

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 Dufrey 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 substan-

tially 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



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 m²

Dufry operates close to
472,000 m² 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 disproportionately 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 Dufrey'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 anti-trust approvals. As separately announced, this enabled us to close the transaction and have Edizione transfer its 50.3% stake in Autogrill to Dufrey 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 Dufrey 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 Dufrey'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 Dufrey 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, Dufrey 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 Dufrey has a long-standing 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 Dufrey 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 Dufrey even more WorldClass.WorldWide.

Sincerely,



Xavier Rossinyol