31, 2021	CHF 453,985,035
December 31, 2022	CHF 453,985,035
CONDITIONAL CAPITAL	
December 31, 2020	CHF 63,500,000
December 31, 2021	CHF 43,398,500
December 31, 2022	CHF 198,715,145
AUTHORIZED CAPITAL	
December 31, 2020	None
December 31, 2021	None
December 31, 2022	CHF 226,992,515

Changes in capital in 2022
Dufry held an Extraordinary General Meeting of Shareholders ("EGM") on August 31, 2022. The EGM resolved to create additional conditional capital in the amount of CHF 153,316,645 and to introduce the new Article 3quater to the Articles of Incorporation. The EGM further resolved to create authorized capital in the amount of CHF 226,992,515 and to amend Article 3ter of the Articles of Incorporation. The change in the conditional capital and the authorized capital was registered in the commercial register on September 5, 2022.

By way of background, these capital changes occurred as part of the combination of Dufry with Autogrill S.p.A. ("Autogrill"), announced on July 11, 2022. As part of the combination, Schema Beta S.p.A. ("Schema Beta"), a wholly owned subsidiary of Edizione S.p.A. ("Edizione"), has transferred its entire stake of 50.3 %

of the issued share capital of Autogrill to Dufry on February 3, 2023. As consideration, Dufry issued to Schema Beta mandatory convertible notes which converted into 30,663,329 newly issued Dufry shares, at an implied exchange ratio of 0.158 new Dufry shares for each Autogrill share on February 3, 2023. Dufry is launching a mandatory tender offer for the remaining, outstanding Autogrill shares, offering 0.158 new Dufry shares for each Autogrill share. In compliance with Italian takeover law, Dufry will offer a cash alternative equivalent to EUR 6.33 per Autogrill share in the mandatory tender offer.

Changes in capital in 2021

On March 24, 2021, Dufry announced the successful completion of an offering of CHF 500 million new convertible bonds with a coupon of 0.75 % and a conversion price of CHF 87.00, due 2026. At the same time, the Company also announced the launch of a voluntary incentive offer to the holders of the existing CHF 350 million 1.0 % convertible bonds due 2023, by which Dufry offered such holders an incentive payment for the exercise of their conversion rights within the acceptance period.

On April 6, 2021, Dufry successfully completed this voluntary incentive offer regarding the CHF 350 million 1.0 % convertible bonds due 2023. The offer was accepted by holders of convertible bonds with an aggregate principal amount of CHF 347.6 million (99.3 %), who received 10,533,325 fully paid registered shares of Dufry (conversion was effected at a conversion price of CHF 33.00). The remaining 0.7 % of bonds were, upon exercise of the issuer's clean-up call, redeemed at par in cash. The ordinary share capital of Dufry increased through this bond conversion to CHF 453,985,035 (90,797,007 shares) and the conditional capital was reduced to CHF 10,833,375 (2,166,675 shares). The change in the ordinary share capital and conditional capital was registered in the commercial register on April 14, 2021.

At the Annual General Meeting of Shareholders on May 18, 2021, shareholders approved the Board of Directors' proposal to increase the remaining conditional capital from CHF 10,833,375 (2,166,675 shares) to CHF 45,398,500 (9,079,700 shares) to allow physical settlement of the new CHF 500 million 0.75 % convertible bonds due 2026. The change of the conditional capital was registered in the commercial register on May 19, 2021.

Changes in capital in 2020

On April 23, 2020, Dufry successfully completed the placement of 5,000,000 new shares and 500,000 treasury shares, by way of an accelerated bookbuilding. The 5,000,000 new shares were issued from the existing authorized capital. Thereafter the ordinary share capital amounted to CHF 277,835,830 (55,567,166 shares) and the authorized capital to zero. The change in capital was registered in the commercial register on April 24, 2020.

At the Annual General Meeting of Shareholders on May 18, 2020, shareholders approved the Board of Directors' proposal to increase the previously existing conditional capital from CHF 4,442,160 (888,432 shares) to CHF 63,500,000 (12,700,000 shares). The change of the conditional capital was registered in the commercial register on May 19, 2020.

At the Extraordinary General Meeting of Shareholders on October 6, 2020, shareholders approved the Board of Directors' proposal for an ordinary increase of the share capital by a maximum of up to CHF 125,000,000 (25,000,000 shares). On October 20, 2020, Dufry successfully completed the capital increase in an amount of CHF 123,482,580 (24,696,516 shares). After the capital increase, the ordinary share capital amounted to CHF 401,318,410 (80,263,682 shares). The change in capital was registered in the commercial register on October 21, 2020.

2.4 SHARES

As of December 31, 2022, the share capital of Dufry AG is divided into 90,797,007 fully paid in registered shares with a nominal value of CHF 5 each.

The Company has only one category of shares. The shares are issued in registered form. All shares are entitled to dividends if declared. Each share entitles its holder to one vote (see also the new voting rights limitation of 25.1% mentioned below). The Company maintains a share register showing the name and address of the shareholders or usufructuaries. Only persons registered as shareholders or usufructuaries of registered shares in the share register shall be recognized as such by the Company.

The Extraordinary General Meeting of Shareholders, held on August 31, 2022, resolved the following conditional resolutions regarding Article 10 of the Articles of Incorporation, which became effective upon the transfer of the Autogrill shares (i.e. the 50.3% stake owned by Edizione) to Dufry against the issuance of the mandatory convertible notes mentioned previously under section 2.3 "Changes in capital in 2022" above:

- Subject to paragraph 2 of Article 10 of the Articles of Incorporation, each share recorded as share with

voting rights in the share register confers one vote on its registered holder;
- The new paragraph 2 of Article 10 of the Articles of Incorporation reads as follows: Until June 30, 2029, no shareholder may exercise, directly or indirectly, voting rights with respect to own or represented shares in excess of 25.1% of the share capital registered in the commercial register. Legal entities and partnerships or other groups of persons or joint owners who are interrelated to one another through capital ownership, voting rights, uniform management or are otherwise linked as well as individuals or legal entities and partnerships who act in concert or otherwise act in a coordinated manner shall be treated as one single person (existing paras. 2 through 5 were renumbered accordingly).

2.5 PARTICIPATION CERTIFICATES AND PROFIT SHARING CERTIFICATES

The Company has not issued any non-voting equity securities, such as participation certificates ("Partizipationsscheine") or profit sharing certificates ("Genussscheine").

2.6 LIMITATION ON TRANSFERABILITY AND NOMINEE REGISTRATION OF REGISTERED SHARES

- Only persons registered as shareholders or usufructuaries of registered shares in the share register shall be recognized as such by the Company. In the share register, the name and address of the shareholders or usufructuaries is recorded. Changes must be reported to the Company.
- Acquirers of registered shares shall be registered as shareholders with the right to vote, provided that they expressly declare that they acquired the shares in their own name and for their own account.
- The Board of Directors may register nominees with the right to vote in the share register to the extent of up to 0.2% of the registered share capital as set forth in the commercial register. Registered shares held by a nominee that exceed this limit may be registered in the share register with the right to vote if the nominee discloses the names, addresses and number of shares of the persons for whose account it holds 0.2% or more of the registered share capital as set forth in the commercial register. Nominees within the meaning of this provision are persons who do not explicitly declare in the request for registration to hold the shares for their own account and with whom the Board of Directors has entered into a corresponding agreement (see also Article 5 of the Articles of Incorporation). Nominees are only entitled to represent registered shares held by them at a General Meeting of Shareholders provided that they are registered in the share register and they hold a valid written proxy granted by the beneficial owner of the registered shares instructing the nominee how to vote at the General Meeting of Shareholders. Shares held by a nominee for which it is not able to produce such a proxy count as not represented at the General Meeting of Shareholders.
- Corporate bodies and partnerships or other groups of persons or joint owners who are interrelated to one another through capital ownership, voting rights, uniform management or otherwise linked as well as individuals or corporate bodies and partnerships who act in concert to circumvent the regulations concerning the nominees (esp. as syndicates), shall be treated as one single nominee within the meaning of the above mentioned regulation.
- The Board of Directors may cancel the registration, with retroactive effect if appropriate, if the registration was effected based on false information or in case of breach of the agreement between the nominee and the Board of Directors.
- After consulting the party involved, the Company may delete entries in the share register if such entries occurred in consequence of false statements by the purchaser. The purchaser must be informed immediately of the deletion.
- The limitations for registration in the share register described above also apply for shares acquired or subscribed by the exercise of subscription, option or conversion rights.

Exceptions granted in the year under review
The Company has not granted any exceptions during the year under review.

Required quorums for a change of the limitations of transferability
According to the Articles of Incorporation, a change of the limitations on the transfer of registered shares or the removal of such limitations requires a resolution of the General Meeting of Shareholders passed by at least two thirds of the votes represented and the absolute majority of the nominal value of shares represented.

2.7 CONVERTIBLE BONDS AND OPTIONS

Convertible bonds

As of December 31, 2022, the Company had the following convertible bonds / notes outstanding:

GUARANTEED SENIOR CONVERTIBLE BONDS

Issuer	Dufry One B.V., Eindhoven / NL
Listing	SIX Swiss Exchange
Size of issue	CHF 500,000,000
Outstanding amount as of Dec 31, 2022	CHF 500,000,000
Principal amount	CHF 200,000 per bond
Interest rate	0.75% per annum, payable semi-annually (March 30 and September 30)
Maturity	March 30, 2026
Convertible into	Registered shares of Dufry AG (5,747,126 shares)
Conversion price	CHF 87.00 (subject to adjustments)
Conversion period	May 25, 2021 up to and including March 12, 2026
Source of shares	Conditional capital and / or issued and outstanding shares
ISIN-No.	CH1105195684
Swiss Security-No.	1105195684
Ticker symbol	DUF21
Potential dilution	The underlying 5,747,126 registered shares to be potentially issued as a result of the conversion of the senior convertible bonds represent 6.33% of the issued and listed registered shares as of December 31, 2022.

MANDATORY CONVERTIBLE NOTES

Issuer	Dufry One B.V., Eindhoven / NL
Listing	No listing
Size of issue	CHF 69,500,000
Outstanding amount as of Dec 31, 2022	CHF 69,500,000
Principal amount	CHF 100,000 per note
Interest rate	4.1% per annum, payable semi-annually (May 18 and November 18)
Maturity	November 18, 2023
Convertible into	Registered shares of Dufry AG (2,092,113 shares)
Conversion price	CHF 33.22 (subject to adjustments)
Conversion period	November 18, 2020 up to and including November 6, 2023
Source of shares	Conditional capital and / or issued and outstanding shares
ISIN-No.	CH0576402173
Swiss Security-No.	57640217
Ticker symbol	n / a
Potential dilution	The underlying 2,092,113 registered shares to be potentially issued as a result of the conversion of the mandatory convertible notes represent 2.30% of the issued and listed registered shares as of December 31, 2022.

Mandatory convertible notes issued in conjunction with the Autogrill combination in 2023:
Pursuant to the Combination Agreement, Edizione (through Schema Beta) has transferred its entire 50.3% stake of the issued share capital of Autogrill to Dufry on February 3, 2023. Dufry has issued on the same day mandatory convertible notes to Edizione (Schema Beta, respectively), which converted into an aggregate of 30,663,329 newly issued Dufry shares, at an implied exchange ratio of 0.158 new Dufry shares for each Autogrill share on February 3, 2023.

Options

As of December 31, 2022, the Company had no outstanding warrants or options to acquire shares issued by or on behalf of the Company. Dufry has certain share-based compensation, the essentials of which are disclosed in the “Remuneration Report” on page 278 ff.

3. BOARD OF DIRECTORS

3.1 MEMBERS OF THE BOARD OF DIRECTORS

As of December 31, 2022, the Board of Directors comprised nine Board members compared with eleven members as of December 31, 2021. In conjunction with the Autogrill Combination, two additional members of the Board of Directors were elected at the Extraordinary General Meeting of Shareholders on August 31, 2022. Their election became effective after the completion of the transfer of the 50.3% stake in Autogrill from Edizione to Dufry on February 3, 2023.

The members of the Board of Directors are elected individually and for a term of office extending until completion of the next Annual General Meeting of Shareholders. The Chairman of the Board of Directors and the members of the Remuneration Committee are directly elected by the General Meeting of Shareholders.

The following tables set forth the name, profession, nationality and position with Dufry and year of first election as a member of the Board of Directors for each respective member, followed by their Curricula Vitae with a short description of each member's business experience, education and activities.

BOARD OF DIRECTORS AS OF DECEMBER 31, 2022

NAME	PROFESSION	NATIONALITY	POSITION WITH DUFRY	DATE OF FIRST ELECTION
Juan Carlos Torres Carretero	Chairman of Dufry AG	Spanish	Chairman	2003
Heekyung Jo Min	Executive Vice President of CJ CheilJedang	American	Lead Independent Director	2016
Xavier Bouton	Chairman of Supervisory Board of F.S.D.V.	French	Independent Director	2022
Mary J. Steele Guilfoile	Chairwoman of MG Advisors, Inc.	American	Independent Director	2020
Luis Maroto Camino	CEO and President of Amadeus IT Group	Spanish	Independent Director	2019
Joaquín Moya-Angeler Cabrera	Chairman of the Board of Corporación Empresarial Pascual	Spanish	Independent Director	2021
Ranjan Sen	Managing Partner of Advent International	German	Independent Director	2020
Lynda Tyler-Cagni	CEO of Only the Best Agency	British and Italian	Independent Director	2018
Eugenia M. Ulasewicz	Plural Board Independent Director	American	Independent Director	2021

ADDITIONAL MEMBERS OF THE BOARD OF DIRECTORS AS OF FEBRUARY 3, 2023

NAME	PROFESSION	NATIONALITY	POSITION WITH DUFRY	DATE OF FIRST ELECTION
Alessandro Benetton	Chairman of Edizione S.p.A.	Italian	Honorary Chairman	2022[1]
Enrico Laghi	Chief Executive Officer of Edizione S.p.A.	Italian	Vice-Chairman	2022[1]

[1] Elected at the Extraordinary General Meeting on August 31, 2022. Their Board memberships has become effective as of the date of completion of the transfer of the 50.3% stake in Autogrill on February 3, 2023.

Changes in the Board of Directors in fiscal year 2022
Jorge Born, Julián Díaz González and Steven Tadler, members of the Board of Directors since 2010, 2013 and 2018, did not stand for re-election at the Annual General Meeting of Shareholders on May 17, 2022. For details of their Curricula Vitae please refer to pages 241, 242 and 243, respectively, of the Annual Report 2021, which can be downloaded from the Company website under the following link:
www.dufry.com/en/media/download-center page section "All categories - select Financial Reports".

The Annual General Meeting of Shareholders, held on May 17, 2022, elected Mr. Xavier Bouton as a new member of the Board of Directors. The Extraordinary General Meeting of Shareholders, held on August 31, 2022, elected Mr. Alessandro Benetton and Mr. Enrico Laghi as new members of the Board of Directors subject to the completion of the Autogrill transaction described above. For effectiveness of their election to the Board of Directors, please see comments above.

3.2 EDUCATION, PROFESSIONAL BACKGROUND, OTHER ACTIVITIES AND FUNCTIONS

JUAN CARLOS TORRES CARRETERO
Executive Chairman,
born 1949, Spanish

Education
MS in physics from Universidad Complutense de Madrid and MS in management from MIT's Sloan School of Management.

Professional Background
Many years of private equity and senior management operating experience. 1988 Joined Advent International, a private equity firm, in Boston as a partner. 1991 – 1995 Partner at Advent International in Madrid. 1995 – 2016 Managing Partner in charge of Advent International Corporation's investment activities in Latin America.

Current Board Mandates
Listed companies:
Dufry AG

Not listed companies or organizations:
None

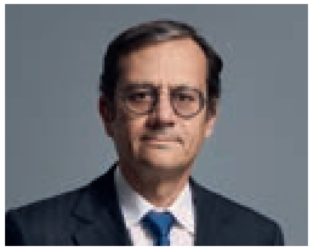
ALESSANDRO BENETTON
Honorary Chairman,
Independent Director,
as of February 3, 2023
Non-Executive,
born 1964, Italian

Education
BBA from Boston University, MBA from Harvard Business School.

Professional Background
Mr. Benetton has been Chairman, CEO and founder of 21 Invest S.p.A. since 1992. He has been serving as member of the Board of Directors of Autogrill S.p.A. (1997 – 2023), as President of the Cortina 2021 Foundation to organize the Alpine Ski World Championships (2017 – 2021), as Chairman of the Benetton Group (2012 – 2013), as Board member of Robert Bosch International Holdings AG (2002 – 2018) and as Chairman of the Benetton Formula 1 Racing Team (1988 – 1998). Since 2022, Chairman of Edizione S.p.A. and Vice Chairman of Atlantia S.p.A. (since 2023).

Current Board Mandates
Listed companies:
Dufry AG

Not listed companies or organizations:
Atlantia S.p.A., 21 Invest S.p.A., 21 Investimenti S.p.A., 21 Investimenti SGR S.p.A., 21 Invest France, University of Naples, Parthenope.



ENRICO LAGHI
Vice-Chairman,
Independent Director,
as of February 3, 2023
Non-Executive,
born 1969, Italian

Education
Degree in Business Administration from the La Sapenzia University of Rome. Professor of Accounting & Finance at the La Sapienza University of Rome.

Professional Background
Mr. Laghi has been serving as member of the Board of Directors and the Board of Statutory Auditors of a number of listed Italian entities including Acea S.p.A. (2013 – 2019), Pirelli & C. S.p.A. (2006 – 2014), Gruppo Editoriale L'Espresso S.p.A. (2012 – 2013) and Unicredit S.p.A. (2013 – 2017) and Beni Stabili (2010 – 2018). Commissioner of Alitalia. Chairman of Edizione S.p.A. (2020 – 2022). Since 2022, Chief Executive Officer of Edizione S.p.A.

Current Board Mandates
Listed companies:
Dufry AG

Not listed companies or organizations:
Edizione S.p.A., Atlantia S.p.A., Abertis Infraestructuras SA, Studio Laghi Srl

HEEKYUNG JO MIN
Lead Independent Director,
Non-Executive,
born 1958, American

Education
Ph. D in Business Administration from Seoul Business School (aSSIST), MBA from Columbia University Graduate School of Business in New York, and a BA from Seoul National University.

Professional Background
2004 – 2005 Executive Vice President at Prudential Investments and Securities Co. in Korea. 2006 Country Advisor, Global Resolutions in Korea. 2007 – 2010 Director General of the Investment Promotion Bureau at the Incheon Free Economic Zone (IFEZ) in Korea. 2011 – 2013 Chief HR Officer of CJ Corporation in Korea. Since 2013, Executive Vice President and Head of Corporate Social Responsibility of CJ CheilJedang. Ms. Min speaks regularly on the subject of sustainability and ESG (Environment, Social, Governance).

Current Board Mandates
Listed companies:
Dufry AG

Not listed companies or organizations:
Asia New Zealand Foundation (Honorary Advisor) and CJ Welfare Foundation.

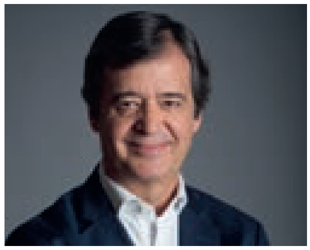
MARY J. STEELE GUILFOILE
Independent Director,
Non-Executive,
born 1954, American

Education
Bachelor of Science from Boston College Carroll School of Management, MBA from Columbia Business School, Licensed, certified public accountant.

Professional Background
1996 – 2000 Partner, CFO and COO of The Beacon Group, LLC, a private equity, strategic advisory and wealth management partnership. 2000 – 2002 Several management positions such as Executive Vice President and Corporate Treasurer at JPMorgan Chase & Co. and Chief Administrative Officer of its investment bank. Served previously on the Board of Directors of Viasys Healthcare Inc. (2001 – 2005), Valley National Bancorp (2003 – 2018), Boston College (1991 – 2011) and Hudson Ltd. (2018 – 2020). Serves as a member of the Boards of Directors of C.H. Robinson Worldwide, Inc. (since 2012), The Interpublic Group of Companies, Inc. (since 2007) and Pitney Bowes, Inc. (since 2018). Since 2002 serves as Chairwoman of MG Advisors, Inc. and has been a Partner of The Beacon Group, LP since 1998.

Current Board Mandates
Listed companies:
Dufry AG, C.H. Robinson Worldwide, Inc., The Interpublic Group of Companies, Inc. and Pitney Bowes, Inc.

Not listed companies or organizations:
Chair of MG Advisors, Inc., Boston College (Trustee Associate), The Beacon Group LP



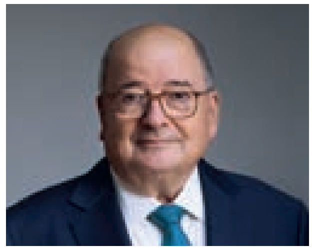
LUIS MAROTO CAMINO
Independent Director,
Non-Executive,
born 1964, Spanish

Education
Bachelor's degree in Law from the Universidad Complutense Madrid, MBA from the Instituto de Estudios Superiores de la Empresa, Madrid (IESE), further qualifications from Stanford, Harvard Business School, INSEAD and IMD.

Professional Background
2000 Joined Amadeus IT Group, a leading player in the travel and tourism industry, where he served as Deputy CEO, CFO and Director Marketing Finance. Prior to joining Amadeus, he held several managerial positions at the Bertelsmann Group. Since 2011, CEO and President of Amadeus IT Group.

Current Board Mandates
Listed companies:
Dufry AG and Amadeus IT Group.

Not listed companies and organizations:
None



XAVIER BOUTON
Independent Director,
Non-Executive,
born 1950, French

Education
Diploma in economics and finance from l'Institut d'Etudes Politiques de Boardeaux and doctorate in economics and business administration from the University of Bordeaux.

Professional Background
1978 – 1984 Director of C.N.I.L. (Commission Nationale de l'Informatique et des Libertés). 1985 – 1994 General Secretary of Reader's Digest Foundation. 1990 – 2005 Board member of Laboratoires Chemineau. 1999 – 2021 Board member of ADL Partners. 2005 – 2017 Board member of Dufry AG. Since 1999 Chairman of the Supervisory Board of F.S.D.V. (Fayenceries de Sarreguemines Digoin & Vitry la François), and since 2021 Chairman of the Board of Directors of Edeis.

Current Board Mandates
Listed companies:
Dufry AG and F.S.D.V. (Fayenceries de Sarreguemines Digoin & Vitry la François).

Not listed companies or organizations:
Edeis

JOAQUÍN MOYA-ANGELER CABRERA
Independent Director,
Non-Executive,
born 1949, Spanish

Education
Master's degree in mathematics from the University of Madrid, diploma in economics and forecasting from the London School of Economics and Political Science and an MS in management from MIT's Sloan School of Management.

Professional Background
Mr. Moya-Angeler has focused his career on the technology and real estate industries, including having founded a number of companies. He has been the Chairman of the Board of Directors of various companies: IBM Spain (1994–1997), Leche Pascual (1994–1997), Meta4 (1997–2002), TIASA (1996–1998), and Hildebrando (2003–2014). Served previously on the Board of Directors of Dufry AG (2005–2018) and Hudson Ltd. (2018–2021). To date Chairman of the Board of Directors of La Quinta Real Estate (since 1994), Chairman of the Board of Directors of Corporación Empresarial Pascual (since 1994), Chairman of the Board of Directors of Avalon Private Equity (since 1999). Serves on the advisory boards of private equity firms Palamon Capital Partners and MCH Private Equity.

Current Board Mandates
Listed companies:
Dufry AG

Not listed companies or organizations:
La Quinta Real Estate, Corporación Empresarial Pascual, Avalon Private Equity, Palamon Capital Partners (Board of Advisors), MCH Private Equity (Board of Advisors).

RANJAN SEN
Independent Director,
Non-Executive,
born 1969, German

Education
Degree in Business Administration from Richmond University in London.

Professional Background
Many years of private equity and banking experience. 2003 Joined Advent International as Director. Since 2016 Managing Partner at Advent International. Member of the European and Asian Investment Advisory Committee and Head of the German office in Frankfurt of Advent International.

Current Board Mandates
Listed companies:
Dufry AG and InPost Poland.

Not listed companies or organizations:
Hermes Germany GmbH

LYNDA TYLER-CAGNI
Independent Director,
Non-Executive,
born 1956, British and Italian

Education
B.A. (Hons) in Languages, Economics & Politics from the University of Kingston, London.

Professional Background
Lynda Tyler-Cagni held various global executive positions with Fast Retailing, Uniqlo and Zegna. She is the founder and CEO at Only the Best, an agency advising and representing talent primarily in fashion, luxury and retail. She also served as a Director of Atlantia SpA, an Italian listed global infrastructure operator until November 2018. Ms. Tyler-Cagni previously served on the Board of World Duty Free Group as a non-executive and independent member and chair of the HR & Remuneration Committee (from 2013 until the acquisition of World Duty Free Group by Dufry AG in 2015).

Current Board Mandates
Listed companies:
Dufry AG

Not listed companies or organizations:
EDHEC Paris and Bloch International Pty Ltd.

EUGENIA M. ULASEWICZ
Independent Director,
Non-Executive,
born 1953, American

Education
Bachelor's degree from the University of Massachusetts, Amherst, Doctor of Law, College of Mount Saint Vincent, NY.

Professional Background
Ms Ulasewicz had a successful career serving in many roles as a global retail industry executive, most recently as President, Burberry Americas until 2013. She serves on the Board of Directors of Signet Jewelers (since 2014), is Chair of the Corporate Citizenship & Sustainability Committee and a member of the Compensation Committee, Vince Holding Corp (since 2014), is Chair of the Compensation Committee and a member of Audit Committee, and ASOS Plc (since 2020) where she is Chair of the ESG Committee and a member of Audit and Remuneration Committees. She served on the Board of Directors of Hudson, Ltd (2018 - 2020) and Bunzl plc (2011 - 2020).

Current Board Mandates
Listed companies:
Dufry AG, Signet Jewelers Ltd., Vince Holding Corporation, and ASOS Plc (from the latter mandate, resigned as of January 11, 2023).

Not listed companies or organizations:
None

Diversity and independence

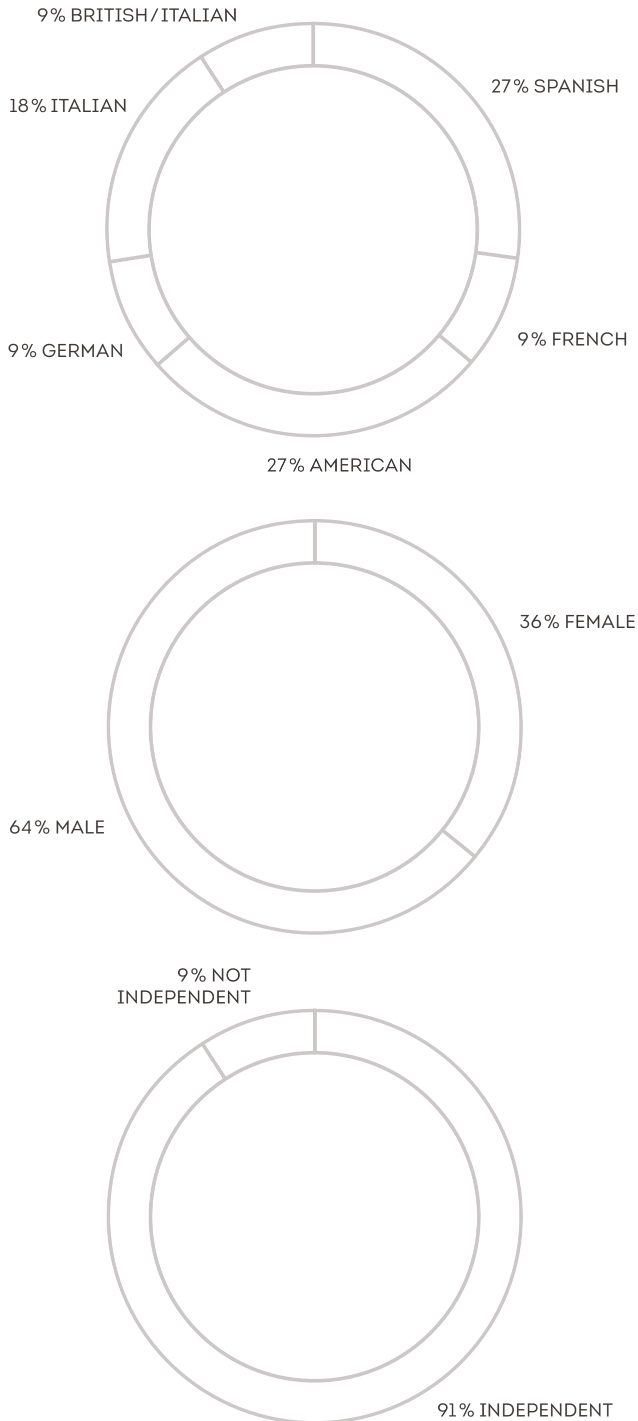
As of March 1, 2023, following the effectiveness of the Board memberships of Messrs. Benetton and Laghi, the Board of Directors has 64 % male and 36 % female members (December 31, 2022: 56 % male and 44 % female members), including the Lead Independent Director.

Due to his intense involvement with the Company's management, the Chairman of the Board of Directors, Mr. Juan Carlos Torres Carretero, is considered an executive Chairman. In his executive role, a substantial amount of his time is devoted to the Company's operations where he works very closely with the CEO to pursue value-enhancing initiatives including strategically important relationships, joint ventures or acquisitions, strengthening the Company's partnerships with governments, large suppliers and airport authorities. He also supports re-financing activities and capital markets transactions of the Company. As of March 1, 2023, and December 31, 2022, all other members of the Board of Directors (91 % and 89 %, respectively, of the Board) are non-executive members and are also considered independent.

Over the past years, the Board of Directors has been consistently renewed. As of March 1, 2023, 82 % (December 31, 2022: 78 %) of the Board members have a tenure of 5 years or less.

None of the members of the Board of Directors (members as of March 1, 2023 and December 31, 2022, respectively) have ever been in a managerial position at Dufry AG or any of its subsidiaries. For information on related parties and related party transactions please refer to Note 41 on page 217 of the Consolidated Financial Statements and to the information provided in the Remuneration Report on page 278 ff. of this Annual Report.

DIVERSITY OF THE BOARD OF DIRECTORS AS OF MARCH 1, 2023



BOARD OF DIRECTORS AND BOARD COMMITTEES AS OF DECEMBER 31, 2022

BOARD OF DIRECTORS

Chairman:
Juan Carlos Torres Carretero

Lead Independent Director:
Heekyung Jo Min

Xavier Bouton[1]
Joaquín Moya-Angeler Cabrera
Eugenia M. Ulasewicz
Mary J. Steele Guilfoile
Ranjan Sen
Luis Maroto Camino
Lynda Tyler-Cagni

[1] Member of the Board of Directors since the Annual General Meeting of Shareholders held on May 17, 2022.
Note: Messrs. Alessandro Benetton and Enrico Laghi were elected as members of the Board of Directors at the Extraordinary General Meeting of Shareholders on August 31, 2022. Their memberships became effective as of the date of the transfer of the 50.3% stake in Autogrill on February 3, 2023.

AUDIT COMMITTEE

Mary J. Steele Guilfoile, Chairwoman
Luis Maroto Camino
Heekyung Jo Min
Joaquín Moya-Angeler Cabrera

NOMINATION AND ESG COMMITTEE

Heekyung Jo Min, Chairwoman
Joaquín Moya-Angeler Cabrera
Lynda Tyler-Cagni
Eugenia M. Ulasewicz

REMUNERATION COMMITTEE

Luis Maroto Camino, Chairman
Joaquín Moya-Angeler Cabrera
Eugenia M. Ulasewicz

OVERVIEW INDIVIDUAL ATTENDANCE BOARD AND COMMITTEE MEETINGS

MEMBER OF THE BOARD OF DIRECTORS	BOARD MEETINGS	AUDIT COMMITTEE	NOMINATION AND ESG COMMITTEE	REMUNERATION COMMITTEE
Juan Carlos Torres Carretero	12/12	–	–	–
Heekyung Jo Min[1, 2]	12/12	3/3	5/5	–
Xavier Bouton[3]	6/7	–	–	–
Mary J. Steele Guilfoile[4]	11/12	4/4	–	–
Luis Maroto Camino	10/12	4/4	–	6/7
Joaquín Moya-Angeler Cabrera[1, 5]	12/12	3/3	3/3	7/7
Ranjan Sen	11/12	–	–	–
Lynda Tyler-Cagni	12/12	–	5/5	–
Eugenia M. Ulasewicz[5]	12/12	–	3/3	7/7
Number of meetings in fiscal year 2022	**12**	**4**	**5**	**7**
Average attendance ratio[6]	**95%**	**100%**	**100%**	**95%**

[1] Member of the Audit Committee since May 17, 2022.
[2] Chairwoman of the Nomination and ESG Committee since April 1, 2022.
[3] Member of the Board of Directors since the Annual General Meeting of Shareholders on May 17, 2022.
[4] Chairwoman of the Audit Committee since May 17, 2022.
[5] Member of the Nomination and ESG Committee since April 1, 2022.
[6] The average attendance ratio regarding the Committees refers directly to the members of the respective Committee. Additional participants who participate as guests in Committee meetings are not included in the percentage calculations. For the newly elected Board members, their attendance ratio is calculated as of the date of their election at the General Meeting of Shareholders or the appointment to the Committees by the Board of Directors, as the case may be.

3.2 RULES IN THE ARTICLES OF INCORPORATION REGARDING THE NUMBER OF PERMITTED MANDATES OUTSIDE THE COMPANY

For the website link regarding the Articles of Incorporation referred to in the following chapters please see page 276 of this Corporate Governance Report.

In accordance with Article 24 para. 2 of the Articles of Incorporation, dated August 31, 2022, no member of the Board of Directors may hold more than four additional mandates in listed companies and ten additional mandates in non-listed companies. The following mandates are not subject to the limitations under para. 2 of this Article:

a) Mandates in companies which are controlled by the Company or which control the Company;
b) Mandates held at the request of the Company or any company controlled by it. No member of the Board of Directors may hold more than ten such mandates; and
c) Mandates in associations, charitable organizations, foundations, trusts and employee welfare foundations. No member of the Board of Directors may hold more than ten such mandates.

Mandates shall mean mandates in the supreme governing body of a legal entity which is required to be registered in the commercial register or a comparable foreign register. Mandates in different legal entities that are under joint control or the same beneficial ownership are deemed one mandate.

3.3 ELECTION AND TERMS OF OFFICE

In accordance with Article 13 of the Articles of Incorporation, dated August 31, 2022:

- The Board of Directors shall consist of at least three and at most nine members.
- Members of the Board of Directors and the Chairman of the Board of Directors shall be elected for a term of office extending until completion of the next Annual General Meeting of Shareholders.
- The members of the Board of Directors and the Chairman of the Board of Directors may be re-elected without limitation.
- If the office of the Chairman of the Board of Directors is vacant, the Board of Directors shall appoint a Chairman from among its members for a term of office extending until completion of the next Annual General Meeting of Shareholders.
- Except for the election of the Chairman of the Board of Directors and the members of the Remuneration Committee by the General Meeting of Shareholders, the Board of Directors determines its own organization. The Board of Directors shall elect a Vice-Chairman. It shall appoint a Secretary who does not need to be a member of the Board of Directors.

The Extraordinary General Meeting of Shareholders, held on August 31, 2022, resolved the following conditional resolutions regarding Article 13 of the Articles of Incorporation, which became effective upon the transfer of the Autogrill shares (i.e. the 50.3% stake owned by Edizione) to Dufry against the issuance of the mandatory convertible notes mentioned previously under section 2.3 “Changes in Capital 2022” (amendments underlined):

- The Board of Directors shall consist of at least three and at <u>most eleven</u> members.
- Except for the election of the Chairman of the Board of Directors and the members of the Remuneration Committee by the General Meeting of Shareholders, the Board of Directors determines its own organization. The Board of Directors <u>may elect up to two Vice-Chairman and a Honorary Chairman from amongst its members.</u> It shall appoint a Secretary who does not need to be a member of the Board of Directors.

All nine members of the Board of Directors, who are active as of December 31, 2022, were elected in individual elections at the Annual General Meeting of Shareholders held on May 17, 2022. The Annual General Meeting of Shareholders re-elected Juan Carlos Torres Carretero as Chairman of the Board of Directors. Ms. Eugenia M. Ulasewicz, Mr. Joaquín Moya-Angeler Cabrera and Mr. Luis Maroto Camino were re-elected in individual elections as members of the Remuneration Committee at this Annual General Meeting of Shareholders.

In addition, Mr. Alessandro Benetton and Mr. Enrico Laghi were elected in individual elections at the Extraordinary General Meeting of Shareholders on August 31, 2022. Their Board memberships became effective as of February 3, 2022, as explained above.

3.4 INTERNAL ORGANIZATIONAL STRUCTURE

Except for the election of the Chairman of the Board of Directors and the members of the Remuneration Committee (which are to be elected by the General Meeting of Shareholders), the Board of Directors determines its own organization. It shall elect the Lead Independent Director or a Vice-Chairman, the members of the Audit Committee and of the Nomination and ESG Committee, and appoint a Secretary who does not need to be a member of the Board of Directors. Under the new Articles of Incorporation that were resolved at the Extraordinary General Meeting (and effective as of the transfer of the Autogrill stake), the Board of Directors may elect up to two Vice-Chairmen and a Honorary Chairman from amongst its members.

As of December 31, 2022, Dufry AG has three committees: the Audit Committee, the Nomination and ESG Committee and the Remuneration Committee. All three Committees are assisting the Board of Directors in fulfilling its duties and have also decision authority to the extent described below.

ESG-related oversight by the Board of Directors
At the level of the Board of Directors, the implementation of Dufry's ESG strategy is supervised by the Nomination and ESG Committee, which is chaired by the Lead Independent Director. The entire Board of Directors is quarterly informed on the ESG strategy implementation.

On the management level, the interdisciplinary ESG Committee defines and drives the implementation of the ESG strategy. The ESG Committee in 2022 consisted of the CEO, CFO, CEO Operations, Chief Commercial Officer, Chief Diversity & Inclusion Officer, Group General Counsel, Global Chief Corporate Officer, Chief People Officer, Chief Compliance Officer, Global Internal Audit Director, Global Head of Investor Relations and the Global Head of Corporate Communications & Public Affairs. This Committee met 6 times in 2022.

The day-to-day implementation of the ESG strategy is executed by the ESG Department as part of the Corporate Communications & Public Affairs department.

Audit Committee
Members as of December 31, 2022: Mary J. Steele Guilfoile (Chairwoman of the Audit Committee), Luis Maroto Camino, Heekyung Jo Min, Joaquín Moya-Angeler Cabrera.

The members of the Audit Committee are all non-executive and independent members of the Board of Directors. Pursuant to item 14 of the Swiss Code of Best Practice for Corporate Governance (SCBP), an independent member is a non-executive member, who has not been an executive member of the Dufry Group in the last three years and has no or comparatively minor business relations with the Company. The members shall be appointed, as a rule, for the entire duration of their mandate as Board members and be re-eligible.

The Audit Committee assists the Board of Directors in fulfilling its duties of supervision of management. It performs the following duties and responsibilities:
- Review and assessment of the performance and independence of the Auditors;
- Review and assessment of the audit plan and the audit results and monitoring of the implementation of the findings by management;
- Review the Auditors' reports and discuss their contents with the Auditors and the management;
- Review the effectiveness of the internal audit function, its professional qualifications, resources, independence and its cooperation with external audit;
- Approval of the annual internal audit concept and the annual internal audit report, including the response of the management thereto;
- Assessment of the risk management and of the proposed measures to reduce risks;
- Assessment of the compliance levels and risk management;
- Make a proposal to the Board of Directors with respect to the annual and interim statutory and consolidated financial statements.

The Audit Committee regularly reports to the Board of Directors on its decisions, assessments, findings and proposes appropriate actions. The Audit Committee generally meets at the same dates the Board of Directors meetings take place (usually 4–5 times per year), although the Chairman may call meetings as often as business requires.

In fiscal year 2022, the Audit Committee held 4 meetings (Q1: 1 meeting, Q2: 1 meeting, Q3: 1 meeting, and Q4: 1 meeting) with management to review the business, better understand laws, regulations and policies impacting the Group and its business and support the management in meeting the requirement and expectations of stakeholders.

The length of the meetings was approximately 2 to 3 hours in 2022. The auditors attended 3 meetings via video conference. The Chairman of the Board of Directors usually participates as a guest in the Audit Committee meetings. Members of the Global Executive Committee attended the meetings of the Audit Committee as follows: CEO 3 meetings, former CEO 2 meetings and the CFO (who acts as Secretary of the Audit Committee) 4 meetings. Chief Corporate Officer 1 meeting.

Nomination and ESG Committee
Members as of December 31, 2022: Heekyung Jo Min (Chairwoman of the Nomination and ESG Committee), Joaquín Moya-Angeler Cabrera, Lynda Tyler-Cagni, Eugenia M. Ulasewicz.

In April 2022, the previously separate function for the oversight of ESG (held by the Lead Independent Director) and the former Nomination Committee were combined into the new Nomination and ESG Committee. The members of the Nomination and ESG Committee are all non-executive and independent members of the Board of Directors. Pursuant to item 14 of the Swiss Code of Best Practice for Corporate Governance (SCBP), an independent member is a non-executive member, who has not been an executive member of the Dufry Group in the last three years and has no or comparatively minor business relations with the Company. The members shall be appointed, as a rule, for the entire duration of their mandate as Board members and be re-eligible.

The Nomination and ESG Committee assists the Board of Directors in fulfilling its nomination and ESG strategy related matters. It performs the following duties and responsibilities:
- Assure the long-term planning of appropriate appointments to the positions of the CEO and the Board of Directors;
- Review the curriculum vitae, credentials and experience of the candidates proposed by the Board of Directors to fill vacancies on the Board of Directors or for the position of the CEO;
- Make recommendations on Board composition and balance;
- Present to the Board a proposal of succession plan for the position of the CEO at least once a year;
- Present to the Board a proposal of succession plan for the position of the Chairman of the Board;
- Review the adequacy of the selection system and criteria used for the appointment of the members of the Global Executive Committee;
- Review on a regular basis and oversee the Group's global strategy and reputation regarding ESG matters and make recommendations to the Board on measures to ensure the long-term governance and sustainability of the Group;
- Monitor and assess current and emerging trends in ESG matters that may affect the business, operations, performance or reputation of the Group;
- Monitor the Group's performance regarding ESG matters based on metrics, systems and procedures, as deemed necessary and appropriate;
- Review the sustainability report intended for publication and make a proposal to the Board with respect to the approval of such report;
- Oversee the Group's communication and engagement on ESG matters with employees, shareholders, investors, customers, the media and the general public;
- Monitor and assess the developments in corporate governance-related laws, regulations, standards and best practices, and analyze the external perception of the corporate governance of the Company and the Group;
- Advise and make recommendations to the Board regarding corporate governance-related matters; and
- Annually conduct and supervise the self-assessment of the Board and its Committees, and the assessment of the CEO and the other members of the Global Executive Committee.

The Nomination and ESG Committee meets as often as business requires (usually 2 – 4 meetings per year).

The Nomination and ESG Committee held 5 meetings in the fiscal year 2022 that lasted about 2 to 3 hours (Q1: 2 meetings, Q2: 2 meetings, and Q4: 1 meeting). Members of the Global Executive Committee attended these meetings as follows: CEO 3 meetings.

Remuneration Committee
Members as of December 31, 2022: Luis Maroto Camino (Chairman of the Remuneration Committee), Joaquín Moya-Angeler Cabrera, Eugenia M. Ulasewicz.

The members of the Remuneration Committee are all non-executive and independent members of the Board of Directors. Pursuant to item 14 of the Swiss Code of Best Practice for Corporate Governance (SCBP), an independent member is a non-executive member, who has not been an executive member of the Dufry Group in the last three years and has no or comparatively minor business relations with the Company. The members shall be appointed by the General Meeting of Shareholders until the next Annual General Meeting of Shareholders and be re-eligible.

The Remuneration Committee assists the Board of Directors in fulfilling its remuneration related matters. It performs the following duties and responsibilities:
- Review and assess the remuneration system of the Company and the Group (including the management incentive plans) and make proposals in connection thereto to the Board of Directors;
- Make recommendations regarding the proposals of the Board of Directors for the maximum aggregate amount of compensation of the Board of Directors

and the Global Executive Committee to be submitted to the Annual General Meeting of Shareholders for approval;
- Make proposals in relation to the remuneration package of the CEO and the members of the Board of Directors;
- Make proposals on the grant of options or other securities under any management incentive plan of the Company;
- Review and recommend to the Board of Directors the remuneration report.

The Remuneration Committee meets as often as business requires (usually 4 meetings per year).

The Remuneration Committee held 7 meetings in the fiscal year 2022 that lasted about 2 to 3 hours (Q1: 3 meetings, Q2: 1 meeting, Q3: 1 meeting, Q4: 2 meetings). The Chairman of the Board of Directors usually participates as a guest in the Remuneration Committee meetings. Members of the Global Executive Committee attended these meetings as follows: CEO 4 meetings, former CEO 2 meetings.

At the Extraordinary General Meeting on August 31, 2022, Mr. Enrico Laghi was also elected as a member of the Remuneration Committee. This election became effective as of the date of the transfer of the 50.3% stake in Autogrill shares from Edizione to Dufry on February 3, 2023.

Work method of the Board of Directors
As a rule, the Board of Directors meets about six to seven times a year (usually at least once per quarter). Additional meetings or conference calls are held as and when necessary. The Board of Directors held 12 meetings during fiscal year 2022. The Board of Directors held 8 of these meetings as physical meetings and 4 as video conference meetings. The meetings of the Board of Directors lasted about 4 hours. The Chairman determines the agenda and items to be discussed at the Board meetings. All members of the Board of Directors can request to add further items on the agenda.

The CEO, the CFO, and the Group General Counsel, also acting as Secretary to the Board, usually attend the meetings of the Board of Directors. Other members of the Global Executive Committee may attend meetings of the Board of Directors as and when required. Members of the Global Executive Committee attended these meetings of the Board of Directors in 2022 as follows: CEO 12 meetings, former CEO 4 meetings, CFO 12 meetings, Group General Counsel 12 meetings, Global Chief Corporate Officer 6 meetings, The Board of Directors also engages specific advisors to address specific matters when required. External financial advisors attended pertinent portions of 2 meetings of the Board of Directors in 2022. The external Auditors attended 3 meetings of the Audit Committee in 2022.

3.5 DEFINITION OF AREAS OF RESPONSIBILITY

The Board of Directors is the ultimate corporate body of Dufry AG. It further represents the Company towards third parties and shall manage all matters which by law, the Articles of Incorporation or the Board regulations have not been delegated to another body of the Company.

In accordance with the Board regulations ("Organisationsreglement"), the Board of Directors has delegated the operational management of the Company to the CEO who is responsible for overall management of the Dufry Group. The following responsibilities remain with the Board of Directors:
- Ultimate direction of the business of the Company and the power to give the necessary directives;
- Determination of the organization of the Company;
- Administration of the accounting system, financial control and financial planning;
- Appointment and removal of the members of the committees installed by itself as well as the persons entrusted with the management and representation of the Company, as well as the determination of their signatory power;
- Ultimate supervision of the persons entrusted with the management of the Company, in particular with respect to their compliance with the law, the Articles of Incorporation, regulations and directives;
- Preparation of the business report, the remuneration report and the General Meetings of Shareholders and to carry out the resolutions adopted by the General Meeting of Shareholders;
- Submission of an application for debt-restructuring moratorium and notification of the judge if liabilities exceed assets;
- Passing of resolutions regarding the subsequent payment of capital with respect to non-fully paid in shares;
- Passing of resolutions confirming increases in share capital and the amendments of the Articles of Incorporation entailed thereby;
- Non-delegable and inalienable duties and powers of the Board of Directors pursuant to the Swiss Merger Act;
- To approve any non-operational or non-recurring transaction not included in the annual budget and exceeding the amount of CHF 10,000,000;

- To issue convertible debentures, debentures with option rights or other financial market instruments;
- To approve the annual investment and operating budgets of the Company and the Dufry Group;
- To approve the executive regulations promulgated in accordance with the board regulations; and
- To propose an independent voting rights representative for election to the General Meeting of Shareholders, and to appoint an independent voting rights representative in the event of a vacancy.

Except for the Chairman of the Board of Directors, who has single signature authority, the members of the Board have joint signature authority, if any.

3.6 INFORMATION AND CONTROL INSTRUMENTS VIS-À-VIS THE SENIOR MANAGEMENT

The Board of Directors ensures that it receives sufficient information from the management to perform its supervisory duty and to make the decisions that are reserved to the Board through several channels as shown below.

Management Information System (MIS)
Dufry Group has an internal management information system that consists of financial statements, performance indicators and risk management. Information to management is provided on a regular basis according to the cycles of the business: sales on a daily and weekly basis; income statement, cash management and key performance indicators (KPI) including customer, margins and investment information, balance sheet, cash flow and other financial statements on a monthly basis. Management information is prepared on a consolidated basis as well as on a regional basis. Financial statements and key performance indicators are submitted to the entire Board of Directors on a quarterly basis. These quarterly updates also include non-financial information such as, but not exclusively, general business updates, progress on the implementation of the company's ESG strategy as well as status updates from the Global Internal Audit & Investigations Department.

Board Meetings and CEO Reports
During Board meetings, each member of the Board may request information from the other members of the Board, as well as from the members of the management present on all affairs of the Company and the Group. Outside of Board meetings, each member of the Board may request from the CEO information concerning the course of business of the Company and the Group and, with the authorization of the Chairman, about specific matters.

The CEO reports at each meeting of the Board of Directors on the course of business of the Company and the Group in a manner agreed upon from time to time between the Board and the CEO. Apart from the meetings, the CEO reports immediately any extraordinary event and any change within the Company and within the Dufry Group to the Chairman.

Reports from Global Internal Audit & Investigations Department
The Global Internal Audit department provides independent risk-based and objective assurance reviews and performs loss prevention analysis to group companies through different activity streams. Key risks are identified and corresponding processes and controls included in the annual risk auditing plan. The department prepares a detailed review and auditing plan on a yearly basis with quarterly reassessments and submits it to the Audit Committee.

Internal Audit
Internal audit is an independent function that provides objective assurance and consulting activity, aiming to improve the organization's operations. The selection of Internal Audit reviews to be executed during the year is based on a specific methodology throughout the Dufry Group and includes the consideration of internal and external factors. Regular follow-up is performed to ensure that risk mitigation and control improvement measures are implemented on a timely basis.

Global Investigations
The Global Investigations activity was created to prevent losses and misappropriations within the Group. The day-to-day work is designed to leverage profitability using advanced data mining, machine learning and anti-fraud techniques. Currently, validations are performed monthly or bi-monthly for all Group companies and results are proven to provide valuable information for loss prevention purposes. Additionally, Dufry is continuously evolving and implementing techniques to establish validations that can enhance the coverage and / or create a higher assurance level over the key retail risks.

All results of the Global Internal Audit & Investigations activities' are communicated to key management in charge and to the Group's senior management, including the members of the Global Executive Committee and the Audit Committee on a regular basis.

2022 Focus Points of Global Internal Audit & Investigations

In fiscal year 2022, Global Internal Audit conducted 28 reviews, with a global or operation scope examining activities, risk exposures and processes. In line with various initiatives implemented by the Group, to adapt the Company to the new business environment and to prepare the organization for the recovery phase after COVID-19 and beyond, Global Internal Audit's approach was to focus its efforts in assuring key retail risk around inventory and cash management globally and continuously evaluating the correct implementation of new processes and procedures, as well as on executing specific reviews with an operational scope as part of the normal assurance activities.

The Global Investigations team executed monthly validations for assurance over the cash deposits and POS transactions globally, with coverage of over 90 % of net sales.

Financial and Environmental Risk Management

Detailed information on the financial risk management is provided in Notes 36 to 40 in the consolidated financial statements of this Annual Report. Information on the overall Group Risk Management, which includes environmental risk management is provided in the Sustainability Report Annex on page 303 ff of this report and on the sustainability website:
www.dufry.com/en/sustainability.

Meetings and Attendance

For attendance of the members of the Global Executive Committee at meetings of the Board of Directors or meetings of the Board Committees please refer to section "3.5 Internal organizational structure" above, which also includes the detailed description of the Audit Committee's organization and working methods.

4. GLOBAL EXECUTIVE COMMITTEE

4.1 MEMBERS OF THE GLOBAL EXECUTIVE COMMITTEE

As of December 31, 2022, the Global Executive Committee comprised seven executives (also seven members as of December 31, 2021). The Global Executive Committee under the control of the CEO conducts the operational management of the Company pursuant to the Company's board regulations. The CEO reports to the Board of Directors on a regular basis.

The following table sets forth the name, nationality, position and year of appointment of the respective members, followed by their Curricula Vitae with a short description of each member's business experience, education and activities. All agreements entered into with the members of the Global Executive Committee are entered for an indefinite period of time.

GLOBAL EXECUTIVE COMMITTEE AS OF DECEMBER 31, 2022

NAME	NATIONALITY	POSITION	GEC MEMBER SINCE YEAR
Xavier Rossinyol	Spanish	Chief Executive Officer (CEO)	2022
Yves Gerster	Swiss	Chief Financial Officer (CFO)	2019
Eugenio Andrades	Spanish	Chief Executive Officer Operations (CEOO)	2016
Andrea Belardini	Italian	Chief Commercial Officer (CCO)	2019
Sarah Branquinho	British	Chief Diversity & Inclusion Officer (CDIO)	2021
Pascal C. Duclos	Swiss	Group General Counsel (GGC)	2005
Luis Marin	Spanish	Global Chief Corporate Officer (GCCO)	2014

ADDITIONAL GLOBAL EXECUTIVE COMMITTEE MEMBER AS OF JANUARY 1, 2023

NAME	NATIONALITY	POSITION	GEC MEMBER SINCE YEAR
Katrin Volery	Swiss	Chief People Officer (CPO)	2023

NEW GLOBAL EXECUTIVE COMMITTEE AS OF FEBRUARY 7 / MARCH 2, 2023

NAME	NATIONALITY	POSITION	GEC MEMBER SINCE YEAR
Xavier Rossinyol	Spanish	Chief Executive Officer (CEO)	2022
Yves Gerster	Swiss	Chief Financial Officer (CFO)	2019
Freda Cheung	Canadian	President and CEO Asia Pacific (APAC)	2023
Pascal C. Duclos	Swiss	Group General Counsel	2005
Steve Johnson	American	President and CEO North America (NA)	2023
Luis Marin	Spanish	President and CEO Europe, Middle East and Africa (EMEA)	2014
Camillo Rossotto	Italian	Chief Public Affairs & ESG Officer	2023
Vijay Talwar[1]	American	Chief Digital & Customer Officer	2023
Katrin Volery	Swiss	Chief People & Culture Officer	2023
Enrique Urioste[1]	Uruguayan	President and CEO Latin America (LATAM)	2023

[1] Member of Global Executive Committee effective as of March 1 and March 2, 2023, respectively.

4.2 EDUCATION, PROFESSIONAL BACKGROUND, OTHER ACTIVITIES AND VESTED INTERESTS

XAVIER ROSSINYOL
Chief Executive Officer,
born 1970, Spanish

Education
Bachelor's degree in Business Administration at ESADE (Spain), MBA at ESADE and at the University of British Columbia (Canada and Hong Kong), Master's degree in business law from Universidad Pompeu Fabra (Spain).

Professional Background
1989 – 1993 Various positions at Areas (member of the French group Elior) with responsibility for finance, controlling, strategic planning. 2004 – 2012 Chief Financial Officer at Dufry. 2012 – 2015 Chief Operating Officer Region EMEA & Asia at Dufry. 2015 – 2021 Chief Executive Officer at gategroup. Since June 2022 Chief Executive Officer at Dufry AG.

YVES GERSTER
Chief Financial Officer,
born 1978, Swiss

Education
Degree in Business Administration & Finance, University of Basel.

Professional Background
1999 – 2003 Assistant Group Treasurer at Danzas Management AG. 2003 – 2006 Assistant Group Treasurer at Bucher Industries AG. November 2006 – 2019 Global Head Group Treasury at Dufry International AG. Since April 2019 Chief Financial Officer at Dufry AG.

EUGENIO ANDRADES
Chief Executive Officer Operations until February 6, 2023,
born 1968, Spanish

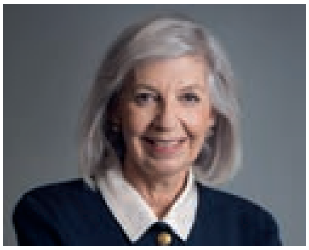
Education
Degree in Mining Engineering at Politécnica University of Madrid. MS of Economics and Strategy of Colorado School of Mines, Colorado / USA.

Professional Background
Prior to 1996 Consultant at McKinsey & Co and Carboex, a subsidiary of Endesa. 1996 – 2001 Director of Strategy & Development and Investor Relations at Aldeasa. 2001 Chief Executive Officer Jordan and Middle East region at Aldeasa. 2002 – 2007 Director of Strategy & Development and Investor Relations at Aldeasa. 2007 – 2010 Commercial Director and Operations Coordinator at Aldeasa. 2011 – 2014 Chief Commercial Officer at World Duty Free Group. 2014 – 2015 Chief Executive Officer at World Duty Free Group. 2016 – 2017 Chief Executive Officer Division UK, Central and Eastern Europe at Dufry AG. 2018 Chief Executive Officer Operations and Strategy at Dufry AG. January 2019 – August 2020 Chief Executive Officer Europe, Africa and Strategy at Dufry AG. September 2020 - February 2023 Chief Executive Officer Operations at Dufry AG.

ANDREA BELARDINI
Chief Commercial Officer until February 6, 2023, born 1968, Italian

Education
Degree in Business and Economics, University of Rome (La Sapienza).

Professional Background
1991 – 1996 various positions as Controller and Project Manager at Carlson Wagonlit Travel. 1997 – 1999 Director of Operations Italy at Carlson Wagonlit Travel. 1999 – 2000 Vice President Operations South Europe at Carlson Wagonlit Travel. 2000 – 2004 Executive Vice President Strategy & Development at Aeroporti di Roma. 2004 – 2009 Executive Vice President Commercial Business Management & Development at Aeroporti di Roma. 2009 – 2015 Chief Executive Officer Europe at Nuance Group (since 2013 also Global Chief Commercial Officer at Nuance Group). 2016 – August 2020, Chief Executive Officer Division Asia Pacific and Middle East at Dufry AG. September 2020 - February 2023 Chief Commercial Officer at Dufry AG.



SARAH BRANQUINHO
Chief Diversity & Inclusion Officer until February 6, 2023, born 1956, British

Education
Postgraduate studies, Humboldt University, Berlin. BA (Hons, 1st class) in Modern European Studies (Economics, French and German), Loughborough University (UK).

Professional Background
1984 – 1995 Commercial Director, TFWA. 1995 – 1998 Secretary General European Travel Retail Forum and Focus 99. 1998 – 2004 Business Relations Director World Duty Free. 2004 – 2015 External Affairs Director World Duty Free. 2015 – 2018 External Affairs Director at Dufry AG. July 2021 – February 2023 Chief Diversity & Inclusion Officer at Dufry AG. Served also in industry roles (alongside her business roles) for:
2009 – 2018 Chair of the UK Travel Retail Forum (UKTRF), Board member ETRC. 2012 – 2018 President of the European Travel Retail Confederation (ETRC). Since 2019 President of the Duty Free World Council.

PASCAL C. DUCLOS
Group General Counsel, born 1967, Swiss

Education
Licence en droit from Geneva University School of Law, L.L.M. from Duke University School of Law. Licensed to practice law in Switzerland and admitted to the New York Bar.

Professional Background
1991 – 1997 Senior attorney at law at Geneva law firm Davidoff & Partners. Also academic assistant at the University of Geneva School of Law (1994 – 1996). 1999 – 2001 Attorney at law at New York law firm Kreindler & Kreindler. 2001 – 2002 Financial planner at UBS AG in New York. 2003 – 2004 Senior foreign attorney at law at the Buenos Aires law firm Beretta Kahale Godoy. Since 2005 General Counsel and Secretary to the Board of Directors at Dufry AG.

LUIS MARIN
President and CEO Europe, Middle East and Africa,
born 1971, Spanish

Education
Degree in Economic Sciences and Business Administration from Universidad de Barcelona.

Professional Background
1995 – 1998 Auditor at Coopers & Lybrand. 1998 – 2001 Financial Controller at Derbi Motocicletas – Nacional Motor S.A. 2001 – 2004 Head of Finance and Administration of Spanish subsidiaries of Areas (member of the French group Elior). Joined Dufry in 2004, as Business Controlling Director; and 2012 – 2023 also responsible for mergers and acquisitions. 2014 Appointed Chief Corporate Officer. 2018 – 2023 Global Chief Corporate Officer at Dufry AG. Since February 2023 President and CEO Europe, Middle East and Africa at Dufry AG.

KATRIN VOLERY
Chief People & Culture Officer as of January 1, 2023,
born 1968, Swiss

Education
Diploma from the HSO Business School Switzerland in Bern, Diploma from WKS Business Management Team Bern, Certificate in Strategic Leadership by IMD Lausanne.

Professional Background
2000 – 2015 Various positions and mid-/long-term Human Resources Leader assignments. 2015 – 2016 Chief Human Resources Officer at Tamedia (TX Group). 2016 – 2017 Head Human Resources at Syngenta. 2018 – 2020 Head Human Resources EurAsia and Global Paper Solenis. 2020 – 2022 Chief Human Resources Officer at Meraxis (REHAU Group). 2022 – 2023 Chief People Officer at Dufry AG. Since February 2023 Chief People & Culture Officer at Dufry AG.

FREDA CHEUNG
President and CEO Asia Pacific as of February 7, 2023,
born 1970, Canadian

Education
CA, Chartered Professional Accountants of Canada (CPA Canada), BComm (Hons), Accounting from the University of British Columbia.

Professional Background
Prior to 2006 Various positions in Accounting and Finance. 2006 - 2010 Vice President Corporate Services World Duty Free (WDF). 2010 – 2017 CEO Canada World Duty Free (WDF). 2017 – 2019 Senior Vice President Commerical USA / Canada at Dufry. 2022 – 2023 Executive Vice President & Country General Manager US / Canada at Dufry. Since February 2023 President and CEO Asia Pacific at Dufry AG.

STEVE JOHNSON
President and CEO North America as of February 7, 2023, born 1963, American

Education
Bachelor of Science degree in marketing from the University of Texas at Arlington.

Professional Background
1996 – 1998 Group Marketing Director Westfield. 1998 – 2000 Head of Airport Management & Development Westfield. 2000 – 2014 Executive Vice President Business Development HMS Host. 2014 – 2023 President HMS Host. Since February 2023 President and CEO North America at Dufry AG.

CAMILLO ROSSOTTO
Chief Public Affairs & ESG Officer as of February 7, 2023, born 1962, Italian

Education
MBA from L. Stern School of Business in New York, Degree in Political Science from the University of Turin.

Professional Background
Prior to 2011 different roles and functions within several companies including Fiat and Barilla. 2011 – 2012 Chief Financial Officer CNH, part of Fiat. 2012 – 2016 Chief Financial Officer Rai TV. 2016 – 2018 Chief Financial Officer Lavazza. 2018 – 2023 Chief Financial Officer & Chief Sustainability Officer Autogrill. Since February 2023 Chief Public Affairs & ESG Officer at Dufry AG.

VIJAY TALWAR
Chief Digital & Customer Officer as of March 1, 2023, born 1971, American

Education
MBA Marketing & Strategy from the University of Chicago Booth School of Business, M. Acc, Accounting from the University of Miami.

Professional Background
2010 – 2014 CEO/CFO Blue Nile. 2016 – 2019 President Digital Footlocker. 2020 – 2021 CEO EMEA and Global CIO Footlocker. 2019 – 2022 CEO EMEA Footlocker. 2022 CEO WISH. Since March 2023 Chief Digital & Customer Officer at Dufry AG.

ENRIQUE URIOSTE
President and CEO Latin America as of March 2, 2023, born 1962, Uruguayan

Education
Law Degree from University of Montevideo, Post Graduate Diploma International Law ISS Holland, Business Executive Program IEM from Business School of the University of Montevideo.

Professional Background
1999 – 2002 CEO IOSC. 2002 – 2007 President & CEO Interbaires Duty Free Shop. 2007 – 2011 President Airport Division Duty Free Americas. 2011 – 2020 CEO Neutral Duty Free Shops. 2020 – 2023 General Manager South America Cluster at Dufry AG. Since March 2023 President and CEO Latin America at Dufry AG.

Changes in the Global Executive Committee in fiscal year 2022 and fiscal year 2023

Julián Díaz Golzález stepped down from his position as Chief Executive Officer on May 31, 2022 and did not stand for reelection as member of the Board of Directors at the AGM 2022 (in this Corporate Governance Report and the Remuneration Report, Mr. Díaz will be referred to as "former CEO"). Xavier Rossinyol joined Dufry as designated CEO and member of the Global Executive Committee on March 1, 2022, and became Chief Executive Officer effective June 1, 2022.

For details regarding the Curriculum Vitae of Julián Díaz González please refer to the Annual Report 2021, page 252 of the Corporate Governance section. The Annual Report 2021 can be downloaded from the Download Center on the Company website under www.dufry.com/en/media/download-center page selection "All categories - select Financial Reports".

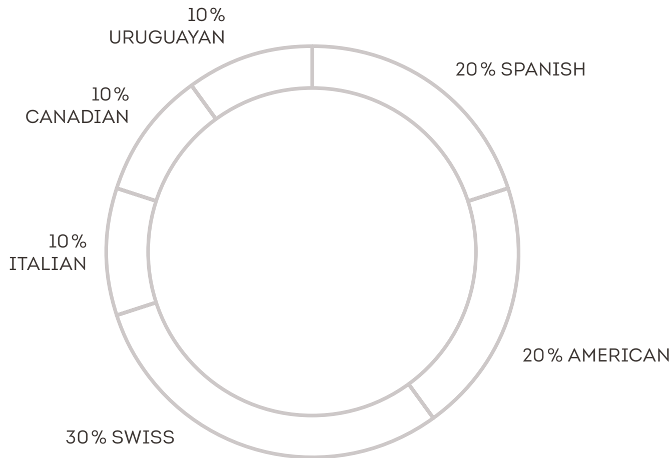
On November 2, 2022, Dufry announced that Katrin Volery will join the Global Executive Committee as the Company's Chief People Officer, effective January 1, 2023. Katrin Volery's Curricula Vitae is shown on page 269 of this Corporate Governance Report.

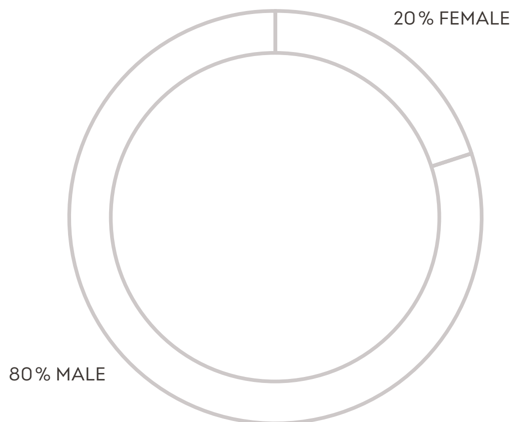
In 2023, Dufry announced further changes in the Global Executive Committee, effective as of February 7 and as of March 1 and March 2, 2023, respectively. The Global Executive Committee of the combined Group between Dufry and Autogrill has the following members:

- Xavier Rossinyol, CEO
- Yves Gerster, CFO
- Freda Cheung, President and CEO Asia Pacific
- Steve Johnson, President and CEO North America
- Luis Marin, President and CEO Europe, Middle East and Africa
- Enrique Urioste, President and CEO Latin America
- Pascal Duclos, Group General Counsel
- Camillo Rossotto, Chief Public Affairs & ESG Officer
- Vijay Talwar, Chief Digital & Customer Officer
- Katrin Volery, Chief People & Culture Officer

The former members Eugenio Andrades, Andrea Belardini and Sarah Branquinho left the Global Executive Committee as of February 6, 2023.

DIVERSITY OF THE GLOBAL EXECUTIVE COMMITTEE AS OF MARCH 2, 2023





Diversity

As of March 2, 2023, the Global Executive Committee has 80% male and 20% female members (December 31, 2022, 86% male and 14% female members).

The Global Executive Committee has been consistently renewed over the past years. As of March 2, 2023, 80% of the Global Executive Committee members have been in their GEC positions for a period of 5 years or less (December 31, 2022: 57%).

Other activities and vested interests

As of March 2, 2023 and December 31, 2022, respectively, none of the members of the Global Executive Committee of Dufry AG has had other activities in governing and supervisory bodies of, or advisory functions to, important Swiss or foreign organizations, institutions or foundations under private and public law outside Dufry Group, or held any public or political office.

4.3 RULES IN THE ARTICLES OF INCORPORATION REGARDING THE NUMBER OF PERMITTED MANDATES OUTSIDE THE COMPANY

In accordance with Article 25 para. 1 of the Articles of Incorporation, dated August 31, 2022, no member of the Global Executive Committee may hold more than two additional mandates in listed companies and four additional mandates in non-listed companies. The following mandates are not subject to the limitations under para. 1 of this Article:

a) Mandates in companies which are controlled by the Company or which control the Company;
b) Mandates held at the request of the Company or any company controlled by it. No member of the Global Executive Committee may hold more than ten such mandates; and
c) Mandates in associations, charitable organizations, foundations, trusts and employee welfare foundations. No member of the Global Executive Committee may hold more than ten such mandates.

For definition of “mandate” please refer to section 3.3 above. For the website link regarding the Articles of Incorporation please see page 276 of this Corporate Governance Report.

4.4 MANAGEMENT CONTRACTS

Dufry AG does not have management contracts with companies or natural persons not belonging to the Group.

5. COMPENSATION, SHAREHOLDINGS AND LOANS

5.1 CONTENT AND METHOD OF DETERMINING THE COMPENSATION AND SHAREHOLDING PROGRAMS

Detailed information of compensation, shareholdings and loans to active and former members of the Board of Directors and of the Global Executive Committee in fiscal year 2022 is included in the Remuneration Report on pages 278 to 296 of this Annual Report.

5.2 DISCLOSURE OF RULES IN THE ARTICLES OF INCORPORATION REGARDING COMPENSATION OF THE BOARD OF DIRECTORS AND OF THE EXECUTIVE MANAGEMENT

For rules in the Articles of Incorporation regarding the approval of compensation by the General Meeting of Shareholders, the supplementary amount for changes in the executive management as well as the general compensation principles please refer to Articles 20 – 22 of the Articles of Incorporation. The Articles of Incorporation do not contain any rules regarding loans, credit facilities or post-employment benefits for the members of the Board of Directors and executive management. The rules regarding agreements with members of the Board of Directors and of the executive management in terms of duration and termination are stipulated in Article 23.

Dufry’s Articles of Incorporation are available on the Company website www.dufry.com/en/investors/corporate-governance – Articles of Incorporation.

6. SHAREHOLDERS’ PARTICIPATION RIGHTS

For the website link regarding the Articles of Incorporation referred to in the following chapters please see the link above.

6.1 GENERAL MEETING OF SHAREHOLDERS IN 2022 UNDER THE COVID-19 SITUATION

The COVID-19 pandemic continued to impact the conduct of the General Meetings of Shareholders held on May 17, 2022, and August 31, 2022, respectively. Both General Meetings were held without the physical presence of shareholders. This was based on Article 27 of the Ordinance 3 issued by the Swiss Federal Council on measures to prevent coronavirus (COVID-19). The shareholders were able to exercise their rights at both General Meetings of Shareholders through the independent voting rights representative. The proxy and voting instruction forms could either be sent by mail or via email in a scanned form, and shareholders were also able to use the electronic voting platform (www.dufry.netvote.ch) for their voting instructions. The upcoming Annual General Meeting of Shareholders to be held on May 8, 2023, will be held as a General Meeting with the physical presence of shareholders again.

6.2 VOTING RIGHTS AND REPRESENTATION

Each share recorded as a share with voting rights in the share register confers one vote on its registered holder. Each shareholder duly registered in the share register on the record date may be represented at the General Meeting of Shareholders by the independent voting rights representative or any person who is authorized to do so by a written proxy. A proxy does not need to be a shareholder. Shareholders entered in the share register as shareholders with voting rights on a specific qualifying date (record date) designated by the Board of Directors shall be entitled to vote at the General Meeting of Shareholders and to exercise their votes at the General Meeting of Shareholders. See section 6.5 below.

Nominees are only entitled to represent registered shares held by them at a General Meeting of Shareholders if they are registered in the share register in accordance with Article 5 para. 4 of the Articles of Incorporation and if they hold a valid written proxy granted by the beneficial owner of the registered shares instructing the nominee how to vote at the General Meeting of Shareholders. Shares held by a nominee for which it is not able to produce such a proxy count as not being represented at the General Meeting of Shareholders.

The Extraordinary General Meeting of Shareholders, held on August 31, 2022, resolved a change regarding Article 10 of the Articles of Incorporation (to become effective upon the transfer of the 50.3% Autogrill stake to Dufry, which occurred on February 3, 2023), which includes the following voting limit: Until June 30, 2029, no shareholder may exercise, directly or indirectly, voting rights with respect to own or represented shares in excess of 25.1% of the share capital registered in the commercial register. For more details on this changed Article, please refer to section 2.4 above.

6.3 THE INDEPENDENT VOTING RIGHTS REPRESENTATIVE

In accordance with Article 10 para. 3 of the Articles of Incorporation, dated August 31, 2022, the independent voting rights representative shall be elected by the General Meeting of Shareholders for a term of office extending until completion of the next Annual General Meeting of Shareholders. Re-election is possible. If the Company does not have an independent voting rights representative, the Board of Directors shall appoint the independent voting rights representative for the next General Meeting of Shareholders.

The Company may also make arrangements for electronic voting (Article 11 para. 5). Resolutions passed by electronic voting shall have the same effect as votes by ballot.

The Annual General Meeting of Shareholders held on May 17, 2022, re-elected Altenburger Ltd legal + tax, Kuesnacht-Zurich, as the independent voting rights representative until the completion of the Annual General Meeting of Shareholders in 2023. Altenburger Ltd legal + tax is independent from the Company and has no further mandates for Dufry AG.

For the upcoming Annual General Meeting of Shareholders, the Company will once more enable its shareholders to send their voting instructions electronically to the independent voting rights representative Altenburger Ltd legal + tax through the platform: www.dufry.netvote.ch

The corresponding instructions regarding registration and voting procedures on this electronic platform will be sent to the shareholders together with the invitation to the General Meeting of Shareholders.

6.4 QUORUMS

The General Meeting of Shareholders shall be duly constituted irrespective of the number of shareholders present or of shares represented. Unless the law or Articles of Incorporation provide for a qualified majority, an absolute majority of the votes represented at a General Meeting of Shareholders is required for the adoption of resolutions or for elections, with abstentions, blank and invalid votes having the effect of “no” votes. The Chairman of the Meeting shall have a casting vote.

A resolution of the General Meeting of Shareholders passed by at least two thirds of the votes represented and the absolute majority of the nominal value of shares represented shall be required for:
1. A modification of the purpose of the Company;
2. A combination of shares (reverse share split);
3. The creation of shares with increased voting powers;
4. Restrictions on the transfer of registered shares and the removal of such restrictions;
5. Restrictions on the exercise of the right to vote and the removal of such restrictions;
6. The introduction of a conditional capital or the introduction of a capital range;
7. An increase in share capital through the conversion of capital surplus, through a contribution in kind, by set-off against a claim or a grant of special benefits upon a capital increase;
8. The restriction or denial of pre-emptive rights;
9. The change of currency of the share capital;
10. The introduction of the casting vote of the acting chair in the General Meeting of Shareholders;
11. The delisting of the Company’s equity securities;
12. The change of the place of incorporation of the Company;
13. The introduction of an arbitration clause in the Articles of Incorporation;
14. The dismissal of a member of the Board of Directors;
15. An increase in the maximum number of members of the Board of Directors;

16. A modification of the eligibility requirements of the members of the Board of Directors (Article 24 para. 1 of the Articles of Incorporation);
17. The dissolution of the Company;
18. Other matters where statutory law provides for a corresponding quorum.

6.5 CONVOCATION OF THE GENERAL MEETING OF SHAREHOLDERS

The General Meeting of Shareholders shall be called by the Board of Directors or, if necessary, by the Auditors. One or more shareholders with voting rights representing in the aggregate not less than 10% of the share capital can request, in writing, that a General Meeting of Shareholders be convened. Such request must be submitted to the Board of Directors, specifying the items and proposals to appear on the agenda.

The General Meeting of Shareholders shall be convened by notice in the Swiss Official Gazette of Commerce (SOGC) not less than 20 days before the date fixed for the Meeting. Registered shareholders will also be informed by ordinary mail.

6.6 AGENDA

The invitation for the General Meeting of Shareholders shall state the day, time and place of the Meeting, and the items and proposals of the Board of Directors and, if any, the proposals of the shareholders who demand that the General Meeting of Shareholders be called or that items be included in the agenda and, in case of elections, the names of the proposed candidates.

One or more shareholders with voting rights whose combined holdings represent an aggregate nominal value of at least CHF 1,000,000 may request that an item be included in the agenda of a General Meeting of Shareholders. Such a request must be made in writing to the Board of Directors at the latest 60 days before the Meeting and shall specify the agenda items and the proposals made.

6.7 REGISTRATION INTO THE SHARE REGISTER

The record date for the inscription of registered shareholders into the share register in view of their participation in the General Meeting of Shareholders is defined by the Board of Directors. It is usually around 2 weeks before the Meeting. Shareholders who dispose of their registered shares before the General Meeting of Shareholders are no longer entitled to vote with such disposed shares.

7. CHANGE OF CONTROL AND DEFENSE MEASURES

Dufry's Articles of Incorporation are available on the Company website www.dufry.com/en/investors/corporate-governance – Articles of Incorporation.

7.1 DUTY TO MAKE AN OFFER

An investor who acquires more than 33 ⅓ % of all voting rights (directly, indirectly or in concert with third parties) whether they are exercisable or not, is required to submit a takeover offer for all shares outstanding (Article 135 Financial Market Infrastructure Act, FMIA). The Articles of Incorporation of the Company contain neither an opting-out nor an opting-up provision (Article 125 para. 4 FMIA).

7.2 CLAUSES ON CHANGE OF CONTROL

In case of change of control, the share-based compensation as disclosed in the Remuneration Report shall vest immediately.

In case of change of control, all amounts drawn under the EUR 2,085,000,000 multicurrency term and revolving credit facilities agreements shall become immediately due and payable. Furthermore, upon the occurrence of a change of control, Dufry may be required to repurchase the EUR 800,000,000 Senior Notes due 2024, EUR 750,000,000 Senior Notes due 2027, CHF 300,000,000 Senior Notes due 2026 and the EUR 725,000,000 Senior Notes due 2028 at a purchase price equal to 101% of their respective principal amount, plus accrued and unpaid interest.

In addition, upon the occurrence of a change of control with respect to the CHF 500,000,000 Senior Convertible Bonds due 2026 and the CHF 69,500,000 Mandatory Convertible Notes, Dufry may be required, at the option of the holders, to redeem the bonds at 100% of the principal amount plus accrued and unpaid interest.

According to Article 23 of the Articles of Incorporation, employment and other agreements with the members of the Global Executive Committee may be concluded for a fixed term or for an indefinite term. Agreements for a fixed term may have a maximum duration of one year. Renewal is possible. Agreements for an indefinite term may have a notice period of maximum twelve months. The current contracts with the members of the Global Executive Committee contain termination periods of twelve months or less.

8. AUDITORS

8.1 AUDITORS, DURATION OF MANDATE AND TERM OF OFFICE OF THE LEAD AUDITOR

Pursuant to the Articles of Incorporation, the Statutory Auditors shall be elected each year and may be re-elected. Deloitte AG have been the Statutory Auditors since 2021. Andreas Bodenmann has been the Lead Auditor since 2021.

8.2 AUDITING FEE

The auditing fees for 2022 for the audit of the consolidated and statutory financial statements of Dufry AG and its subsidiaries are CHF 4.35 million (2021: CHF 4.40 million).

8.3 ADDITIONAL FEES

During 2022, Deloitte AG billed additional fees for the half-year review, audit-related services and tax compliance services in the amount of CHF 0.20 million, CHF 0.62 million and CHF 0.09 million, respectively (2021: CHF 0.20 million, CHF 0.40 million and CHF 0.10 million, respectively).

8.4 SUPERVISORY AND CONTROL INSTRUMENTS PERTAINING TO THE AUDIT

The Audit Committee as a committee of the Board of Directors reviews and evaluates the performance and independence of the Statutory Auditors at least once each year. Based on its review, the Audit Committee recommends to the Board of Directors which external Auditor should be proposed for election at the General Meeting of Shareholders. The decision regarding this agenda item is then taken by the Board of Directors.

When evaluating the performance and independence of the Statutory Auditors, the Audit Committee puts special emphasis on the following criteria: Global network of the audit firm, professional competence of the lead audit team, understanding of Dufry's specific business risks, personal independence of the lead auditor and independence of the audit firm as a company, coordination of the Statutory Auditors with the Audit Committee and the Senior Management / Finance Department of Dufry Group, practical recommendations with respect to the application of IFRS regulations.

Within the yearly approved budget, there is also an amount permissible for non-audit services that the Statutory Auditors may perform. Within the scope of the approved and budgeted amount, the Chief Financial Officer can delegate non-audit related mandates to the Auditors.

The Audit Committee agrees the scope of and discusses the results of the external audit with the Statutory Auditors. The Statutory Auditors prepare a comprehensive report addressed to the Board of Directors once per year, informing them in detail on the results of their audit. The Statutory Auditors also review the interim consolidated financial statements before they are released.

Representatives of the Statutory Auditors are regularly invited to meetings of the Audit Committee, namely to attend during those agenda points that deal with accounting, financial reporting or auditing matters.

In addition, the Audit Committee reviews regularly the internal audit plan. Internal Audit reports are communicated to management in charge and the Company's senior management on an on-going basis and 3 briefings were done to the Audit Committee in 2022.

During the fiscal year 2022, the Audit Committee held 4 meetings. The Statutory Auditors were present at 3 of those meetings. The Board of Directors has determined the rotation interval for the Lead Auditor to be seven years, as defined by the Swiss Code of Obligation. The last rotation of the Lead Auditor was in conjunction with the change to Deloitte AG as new Statutory Auditors and occurred in 2021.

9. INFORMATION POLICY

Dufry is committed to an open and transparent communication with its shareholders, financial analysts, potential investors, the media, customers, suppliers and other interested parties.

Dufry AG publishes its financial reports on a half-year basis (Half-Year Report, Annual Report) in English. The Company further releases quarterly trading updates for Q1 and Q3. All financial reports and media releases containing financial information are available on the Company website www.dufry.com/en.

In addition, Dufry AG organizes presentations and conference calls with the financial community and media to further discuss details of the reported earnings or on any other matters of importance. The Company undertakes roadshows for institutional investors and participates at broker conferences and seminars on a regular basis.

Details and information on the business activities, Company structure, financial reports, media releases and investor relations are available on the Company's website www.dufry.com

The official means of publication of the Company is the Swiss Official Gazette of Commerce: www.shab.ch

Web-links regarding the SIX Exchange Regulation push-/pull-regulations concerning ad-hoc publicity issues are:
www.dufry.com/en/media/press-releases-ad-hoc-announcements

www.dufry.com/en/media/press-release-registration-form

The current Articles of Incorporation are available on Dufry's website under:
www.dufry.com/en/investors/corporate-governance page section "Featured downloads – Articles of Incorporation".

The financial reports are available in the download center under:
www.dufry.com/en/media/download-center page section "All categories – select Financial Reports".

For the Investor Relations and Corporate Communications contacts, the Corporate Headquarter address and a summary of anticipated key dates in 2023 please refer to pages 300 / 301 of this Annual Report.

10. ORDINARY BLACK-OUT PERIODS

During the period of 4 weeks prior to the public announcement of its annual financial statements and 15 calendar days prior to the public announcement of its half-year financial statements and Q1 and Q3 trading updates, and until and including the day of publication, the members of the Board of Directors and the Global Executive Committee, members of the management bodies of a Dufry Group company as well as employees who have access to financial information of Dufry or to other inside information, as specified in Dufry's internal guidelines, are prohibited to trade in Dufry equity or debt securities or any financial instruments derived therefrom. The black-out periods are subject to exemptions provided by Swiss law (e.g., for share buyback programs).

11. THE DUFRY / AUTOGRILL COMBINATION

On July 11, 2022, Dufry announced that it will join forces with Autogrill, global leader in Travel Food & Beverage (F & B) to redefine Travel Experience. As part of the transaction, Edizione S.p.A., through its wholly owned subsidiary Schema Beta S.p.A., has transferred its 50.3 % stake in Autogrill to Dufry at an implied exchange ratio of 0.158 new Dufry shares for each Autogrill share on February 3, 2023. The exchange ratio corresponded to the 3-month VWAP of Autogrill and Dufry shares prior to April 14, 2022, equal to EUR 6.33 per share for Autogrill and EUR 39.71 (CHF 40.96) per share for Dufry. Dufry announced a mandatory tender offer for the remaining Autogrill shares, offering Autogrill shareholders to receive 0.158 new Dufry shares for each Autogrill share. Alternatively, Dufry will offer a cash alternative equivalent to EUR 6.33 per Autogrill share, in compliance with Italian takeover law.

Upon closing, Dufry and Edizione have entered into a long-term relationship agreement, which underlines the commitment of Edizione as long-term strategic anchor shareholder supporting the enhanced strategy of the combined entity. Edizione will be entitled to designate three representatives on the Board of Directors out of eleven. Edizione will enter into a lock-up for a period of two years after closing of the transaction, subject to customary exceptions.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REMUNERATION REPORT
DEAR SHAREHOLDERS

On behalf of the Board of Directors and the Remuneration Committee, I am pleased to share with you our Remuneration Report for fiscal year 2022. In it, we outline our remuneration policies and the decisions made in relation to the 2022 compensation of the Board of Directors and the Global Executive Committee. Dufry strives to be a global employer of choice and has a compensation system in place that fosters the successful achievement of our strategic and financial targets, as well as sustainable growth and long-term value creation for our shareholders.

2022 was a year of strong growth and positive momentum for Dufry. By the end of 2022, we were able to increase turnover by 76.1% (in constant FX) compared to fiscal year 2021 to CHF 6,878.4 million and Equity Free Cash Flow amounted to CHF 305.2 million from CHF –33.4 million in the previous year. CORE EBITDA reached CHF 606.2 million, which is an increase of 57.0% compared to 2021. These results are outstanding, especially since our teams achieved those despite travel disruptions and capacity caps at airports due to the COVID-19 pandemic during certain periods of the year, rising inflation and energy prices, as well as volatile foreign exchange rates and geopolitical uncertainties. For further details on our performance, please refer to the Letters of our CEO and CFO.

Xavier Rossinyol was appointed as Dufry's CEO effective June 1, 2022, and (re-)joined Dufry already on March 1, 2022 as designated CEO and member of the Global Executive Committee. He succeeded Julián Díaz who stepped down from his position as CEO on May 31, 2022 and did not stand for re-election as a member of the Board of Directors at the Annual General Meeting (AGM) of 2022. Two other members of the Board of Directors, Jorge Born and Steven Tadler, did not stand for re-election either. The Board of Directors would like to take the opportunity to thank the three of them for their long-standing commitments and very valuable contributions to Dufry.

On July 11, 2022, Dufry announced that it will join forces with Autogrill. This transaction will set a new industry standard and anticipate consumer trends through an enhanced experience for passengers and greater benefits for concession partners and brands. The new combined entity will generate immediate value for customers and shareholders. As part of the transaction, Dufry held an Extraordinary General Meeting (EGM) on August 31, 2022, which approved several agenda items related to the business combination. Edizione, the indirect majority shareholder of Autogrill, transferred its 50.3% stake in Autogrill to Dufry and is represented on the Dufry Board of Directors by Alessandro Benetton (Chairman of Edizione and former Board member of Autogrill) as Honorary Chairman and Enrico Laghi (CEO of Edizione) as Vice Chairman. Their election became effective upon the completion of the share transfer, which occurred on February 3, 2023. In addition, Mr. Laghi was also elected as member of the Remuneration Committee at the same EGM. On behalf of the entire Board of Directors, I would like to warmly welcome both of them to the Dufry Board and look forward to working closely with them.

In terms of the constitution of the Board of Directors, the function for the oversight of Environmental, Social and Governance (ESG) topics (held by the Lead Independent Director) and the Nomination Committee were combined into the new Nomination and ESG Committee. Heekyung Jo Min, the Lead Independent Director, was appointed Chairwoman of the Nomination and ESG Committee. In addition, and in conjunction with the combination with Autogrill, the Board of Directors decided to introduce a new Strategy and Integration Committee, which was constituted at completion of the share transfer on February 3, 2023. Furthermore, on January 1, 2023, Katrin Volery joined the Global Executive Committee as our new Chief People Officer. With her appointment, we further strengthen our focus on people, culture and talent development.

During fiscal year 2022, the Remuneration Committee focused its activities on the annual review of the remuneration programs for the Board of Directors and the Global Executive Committee as well as the performance objectives setting and assessment for the short-term and long-term incentive plans. In particular, it assessed whether and which ESG targets may be integrated into the compensation structure of the Global Executive Committee and how to add a relative Total Shareholder Return (TSR) metric to the compensation. The following changes were implemented in the remuneration programs and principles:

- With the acceleration of our business, the performance objectives for 2022 reflect the focus areas of growth and cash generation. The metrics for the annual bonus consist of Turnover, with a 50 % weighting, and Equity Free Cash Flow, with a 50 % weighting;
- The Performance Share Units (PSU) plan was continued to foster the long-term commitment and pay-for-performance alignment of our executives. The PSU granted in fiscal year 2022 are subject to three performance conditions: Cumulative Adjusted EPS with a 50 % weighting (unchanged to the previous year), Relative TSR with a 25 % weighting (new KPI), and an ESG target with a 25 % weighting (new KPI). The ESG target consists of three different KPIs related to material areas from a business and stakeholder perspective, each with a weighting of $1/3$ of the ESG target. All targets are disclosed prospectively. The objectives of the 2022 PSU plan reflect the mid- and long-term priorities of the Group and take into account the feedback received from shareholders in the past. The three-year performance period of the PSU remained unchanged compared to earlier PSU plans;
- The incentive opportunities (target annual bonus and grant value of PSU in percentage of the base salary) for the new CEO reflect the strong pay-for-performance principle and take into account the significant increase in the size and complexity of Dufry Group after the combination with Autogrill.
- Three members of the Global Executive Committee received a base salary increase in 2022 to take into account the increased scope of their functions and responsibilities in the past three years. The other members of the Global Executive Committee did not receive any increase in the base salary during fiscal year 2022.

The Remuneration Committee also performed its regular activities throughout the year, including the review of the remuneration for each member of the Board of Directors and the Global Executive Committee as well as the preparation of this Remuneration Report and the voting proposals on the remuneration to the General Meeting of Shareholders. We believe that with the changes done during fiscal year 2022, the performance alignments of our executive remuneration programs have been further strengthened and are in line with our long-term business strategy and shareholder interests.

At the AGM in May 2022, shareholders could express their opinion on our remuneration programs and principles in a consultative vote on the Remuneration Report 2021. Further, the shareholders approved the maximum aggregate remuneration amounts for the Board of Directors and the Global Executive Committee in two binding votes. The voting results of 85.49 % on the Remuneration Report, 91.50 % on the maximum aggregate compensation of the Board of Directors and 94.24 % on the maximum aggregate compensation of the Global Executive Committee are a demonstration of the support of our shareholders regarding our compensation programs and decisions. At the EGM in August 2022, the proposal by the Board of Directors to increase the maximum aggregate amount of compensation for the Board of Directors by TCHF 350 to CHF 8.85 million for the period AGM 2022 to AGM 2023 due to the expansion of the Board of Directors as a result of the Autogrill transaction was approved by 94.15 % of the votes represented.

On behalf of the Board of Directors and the Remuneration Committee, I would like to thank you all for your continued contributions and your confidence in Dufry. I trust that you will find this report informative. As in previous years, we will submit the Remuneration Report 2022 for a consultative vote at our AGM on May 8, 2023.

Yours sincerely,

Luis Maroto Camino
Chairman of the Remuneration Committee

REMUNERATION AT A GLANCE

SUMMARY OF REMUNERATION SYSTEM FOR THE BOARD OF DIRECTORS IN 2022

In order to ensure their independence in performing their supervisory function, non-executive members of the Board of Directors receive a fixed remuneration in cash only.

BOARD FEES (GROSS):	(TCHF)
Chairman of the Board	2,010.5
Board member	250.0

ADDITIONAL FEES (GROSS):	(TCHF)
Lead Independent Director	100.0
Chair Audit Committee	100.0
Chair Nomination and ESG Committee	100.0
Chair Remuneration Committee	75.0
Committee member	50.0

The executive Chairman of the Board of Directors may receive an annual bonus based on performance criteria and capped at 130% of his fixed fee.

REMUNERATION FOR FISCAL YEAR 2022 BOARD OF DIRECTORS

The remuneration awarded to the Board of Directors for fiscal year 2022 is within the limits approved at the 2021 and 2022 Annual / Extraordinary General Meetings of Shareholders, respectively.

REMUNERATION PERIOD	APPROVED BY GM (TCHF)	TOTAL COMPENSATION* (TCHF)
AGM 2021 – AGM 2022	8,500.0	7,767.3
AGM 2022 – AGM 2023	8,850.0	7,554.0

* Reconciled between reported Board compensation for fiscal years 2021 and 2022 and corresponding compensation from one AGM to the next.

The increase of TCHF 350 for the maximum aggregate amount of compensation for the period AGM 2022 - AGM 2023 from previously CHF 8.5 million was approved by the Extraordinary General Meeting on August 31, 2022. It is in conjunction with the Autogrill transaction and the election of two additional Board members, which became effective on February 3, 2023.

SUMMARY OF REMUNERATION SYSTEM FOR THE GLOBAL EXECUTIVE COMMITTEE IN 2022

The remuneration of the Global Executive Committee emphasizes pay-for-performance and consists of fixed and variable elements. The base salary and other benefits form the fixed remuneration.

Variable remuneration drives and rewards best-in-class performance based on ambitious and stretched targets. It is based on short-term and long-term objectives and includes absolute as well as relative performance targets. The variable remuneration consists of an annual cash bonus and a grant of performance share units (PSU).

Base salary	Pay for the position
Benefits	Cover retirement, death and disability risks, allowances in kind
Annual cash bonus	Drive and reward annual performance
PSU plan	Drive and reward long-term performance, align with shareholders' interests, 3-years performance period

REMUNERATION FOR FISCAL YEAR 2022 GLOBAL EXECUTIVE COMMITTEE

The remuneration awarded to the Global Executive Committee for fiscal year 2022 is within the limits approved at the 2021 Annual General Meeting of Shareholders.

The total remuneration includes the compensation to the CEO as well as the compensation to the former CEO.

REMUNERATION PERIOD	APPROVED BY AGM (TCHF)	TOTAL COMPENSATION (TCHF)
Fiscal year 2022	29,000.0	28,543.0

Annual bonus for fiscal year 2022

The total combined performance ratio for the two targets Turnover and Equity Free Cash Flow was exceeding the cap maximum, leading therefore to the annual bonus being at the maximum payout of 133 1/3% for the CEO and 130% for the other members of the Global Executive Committee.

PSU grant and vesting in fiscal year 2022

The grant value of the PSU awarded in 2022 amounts to 31% of the total compensation for FY 2022.

The PSU awarded in FY 2019 did not vest in May 2022, as the minimum performance threshold was not achieved. No PSU were awarded in FY 2020, and therefore no PSU will vest in FY 2023.

Remuneration policy and principles

In order to ensure the company's sustainable success, it is critical to attract, develop and retain the right talents. Dufry's remuneration programs are designed to support this fundamental objective and are based on the following principles:
- Pay-for-performance;
- Shareholder interests;
- Competitiveness;
- Transparency.

Remuneration governance

- Authority for decisions related to remuneration are governed by the Articles of Incorporation and the Board Regulations of Dufry AG.
- The maximum aggregate amounts of remuneration of the Board of Directors and of the Global Executive Committee are subject to binding votes at the AGM.
- In addition, the Remuneration Report for the preceding period is subject to a consultative vote at the AGM.
- The Board of Directors is supported by the Remuneration Committee in preparing all remuneration-related decisions regarding the Board of Directors and the Global Executive Committee.

INTRODUCTION

The long-term success of Dufry depends on our ability to attract, motivate and retain outstanding individuals, who will ensure that we can successfully execute our company strategy as well as further expand our market position as a global leading travel experience player. We shall remain a solid company with a healthy balance sheet and strong cash flows, be a reliable employer, and offer a state-of-the-art working environment where our employees feel valued.

In order to achieve these goals, we continue to provide appropriate and competitive remuneration to all our employees and to support their development and focus on their career progression. Our executive compensation system is strongly aligned with the strategy of being a high-performing organization, taking into account the short-term and long-term objectives of our business. Compensation is reviewed on an annual basis, focusing equally on internal and external requirements, increased complexities of the business and company structure, as well as responsibilities of the individual members of the Global Executive Committee. Dufry operates a short-term annual bonus and a long-term incentive plan with a set of pre-defined performance targets for each.

The current Remuneration Report describes our remuneration principles and programs, as well as the governance framework related to the remuneration of the Board of Directors and the Global Executive Committee. The report also provides information on the remuneration paid to the members of the Board of Directors and the Global Executive Committee for fiscal year 2022. The report is prepared in connection with Articles 13–17 of the Ordinance against excessive Compensation (OaeC) in Listed Stock Corporations, item 5 of the Annex to the Corporate Governance Directive (DCG) of SIX Exchange Regulation governing disclosure of remuneration systems and remuneration paid to members of the Board of Directors and the Global Executive Committee, and the principles of the Swiss Code of Best Practice for Corporate Governance of economiesuisse.

The Remuneration Report will be submitted to the Annual General Meeting of Shareholders on May 8, 2023 for a consultative vote.

REMUNERATION GOVERNANCE

ARTICLES OF INCORPORATION AND SHAREHOLDERS

Dufry's Articles of Incorporation contain specific provisions on remuneration. The Articles of Incorporation, and any amendments thereof, are subject to approval by the General Meeting of Shareholders. The remuneration provisions include rules concerning the election, the constitution and the powers of the Remuneration Committee (Art. 17 and 18); the approval of remuneration by the General Meeting of Shareholders (Art. 20); the supplementary amount in case of changes on the Global Executive Committee (Art. 21); the general remuneration principles (Art. 22); the agreements with members of the Board of Directors and the Global Executive Committee (Art. 23) as well as the maximum number of mandates outside the company that a member of the Board of Directors or the Global Executive Committee may hold (Art. 24 and 25). The Articles of Incorporation are available on the Company website under:
www.dufry.com/en/investors/corporate-governance page section "Featured downloads - Articles of Incorporation".

Pursuant to Dufry's Articles of Incorporation, the General Meeting of Shareholders has to approve the proposal of the Board of Directors in relation to the maximum aggregate amounts of remuneration for the Board of Directors for the period until the next Annual General Meeting of Shareholders and the Global Executive Committee for the following fiscal year. The votes on these maximum aggregate amounts of remuneration have a binding effect. Thereafter, the decision authority on the individual remuneration of the members of the Board of Directors and the Global Executive Committee (within the limits approved by the General Meeting of Shareholders) is with the Board of Directors. In addition, the Remuneration Report is submitted to the Annual General Meeting of Shareholders for an advisory vote on a yearly basis, so that shareholders can express their opinion on the remuneration policy and programs.

BOARD OF DIRECTORS AND REMUNERATION COMMITTEE

Based on Dufry's Articles of Incorporation and applicable law, the Board of Directors has the overall responsibility for defining the remuneration policy of the Group, as well as the general terms and conditions of

REMUNERATION COMMITTEE

MEMBER OF THE BOARD OF DIRECTORS	BOARD MEMBER SINCE	IN THE REMUNERATION COMMITTEE SINCE
Luis Maroto Camino	2019	2021
Joaquín Moya-Angeler Cabrera	2021	2021
Eugenia M. Ulasewicz	2021	2021
Enrico Laghi [1]	2023	2023

[1] Mr. Laghi was elected as member of the Board of Directors and of the Remuneration Committee at the Extraordinary General Meeting on August 31, 2022. His election was subject to, and only became effective upon, the completion of the share transfer of Autogrill shares from Edizione S.p.A. to Dufry, which occurred on February 3, 2023.

employment for members of the Global Executive Committee. It approves the individual remuneration of the members of the Board of Directors and the Global Executive Committee (within the limits approved by the General Meeting of Shareholders). The Remuneration Committee supports the Board of Directors in fulfilling all remuneration related duties.

As of December 31, 2022, the Remuneration Committee consisted of three non-executive independent members of the Board of Directors. The Annual General Meeting held on May 17, 2022 re-elected Ms. Eugenia M. Ulasewicz, Mr. Luis Maroto Camino and Mr. Joaquín Moya-Angeler Cabrera (all individually) as members of the Remuneration Committee for a term of office until completion of the next AGM in 2023. Luis Maroto Camino was appointed as Chairman of the Remuneration Committee. At the Extraordinary General Meeting on August 31, 2022, which was convened in conjunction with the Autogrill transaction, Mr. Enrico Laghi was elected as a member of the Board of Directors and as an additional fourth member of the Remuneration Committee. His election was subject to, and only became effective upon, the completion of the transfer of the stake of 50.3% in Autogrill from Edizione to Dufry on February 3, 2023.

The Remuneration Committee has the following powers and duties:

- Review and assess the remuneration system of the Company and the Group (including the management incentive plans) and make proposals in connection thereto to the Board of Directors;
- Make recommendations regarding the proposals of the Board of Directors for the maximum aggregate amount of compensation of the Board of Directors and the Global Executive Committee to be submitted to the General Meeting of Shareholders for approval;
- Make proposals in relation to the remuneration package of the CEO and the members of the Board of Directors;
- Make proposals on the grant of options or other securities under any management incentive plan of the Company;
- Review and recommend to the Board of Directors the Remuneration Report.

The Remuneration Committee discusses the annual compensation of the members of the Board of Directors (board fees, committee fees, target bonus for the Chairman) in separate meetings. The Chairman of the Board of Directors and the CEO usually participate in these meetings without any voting rights and they leave the room when their own compensation is being discussed. The Remuneration Committee submits its proposals to the full Board of Directors annually and the Board of Directors decides collectively on the remuneration of its members with all Board members being present during the discussion.

The Remuneration Committee annually reviews and proposes for approval to the Board of Directors the remuneration for the members of the Global Executive Committee, other than the CEO upon proposal by the CEO. The CEO's remuneration is determined by the Remuneration Committee and submitted to the full Board of Directors for approval.

The Remuneration Committee meets as often as business requires but at least four times annually. The Chairman of the Remuneration Committee reports to the Board of Directors after each meeting on the activities of the committee. The minutes of the committee meetings are being made available to all members of the Board of Directors.

In the reporting year, the Remuneration Committee held 7 meetings. The duration of the meetings ranged

DECISION AUTHORITIES

LEVELS OF AUTHORITY	CEO	REMUNERATION COMMITTEE	BOARD OF DIRECTORS	AGM
Remuneration policy and principles		Proposes	Approves	
Maximum aggregate remuneration amount for the Board of Directors		Proposes	Reviews and proposes	Approves (binding vote)
Remuneration of the Board Chairman		Proposes	Approves*	
Individual remuneration of the Board members		Proposes	Approves*	
Maximum aggregate remuneration amount for the Global Executive Committee		Proposes	Reviews and proposes	Approves (binding vote)
Remuneration of the CEO		Proposes	Approves*	
Individual remuneration of the other members of the Global Executive Committee	Proposes to Remuneration Committtee	Proposes	Approves*	
Remuneration Report		Proposes	Approves	Consultative vote

* Within the overall limits approved by the General Meeting of Shareholders.

from about two to three hours. The attendance ratio was 95 % in fiscal year 2022.

The Remuneration Committee may decide to consult external advisors. In fiscal year 2022, Homburger AG, PricewaterhouseCoopers AG (PwC) and Obermatt AG have been consulted for specific remuneration matters. Other divisions of PwC provided services as Tax and HR advisors for other internal projects. Homburger provided further services as legal advisors. Obermatt did not have any other mandate for Dufry.

For further details regarding the responsibilities of the Remuneration Committee and the meetings held in fiscal year 2022 please refer to section 3.5 Internal Organizational Structure of the Corporate Governance Report.

METHOD FOR DETERMINING REMUNERATION AND BENCHMARKING

Dufry reviews the remuneration of the Global Executive Committee members annually to ensure that it remains competitive to attract and retain talent in the evolving context in which the company operates, including by applying peer group benchmarking. The last benchmarking analysis in regards of the remuneration of the Global Executive Committee members was conducted in fiscal year 2022, using third party remuneration survey data (including Mercer Executive Compensation 2021 data) and disclosed information from other Swiss listed companies. The peer group for compensation benchmarking includes SMI and SMIM companies, as those represent the peers with which the Company competes when it comes to attracting and maintaining key talent for its global business headquartered in Switzerland. The selection of peer group companies takes into consideration other factors such as geographic spread of the business, demographic size of employee base and complexity of the industry. The list of companies in 2022 included ABB, Adecco, Barry Callebaut, Clariant, Ems-Chemie, Geberit, Georg Fischer, Holcim, Lindt, Lonza, Nestlé, Novartis, Richemont, Roche, Sika, Sonova, Straumann, Swatch Group and Swisscom. The peers remained the same as in previous years, as Dufry considers the selected comparison criteria still valid on an ongoing basis.

REMUNERATION OF THE BOARD OF DIRECTORS

REMUNERATION PRINCIPLES

The remuneration of the members of the Board of Directors is designed to attract and retain highly qualified individuals to serve on the Board of Directors. The Board of Directors determines the amount of remuneration of its members, taking into account their responsibilities, experience and the time they invest in their activity as members of the Board of Directors.

REMUNERATION SYSTEM

Non-executive board members

To guarantee their independence in exercising their supervisory duties, the non-executive members of the Board of Directors receive a fixed cash remuneration only and do not participate in Dufry employee benefits plans. Remuneration to the non-executive members of the Board of Directors is not tied to particular performance targets.

The remuneration of the non-executive members of the Board of Directors consists of an annual Board fee of TCHF 250.0. The functions as Lead Independent Director and the responsibility for the ESG oversight were remunerated with an additional amount of TCHF 100.0 p.a. each in 2021. In fiscal year 2022, the function for the oversight for ESG and the Nomination Committee was integrated into the new Nomination and ESG Committee, with the remuneration for its Chair being TCHF 100.0 p.a. (same level as for the previous separate ESG responsibility; no additional Chair fee for the Nomination function). The Chair of the Audit Committee is remunerated with TCHF 100.0 p.a. and the Chair of the Remuneration Committee with TCHF 75.0 p.a. The other Committee members receive an additional remuneration of TCHF 50.0 p.a.

The fees for the Chair of each Committee were last increased in fiscal year 2021 to account for the increased workload for the Chairs of the Committees driven by extended requirements on non-financial reporting and related audit as well as a quickly changing landscape of remuneration determination and transparency, also driven by recent regulation in and outside of Switzerland. None of the other fees were increased in previous years.

The former CEO did not receive any remuneration for his function as Board member. He stepped down from the Board of Directors as of the Annual General Meeting on May 17, 2022.

The remuneration of the Board of Directors is paid quarterly and may be subject to regular social security contributions, depending on the citizenship and residence country of each Board member.

Executive Chairman

The Chairman of the Board of Directors, who is traditionally intensely involved with the Company's management, is considered an executive Chairman. In his executive role, a substantial amount of his time is devoted to the company's operations where he works very closely with the CEO to pursue value-enhancing initiatives including strategically important relationships, joint ventures or acquisitions, strengthening the Company's partnerships with governments, large suppliers and airport authorities. He also supports refinancing activities and capital market transactions of the Company.

REMUNERATION STRUCTURE OF THE BOARD OF DIRECTORS

POSITION / RESPONSIBILITY	ANNUAL FEE IN 2022 IN TCHF	ANNUAL FEE IN 2021 IN TCHF
Chairman of the Board of Directors	2,010.5	2,010.5
Lead Independent Director[1]	100.0	100.0
Member of the Board of Directors[2]	250.0	250.0
Member responsible for the oversight on Dufry's ESG initiatives[1, 3]	n/a	100.0
Chair of the Nomination and ESG Committee[1, 3]	100.0	n/a
Chair of the Audit Committee[1]	100.0	100.0
Chair of the Remuneration Committee[1]	75.0	75.0
Member of the Committees[1]	50.0	50.0

Fees mentioned in the table are gross amounts.
[1] The fees mentioned for the position of Lead Independent Director, Oversight of the ESG strategy, Chair or Membership of a Committee are in addition to the annual board fee as member of the Board of Directors.
[2] The former CEO did not receive additional compensation as a Board member. He did not stand for re-election at the AGM 2022.
[3] The function for the Oversight of the ESG strategy and the Nomination Committee were merged into the Nomination and ESG Committee in 2022. The fee for the Chair of this new Committee remains the same as for the previous separate fee for the Oversight of the ESG strategy.

As in previous years, the Chairman receives a fixed remuneration of TCHF 2,010.5 and is eligible for a performance bonus. The performance bonus at target amounts to 100% of the fixed remuneration. The actual payout is capped at 130% of target. The bonus in 2022 was based on the same metrics than the annual bonus for the members of the Global Executive Committee: Turnover with 50% weight and Equity Free Cash Flow with 50% weight (2021: bonus based on Turnover with 50% weight and Cost savings with 50% weight.). No payout occurs if the performance is not at least 75% of the combined set target. The Chairman's bonus can be paid either in cash or in an equivalent number of shares allocated to him or as a mix between the two. The Board of Directors decided that the bonus for the Chairman for fiscal year 2022 will be paid in cash (2021: in cash). The fixed remuneration is paid quarterly, the bonus is paid out during the second quarter of the following year.

REMUNERATION OF THE BOARD OF DIRECTORS FOR FISCAL YEAR 2022

The table on page 286 is audited according to Article 17 of the Ordinance against Excessive Compensation in Listed Stock Corporations.

SUMMARY OF REMUNERATION IN FISCAL YEARS 2022 AND 2021

The annual base fee as member of the Board of Directors remained unchanged compared with the previous year. The executive Chairman of the Board of Directors received a fixed fee of TCHF 2,010.5 (2021: TCHF 2,010.5) and a performance bonus of TCHF 2,613.6 (2021: TCHF 2,613.6) in cash. The fixed Board fee for the Chairman's position was last increased in 2017 and remained unchanged ever since. The performance bonus amounted to 130% of the annual fixed fee (2021: 130%). For details of Dufry's performance in fiscal year 2022, which was relevant for the performance bonus of the Executive Chairman as well as the annual bonus of the Global Executive Committee (identical metrics of Turnover and Equity Free Cash Flow), please refer to the details on page 293 in section "Performance in Fiscal Year 2022".

On December 31, 2022, the Board of Directors comprised 9 members (December 31, 2021: 11 Board members). For fiscal years 2022 and 2021, the remuneration for the members of the Board of Directors is shown in the remuneration table on page 286 and reflects the period from January 1 until December 31.

Total remuneration declined by 1.0% compared with the previous year, which reflects mainly the changes in the total number of Board members and the composition of the Board of Directors and of its Committees.

The two new members of the Board of Directors, Mr. Alessandro Benetton and Mr. Enrico Laghi, who were elected as Board members at the Extraordinary General Meeting in August 2022, subject to and becoming effective upon, the completion of the transfer of the stake of 50.3% in Autogrill to Dufry, did not receive any compensation during fiscal year 2022. Their election to the Board of Directors became effective on February 3, 2023.

OTHER REMUNERATION, LOANS OR GUARANTEES (AUDITED)

For fiscal years 2022 and 2021, no other remuneration (other than mentioned in the table on page 286) was paid directly or indirectly to current or former members of the Board of Directors or to their related parties. No member of the Board of Directors or their related parties were granted a loan or a guarantee during the reporting years. There was no loan outstanding at the end of the reporting years to any member of the Board of Directors or their related parties.

RECONCILIATION BETWEEN THE REPORTED BOARD REMUNERATION FOR FISCAL YEAR 2022 AND THE REMUNERATION AMOUNT APPROVED BY THE AGM AND EGM FOR THE PERIOD FROM AGM 2022 UNTIL AGM 2023

The AGM held on May 17, 2022, approved a maximum aggregate amount of remuneration of the Board of Directors of CHF 8.5 million for the term of office from the AGM 2022 to the AGM 2023 (CHF 8.5 million from AGM 2021 to AGM 2022). At the EGM held on August 31, 2022, the Board of Directors proposed to approve an increase of this maximum aggregate amount by TCHF 350 from CHF 8.5 million to CHF 8.85 million due to the election of two new Board members in conjunction with the Autogrill transaction. The EGM approved the Board proposal with 94.15% of the votes represented. The additional compensation shall be used for the two new members of the Board of Directors (Mr. Alessandro Benetton and Mr. Enrico Laghi), who were elected by the EGM subject to, and effective upon, the completion of the transfer of the stake of 50.3% in Autogrill from Edizione to Dufry, which occurred on February 3, 2023.

REMUNERATION OF THE BOARD OF DIRECTORS (AUDITED)

NAME, FUNCTION IN THOUSANDS OF CHF	2022 REMUNERATION	2022 SOCIAL SECURITY CONTRIBU-TIONS [8]	2022 TOTAL	2021 REMUNERATION	2021 SOCIAL SECURITY CONTRIBU-TIONS [8]	2021 TOTAL
Juan Carlos Torres Carretero, Chairman [1]	4,624.1	–	4,624.1	4,624.1	–	4,624.1
Heekyung Jo Min, Lead Independent Director [2]	492.7	–	492.7	500.0	–	500.0
Xavier Bouton, Director [3]	155.9	7.7	163.6	–	–	–
Mary J. Steele Guilfoile, Director	331.2	–	331.2	300.0	–	300.0
Luis Maroto Camino, Director	375.0	–	375.0	346.6	–	346.6
Joaquín Moya-Angeler Cabrera, Director [4]	368.7	18.6	387.3	175.3	8.7	184.0
Ranjan Sen, Director	250.0	–	250.0	250.0	–	250.0
Lynda Tyler-Cagni, Director	300.0	44.5	344.5	300.0	–	300.0
Eugenia M. Ulasewicz, Director [4]	337.5	–	337.5	186.3	–	186.3
Subtotal for active members at Dec 31, 2022	**7,235.1**	**70.8**	**7,305.9**	**6,682.3**	**8.7**	**6,691.0**
Jorge Born, Director [5]	150.5	9.1	159.6	415.7	25.0	440.7
Claire Chang, Director [6]	–	–	–	133.6	6.7	140.3
Julián Díaz González, Director, former CEO [5,7]	–	–	–	–	–	–
Steven Tadler, Director [5]	125.4	–	125.4	361.2	–	361.2
Total	**7,511.0**	**79.9**	**7,590.9**	**7,592.8**	**40.4**	**7,633.2**

Amounts mentioned in the table are gross amounts.

1 The remuneration for Mr. Torres Carretero includes a Board fee of CHF 2.01 million and a cash bonus of CHF 2.61 million (2021: CHF 2.01 million Board fee and CHF 2.61 million bonus).

2 The remuneration for Ms. Heekyung Jo Min includes the fees for her responsibilities as Lead Independent Director, Chairwoman of the Nomination and ESG Committee (respectively in 2021 for the Oversight of the ESG strategy) and membership of the Audit Committee.

3 Director since AGM on May 17, 2022.

4 Director since AGM on May 18, 2021.

5 Director until AGM on May 17, 2022.

6 Director until AGM on May 18, 2021.

7 Mr. Díaz González (former CEO of the Company) did not receive any additional compensation as Board member.

8 Amount includes mandatory employer social security contributions.

RECONCILIATION BETWEEN REPORTED BOARD COMPENSATION AND AMOUNT APPROVED BY SHAREHOLDERS AT AGM AND EGM

IN THOUSANDS OF CHF	BOARD COMPENSATION FOR FISCAL YEAR 2022 AS REPORTED	LESS BOARD COMPENSATION TO BE ACCRUED FOR THE PERIOD JANUARY 1, 2022 TO THE AGM ON MAY 17, 2022	PLUS BOARD COMPENSATION TO BE ACCRUED FOR THE PERIOD JANUARY 1, 2023 TO THE AGM ON MAY 8, 2023 [1]	TOTAL BOARD COMPENSATION FOR THE PERIOD FROM AGM 2022 TO AGM 2023	TOTAL MAXIMUM AMOUNT AS APPROVED BY SHAREHOLDERS AT THE AGM 2022 AND EGM 2022 FOR PERIOD OF AGM 2022 TO AGM 2023	COMPEN-SATION RATIO
Total Board of Directors	**7,590.9**	**(1,937.4)**	**1,900.5**	**7,554.0**	**8,850.0**	**85.4%**

1 Includes compensation to elected Board members Mr. Alessandro Benetton and Mr. Enrico Laghi, whose Board memberships became effective on February 3, 2022.

The table on page 286 shows the reconciliation between the reported Board remuneration for fiscal year 2022 and the amount approved by the shareholders at the AGM 2022 and the EGM 2022.

REMUNERATION OF THE GLOBAL EXECUTIVE COMMITTEE

REMUNERATION PRINCIPLES

Dufry aims to provide internationally competitive remuneration to the members of the Global Executive Committee that reflects the experience and the area of responsibility of each individual member. Moreover, the remuneration system intends to support the execution of the business strategy, drive performance and strengthen the alignment with the shareholder interests. The remuneration system is built around the following principles:

Pay-for-Performance

A significant portion of the remuneration depends on the achievement of short-term and long-term performance targets.

Shareholder alignment

A significant portion of remuneration is paid in form of equity, thus strengthening the alignment between the interests of the executives with those of the shareholders.

Competitiveness

Remuneration levels are competitive with the talent market of Dufry.

Transparency

Remuneration system and remuneration decisions are explained in a transparent way to internal and external stakeholders.

REMUNERATION SYSTEM

The remuneration of the members of the Global Executive Committee includes the following elements:
- Fixed base salary in cash;
- Other indirect benefits, post-employment benefits;
- Performance-related bonus in cash;
- Long-term share-based incentive.

Base salary
The annual base salary is the fixed remuneration reflecting the scope and key areas of responsibilities of the position, the skills required to perform the role and the experience and competencies of each individual. The base salary is reviewed on an annual basis. Generally, salary increases for members of the Global Executive Committee are in line with increases for the broader workforce. In case of promotion, typically a more substantial salary increase may be granted. Nevertheless, a newly promoted Global Executive Committee member would get a base salary at the lower end of the expected range with a view to get increases alongside his / her growing experience. Also, higher salary increases may be granted should there be an increase in responsibilities.

Other indirect benefits and post-employment benefits
Whenever applicable, members of the Global Executive Committee participate in the benefits plans available to all employees in their country of employment. Benefits consist mainly of retirement, insurance, and healthcare plans designed to provide a reasonable level of protection for the employees and their dependents in respect to the risk of retirement, disability, death, and illness. The members of the Global Executive Committee with a Swiss employment contract participate in Dufry's pension plans offered to all employees in Switzerland. These consist of the basic pension fund, in which base salaries up to an amount of TCHF 215.1 per annum are insured, as well as a supplementary plan in which base salaries in excess of this limit are insured up to the maximum amount permitted by law. Dufry's pension funds exceed the legal requirements of the Swiss Federal Law on occupational Retirement, Survivors, and Disability Pension Plans (BVG) and are in line with prevalent market practice. Members of the Global Executive Committee under foreign employment contracts are insured commensurately with market conditions and with their position. Each plan varies in line with the local competitive and legal environment and at a minimum, in accordance with the legal requirements of the respective country.

The Company limits further benefits to a minimum. Fringe benefits such as health insurance, company car, schooling or housing allowances have been granted to certain members of the Global Executive Committee. The monetary values of these benefits are included at their fair value in the remuneration tables.

Annual bonus
The annual bonus is a short-term variable incentive designed to reward the financial performance of the Group over a time horizon of one year.

The annual target bonus (i.e. assuming 100 % achievement of the performance targets) is defined annually for each member of the Global Executive Committee and is expressed as a percentage of the annual base

REMUNERATION COMPONENTS

COMPONENT	INSTRUMENT	PURPOSE	INFLUENCED BY	PERFORMANCE OBJECTIVES IN 2022
Base salary	- Base remuneration - Paid in cash on a monthly basis	- Attract and retain best professionals	- Position - Competitive market environment - Experience of the person	
Other indirect benefits, post-employment benefits	- Allowances in kind - Social pension and insurance benefits	- Attract and retain - Protect against risks	- Legal requirements - Market practice	
Annual bonus	- Annual bonus in cash	- Pay-for-performance	- Financial performance of the Group for the fiscal year	- Turnover - Equity Free Cash Flow
Long-term share-based incentives (PSU)	- Performance Share Units (PSU)	- Reward long-term performance - Align with shareholder interests	- Financial performance of the Group - Share price performance relative to peer group - ESG performance of the Group - Measured over a three-year performance period	- Cumulative adjusted EPS - Relative TSR - ESG

OVERVIEW OF THE TARGET, MINIMUM AND MAXIMUM BONUS FOR THE GLOBAL EXECUTIVE COMMITTEE

	FISCAL YEAR 2022	FISCAL YEAR 2021
Target bonus amount for CEO	150 % of annual base salary	110 % of annual base salary
Target bonus amount for other members of the Global Executive Committee	50 % to 110 % of annual base salary	50 % to 109 % of annual base salary
Minimum achievement level for payout (below which the payout is zero)	75 % of the combined targets performance	75 % of the combined targets performance
Maximum annual bonus for CEO	$133\frac{1}{3}$ % of target bonus amount	130 % of target bonus amount
Maximum annual bonus for other members of the Global Executive Committee	130 % of target bonus amount	130 % of target bonus amount

PERFORMANCE OBJECTIVES FOR ANNUAL BONUS

	FISCAL YEAR 2022	FISCAL YEAR 2021
Performance objectives and weighting	Turnover (50 %) Equity Free Cash Flow (50 %)	Turnover (50 %) Cost savings (50 %)

salary. The target bonus in 2022 amounts to 150% of the annual base salary for the CEO and ranges from 50% to 110% of the annual base salary for the other members of the Global Executive Committee.

The actual bonus paid out depends on the achievement of pre-defined Group financial objectives and may range from 0% to 133⅓% of the target bonus for the CEO and from 0% to 130% of the target bonus for the other members of the Global Executive Committee.

The Group financial objectives for the annual bonus are determined on an annual basis by the Board of Directors upon recommendation by the Remuneration Committee and are set in line with the mid-term strategic plan and the annual budget. With expected acceleration of the business in fiscal year 2022, the Board of Directors set the performance objectives to reflect the focus areas growth and cash generation. The metrics for 2022 therefore consist of two KPIs: Turnover, with a 50% weighting, and Equity Free Cash Flow, with a 50% weighting.

The actual performance for each KPI is measured as a percentage achievement compared with the pre-defined target. For a performance achievement percentage below 75%, the bonus payout is zero. For a performance achievement of 100%, the bonus payout amounts to 100% of the annual target bonus. In case of outperformance, the bonus payout is capped at 133⅓% of the annual target bonus amount for the CEO and at 130% of the annual target bonus amount for the other members of the Global Executive Committee.

The Remuneration Committee considers the financial targets for the annual bonus to be commercially sensitive and that it would put the company at a competitive disadvantage to disclose those. However, a performance assessment and the connection between pay and performance are provided ex-post, as commentary to the remuneration tables.

The annual bonus is usually paid out in cash in the second quarter of the following year.

Share-based incentives (PSU)

In 2013, Dufry introduced a Performance Share Unit (PSU) plan for the members of the Global Executive Committee. The purpose of the plan is to provide the members of the Global Executive Committee (and since fiscal year 2015 also selected members of the Senior Management team) with an incentive to make significant and extraordinary contributions to the long-term performance and growth of the Group, enhancing the value of the shares for the benefit of the shareholders. The share-based incentive is also increasing the ability of Dufry Group to attract and retain persons of exceptional skills.

The value of the PSU grant is usually defined annually for each member of the Global Executive Committee. The number of PSU allocated to each member of the Global Executive Committee takes into account the base salary as well as the prevailing share price. For fiscal year 2022, the value of the PSU grant amounts to 197% of the annual base salary for the CEO and ranges from 67% to 119% of the annual base salary for the other members of the Global Executive Committee.

The PSU granted in fiscal year 2022 are a conditional right to receive future shares of the company, if the vesting conditions are met on the vesting date in June 2025. From an economic point of view, the PSU are stock options with an exercise price of nil. They are expected to have no dilutive effect, as the shares are sourced from treasury shares held by the Company.

The performance targets of the 2022 PSU grant are the following, each measured over a three-year performance period:
- Cumulative adjusted EPS with a 50% weighting
- Relative Total Shareholder Return (TSR) with a 25% weighting
- ESG targets with a 25% weighting

The absolute financial performance of Cumulative adjusted EPS measures the company's profitability to investors and is expressed as a nominal amount in CHF. The Relative TSR is expressed as a percentile ranking in a peer group of 26 selected companies, mainly from the STOXX Europe 600 travel, leisure and retail industries. The complete list of companies chosen is shown in a table on page 291. The measurement of Dufry's relative ranking compared to this group is provided by Obermatt, an independent Swiss financial research firm focused on indexing company performances. The third target measures the company's activities in ESG and the improvements regarding impact of its operations on ESG matters with KPIs including Reduction of CO_2 emissions (E), Employee trainings (S) and Purchase volume under the Supplier Code of Conduct (G). ESG-related KPIs are quantifiable and material for Dufry's strategy, and targets are set to award exceptional performance significantly beyond the ordinary course of business. KPIs are based on Dufry's materiality assessment including all stakeholders. Further details for each of the objectives are shown on page 290, please see also Dufry's Sustainability Report on pages 79 - 120

OVERVIEW OF PSU GRANTS TO THE GLOBAL EXECUTIVE COMMITTEE

	FISCAL YEAR 2022	FISCAL YEAR 2021
PSU grant CEO	197 % of annual base salary	99 % of annual base salary
PSU grant to other members of the Global Executive Committee	67 % to 119 % of annual base salary	62 % to 114 % of annual base salary

OVERVIEW OF THE PERFORMANCE OBJECTIVES OF THE PSU PLAN 2022

Performance objectives	Cumulative adjusted EPS	TSR	ESG
Rationale	Measures the company's profitability to investors.	Measures the company's ability to provide investors with strong returns compared to industry-related peers.	Measures the company's activities in ESG and the improvements regarding impact of its operations on ESG.
Definition	Cumulative EPS mainly adjusted for P & L charges such as acquisition related amortization and impairments of concession rights, impairment of goodwill, lease interest, transaction costs and other one-offs. The cumulative adjusted EPS over a three-year period is expressed as a nominal amount in CHF.	Dufry's relative TSR over the performance period, expressed as a percentile ranking in a peer group of 26 companies (see list on page 291). The TSR is calculated as the performance of the share price plus reinvested dividends. TSR ranking to be calculated annually by Obermatt, an independent Swiss financial research firm.	Split into three different KPIs ($33\frac{1}{3}$ % weight each): - Reduction of CO_2 emissions on scope 1 & 2 - Employee trainings on "Responsible retailer" - Purchase volume under Supplier Code of Conduct
Weighting	50 %	25 %	25 %
Performance period	2022 – 2024	2022 – 2024	2022 – 2024
Target (100 % vesting)	Cumulative adjusted EPS of CHF 7.60 (to be adjusted by the effect of the combination with Autogrill).	Ranking at 50th percentile of the peer group.	60 % reduction of CO_2 emissions on scope 1 & 2 by 2024. Employee trainings to 50 % of Dufry FTEs by 2024 to further foster the culture of diversity and inclusion at Dufry and our culture of responsible retailing. At least 50 % of purchase volume (cost of goods sold) under Supplier Code of Conduct by 2024.
Share allocation on vesting	At target 1 share per PSU; at 150 % or more target achievement, a maximum of 2 shares per PSU; at less than 50 % target achievement, zero shares.		

The performance objectives for the PSU granted in previous years are disclosed in the respective Remuneration Reports.*

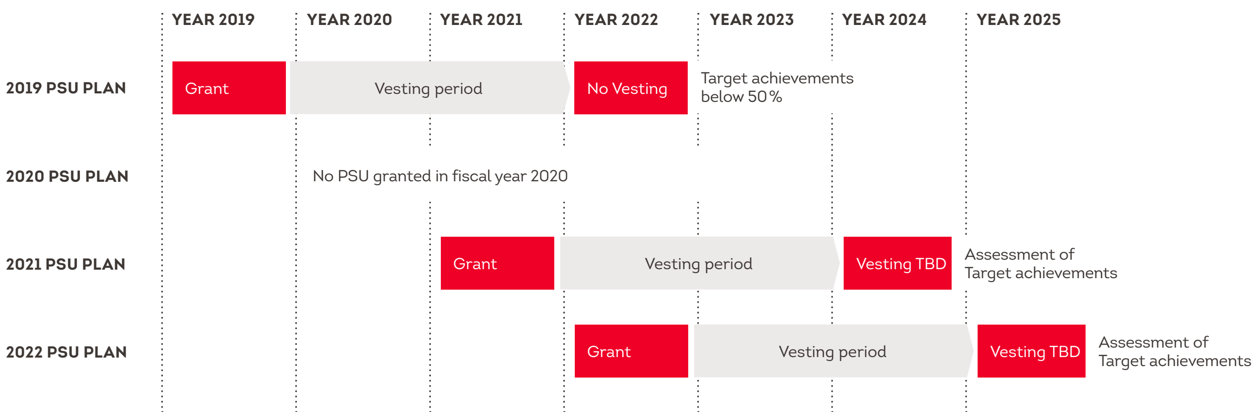
* For the website link to previous financial reports please see page 276 of the Corporate Governance Report.

RELATIVE TSR – LIST OF COMPANIES USED FOR CALCULATION[1]

Accor SA	Dufry AG	Kingfisher plc	TUI AG
Air France-KLM SA	Hennes & Mauritz AB	Lagardere SA	WH Smith PLC
Amadeus IT Group, S.A.	Industria de Diseño Textil, S.A.	Marks and Spencer Group plc	Whitbread plc
B&M European Value Retail S.A.	InterContinental Hotels Group PLC	Next plc	Wizz Air Holdings Plc
Carnival Corporation & plc	Internat. Cons. Airlines Group, S.A.	Ryanair Holdings plc	Zalando SE
Deutsche Lufthansa AG	JD Sports Fashion plc	Sodexo S.A.	
easyJet plc	Kering SA	SSP Group plc	

[1] The peer group is approved by the Board of Directors and reflects a list of meaningful and relevant peer companies.

TIMING OF THE PSU PLANS



The PSU vest on the vesting date based on the achievement of the performance targets. Each PSU may provide between zero share (less than 50 % target achievement) and 2 shares (150 % or more target achievement).

In case of voluntary resignation or termination for cause, unvested PSU forfeit without any compensation. They continue to vest in case of termination by the employer without cause, retirement, disability or death and they are subject to immediate vesting in case of change of control.

Employment contracts

According to Article 23 of the Articles of Incorporation, employment and other agreements with the members of the Global Executive Committee may be concluded for a fixed term or for an indefinite term. Agreements for a fixed term may have a maximum duration of one year. Agreements for an indefinite term may have a notice period of maximum twelve months.

The current employment contracts with the members of the Global Executive Committee contain termination periods of twelve months or less.

REMUNERATION OF THE GLOBAL EXECUTIVE COMMITTEE FOR FISCAL YEAR 2022

SUMMARY OF REMUNERATION FOR FISCAL YEARS 2022 AND 2021

The table on page 292 is audited according to Article 17 of the Ordinance against Excessive Compensation in Listed Stock Corporations.

For fiscal year 2022, the remuneration of the Global Executive Committee includes the remuneration of the CEO as of March 1, 2022, as well as the former CEO and six further members (for the entire period of the fiscal year 2022). The remuneration for fiscal years 2022 and 2021 on page 292 covers the period between January 1 and December 31.

REMUNERATION OF THE GLOBAL EXECUTIVE COMMITTEE (AUDITED)

REMUNERATION COMPONENT IN THOUSANDS OF CHF	2022 GEC [1]	2022 CEO [2]	2021 GEC [1]	2021 CEO [2]
Base salary	7,412.7	1,416.7	6,637.2	1,891.0
Bonus on specific financial targets [3]	10,330.2	2,833.3	7,359.1	2,704.1
Post-employment benefits [4]	1,759.0	534.9	1,417.6	686.9
Other indirect benefits	255.7	–	396.4	36.5
Share-based compensation grant value (3 years performance period) [5]	8,785.4	2,784.8	5,500.0	1,880.4
Total compensation awarded	**28,543.0**	**7,569.7**	**21,310.3**	**7,198.9**
Total realized compensation	**19,757.6**	**4,784.9**	**15,810.3**	**5,318.5**
Number of performance share units awarded [5]	199,059	76,045	132,403	45,267

Amounts mentioned in the tables are gross amounts.

1 The remuneration of the Global Executive Committee in fiscal year 2022 includes compensation to the CEO as of March 1, the former CEO (Jan 1 to Dec 31) and six other members active from Jan 1 to Dec 31. In fiscal year 2021, it included six members active from Jan 1 to Dec 31; one active as of July 1; and two members who left the GEC on June 30 and September 30, respectively.

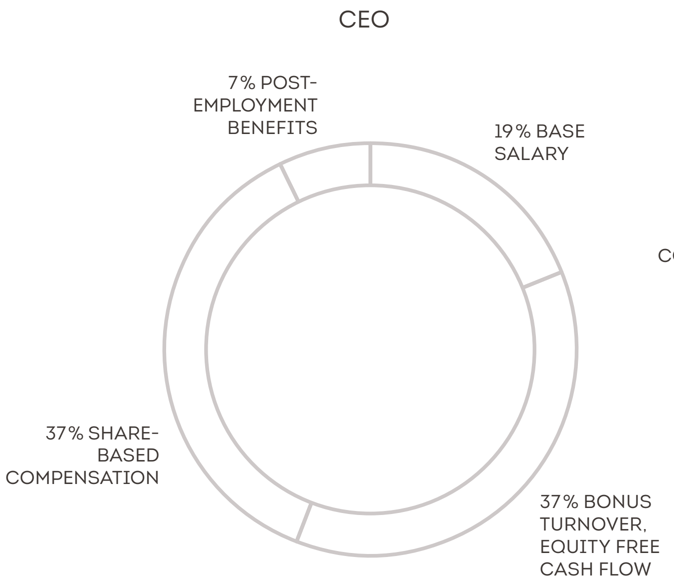
2 In fiscal year 2022, the CEO has the highest compensation of the Global Executive Committee. In fiscal year 2021, the former CEO had the highest compensation.

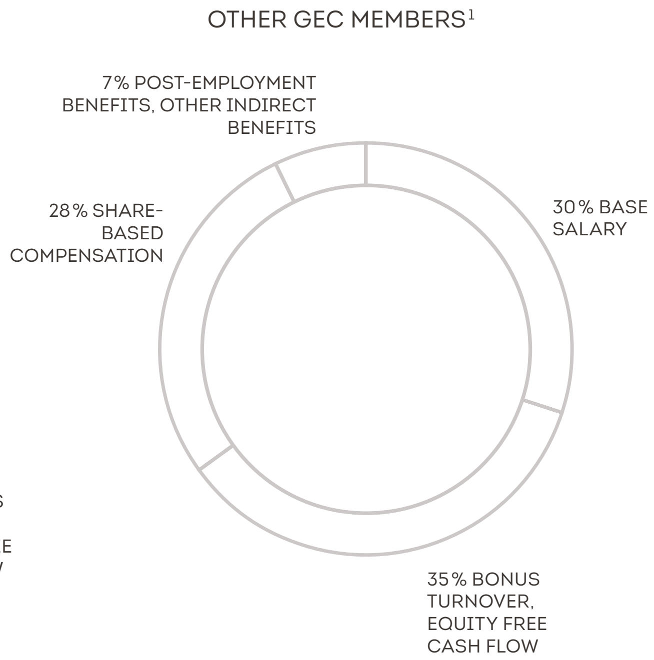
3 In fiscal year 2022, Turnover and Equity Free Cash Flow. In fiscal year 2021, Turnover and Cost savings.

4 Amount includes employer social security contributions and pension contributions.

5 For valuation details of the Dufry performance share units see Note 26 of the consolidated financial statements. The disclosed value in the table corresponds to the grant value in the respective year (number of PSU granted multiplied by the PSU value at the date of grant. The PSU value assumes 100% target achievement, except for relative TSR as part of the LTI, for which the PSU value was calculated according to the Monte Carlo methodology).

REMUNERATION STRUCTURE GLOBAL EXECUTIVE COMMITTEE IN 2022





1 excl. compensation to former CEO

Total remuneration for the members of the Global Executive Committee for 2022, including both CEOs amounts to TCHF 28,543.0 (2021: Global Executive Committee including one CEO position TCHF 21,310.3). This amount comprises annual base salaries of TCHF 7,412.7 (2021: TCHF 6,637.2), annual bonus of TCHF 10,330.2 (2021: TCHF 7,359.1), post-employment benefits of TCHF 1,759.0 (2021: TCHF 1,417.6), other indirect benefits of TCHF 255.7 (2021: TCHF 396.4) and PSU grants of TCHF 8,785.4 (2021: TCHF 5,500.0).

Explanatory comments to the remuneration table

The changes in the total remuneration awarded to the Global Executive Committee for fiscal year 2022 compared with the previous year are mainly due to the following factors:

- The table with the total remuneration includes both CEOs active during fiscal year 2022;
- The former CEO, Julián Díaz González, stepped down from his position as CEO on May 31, 2022;
- The CEO, Xavier Rossinyol, (re-)joined the Company and the Global Executive Committee on March 1, 2022 as designated CEO and became Chief Executive Officer, effective June 1, 2022;
- The incentive opportunities (target annual bonus and grant value of PSU in percentage of base salary) for the new CEO reflect the strong pay-for-performance principle and take into account the significant increase in the size and complexity of Dufry Group after the combination with Autogrill.
- Three members of the Global Executive Committee received a base salary increase in 2022 to take into account the increase of their functions and responsibilities in the past three years. The other members of the Global Executive Committee did not receive any increase in the base salary during fiscal year 2022.
- The financial performance of the Group was higher in fiscal year 2022, resulting in the payout cap being applied under the annual bonus scheme (see details in the following section on the performance in fiscal year 2022).

PERFORMANCE IN FISCAL YEAR 2022

2022 was a year of strong growth rebounding, resulting in a very positive momentum for Dufry. We achieved an accelerating performance supported by sequential easing of travel restrictions around the world and reached turnover of CHF 6,878.4 million for fiscal year 2022, resulting to an organic growth of 76.1% compared to the previous year (in constant FX). This result is truly outstanding as it has been achieved by our teams despite the general business environment and our industry still facing considerable geopolitical and operational challenges: the war in Ukraine, increasing inflation and energy prices, travel disruptions and capacity caps during summer season. Thanks to our ongoing tight cost control, our CORE EBITDA increased substantially and came in at CHF 606.2 million, resulting in a margin of 8.8%, supported by stronger than expected consumer demand and related gross profit margins, and delays in hiring. Equity Free Cash Flow reached CHF 305.2 million, thereby strongly exceeding capital market estimates and our own expectations at the beginning of the year, partly related to some CAPEX phasing into 2023. On the business development side, we secured several important concession contract extensions and new concession wins at various airports around the world, including the extension at our single-largest operation, London Heathrow Airport, until 2029.

Net debt decreased ahead of plan and amounted to CHF 2,810.7 million as at December 31, 2022 – the lowest level since 2015 – meeting all covenant thresholds much earlier than required. We also refinanced a significant part of our 2024 debt maturities at the end of 2022, and successfully concluded an agreement with our lending banks for a new EUR 2,085 million Revolving Credit Facility (RCF). This replaces the existing EUR 1,300 million RCF and USD 550 million Term Loan. The new RCF will mature in 2027 and comes at attractive terms considering the recent market environment.

Sharing a common vision to revolutionize Travel Experience globally, Dufry and Autogrill announced in July 2022 that they will join forces and create a new, integrated global Travel Experience player, diversifying Dufry's existing Travel Retail business with Autogrill's Travel Food & Beverage operations. The combined entity will address over 2.3 billion passengers in more than 75 countries and around 5,500 outlets across 1,200 airports, motorways, seaports, railways and other channels. Following the announcement, Dufry held an Extraordinary General Meeting in August 2022, with Dufry's shareholders having approved the required financing of the transaction as well as an expansion of the Board of Directors and various changes in the Articles of Incorporation related to the transaction. In early 2023, Dufry obtained all the required regulatory approvals, including clearance from the relevant antitrust authorities without conditions. On February 3, 2023, Dufry closed a major milestone of the transaction with the transfer of Edizione's stake of 50.3% in Autogrill to Dufry. The completion of the transaction including the mandatory tender offer to Autogrill's remaining shareholders is expected by end of Q2 2023. The integration is already well underway

PERFORMANCE ACHIEVEMENTS UNDER THE ANNUAL BONUS IN FISCAL YEAR 2022

PERFORMANCE OBJECTIVES	RESULTS	PERFORMANCE ACHIEVEMENT
Turnover (50 %)	With a Group turnover of CHF 6,878.4 million, the predetermined target was exceeded.	0 % – 150 %
Equity Free Cash Flow (50 %)	With Equity Free Cash Flow of CHF 305.2 million, the predetermined target was substantially exceeded.	0 % – 150 %

		PAYOUT PERCENTAGE		
		THRESHOLD	TARGET	CAP
Payout factor	The combined performance ratio is in excess of 130 % of target and therefore results in a payout capped at 133 1/3 % for the CEO and at 130 % for the other members of the Global Executive Committee.	75 %	100 %	130 % / 133 1/3 %

PERFORMANCE ACHIEVEMENTS UNDER THE PSU PLAN 2019 - NO VESTING IN FISCAL YEAR 2022

PERFORMANCE OBJECTIVES	RESULTS	VESTING PERCENTAGE		
		THRESHOLD	TARGET	MAXIMUM
Cumulative Adjusted EPS (100 %)	With a Cumulative Adjusted EPS of CHF -21.10, the predetermined target of CHF 23.82 was not met.	<50 %	100 %	150 + %
Vesting ratio	No vesting of the PSU Plan 2019.	No Vesting	1 share per PSU	2 shares per PSU

PSU OUTSTANDING AT DECEMBER 31, 2022

PLAN		GRANT	PERFORMANCE PERIOD	VESTING	NUMBER OF PSU OUTSTANDING
LTI 2022	GEC (incl. CEO)	2022	2022-2024	June 2025	199,059
	Senior Mgt				354,300
LTI 2021	GEC (incl. CEO)	2021	2021-2023	June 2024	132,403
	Senior Mgt				262,404
LTI 2020	GEC (incl. CEO)	No PSU granted	n / a	n / a	0
	Senior Mgt				0

with dedicated teams and strong management attention.

Furthermore, we presented our new corporate strategy «Destination 2027» at our Capital Markets Day in London in September 2022, with attendance of more than 250 capital market participants either in person or virtually. Our new strategy builds on four key pillars – travel experience revolution, geographic diversification, culture of operational improvement and a strong ESG engagement as connecting element. Having already started with the first initiatives in 2022, we would like to refer you for more details on Destination 2027 to the CEO and CFO letters and the dedicated brochure at the beginning of this Annual Report.

In 2022, we also reached important ESG milestones: We submitted our emission reduction targets for scopes 1, 2 and 3 to SBTi (Science Based Targets Initiative) for approval and received their validation in February 2023. We implemented several initiatives to substitute our electricity consumption with renewable energy and have already reached a level of 20% from renewable sources by 2022. Comprehensive trainings were done to further expand our Diversity & Inclusion engagement, followed by a second dedicated D&I survey. We also published our first TCFD Report (Task Force on Climate-Related Financial Disclosure) to increase transparency on climate-related risks and opportunities. Last but not least, we have further expanded the Supplier Code of Conduct recertifications process now also including North America. Our strong ESG commitment and ambitious targets are reflected in Dufry's remuneration as of 2022.

Performance under the annual bonus

For fiscal year 2022, the annual bonus amounts to 133 ⅓ % of target for the CEO and to 130 % of target for the other members of the Global Executive Committee. This means that the annual accrued bonus is 200 % of the base salary for the CEO and ranges from 65 % to 143 % of the base salary for the other members of the Global Executive Committee.

No vesting of 2019 PSU grants; no PSU grants in 2020

The vesting performance criteria of the PSU granted in fiscal year 2019 have not been reached, and therefore no shares were allocated in May 2022. In fiscal year 2020, no PSU were granted, therefore no shares will be allocated in fiscal year 2023.

Realized compensation in fiscal year 2022

As the PSU granted in 2019 did not vest in fiscal year 2022 and therefore no shares were allocated to the plan participants, the total realized compensation for the Global Executive Committee in fiscal year 2022 amounts to TCHF 19,757.6, of which TCHF 4,784.9 relate to the CEO.

Potential shares from PSU plans

The total number of shares that can be allocated to all participants of the Dufry PSU plan (members of the Global Executive Committee and members of Senior Management team) would amount to the following: At target (100 %) 948,166 shares, representing a total of 1.04 % of the outstanding shares as at December 31, 2022. At maximum (i.e. at 2 shares per vested PSU) 1,896,332 shares, representing a total of 2.09 % of the outstanding shares as at December 31, 2022. Historically, Dufry has always sourced its share-based compensation from treasury shares, so that no dilutive effect is expected from the PSU.

OTHER REMUNERATION, LOANS OR GUARANTEES (AUDITED)

In fiscal year 2022, in compliance with the employment contract, one former member of the Global Executive Committee received compensation of TCHF 170.8, including TCHF 26.9 of social security costs (during the notice period in 2022). No other remuneration was paid directly or indirectly to current or former members of the Global Executive Committee, or to their related parties, in 2022. In fiscal year 2021, and in compliance with the employment contract, one former member of the Global Executive Committee received compensation of TCHF 772.8, including TCHF 42.1 of social security costs (during notice period in 2021). No member of the Global Executive Committee or their related parties were granted a loan or a guarantee during the reporting years. There was no loan outstanding at the end of the reporting years to any member of the Global Executive Committee or their related parties.

RECONCILIATION BETWEEN THE REPORTED GLOBAL EXECUTIVE COMMITTEE REMUNERATION FOR FISCAL YEAR 2022 AND THE REMUNERATION AMOUNT APPROVED BY THE AGM

The AGM held on May 18, 2021, approved a maximum aggregate amount of remuneration for the Global Executive Committee of CHF 29.0 million for the fiscal year 2022. As the remuneration of the Global Executive Committee contains compensation to both the CEO and the former CEO during his contractual notice period, the ratio of the remuneration awarded to the members of the Global Executive Committee, compared with the amount approved by the AGM was 98.4 %.

COMPENSATION RATIO FOR REMUNERATION OF GLOBAL EXECUTIVE COMMITTEE FOR 2022

IN THOUSANDS OF CHF	GEC COMPENSATION FOR FISCAL YEAR 2022 AS REPORTED	TOTAL MAXIMUM AMOUNT FOR GEC COMPENSATION AS APPROVED BY SHAREHOLDERS AT THE AGM 2021 FOR FISCAL YEAR 2022	COMPENSATION RATIO
Total Global Executive Committee	**28,543.0**[1]	**29,000.0**	**98.4%**

[1] Includes compensation to the CEO and the former CEO in 2022.

SHAREHOLDINGS OF THE MEMBERS OF THE BOARD OF DIRECTORS AND THE GLOBAL EXECUTIVE COMMITTEE ON DECEMBER 31, 2022 AND 2021

The following members of the Board of Directors and of the Global Executive Committee of Dufry AG (including related parties) directly or indirectly held shares or share options (including PSU) of the Company as at December 31, 2022 and 2021. Members not listed in the tables did not hold any shares or options.

	DECEMBER 31, 2022			DECEMBER 31, 2021		
IN THOUSANDS	SHARES	OUTSTANDING UNVESTED PSU [1]	PARTICIP.	SHARES	OUTSTANDING UNVESTED PSU [1]	PARTICIP.
MEMBERS OF BOARD OF DIRECTORS						
J. C. Torres Carretero, Chairman [2]	611.8	–	0.67%	556.2	–	0.61%
H. Jo Min, Lead Independent Director	0.7	–	0.00%	0.7	–	0.00%
L, Tyler-Cagni, Director	3.6	–	0.00%	3,6	–	0.00%
ADDITIONAL FORMER MEMBERS OF BOARD OF DIRECTORS						
J. Born, Director	n/a	n/a	n/a	31.7	–	0.03%
J. Díaz González, Director and former CEO [2]	n/a	n/a	n/a	153.2	57.4	0.23%
S. Tadler, Director	n/a	n/a	n/a	19.0	–	0.02%
Total Board of Directors	**616.1**	**–**	**0.68%**	**764.4**	**57.4**	**0.91%**
MEMBERS OF GLOBAL EXECUTIVE COMMITTEE						
X. Rossinyol, CEO	81.2	76.0	0.17%	n/a	n/a	n/a
Y. Gerster, CFO	8.7	32.4	0.05%	3.7	20.3	0.03%
E. Andrades, CEO Operations	2.0	32.4	0.04%	2.0	22.3	0.03%
L. Marin, Global Chief Corporate Officer	10.8	32.4	0.05%	10.8	21.3	0.04%
P. Duclos, Group General Counsel	–	32.4	0.04%	–	21.3	0.02%
A. Belardini, Chief Commercial Officer	19.1	32.4	0.06%	19.1	21.3	0.04%
S. Branquinho, Chief Diversity & Inclusion Officer	0.5	6.0	0.01%	0.4	3.1	0.00%
ADDITIONAL FORMER MEMBER OF GLOBAL EXECUTIVE COMMITTEE						
J. Díaz González, Director and former CEO [2]	n/a	n/a	n/a	153.2	57.4	0.23%
Total Global Executive Committee	**122.3**	**244.0**	**0.40%**	**189.2**	**167.0**	**0.39%**

[1] Outstanding unvested Performance Share Units (PSU) at target level.

[2] In addition to the above, in the previous reporting year, Juan Carlos Torres held a sale position of 0.12% through options (114,420 voting rights) and Julián Díaz González held a sale position of 0.04% through options (40,200 voting rights), both as of December 31, 2021. The detailed terms of these financial instruments were as disclosed to SIX Exchange Regulation and published on January 9, 2021. Disclosure notices are available on the SIX Exchange Regulation website: https://www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html#/

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To the General Meeting of
Dufry AG, Basel

Basel, March 2, 2023

Report on the Audit of the Remuneration Report

Opinion
We have audited the Remuneration Report of Dufry AG (the Company) for the year ended 31 December 2022. The audit was limited to the information on remuneration, loans and advances pursuant to Art. 14-16 of the Ordinance against Excessive Remuneration in Listed Companies Limited by Shares (Verordnung gegen übermässige Vergütungen bei börsenkotierten Aktiengesellschaften, VegüV) in the tables marked "audited" on pages 286 to 296 of the Remuneration Report.

In our opinion, the information on remuneration, loans and advances in the accompanying Remuneration Report complies with Swiss law and Art. 14-16 VegüV.

Basis for Opinion
We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Remuneration Report" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, 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.

Other Information
The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report but does not include the tables marked "audited" in the Remuneration Report, the consolidated financial statements, the stand-alone financial statements and our auditor's reports thereon.

Our opinion on the Remuneration Report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Remuneration Report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the Remuneration Report, 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.

Board of Directors' Responsibilities for the Remuneration Report
The Board of Directors is responsible for the preparation of a Remuneration Report in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a Remuneration Report that is free from material misstatement, whether due to fraud or error. The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

Deloitte.

Auditor's Responsibilities for the Audit of the Remuneration Report

Our objectives are to obtain reasonable assurance about whether the information on remuneration, loans and advances pursuant to Art. 14-16 VegüV is 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 and SA-CH 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 this Remuneration Report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the Remuneration Report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Deloitte AG

Andreas Bodenmann Licensed audit expert (Auditor in charge)	Fabian Hell Licensed audit expert


WINE
SPANISH WINE
VINO ESPAÑOL
SPANISH WINE
CAVA
CHAMPAGNE
TOBACCO
Campo Viejo
TORRES
Protos
Faustino
BARON DE LEY
LAN

INFORMATION FOR INVESTORS AND MEDIA

REGISTERED SHARES

Issuer	Dufry AG
Listing	SIX Swiss Exchange
Type of security	Registered shares
Ticker symbol	DUFN
ISIN-No.	CH0023405456
Swiss Security-No.	2340545
Reuters	DUFN.S
Bloomberg	DUFN:SW

KEY DATES IN 2023

March 7, 2023	Results Fiscal Year 2022 Publication of Annual Report
May 8, 2023	Annual General Meeting
May 10, 2023	Trading Statement First Quarter 2023
August 4, 2023	Results First Half Year 2023
November 2, 2023	Trading Statement Third Quarter 2023
March 12, 2024	Results Fiscal Year 2023 Publication of Annual Report

SENIOR NOTES

Issuer	Dufry One B.V.
Listing	The International Stock Exchange ("TISE")
Size of issue	EUR 800 million
Interest rate	2.5% p.a., paid semi-annually
Maturity	October 15, 2024
ISIN-No.	XS1699848914 (Serie REG S)
Bloomberg	DUFNSW

Issuer	Dufry One B.V.
Listing	The International Stock Exchange ("TISE")
Size of issue	CHF 300 million
Interest rate	3.625% p.a., paid semi-annually
Maturity	April 15, 2026
ISIN-No.	XS2333565815 (Serie REG S)
Bloomberg	DUFNSW

Issuer	Dufry One B.V.
Listing	The International Stock Exchange ("TISE")
Size of issue	EUR 750 million
Interest rate	2.0% p.a., paid semi-annually
Maturity	February 15, 2027
ISIN-No.	XS2079388828 (Serie REG S)
Bloomberg	DUFNSW

Issuer	Dufry One B.V.
Listing	The International Stock Exchange ("TISE")
Size of issue	EUR 725 million
Interest rate	3.375% p.a., paid semi-annually
Maturity	April 15, 2028
ISIN-No.	XS2333564503 (Serie REG S)
Bloomberg	DUFNSW

SENIOR CONVERTIBLE BONDS

Issuer	Dufry One B.V.
Listing	SIX Swiss Exchange)
Size of issue	CHF 500 million
Interest rate	0.75% p.a., paid semi-annually
Maturity	March 30, 2026
Convertible into	Registered shares Dufry AG
Conversion price	CHF 87.00
ISIN-No.	CH1105195684
Ticker symbol	DUF 21

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Phone +41 61 266 44 44

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Company's website:

Latest news:

Articles of incorporation:

Financial reports:

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This Annual Report contains certain forward-looking statements, which can be identified by terms like "believe", "assume", "expect" or similar expressions, or implied discussions regarding potential new projects or potential future revenues, or discussions of strategy, plans or intentions. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from any future results, performance or achievements expressed or implied by such statements. All forward-looking statements are based only on data available to Dufry at the time of preparation of this Annual Report. Dufry does not undertake any obligation to update any forward-looking statements contained in this Annual Report as a result of new information, future events or otherwise.

Publisher Dufry AG, Basel
Concept, Production Tolxdorff Eicher, Horgen
Design, Production hilda design matters, Zurich
Print Neidhart + Schön Group AG, Zurich

Sustainability Report 2022 Annex

DUFRY

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SUSTAINABILITY REPORT ANNEX

About the Report
Following its commitment to providing more visibility into its annual non-financial performance and building on the steps taken in 2016 with the commissioning of its first Materiality Assessment to identify the sustainability topics and in 2017 with the preparation of the first Sustainability Report following international standards, Dufry has again aligned its Sustainability Report with the new guidelines of the Global Reporting Initiative (GRI) Standards in 2022. Reporting in accordance with this international standard permits a more transparent and comparable approach to information and facilitates the tracking of sustainability performance indicators.

Dufry´s 2022 Annual Report includes information for the same set of GRI indicators as the 2021 report. Dufry´s 2022 Sustainability Report has been prepared in accordance with the GRI Universal Standards and applied the latest version available of the different indicators. Where noted "2016*" and "2018*" in this Annex and in the GRI Index, it refers to the indicator issue date, not the date of the information presented. Additionally, Dufry has aligned the GRI indicators with the United Nations' Sustainability Development Goals (SDGs), thus enabling the reader to have a better and more transparent understanding of Dufry's sustainability initiatives.

Dufry's ESG report is divided into two main sections. The main one – included in the annual report – gives the reader a wider view of Dufry, its relationship with its main stakeholders as well as its ESG strategy and how this is embedded in the business strategy. The second part of the report – which is annexed to the Annual Report and also available in the sustainability section of the corporate website, www.dufry.com – is this document which contains information presented in several tables with quantitative and qualitative indicators as per the GRI Universal Standard indications. Both documents present data as of December 31, 2022.

For easier tracking, a complete list of the GRI Index indicators is available also as an Annex of the Dufry Annual Report and in Dufry´s corporate website. That Index cross references indicators (GRI and SDG indicators) and page numbers, serving as a comprehensive guide to where the information on each topic may be found – either in the Annual Report, on the Group website or in this Annex. The GRI Index has also been aligned with the GRI Universal Standards specifications.

Scope
Dufry's 2022 Sustainability Report maintains the same scope of the 2021 report and includes information from all the 62 countries where Dufry operates. For the general profile and most of the GRI indicators, the information reported is global (i.e.: relevant to the whole group). For staff-related indicators – GRI 2–7, 2–8 & 2–30; GRI 202–1 & 202–2 and GRI 401, 402, 403, 404, 405, 406, 407 & 410, information is broken down by four geographical regions, following a similar structure to the one used in Dufry's financial report:

- HQ – Group Headquarters in Basel, Switzerland
- Europe, Middle East & Africa
- Asia Pacific
- The Americas.

More information about each of the countries included may be found on pages 28–43 of the annual report.

Should you have any comments about the content of the report or want to know more about Dufry's ESG engagement, please email us to sustainability@dufry.com.

NON-FINANCIAL RISKS & OPPORTUNITIES

The factors listed below represent the main risks and opportunities for the Dufry Group based on the business model and the company strategy as implemented in 2022. These factors are regularly reviewed and adapted in line with changes in the company's scope and business model as well as to reflect new external developments. Detailed information on the business model is provided in the Strategy Chapter (see dedicated brochure Destination 2027 as well as pages 58 – 77), the ESG Report on pages (79 – 120) as well as in the Financial Report (pages 130 – 238) and the Corporate Governance Report (pages 247 – 276).

With the publication of its first TCFD Report (Task Force on Climate Related Financial Disclosures), Dufry also provides greater detail on specific risks and opportunities arising from climate change. Information provided in the TCFD Report is intended to complement topics included in the table below and is available in the TCFD Report as integral part of the 2022 Annual Report or on the Dufry Group website: Sustainability | Dufry.

RISKS

RISK FACTORS	POTENTIAL IMPACT	OUR RESPONSE
Reduction in passenger traffic and changes in customer behavior	– Any event outside our control that causes a reduction of passenger traffic in among others airports & airlines, railway stations, as well as ferries and cruise lines could adversely affect our business. – The same applies to economic conditions and political changes, which influence customer sentiment as well as traveling and spending behavior.	– Business diversification has always been and will continue to be a key strategic element to mitigate risks and drive company growth. – Diversification by geographies, sectors and channels to mitigate the impact of regional or local phenomena. – Information on sales split by geographies, sectors, channels and products categories is available on pages 8 – 9 of the annual report 2022.
Specific Covid-19 related risks	– The COVID-19 pandemic is an example of how governmental restrictions to reduce traveling and personal contacts strongly reduce domestic and international travel, passenger traffic and therefore impact the travel retail industry and our business.	– We have immediately taken action to protect health and safety of our employees and customers through our Global Health & Safety Protocol, fully aligning it with local regulations in the locations we operate. – Various processes and risk mitigation strategies being in place already prior to the COVID-19 pandemic have enabled us to react quickly and effectively on this specific situation. – We have taken a location-by-location and shop-shop-by-shop approach to assess opportunities to keep shops open or reopen them as soon as possible. – We have adapted the company organization and processes to the new business environment, to reduce costs and applied an increased control on cash management. – We have secured the resilience of the company by defining a new strategy – Destination 2027 – implementing a variety of refinancing initiatives focusing on liquidity and a strong financial position. – We expect to be well positioned for the ongoing recovery phase and to be able to engage in strategic initiatives to accelerate growth going forward.

Winning and extending concessions – Travel retail is typically a highly competitive concession business. Dufry competes with other travel retailers at global, regional and local levels in obtaining and maintaining concessions at airports and in other travel channels. Within a specific location (an airport, a cruise ship, a train station, casino or alike) the number of concessions is typically limited and includes a de-facto exclusivity.	– Failing to win or extend a concession can prevent Dufry – or any competitor – to enter a specific location until the concession comes up again for renewal. – Concession contracts can be subject to revocations and modifications, which can negatively affect the performance of the company at the particular location or at corporate level.	– Dufry maintains a highly diversified concession portfolio of over 2,200 shops across over 410 locations in 62 countries with an average remaining life-time of currently close to 6 years. – Concessions are well balanced throughout emerging and developed markets; the largest concession accounts for less than 6% and the ten biggest concessions for around 28% of sales. – Local presence in all key markets, allows Dufry to monitor opportunities at global level to compete for attractive contracts.

Market & political risks – Operating in a highly regulated environment
 	
– Travel Retail in general is a highly regulated industry, as operators:
  – have to adhere to the same regulatory framework with respect to commercial activities and product requirements as local retailers in any specific country
  – can additionally be impacted by changes in the taxation and customs allowance systems of individual countries
  – have to follow product disclosure and health legislation as well as security requirements issued by the airline and airport industry.
	– Changes in the regulatory framework in individual markets can positively or negatively impact sales performance or profitability of the company at local or group level.	– Diversification by geographies and by customs regime reducing exposure to local legislation.
		– Broad product assortment constantly adapted to new customer preferences.
		– Strong and long-term partnerships with airport authorities and other landlords. Mutual trust and shared objectives with these landlords are key for value creation.
		– Cooperation with industry associations to lobby for the industry's interests.

Customer data privacy and cybersecurity	– Potential impact on both the operational readiness of the business as well as with respect to reputation in the case of issues with customer data.	– Dufry manages its IT, data protection and cybersecurity risks through its Global IT Security Team responsible to assess, identify and implement protective measures to mitigate existing and potential new risks. – Dufry's Group Data Protection Policy defines requirements to process third party transactions, fulfills the EU General Data Protection Regulation (GDPR) and ensures compliance with international data protection laws such as among others the Payment Card Industry Data Security Standard (PCI DSS) and the Sarbanes-Oxley Act (SOX). – The company regularly does cyber security trainings helping to sensitize employees and increase their alertness for these topics. – A detailed description on cyber security is available on page 94 of the ESG Report. – Dufry maintains a global customer service platform, where any issues can be reported online and/or by personal contact 24 / 7.
Availability and retention of human capital – By directly engaging with our customers from over 150 nationalities and ethnicities our employees are key success factors to drive sales and customer satisfaction.	– The capability of employing and retaining a skilled workforce is a key success factor in the company. – This is particularly true for our shop staff, who normally have higher and different skill requirements than in traditional high-street retail shops.	– Create an attractive working environment, which considers the specific skills needed by our employees (e.g. foreign languages, shift working, security requirements etc.) and offer fair compensation schemes. – Foster equal opportunities, without any kind of discrimination. – Create wealth at the local communities' level.

Customer behavior – Dufry's welcomes daily customers from over 150 nationalities, many of them having different purchasing behaviors and product preferences.	– Changes in customer behavior as well as the capability to provide the ight services can influence sales performance of our shops locally and globally.	– Dufry regularly performs customer surveys several times per year to early identify potential changes in customer behavior and preferences. – In cooperation with our brand partners our central procurement teams identify new trends and customer needs to optimize our assortments.
Suppliers & product availability – As a "pure" retailer, Dufry does not develop or produce any products nor private labels.	– The ability to maintain and develop supply relationships to source products from global and local brands requested by customers is a key success factor.	– Dufry operates a centralized global procurement department, which directly manages its supply chain with owners of global brands. – Local brands are sourced locally. – Dufry's global brand portfolio represents a valuable asset for concession partners, when we compete for concessions.
Legal & compliance – Within its course of business, there is a risk that the company could violate laws and regulations at local level regarding business conduct and regulations, preventing among others bribery, corruption, fraud, discrimination, unauthorized use of personal data. – The company could be involved in lawsuits, claims of various natures, investigations and other business related legal proceedings.	– Legal or compliance issues can generate related costs, penalties, as well as reputational damage. These impacts can occur locally, but also affect the Group.	– In its Code of Conduct Dufry stipulates provisions on how it expects employees, directors and officers to conduct business. The dedicated Global Compliance department monitors the respect of the respective set of company policies. – Through the Dufry Supplier Code of Conduct, the company extends its scope of compliance with respect to accepted regulations and business ethics. – Employees receive regular compliance trainings and awareness raising communications.
Climate change & environmental risks – Dufry does not develop nor produce own products nor does it operate any kind of manufacturing sites. – Products are sourced directly from brand owners and are delivered either to our Distribution Centers or directly to the shops. – Transportation of goods from the supplier's production sites to the Dufry Distribution Centers or directly to the shops is covered within the responsibility of the suppliers. – From an energy perspective Dufry includes in its scope consumption at office buildings and covers its supply chain from the Distribution Center to the shops. These premises are mostly rented with low possibility to influence construction. – Dufry develops its own shop design and the respective guidelines.	– Environmental legislation and requirements can affect cost of energy consumption for transportation as well as the operation of shop and office premises within the Group. – Legislation on use of packaging material (e.g. single use plastics) and circular economy can influence business procedures.	– Dufry's ESG Strategy covers the different aspects of sustainability. – The company has defined emission reduction goals and discloses emissions on Scope 1, 2 and 3. Thee objectives have been validated by the Science Based Targets initiative (SBTi). – Dufry has a dedicated Shop Design Strategy to develop sustainable shops with respect to reduced energy consumption, use of recyclable materials and circular economy for shop refurbishments. – Dufry is replacing its single-use plastic packaging with sustainable and alternatives, where possible (see details page 92).

Health & safety risks – Except for employees working in office-buildings, Dufry's workforce mostly operates in highly regulated areas such as airports, cruise ships & ferries, train stations as well as seaports and similar environments. Thus, we have two levels of health and safety provisions. – Fire, health pandemics, terrorist attacks and other external factors can be risks to our employees and customers.	– Injury, illness or fatality can influence operational readiness and generate reputational damage, which can impact our financial and business performance.	– The first level of health and safety provisions is defined by concession partners' health and safety programs, to which our employees have to adhere to and for which they are specifically trained. – Dufry's own health and safety regulations are applied on top of the location specific ones and include group-wide regulations and guidelines. – In the context of the COVID-pandemic Dufry implemented an additional Global Health & Safety Protocol to protect both employees and customers. The protocol includes our internal guidelines and is flexible enough to adapt to the local regulations in the countries and locations of our shops. – A detailed description of the Health & Safety management process is described on pages 108 – 109 of the ESG Report.
Financial risks, ability to borrow funds and / or fund raising	– Financial Risks can impact the company's profitability, liquidity and financial position.	– Dufry has two strategic growth pillars; organic growth and M&A. – Within organic growth the company successfully extends existing contracts, adds additional retail space in existing locations and wins new concessions contributing to the increase of its global footprint. – We continue to focus on M&A as it offers the opportunity for strategic add-on acquisitions in travel retail as well as for accessing new and adjacent travel related markets. – M & A often allows to leverage an existing local organization thus increasing profitability.

INFORMATION ON EMPLOYEES AND OTHER WORKERS (USING GRI CODING)

2-7 EMPLOYEES

	FEMALE	MALE	OTHER*	NOT DISCLOSED	TOTAL
INFORMATION ON EMPLOYEES BY GENDER					
Number of employees – Headcounts	15,594	9,477	1	42	26,114
Number of permanent employees - Headcounts	16,311	9,299	1	42	25,653
Number of temporary employees - Headcounts	228	141	0	0	369
Number of non-guaranteed hours employees - Headcounts	55	37	0	0	92
Number of full-time employees - Headcounts	12,576	8,048	0	36	20,660
Number of part-time employees - Headcounts	4,018	1,429	1	6	5,454

*Gender as specified by the employees themselves

	HQ	EMEA	THE AMERICAS	APAC	TOTAL
INFORMATION ON EMPLOYEES BY REGION					
Number of employees – FTEs	583	10,353	12,046	810	23,792
Number of employees – Headcounts	152	11,094	13,113	1,755	26,114
Number of permanent employees - Headcounts	149	10,686	13,083	1,732	25,653
Number of temporary employees - Headcounts	3	405	30	23	461
Number of non-guaranteed hours employees - Headcounts	0	73	19	0	92
Number of full-time employees - Headcounts	121	7,862	11,281	1,396	20,660
Number of part-time employees - Headcounts	31	3,232	1,832	359	5,454

2-8 WORKERS WHO ARE NOT EMPLOYEES

	HQ	EMEA	THE AMERICAS	APAC	TOTAL
NUMBERS OF HEADCOUNTS					
	20	2,204	1,159	171	3,554

2-30 COLLECTIVE BARGAINING AGREEMENTS

	HQ	EMEA	THE AMERICAS	APAC	TOTAL
% OF HEADCOUNTS					
	100%	45%	65%	0%	52%

202-1 RATIOS OF STANDARD ENTRY LEVEL WAGE BY GENDER COMPARED TO LOCAL MINIMUM WAGE

	HQ	EMEA	THE AMERICAS	APAC	TOTAL
RATIO					
Female	1	1.61	2.46	2.53	2.1
Male	1	1.61	2.28	2.55	2.0

202-2 PROPORTION OF SENIOR MANAGEMENT HIRED FROM THE LOCAL COMMUNITY

	HQ	EMEA	THE AMERICAS	APAC	TOTAL
%					
	35%	93%	97%	98%	95%

204-1 PROPORTION OF SPENDING ON LOCAL SUPPLIERS

The food, confectionery and catering category (which represents 21% of Dufry's 2022 global sales) spent by far the largest proportion of its global procurement budget on local providers; approximately 80%. This is followed by the Wine & Spirits category (17% of the 2022 global sales), with 22% of its budget spent on local brands, and the Luxury category (9% of 2022 global sales), with 18% of its budget spent on local providers. Tobacco goods (13% of the 2022 global sales) allocated 2.5% of its budget, while Perfume and Cosmetics (29% of the 2022 global sales) spent approximately 1.5% on local providers.

401-1 NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER

Note that Dufry operates in airports that have a very marked seasonal pattern and traffic, especially in the Europe, Africa & Middle East region and Central & South America regions. Over the summer season – from April until October – these airports concentrate over 80% of the annual traffic. Staff is hence reinforced over each summer period. Wherever possible, Dufry employs the same staff year after year. However, these seasonal employment contracts are accounted as new hires in the table below and therefore also impact the turnover figures.

Further to this seasonal pattern, some turnover figures still reflect the impact of measures adopted as a consequence of the closing of certain airport operations and the reduction of air connections, which in many cases led to the temporary closing of stores.

	HQ	EMEA	THE AMERICAS	APAC	TOTAL
NEW HIRES (ABSOLUTE)					
Female	19	3,337	5,004	333	8,733
< 30 years	14	1,434	1,819	148	3,415
30 – 50 years	12	472	575	30	1,079
> 50 years	3	1,471	2,610	155	4,239
Male	18	1,969	2,904	135	5,026
< 30 years	12	812	986	65	1,875
30 – 50 years	3	189	291	10	493
> 50 years	3	968	1,627	60	2,658
Other/Not disclosed	–	2	108	–	110
< 30 years	–	1	51		52
30 – 50 years	–		4		4
> 50 years	–	1	53		54

	HQ	EMEA	THE AMERICAS	APAC	TOTAL
TURNOVER (ABSOLUTE)					
Female	8	2,443	3,502	116	6,069
< 30 years	0	942	1,764	34	2,740
30 – 50 years	8	1,112	1,286	69	2,475
> 50 years	0	389	452	13	854
Male	11	1,383	2,042	44	3,480
< 30 years	2	685	1,051	12	1,700
30 – 50 years	7	611	759	28	1,405
> 50 years	2	137	232	4	375
Other/Not disclosed	–	1	65	–	66
< 30 years	–	1	36		37
30 – 50 years	–	–	28		28
> 50 years	–	–	1		1

Following the Global Sustainability Standards Board (GSSB) interpretation of the Standard, which states that "An organization is not required to comply with clause 2.1 in GRI 401: Employment 2016" Dufry has opted to disclose absolute hires and turnover absolute figures only and not ratios.

402-1 MINIMUM NOTICE PERIODS REGARDING OPERATIONAL CHANGES

	HQ	EMEA	THE AMERICAS	APAC
IN WEEKS				
	13.00	4.46	2.73	3.33

403-8 WORKERS COVERED BY AN OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM

	HQ		EMEA		THE AMERICAS		APAC	
ABSOLUTE / IN %								
Employees and workers who are not employees, covered by the H & S system that has been EXTERNALLY audited	152	100 %	11,094	100 %	13,113	100 %	1,755	100%
Employees and workers who are not employees, covered by the H & S system that has been INTERNALLY audited	n / a	n / a	2.584	24 %	0	0 %	0	0 %
Employees and workers who are not employees, covered by the H & S system that has been EXTERNALLY audited	n / a	n / a	0	0 %	0	0 %	0	0 %

403-9 WORK-RELATED INJURIES

	HQ		EMEA		THE AMERICAS		APAC	
ABSOLUTE / RATIO PER 1,000,000 HOURS WORKED								
Fatalities as a result of work-related injury	0	0	0	0	0	0	0	0
High-consequence work-related injuries (ex-cluding fatalities)	0	0	2	0.11	3	0.12	0	0
Recordable work-related injuries	0	0	10	0.53	74	3.06	0	0
Main types of work-related injury	n / a		Minor injury, broken bones		Minor injury, broken bones		n / a	
Number of hours worked	271,336		18,896,592		24,196,536		3,131,856	

404-1 AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE

	HQ	EMEA	THE AMERICAS	APAC
TOTAL NUMBER OF HOURS				
Female	3.05	0.75	16.73	0.48
Director / Management	5.25	13.97	241.80	48.75
Admin & Professionals	2.85	2.57	13.02	2.12
Sales & Ops Managers	-	0.39	0.75	0.66
Sales & Ops Staff	-	0.55	17.55	0.25
Male	2.16	0.68	10.23	0.53
Director / Management	2.22	4.13	45.40	3.69
Admin & Professionals	2.11	2.56	8.56	2.04
Sales & Ops Managers	-	0.31	0.43	0.29
Sales & Ops Staff	-	0.44	10.87	0.25

Some operations continued to be on reduced service or closed, especially in the APAC region. The figures above only reflect formal training hours tracked through our HR system and excludes non-formal training.

404-3 PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS

	HQ	EMEA	THE AMERICAS	APAC
TOTAL NUMBER OF HOURS				
Female	100 %	100 %	100 %	100 %
Director / Management	100 %	100 %	100 %	100 %
Admin & Professionals	100 %	100 %	100 %	100 %
Sales & Ops Managers	100 %	100 %	100 %	100 %
Sales & Ops Staff	100 %	100 %	100 %	100 %
Male	100 %	100 %	100 %	100 %
Director / Management	100 %	100 %	100 %	100 %
Admin & Professionals	100 %	100 %	100 %	100 %
Sales & Ops Managers	100 %	100 %	100 %	100 %
Sales & Ops Staff	100 %	100 %	100 %	100 %

405-1 DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES

EMPLOYEES			HQ	EMEA	THE AMERICAS	APAC
% HEADCOUNTS						
Director / Top management	< 30 years	Female	-	-	-	-
		Male	-	-	-	-
		Minority	n/a	n/a	-	n/a
	30 – 50 years	Female	11%	20%	11%	-
		Male	43%	38%	28%	47%
		Minority	n/a	n/a	-	n/a
	> 50 years	Female	11%	8%	15%	6%
		Male	33%	35%	46%	47%
		Minority	n/a	n/a	-	n/a
Admin & Professionals	< 30 years	Female	3%	6%	11%	8%
		Male	4%	3%	7%	3%
		Minority	n/a	n/a	0%	n/a
	30 – 50 years	Female	40%	42%	34%	40%
		Male	34%	27%	24%	40%
		Minority	n/a	n/a	0%	n/a
	> 50 years	Female	13%	13%	15%	6%
		Male	7%	9%	10%	3%
		Minority	n/a	n/a	0%	n/a
Sales & Ops Managers	< 30 years	Female	-	2%	4%	4%
		Male	-	1%	4%	3%
		Minority	n/a	n/a	0%	n/a
	30 – 50 years	Female	-	37%	35%	18%
		Male	-	28%	28%	38%
		Minority	n/a	n/a	0%	n/a
	> 50 years	Female	-	17%	18%	18%
		Male	-	15%	11%	20%
		Minority	n/a	n/a	0%	n/a
Sales & Ops Staff	< 30 years	Female	-	12%	19%	19%
		Male	-	7%	12%	11%
		Minority	n/a	n/a	0%	n/a
	30 – 50 years	Female	-	37%	30%	36%
		Male	-	20%	15%	27%
		Minority	n/a	n/a	0%	n/a
	> 50 years	Female	-	17%	16%	5%
		Male	-	8%	7%	2%
		Minority	n/a	n/a	0%	n/a

406-1 INCIDENTS OF DISCRIMINATION AND CORRECTIVE ACTIONS TAKEN

	HQ	EMEA	THE AMERICAS	APAC
ABSOLUTE				
Total number	0	1	3	0
Remediation plans imple-mented	0	1	0	0
Remediation plan implemented and under supervi-sion	0	0	1	0
Incidents no longer subject to action	0	0	2	0

407-1 OPERATIONS AND SUPPLIERS IN WHICH THE RIGHT TO FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING MAY BE AT RISK

Dufry is unaware of any operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be at risk.

As a signatory member of the UN Global Compact, Dufry endorses the concept and right to exercise freedom of association. Moreover, and as stipulated in Dufry´s Supplier Code of Conduct, Durfy suppliers shall not supply any products or services to Dufry that have been manufactured, assembled, or packaged in violation of internationally-accepted human rights standards and applicable laws and regulations in relation to labor and working conditions, and more specifically, in respect of the rights of employees to form and join trade unions and bargain collectively in accordance with applicable law.

410-1 SECURITY PERSONNEL TRAINED IN HUMAN RIGHTS POLICIES OR PROCEDURES

Dufry does not employ in-house security personnel of its own. This is largely due to the fact that its retail stores are overwhelmingly located in airports, railway stations and on cruise ships (97% of 2022 global sales), where security is already strict and generally provided by the airport authority or cruise line itself. Where security personnel are required and contracted, Dufry expects its security service contractors to act in a manner consistent with local and national laws as well as with applicable human rights standards. Dufry outsources this service to trustworthy providers, regulated by local governments and with a reputable track-record of services, including the respect for human rights. We have not recorded for the period any case of human rights or any other type of abuse by the security personnel hired by Dufry.

415-1 PUBLIC POLICY

For Dufry it is important to engage in discussions with various stakeholders – from policymakers, legislators and regulators to representatives of the business community and society – to understand relevant issues and to help find constructive solutions to current challenges.

When it comes to political and charitable contributions, as established in the Dufry Code of Conduct, Dufry requires strict adherence to applicable laws and disclosure requirements in relation to political and charitable contributions and sponsorships. A Donation should be avoided where it would create the impression that it is made in exchange for a business advantage for Dufry.

Dufry does not make direct or indirect contributions to political causes that can present corruption risks, because they can be used to exert undue influence on the political process.

	HQ	EMEA	THE AMERICAS	APAC
IN CHF				
	0	0	0	0

416-1 ASSESSMENT OF THE HEALTH AND SAFETY IMPACTS OF PRODUCT AND SERVICE CATEGORIES

We are committed to ensuring that every product we sell is safe. Our procurement teams focus on preventing issues occurring by sourcing products from a reliable supply base.

Some of the products that Dufry sells are heavily regulated – especially alcohol and tobacco but also beauty and food. Dufry complies with all regulations and rules related to the products sold in the countries where it operates.

GRI Content Index 2022

DUFRY

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GRI CONTENT INDEX 2022

Page indications in this Index refer to the 2022 Dufry Annual Report unless otherwise noted.

Dufry 2022 Sustainability Report applies Global Reporting Initiative (GRI) Universal Standards;
2016*, 2018* and 2021* refer to the Standards issue date, not the date of the information presented in this report.

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	SDG	PAGE UNMBER AND/OR URL	OMISSION			GRI SECTOR STANDARD REF. NO.
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GENERAL DISCLOSURES							
GRI 2: General Disclosures 2021	**2-1** Organizational details		56-57; 247-248				
	2-2 Entities included in the organization's sustainability reporting		233-234				
	2-3 Reporting period, frequency and contact point		Pg. 2 Sust. Report 2022 Annex 7 March 2023				
	2-4 Restatements of information		There are no restatements of information in this report				
	2-5 External assurance		No				
	2-6 Activities, value chain and other business relationships		82; 84; 90-93; 97-98				
	2-7 Employees	10.3	Pg. 7 Sust. Report 2022 Annex				
	2-8 Workers who are not employees		Pg. 7 Sust. Report 2022 Annex				
	2-9 Governance structure and composition		254-265				
	2-10 Nomination and selection of the highest governance body	5.5; 16.7	254-265				
	2-11 Chair of the highest governance body	16.6	254-258				
	2-12 Role of the highest governance body in overseeing the management of impacts	5.5; 16.7	261				
	2-13 Delegation of responsibility for managing impacts		261				
	2-14 Role of the highest governance body in sustainability reporting		Dufry´s ESG Report, as well as the ESG Report Annex, GRI Index, UN Global Compact Report and TCFD report are revised and approved by the BoD				
	2-15 Conflicts of interest	16.6	260				
	2-16 Communication of critical concerns		115-116; 264-265 No critical issues raised.				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	SDG	PAGE UNMBER AND/OR URL	OMISSION			GRI SECTOR STANDARD REF. NO.
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
	2-17 Collective knowledge of the highest governance body		264-265 Dufry´s Board is regularly updates in new issues and concerns that may have an impact over the sustaniable development of the business.				
	2-18 Evaluation of the performance of the highest governance body		278-296				
	2-19 Remuneration policies		278-296				
	2-20 Process to determine remuneration		278-296				
	2-21 Annual total compensation ratio		Headquartered in Switzerland, Dufry operates in over 60 countries with different economic development levels and with very varied labor markets. The compensation we offer is based on regular market analyses of the respective positions as well as the employee's skill set and performance. As far as possible, we strive to offer all our employees comparable compensation structures and monitor compliance with minimum standards. The ratio of the annual compensation of the highest-paid employee and any median can vary greatly depending on the market spread between countries and other external influences, such as exchange rates etc. For this reason, we do not consider the requested information to be relevant to assessing the fairness of our compensation structures.				
	2-22 Statement on sustainable development strategy		12-20 UNGC Progress Report (pg. 2)				
	2-23 Policy commitments	16.3	92; 115-116; 119-120 Code of Conduct, Supplier Code of Conduct and HR Policy at www.dufry.com/en/sustainability				
	2-24 Embedding policy commitments		114-116				
	2-25 Processes to remediate negative impacts		Code of Conduct, Supplier Code of Conduct and HR Policy at www.dufry.com/en/sustainability				
	2-26 Mechanisms for seeking advice and raising concerns		114-116 Code of Conduct and HR Policy at www.dufry.com/en/sustainability				
	2-27 Compliance with laws and regulations		114-116				
	2-28 Membership associations		118				
	2-29 Approach to stakeholder engagement		84; 118-119				
	2-30 Collective bargaining agreements	8.8	Pg. 7 Sust. Report 2022 Annex				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	SDG	PAGE UNMBER AND/OR URL	OMISSION			GRI SECTOR STANDARD REF. NO.
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION	

MATERIAL TOPICS

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	SDG	PAGE UNMBER AND/OR URL	REQUIREMENT(S) OMITTED	REASON	EXPLANATION	GRI SECTOR STANDARD REF. NO.
GRI 3: Material Topics 2021	**3-1** Process to determine material topics		84				
	3-2 List of material topics		85				
ECONOMIC PERFORMANCE							
GRI 3: Material Topics 2021	**3-3** Management of material topics		8-9; 12-20; 120				
GRI 201: Economic Performance 2016	**201-1** Direct economic value generated and distributed	8.1; 8.2; 9.1; 9.4; 9.5	120				
	201-2 Financial implications and other risks and opportunities due to climate change	13.1	TCFD Report (Pg. 5)				
	201-3 Defined benefit plan obligations and other retirement plans		147-148; 199-203				
	201-4 Financial assistance received from government		None				
MARKET PRESENCE							
GRI 3: Material Topics 2021	**3-3** Management of material topics		28-43				
GRI 202: Market Presence 2016	**202-1** Ratios of standard entry level wage by gender compared to local minimum wage	1.2; 5.1; 8.5	Pg. 7 Sust. Report 2022 Annex				
	202-2 Proportion of senior management hired from the local community	8.5	Pg. 7 Sust. Report 2022 Annex				
PROCUREMENT PRACTICES							
GRI 3: Material Topics 2021	**3-3** Management of material topics		64-67				
GRI 204: Procurement Practices 2016	**204-1** Proportion of spending on local suppliers	8.3	Pg. 8 Sust. Report 2022 Annex				
ANTI-CORRUPTION							
GRI 3: Material Topics 2021	**3-3** Management of material topics		114-116				
	205-2 Communication and training about anti-corruption policies and procedures	16.5	114-116				
ANTI-COMPETITIVE BEHAVIOR							
GRI 3: Material Topics 2021	**3-3** Management of material topics		114-116				
GRI 206: Anti-competitive Behavior 2016	**206-1** Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	16.3	During 2022, Dufry didn´t have any legal action for anti-competitive behaviour, anti-trust or monopoly practices				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	SDG	PAGE UNMBER AND/OR URL	OMISSION: REQUIREMENT(S) OMITTED	OMISSION: REASON	OMISSION: EXPLANATION	GRI SECTOR STANDARD REF. NO.
MATERIALS							
GRI 3: Material Topics 2021	**3-3** Management of material topics		96-103				
	301-3 Reclaimed products and their packaging materials	8.4; 12.2; 12.5	N/A				
ENERGY							
GRI 3: Material Topics 2021	**3-3** Management of material topics		96-102				
GRI 302: Energy 2016	**302-1** Energy consumption within the organization	7.2; 7.3; 8.4; 12.2; 13.1	99 (109,857 MWh)				
	302-3 Energy intensity	7.3; 8.4; 12.2; 13.1	99 (232.94 kWh / m^2) Energy intensity calculated over the total m^2 of commercial surface operated by Dufry				
EMISSIONS							
GRI 3: Material Topics 2021	**3-3** Management of material topics		97-103				
GRI 305: Emissions 2016	**305-1** Direct (Scope 1) GHG emissions	3.9; 12.4; 13.1; 14.3; 15.2	99				
	305-2 Energy indirect (Scope 2) GHG emissions	3.9; 12.4; 13.1; 14.3; 15.2	99				
	305-3 Other indirect (Scope 3) GHG emissions	3.9; 12.4; 13.1; 14.3; 15.2	99				
	305-4 GHG emissions intensity	13.1; 14.3; 15.2	99				
	305-5 Reduction of GHG emissions	13.1; 14.3; 15.2	99-101				
EMPLOYMENT							
GRI 3: Material Topics 2021	**3-3** Management of material topics		107-113				
GRI 401: Employment 2016	**401-1** New employee hires and employee turnover	5.1; 8.5; 8.6; 10.3	Pg. 8-9 Sust. Report 2022 Annex				
LABOR/MANAGEMENT RELATIONS							
GRI 3: Material Topics 2021	**3-3** Management of material topics		107-113				
GRI 402: Labor/ Management Relations 2016	**402-1** Minimum notice periods regarding operational changes	8.8	Pg. 8-9 Sust. Report 2022 Annex				
OCCUPATIONAL HEALTH AND SAFETY							
GRI 3: Material Topics 2021	**3-3** Management of material topics		108-110				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	SDG	PAGE UNMBER AND/OR URL	OMISSION: REQUIREMENT(S) OMITTED	OMISSION: REASON	OMISSION: EXPLANATION	GRI SECTOR STANDARD REF. NO.
GRI 403: Occupational Health and Safety 2018	**403-1** Occupational health and safety management system	8.8	108-110				
	403-2 Hazard identification, risk assessment, and incident investigation	8.8	108-110				
	403-3 Occupational health services	8.8	108-110				
	403-4 Worker participation, consultation, and communication on occupational health and safety	8.8; 16.7	108-110				
	403-5 Worker training on occupational health and safety	8.8	108-110				
	403-6 Promotion of worker health	3.3; 3.5; 3.7; 3.8	108-110				
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	8.8	108-110				
	403-8 Workers covered by an occupational health and safety management system	8.8	Pg. 9 Sust. Report 2022 Annex				
	403-9 Work-related injuries	4.3; 4.4; 4.5; 5.1; 8.2; 8.5	Pg. 10 Sust. Report 2022 Annex				
TRAINING AND EDUCATION							
GRI 3: Material Topics 2021	**3-3** Management of material topics		110-111; 116				
GRI 404: Training and Education 2016	**404-1** Average hours of training per year per employee	4.3; 4.4; 4.5; 5.1; 8.2; 8.5	Pg. 10 Sust. Report 2022 Annex				
	404-3 Percentage of employees receiving regular performance and career development reviews	5.1; 8.5; 10.3	Pg. 10 Sust. Report 2022 Annex				
DIVERSITY AND EQUAL OPPORTUNITY							
GRI 3: Material Topics 2021	**3-3** Management of material topics		105-106; 108				
GRI 405: Diversity and Equal Opportunity 2016	**405-1** Diversity of governance bodies and employees	5.1; 5.5; 8.5	Pg. 11 Sust. Report 2022 Annex				
NON-DISCRIMINATION							
GRI 3: Material Topics 2021	**3-3** Management of material topics		105-106; 108				
GRI 406: Non-discrim-ination 2016	**406-1** Incidents of discrimination and corrective actions taken	5.1; 8.8	Pg. 11 Sust. Report 2022 Annex				
FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING							
GRI 3: Material Topics 2021	**3-3** Management of material topics		105-106; 108				
GRI 407: Freedom of Association and Collec-tive Bargain-ing 2016	**407-1** Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	8.8	119-120 Pg. 12 Sust. Report 2022 Annex				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	SDG	PAGE UNMBER AND/OR URL	OMISSION: REQUIREMENT(S) OMITTED	OMISSION: REASON	OMISSION: EXPLANATION	GRI SECTOR STANDARD REF. NO.
SECURITY PRACTICES							
GRI 3: Material Topics 2021	**3-3** Management of material topics		Pg. 12 Sust. Report 2022 Annex				
GRI 410: Security Practices 2016	**410-1** Security personnel trained in human rights policies or procedures	16.1	Pg. 12 Sust. Report 2022 Annex				
SUPPLIER SOCIAL ASSESSMENT							
GRI 3: Material Topics 2021	**3-3** Management of material topics		Pg. 12 Sust. Report 2022 Annex				
GRI 414: Supplier Social Assessment 2016	**414-1** New suppliers that were screened using social criteria	5.2; 8.8; 16.1	N/A				
PUBLIC POLICY							
GRI 3: Material Topics 2021	**3-3** Management of material topics		Pg. 12 Sust. Report 2022 Annex				
GRI 415: Public Policy 2016	**415-1** Political contributions	16.5	Pg. 12 Sust. Report 2022 Annex				
CUSTOMER HEALTH AND SAFETY							
GRI 3: Material Topics 2021	**3-3** Management of material topics		58-63; 93				
GRI 416: Customer Health and Safety 2016	**416-1** Assessment of the health and safety impacts of product and service categories		Pg. 12 Sust. Report 2022 Annex				
MARKETING AND LABELING							
GRI 3: Material Topics 2021	**3-3** Management of material topics		58-63; 93				
GRI 417: Marketing and Labeling 2016	**417-1** Requirements for product and service information and labeling	12.8	58-63; 93				
	417-2 Incidents of non-compliance concerning product and service information and labeling	16.3	During 2022, Dufry has not been notified through the available channels of any significant sanction for non-compliance concerning product and service information and labeling				
	417-3 Incidents of non-compliance concerning marketing communications	16.3	During 2022, Dufry has not been notified through the available channels of any significant sanction for non-compliance concerning product and service information and labeling				
CUSTOMER PRIVACY							
GRI 3: Material Topics 2021	**3-3** Management of material topics		93-95				
GRI 418: Customer Privacy 2016	**418-1** Substantiated complaints concerning breaches of customer privacy and losses of customer data	16.3; 16.10	During 2022, Dufry has not been notified through the available channels of any significant sanction for the breach of the customer´s privacy and personal data protection rules				

UN Global Compact Communication on Progress 2022

WE SUPPORT

UN GLOBAL COMPACT

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STATEMENT OF THE CHIEF EXECUTIVE OFFICER

2022 has been a positive year for Dufry and the company has delivered a strong performance. This is all the more remarkable considering the various geopolitical and economic challenges seen throughout 2022.

Our commitment to advancing the development of our Environmental, Social and Governance (ESG) engagement in line with the growth of our business has continued throughout 2022. Moreover, ESG has been set as one of the four key focus pillars of our new company strategy Destination 2027.

As a signatory member of the UN Global Compact, we have worked towards ensuring that the Ten Principles are embedded in the Group´s business strategy and integrated into the day-to-day operation of our company. This includes our continuous fight against bribery and corruption, the collaboration with our partners to protect human rights and labor standards, as well as the several initiatives to reduce our environmental impact.

In 2022, we have further increased transparency and disclosure of our ESG efforts with the publication our first TCFD Report (Task-Force on Climate-Related Financial Disclosure), where we outline risks and opportunities that climate change poses for Dufry´s business and explain how we can overcome or benefit from them. With respect to environment, we have made significant progress in our emission reduction plan. Beyond receiving approval of our emission reduction targets by the Science Based Targets initiative (SBTi), we have already substituted 20 % of our electric energy consumption (base year 2019) with renewable energy – equal to the total electricity consumption of our operations in Brazil, Greece, Switzerland and the UK. Moreover, we have introduced a supplier and logistics provider engagement process, to reduce Scope 3 emissions in line with our set objectives.

Dufry has also made progress in a number of ongoing initiatives, including the replacement of shopping carrier bags for more sustainable options and the development of our sustainable product identification initiative, to support our customers in making responsible product choices.

Diversity & Inclusion (D & I) remained an important area of focus in 2022 as well. First, we introduced a series of D & I training sessions sponsored by the members of the Group Executive Committee and myself. These trainings explain why D & I is fundamental and how we can improve inclusive behavior within our company, our customers and the communities in which we operate. Then we conducted our second D & I Survey involving Dufry employees across all countries. The findings of this survey will serve help us to develop targeted initiatives to further support employees to better manage work, family and life-balance topics. A detailed overview of all our initiatives is available in both this Progress Report and the 2022 Dufry Annual Report.

While we are pleased with the ESG milestones and accomplishments achieved throughout 2022, our ambition is high and we will continue to foster our engagement over the coming year. Our commitment to the 10 principles remains strong and more present than ever at all levels of our organization.

Xavier Rossinyol
Chief Executive Officer, Dufry

Principle	Our Vision	Specific Measures
HUMAN RIGHTS & LABOR		
Principle 1: Businesses should support and respect the protection of international human rights. **Principle 2:** Business should make sure that they are not complicit in human rights abuses.	Dufry´s commitment to Human Rights is addressed in the Dufry Code of Conduct and the Dufry Supplier Code of Conduct. Both of these codes are built on the basis of globally recognized principles – like those established by the International Labor Organization (ILO) and the United Nations – and set the expected behavior of both Dufry employees and its suppliers when it comes to the protection of Human Rights and Labor Practices. Both of the codes are publicly available at the company´s website www.dufry.com. Dufry also has strong internal compliance bodies and mechanisms to ensure that its employees are educated in the matter and to control the existing codes and policies regarding the protection of Human Rights. More details are available in the Trusted Partner chapter of Dufry´s 2022 ESG Report.	✔ In 2022, we have further increased the reach of our supplier certification process by adding additional providers from all main product categories – from 117 by the end of 2021 to 152. These suppliers represent 59 % (2021: 52 %) of the Group´s procurement budget (COGS). As of 31 December 2022, suppliers accounting for 52 % of Dufry´s overall procurement budget had accepted or acknowledged the Supplier Code of Conduct (2021: 45 %). On top of monitoring suppliers to ensure compliance with the principles stipulated in Dufry´s Supplier Code of Conduct, the Company will continue to reach additional suppliers going forward.
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Dufry respects legally recognized unions and internal forums created to represent its employees' interests as well as the right of its employees to collective bargaining. In this regard, the company has a policy tailored to each location, subject to the specific laws and regulations. More information is available under the Freedom of Association section of the Employee Experience chapter of Dufry´s 2022 ESG Report.	
Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labor. **Principle 5:** Businesses should uphold the effective abolition of child labor. **Principle 6:** Businesses should uphold the elimination of discrimination with respect to employment and occupational activities.	We offer and promote working environments where everyone receives equal treatment, regardless of gender, color, ethnic or national origins, disability, age, marital status, sexual orientation or religion. In addition, we adhere to local legislation and regulations in all the countries where we operate. Any kind of child labor or forced labor is strictly forbidden and clear recruitment procedures and regular workplace controls ensure that this never occurs at any location. All this principles are covered in Dufry´s HR Policy, available on the corporate website www.dufry.com. Additional information is available in Dufry´s Code of Conduct, Dufry´s Supplier Code of Conduct and the Employee Experience chapter of Dufry´s 2022 ESG Report, all disclosed on the company website.	✔ In 2022, we have conducted a series of D & I training initiatives such as among others a masterclass in groups of 20 attended by over 300 senior leaders and their direct reports as well as a video-training campaign, reaching all our employees. Details are available in the Employee Experience section of Dufry´s ESG report. ✔ Moreover, we have conducted our second Diversity & Inclusion (D & I) survey covering 100 % of our global employee base to identify opportunities to further evolve our D & I engagement and targeted initiatives. The response rate of over 63 % provides a good base to understand our staff's main D & I issues and concerns. ✔ We have progressed with the rollout of the employee communication tool – Beekeeper – to connect with non-desktop staff, now reaching over 90 % of our headcounts.

Principle	Our Vision	Specific Measures
ENVIRONMENTAL PROTECTION		
Principle 7: Businesses should support a precautionary approach to environmental challenges. **Principle 8:** Businesses should undertake initiatives to promote greater environmental responsibility. **Principle 9:** Businesses should encourage the development and diffusion of environmentally friendly technologies.	Dufry follows a consistent process to assess its operations from an environmental perspective, to identify the current and future environmental impacts of its activities and to promote initiatives that respect the environmental balance. Moreover, Dufry has established Environmental Management Guidelines applicable to all group entities which define environmentally acceptable practices. Additionally, the company undertakes initiatives geared to reduce the environmental impact of its operations and engages with other stakeholders – such as suppliers and airport partners – to collaborate in achieving this goal. More information is available in the Protecting Environment chapter of Dufry´s 2022 ESG Report.	✔ Early 2023, SBTi validated Dufry´s emissions reduction target following the SBTi criteria. These objectives are the following: – Dufry commits to reduce absolute Scope 1 & 2 GHG emissions by 94.2 % by 2030 from a 2019 base year – Dufry commits to increase annual sourcing of renewable electricity from 0 % in 2019 to 100 % by 2025 and to continue annually sourcing 100 % renewable electricity through 2030. – Dufry commits that 74 % of its suppliers by emissions covering purchased goods and services will have science-based targets by 2027. – Dufry commits to reduce absolute Scope 3 GHG emissions of upstream transportation emissions by 28 % by 2030. ✔ We have already substituted 20 % of our electric energy consumption with renewable energy in 2022 – equal to our total electricity consumption of our operations in Brazil, Greece, Switzerland and the UK – and we have setup a supplier and logistics provider engagement process to reduce scope 3 emissions to reach our set objectives. ✔ We also continued implementing our plan to phase-out plastic carrier bags and replacing them with more sustainable options now covering 26 countries. ✔ We have continued our Sustainable Product identification initiative highlighting those products that are aligned with customers' personal values and which fulfill defined sustainability criteria, and so helping our customer make more sustainable product choices. We have published our first TCFD Report for the 2022 business year in early 2023, outlining climate change risks and opportunities for our business.
ANTI-CORRUPTION		
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	As stipulated in Dufry's Code of Conduct and Supplier Code of Conduct, Dufry has a zero tolerance policy towards bribery and corruption. In this regard, the company has established strong control and education bodies to ensure all of its employees understand the company´s position and guarantee compliance with the principles established in the Dufry Code of Conduct. More information is available in the Trusted Partner chapter of Dufry´s 2022 ESG Report.	✔ During 2022, we have continued deploying and repeating our compliance training for our managers at all levels of the organization and across all the regions. 740 managers were trained or retrained during 2022. Compliance training is also extended to non-managers and reaches over 14,500 employees via online update trainings and communications campaigns.

TCFD Report 2022

TCFD | TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

DUFRY

WorldClass.WorldWide.

DUFRY'S TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) REPORT CONTENT

1 GOVERNANCE
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Integrating ESG- / climate-related metrics in remuneration 7

Dufry's ESG strategy and engagement has always been an inherent part of the company's strategy – a commitment most recently reconfirmed in the new company strategy Destination 2027. Dufry's ESG Strategy focusses on 4 key pillars – Customer Focus, Protecting Environment, Employee Experience and Trusted partner – and subsumes climate change as part of the focus area Protecting Environment.

Dufry consistently reports on its ESG initiatives, achievements and vision in the annually disclosed ESG Report, which is an integrated part of the Annual Report. The ESG Report comments on the company's engagement and progress on how to minimize impact and generate positive contributions for its stakeholders.

With this new TCFD Report (Task Force on Climate-related Financial Disclosure) Dufry wants to complement the existing ESG reporting, further enhance transparency and provide stakeholders with information and insights to assess climate-related risks and opportunities (CRRO). This report also explains how Dufry responds to these challenges.

1. GOVERNANCE

1.1 BOARD OVERSIGHT

The supervision of the implementation of Dufry's ESG Strategy – including climate change topics – has always been within the responsibility of the Board of Directors, and in particular with the Lead Independent Director. In 2022, to further highlight the importance of ESG, the former Nomination Committee of the Board of Directors has been renamed to Nomination and ESG Committee, which is chaired by the Lead Independent Director.

The Lead Independent Director, supervises Dufry's ESG strategy development and execution, ensuring alignment with the business strategy. The Lead Independent Director and another member of the Nomination and ESG Committee are experienced in corporate citizenship, sustainability and ESG, allowing them to successfully exercise their supervisory duty. Climate-related topics are discussed as part of the regular Nomination and ESG Committee meetings, as ESG is seen as a holistic approach.

Interaction of the Lead Independent Director with the ESG Committee occurs through the defined information meetings, as well as through additional meetings and information exchanges upon request of the Lead Independent Director.

The entire Board of Directors is updated, at least on a quarterly basis on non-financial information. This also includes such as, but not exclusively, updates on progress on the implementation of the company's ESG strategy.

1.2 MANAGEMENT OVERSIGHT

Execution of the sustainability strategy at the operational level is led by the Group CEO. He presides over the interdisciplinary ESG Committee. This committee defines and drives the implementation of the ESG strategy. In 2022, the ESG Committee consisted of the Chief Executive Officer, Chief Financial Officer, Chief Executive Officer Operations, Chief Commercial Officer, Chief Diversity & Inclusion Officer, Group General Counsel, Chief Corporate Officer, Chief Compliance Officer, Chief People Officer, Global Internal Audit Director, Global Head of Investor Relations and the Global Head of Corporate Communications & Public Affairs (which includes responsibility for ESG). This Committee meets at least every two months. In 2022, the ESG Committee met six times.

The day-to-day implementation of the ESG strategy is executed by the ESG department as part of the Corporate Communications & Public Affairs department. The corporate governance structure and policies are continuously assessed to ensure compliance with the applicable legal frameworks, environmental guidelines as well as Dufry's Code of Conduct to reflect stakeholder's needs and expectations. Additionally, the ESG Committee and ESG department develop approaches to identify, assess, monitor and report on climate-related risks and opportunities.

Dufry's Corporate Governance Report 2022 is providing more information on the governance structure concerning ESG on page 261. Starting 2022, ESG- and climate-related performance goals are integrated in compensation schemes of the Group Executive Committee as well as the senior management. Details are included and disclosed in the Remuneration Report 2022 on page 289.

IMPLEMENTATION OF SUSTAINABILITY STRATEGY SUPERVISED AT BOARD OF DIRECTORS LEVEL

1. At the level of the Board of Directors the implementation of the ESG strategy is supervised by the Nomination & ESG Committee, chaired by the Lead Independent Director. The Board of Directors is informed on the ESG strategy implementation progress quarterly.

2. The interdisciplinary ESG Committee defines and drives the implementation of the ESG strategy. In 2022 it met every two months and consisted of: Chief Executive Officer, Chief Financial Officer, Chief Corporate Officer, Chief Commercial Officer, CEO Operations, Chief People Officer, Chief Diversity & Inclusion Officer, Group General Counsel, Chief Compliance Officer, Global Internal Audit Director, Global Head Investor Relations, Global Head of Corporate Communications & Public Affairs.

3. Day-to-day implementation of Dufry's ESG strategy is executed by the ESG Department as part of the Corporate Communications & Public Affairs department.

2. STRATEGY

2.1 DUFRY'S CLIMATE STRATEGY

As a travel retailer, Dufry views addressing climate change not only as a moral obligation, but from a business perspective essential to ensuring business continuity for the long-term. Due to the special nature of the travel retail industry, on top of actively reducing its own footprint, Dufry closely collaborates with third parties, in particular with concession partners, brand suppliers and logistics providers, on reducing the environmental impact of its business in general, and more specifically also contributing to the implementation of recycling processes and waste avoidance wherever possible.

Dufry's ESG strategy covers the different aspects of sustainability, including climate-related risks and opportunities, which are managed by the ESG Department and implemented as needed in collaboration with other specific departments and functions. This TCFD Report is reporting on the progress achieved.

In 2021, internal guidelines (Environmental Guidelines) were enforced to define Dufry's management and compliance measures with a special focus on climate action. The adoption of these guidelines is monitored by the ESG Committee.

In 2021, Dufry has amongst other ESG initiatives established an emission reduction strategy for Scope 1 and 2 emissions until 2025, which follows the 1.5°C pathway and was validated by the Science-Based Target initiative (SBTi) in early 2023. For Scope 3 emissions, Dufry follows SBTi 's "well below 2°C pathway" with two separate objectives. Through supplier engagement programs, Dufry will commit to ensure that, by 2027, 74% of emissions will be covered by SBTi committed suppliers. At the same time, through collaboration with its logistic partners, Dufry will reduce its logistics carbon footprint by 28% by 2030. Both initiatives combined will serve to reduce Dufry's Scope 3 carbon footprint in alignment with SBTi criteria, which were also validated by SBTi.

Dufry has a dedicated Shop Design Strategy to develop sustainable shops with respect to reduced energy consumption, use of recyclable materials and circular economy for shop refurbishments. Dufry follows the principles established by leading green-building certification systems, such as the Leadership in Energy and Environmental Design (LEED). In addition, Dufry is replacing single-use plastic packaging with sustainable alternatives where possible. For details on the Environmental Guidelines and additional information, please refer to the "Protecting Environment" section on page 96 of the ESG Report 2022.

2.2 RISKS, OPPORTUNITIES AND SCENARIO ANALYSIS

Climate-related risks and opportunities for the organization
Climate change is anticipated to impact Dufry's business over the short, medium and long term. Physical risks might impact Dufry's business operations and supply chain in the form of e.g., extreme nature-related events. Transitional risks might affect Dufry through moving the economy into a low-carbon future which is characterized by e.g., environmental legislation, carbon taxes or higher aviation fuel prices that increase price levels and hence consumers' preparedness to fly. On the other hand, climate change can also provide opportunities for Dufry.

While Dufry is aware that physical and transitional climate risks could affect its business in the near, mid- and long-term, the company is at the starting point of defining climate risk scenarios that are applicable to Dufry's business.

The following table shows the main climate-related risks and opportunities identified and evaluated so far by the company, which might impact Dufry.

TYPE	RISK/ OPPORTUNITY FACTORS	POTENTIAL IMPACT	DUFRY'S RESPONSE
Transitional Risks (Policy & Legal)	– Regulations on CO_2 taxation of flights/ship cruises leading to a reduction in passenger traffic and changes in customer behavior. – Environmental legislation and requirements on e.g. energy consumption, transportation, packaging materials.	– A reduction in passenger traffic could adversely affect Dufry's sales. – Environmental legislation can affect cost of energy consumption, cost for transportation and influence business procedures by regulation on the use of packaging material (e.g. single use plastics).	– Business diversification has always been and will continue to be a key strategic element to mitigate risks and drive company growth. – Diversification by geographies, sectors and channels to mitigate the impact of regional or local phenomena (see sales splits on pages 8 - 9 of the Annual Report 2022). – Dufry has a dedicated Shop Design Strategy to develop sustainable shops with respect to reduced energy consumption, use of recyclable materials and circular economy for shop refurbishments. – Dufry is replacing its single-use plastic packaging with sustainable alternatives, where possible (see details page 101 of the Annual Report 2022). – Cooperation with industry associations to develop sustainable solutions for the industry. – Strong and long-term partnerships with airport authorities and other concession partners. Mutual trust and shared objectives with these landlords are key for value creation.
Transitional Risks (Market)	– Changes in customer behavior towards higher ecological awareness leading to a reduction in passenger traffic, a change in travel destinations or a change in purchasing behaviors and product preferences.	– The change in ecological awareness might influence travel traffic, customer sentiment as well as traveling and spending behavior. This can influence sales performance of Dufry's shops locally and globally.	– Dufry regularly performs customer surveys several times per year to early identify potential changes in customer behavior and preferences. – In cooperation with Dufry's brand partners, the central procurement teams identify new trends and customer needs to optimize assortments. – Enhanced communication activities to support customer make responsible product choices – as started with Dufry's global sustainable product identification initiative. – Dufry's diversification strategy by geographies, sectors and channels (see sales splits on pages 8 - 9 of the Annual Report 2022) mitigates the impact of regional or local phenomena and the fact of passengers travelling to other destinations.
Physical Risks (Acute and chronic)	– Extreme nature-related events such as rise in sea level, heat waves etc.	– Acute risks such as extreme weather events might lead to asset damages or disruption to the supply chain and could impair Dufry's ability to sell its products. – Chronic risks such as the rise in sea level might impact locations where Dufry operates and eventually lead to a reassessment of the operation, with the costs this implies. – The effect of global warming may lead passengers to select different holiday destinations where Dufry may not be present, hence, impacting sales.	– Dufry's diversification strategy by geographies, sectors and channels (see sales splits on pages 8 - 9 of the Annual Report 2022) mitigates the impact of regional or local phenomena and the fact of passengers travelling to other destinations. This strategy will continue to be a key strategic element going forward to mitigate risks and drive company growth.
Risks / Opportunities (Reputation)	– Trustful climate strategy and enforcement.	– Dufry might strengthen its reputation and build a competitive advantage compared to competitors.	– Dufry's ESG strategy covers different aspects of sustainability in a holistic approach. The company has defined emission reduction goals and discloses emissions on Scope 1, 2 and 3. – Dufry has set up main lines of action, which include the continuous assessment of its corporate governance structure and policies, alignment of ESG and business strategies ensuring critical business decisions, ensuring compliance and control as well as having an open stakeholder dialog and engagement. – Dufry has an ESG strategy in place which is also aligned with main ESG objectives of concession partners and main stakeholders. This places the company in a stronger position to obtain new and retain existing concessions.

2.3 PLANS TO EXPAND SCENARIO ANALYSES

The first release of Dufry's TCFD report focuses on identifying climate-related risks and opportunities, which foster building appropriate scenarios going forward. To analyze climate scenarios and subsequently identify management tools, further discussions between risk and strategy departments are necessary. Internally, Dufry has already liaised with its risk management team and is confident in providing scenario analyses for the preparation of the next release of its TCFD Report. Dufry currently plans to release TCFD Reports in biennial cycles.

3. RISK MANAGEMENT

3.1 ORGANIZATIONAL PROCESSES FOR IDENTIFICATION AND MANAGEMENT OF CRRO

The risk management processes of Dufry identify and manage risks at different levels of the organization and the responsibility is distributed across different functions and countries of the organization. The company is supported by an enterprise risk management software called GRC (Governance, Risk and Compliance), which allows a comprehensive identification and management of existing and potential risks that may affect the business.

During 2022, further improvements of the enterprise risk management process were put in place. This new process leads to a harmonization of risk management processes concerning format and time frame. One pillar of the risk management organization is ESG, which also contains the management of climate-related risks and opportunities.

3.2 INTEGRATION IN ORGANIZATION'S OVERALL RISK MANAGEMENT

The overall risk management model of Dufry is based on the following three levels:
1. The commitment of Dufry and all its subsidiaries with integrity and transparency begins with its own staff and the adherence to the Dufry Code of Conduct.
2. There are different governance functions across the organization including the Compliance, Legal, Finance and Human Resources departments in charge of monitoring the main risks and establishing the most appropriate controls to mitigate, as well as ensuring compliance with the policies and procedures of the Group.
3. The Group's Internal Audit provides independent and objective monitoring and consulting services designed to add value and improve Dufry's operations. This function covers all subsidiaries and applies a systematic and disciplined approach to evaluate and improve the effectiveness of governance processes as well as risk management and control, including assessing risk management procedures and the potential committing of fraud.

The main risks identified during internal audits are reported to senior management and the Audit Committee of the Board of Directors. The status of the main risks is periodically updated until resolution or acceptance by the governing bodies.

Climate-related aspects form integral parts of the ESG processes and infrastructure. Therefore, the risk management processes also include explicitly the management of Dufry's CRRO as an integral part of the ESG engagement.

Further information on the overall risk management process is provided in the Corporate Governance Report 2022 on page 264 - 265, as well as in the ESG Report 2022 on pages 117 of the Annual Report 2022.

4. TARGETS & METRICS

4.1 GREENHOUSE GAS EMISSIONS

The Greenhouse gas emissions for the years 2019-2022 as shown below are calculated in accordance with the Greenhouse Gas Protocol (GHGP).

GREENHOUSE GAS EMISSIONS

In tons of CO_2-eq.	2022	2021	2020	2019
Scope 1[2]	1,524	935	717	1,736
Scope 2[1,3]	18,900	19,813	21,290	27,923
Scope 3[4]	7,509	3,728	1,451	10,766
Total	27,934	24,477	23,475	40,425

Carbon Intensity[5]	2022	2021	2020	2019
Tons of CO_2-eq. / m^2 of comm. space	0.0697	0.0521	0.0500	0.0740

[1] The consumption levels of the reporting years 2022, 2021 and 2020 are not directly comparable to 2019, as 2022, 2021 and 2020 in particular are impacted by temporary shop closures due to the Covid-19 pandemic. Also, an increased coverage and scope extension of the data collection in additional Dufry entities has to be taken into account (2022: 91% of sales / 2021: 80% of sales / 2020 64% of sales / 2019 64% of sales are covered).

[2] Includes consumption of Dufry-managed goods transportation in the UK, Jordan and Morocco as well as diesel and gas of heating.

[3] Scope 2 emissions for year 2022 includes the contribution or purchased Renewable Energy Certificates (RECs). Without considering, Scope 2 emissions would be 23,844 tons CO_2-eq.

[4] Scope 3 emissions include data from logistics partners accounting for 83% of total volume of good transported globally in 2022 (2021: 64%; 2020 & 2019: 55%) as well as global employee's business flight emissions. Not included here are the product purchasing related Scope 3 emissions or other Scope 3 emission categories.

[5] Carbon intensity calculated over the total square meters of commercial surface operated by Dufry in m^2 (2022: 471,591 / 2021: 469,581 / 2020: 469,041 / 2019:469,990).

4.2 CO_2 REDUCTION TARGETS

Dufry has defined science-based emission reduction targets, thus recognizing the crucial role the business community can play in minimizing the climate change risk. Science-based targets are greenhouse gas emissions reduction targets that are in line with the level of decarbonization required to meet the goals of the Paris Agreement – to pursue efforts to limit global warming to 1.5°C.

After committing to the Science Based Targets initiative in spring 2022, Dufry handed in emission reduction targets following the SBTi guidance (SBTi Target Validation Protocol). SBTi validated the following emission reduction targets in early 2023:
- Dufry commits to reduce absolute Scope 1 & 2 GHG emissions 94.2 % by 2030 from a 2019 base year.
- Dufry commits to increase annual sourcing of renewable electricity from 0 % in 2019 to 100 % by 2025 and to continue annually sourcing 100 % renewable electricity through 2030.
- Dufry commits that 74 % of its suppliers by emissions covering purchased goods and services will have science-based targets by 2027.
- Dufry commits to reduce absolute Scope 3 GHG emissions of upstream transportation emissions by 28 % by 2030.

In addition, Dufry wants to achieve climate neutrality of its own operations (Scope 1 & 2 emissions) by 2025 by compensating unavoidable emissions with carbon offsetting initiatives to be defined in the near future.

The emission reduction strategy for Scope 1 & 2 follows the SBTi 1.5°C pathway, whereas the emission reduction strategy for Scope 3 follows the SBTi well below 2°C pathway. Measures to achieve the reductions of Scope 1 & 2 include reductions in energy consumption and the purchase of renewable energy certificates (RECs) at group level. Scope 3 reduction measures are the establishment of a supplier engagement program, development of a green logistics code of conduct and tracking of suppliers and logistic partners with commitments to SBTi.

For the next years, Dufry will investigate whether additional key figures on CRRO e.g., vulnerable assets to climate change, can be reported.

4.3 INTEGRATING ESG / CLIMATE-RELATED METRICS IN REMUNERATION

Starting 2022, the Nomination and ESG Committee of the Board of Directors recommended that the inclusion of ESG and climate-related performance metrics into the remuneration schemes of the Group Executive Committee as well as the senior management should be investigated. This proposal has been assessed and approved by the Board's Remuneration Committee and implemented accordingly. For more information, please refer to page 289 of the Remuneration Report 2022.

DUFRY GROUP –
THE LEADING GLOBAL TRAVEL
EXPERIENCE PLAYER

DUFRY AG (SIX: DUFN) OFFERS A REVOLUTIONARY TRAVEL EXPERIENCE TO CONSUMERS WORLDWIDE ADDRESSING 2.3 BILLION PASSENGERS IN 5,500 OUTLETS ACROSS 1,200 AIRPORTS, MOTORWAYS, CRUISE LINES, SEAPORTS, RAILWAY STATIONS AND OTHER LOCATIONS.

THE COMPANY, HEADQUARTERED IN BASEL, SWITZERLAND, OPERATES IN OVER 75 COUNTRIES WORLDWIDE.

Dufry – The World's Leading Travel Experience Player.

VISION & STRATEGY

Destination 2027

«Dufry's new company strategy has been crafted based on a deep understanding of our stakeholders' needs, customer insights and the current market trends evolution. Our new strategy «Destination 2027» will be delivered by further empowering our already excellent teams and reinforcing them when needed. As a team, we are in a position to generate sustainable long-term value for all our stakeholders, including employees, travel concession partners, brand suppliers, and, finally, our shareholders. Our strategy is further supported by the transformative business combination with Autogrill, as an inherent part of our vision to deliver a holistic travel experience and to make travelers happier.»

Xavier Rossinyol
Chief Executive Officer, Dufry

LISTENING TO OUR STAKEHOLDERS AND ANALYZING TRENDS

In 2022, we completed a comprehensive review of the company strategy by listening to all our stakeholders and analyzing market evolution trends. To this purpose we have spoken to our brand suppliers, concession partners and most importantly to our employees, who engage daily with our customers. We have discussed travel and passenger evolution with experts of the airline and travel industry and we have analyzed travel retail market trends.

The intelligence collected allowed us to craft Destination 2027 based on data-driven insights and to translate it into a detailed actionable plan, which we will bring to life through uncompromised execution. Dufry's new strategy is based on four key pillars. Implementation of Destination 2027 has already started and we suceeded in delivering first initiatives in 2022.

AGENDA

MARKET AND TRAVELER INSIGHTS

DESTINATION 2027

- Travel Experience Revolution
- Geographical Diversification
- Operational Improvement Culture
- ESG

MARKET AND TRAVELER INSIGHTS

FOCUS

- Addressable Market Evolution
  - Large addressable market
  - Healthy fundamentals
  - Resilient customer target segment
  - Strong recovery, at different paces in different markets
- Consumer & Traveler Insights
  - Consumers are changing
  - Travel is changing
  - New travel "personas" emerge

Long-term passenger growth remains a key driver

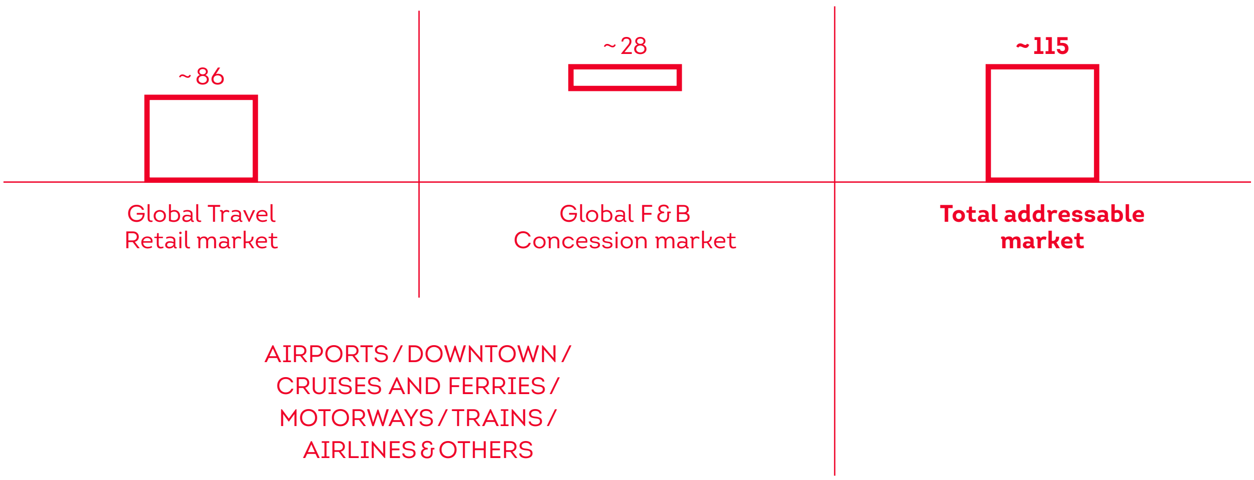
Travel retail has traditionally been a large and resilient market, which we will now further expand with travel food & beverage. This enlarged market builds on healthy fundamentals and shares some unique key characteristics.

Travel retail and travel F & B benefit from captive audiences, with an increasing number of potential customers fueled by a secular growth of the population. Moreover, the number of air trips per person and the propensity to travel increases in line with GDP growth per capita. Both elements provide a solid base to grow organically.

Travel retail remains a relatively fragmented industry, with the top 10 players controlling just over half of the market and the remaining market consisting of small and medium-sized operators, despite the consolidation seen in travel retail over the last years. Along with the recovery of the business, we expect to be able to continue capitalizing on M & A, with a focus on Asia and on F & B or by complementing our presence in existing markets.

WE SERVE A LARGE TRAVEL RETAIL MARKET, EXPANDING FURTHER WITH TRAVEL FOOD & BEVERAGE

Global market size of Travel Concession market (2019, in B $)

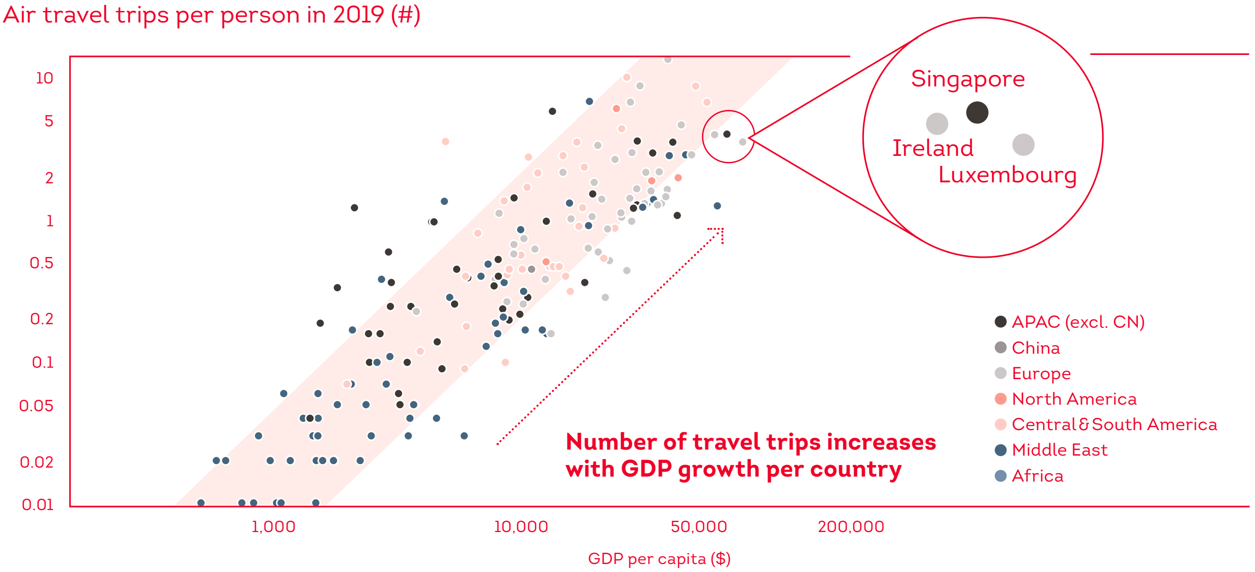


Note: Global Travel Retail market excl. roads and railway; F & B defined as F & B concession market at airports, motorways and railways; Deviations in total due to rounding

Source: Travel Retail Model by leading external party; Generation Data

AIRLINE PAX CONTINUE TO BE AN ATTRACTIVE SEGMENT AS NUMBER OF TRIPS PER PERSON GROWS WITH GDP PER CAPITA

Air travel trips per person in 2019 (#)

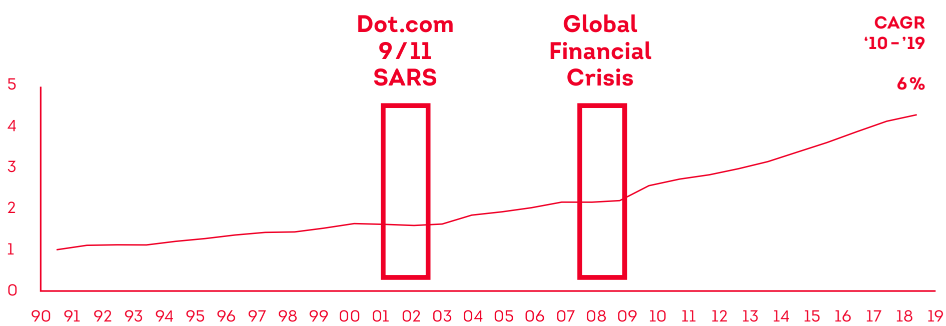


Market with high resilience to external impacts

The air traffic market and the global passenger volumes have historically proven a high resilience and strong recovery capabilities versus external impacts. The current recovery from the Covid 19 pandemic expects both the global traveler volume & and the travel retail spend to reach and to surpass 2019 levels as of 2024/25.

AIR TRAFFIC MARKET HAS PROVEN RESILIENT TO DIFFERENT SHOCKS

Relative number of airline passengers' growth
Worldwide number of airline passengers (1990–2019, indexed to 1990)



PAX and flights

10–20%

world population estimated to have taken **at least one flight** in their lives

In **developed countries**, i.e., the US

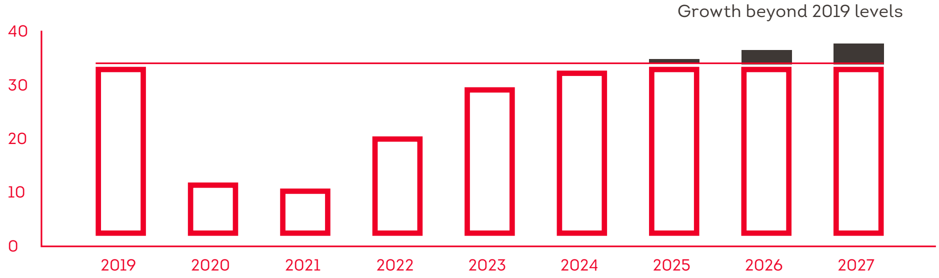
>35%

Average number of air trips in 2015 among US air travelers

4.6

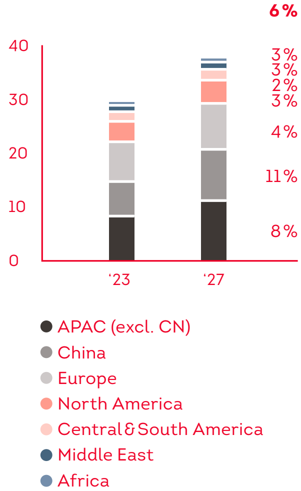
AIRPORT TRAVEL RETAIL MARKET TO REACH PRE-COVID LEVELS BY 2024/25

Total Travel retail spend (B $, airport only)



Total Travel Retail spend per region (B $, airport only)

CAGR (23 – 27)

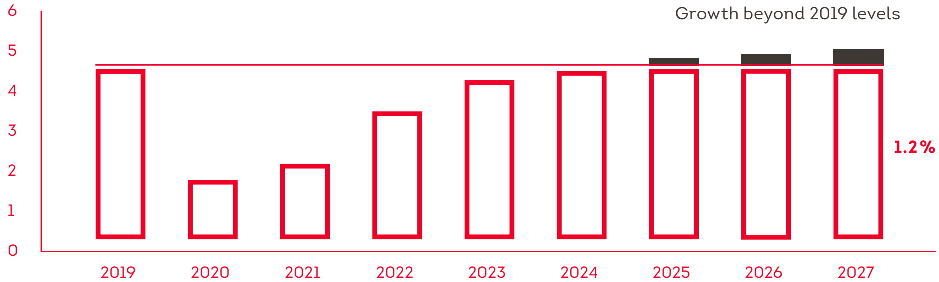


Note: Market size based on real GDP growth and excluding F & B
Source: Travel Retail Model by leading external party

GLOBAL TRAVELER VOLUME WILL RETURN TO PRE-COVID LEVELS BY 2024, WITH DIFFERENT SPEED BY GEOGRAPHY

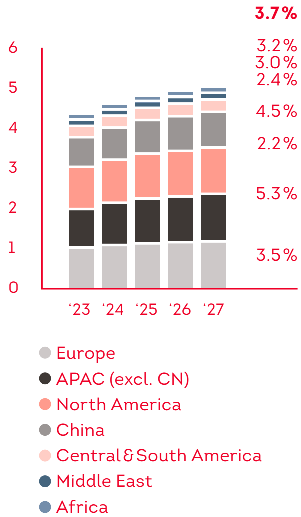
Air traffic total
Air traffic – origin & destination # of departing PAX (B PAX, airport only)

CAGR (19 – 27)



Air traffic by region
Air traffic - origin & destination # of departing PAX (B PAX, airport only)

CAGR (23 – 27)



Source: Travel Retail Model by leading external party

Building on these strong fundamentals, Dufry's strategy will continue to focus on long-term sustainable and profitable growth by building both on organic growth and acquisitions – as documented by the remarkable track-record of the company's rapid expansion history.

Consumers are changing

Demographics play a big role in our business and changes in customer profiles and preferences can occur rapidly. For this reason, Dufry sets high priority on consumer intelligence, extrapolated from internal operational information, regular customer field surveys and external research. This constant progress of listening to customers allows us to continuously fine-tune our offering, not only matching but also exceeding expectations of our clients and identifying new ones.

The current consumer and traveler mix is changing and drives new and different behaviors, which have to be catered for and which provide additional opportunities to create relevant offers for them. As shown in the chart below, generational changes, new behaviors and other influences will result in a changing consumer typology in the coming years.

While the mix is changing there are also common denominators amongst these typologies such as an increased amount of time spent using digital devices as well as on social media and the internet. Examples are the close to 4 hours use of digital devices per day in the US in 2021, or the 7 hours using internet or social media in the UK in 2020.

CONSUMER AND TRAVELER MIX IS CHANGING, DRIVING DIFFERENT AND NEW BEHAVIORS

	2019	2025
Generation Y and Z[1]	~ 40 %	> 70 %
Sales directly influenced by online	> 10 %	> 30 %
Share of Chinese luxury shopping within China	> 33 %	> 50 %

Note: 1) Quantified based on luxury goods shopper profiles; Generation Y = 1980 - 2000; Generation Z= >2000
Source: IATA; NPS Prism; Bain / ROI Rocket COVID 19 Travel & Leisure Survey 6 September 2020 release; Expert Interviews; Literature search; Dufry analysis

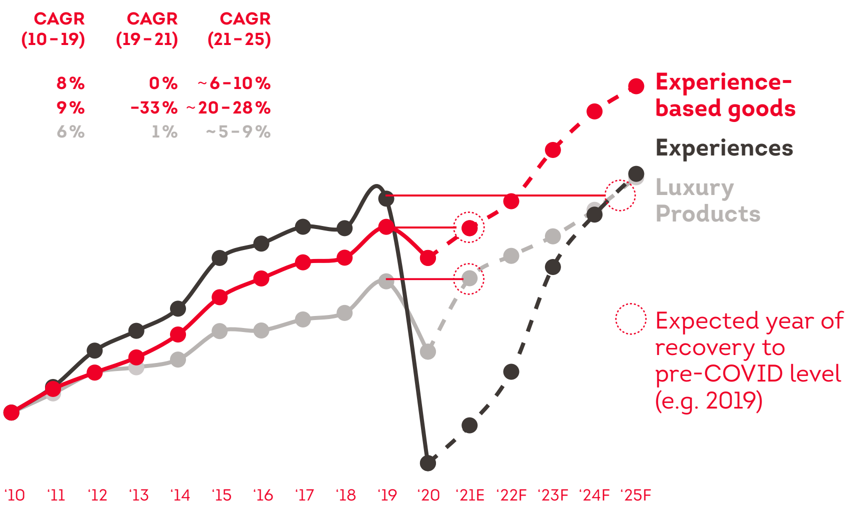
Evolving consumer expectations and experiences at an all-time high

Consumers are showing an increasing interest in seeking experiences and experience-based goods. This trend, which already existed before the Covid-19 pandemic, confirms and even accelerates its validity and shows high growth rates in the coming years.

Analyzing social media data and the interviews we regularly perform in our shops to seek feedback from both customers and browsers indicate an emerging trend for wellbeing, sustainable and healthy product offers. This is true for both travel retail and travel food and beverage, where customer expectations are increasingly taking into account personal considerations of lifestyle – what is better for me, what is good for the world and how responsible is the sourcing.

CONSUMERS OVERINDULGED ON PRODUCTS, BUT THE WILLINGNESS TO GO BACK TO EXPERIENCES IS AT AN ALL-TIME HIGH

Global Luxury markets (Index = 2010 | 2010-2025)



Experience-based goods

Experience-based goods almost fully recovering to 2019 levels, favored by positive consumer traction across categories

Experiences

Experiences show highest impact and will be last to recover as they strongly depend on return of touristic flows and business travel

Luxury products

Products first to recover to 2019 levels, driven by earlier onset of ease of restrictions

Note: At current exchange rates; luxury products include high-quality design furniture and personal luxury goods; experience-based goods include fine art, luxury cars, private jets and yachts, fine wines & spirits and gourmet food; experiences include luxury hospitality, cruises and fine dining; (*) 2023 acceleration driven by (hoped) end of supply chain disruption in car market

CONSUMER EXPECTATIONS ON F&B ARE EVOLVING

BETTER FOR ME
Seek for food that suits personal lifestyle (e.g. vegetarian, paleo, whole foods, etc.)

BETTER FOR THE WORLD
Consciousness about impact on environment leading to demand for sustainable alternatives (e.g. reduced energy and water use)

ENHANCED TRANSPARENCY
Demand for transparency in sourcing of ingredients (e.g. desire for local, organic products)

Source: Lit. research

In summary, the customer is looking for a more individualized offer of products and services, which cater for his personal needs and preferences at any specific moment of his journey and with a holistic perspective including F&B and retail. He is willing to engage and spend if the offer is relevant to him and features a high degree of personalization and convenience. This creates new opportunities to redefine and combine store and digital experiences.

PERSONALIZATION, CONVENIENCE & EXPERIENCE INCREASINGLY IMPORTANT FOR BOTH F&B AND RETAIL CUSTOMERS

NEXT-GEN PERSONALIZATION
Use of new technology to personalize consumer experiences

Personalized experiences:
Expectation of unprecedent control over every aspect of the restaurant experience requiring tools that allow to customize offerings

1:1 Marketing:
Demand for personalized experiences/ offerings requires digital tools and advanced analytics to connect on a 1:1 level with the customers

Effortless ordering:
Search for new and simplified forms of ordering and payment requires deep understanding of consumers' digital communication habits

DISRUPTION TO STORE EXPERIENCE
Opportunities to redefine store experiences

Seamless pick-up:
Relevance for seamless and time efficient in-restaurant pick-up requires solutions and technology that enable guest recognition on arrival

Smart automation:
Expectation of a consistent and high-quality experience (also at lower cost) triggers deployment of smart robotics

Modern workforce:
Expectation of a consistent service level requires new learning opportunities and flexible schedules to attract, retain, and empower the frontline

Source: Lit. research

Travel is changing – structurally and amidst recovery

Travel patterns and customer preferences versus air traffic are changing amidst the ongoing recovery but they are also changing structurally. From a destination-perspective current trends clearly show that international short-haul and long-haul journeys have started recovery later but are showing a faster pickup then domestic travel. The number of passengers is expected to exceed 2019 level as of 2025 offering additional growth potential. From an airline typology perspective the rise of Low-Cost-Carriers continues and makes flying more affordable to wider communities – either to be able to fly at all, or to fly more often.

During the recovery, passengers first travelled for leisure and then for business with some delay. Leisure travel is expected to continue growing strongly in the coming years. Similarly, and despite new virtual meeting technologies, the need for business travel and the related on-site presence or in-person meetings will soon reach 2019 levels again.

The ongoing rise of digital technology and data integration increases airport efficiencies overall and offers passengers a seamless travel experience with more predictable dwell-time from their arrival at the airport to boarding. This, combined with the capability to engage with customers online even before they arrive at the airport and to perform omni-channel sales, further increases the attractiveness of travel retail. A key role is played by data-integration allowing for the development of increasingly customized offers and marketing initiatives for each individual customer.

3 new personas emerging – further to come

The analyses of fifteen million social media posts using artificial technology has generated new insights with respect to predicting patterns and behavioral shifts of travelers. These insights go beyond traditional passenger segmentation based on travel needs and demographics, allowing us to better identify trending topics and build relevant customized offers for our customers such as:
- Ongoing pursuit for effective brain boosters in F&B
- Sensory retail experiences surging in popularity, after a long period of restrictions
- Travel industry replacing buzzwords: “sustainable” with “regenerative”.

This intelligence identified three distinctive new personas with different behaviors and needs emerging:
- Working Wanderers
- Experience Seekers
- Young Explorers.

On top, future developments need to be observed. These future personas we like to call Enigma, as we do not yet know, what their preferences will be.

Working Wanderers

Remote schooling and work are freeing families and professionals from homes, providing opportunity to fulfill travel dreams and career aspirations

Hybrid working is becoming norm, with more people looking for flexible, productive workplaces

Subscription and membership models are coming to travel

With remote work here to stay, a lot of focus has turned toward portable, lightweight tech

There's a continual pursuit for effective brain boosters in F&B

Experience Seekers

Curated travel deals are catching the attention of consumers who look for premium, personalized experiences

- Surge in luxury travel coming amid stabilizing health situation and loosening border restrictions
- Limited editions are thriving, indicating a continuous interest in exclusive, context specific offers
- Luxury lovers are increasingly looking for carefully curated travel experiences
- After a long period of restrictions, sensory retail experiences have surged in popularity
- Appreciation for slow travel is far from fading away

Young Explorers

Tech-savvy, disruptive young travelers seek for travel experiences providing social, meaningful, joyful moments without neglecting sustainable/ethical values

Travelers want to get back on the road, but they are looking for budget friendly options

The travel industry is moving on to a new buzzword, replacing “sustainable” with “regenerative”

For Gen Z and Millennials, traveling is a shared experience by definition

Popularity of community based tourism is spreading (experiences owned, led and run by local communities)


Enigma
Continued consumer research will tell us about the future evolution

The Way Forward

The analyses of the current market environment and customers' preferences give clear indications of how the way forward needs to be shaped to successfully address the new personas and drive business results. Insights from our most relevant business stakeholders - Consumers and Travelers, the global Dufry team, Brand Suppliers and Concession Partners - as well as expertise on air traffic and spend development data are the building blocks of Destination 2027.

HOW DO WE ADDRESS NEW PERSONAS AND DRIVE OUR BUSINESS RESULTS

CONSUMERS ARE CHANGING × TRAVEL IS CHANGING

NEW TRAVELERS (PERSONAS)

REVENUES

PASSENGER VOLUME (PAX) × SPEND PER PASSENGER (SPP)

SPEND PER TICKET × CONVERSION

Individual traveler profile
- Type of trip
- Demographics
- Disposable income

Traveler mix
- Nationality
- Type of flight

Dwell time and offering
- Airport infra-structure
- Schedule / travel type
- Disruption of operations

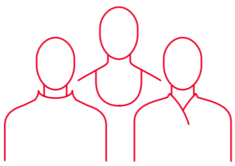
Macro-economics
- GDP evolution
- Inflation
- Consumer sentiment
- Shocks

Relative exchange rate

DUFRY'S & AIRPORTS' & BRANDS' ACTIONS

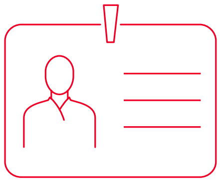
DUFRY PORTFOLIO MANAGEMENT

TRAVELER AND MARKET INSIGHTS USED TO DEVELOP OUR NEW STRATEGY "DESTINATION 2027" AND ENABLE SUSTAINABLE PROFITABILITY



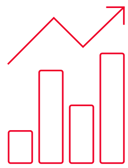
CONSUMER AND TRAVELER INSIGHTS

Younger travelers seeking for more experience, convenience and wellness



FEEDBACK FROM DUFRY TEAM, BRANDS AND CONCESSION PARTNERS

Dufry to build on its strengths but also work on innovation, digitalization, strong F & B offering, and expansion to APAC



AIR TRAFFIC AND SPEND DEVELOPMENT

PAX and spend per passenger recovery within next 2-3 years; spend, however, expected to remain flat

DESTINATION
2027

Travel Experience Revolution

Geographical Diversification

Operational Improvement Culture

ESG

Revolutionize
travel experience
by addressing evolving
consumer trends,
driving spend per passenger
and responding
to changing needs
of airports

NEW COMPANY STRATEGY – DESTINATION 2027

Destination 2027 builds on four key pillars as key driving elements, on which the company will focus on when implementing initiatives and evolving its culture. The four pillars cover and influence all our main key performance indicators and directly impact our sustainable cash flow generation.

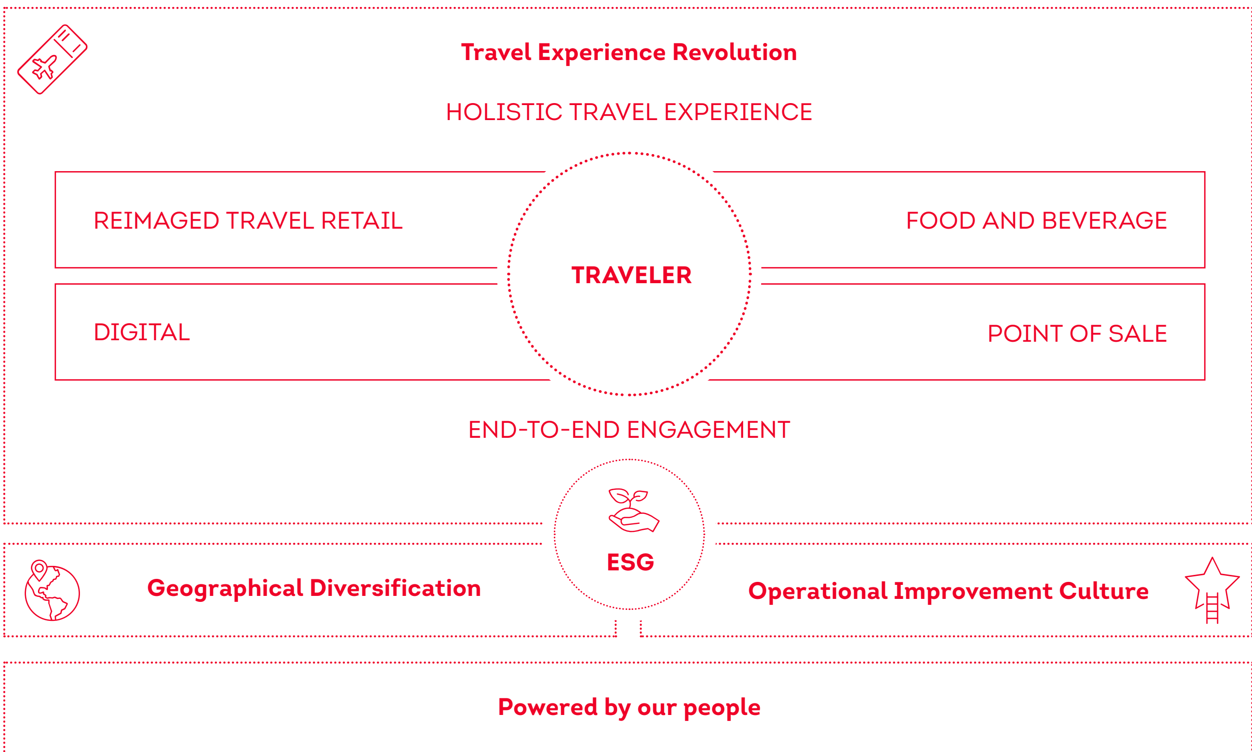
"Delivering the travel experience revolution" by bringing together travel retail and travel food & beverage in one offering. An offering that has more contact points with travelers and provides a seamless and personalized experience, both in the stores and digitally.

"Diversifying our geographical presence" including a focus on the highly attractive and resilient US market, a focused strategy for Asia-Pacific and the Chinese travelers, as well as an organic business development for the Rest of the World.

Further foster a **"culture of continuous operational improvement"** across all our business activities to drive efficiencies and cost savings. This will allow us to generate sustainable cash flows while investing in innovation and growth.

Incorporate ESG across all pillars and make it an inherent part of our business as a connecting element.

DESTINATION 2027



Travel Experience Revolution

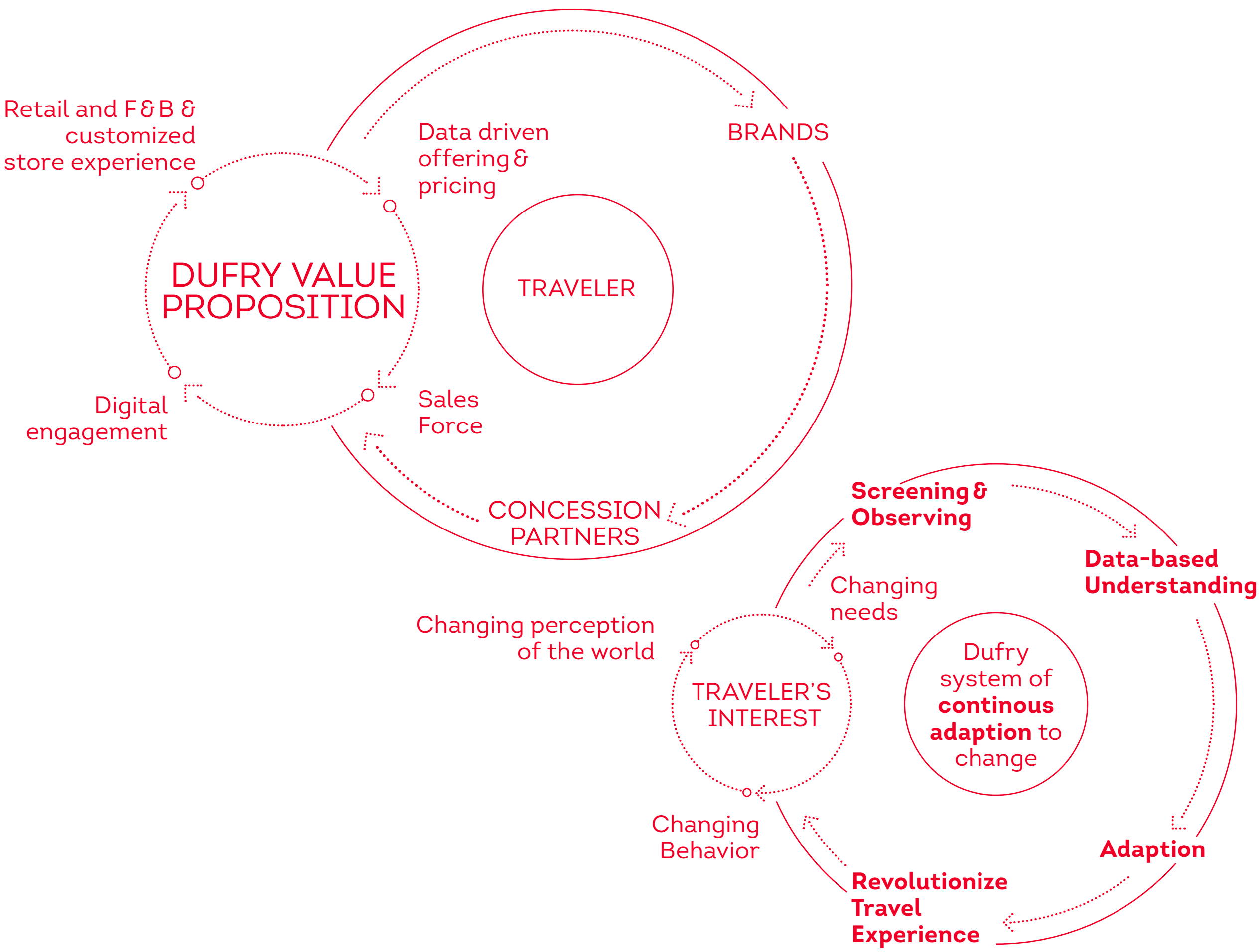
FOCUS

- We continue to adapt our value proposition
- We flexibly redesign our space to customize the experience
- We evolve our offering dynamically based on data and consumer insights
- We engage travelers on digital channels to enhance the experience

Dufry creates unrivalled and holistic travel experiences by continuously adapting and evolving its value proposition with a fully customer centric approach based on data insights. Retail space and assortments are dynamically adapted and customized to the traveler's needs, while digital engagement initiatives further enhance the overall customer experience along the whole journey.

Traveler profiles and needs are constantly monitored to identify new behaviors and requirements. Demographics and data analysis play a big role in our business and changes in customer profiles and preferences can occur rapidly. For this reason, Dufry sets high priority on consumer intelligence, extrapolated from internal operational information, regular customer field surveys, monitoring of social media channels and external research. This constant process of listening to customers allows us to continuously fine-tune our offering, not only matching, but exceeding expectations of our clients.

WE CUSTOMIZE OUR VALUE PROPOSITION BASED ON TRAVELER PROFILES AND NEEDS

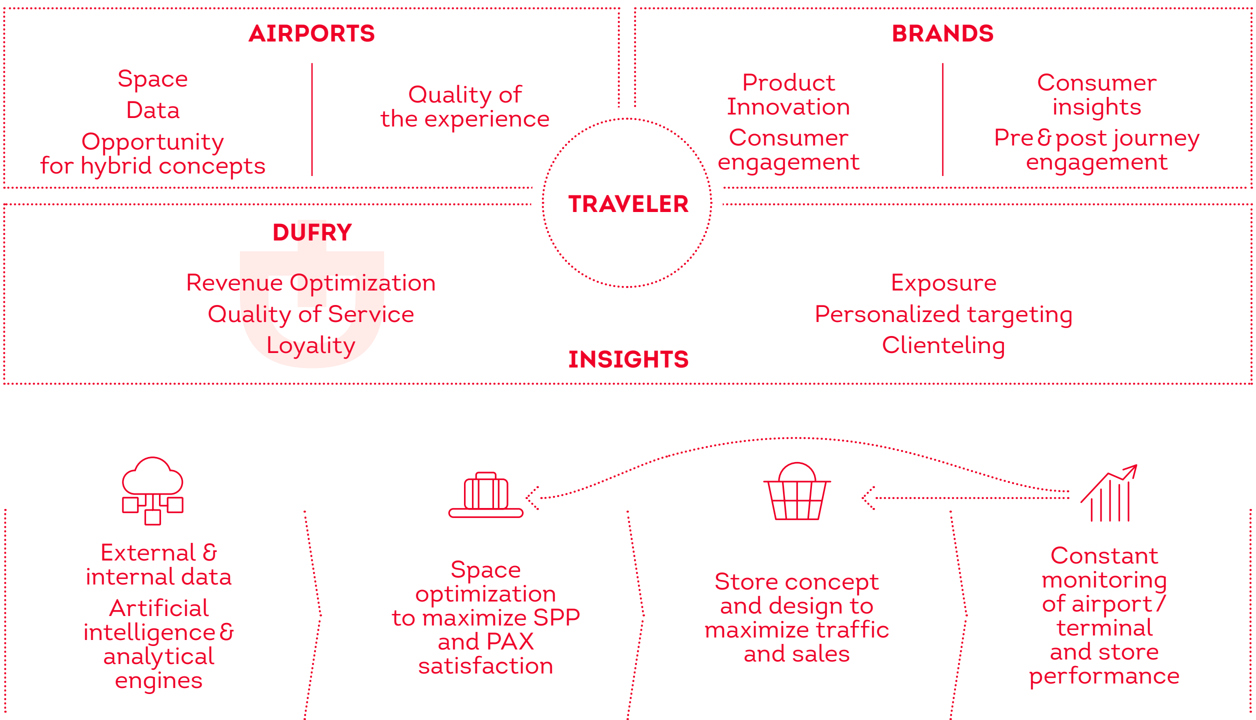


Close cooperation with brand suppliers and airports

Maximizing the travel experience can only be achieved through the strong and close collaboration of travel retail and F&B operators with airports and brand suppliers. Each of these partners have a key role to play – retailers can create attractive shopping environments, tailoring assortments and services based on refined customer insights and share them with brands, allowing them to innovate on products and experiences. Concession partners contribute by optimizing space allocation and passenger flows and by accepting and supporting the setup of dynamic shop concepts.

Dufry seeks a permanent and close collaboration with concession partners and suppliers based on an ongoing monitoring of airport, terminal and store performance to maximize passenger satisfaction, sales, and spend-per-passenger, by flexibly adapting store concepts.

WE WORK TOGETHER WITH OUR AIRPORT AND BRAND PARTNERS TO DELIVER VALUE TO TRAVELERS



Holistic experiences create new value propositions and opportunities

The key element to provide the customer with a holistic travel experience is the addition of travel food and beverage and its combination with travel retail, which generates benefits for customers and concession operators alike.

Advantages materialize through hybrid and mixed store formats, which immediately expand and mutually enhance the value proposition and the relevance for customers. This generates additional cross selling and promotion opportunities which can be offered to customers through vouchers or digitally, thus attracting travelers to visit and browse several stores. The same applies to the relevance and the reach of loyalty programs, which result in a higher attractiveness for customers and an increased number of touch-points and engagement opportunities for the operators.

Finally, revenue generation can be further optimized by integrating F&B locations and retail spaces to optimally match passenger flows and enhance the offering. Airport operators benefit from a simplified space management process, which on top increases revenue generation.

Self-learning smart stores and data-driven offering

Technology allows to closely monitor customer behavior on an anonymized basis to identify hot and cold areas or areas with high browsing but low conversion, providing valuable insights on where to enhance and adapt assortments or allocate additional employees to increase customer service.

Data insights optimize both store design and range management for core and existing categories, while at the same time, complement performance through concept innovation. Examples already successfully launched and implemented include the creation of:

- A new dedicated label concept for articles where brands are not relevant, e.g. for souvenirs or food destination products as successfully launched in Canada and Mexico
- Multi-category and themed stores for well-being and sustainable products, e.g. MIND.BODY.SOUL., as first launched in Rio de Janeiro and Amman and supported by dedicated targeted marketing communications
- In-store experiences to attract travelers, increase dwell-time and drive advertising opportunities for brand partners.

Sales-force delivering customized service level

Our shop floor colleagues play a key role in delivering the transformational shopping experience to our customers. Going forward engagement will be further customized and the service level provided be adapted to specific needs by geography, passenger profile and shop concept to provide the best possible added-value. These advanced engagement initiatives will be supported by comprehensive training, dedicated incentives schemes and technology support.

Enhanced digital engagement pre-, post- and in-store

Dufry's digital strategy focuses on closely engaging with existing and potential customer throughout their travel journey and focusing on achieving three main goals:

- Further engage with frequent travelers and establish deeper connections. Increase loyalty by leveraging CRM initiatives, offer and service personalization, as well as evolution of mobile apps and partnerships
- Excel in sales influenced by new digital touchpoints created with partners thoughout the whole travel journey, by expanding the reach of Reserve & Collect, and by evolving the omni-channel engagement & sales approach
- Transform the shopping experience in-store. Intensify use of technology for enhanced engagement and experience. Develop new services for targeted customer audiences, e.g. Dufry Employee App.

All these initiatives are driven by social media and customer loyalty communication to keep travelers informed about novelties, activations and in-store experiences. Partnering with suppliers to feature brand specific content throughout the complete journey is key.

During 2022, we implemented first initiatives to accelerate the travel retail revolution. In particular we have:

- Introduced innovative consumer-centric offerings: Beauty range innovation, no- and low-alcohol range, private labels
- Further customized stores to traveler needs: Store of the Future, Mind.Body.Soul.
- Implemented first self-learning smart stores: Spatial analysis with / without cameras, proof-of-value of image, AI-based store space productivity
- Evolved digital engagement: Emotion+ omni-channel campaigns, experiential digital tools.

HOW DOES THE TRAVEL EXPERIENCE REVOLUTION CREATE VALUE?

1. Grow revenues by driving SPP (spend-per-passenger) through better conversion and increased spend per ticket
2. Collaborate with airports in a way that can mitigate the increase of concession fees
3. Give brands a broader consumer platform and greater engagement to tackle gross profit margin and advertising income

WHAT IS GOING TO CHANGE

1. 50%+ of our stores to be smart stores by 2025
2. 50% of our customers with digital engagement by 2025
3. New loyalty program deployed through 100% of our points of sale of the combined entity (~5.500)
4. New enhanced and dedicated digital team for the combined business
5. Additional 50 base-points on revenues of investment to drive travel experience revolution

Geographical Diversification

FOCUS

- Develop North America's footprint
- Top Asia Pacific countries and Chinese travelers
- Foster and grow strong positions in Rest of the World
- Combine Duty-Free, Duty-Paid, Food & Beverage, adding Autogrill and Dufry geographies
- Combination of business development, joint-ventures and M&A

Geographic diversification is a proven strategy to strengthen business resilience and mitigate economic, political and regional impacts. Diversification combines and builds on a variety of initiatives including organic business development, joint-ventures and M&A transactions. The four key areas are:

Develop North America's footprint

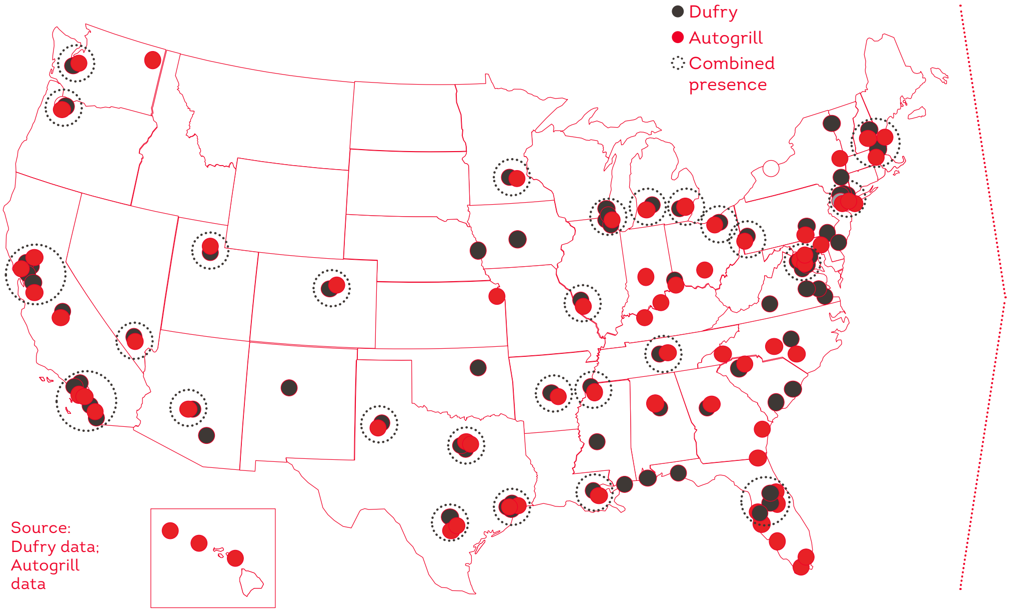
Based on 2019 data, North America's travel retail, convenience and travel F&B represents a market of slightly above 10 billion USD; with 60% covered by F&B and 40% by Travel Retail & Convenience.

The new combined entity including Dufry and Autogrill will have a presence in around 100 airports of this resilient market with an attractive positioning to unlock additional growth potential.

First, the combined entity can now provide attractive offers to concession partners in existing locations by offering new hybrid concepts including food & beverage and travel retail. This enhances customer experience, but also allows airports to optimize retail space, passenger flows and ultimately spend-per-passenger and revenue generation.

Second, the joint expertise of both leading partners in their respective sectors increases the attractiveness when participating in tenders in new locations where we are not yet present. The comprehensive know-how on passenger shopping behaviour and insights covering both domestic and international profiles across North America is an important competitive advantage put at the service of each airport operator.

AUTOGRILL INTEGRATION WILL LEAD TO STRENGTHENED FOOTPRINT IN THE UNITED STATES



Source: Dufry data; Autogrill data

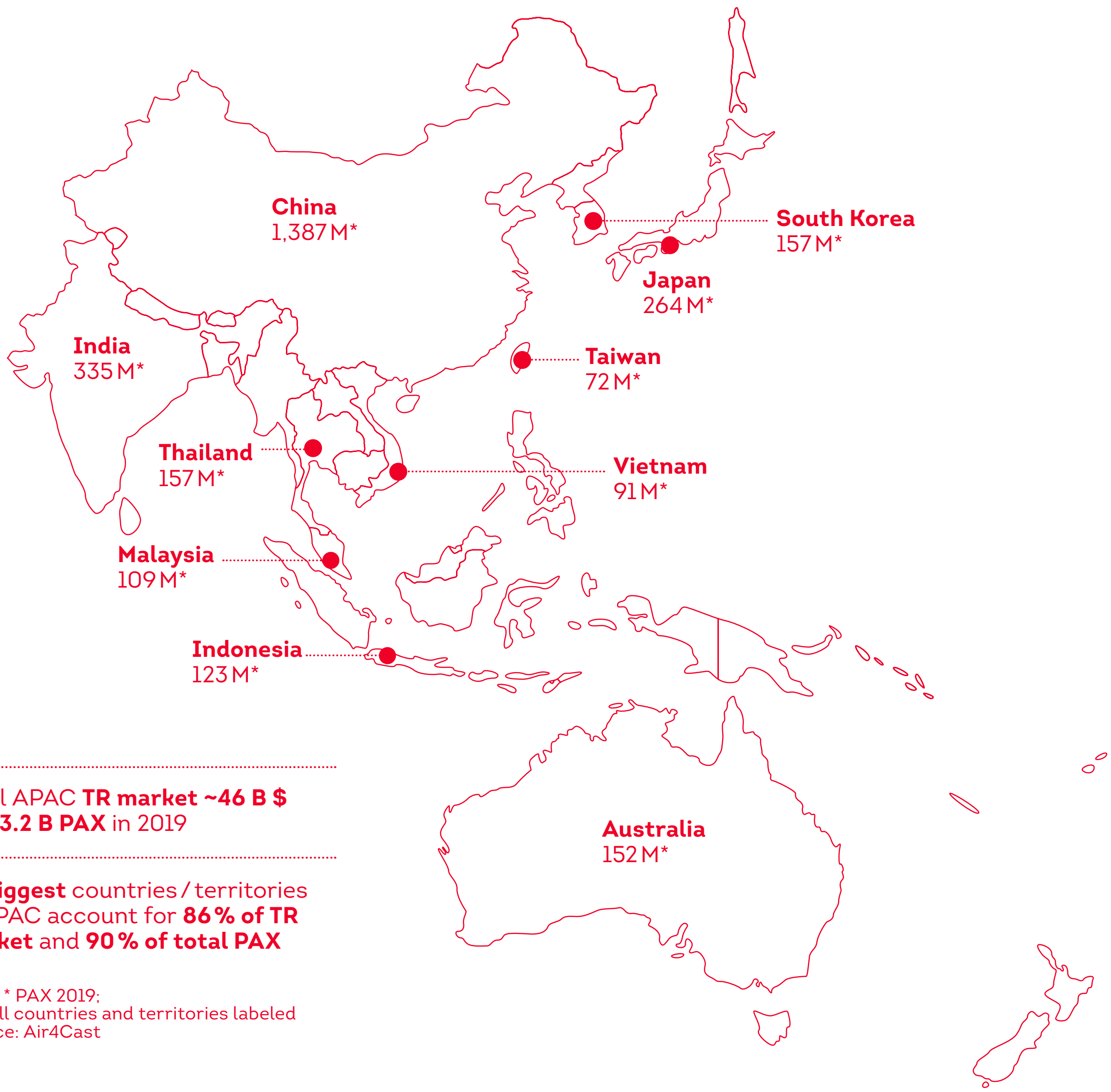
COMBINED PRESENCE IN **~100** AIRPORTS IN THE UNITED STATES

Strategic focus on top Asia-Pacific countries and Chinese Travelers

Until 2019, Asia-Pacific was the fastest growing travel retail market and is expected to resume this leading position in the coming years. In total, in 2019 this market included 3.2 billion passengers and generated sales of around 46 billion USD, with the ten biggest countries contributing with 90 % of the passengers and 86 % of the market value. Chinese travelers contributed to close to 40 % of Asia-Pacific's passenger volume – a share expected to grow further going forward.

STRATEGIC FOCUS ON A SELECTION OF IMPORTANT APAC MARKETS

10 biggest countries in APAC by PAX (2019)



Total APAC **TR market ~46 B $ and 3.2 B PAX** in 2019

10 biggest countries / territories in APAC account for **86 % of TR market** and **90 % of total PAX**

Note: * PAX 2019;
Not all countries and territories labeled
Source: Air4Cast

Chinese travelers are key in Asia-Pacific

The key success factor in Asia-Pacific is therefore to strongly engage with the Chinese passengers domestically in China and when they travel internationally to neighboring countries such as Thailand, South Korea and Japan. APAC accounts in total for 80% of the Chinese traveler's international destinations. A strong presence in this area and a dedicated focused strategy for this geographic area is therefore key to best capture the high spending power of the Chinese travelers.

Dufry already has a solid footprint in this geographic area with operations in 7 countries and featuring a whole variety of shop formats, ready to fuel further expansion in existing and new locations. Channels cover duty-paid and duty-free locations will be further enhanced with the travel F&B presence of Autogrill. Similarly as for other geographies, the opportunity to offer airport operators hybrid and combined retail and F&B concepts by one single partner creates additional potential to grow organically in this important region.

Alibaba partnership and Hainan presence – a strong asset

The partnership with Alibaba established in 2020, which also includes an equity participation by Alibaba, is an important asset under many aspects and secures a strong onsite presence in Hainan, through the joint presence of Alibaba and Dufry management teams in the local governance structure.

The collaboration directly facilitated the successful implementation of local projects, such as the participation of the joint-venture in the Mova Mall Shopping Center in Haikou, with a retail area of close to 39,000 m^2 and featuring several hundred international brands.

Additionally, through the JV collaboration, Alibaba extended its ecosystem into travel retail and started to engage more closely with Chinese travelers through different online-channels and services thus fostering Dufry's omni-channel approach. This includes customer services covering the whole travel journey such as pre-ordering and buying before the trip, buying and collecting during the trip and repurchasing after the trip. Leveraging Alibaba's presence and access to all relevant online-platforms in the region, the joint-venture secures a strong digital customer engagement and wide-spread presence in the market.

PARTNERSHIP WITH ALIBABA TO DEVELOP TRAVEL RETAIL IN CHINA AND TO DRIVE ONLINE ENGAGEMENT GLOBALLY

Partnership with Alibaba since November 2020, including **equity stake** by Alibaba

Governance structure and JV leadership team with both Alibaba and Dufry representatives **established**, head-quartered in **Haikou, Hainan**

OPEN

Initial projects successfully established, e.g., JV participating in **Mova Mall Shopping Center in Haikou,** Hainan, with close to 39,000 sqm and representing several hundred international brands

Online collaboration progressing: Alibaba extended its ecosystem to travel retail and starts **engagement with Chinese travelers**

DIGITAL CUSTOMER ENGAGEMENT AND OMNIPRESENCE

Kwai | Ele.me | Ama.com
Fliggy | Store | TikTok
Wechat TaoBao | Kaola
AliPay | Shop App
H5 Pages I LBS

1 2 3

1. PRE-ORDER & BUY BEFORE TRIP

Push with hotel, air & train tickets, or tour bookings

Proactive visit through content, ads & coupon

2. COLLECT & BUY DURING TRIP

Location-based services (LBS) push

Digitally enhanced experience at store

Possibility for pickup at airport, ferry or store

3. RE-PURCHASE AFTER TRIP

Continued push based on traveler's individual features

Proactive visit through content, ads & coupon

Shipping post-Hainan visit

Foster and grow strong position in Rest of the World

In Europe, the Middle East and Central & South America Dufry traditionally holds a strong position, with some of its largest footprints. Some of these geographies feature a dense network of operations in single countries as in Europe or regionally as in Central & South America. With an estimated market share of over 30%, these areas are expected to further increase passenger numbers over the next five years and create additional scale effects.

In many of these markets the combination with Autogrill is seen as an additional asset by airport operators wanting to offer their passengers an enhanced customer experience, while at the same time simplifying space management and improving performance of their overall retail area.

Leveraging existing partnerships in these markets and providing attractive alternatives in new locations will permit Dufry and the new combined entity to strengthen its footprint, which includes some of the most important touristic destinations worldwide.

Besides global insights on passenger behavior, Dufry can fully leverage its expertise on how to best serve expectations with tailored shop concepts and customized offers, combining duty-free, duty-paid, convenience and now also food & beverage into unrivalled experiences.

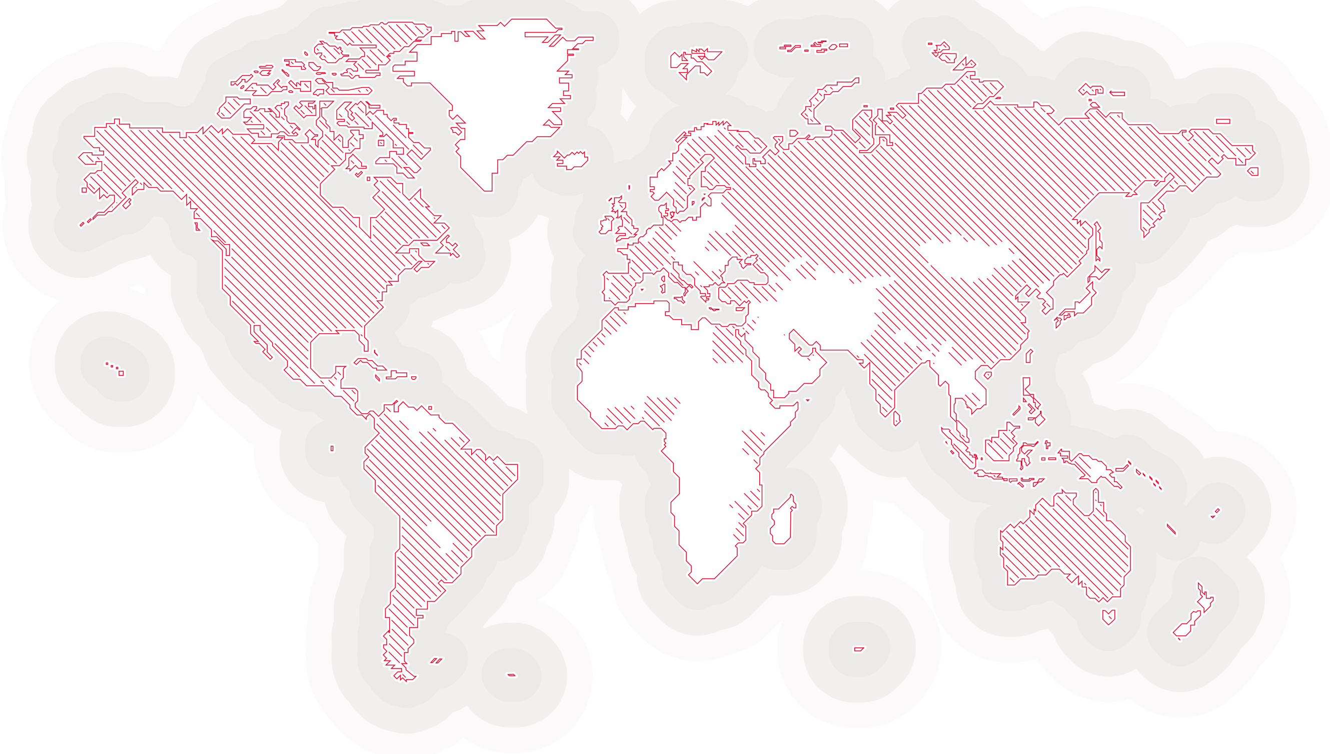
In all these markets, further growth can be driven by growing organically, through joint-ventures or by M & A transactions alike.

Throughout 2022, we have further evolved our geographic diversification following different paths of action:

- We have advanced as planned on the combination process with Autogrill thus significantly strengthening Dufry's footprint in the resilient US market
- Progressed on strengthening our APAC team by onboarding local senior management and define strategy with partners to follow Chinese traveler
- Continued organic business development in the rest of the world by winning new concessions and successfully extending current contracts; details can be found on page 71 of the this Annual Report.

Diversification by geographies and channels also limits exposure to single contracts, as illustrated by the share of individual concessions in the Group. With the largest concession accounting for just around 6% of our business, and with the ten biggest representing less than 28% of 2022 sales.

GLOBAL PRESENCE



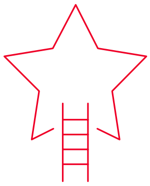
HOW DOES IT CREATE VALUE?

1. Improved risk profile diversifying for local/regional economic cycles and shocks
2. Accelerated passenger growth by serving fast-growing geographies
3. More reliable revenue growth with differentiated geographic portfolio
4. Higher conversion based on learning from different consumer patterns
5. Accelerate digital revenues through new touchpoints

WHAT IS GOING TO CHANGE

1. Establish a combined Dufry-Autogrill team in North America
2. Appoint a reinforced and dedicated team in Asia-Pacific
3. Implement a new business development approach with defined priorities

Operational Improvement Culture

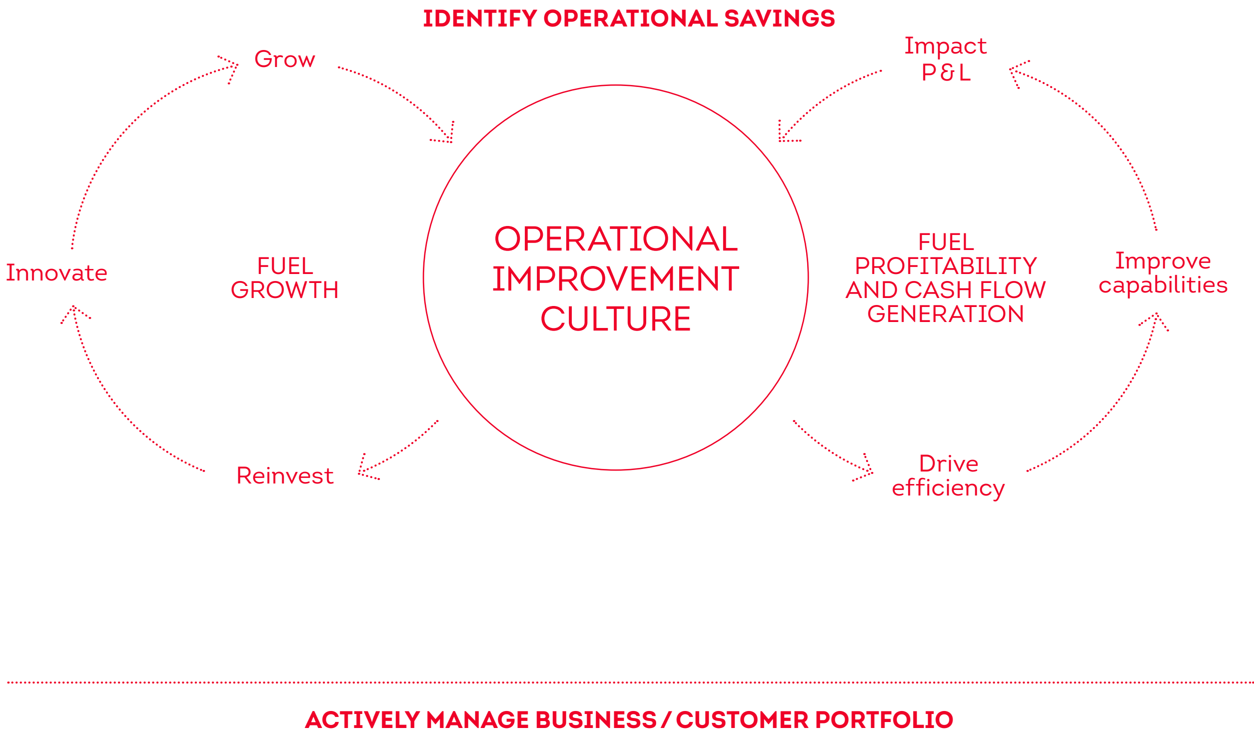


FOCUS

- Operational improvement culture
- Zero-based-budgeting (ZBB)
- Active portfolio management

The most important element to successfully implement our Destination 2027 strategy will be on how we as team do things and on how we approach its implementation. In all we do, we want to establish a permanent and ongoing culture of operational improvement to jointly drive growth, profitability and cash-flow generation. For us, this means identifying operational savings, by actively managing our business and customer portfolio.

ESTABLISH AN OPERATIONAL IMPROVEMENT CULTURE TO FUEL GROWTH, PROFITABILITY AND CASH FLOW GENERATION



Zero-based-budgeting methodology

Key trends and methodologies to actively drive cost, reset and improve efficiency require focusing on what is critical and needed to run the business. This further accelerates by identifying new technologies to implement new ways of working, by leveraging the power of digital data, as well as increasing flexibility and agility. We understand the concept of zero-based-budgeting in the wider sense, assessing every single activity, how it contributes to the business, and how it can be improved.

WE ARE LEVERAGING THE ZBB METHODOLOGY TO ENSURE CONSTANT OPERATIONAL IMPROVEMENT

Leading trends driving a cost reset

Keep only what is **critical** and **necessary** to run the business

New technological frontiers for how to get the work done

The value of **flexibility** and **agility**

The power of **data** and **digital tools**

1. **Simplicity**
Eliminate unnecessary complexity in offerings, structures and processes to focus on highest value areas

2. **Automation & Digitization**
Harness automation, analytics, core systems and data to improve efficiency, and enhance performance and customer experience

3. **New Ways of Working**
Streamline organizational structure, processes, talent and tools to increase flexibility, remote collaboration, and variabilization

4. **Visibility & Accountability**
Adjust control, decision rights and end to end visibility to enhance cost accountability

5. **Operational Resilience**
Build process / operational resilience to lower total cost of ownership and improve response to rapid changes

Active portfolio management driving profitability

We will permanently screen and assess our concession portfolio with respect to its profitability to react in a timely way with respect to renegotiating or exiting contracts, which do not fulfill our concession specific objectives and expectations. Over time this will allow us to consistently improve portfolio quality and performance.

This involves an ongoing evaluation, analysis and discussion with some of the most critical airports to jointly identify and develop possible actions. The key prerequisite being a permanent and cyclical performance review and re-evaluation of the portfolio, starting with the pre-contractual due-diligence and extended throughout and post start of operations.

With respect to establishing the operational improvement culture, in 2022 we started by:
- Applying the zero-based-budgeting approach for the 2023 budget
- Implementing the full profitability evaluation for ongoing bidding / tender / negotiation processes.

HOW DOES IT CREATE VALUE?

1. Sustain margins
2. Reinvest in business & fast-growing geographies
3. Share with Airport partners thus making concession fees competitive

WHAT IS GOING TO CHANGE

1. Zero-based-budgeting discipline for budget 2023
2. Dedicated integration team focused on synergy delivery
3. Active management of concession portfolio with stronger focus on full profitability evaluation

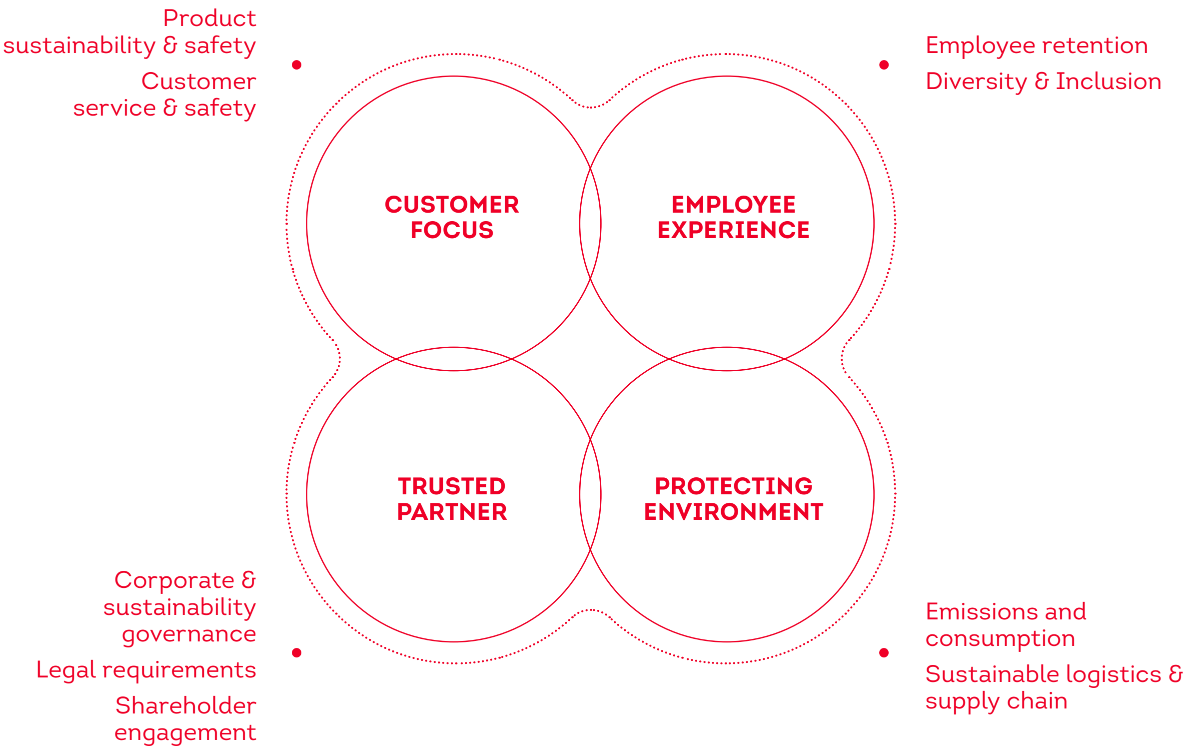
ESG – connecting element and inherent part of our business

FOCUS

- Comprehensive ESG strategy focused on four areas
- Science-Based Targets (SBTi) in place
- Broad portfolio of local projects with real impact

Dufry's ESG engagement builds on four key pillars. Implementation and development of the comprehensive ESG strategy is managed through as strong governance, making sure it is at the center of the company's activities and securing a sustainable growth for our stakeholders.

DUFRY'S ESG STRATEGY IS STRUCTURED ALONG 4 FOCUS AREAS



For each focus area Dufry develops targeted initiatives to make its ESG engagement real and tangible and to focus on topics where the company can make a difference. One of the key initiative recently implemented is the definition of emission reduction targets for scopes 1, 2 & 3, which have been validated by SBTi.

Key ESG initiatives executed during 2022 include:

- Seeking approval and achieving validation of the Scope 1, 2 & 3 targets by SBTi
- Develop the Dufry's first TCFD Report for 2022
- Conduct second diversity & inclusion survey
- Develop a new community engagement strategy.

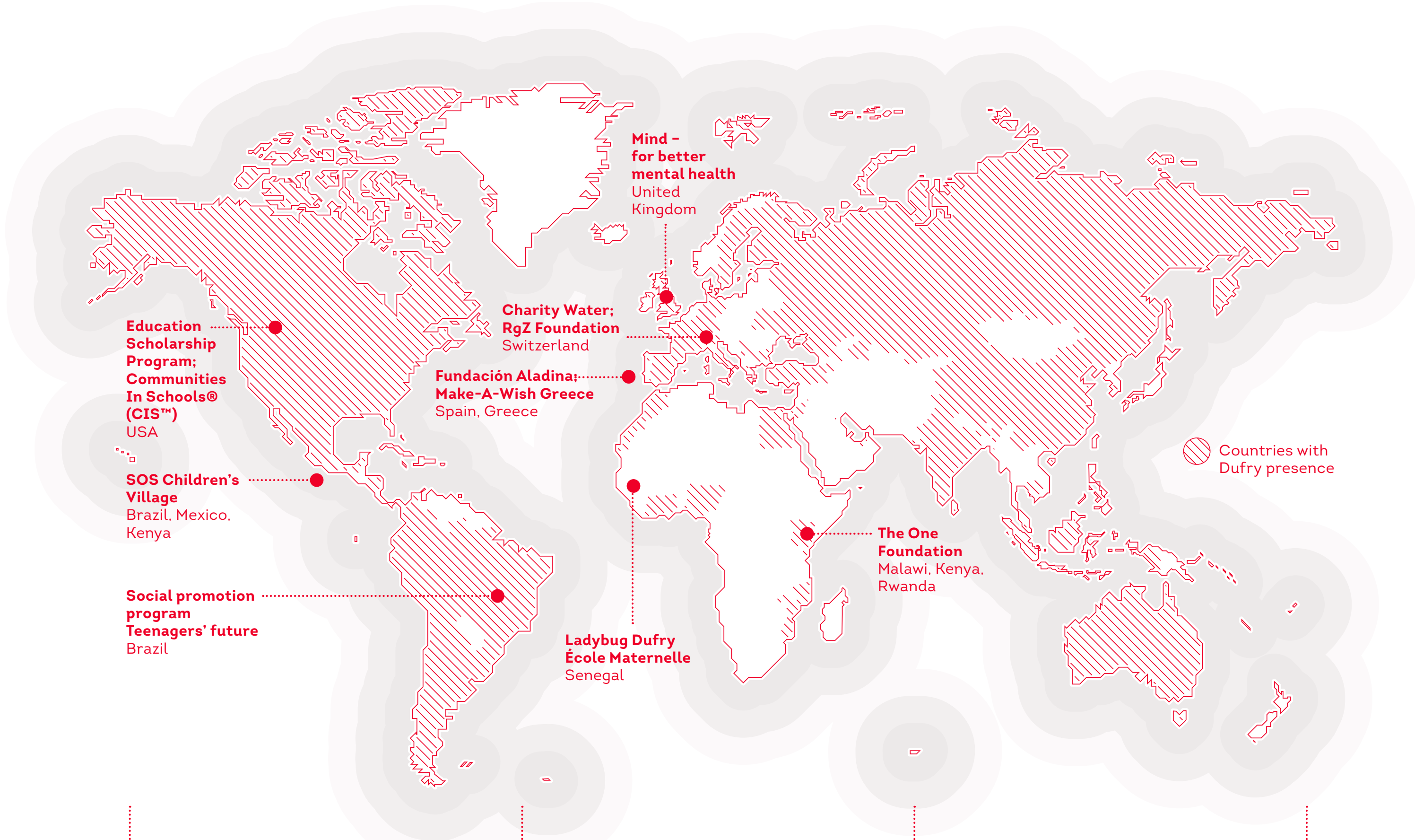
Detailed information on Dufry's ESG strategy and implementation progress is available in the ESG Report and page 79 of the Annual Report 2022.

Positively impact society as a good employer and through local projects

Through its presence in 62 countries and across over 410 locations Dufry is an important employer, providing job opportunities for communities around the world. While in 2022 the company employed 23,792 (FTE) colleagues, the number of employees is expected to increase to over 60,000 through the combination with Autogrill.

Additionally Dufry has traditionally been supporting local communities with dedicated community engagement projects, implemented at Group level, by our local teams and / or in collaboration with our landlord partners. This allows us to provide specific and tangible support where it is most needed.

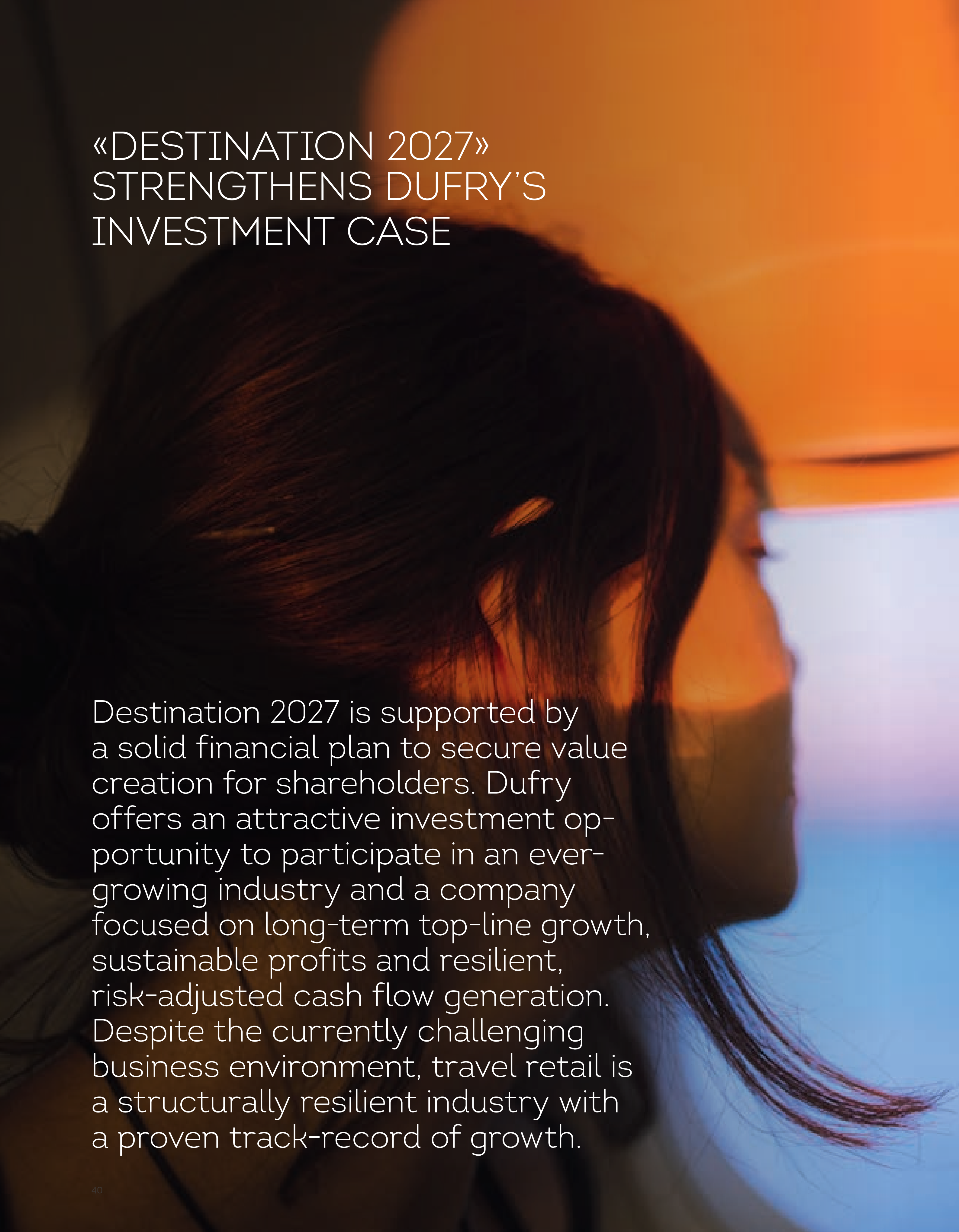
POSITIVE IMPACT ON SOCIETY BY BEING A GOOD EMPLOYER AND SUPPORTING LOCAL PROJECTS MAKEING IT TANGIBLE AND VISIBLE



410
Locations in

62
Countries across

6
Continents



«DESTINATION 2027» STRENGTHENS DUFRY'S INVESTMENT CASE

Destination 2027 is supported by a solid financial plan to secure value creation for shareholders. Dufry offers an attractive investment opportunity to participate in an ever-growing industry and a company focused on long-term top-line growth, sustainable profits and resilient, risk-adjusted cash flow generation. Despite the currently challenging business environment, travel retail is a structurally resilient industry with a proven track-record of growth.

DESTINATION 2027 STRENGTHENS DUFRY'S INVESTMENT CASE

Long term top line growth	– Underlying passenger growth – Spend per passenger increase, driven by Travel Experience Revolution – Business development through diversification and hybrid concepts – Selected acquisitions / industry consolidation
Sustainable profits	– Operational improvement culture – Highly variable cost structure and continuous efficiencies – Reinvestment in business and concession competitiveness
Strong risk-adjusted cash flow generation	– Asset light business model – Sustainable cash flows – Quick deleveraging capability
Resilient business	– Secular growth and resilient spending as inherent part of travel – Diversification across geographies, channels, formats and concepts – Strong stakeholder relations including concession partners, brands, share- and debtholders, banks
Shareholder Value	Strong cash flow generation, available for capital allocation – Fostering growth and innovation – Focusing on deleveraging – Shareholder return

For further information on our equity story as the world's leading global travel experience player, please refer to the section Investors on page 72 of the Annual Report 2022.

Dufry –
The World's Leading Travel Experience Player.