Financial Report 2024

Excellent progress on our Destination 2027 ambitions

Yves Gerster
Chief Financial Officer

Dear all,

Following the transformational combination with Autogrill in 2023, 2024 marked the first full year trading as one company, Avolta.

Despite continued geopolitical concerns, demand for travel and the travel experience remained strong in 2024. Indeed, momentum picked up towards the end of the year, underpinning our confidence that growth is sustainable over the foreseeable future.

For 2024, full year CORE turnover reached CHF 13,473 million, representing organic growth of 6.3 % versus the previous year. This organic growth is all the more impressive when considering the substantial headwind from Argentina, costing the group 140 basis points of growth. This was possible thanks to Avolta's significant geographical diversification (70 countries, over 1,000 locations, over 5,100 stores and restaurants) which reinforces our resilience and defensive qualities, shielding Avolta from market-specific risks.

Further to the completion of the business integration, with the realization of CHF 85 million synergies in line with expectations, management's shift of focus has moved to optimizing Avolta's critical mass with the ambition of enhancing medium-term growth opportunities, cash conversion, and returns generation as per our "Destination 2027" strategy.

In this regard, Avolta delivered a solid 2024 profit performance with CORE EBITDA of CHF 1,267 million, representing a margin of 9.4 %, +40 basis points (bps) year-on-year. Furthermore, 2024 Equity Free Cash Flow (EFCF) reached CHF 425 million, an increase of 32 % year-on-year with an 33.5 % conversion of CORE EBITDA, comfortably ahead of our Destination 2027 medium-term annual target of +100-150 bps per annum.

Profitable, cash generative growth and returns generation.

All of the aforementioned metrics performed in-line or above our initial expectations set out at the beginning of the year. This was thanks, in part, to the continued strong global travel demand as well as reinforced focus on profitable cash generative growth and returns' generation.

In October 2023, we redefined our Destination 2027 medium-term capital allocation policy. Our commitment is to return one third of annual EFCF to shareholders by way of a dividend. For 2023, we paid a dividend of CHF 0.70 per share on May 22, 2024, equating to a total payout of CHF 104 million from our 2023 EFCF of CHF 323 million. The dividend for 2024 of CHF 1.00 that the Board of Directors proposes to the Annual General Meeting in May 2025 again reflects about one third of our EFCF achieved in fiscal year 2024.

For the remaining two thirds of the annual EFCF, we will continue to prioritize strategic, cash funded, small to mid-sized bolt-on acquisitions, in markets where we can enhance our geographic footprint. The purchase of the Free Duty concession, a Hong-Kong based cross-border MTR duty-free operator, which closed on December 18, 2024, is a prime example of this bolt-on strategy.

Beyond, and consistent with our reinforced capital allocation policy as presented in October 2024, as cash generation continues to gather pace, we have the ambition of distributing medium-term excess cash over and above our 1.5x - 2.0x leverage target range to shareholders by way of share buybacks. In 2024, we purchased CHF 202 million treasury shares and subsequently cancelled 6.1 million shares on December 17, 2024, representing 4 % of outstanding shares in issue, and taking the number of outstanding shares from 152.6 million to 146.5 million.

In accordance with the reinforced capital allocation policy, Avolta announced and subsequently launched on January 27, 2025 a public share buyback program for the purpose of the subsequent cancellation of up to CHF 200 million worth of Avolta AG registered shares. This initiative is expected to end no later than December 31, 2025.

Avolta delivered a solid 2024, with EFCF at CHF 425 million, an increase of 32 % year-on-year.

This share buyback strategy now constitutes an integral part of our medium-term capital allocation policy with the aim of optimizing our balance sheet and capital structure.

Further to ratings agency upgrades by Moody's on March 27, 2024, from Ba3 to Ba2, and S&P on April 3, 2024, from BB to BB+, we refinanced our EUR 800 million October 2024 2.5% maturity in April, and extended our RCF in October by 2 years to 2029 with the margin reduction on this latter enabling interest savings of approximately CHF 10 million per annum going forward.

Our December 31, 2024, net debt amounted to CHF 2,663 million. Financial liabilities consist of 77% fixed and 23% floating loans and notes, resulting in a weighted-average interest rate of debt of 3.4%. Our constant FX, LTM net debt to CORE EBITDA leverage ratio was 2.1x, down from 2.6x as at December 31, 2023, and is the lowest leverage level since 2011. We had CHF 756 million cash equivalents on the balance sheet and additional liquidity of CHF 1,458 million resulting from undrawn credit facilities.

Avolta has a history of addressing debt financing well ahead of maturity by aligning loans and timing to the respective market environment to achieve the best possible financing. While current available liquidity amounts to CHF 2,214 million, thereof CHF 756 million available in cash and cash equivalents, we are mindful of the early 2026 CHF 500 million convertible and CHF 300 million senior note maturities.

Stakeholder engagement.

During 2024, 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 448 interactions, thereof 185 roadshows, conferences and meetings, and 263 conference calls and emails.

Reinforced operational improvement culture.

Over the medium-term, we continue to foster a culture of operational improvement to fuel profitable growth, drive cash flow generation, and enhance returns. Hereby, the finance teams will support our pursuit of superior profitability driven by a logic of zero-based budgeting, focused on disproportionally allocating resources to activities that make the most impact, while further standardizing and leveraging technology to simplify work and operations. In addition to the budgeting discipline, Avolta continues to systematically and actively manage its concession portfolio, with stronger focus on the evaluation of full profitability, cash flow contribution, and returns.

Diligent cost and cash flow management.

For 2025, while macroeconomic and geopolitical developments remain uncertain, we look forward to the year with confidence, supported by recent demand momentum across the travel-related sectors, the positive outlook for global passenger trends, and our reinforced resilient and defensive credentials. With our global exposure, we are naturally well hedged with respect to FX fluctuations from an operational perspective,

We are now more resilient than ever and seek to continue optimizing our global critical mass with the goal of underpinning future profitable growth, cash conversion and returns generation.

however, it is important to consider translational effects from currency developments when comparing turnover with previous years.

I would like to thank our customers, shareholders, bondholders, banks, analysts, rating agencies, business partners, and key advisors for their continued trust in Avolta 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	CORE 2024 CHF	CORE 2024 In %	CORE 2023 CHF	CORE 2023 In %	IFRS 2024 CHF	IFRS 2023 CHF	CORE[1] 2024 USD	CORE[1] 2023 USD
Turnover	13,473	100.0%	12,535	100.0%	13,725	12,790	15,305	13,989
Cost of sales	(4,690)	(34.8%)	(4,477)	(35.7%)	(4,924)	(4,716)	(5,330)	(4,997)
Gross profit	8,783	65.2%	8,058	64.3%	8,801	8,074	9,975	8,992
Concession expenses (CORE)/ Lease expenses (IFRS)	(3,409)	(25.3%)	(3,179)	(25.4%)	(1,951)	(1,876)	(3,873)	(3,547)
Personnel expenses	(2,749)	(20.4%)	(2,539)	(20.3%)	(2,749)	(2,539)	(3,123)	(2,832)
Other expenses	(1,474)	(10.9%)	(1,418)	(11.3%)	(1,416)	(1,376)	(1,674)	(1,581)
Other income	116	0.9%	208	1.7%	98	192	133	231
CORE EBITDA/ Operating profit before D&A (IFRS)	1,267	9.4%	1,130	9.0%	2,783	2,475	1,438	1,263
Depreciation & impairment of PP&E	(306)	(2.3%)	(277)	(2.2%)	(306)	(277)	(349)	(309)
Amortization & impairment of intangibles	(62)	(0.5%)	(35)	(0.3%)	(364)	(243)	(71)	(39)
Depreciation & impairment right-of-use assets (IFRS)	–	–	–	–	(1,179)	(1,090)	–	–
CORE EBIT/Operating profit (IFRS)	899	6.7%	818	6.5%	934	865	1,018	915
Financial result	(187)	(1.4%)	(202)	(1.6%)	(587)	(567)	(211)	(225)
CORE Profit before taxes/ Profit before taxes (IFRS)	712	5.3%	616	4.9%	347	298	807	690
Income tax	(162)	(22.8%)	(159)	(25.8%)	(87)	(82)	(185)	(179)
CORE Net profit/Net profit (IFRS)	550	4.1%	457	3.6%	260	216	622	511

1 Convenience translation for illustrative purposes.

Equity free cash flow

In millions of	2024 CHF	2023 CHF	2024 USD[1]	2023 USD[1]
CORE EBITDA	1,267	1,130	1,438	1,263
Other non-cash items and changes in lease obligation	91	81	103	92
Changes in net working capital	(84)	(44)	(104)	(45)
Capital expenditures	(473)	(433)	(536)	(483)
Cash flow related to minorities	(124)	(103)	(140)	(115)
Dividends from associates	1	2	1	2
Income taxes paid	(120)	(129)	(137)	(145)
Cash flow before financing	558	504	625	569
Interest, net	(135)	(160)	(152)	(179)
Other financing items	2	(21)	1	(24)
Equity free cash flow	425	323	474	366
Dividend to Group shareholders	(104)	–	(118)	–
Purchase of treasury shares[2]	(202)	(33)	(229)	(37)
Foreign exchange adjustments and other	(86)	(175)	142	(492)
Decrease/(Increase) in financial net debt	33	115	269	(163)
– at the beginning of the period	2,696	2,811	3,204	3,041
– at the end of the period	2,663	2,696	2,935	3,204

1 Convenience translation for illustrative purposes.
2 Gross consideration.

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Consolidated statement of profit or loss

for the year ended December 31, 2024

In millions of CHF	Note	2024	2023
Net sales	7	13,493	12,584
Advertising income		232	206
Turnover		**13,725**	**12,790**
Cost of sales		(4,924)	(4,716)
Gross profit		**8,801**	**8,074**
Lease expenses	8	(1,951)	(1,876)
Personnel expenses	9	(2,749)	(2,539)
Depreciation and amortization		(1,787)	(1,639)
Impairment, net	18.3	(62)	29
Other expenses	10	(1,416)	(1,376)
Other income	11	98	192
Operating profit		**934**	**865**
Finance expenses	12.1	(764)	(627)
Finance income	12.2	159	110
Foreign exchange gain/(loss)		18	(50)
Profit before tax		**347**	**298**
Income tax expenses	13	(87)	(82)
Net profit		**260**	**216**

Attributable to

Non-controlling interests		157	129
Equity holders of the parent		103	87

Earnings per share attributable to equity holders of the parent

Basic earnings per share in CHF		0.70	0.64
Diluted earnings per share in CHF		0.68	0.63

Consolidated statement of other comprehensive income

for the year ended December 31, 2024

In millions of CHF	Note	2024	2023
Net profit		**260**	**216**
Other comprehensive income			
Remeasurement of post-employee benefit plans	14	(9)	11
Income tax	13, 14	3	–
Items not being reclassified to net income in subsequent periods, net of tax		**(6)**	**11**
Exchange differences on translating foreign operations	14	196	(262)
Net gain/(loss) on hedge of net investments in foreign operations	26	(12)	14
Items to be reclassified to net income in subsequent periods, net of tax		**184**	**(248)**
Total other comprehensive income, net of tax		**178**	**(237)**
Total comprehensive income, net of tax		**438**	**(21)**
Attributable to			
Non-controlling interests		174	109
Equity holders of the parent		264	(130)

Consolidated statement of financial position

at December 31, 2024

In millions of CHF	Note	31.12.2024	31.12.2023
Assets			
Property, plant, and equipment	15	1,296	1,131
Right-of-use assets	16	7,785	7,237
Intangible assets	17	1,935	2,144
Goodwill	17	3,111	2,979
Investments in associates		34	34
Deferred tax assets	29	166	165
Net defined benefit assets	31	28	36
Other non-current assets	19	281	312
Non-current assets		**14,636**	**14,038**
Inventories	20	1,276	1,062
Trade and credit card receivables	21	56	41
Current investments		–	55
Other accounts receivable	22	632	576
Income tax receivables		44	28
Cash and cash equivalents	27	756	715
Current assets		**2,764**	**2,477**
Total assets		**17,400**	**16,515**
Liabilities and shareholders' equity			
Equity attributable to equity holders of the parent		2,349	2,361
Non-controlling interests		171	134
Total equity		**2,520**	**2,495**
Borrowings	26	3,248	2,521
Lease obligations	27	7,012	6,751
Deferred tax liabilities	29	372	410
Provisions	30	103	74
Net defined benefit obligation	31	43	44
Other non-current liabilities	28	88	80
Non-current liabilities		**10,866**	**9,880**
Trade payables		824	874
Borrowings	26	141	819
Lease obligations	27	1,508	1,103
Income tax payables		85	45
Provisions	30	82	106
Other liabilities	28	1,374	1,193
Current liabilities		**4,014**	**4,140**
Total liabilities		**14,880**	**14,020**
Total liabilities and shareholders' equity		**17,400**	**16,515**

Consolidated statement of changes in equity

for the year ended December 31, 2024

In millions of CHF	Note	Share capital	Share premium	Treasury shares	Employee benefit reserve	Translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
		Attributable to equity holders of Avolta AG								
Balance at January 1, 2024		**763**	**6,833**	**(90)**	**13**	**(771)**	**(4,387)**	**2,361**	**134**	**2,495**
Net earnings		–	–	–	–	–	103	103	157	260
Other comprehensive income / (loss)	14	–	–	–	(6)	167	–	161	17	178
Total comprehensive income / (loss) for the period		**–**	**–**	**–**	**(6)**	**167**	**103**	**264**	**174**	**438**
Transactions with or distributions to shareholders										
Share purchases	23.2	–	–	(202)	–	–	–	(202)	–	(202)
Share cancellations	23.1	(30)	(201)	231	–	–	–	–	–	–
Dividends		–	(104)	–	–	–	–	(104)	(145)	(249)
Share-based payments	24	–	–	15	–	–	9	24	–	24
Total transactions with or distribution to owners		**(30)**	**(305)**	**44**	**–**	**–**	**9**	**(282)**	**(145)**	**(427)**
Changes in ownership interests in subsidiaries										
Put-option held by non-controlling interests		–	–	–	–	–	9	9	(6)	3
Other participation interest / Non-controlling interests share capital changes		–	–	–	–	–	(3)	(3)	14	11
Changes in participation of non-controlling interests		**–**	**–**	**–**	**–**	**–**	**6**	**6**	**8**	**14**
Balance at December 31, 2024		**733**	**6,528**	**(46)**	**7**	**(604)**	**(4,269)**	**2,349**	**171**	**2,520**

Consolidated statement of changes in equity

for the year ended December 31, 2023

In millions of CHF	Note	Share capital	Share premium	Treasury shares	Capital reserve for mandatory convertible notes	Employee benefit reserve	Translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
		Attributable to equity holders of Avolta AG									
Balance at January 1, 2023		**454**	**4,542**	**(23)**	**60**	**2**	**(543)**	**(3,599)**	**893**	**73**	**966**
Net earnings		–	–	–	–	–	–	87	87	129	216
Other comprehensive income/(loss)	14	–	–	–	–	11	(228)	–	(217)	(20)	(237)
Total comprehensive income/(loss) for the period		**–**	**–**	**–**	**–**	**11**	**(228)**	**87**	**(130)**	**109**	**(21)**
Transactions with or distributions to shareholders											
Conversion of mandatory convertible notes to equity		10	50	–	(60)	–	–	–	–	–	–
Purchase of treasury shares	23.2	–	–	(33)	–	–	–	–	(33)	–	(33)
Share capital increase	23.1	299	2,241	–	–	–	–	–	2,540	–	2,540
Dividends		–	–	–	–	–	–	–	–	(143)	(143)
Share-based payments	24	–	–	–	–	–	–	35	35	–	35
Total transactions with or distribution to owners		**309**	**2,291**	**(33)**	**(60)**	**–**	**–**	**35**	**2,542**	**(143)**	**2,399**
Changes in ownership interests in subsidiaries											
Acquired non-controlling interests of Autogrill	6.2	–	–	–	–	–	–	–	–	442	442
Changes in participation of non-controlling interests of Autogrill	6.2	–	–	–	–	–	–	(920)	(920)	(384)	(1,304)
Put-option held by non-controlling interests		–	–	–	–	–	–	(15)	(15)	(5)	(20)
Other changes in participation of non-controlling interests		–	–	(34)	–	–	–	25	(9)	42	33
Changes in participation of non-controlling interests		**–**	**–**	**(34)**	**–**	**–**	**–**	**(910)**	**(944)**	**95**	**(849)**
Balance at December 31, 2023		**763**	**6,833**	**(90)**	**–**	**13**	**(771)**	**(4,387)**	**2,361**	**134**	**2,495**

Consolidated statement of cash flows

for the year ended December 31, 2024

In millions of CHF	Note	2024	2023
Cash flows from operating activities			
Profit before tax		347	298
Adjustments for:			
Depreciation and amortization		1,787	1,639
Impairment, net	18.3	62	(29)
Increase / (decrease) in allowances and provisions		(3)	24
Other non-cash items		28	33
Loss / (gain) on sale of non-current assets		2	(1)
Loss / (gain) on foreign exchange differences		(18)	50
Finance expenses	12.1	764	627
Finance income	12.2	(159)	(110)
Cash flow before working capital changes		**2,810**	**2,531**
Decrease / (increase) in trade and other accounts receivable		(49)	(49)
Decrease / (increase) in inventories		(135)	(141)
Increase / (decrease) in trade and other accounts payable		98	146
Dividends received from associates		1	2
Cash generated from operations		**2,725**	**2,489**
Income tax paid		(120)	(130)
Net cash flows from operating activities[1]		**2,605**	**2,359**
Cash flow used in investing activities			
Purchase of property, plant, and equipment	15	(434)	(404)
Purchase of intangible assets	17	(49)	(37)
Purchase of financial assets		(140)	(155)
Proceeds from lease income		29	22
Loans receivable repaid / (granted)		1	(36)
Proceeds from sale of property, plant, and equipment		10	8
Proceeds from sale of financial assets		204	80
Interest received		93	62
Business combination, net of acquired cash	6	(26)	460
Sale of interest in subsidiaries, net of cash		–	(1)
Net cash flows used in investing activities		**(312)**	**(1)**

[1] Include lease payments from operating activities of CHF 2,020 million (2023: CHF 1,903 million).

Consolidated statement of cash flows (continued)

for the year ended December 31, 2024

In millions of CHF	Note	2024	2023
Cash flow from financing activities			
Proceeds from / (repayment of) 3rd party loans	27	–	2
Proceeds from borrowings	27	981	225
Repayment of borrowings	27	(1,016)	(865)
Purchase of non-controlling interests Autogrill	6.2	–	(44)
Dividends paid to shareholders	23.1	(104)	–
Dividends paid to non-controlling interests		(143)	(134)
Employee tax witholding on share-based payment plans		(4)	–
Gross consideration for purchase of treasury shares	23.2	(202)	(33)
Contribution from non-controlling interests		19	31
Lease payments	27	(1,484)	(1,362)
Interest paid	27	(227)	(222)
Net cash flow used in financing activities		**(2,180)**	**(2,402)**
Currency translation on cash	27	(72)	(96)
Increase / (decrease) in cash and cash equivalents		**41**	**(140)**
Cash and cash equivalents at the			
– beginning of the period	27	715	855
– end of the period	27	756	715

Notes to the consolidated financial statements

for the year ended December 31, 2024

1. Corporate Information

Avolta AG (the “Company”) is a publicly listed company with headquarters in Basel, Switzerland. The Company is the world’s leading travel retail and food & beverage company. It operates in more than 5,100 outlets worldwide. The shares of the Company are listed on the SIX Swiss Exchange in Zürich.

The consolidated financial statements of Avolta AG and its subsidiaries (Avolta or the “Group”) for the year ended December 31, 2024, 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 11, 2025, and are subject to the approval of the Annual General meeting to be held on May 14, 2025.

2. Basis of Preparation

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

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 consolidated financial statements are presented in millions of Swiss Francs (CHF) and prior year figures are adjusted consistent with the current year presentation. Numbers presented throughout this report may not add up precisely due to rounding.

The consolidated financial statements have been prepared on a going concern basis.

3. Accounting Policies

3.1 Basis of consolidation

The consolidated financial statements of Avolta comprise all entities directly or indirectly controlled by Avolta for the years ended December 31, 2024, and December 31, 2023, respectively.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which Avolta obtains control, and continue to be consolidated until the date when such control is lost. The Group controls an entity when Avolta 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, and dividends with consolidated entities 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.

When Avolta loses control over a subsidiary, it:

- derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- derecognizes the carrying amount of any non-controlling interests as well as derecognizes the cumulative translation differences recorded in equity;
- recognizes the fair value of the consideration received, and the fair value of any investment retained, and records any surplus or deficit in the statement of profit or loss; and
- recognizes any receivable from / payable to this former subsidiary.

3.2 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, Avolta 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 Avolta 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. Any subsequent changes in the fair value of the contingent consideration not classified as equity are recognized through the statement of profit or loss.

Avolta 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.

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 Avolta's groups of cash-generating units that are expected to benefit from the combination.

b) Foreign currency translation

Transactions in foreign currencies are recorded at the date of the transaction in the functional currencies of the respective subsidiaries, using the exchange rate of such date.

Monetary assets and liabilities denominated in foreign currencies are remeasured using the 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 in the statement of profit or loss (within finance costs), 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 currencies are translated into the presentation currency of Avolta (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 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.

Principal foreign exchange rates applied for valuation and translation:

	Average rate		Closing rate	
In CHF	2024	2023	31.12.2024	31.12.2023
1 USD	0.8805	0.8983	0.9072	0.8415
1 EUR	0.9525	0.9715	0.9393	0.9288
1 GBP	1.1252	1.1171	1.1355	1.0714

c) Net sales

Net sales are recognized from contracts with customers. The Group recognizes revenue from customers at the point in time when it sells and hands over goods at the stores to the customers. 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.

When the Group acts as an agent and not as a principal in a sales transaction, the revenues recognized is the net amount of the Group's premium or commission. The Group acts as an agent for a portion of the fuel business.

d) Advertising income

The Group's advertising income results from several distinctive marketing support activities, not affecting the retail price, performed by Avolta after having been developed and coordinated together with its suppliers. The income is recognized in the period the advertising is performed, less an adjustment to reflect 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) Grants

Grants, including non-monetary grants measured at fair value, are recognized if there is reasonable certainty that the Group will meet the respective conditions and that the grants will be received.

Grants are recognized on a systematic basis in the income statement in the years in which the Group recognizes as costs the expenses that the grants are intended to offset.

Grants are recognized in the income statement under "Other operating income" or, if directly attributable, deducted from the related cost.

f) Cost of sales

Cost of sales are recognized when the group sells the products and comprises 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.

g) Share capital

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

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

h) Pension and other post-employment benefit obligation

Employees 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 are unfunded. The plan assets are valued at fair value.

Remeasurements, 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. Remeasurements 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 Avolta recognizes restructuring-related costs.

Net interest is calculated by applying the discount rate to the net defined benefit obligation/(asset). Avolta recognizes the following components 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”.

i) Share-based payments

Equity-settled share-based payments to employees 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, updated for estimates relating to meeting non-market performance conditions. 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. Changes in estimates relating to market conclusions are reflected in equity.

j) 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 in 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 jurisdiction where Avolta operates and generates taxable income.

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 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 and 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 in the foreseeable future.

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 entity.

k) Property, plant and equipment
These are stated at cost less accumulated depreciation and any impairment. 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 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

l) Leases
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 remeasurement 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. Right-of-use assets are subject to impairment. The contractual term of the Group's leases 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.

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

Low-value leases, and short-term leases (lease term of less than 12 months), as well as other lease elements not eligible for capitalization are expensed as incurred.

Avolta's outlets are typically leased. These lease agreements often contain complex features, which include variable sales-based payments, 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) be adjusted based on an index. The unavoidable portions of the fees are considered as in substance fixed payments, despite having a variable component. These agreements do not contain a residual value guarantee. In some cases, the current parts of the lease obligations are secured with bank guarantees.

Besides outlet leases, Avolta has also entered into lease agreements for other assets, including vehicles for warehouses, hardware or software, and other assets.

The line item lease expenses in the profit or loss statement excludes depreciation on right-of-use assets and interest expenses on the lease obligations.

Where the Group acts as sub-lessor, it recognizes lease receivables as of the commencement date of the lease. The sub-leases are determined with reference to the right-of-use asset deriving from the principal lease contract, rather than the underlying asset, and the Group reduces its right-of-use assets and recognizes a lease receivable as a counter-entry, split between current and non-current assets.

Usually, the Group's lease contracts do not specify interest, so that the accrued interest is considered as a part of the minimal in substance fixed 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 outflows from operations.

m) Intangible assets
These assets are measured at cost and mainly consist of concession rights and brands. The useful lives of these intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortized over their useful 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. Brand assets have indefinite useful lives, 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.

n) 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 flows (cash-generating units).

o) Associates
Associates are entities over which Avolta has significant influence but not control, generally with 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 and decreased by dividends declared, and any impairments. Avolta's investments in associates may include goodwill on acquisition.

When Avolta's share of losses in an associate equals or exceeds its interest in the associate, Avolta does not recognize further losses, unless it has incurred legal or constructive obligations or has made payments on behalf of the associate.

Profits and losses resulting from upstream and downstream transactions between Avolta and its associates are recognized in the Group's financial statements only to the extent of unrelated investors' interest in the associates.

p) 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 or First in First out (FIFO) method. Historical cost includes all expenses incurred in bringing the inventories to their present location and condition.

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 recognized for slow-moving and obsolete stock. Expired items are fully written off.

q) 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 of up to three months. Credit card receivables with a maturity of up to four working days are included as cash in transit.

r) Provisions
Provisions are recognized when Avolta has a present obligation (legal or constructive) as a result of a past event, it is probable that Avolta will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions at Avolta include contingent liabilities acquired in a business combination, onerous contracts, restructuring provisions, and provisions relating to lawsuits and claims.

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.

s) Investments and other financial assets
Depending on Avolta's business model for managing specific financial assets and liabilities, and on contractual terms, they are either measured at fair value (through OCI or P&L) or measured at amortized cost.

(i) 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.

(ii) 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, or to realize the assets and settle the liabilities simultaneously (see note 27).

t) 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 amortized 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 recognized 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 recognized 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 recognized in equity will be transferred to retained earnings. No gain or loss is recognized 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 recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortized over the lives of the convertible loan notes using the effective interest method.

u) 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 32.

Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting and their changes in the fair value are recognized immediately in the statement of profit or loss, included in other finance income or finance expenses.

Further details of derivative financial instruments are disclosed in note 32.

3.3 New standards, interpretations, and amendments

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, 2024).

New and amended standards adopted by the Group
- Amendment to IAS 1: Non-current liabilities with Convenants and Classification of liabilities as current or non-current
- Amendment to IFRS 16: Lease liability in a sale and leaseback
- Amendment to IAS 7 & IFRS 7: Supplier finance arrangements

The amendments apply for the first time in 2024, 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 and new standards that have been issued but are not yet effective:

- Amendment to IAS 21 – Lack of exchangeability
- Amendment to IFRS 9 & IFRS 7 – Classification and measurement of financial instruments
- Volume 11 – Annual improvement to IFRS accounting standards
- IFRS 18 – Presentation and disclosure in financial statements
- IFRS 19 – Subsidiaries without public accountability: Disclosures

The new standards and interpretations issued, but not yet effective do not have a material impact from a qualitative and quantitative perspective, except IFRS 18.

IFRS 18 replaces IAS 1 Presentation of Financial Statements while carrying forward many of the requirements in IAS 1. IFRS 18 introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss, provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements, and improve aggregation and disaggregation.

The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting the above mentioned new or amended standards.

4. Critical accounting judgments and key sources of estimation uncertainty

The preparation of Avolta'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
Avolta 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 discounted cash flow models. Such discounted cash flow models require the use of several estimates, which, in combination, are considered critical accounting judgements and key sources of estimation uncertainty. None of them represents a major source of estimation uncertainty. The estimates and assumptions used are disclosed in note 18.

5. Segment information

Avolta's risks and returns are predominantly affected by the fact that Avolta operates in different locations and geographies. Therefore, Avolta presents the segment information as it does internally to the Global Executive Committee, which represents the Chief Operating Decision Maker (CODM), using geographical segment.

The Company reports on the following geographic operating segments:

- Europe, Middle East and Africa (EMEA)
- North America
- Latin America (LATAM)
- Asia Pacific (APAC)

"Other" includes costs, which cannot be allocated to the operating segments, such as global and corporate costs. In this regard, and consistent with internal reporting, CHF 196 million costs for 2023 were reallocated to the operating segments to conform with the current year's presentation.

The Group presents CORE EBITDA (Non-GAAP), which is used by the Global Executive Committee to monitor the Group's performance. This indicator provides the most relevant view on Avolta's business and represents an operational KPI that excludes the accounting impact resulting from IFRS 16 related profit or loss line items (e.g., depreciation of right-of-use assets and lease interest) and adds the respective concession fees. Please refer to Avolta's alternative performance measures section for details.

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 are therefore as follows:

2024 In millions of CHF	Turnover With external customers	 With other divisions	 Total	Core EBITDA (unaudited)
Europe, Middle East and Africa (EMEA)[1,2]	7,180	–	7,180	736
North America[1]	4,297	–	4,297	496
Latin America (LATAM)	1,572	–	1,572	166
Asia Pacific (APAC)	579	–	579	34
Total operating segments	**13,628**	**–**	**13,628**	**1,432**
Other	97	1,608	1,705	(165)
Eliminations	–	(1,608)	(1,608)	–
Total	**13,725**	**–**	**13,725**	**1,267**

2023 In millions of CHF	Turnover With external customers	 With other divisions	 Total	Core EBITDA (unaudited)
Europe, Middle East and Africa (EMEA)[1,2]	6,520	–	6,520	633
North America[1]	3,971	–	3,971	434
Latin America (LATAM)	1,654	–	1,654	207
Asia Pacific (APAC)	558	–	558	27
Total operating segments	**12,703**	**–**	**12,703**	**1,300**
Other	87	1,530	1,617	(171)
Eliminations	–	(1,530)	(1,530)	–
Total	**12,790**	**–**	**12,790**	**1,130**

1 The Group generated 28.7 % (2023: 28.3 %) of its turnover in the US, 11.3 % (2023: 10.8 %), in the United Kingdom, and 11.2 % (2023: 11.0 %) in Italy.

2 Avolta generated 3.1 % (2023: 3.1 %) of its turnover with external customers in Switzerland (domicile).

Transactions between operating segments are on arm's length terms.

Number of employees

Number of employees (FTE)	31.12.2024	31.12.2023
Europe, Middle East and Africa (EMEA)	27,358	26,044
North America	27,705	29,851
Latin America (LATAM)	6,734	5,991
Asia Pacific (APAC)	5,856	5,820
Total operating segments	**67,653**	**67,706**
Other	1,097	753
Total	**68,750**	**68,459**

Profit or loss reconciliation IFRS / CORE

Please refer to pages 269 – 270 in Avolta's alternative performance measures chapter for more details on the reconciliation between the IFRS and CORE profit or loss.

2024 In millions of CHF	IFRS	Acquisition rel. adj. (unaudited)	Lease adjustments (unaudited)	Fuel sales adjustments (unaudited)	CORE (unaudited)
Net sales	13,493	–	–	(252)	13,241
Advertising income	232	–	–	–	232
Turnover	**13,725**	**–**	**–**	**(252)**	**13,473**
Cost of sales	(4,924)	–	–	234	(4,690)
Gross profit	**8,801**	**–**	**–**	**(18)**	**8,783**
Lease expenses (IFRS) / Concession expenses (CORE)	(1,951)	–	(1,458)	–	(3,409)
Personnel expenses	(2,749)	–	–	–	(2,749)
Other expenses	(1,416)	–	(58)	–	(1,474)
Other income	98	–	–	18	116
Operating profit before D&A (IFRS) / CORE EBITDA	**2,783**	**–**	**(1,516)**	**–**	**1,267**
Depreciation & impairment of PP&E	(306)	–	–	–	(306)
Amortization & impairment of intangibles	(364)	248	54	–	(62)
Depreciation & impairment right-of-use assets	(1,179)	–	1,179	–	–
Operating profit (IFRS) / CORE EBIT	**934**	**248**	**(283)**	**–**	**899**
Financial result	(587)	–	400	–	(187)
Profit before taxes (IFRS) / CORE EBT	**347**	**248**	**117**	**–**	**712**
Income tax	(87)	(74)	(1)	–	(162)
Net profit (IFRS) / CORE Net profit	**260**	**174**	**116**	**–**	**550**

2023 In millions of CHF	IFRS	Acquisition rel. adj. (unaudited)	Lease Adjustments (unaudited)	Fuel sales adjustments (unaudited)	CORE (unaudited)
Net sales	12,584	–	–	(255)	12,329
Advertising income	206	–	–	–	206
Turnover	**12,790**	**–**	**–**	**(255)**	**12,535**
Cost of sales	(4,716)	–	–	239	(4,477)
Gross profit	**8,074**	**–**	**–**	**(16)**	**8,058**
Lease expenses (IFRS) / Concession expenses (CORE)	(1,876)	–	(1,303)	–	(3,179)
Personnel expenses	(2,539)	–	–	–	(2,539)
Other expenses	(1,376)	19	(61)	–	(1,418)
Other income	192	–	–	16	208
Operating profit before D&A (IFRS) / CORE EBITDA	**2,475**	**19**	**(1,364)**	**–**	**1,130**
Depreciation & impairment of PP&E	(277)	–	–	–	(277)
Amortization & impairment of intangibles	(243)	208	–	–	(35)
Depreciation & impairment right-of-use assets	(1,090)	–	1,089	–	–
Operating profit (IFRS) / CORE EBIT	**865**	**227**	**(275)**	**–**	**818**
Financial result	(567)	16	349	–	(202)
Profit before taxes (IFRS) / CORE EBT	**298**	**243**	**74**	**–**	**616**
Income tax	(82)	(53)	(24)	–	(159)
Net profit (IFRS) / CORE Net profit	**216**	**190**	**50**	**–**	**457**

Financial position and other disclosures

At December 31, 2024 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]	9,797	7,736	(13)	(242)	(1,065)
North America[2]	4,292	2,833	(40)	(162)	(540)
Latin America (LATAM)	1,698	1,631	(18)	(25)	(140)
Asia Pacific (APAC)	990	1,115	(5)	(14)	(56)
Total operating segments	**16,777**	**13,315**	**(76)**	**(443)**	**(1,801)**
Other	3,004	3,946	(11)	(40)	(48)
Eliminations	(2,381)	(2,381)	–	–	–
Total	**17,400**	**14,880**	**(87)**	**(483)**	**(1,849)**

At December 31, 2023 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]	9,895	7,846	(39)	(178)	(934)
North America[2]	4,085	2,698	(16)	(187)	(508)
Latin America (LATAM)	1,621	1,573	(14)	(23)	(103)
Asia Pacific (APAC)	375	543	(4)	(28)	(46)
Total operating segments	**15,976**	**12,660**	**(73)**	**(416)**	**(1,591)**
Other	2,873	3,694	(9)	(25)	(19)
Eliminations	(2,334)	(2,334)	–	–	–
Total	**16,515**	**14,020**	**(82)**	**(441)**	**(1,610)**

1 5.0 % (2023: 5.7 %) of the total non-current assets are located in Switzerland (domicile) and 27.2 % (2023: 29.9 %) in Spain.

2 21.4 % (2023: 21.1 %) of the total non-current assets are located in the US.

Reconciliation of assets

In millions of CHF	31.12.2024	31.12.2023
Total operating assets	**16,777**	**15,976**
Current assets of corporate and holding companies	1,075	949
Non-current assets of corporate and holding companies	1,929	1,924
Eliminations	(2,381)	(2,334)
Total assets	**17,400**	**16,515**

Reconciliation of liabilities

In millions of CHF	31.12.2024	31.12.2023
Total operating liabilities	**13,315**	**12,660**
Borrowings of corporate and holding companies, current	98	748
Borrowings of corporate and holding companies, non-current	3,043	2,200
Other non-segment liabilities	805	746
Eliminations	(2,381)	(2,334)
Total liabilities	**14,880**	**14,020**

6. Acquisitions of businesses

6.1 2024 Business Combinations

On December 18, 2024, Avolta acquired 100 % of Free Duty from NWS Holdings Limited, Hong Kong. The purchase consideration of CHF 52 million is subject to customary working capital adjustments and includes contingent consideration with a preliminary fair value of CHF 23 million and an upfront payment of CHF 29 million. Acquired net assets of CHF 45 million are preliminary and will be updated during the 12 months after the acquisition using information as of the acquisition date.

The combination is expected to generate synergies by leveraging duty-free allowances and access to high-volume railway stores at the MTR stations. The synergies are reflected in goodwill which preliminarily amounts to CHF 7 million. The deal has also strengthened Avolta's positioning in the Asia Pacific region, gaining access to 150 million travelers and increasing regional sales by CHF 250 million approximately.

6.2 2023 Business Combinations

On February 3, 2023, Dufry closed the business combination with Autogrill, to become Avolta Group. Dufry acquired Autogrill via a two-step acquisition. 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 thousand newly issued Dufry shares, at an implied exchange ratio of 0.158 new Dufry shares for each Autogrill share. Edizione exercised its conversion right following closing on February 3, 2023, of the transfer and was issued 30,663 thousand Dufry shares.

Pursuant to Italian law, Dufry launched a mandatory takeover offer (MTO) for the remaining Autogrill shares in several steps starting from February 3, 2023, which resulted in the delisting of Autogrill on July 24, 2023.

The fair values of the identifiable assets and liabilities assumed of Autogrill at the date of acquisition and the resulting goodwill was determined as follows:

In millions of CHF	Fair Values	
Property, plant and equipment	785	
Right-of-use assets	1,317	
Concession rights	861	
Brands	113	
Other intangible assets	36	
Investments in associates	4	
Deferred tax assets	44	
Other non-current assets	108	
Inventories	124	
Trade and credit card receivables	9	
Cash and cash equivalents	460	
Other current assets	158	
Borrowings	(571)	
Lease obligations	(1,434)	
Post-employment benefit obligations	(31)	
Deferred tax liabilities	(269)	
Provisions	(81)	
Trade payables	(403)	
Other liabilities	(400)	
Fair value of non-controlling interests	(57)	
Identifiable net assets	**773**	
Avolta's share in the net assets (50.3 %)		389
Goodwill		890
Consideration in cash	–	
Consideration in shares	1,279	
Total consideration		**1,279**

From the date when Dufry took control of the Autogrill operations on February 3, 2023, until December 31, 2023, Autogrill operations contributed CHF 4,539 million in turnover and a net profit of CHF 48 million to the Group. If the business combination had taken place at the beginning of 2023, Autogrill would have generated a turnover of CHF 4,891 million (unaudited) and a net profit of CHF 29 million (unaudited). Transaction costs in connection to the Autogrill business combination are reflected in other expenses and finance expenses. Please refer to note 10 and note 12 for further information.

Transaction with non-controlling interest

After the initial acquisition on February 3, 2023, Dufry launched a MTO for the outstanding Autogrill shares at the Milan Stock Exchange and acquired until July 24, 2023, in several steps all the remaining of Autogrill shares (49.7 %) for a total consideration of CHF 1,305 million, thereof paid in shares CHF 1,261 million and a total consideration paid in cash of CHF 44 million equivalent to EUR 6.33 per share. The difference between the total consideration for the additional shares and the proportional reduction of the carrying amount of the non-controlling interests was CHF 921 million. This amount was recognized in the retained earnings in the line changes in participation of non-controlling interests in the statement of changes in equity.

7. Net sales

Net sales by product categories:

In millions of CHF	EMEA	North America	LATAM	APAC	Global DC	2024
Perfumes and Cosmetics	1,688	178	521	87	63	2,537
Food, Confectionery & Catering	2,239	3,307	177	221	4	5,948
Wine and Spirits	681	68	405	131	15	1,300
Luxury goods	300	169	236	42	–	747
Tobacco & related products	1,373	36	94	83	–	1,586
Electronics	16	128	32	1	–	177
Literature and Publications	13	89	5	–	–	107
Fuel	252	–	–	–	–	252
Other	499	283	55	1	1	839
Total	**7,061**	**4,258**	**1,525**	**566**	**83**	**13,493**

In millions of CHF	EMEA	North America	LATAM	APAC	Global DC	2023
Perfumes and Cosmetics	1,533	166	555	98	59	2,411
Food, Confectionery & Catering	2,008	3,006	173	183	4	5,374
Wine and Spirits	662	67	426	139	11	1,305
Luxury goods	278	177	255	57	–	767
Tobacco & related products	1,186	35	91	69	1	1,382
Electronics	14	127	70	2	–	213
Literature and Publications	11	95	4	–	–	110
Fuel	255	–	–	–	–	255
Other	467	264	34	2	–	767
Total	**6,414**	**3,937**	**1,608**	**550**	**75**	**12,584**

Net sales by market sector:

In millions of CHF	EMEA	North America	LATAM	APAC	Global DC	2024
Duty-free	2,827	268	1,373	353	–	4,821
Duty-paid	2,144	1,736	152	34	83	4,149
Food & beverage	2,090	2,254	–	179	–	4,523
Total	**7,061**	**4,258**	**1,525**	**566**	**83**	**13,493**

In millions of CHF	EMEA	North America	LATAM	APAC	Global DC	2023
Duty-free	2,581	256	1,464	369	–	4,670
Duty-paid	1,944	1,683	144	36	75	3,882
Food & beverage	1,889	1,998	–	145	–	4,032
Total	**6,414**	**3,937**	**1,608**	**550**	**75**	**12,584**

Net sales by channel:

In millions of CHF	EMEA	North America	LATAM	APAC	Global DC	2024
Airports	5,115	4,123	1,329	408	–	10,975
Motorways	1,406	–	–	–	–	1,406
Border, downtown & hotel shops	155	47	51	46	–	299
Cruise liners and seaports	88	–	88	1	–	177
Railway stations and other	297	88	57	111	83	636
Total	**7,061**	**4,258**	**1,525**	**566**	**83**	**13,493**

In millions of CHF	EMEA	North America	LATAM	APAC	Global DC	2023
Airports	4,640	3,805	1,433	388	–	10,266
Motorways	1,278	–	–	–	–	1,278
Border, downtown & hotel shops	128	49	56	53	–	286
Cruise liners and seaports	72	–	119	–	–	191
Railway stations and other	296	83	–	109	75	563
Total	**6,414**	**3,937**	**1,608**	**550**	**75**	**12,584**

8. Lease (expenses) / income

In millions of CHF	2024	2023
Lease expenses	(1,973)	(1,891)
Lease expenses for short-term contracts	(38)	(40)
Lease expenses for low-value contracts	(13)	(13)
Sublease income	68	60
Change in provision for onerous contracts	5	8
Total	**(1,951)**	**(1,876)**

Variable lease expenses as defined by IFRS 16 are typically approximately 15 % of the Group's net sales.

For further details, refer note 16 for right-of-use assets, note 27 for lease obligation, and note 12 for gains in relation to modifications of lease contracts.

9. Personnel expenses

In millions of CHF	2024	2023
Salaries and wages	(2,129)	(1,980)
Social security expenses	(329)	(291)
Retirement benefits	(66)	(54)
Other personnel expenses	(225)	(214)
Total	**(2,749)**	**(2,539)**

10. Other expenses

In millions of CHF	2024	2023
Repairs and maintenance	(193)	(180)
Utilities	(117)	(125)
Credit card expenses	(230)	(218)
Professional advisors	(153)	(168)
IT expenses	(130)	(88)
Freight & packaging	(78)	(72)
Acquisition-related transaction costs	(2)	(41)
Other operational expenses	(71)	(79)
Advertising expenses	(36)	(32)
Office and admin expenses	(49)	(43)
Travel, car, entertainment, and representation	(43)	(49)
Royalties, franchise fees, and commercial services	(162)	(145)
Public relations expenses	(24)	(24)
Taxes other than income taxes	(88)	(73)
Ancillary premises expenses	(6)	(8)
Insurances	(23)	(20)
Bank expenses	(11)	(11)
Total	**(1,416)**	**(1,376)**

11. Other income

In millions of CHF	2024	2023
Selling income	61	66
Airport services income[1]	14	104
Other operational income	23	22
Total	**98**	**192**

[1] Services provided in airline lounges ended in March 2024. Related costs are recognized in the corresponding expense line items.

12. Finance expenses and finance income

12.1 Finance expenses

In millions of CHF	2024	2023
Interest expense	(710)	(534)
of which lease interest	(487)	(321)
of which bank interest	(110)	(92)
of which notes interest	(90)	(85)
of which bank commitment fees	(15)	(28)
of which bank guarantees commission expense	(7)	(7)
of which related to other financial liabilities	(1)	(1)
Amortization of arrangement fees	(12)	(5)
Other finance costs [1,2,3]	(42)	(88)
Total	**(764)**	**(627)**

1 2024: CHF 18 million (2023: CHF 49 million) of losses on financial derivatives.
2 2023: CHF 16 million financing related transaction costs in connection with the closing of the Autogrill transaction (Bridge financing).
3 2023: CHF 13 million net loss relating to the revaluation of financial instruments.

12.2 Finance income

In millions of CHF	2024	2023
Interest income on current deposits	84	55
Interest income on 3rd party loans	–	3
Other finance income [1,2,3]	69	48
Share of result in associates	6	4
Total	**159**	**110**

1 2024: CHF 12 million (2023: CHF 37 million) gains on interest financial derivatives.
2 2024: CHF 7 million (2023: CHF 8 million) gains in relation to modifications of lease contracts.
3 2024: CHF 30 million net gain relating to the revaluation of financial investments.

13. Income taxes

Income tax recognized in the consolidated statement of profit or loss

In millions of CHF	2024	2023
Current Income tax income / (expense)	(140)	(122)
of which corresponding to the current period	(151)	(126)
of which adjustments recognized in relation to prior years	11	4
Deferred Income tax income / (expense)	53	40
of which related to the origination or reversal of temporary differences	41	48
of which adjustments recognized in relation to prior years	14	(9)
of which relates to foreign exchange movements	1	1
of which adjustments due to change in tax rates	(3)	–
Total	**(87)**	**(82)**

Income tax reconciliation

In millions of CHF	2024	2023
Consolidated profit / (loss) before taxes	347	298
Expected tax rate in %	22.2%	22.8%
Income tax at the expected rate	(77)	(68)
Effect of		
Income not subject to income tax	3	4
Different tax rates for subsidiaries in other jurisdictions	(7)	25
Effect of changes in tax rates on previously recognized deferred tax assets and liabilities	(3)	–
Non-deductible expenses	(20)	(12)
Permanent differences	(15)	(5)
Change of unrecognized tax loss carry-forwards	9	(30)
Net change of recognition of temporary differences and tax credits	(14)	(7)
Non recoverable withholding taxes	(5)	(15)
Income taxes in non-controlling interest holders	25	26
Adjustments recognized in relation to prior year	25	(4)
Foreign exchange movements on deferred tax balances	(1)	–
Pillar Two top-up Tax	(2)	–
Other items	(5)	4
Total	**(87)**	**(82)**

The expected tax rate of 22.2 % 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 2024, there has been changes in tax rates noted for countries in which Avolta operates. The main impacts in 2024 are the changes in the effective tax rates in the US and the increase in the tax rates in Morocco.

OECD Pillar Two model rules

The Group is within the scope of the OECD Pillar Two model rules as of January 1, 2024. Switzerland and other jurisdictions in which the Group operates have (substantively) enacted Pillar Two legislation. The Group has booked a potential top up tax of CHF 2 million as of December 31, 2024. The transitional safe harbour calculation of the Avolta Group shows that approximately 90% of the countries where the Group is present are exempt from making a full Pillar Two calculation and therefore exempt from any potential top-up tax.

During 2024 some jurisdictions had enacted legislation which will enter into force in 2025. The main impact for Avolta Group would be the enter into force of the Income Inclusion Rule in Switzerland. Management does not expect a material impact because of this but is closely monitoring the progress of the Pillar Two Rules and working on estimating the future impact.

Deferred income tax recognized in other comprehensive income or in equity

In millions of CHF	2024	2023
Recognized in other comprehensive income		
Actuarial gains/(losses) on defined benefit plans	3	–
Total	**3**	**–**

14. Components of other comprehensive income

2024 In millions of CHF	Employee benefit reserve	Translation reserves	Retained earnings	Total	Non-controlling interests	Total equity
	Attributable to equity holders of Avolta AG					
Remeasurement of post-employment benefit plans	(9)	–	–	(9)	–	(9)
Income tax effect	3	–	–	3	–	3
Subtotal	**(6)**	**–**	**–**	**(6)**	**–**	**(6)**
Exchange differences on translating foreign operations	–	179	–	179	17	196
Subtotal	**–**	**179**	**–**	**179**	**17**	**196**
Net gain/(loss) on hedge of net investment in foreign operations (note 26)	–	(12)	–	(12)	–	(12)
Subtotal	**–**	**(12)**	**–**	**(12)**	**–**	**(12)**
Other comprehensive income	**(6)**	**167**	**–**	**161**	**17**	**178**

2023 In millions of CHF	Employee benefit reserve	Translation reserves	Retained earnings	Total	Non-controlling interests	Total equity
	Attributable to equity holders of Avolta AG					
Remeasurement of post-employment benefit plans	11	–	–	11	–	11
Income tax effect	–	–	–	–	–	–
Subtotal	**11**	**–**	**–**	**11**	**–**	**11**
Exchange differences on translating foreign operations	–	(242)	–	(242)	(20)	(262)
Subtotal	**–**	**(242)**	**–**	**(242)**	**(20)**	**(262)**
Net gain/(loss) on hedge of net investment in foreign operations (note 26)	–	14	–	14	–	14
Subtotal	**–**	**14**	**–**	**14**	**–**	**14**
Other comprehensive income	**11**	**(228)**	**–**	**(217)**	**(20)**	**(237)**

15. Property, plant and equipment

2024 In millions of CHF	Leasehold improvements	Buildings	Furniture fixtures	Computer hardware	Vehicles	Work in progress	Total
At cost							
Balance at January 1	**823**	**62**	**791**	**59**	**6**	**205**	**1,946**
Business combinations	4	–	–	–	–	–	4
Additions	60	1	60	11	1	298	431
Disposals	(35)	–	(143)	(1)	(1)	(8)	(188)
Reclassification within classes	170	9	109	22	1	(311)	–
Currency translation adjustments	95	(1)	65	7	1	8	175
Balance at December 31	**1,117**	**71**	**882**	**98**	**8**	**192**	**2,368**
Accumulated depreciation							
Balance at January 1	**(227)**	**(10)**	**(459)**	**(39)**	**(3)**	**–**	**(738)**
Additions	(161)	(3)	(129)	(12)	(1)	–	(306)
Disposals	28	–	139	–	1	–	168
Currency translation adjustments	(66)	–	(49)	(7)	(2)	–	(124)
Balance at December 31	**(426)**	**(13)**	**(498)**	**(58)**	**(5)**	**–**	**(1,000)**
Impairment							
Balance at January 1	**(43)**	**(3)**	**(27)**	**(1)**	**–**	**(3)**	**(77)**
Additions	–	–	(1)	–	–	–	(1)
Disposals	6	–	5	–	–	–	11
Currency translation adjustments	(5)	1	(1)	(1)	–	1	(5)
Balance at December 31	**(42)**	**(2)**	**(24)**	**(2)**	**–**	**(2)**	**(72)**
Carrying amount							
At December 31, 2024	**649**	**56**	**360**	**38**	**3**	**190**	**1,296**

2023 In millions of CHF	Leasehold improvements	Buildings	Furniture fixtures	Computer hardware	Vehicles	Work in progress	Total
At cost							
Balance at January 1	**609**	**14**	**537**	**59**	**6**	**70**	**1,295**
Business combinations	431	50	206	–	1	97	785
Decrease in scope of consolidation	(3)	–	–	–	–	–	(3)
Additions	71	1	62	9	1	256	400
Disposals	(217)	–	(2)	(5)	(2)	(3)	(229)
Reclassification within classes	96	2	97	4	1	(200)	–
Currency translation adjustments	(164)	(5)	(109)	(8)	(1)	(15)	(302)
Balance at December 31	**823**	**62**	**791**	**59**	**6**	**205**	**1,946**
Accumulated depreciation							
Balance at January 1	**(389)**	**(9)**	**(407)**	**(43)**	**(5)**	**–**	**(853)**
Decrease in scope of consolidation	3	–	–	1	–	–	4
Additions	(148)	(3)	(115)	(12)	(1)	–	(279)
Disposals	167	9	2	5	2	–	185
Reclassification within classes	29	(9)	(24)	4	–	–	–
Currency translation adjustments	111	2	85	6	1	–	205
Balance at December 31	**(227)**	**(10)**	**(459)**	**(39)**	**(3)**	**–**	**(738)**
Impairment							
Balance at January 1	**(81)**	**(3)**	**(39)**	**(2)**	**–**	**(3)**	**(128)**
Additions	(6)	–	–	–	–	–	(6)
Reversal of impairment	5	–	2	–	–	–	7
Disposals	37	–	–	–	–	–	37
Reclassification within classes	(8)	–	8	–	–	–	–
Currency translation adjustments	10	–	2	1	–	–	13
Balance at December 31	**(43)**	**(3)**	**(27)**	**(1)**	**–**	**(3)**	**(77)**
Carrying amount							
At December 31, 2023	**553**	**49**	**305**	**19**	**3**	**202**	**1,131**

16. Right-of-use assets

2024 In millions of CHF	Shops	Other Buildings	Vehicles	Other	Total
At cost					
Balance at January 1	**11,096**	**259**	**10**	**3**	**11,368**
Business combinations[1]	515	–	–	1	516
Additions	216	8	6	–	230
Contract expirations	(212)	(7)	(3)	(1)	(223)
Lease modifications	711	45	–	2	758
Currency translation adjustments	338	12	–	–	350
Balance at December 31	**12,664**	**317**	**13**	**5**	**12,999**
Accumulated depreciation					
Balance at January 1	**(3,708)**	**(114)**	**(6)**	**(2)**	**(3,830)**
Additions	(1,134)	(34)	(3)	(1)	(1,172)
Contract expirations	209	11	3	–	223
Lease modifications	14	1	–	–	15
Currency translation adjustments	(130)	(5)	–	–	(135)
Balance at December 31	**(4,749)**	**(141)**	**(6)**	**(3)**	**(4,899)**
Impairment					
Balance at January 1	**(295)**	**(6)**	**–**	**–**	**(301)**
Additions	(7)	–	–	–	(7)
Lease modifications	3	–	–	–	3
Currency translation adjustments	(10)	–	–	–	(10)
Balance at December 31	**(309)**	**(6)**	**–**	**–**	**(315)**
Carrying amount					
At December 31, 2024	**7,606**	**170**	**7**	**2**	**7,785**

[1] Refer to business acquisition of Free Duty from NWS Holdings Limited, Hong Kong (note 6.1).

2023 In millions of CHF	Shops	Other Buildings	Vehicles	Other	Total
At cost					
Balance at January 1	**5,767**	**246**	**7**	**2**	**6,022**
Business combinations	1,281	33	2	1	1,317
Decrease in scope of consolidation	(1)	(1)	–	–	(2)
Additions	160	14	3	–	177
Contract expirations	(145)	(22)	(1)	–	(168)
Lease Modifications[1]	4,645	9	–	–	4,654
Currency translation adjustments	(611)	(20)	(1)	–	(632)
Balance at December 31	**11,096**	**259**	**10**	**3**	**11,368**
Accumulated depreciation					
Balance at January 1	**(3,015)**	**(107)**	**(4)**	**(1)**	**(3,127)**
Decrease in scope of consolidation	1	1	–	–	2
Additions	(1,051)	(34)	(2)	(1)	(1,088)
Contract expirations	127	15	–	–	142
Lease Modifications[1]	–	2	–	–	2
Currency translation adjustments	230	9	–	–	239
Balance at December 31	**(3,708)**	**(114)**	**(6)**	**(2)**	**(3,830)**
Impairment					
Balance at January 1	**(321)**	**(6)**	**–**	**–**	**(327)**
Additions	(15)	–	–	–	(15)
Reversal of impairment	14	–	–	–	14
Contract expirations	4	–	–	–	4
Currency translation adjustments	23	–	–	–	23
Balance at December 31	**(295)**	**(6)**	**–**	**–**	**(301)**
Carrying amount					
At December 31, 2023	**7,093**	**139**	**4**	**1**	**7,237**

[1] Relates to contractual lease term change of existing Right-of-use assets in relation to duration, scope and commercial terms. The increase in 2023 predominantly relates to the retention of all relevant travel retail business concessions in Spain. Avolta won all bids it had tendered for, being Andalusia-Mediterranean, the Balearic Islands, the Canary Islands, Catalonia and Madrid. The contracts have a duration of twelve years, include 21 airports and 120 outlets covering around 60,000 m².

17. Intangible assets and goodwill

2024 In millions of CHF	Concession rights Acquisition Related	Concession rights Plain	Brands	Other	Total	Goodwill
At cost						
Balance at January 1	**4,770**	**76**	**359**	**286**	**5,491**	**3,083**
Business combinations	21	–	–	–	21	7
Additions	–	–	–	49	49	–
Disposals	(165)	–	–	(81)	(246)	–
Currency translation adjustments	231	11	8	11	261	131
Balance at December 31	**4,857**	**87**	**367**	**265**	**5,576**	**3,221**
Accumulated amortization						
Balance at January 1	**(2,355)**	**(45)**	**(3)**	**(189)**	**(2,592)**	**–**
Additions	(248)	(1)	–	(61)	(310)	–
Disposals	165	–	–	81	246	–
Currency translation adjustments	(126)	(8)	–	(9)	(143)	–
Balance at December 31	**(2,564)**	**(54)**	**(3)**	**(178)**	**(2,799)**	**–**
Impairment						
Balance at January 1	**(728)**	**(19)**	**(5)**	**(3)**	**(755)**	**(104)**
Additions	(54)	–	–	–	(54)	–
Currency translation adjustments	(31)	(1)	(1)	–	(33)	(6)
Balance at December 31	**(813)**	**(20)**	**(6)**	**(3)**	**(842)**	**(110)**
Carrying amount						
At December 31, 2024	**1,480**	**13**	**358**	**84**	**1,935**	**3,111**

2023 In millions of CHF	Concession rights Acquisition Related	Plain	Brands	Other	Total	Goodwill
At cost						
Balance at January 1	**4,358**	**85**	**262**	**256**	**4,961**	**2,390**
Business combinations	861	–	113	36	1,010	890
Additions	–	–	–	37	37	–
Disposals	(74)	(5)	–	(18)	(97)	–
Reclassification within classes	(4)	3	–	1	–	–
Currency translation adjustments	(371)	(7)	(16)	(26)	(420)	(197)
Balance at December 31	**4,770**	**76**	**359**	**286**	**5,491**	**3,083**
Accumulated amortization						
Balance at January 1	**(2,344)**	**(51)**	**(3)**	**(198)**	**(2,596)**	**–**
Additions	(240)	(4)	–	(29)	(273)	–
Disposals	34	5	–	17	56	–
Currency translation adjustments	195	5	–	21	221	–
Balance at December 31	**(2,355)**	**(45)**	**(3)**	**(189)**	**(2,592)**	**–**
Impairment						
Balance at January 1	**(856)**	**(20)**	**(6)**	**(4)**	**(887)**	**(118)**
Additions	–	–	–	(1)	(1)	–
Reversal of impairment	31	–	–	–	31	–
Disposals	40	–	–	2	42	–
Currency translation adjustments	57	1	1	–	60	14
Balance at December 31	**(728)**	**(19)**	**(5)**	**(3)**	**(755)**	**(104)**
Carrying amount						
At December 31, 2023	**1,687**	**12**	**351**	**94**	**2,144**	**2,979**

18. Impairment tests of tangible and intangible assets

Goodwill and brand names are subject to impairment testing, performed 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.

18.1 Impairment test of goodwill

The Company's goodwill impairment tests are based on discrete plans for the years 2025 - 2029 and for periods after 2029, for which the implied sales growth is a key assumption, Avolta uses growth rates based on inflation and externally derived expected passenger growth per segment. Other assumptions used include discount rates and long-term growth rates per Group of Cash Generating Units (GCGU):

	Post-tax discount rates		Pre-tax discount rates		Long-term growth rate	
Group of cash generating units in percentage (%)	2024	2023	2024	2023	2024	2023
Europe, Middle East and Africa (EMEA)	8.44%	6.63%	11.02%	8.56%	2.86%	2.28%
North America	8.48%	5.73%	11.44%	7.77%	2.54%	2.54%
Latin America (LATAM)	8.81%	5.66%	12.49%	8.02%	2.51%	2.41%
Asia Pacific (APAC)	9.57%	6.41%	12.19%	8.15%	2.71%	3.10%

Avolta has performed sensitivity tests over these assumptions. Reasonably possible changes to these assumptions would, in isolation, not lead to the recognition of impairment losses.

Goodwill is recognized from the acquisition of businesses by the Group and is assigned to the GCGUs. The GCGUs reflect the operating segments expected to benefit from the synergies related to acquisitions. For impairment testing purposes, the carrying amount has been allocated as follows:

In millions of CHF	31.12.2024	31.12.2023
Europe, Middle East and Africa (EMEA)	1,640	1,599
North America	934	885
Latin America (LATAM)	493	460
Asia Pacific (APAC)	44	35
Total	**3,111**	**2,979**

18.2 Impairment test of brand names

Avolta's operations apply several retail and food & beverage concepts which use different brand names. Sales growth rates are determined in reference to expected passenger growth and inflation. Other assumptions used for determining the value-in-use of brand names for impairment testing purposes are:

Brand names in percentage (%)	Post-tax discount rates	
	2024	2023
Dufry	8.55%	5.75%
Hudson News	8.91%	5.67%
Nuance	7.49%	6.06%
World Duty Free	8.65%	5.68%
HMSHost	8.67%	5.60%
Autogrill	8.89%	7.73%

Avolta has performed sensitivity tests over these assumptions. Reasonably possible changes to these assumptions would, in isolation, not lead to the recognition of impairment losses.

18.3 Impairment test of tangible and other intangible assets

Avolta reviews all of its Cash Generating Units (CGUs) for impairment indicators and where such indicators are identified, or for CGUs with previously recognized impairments, impairment tests have been performed to determine if impairments should be recognized or if previously recognized impairments should be reversed. As a result from impairment test of tangible and other intangible assets in 2024, Avolta recognized total impairments of CHF 62 million, driven by lower expected cash flows for two isolated CGUs in Europe, Middle East and Africa (EMEA).

Similar to the goodwill impairment test, Avolta uses the 2025 - 2029 discrete plans for impairment testing purposes of the CGUs but bases the planning period for cash flows on contractual lease terms. For testing purposes, the carrying amount of the assets was net of linked liabilities, in particular lease obligations, and cash flows are reduced for a share of expenses relating to corporate assets.

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

Sales growth
For its 2025 - 2029 discrete plans, management bases its assumptions on information available at the time of the preparation of the financial statements. For the periods after 2029, Avolta has used growth rates of 2.5% - 2.9% (2023: 2.3% – 4.0%) to extrapolate the sales projections. In its impairment testing, Avolta expects that the climate change and environmental risks have no material impact on future sales, and no material risk of impairment charges due to climate change and environment risks were identified in the biodiversity risks assessment.

Discount rates

The cash flows are discounted using a weighted average cost of capital ("WACC") rate calculated per CGU, composed among other factors of:

(a) a risk-free interest rate derived from actual governmental bonds rates: CHF: 0.42 %, EUR: up to 2.44 %, USD: up to 3.74 % (2023: up to CHF 1.02 %, up to EUR 3.37 %, up to USD 4.83 %)
(b) a credit spread of 1.32 % – 2.32 % (2023: 1.30 % – 3.40 %),
(c) a re-levered beta of 1.14 (2023: 1.19),
(d) an equity-risk premium between 5.50 % – 6.00 % (2023: 5.50 % - 6.00 %), and
(e) an effective tax rate.

Sensitivity analysis to changes in assumptions

The Company has performed sensitivity testing over the key assumptions, using reasonably possible changes to sales growth and the discount rates, noting that impairments recognized in 2024 reduce the sensitivity to changes in assumptions. Such changes, in isolation, would not result in material impairment losses or reversals for any of the CGUs.

In determining the reasonably possible extent in changes to the sales development, Avolta has reviewed growth rates applied in the discounted cash flow model in conjunction with the resilience of each cash flows and has concluded that for 2024, a -1 % decrease in the sales growth and a +1 % increase in the discount rate should be considered reasonably possible changes.

19. Other non-current assets

In millions of CHF	31.12.2024	31.12.2023
Guarantee deposits	120	139
Loans	31	31
Lease receivables	55	54
Prepayment for leases	18	24
Tax receivables	82	79
Subtotal	**306**	**327**
Allowances	(25)	(15)
Total	**281**	**312**

Movement in allowances

In millions of CHF	2024	2023
Balance at January 1	**(15)**	**(8)**
Creation	(11)	(9)
Utilized	2	1
Currency translation adjustments	(1)	1
Balance at December 31	**(25)**	**(15)**

20. Inventories

In millions of CHF	31.12.2024	31.12.2023
Inventories at cost	1,391	1,173
Inventory allowance	(115)	(111)
Total	**1,276**	**1,062**

Cost of sales includes inventories written down to net realizable value and inventory losses of CHF 72 million (2023: CHF 95 million).

21. Trade and credit card receivables

In millions of CHF	31.12.2024	31.12.2023
Trade receivables[1]	48	39
Credit card receivables	17	5
Subtotal	**65**	**44**
Allowances	(9)	(3)
Total	**56**	**41**

[1] Includes trade receivables from associates of CHF 4 million (2023: CHF 9 million).

Aging analysis of trade receivables

In millions of CHF	31.12.2024	31.12.2023
Not due	17	16
Overdue		
Up to 30 days	11	13
31 to 60 days	3	4
61 to 90 days	3	1
More than 90 days	5	2
Total overdue	**22**	**20**
Trade receivables, net	**39**	**36**

22. Other accounts receivable

In millions of CHF	31.12.2024	31.12.2023
Advertising receivables	226	166
Services provided to suppliers	16	2
Loans receivable	6	3
Receivables from subtenants and business partners	17	8
Personnel receivables	3	3
Accounts receivables	**268**	**182**
Prepayments of lease expenses and rents	46	18
Prepayments of sales and other taxes	165	136
Prepayments to suppliers	9	9
Prepayments, other	44	37
Prepayments	**264**	**200**
Receivables from operational and airport services income	–	57
Receivables from local US business partners	36	29
Receivables from subleases	25	17
Guarantee deposits	12	47
Derivative financial assets	8	9
Other	65	60
Other receivables	**146**	**218**
Subtotal	**678**	**600**
Allowance	(46)	(24)
Total	**632**	**576**

Movement in allowances

In millions of CHF	2024	2023
Balance at January 1	**(24)**	**(23)**
Creation	(27)	(15)
Release	4	12
Utilized	3	–
Currency translation adjustments	(2)	2
Balance at December 31	**(46)**	**(24)**

23. Equity

23.1 Fully paid ordinary shares

	Number of shares (in thousands)	Share capital (in millions of CHF)	Share premium (in millions of CHF)
Balance at January 1, 2023	**90,797**	**454**	**4,542**
Conversion of mandatory convertible notes to equity	2,092	10	50
Share capital increase	59,725	299	2,241
Balance at December 31, 2023	**152,614**	**763**	**6,833**
Share cancellations	(6,104)	(30)	(201)
Dividends	–	–	(104)
Balance at December 31, 2024	**146,510**	**733**	**6,528**

In December 2024, Avolta cancelled 6,104 thousand shares with a par value of CHF 5.00 each. These shares were previously purchased on-market.

On February 3, 2023, Dufry and Edizione successfully closed the transfer of the 50.3 % stake in Autogrill held by Edizione S.p.A (through a wholly owned subsidiary) to Dufry.

In accordance with the Combination Agreement entered into on July 11, 2022, and 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 thousand newly issued Dufry shares, at an implied exchange ratio of 0.158 new Dufry shares for each Autogrill share. Edizione exercised its conversion right following closing on February 3, 2023, of the transfer and was issued 30,663 thousand Dufry shares. Additional 29,062 thousand Dufry shares were issued in several steps in context of the MTO for the outstanding Autogrill shares at the Milan Stock Exchange.

The ordinary general assembly of May 15, 2024 approved a dividend of CHF 0.70 per share and the Company paid a total dividend of CHF 104 million in 2024 from capital contribution reserves (share premium reserves).

23.2 Treasury shares

Treasury shares are valued at historical cost.

	Number of shares (in thousands)	In millions of CHF
Balance at January 1, 2023	**611**	**(23)**
Returned shares[1]	805	(34)
Purchased shares	801	(33)
Balance at December 31, 2023	**2,217**	**(90)**
Purchased shares	5,709	(202)
Distributions	(438)	15
Cancellations	(6,104)	231
Balance at December 31, 2024	**1,384**	**(46)**

[1] Related to a past business combination.

23.3 Information on companies with non-controlling interests

In 2024, Avolta allocated CHF 157 million (2023: CHF 129 million) of net profit to non-controlling interests (NCI), predominantly relating to US subsidiaries.

Airport authorities in the United States frequently require companies to partner with local business partners based on Airport Concession Disadvantaged Business Enterprise ("ACDBE") regulation. Avolta may partner with third parties to win new business opportunities and maintain existing ones. Consequently, Avolta's business model contemplates the involvement of local partners. Net profits from these operating subsidiaries attributed to Avolta 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 Avolta 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 individually significant non-controlling interests in 2024 and 2023.

24. Share-based payment plans

Avolta grants to selected members of management Performance Share Units (PSUs) which may, subject to meeting certain conditions, provide between zero and two shares. Vesting only occurs after the end of the service period, which typically ends in June after the respective performance period and PSUs are exercised on the vesting date.

The vesting outcome under market and non-market vesting conditions is assessed over the respective 3-year performance period. At each reporting date, Avolta updates the share-based payment expense to reflect current vesting expectations, except for the outcome under the relative Total Shareholder Return (TSR) condition for awards expected to be settled in equity, as this is already incorporated into the awards' respective fair values at grant date using Monte Carlo Simulations.

During 2024, performance periods, vesting dates, and vesting conditions for awards outstanding at December 31, 2024 were as follows:

Award		PSU 2022	PSU 2023	PSU 2024
Performance period		**2022 - 2024**	**2023 - 2025**	**2024 - 2026**
Vesting date		**June 3, 2025**	**June 1, 2026**	**June 1, 2027**
Earnings Per Share ("EPS") 50% weight	Non-market	Cumulative Adjusted EPS of CHF 7.60	Cumulative CORE EPS of CHF 4.26	Cumulative CORE EPS of CHF 5.80
Total Shareholder Return ("TSR") 25% weight	Market	Ranking at 50th percentile of the peer group	Ranking at 50th percentile of the peer group	Ranking at 50th percentile of the peer group
Sustainability Weight: 25 % (equal weighting of components)	Non-market	Carbon emissions: reduction of the Scope 1 and 2 carbon emissions by 60 % Employee training: trainings on culture and engagement, responsible retailing or related topics completed by 50 % of the Group's 2022 FTEs. Supplier Code of Conducts: Suppliers covering at least 50 % of the purchase volume comply with the Company's Supplier Code of Conduct.	People: Trainings on compliance, culture and enagement, responsible operator and related topics completed by 25 % of Avolta's 2023 FTEs. Environment: Retail suppliers covering at least 40 % of the Company's 2023 purchase volume have committed to the Science Based Target Initiative (SBTi).	People: Trainings on compliance, culture and engagement, responsible operator and related topics completed by 40 % of Avolta's 2023 FTEs. Environment: Retail and F&B suppliers covering at least 45 % of the Company's 2023 purchase volume have committed to the Science Based Target Initiative (SBTi).

The fair values of the PSU awards are based on market prices of Avolta shares and incorporate the expected outcome under the market condition at grant-date, and as they are not entitled to dividends or other shareholder rights during the vesting period, an adjustment is made for expected dividends.

Award	PSU 2022	PSU 2023	PSU 2024
Awards outstanding at December 31, 2024	543,459	851,601	917,847
Weighted-average grant-date fair values	CHF 35.71	CHF 36.47	CHF 33.33
Weighted-average assumptions incorporated in grant-date fair values:			
Expected volatility rate	65.0 %	62.3 %	51.1 %
Risk-free rate	0.3 %	1.1 %	0.7 %

Movements during 2024 in PSU awards outstanding at December 31, 2024 were as follows:

Number of PSUs	Expected to be settled in equity	Expected to be settled in cash
Balance at December 31, 2023	**1,530,772**	**279,465**
Modifications[1]	(241,428)	241,428
Grants[2]	575,157	353,180
Excercises[3]	(262,597)	(122,310)
Forfeitures / Cancellations[4]	(35,490)	(5,270)
Balance at December 31, 2024	**1,566,414**	**746,493**

1 For administrative reasons in different jurisdictions, Avolta has elected to settle in cash certain awards previously expected to be settled in equity.

2 Weighted-average grant date fair value: CHF 33.33 (2023 PSU grant: 863,051 awards with a weighted-average grant date fair value of CHF 36.47).

3 Weighted-average grant date fair value : CHF 41.54 (2023: zero exercises).

4 Weighted-average grant date fair value : CHF 35.32.

On June 3, 2024, the PSU 2021 award vested at a market price of CHF 37.42 per share and the Company assigned and delivered, free of charge, 525,194 Avolta shares to the holders of these certificates. In addition, the equivalent of 244,620 shares were settled in cash. A total of 9,900 PSUs forfeited. The PSU award 2021 was measured against the targets (cumulative adjusted EPS, and the cumulative Equity Free Cash Flow) and achieved a payout ratio of 2.0 shares per PSU.

In 2024, Avolta recorded CHF 63 million (2023: CHF 43 million) in relation to its Performance Share Units ("PSU") plans, in personnel expenses, out of which CHF 17 million (2023: CHF 7 million) are recorded as other liabilities (personnel payables) as relating to PSU awards which are expected to be settled in cash. Social security expenses pertaining to PSU plans are also accrued as other payables and in 2024 such expenses amount to CHF 7 million (2023: CHF 5 million).

As of December 31, 2024, Avolta has recorded liabilities of CHF 30 million (2023: CHF 7 million) in relation to its share-based payment plans, including CHF 10 million (2023: CHF 5 million) relating to social security expenses and outstanding awards have a remaining weighted-average vesting period of 1.6 years.

25. Earnings per share

25.1 Earnings per share attributable to equity holders of the parent

Basic

Basic earnings per share are calculated by dividing the net profit attributable to equity holders of the parent by the weighted average number of shares outstanding during the year.

	2024	2023
Net profit attributable to equity holders of the parent (in millions of CHF)	103	87
Weighted average number of ordinary shares outstanding (in thousands)	147,526	136,299
Basic earnings per share in CHF	**0.70**	**0.64**

Diluted

Diluted earnings per share are calculated by dividing the net profit 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 that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

Refer to note 26 for instruments that could potentially dilute basic earnings per share in the future, but were not included in the calculation of diluted earnings per share because they were antidilutive for 2024 and 2023.

	2024	2023
Net profit attributable to equity holders of the parent (in millions of CHF)	103	87
Weighted average number of ordinary shares outstanding (in thousands)	150,326	139,361
Diluted earnings per share in CHF	**0.68**	**0.63**

25.2 Weighted average number of ordinary shares

In thousands	2024	2023
Outstanding shares	152,364	137,660
Less treasury shares	(4,839)	(1,360)
Used for calculation of basic earnings per share	**147,526**	**136,299**
Effect of dilution		
PSU plans	2,801	3,062
Used for calculation of diluted earnings per share	**150,326**	**139,361**

26. Borrowings

In millions of CHF	31.12.2024	31.12.2023
Bank debt overdrafts	27	41
Senior notes	–	743
Bank debt loans	112	32
Third party loans	2	3
Borrowings, current	**141**	**819**
Bank debt loans	612	380
Senior notes	2,630	2,138
Third party loans	6	3
Borrowings, non-current	**3,248**	**2,521**
Total	**3,389**	**3,340**
Of which are		
Bank debt	751	453
Senior notes	2,630	2,881
Third party loans	8	6

Bank debt

In millions of CHF	31.12.2024	31.12.2023
Bank debts are denominated in		
US Dollar	221	319
Euro	536	139
Other currencies	13	13
Deferred arrangement fees	(19)	(18)
Total	**751**	**453**

Notes

In millions of CHF	31.12.2024	31.12.2023
Senior notes denominated in EUR	1,855	2,121
Senior notes denominated in CHF	300	300
Convertible Notes denominated in CHF	486	474
Deferred interest on modification of financing arrangements	–	(6)
Deferred arrangement fees	(11)	(8)
Total	**2,630**	**2,881**

Detailed credit facilities

Avolta negotiates and manages its main credit facilities centrally. As of December 31, 2024, the total amount of the Revolving Credit Facility (RCF) is EUR 2,400 (CHF 2,254) million, with CHF 619 million drawn (thereof CHF 261 million drawn during 2024).

In April 2023, EUR 2,085 million RCF has been increased by EUR 180 million, in June 2023, by EUR 410 million and by EUR 75 million in September 2023 to a new total amount of EUR 2,750 million. As of December 31, 2023, the drawn amount was CHF 358 million.

In June 2023, the former Autogrill credit facility was cancelled by repaying the notional drawn amount of CHF 507 million (EUR 200 million and USD 348 million).

In December 2023, the margin of the RCF was 2.75 % based on Avolta's rating. Following upgrades by Moody's / S&P Global, the margin improved to 2.25 % as of June 30, 2024.

In October 2024, the RCF of EUR 2,750 million has been amended and extended. The new maturity date of the facility has been prolonged from 2027 to 2029 with two one-year extension options at Avolta's discretion and the total amount was reduced to EUR 2,400 million. The applicable margin has been improved from 2.25 % to 1.375 %.

The post agreements and the bank guarantee facilities contain covenants and conditions customary to this type of financing.

Financial covenants included in the borrowing instruments require the Group to comply with:

- a maximum ratio of Total Drawn Debt to CORE EBITDA of 4.5:1 for the test periods ending December 31, 2024 and thereafter, and
- a minimum ratio of CORE EBITDA to total interest expense (excluding lease interest) of 3:1 for the test periods ending December 31, 2024 and thereafter.

In 2024 and 2023, Avolta complied with the financial covenants and conditions contained in the bank credit agreements. At December 31, 2024, the Total Drawn Debt to CORE EBITDA was 2.1:1 and the CORE EBITDA to total interest expense (excluding lease interest) was 9.3:1.

Bank credit facilities

In millions	Maturity	Currency	Credit limit in foreign currency	Drawn amount in CHF
Revolving credit facility (multi-currency)	28.10.2029	EUR	2,400	619
Uncommitted current facilities	n/a	CHF	75	–
Uncommitted current facilities	n/a	EUR	100	94
At December 31, 2024				**713**

In millions	Maturity	Currency	Credit limit in foreign currency	Drawn amount in CHF
Revolving credit facility (multi-currency)	20.12.2027	EUR	2,750	358
Uncommitted current facilities	n/a	CHF	50	–
At December 31, 2023				**358**

Notes

					Amount in CHF	
In millions	Maturity	Coupon rate	Currency	Nominal in foreign currency	2024	2023
Senior notes	15.10.2024	2.50%	EUR	800	–	746
Senior notes	15.02.2027	2.00%	EUR	750	699	692
Senior notes	15.04.2028	3.38%	EUR	725	678	672
Senior notes	18.04.2031	4.75%	EUR	500	467	–
Senior notes	15.04.2026	3.63%	CHF	300	300	299
Convertible notes[1]	30.03.2026	0.75%	CHF	500	486	472
Total					**2,630**	**2,881**

[1] Equity component CHF 54 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 (%)	2024	2023
Weighted average on USD	7.76	7.88
Weighted average on CHF	2.17	2.01
Weighted average on EUR	3.44	3.51
Weighted average Total	**3.41**	**3.76**

Hedge of net investments in foreign operations

The Company had designated USD 293 million bank loans in relation to the investments in Alliance Inc., Interbaires SA, Navinten SA, Blaicor SA, International Operation & Services SA, and Duty Free Ecuador SA. As of December 31, 2024, these are no longer designated, but the originally hedged foreign operations are still part of the Group.

In millions of	CHF	USD
Balance at January 1, 2023	**270**	**293**
Currency translation adjustments	(14)	–
Balance at December 31, 2023	**256**	**293**
Currency translation adjustments	(12)	–
De-designation	(244)	(293)
Balance at December 31, 2024	**–**	**–**

During the period the hedge was designated, there was no ineffectiveness as the Company maintained the hedge ratio by verifying a 100 % hedge ratio, and the effect of hedging is presented in the line item Net gain / (loss) on hedge of net investment in foreign operations in OCI.

27. 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, 2024	**715**	**7,853**	**9**	**80**	**3,340**	**10,549**
Cash flows from operating, financing, and investing activities	108	–	–	–	–	(108)
Repayment of borrowings	–	–	(1)	–	(1,017)	(1,016)
Proceeds from borrowings	–	–	– –	–	981	981
Lease payments	–	(1,484)	–	–	–	(1,484)
Cash flow	**108**	**(1,484)**	**(1)**	**–**	**(36)**	**(1,627)**
Business combinations (note 6)	5	516	–	–	–	511
Additions to lease obligations	–	210	–	–	–	210
Interest on lease obligations	–	486	–	–	–	486
Modification of lease obligations	–	814	–	–	–	814
Early termination of lease obligations	–	(18)	–	–	–	(18)
Arrangement fees amortization	–	–	–	–	12	12
Discounted interests	–	–	–	–	11	11
Currency translation adjustments	(72)	143	–	(42)	62	235
Other non-cash movements	**(67)**	**2,151**	**–**	**(42)**	**85**	**2,261**
Balance at December 31, 2024	**756**	**8,520**	**8**	**38**	**3,389**	**11,183**

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, 2023	**855**	**3,003**	**9**	**100**	**3,575**	**5,814**
Cash flows from operating, financing, and investing activities	(502)	–	–	–	–	502
Proceeds from / (repayment of) 3rd party loans payable	–	–	–	–	2	2
Transaction costs for financial instruments	–	–	–	–	(6)	(6)
Repayment of borrowings	–	–	(2)	(1)	(866)	(865)
Proceeds from borrowings	–	–	–	–	231	231
Lease payments	–	(1,362)	–	–	–	(1,362)
Cash flow	**(502)**	**(1,362)**	**(2)**	**(1)**	**(639)**	**(1,498)**
Business combinations (note 6)	459	1,434	1	–	571	1,545
Other change in scope	(1)	–	–	–	–	1
Additions to lease obligations	–	180	–	–	–	180
Interest on lease obligations	–	321	–	–	–	321
Modification of lease obligations	–	4,671	–	–	–	4,671
Early termination of lease obligations	–	(28)	–	–	–	(28)
Other		–			3	3
Arrangement fees amortization	–	–	–	–	12	12
Discounted interests	–	–	–	–	10	10
Currency translation adjustments	(96)	(366)	1	(19)	(192)	(482)
Other non-cash movements	**362**	**6,212**	**2**	**(19)**	**404**	**6,233**
Balance at December 31, 2023	**715**	**7,853**	**9**	**80**	**3,340**	**10,549**

Offsetting financial assets and financial liabilities

Avolta's notional cash pool is operated by a major finance institute. Based on an 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[1]
31.12.2024			
Cash and cash equivalents	2,060	(1,304)	756
Borrowings, current	1,445	(1,304)	141
31.12.2023			
Cash and cash equivalents	2,154	(1,439)	715
Borrowings, current	2,258	(1,439)	819

[1] Cash and cash equivalents include CHF 131 million (2023: CHF 124 million) held by subsidiaries operating in countries with exchange controls or other legal restrictions on money transfers. There are no material assets that have any other restrictions to realize or settle liabilities of the Group.

28. Other liabilities

In millions of CHF	31.12.2024	31.12.2023
Concession fee payables	274	181
Other service-related vendors	343	290
Personnel payables	401	363
Sales and other tax liabilities	123	100
Put option Dufry Staer Holding Ltd	24	27
Financial derivative liabilities - current	38	80
Lease obligation due to tax refund	19	21
Payables for capital expenditure	76	77
Interest payables	23	23
Payables to local business partners	5	4
Contingent consideration	23	–
Other payables	113	108
Total	**1,462**	**1,274**

Thereof

Current liabilities	1,374	1,193
Non-current liabilities	88	80
Total	**1,462**	**1,274**

29. Deferred tax assets and liabilities

Deferred tax assets and liabilities arise from the following positions:

In millions of CHF	31.12.2024	31.12.2023
Deferred tax assets		
Inventories	9	12
Property, plant, and equipment	45	39
Intangible assets	43	43
Lease obligations	1,420	1,433
Provisions and other payables	108	77
Tax loss carry-forward	56	76
Other	5	7
Total	**1,686**	**1,687**
Deferred tax liabilities		
Property, plant, and equipment	(29)	(25)
Right-of-use assets	(1,378)	(1,403)
Intangible assets	(429)	(445)
Provisions and other payables	(52)	(51)
Other	(4)	(8)
Total	**(1,892)**	**(1,932)**
Deferred tax liabilities, net	**(206)**	**(245)**

Deferred tax balances are presented in the consolidated statement of financial position as follows:

In millions of CHF	2024	2023
Deferred tax assets	166	165
Deferred tax liabilities	(372)	(410)
Balance at December 31	**(206)**	**(245)**

Reconciliation of movements to the deferred taxes:

In millions of CHF	2024	2023
Changes in deferred tax assets	1	19
Changes in deferred tax liabilities	38	(189)
Business combinations (note 6)	–	225
Currency translation adjustments	17	(15)
Deferred tax movements	**56**	**40**
Thereof		
Recognized in the statement of profit or loss	53	40
Recognized in equity	–	–
Recognized in OCI	3	–

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 2025 and the management projections thereafter.

The unrecognized tax losses carry forwards by expiry date are as follows:

In millions of CHF	31.12.2024	31.12.2023
Expiring within 1 to 3 years	494	359
Expiring within 4 to 7 years	358	750
Expiring after 7 years	54	28
With no expiration limit	1,468	1,580
Total	**2,374**	**2,717**

Unrecognized deferred tax assets

Avolta has unrecognized tax losses as shown in the table above which could lead to a potential tax benefit amounting to CHF 619 million (2023: CHF 607 million). The unrecognized tax losses are allocated to the following countries: Switzerland CHF 426 million; Spain CHF 333 million; Netherlands CHF 166 million; Italy CHF 297 million; Brazil CHF 257 million; Australia CHF 148 million; US CHF 59 million; Russia CHF 56 million; Belgium CHF 53 million; Germany CHF 48 million; Mexico CHF 44 million; and other countries CHF 487 million.

In addition, Avolta has unrecognized temporary differences of CHF 166 million (2023: CHF 171 million) tax effected. These tax effected unrecognized temporary differences are allocated to the following countries: Spain CHF 70 million; Switzerland CHF 42 million; Mexico CHF 22 million; and other countries CHF 32 million.

Unrecognized deferred tax liabilities

Avolta has not recognized deferred tax liabilities associated with investments in subsidiaries where Avolta can control the reversal of the timing differences and where it is not probable that the temporary differences will reverse in the foreseeable future. Avolta 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.

The International Accounting Standards Board (IASB) published the 'International Tax Reform Pillar Two Model Rules' in 2023 which continue to be applicable. Avolta has applied the temporary exception from the accounting requirements for deferred taxes in IAS 12 immediately upon issuance of the amendments and retrospectively in accordance with IAS 8. Accordingly, the Group neither recognizes nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

30. Provisions

2024 In millions of CHF	Contingent liabilities	Lawsuits and duties	Other	Total
Balance at January 1, 2024	**21**	**51**	**108**	**180**
Charge for the year	–	5	46	51
Utilized	–	–	(7)	(7)
Unused amounts reversed	–	(6)	(39)	(45)
Reclassification within classes	–	2	(2)	–
Currency translation adjustments	1	2	3	6
Balance at December 31, 2024	**22**	**54**	**109**	**185**
Thereof				
Current	–	54	28	82
Non-current	22	–	81	103

Avolta believes that its provisions are adequate based upon currently available information. However, given the inherent uncertainties 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.

Lawsuits and duties

The provision for lawsuits and duties of CHF 54 million (2023: CHF 51 million) covers uncertainties related to the outcome of lawsuits in relation to taxes other than income taxes, duties, and includes risks in relation to concession fees in connection with Avolta's subsidiaries in EMEA, North America, and LATAM.

Other

Other provisions comprise predominantly potential liabilities to cover costs for the restoration of leased shops to their original condition at the end of the lease agreement, labor disputes, and restructuring costs. These provisions relate mainly to operations in EMEA and APAC.

Cash outflows of non-current provisions

The cash outflows of non-current provisions as of December 31, 2024 are expected to occur as follows in:

In millions of CHF	Expected cash outflow
2026	41
2027	8
2028	4
2029	11
2030+	39
Total non-current	**103**

31. Post-employment benefit obligation

Avolta 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 93.5 % (2023: 93.8 %) of the total defined benefit obligation and 96.6 % (2023: 96.7 %) of the plan assets correspond to pension funds in Switzerland, the United Kingdom (UK), and Italy.

			2024			2023
In millions of CHF	**Funded**	**Unfunded**	**Total**	**Funded**	**Unfunded**	**Total**
Switzerland						
Fair value of plan assets	294	–	294	264	–	264
Present value of defined benefit obligation	(269)	–	(269)	(245)	–	(245)
Financial (liability) / asset	**25**	**–**	**25**	**19**	**–**	**19**
UK						
Fair value of plan assets	117	–	117	129	–	129
Present value of defined benefit obligation	(116)	–	(116)	(115)	–	(115)
Financial (liability) / asset	**1**	**–**	**1**	**14**	**–**	**14**
Italy						
Fair value of plan assets	–	–	–	–	–	–
Present value of defined benefit obligation	–	(27)	(27)	–	(29)	(29)
Financial (liability) / asset	**–**	**(27)**	**(27)**	**–**	**(29)**	**(29)**
Other plans						
Fair value of plan assets	15	–	15	9	4	13
Present value of defined benefit obligation	(24)	(5)	(29)	(18)	(7)	(25)
Financial (liability) / asset	**(9)**	**(5)**	**(14)**	**(9)**	**(3)**	**(12)**
Carrying amount						
Net defined benefit assets	**28**	**–**	**28**	**36**	**–**	**36**
Net defined benefit obligation	**(11)**	**(32)**	**(43)**	**(12)**	**(32)**	**(44)**

Switzerland

Avolta has two funded pension plans in Switzerland. Contributions are made by employees and the employer based on a percentage of the insured salary. The pension plans guarantee the amount accrued on the members' savings account, as well as interest on those savings. At retirement, the accrued savings are converted into pensions, or employees can elect that all or a part of the savings are paid out as a lump sum. Since October 1, 2024, one of the plans is affiliated with a collective foundation, Gastro-Social Pensionskasse. Fund assets are invested by the collective foundation together with the pension fund assets of other employee benefit units.

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 funds are overseen by a regulator as well as by a state supervisory body. A pension fund'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 funds are exposed are: a) mortality risk, if the effective average life is longer than the assumptions used based on the official demographic statistics, b) market and liquidity risk, if the future rate of return on plan assets is lower than the discount rate used to calculate the conversion factor, and c) death and disability risk, if the amounts or number of effective cases are higher than the indications provided by the demographic statistics. These risks are regularly monitored by an actuary and the Board of Trustees.

Asset-liability management

Both Swiss pension funds currently invest in a diverse portfolio of asset classes, including equities, bonds, property, and alternative investments, but do not currently use 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 take 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.

United Kingdom (UK)

Avolta 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 is frozen for existing members. The plan is administered by a separate board of trustees which is legally separate from Avolta. The Trustees are comprised of representatives of Avolta, plan members, 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 plus the day-to-day administration of the scheme.

The plan is a defined benefits arrangement which has a final salary calculation for benefits earned prior to April 6, 2006 and a career average calculation for benefits earned from April 6, 2006. All benefits are payable to members in accordance with the Plan Rules as amended, whereby pensionable salary is defined as basic salary less the statutory Lower Earnings Limit. Benefits payments are made from the trustee-administered funds; however, where the plan is underfunded, Avolta meets the benefit payment obligation as it falls due.

Italy

The Group recognizes defined benefit plans in Italy related to the legal obligations for Italian post-employment benefits ("trattamento di fine rapporto" or "T.F.R."). This relates to T.F.R. accrued at December 31, 2006 by employees of the Group's Italian companies. The calculation of the legal obligation by the employer is in accordance with the art. 2120 of the Italian Civil Code.

With the introduction of Legislative Decree no. 124/93, the possibility of allocating post-employment benefit portions to finance supplementary pension provision was envisaged (the "Social Security Reform"). This reform provides, inter alia, that starting from January 1, 2007, the annual provision of participants who have decided not to allocate this provision to a pension fund is transferred, for companies with on average at least 50 employees during 2006, to a special Treasury Fund set up at INPS (the Italian social institution).

Accordingly, T.F.R. accrued at December 31, 2006 by employees of the Group's Italian companies represents a defined benefit obligation plan. T.F.R. accrued from January 1, 2007 is treated as a defined contribution plan, and contributions are expensed as incurred.

Cost of defined benefit plans

			2024			2023
In millions of CHF	**Switzerland**	**UK**	**Italy**	**Switzerland**	**UK**	**Italy**
Service costs						
Current service costs	(8)	–	–	(5)	–	–
Past service costs	–	–	–	–	–	–
Net interest	1	1	(1)	–	1	(1)
Fund administration	(1)	–	–	–	–	–
Total pension expenses recognized in the statement of profit or loss	**(8)**	**1**	**(1)**	**(5)**	**1**	**(1)**

The current and past service costs are included in personnel expenses, whereas fund administration expenses are included in other expenses.

Remeasurements employee benefits

	2024			2023		
In millions of CHF	Switzerland	UK	Italy	Switzerland	UK	Italy
Actuarial gains / (losses) - experience	–	(9)	–	7	(3)	–
Actuarial gains / (losses) - demographic assumptions	–	–	–	(1)	1	–
Actuarial gains / (losses) - financial assumptions	(21)	13	–	(31)	(3)	(1)
Return on plan assets exceeding expected interest	19	(19)	–	(6)	2	–
Effect of asset ceiling	9	–	–	46	–	–
Total remeasurements recorded in other comprehensive income	**7**	**(15)**	**–**	**15**	**(3)**	**(1)**

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

	2024			2023		
In millions of CHF	Switzerland	UK	Italy	Switzerland	UK	Italy
Balance at January 1	**264**	**129**	**–**	**151**	**132**	**–**
Business combination	–	–	–	70	–	–
Interest income	4	6	–	6	6	–
Return on plan assets exceeding expected interest	19	(19)	–	(5)	2	–
Contributions paid by employer	7	–	–	7	–	–
Contributions paid by employees	12	–	–	15	–	–
Benefits paid	(21)	(7)	–	(24)	(5)	–
Asset ceiling	9	–	–	44	–	–
Currency translation	–	8	–	–	(6)	–
Balance at December 31	**294**	**117**	**–**	**264**	**129**	**–**

Change in present value of defined benefit obligation

			2024			2023
In millions of CHF	**Switzerland**	**UK**	**Italy**	**Switzerland**	**UK**	**Italy**
Balance at January 1	**245**	**115**	**29**	**151**	**115**	**2**
Business combination	–	–	–	68	–	30
Current service costs	8	–	–	5	–	–
Interest costs	3	5	1	5	5	1
Contributions paid by employees	12	–	–	15	–	–
Actuarial losses/(gains) - experience	–	9	–	(7)	3	–
Actuarial losses/(gains) - demographic assumptions	–	–	–	1	(1)	–
Actuarial losses/(gains) - financial assumptions	21	(13)	–	31	3	1
Benefits paid	(21)	(7)	(2)	(24)	(6)	(3)
Other	1	–	–	–	–	–
Currency translation	–	7	(1)	–	(4)	(2)
Balance at December 31	**269**	**116**	**27**	**245**	**115**	**29**

In certain jurisdictions, the employer and/or the employees have the obligation to remedy any default situation of the pension fund, which usually would result in higher periodic contributions. At the reporting date, there was no such default situation.

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:

			2024			2023
Weighted average in percentage (%)	**Switzerland**	**UK**	**Italy**	**Switzerland**	**UK**	**Italy**
Discount rates	1.00	5.50	2.82	1.50	4.50	2.99
Future salary increases	1.36	–	–	1.80	–	2.00
Future pension increases	–	1.90	3.00	–	1.80	3.00
Mortality table (generational tables)	2020	2023	2022	2020	2022	2022

The mortality table takes into account changes in the life expectancy.

Plan asset structure

The structure of categories of plan assets is as follows:

	2024			2023		
In percentage (%)	Switzerland	UK	Italy	Switzerland	UK	Italy
Shares[1]	31.8	16.6	n/a	31.0	99.7	n/a
Bonds[2]	18.2	41.5	n/a	21.8	–	n/a
Real Estate[3]	31.8	–	n/a	32.2	–	n/a
Other[4]	18.2	41.9	n/a	15.0	0.3	n/a
Total	**100.0**	**100.0**	**n/a**	**100.0**	**100.0**	**n/a**

1 Shares are Fair value - Level 1 (Quoted price in active markets).

2 Bonds in Switzerland are Fair value - Level 1 (Quoted price in active markets). Bonds in the UK are fair value Level 2 (Observable data, other than the quoted prices found in Level 1).

3 Real estate is Fair value - Level 3 (Significant unobservable inputs).

4 Other includes cash and cash equivalents with Fair value - Level 1 in 2024: CHF 13 million (2023: CHF 3 million) and Fair value - Level 3 - alternative investments in Switzerland and the UK.

The net outflow of funds due to pension payments can be planned reliably. Contributions are paid regularly to the Swiss and UK funded pension plans. Furthermore, the respective investment strategies take into account the need to guarantee the liquidity of the plan at all times.

Plan participants

	2024			2023		
	Switzerland	UK	Italy	Switzerland	UK	Italy
Expected cash flow for						
Contribution Employer (in millions of CHF)	5	n/a	n/a	5	n/a	n/a
Contribution Employees (in millions of CHF)	7	n/a	n/a	7	n/a	n/a
Weighted average duration of defined benefit (in years)	17	13	8	17	17	8

Sensitivities of significant actuarial assumptions

The discount rate and the future salary increase were identified as significant actuarial assumptions.

A change of 0.5 % in the below assumptions would imply the following impacts on the defined benefit obligations:

2024 In millions of CHF	Switzerland		UK		Italy	
	Increase (+0.5%)	Decrease (-0.5%)	Increase (+0.5%)	Decrease (-0.5%)	Increase (+0.5%)	Decrease (-0.5%)
Discount rate	(21)	24	(8)	8	(1)	1
Salary rate	2	(2)	n/a	n/a	–	–

The sensitivity analysis is based on reasonably possible changes at 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.

32. Fair value measurement

Fair value of financial instruments carried at amortized cost

Except as detailed below, Avolta 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 Avolta'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.

Deferred contingent consideration relates to a business combination (refer to note 6) and is subject to meeting defined performance criteria until 2027, which is reflected in the preliminary fair value as of December 31, 2024.

Quantitative disclosures fair value measurement hierarchy for assets

December 31, 2024 In millions of CHF	Total	Fair value measurement 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	3	–	3	–	3
Cross currency swaps contracts - EUR	5	–	5	–	5
Subtotal	**8**	**–**	**8**	**–**	**8**
Money market deposits - USD	5	5	–	–	5
Total	**13**	**5**	**8**	**–**	**13**
Assets for which fair values are disclosed					
Loans and receivables					
Trade and credit card receivables	56	–	56	–	56

December 31, 2023 In millions of CHF	Total	Fair value measurement 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 - Other	4	–	4	–	4
Cross currency swaps contracts - EUR	5	–	5	–	5
Subtotal	**9**	**–**	**9**	**–**	**9**
Short-term investments - USD	55	55	–	–	55
Money market deposits - USD	17	–	17	–	17
Total	**81**	**55**	**26**	**–**	**81**
Assets for which fair values are disclosed					
Loans and receivables					
Trade and credit card receivables	5	–	5	–	5

There were no transfers between Level 1 and 2 during the period.

Quantitative disclosures fair value measurement hierarchy for liabilities

December 31, 2024 In millions of CHF	Total	Fair value measurement 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 swaps contracts - USD	1	–	1	–	1
Foreign exchange swaps contracts - OTHER	1	–	1	–	1
Cross currency swaps contracts - EUR	36	–	36	–	36
Put option Dufry Staer Holding Ltd	24	–	–	24	24
Deferred contingent consideration	23	–	–	23	23
Total	**85**	**–**	**38**	**47**	**85**
Liabilities for which fair values are disclosed					
At amortized cost					
Senior notes CHF 300	302	302	–	–	300
Senior notes EUR 500	486	486	–	–	467
Senior notes EUR 750	684	684	–	–	699
Senior notes EUR 725	677	677	–	–	678
Convertible notes CHF 500	492	492	–	–	486
Total	**2,641**	**2,641**	**–**	**–**	**2,630**
Revolving credit facility - multicurrency - USD	218	–	218	–	218
Revolving credit facility - multicurrency - EUR	401	–	401	–	401
Related deferred arrangement fees	–	–	–	–	(19)
Uncommitted current - facility drawn	94	–	94	–	94
Total	**713**	**–**	**713**	**–**	**694**

There were no transfers between Level 1 and 2 during the period.

December 31, 2023 In millions of CHF	Total	Fair value measurement 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 swaps contracts - EUR	5	–	5	–	5
Cross currency swaps contracts - EUR	75	–	75	–	75
Put option Dufry Staer Holding Ltd	27	–	–	27	27
Total	**107**	**–**	**80**	**27**	**107**
Liabilities for which fair values are disclosed					
At amortized cost					
Senior notes CHF 300	297	297	–	–	299
Senior notes EUR 800	731	731	–	–	746
Senior notes EUR 750	651	651	–	–	692
Senior notes EUR 725	644	644	–	–	672
Convertible notes CHF 500	470	470	–	–	472
Total	**2,793**	**2,793**	**–**	**–**	**2,881**
Revolving credit facility - multicurrency - USD	312	–	312	–	311
Revolving credit facility - multicurrency - EUR	46	–	46	–	46
Related deferred arrangement fees	–	–	–	–	(18)
Total	**358**	**–**	**358**	**–**	**339**

There were no transfers between Level 1 and 2 during the period.

33. 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 investment hedges, plus other equity-linked or equity-like instruments attributable to the parent.

The primary objective of Avolta'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.

Avolta 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, Avolta may adjust dividend payments to shareholders, return capital to shareholders, issue new shares, or issue equity-linked instruments or equity-like instruments.

Furthermore, Avolta monitors the financing structure using a combination of ratios, including a gearing ratio, cash flow considerations, and profitability ratios. As for the gearing ratio Avolta includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

Avolta has a medium-term leverage target of 1.5-2.0x net debt/CORE EBITDA with flexibility up to 2.5x.

33.1 Gearing ratio

In millions of CHF	31.12.2024	31.12.2023
Cash and cash equivalents	(756)	(715)
Borrowings, current	141	819
Borrowings, non-current	3,248	2,521
Borrowings, net (excluding derivatives)	**2,633**	**2,625**
Equity attributable to equity holders of the parent	2,349	2,361
Adjusted for		
Accumulated hedged gains/(losses)	(70)	(186)
Effects from transactions with non-controlling interests [1]	2,406	2,412
Total capital [2]	**4,685**	**4,587**
Total net debt and capital	**7,318**	**7,212**
Gearing ratio	**36.0%**	**36.4%**

[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 Avolta that are managed as capital.

Avolta did not hold collateral of any kind at the reporting dates.

33.2 Categories of financial instruments

At December 31, 2024			Financial assets		
In millions of CHF	At amortized cost	At FVPL	Subtotal	Non-financial assets[1]	Total
Cash and cash equivalents	751	5	756	–	756
Trade and credit card receivables	56	–	56	–	56
Other accounts receivable	320	8	328	304	632
Other non-current assets	206	–	206	75	281
Total	**1,333**	**13**	**1,346**		

At December 31, 2024			Financial liabilities		
In millions of CHF	At amortized cost	At FVPL	Subtotal	Non-financial liabilities[1]	Total
Trade payables	824	–	824	–	824
Borrowings, current	141	–	141	–	141
Lease obligations, current	1,508	–	1,508	–	1,508
Other liabilities	1,145	38	1,183	191	1,374
Borrowings, non-current	3,248	–	3,248	–	3,248
Lease obligations, non-current	7,012	–	7,012	–	7,012
Other non-current liabilities	41	47	88	–	88
Total	**13,919**	**85**	**14,004**		

At December 31, 2023			Financial assets		
In millions of CHF	At amortized cost	At FVPL	Subtotal	Non-financial assets[1]	Total
Cash and cash equivalents	715	–	715	–	715
Trade and credit card receivables	41	–	41	–	41
Other accounts receivable	321	26	347	229	576
Current investment	–	55	55	–	55
Other non-current assets	284	–	284	28	312
Total	**1,361**	**81**	**1,442**		

At December 31, 2023			Financial liabilities		
In millions of CHF	At amortized cost	At FVPL	Subtotal	Non-financial liabilities[1]	Total
Trade payables	874	–	874	–	874
Borrowings, current	819	–	819	–	819
Lease obligations, current	1,103	–	1,103	–	1,103
Other liabilities	949	107	1,056	136	1,193
Borrowings, non-current	2,521	–	2,521	–	2,521
Lease obligations, non-current	6,751	–	6,751	–	6,751
Other non-current liabilities	52	–	52	28	80
Total	**13,069**	**107**	**13,176**		

[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.

33.3 Net income by IFRS 9 valuation category

Financial Assets at December 31, 2024

In millions of CHF	At amortized cost	At FVPL	Total
Interest income	84	–	84
Other finance income	19	39	58
From interest	**103**	**39**	**142**
Foreign exchange gain/(loss) [1]	(166)	–	(166)
Impairments/allowances [2]	(15)	–	(15)
Total – from subsequent valuation	**(181)**	**–**	**(181)**
Net (expense)/income	**(78)**	**39**	**(39)**

Financial Liabilities at December 31, 2024

In millions of CHF	At amortized cost	At FVPL	Total
Interest expenses	(710)	–	(710)
Amortization of arrangement fees	(12)	–	(12)
Other finance expenses	(9)	(18)	(27)
From interest	**(731)**	**(18)**	**(749)**
Foreign exchange gain/(loss) [1]	184	–	184
Total – from subsequent valuation	**184**	**–**	**184**
Net (expense)/income	**(547)**	**(18)**	**(565)**

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.

Financial Assets at December 31, 2023

In millions of CHF	At amortized cost	At FVPL	Total
Interest income	58	–	58
Other finance income	12	37	49
From interest	**70**	**37**	**107**
Foreign exchange gain / (loss) [1]	(8)	–	(8)
Impairments / allowances [2]	–	–	–
Total – from subsequent valuation	**(8)**	**–**	**(8)**
Net (expense) / income	**62**	**37**	**99**

Financial Liabilities at December 31, 2023

In millions of CHF	At amortized cost	At FVPL	Total
Interest expenses	(535)	1	(534)
Amortization of arrangement fees	(5)	–	(5)
Other finance expenses	(25)	(63)	(88)
From interest	**(565)**	**(62)**	**(627)**
Foreign exchange gain / (loss) [1]	(42)	–	(42)
Total – from subsequent valuation	**(42)**	**–**	**(42)**
Net (expense) / income	**(607)**	**(62)**	**(669)**

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.

34. Financial risk management objectives

Avolta has worldwide activities which are financed in different currencies and are consequently affected by fluctuations of foreign exchange and interest rates. Avolta's Treasury manages the financing of the operations through centralized credit facilities to ensure an adequate allocation of resources and simultaneously minimize the potential currency and financial risk impacts.

Avolta continuously monitors the market risk, such as risks related to foreign currency, interest rate, credit, liquidity, and capital. Avolta 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.

35. Market risk

Avolta's financial assets and liabilities are mainly exposed to market risk in foreign currency exchange and interest rates. Avolta's objective is to minimize the impact on 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, Avolta may use financial instruments to hedge the respective exposure.

Avolta 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 2024, Avolta utilized foreign exchange forward contracts for hedging purposes.

35.1 Foreign currency risk management

Avolta manages the cash flow surplus or deficits in foreign currency of the operations through foreign exchange 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.

35.2 Foreign currency sensitivity analysis

Among various methodologies to analyze and manage risk, Avolta utilizes a system based on sensitivity analysis. Sensitivity analysis provides an approximate quantification of the stand-alone exposure of each Group entity 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, 2024						
Monetary assets	1,463	349	366	86	2,194	4,458
Monetary liabilities	835	2,424	350	170	2,039	5,818
Net currency exposure before foreign currency contracts and hedging	**628**	**(2,075)**	**16**	**(84)**	**155**	**(1,360)**
Foreign currency contracts	(629)	898	–	–	(183)	86
Hedging / quasi-equity loans	(16)	1,021	–	–	(77)	928
Net currency exposure	**(17)**	**(156)**	**16**	**(84)**	**(105)**	**(346)**
December 31, 2023						
Monetary assets	1,148	2,930	391	76	2,340	6,885
Monetary liabilities	527	2,394	402	134	2,095	5,552
Net currency exposure before foreign currency contracts and hedging	**621**	**536**	**(11)**	**(58)**	**245**	**1,333**
Foreign currency contracts	(827)	983	–	–	(210)	(54)
Hedging / quasi-equity loans	232	(1,461)	–	–	(79)	(1,308)
Net currency exposure	**26**	**58**	**(11)**	**(58)**	**(44)**	**(29)**

The sensitivity analysis includes all monetary assets and liabilities. Avolta 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 Avolta 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	31.12.2024	31.12.2023
Effect on profit or loss based on USD	1	(1)
Other comprehensive income based on USD	(1)	12
Effect on profit or loss based on EUR	8	(3)
Other comprehensive income based on EUR	51	(73)
Effect on profit or loss based on GBP	(1)	1
Effect on profit or loss based on BRL	4	3

Reconciliation to categories of financial instruments:

In millions of CHF	31.12.2024	31.12.2023
Financial assets		
Total financial assets held in foreign currencies	4,458	6,885
Less: Intercompany financial assets in foreign currencies	(4,033)	(6,259)
Third party financial assets held in foreign currencies	425	626
Third party financial assets held in reporting currencies	921	816
Total third-party financial assets	**1,346**	**1,442**
Financial liabilities		
Total financial liabilities held in foreign currencies	5,818	5,552
Less: Intercompany financial liabilities in foreign currencies	(3,870)	(3,561)
Third party financial liabilities held in foreign currencies	1,948	1,991
Third party financial liabilities held in reporting currencies	12,056	11,185
Total third-party financial liabilities	**14,004**	**13,176**

35.3 Foreign exchange forward contracts and foreign exchange options at fair value

As the Company actively pursues to naturally hedge the positions in each operation, the policy of Avolta 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 underlying or principal amount	Positive fair value	Negative fair value
December 31, 2024	462	8	38
December 31, 2023	1,204	9	80

36. Interest rate risk management

Avolta 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.

36.1 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.

If interest rates on all interest-bearing positions had been 100 basis points higher whereas all other variables were held constant, Avolta's net profit for the year 2024 would decrease by CHF 35 million (2023: decrease by CHF 36 million).

36.2 Allocation of financial assets and liabilities to interest classes

At December 31, 2024	Average variable interest rate (In %)	Average fixed interest rate (In %)	Variable interest rate (In millions of CHF)	Fixed interest rate	Total interest bearing	Non-interest bearing	Total
Cash and cash equivalents	0.9%	0.9%	153	42	195	561	756
Trade and credit card receivables			–	–	–	56	56
Other accounts receivable	1.2%	0.8%	1	27	28	300	328
Other non-current assets	3.1%	0.8%	11	62	73	133	206
Financial assets			**165**	**131**	**296**	**1,050**	**1,346**
Trade payables			–	–	–	824	824
Borrowings, current		1.0%	–	135	135	6	141
Other liabilities			–	–	–	1,183	1,183
Borrowings, non-current	6.1%	2.7%	619	2,629	3,248	–	3,248
Lease obligations		5.8%	–	8,520	8,520	–	8,520
Other non-current liabilities		3.7%	–	23	23	65	88
Financial liabilities			**619**	**11,307**	**11,926**	**2,078**	**14,004**
Net financial liabilities			**454**	**11,176**	**11,630**	**1,028**	**12,658**

At December 31, 2023	Average variable interest rate (In %)	Average fixed interest rate (In %)	Variable interest rate (In millions of CHF)	Fixed interest rate	Total interest bearing	Non-interest bearing	Total
Cash and cash equivalents	1.9%	3.1%	388	105	493	222	715
Trade and credit card receivables			–	–	–	41	41
Other accounts receivable	1.6%	0.5%	16	18	34	313	347
Current investment	2.8%		55	–	55	–	55
Other non-current assets	4.7%	0.6%	3	60	63	221	284
Financial assets			**462**	**183**	**645**	**797**	**1,442**
Trade payables			–	–	–	874	874
Borrowings, current		2.4%	–	807	807	12	819
Other liabilities	7.3%	11.3%	–	1	1	1,055	1,056
Borrowings, non-current	4.1%	2.2%	599	1,922	2,521	–	2,521
Lease obligations		7.6%	–	7,854	7,854	–	7,854
Other non-current liabilities			–	–	–	52	52
Financial liabilities			**599**	**10,584**	**11,183**	**1,993**	**13,176**
Net financial liabilities			**137**	**10,401**	**10,538**	**1,196**	**11,734**

37. Credit risk management

Credit risk refers to the risk that a counterparty may default on its contractual obligations, resulting in financial loss to Avolta.

Almost all Avolta sales are made against cash or internationally recognized credit / debit cards. Avolta 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. Avolta 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 asset positions hold a credit rating of A- or higher.

37.1 Maximum credit risk

The carrying amount of financial assets recorded in the financial statements, after deduction of any allowances for losses, represents Avolta's maximum exposure to credit risk.

38. Liquidity risk management

Avolta evaluates this risk as the ability to settle its financial liabilities on time and at a reasonable price. Besides its capability to generate cash through its operations, Avolta mitigates liquidity risk by maintaining undrawn credit facilities with financial institutions (see note 26).

38.1 Remaining maturities for non-derivative financial assets and liabilities

The following tables show the undiscounted cash flows of financial assets and liabilities (based on the earliest date on which Avolta can receive or be required to pay). The tables include principal and interest cash flows.

At December 31, 2024 In millions of CHF	1-6 months	6-12 months	1-2 years	More than 2 years	Total
Cash and cash equivalents	760	–	–	–	760
Trade and credit card receivables	54	2	–	–	56
Other accounts receivable	294	29	–	–	323
Other non-current assets	–	–	36	183	219
Total cash inflows	**1,108**	**31**	**36**	**183**	**1,358**
Trade payables	651	173	–	–	824
Borrowings, current	130	13	–	–	143
Other liabilities	1,115	30	–	–	1,145
Borrowings, non-current	39	52	903	2,681	3,675
Lease obligations [1]	1,126	832	1,539	7,296	10,793
Other non-current liabilities	–	–	15	73	88
Total cash outflows	**3,061**	**1,100**	**2,457**	**10,050**	**16,668**

[1] Lease obligations with a maturity of more than 2 years contain an amount of CHF 3,963 million with a maturity longer than 5 years.

At December 31, 2023 In millions of CHF	1-6 months	6-12 months	1-2 years	More than 2 years	Total
Cash and cash equivalents	596	149	–	–	745
Trade and credit card receivables	38	3	–	–	41
Other accounts receivable	307	43	–	–	350
Current investment	55	–	–	–	55
Other non-current assets	1	–	32	294	327
Total cash inflows	**997**	**195**	**32**	**294**	**1,518**
Trade payables	858	16	–	–	874
Borrowings, current	100	763	–	–	863
Other liabilities	931	45	–	–	976
Borrowings, non-current	27	30	912	1,807	2,776
Lease obligations [1]	772	649	1,230	7,410	10,061
Other non-current liabilities	–	–	–	52	52
Total cash outflows	**2,688**	**1,503**	**2,142**	**9,269**	**15,602**

[1] Lease obligations with a maturity of more than 2 years contain an amount of CHF 4,330 million with a maturity longer than 5 years.

38.2 Remaining maturities for derivative financial instruments

Avolta holds derivative financial instruments at year-end.

At December 31, 2024 In millions of CHF	1-6 months	6-12 months	1-2 years	More than 2 years	Total
Derivative financial assets	3	–	–	5	8
Derivative financial liabilities	2	–	–	36	38

At December 31, 2023 In millions of CHF	1-6 months	6-12 months	1-2 years	More than 2 years	Total
Derivative financial assets	9	–	–	–	9
Derivative financial liabilities	80	–	–	–	80

39. Related parties and related party transactions

A party is related to Avolta if the party directly or indirectly controls, is controlled by, or is under common control with Avolta, has an interest in Avolta that gives it significant influence over Avolta, has joint control over Avolta or is an associate or a joint venture of Avolta. In addition, members of the key management personnel of Avolta or close members of the family are also considered related parties. In connection with the business combination with Autogrill in 2023, we have established business relationships with various related parties of Edizione SpA, primarily lease agreements. Transactions with related parties are conducted at arm's length.

Transactions and relationships with other related parties for Avolta are the following:

In millions of CHF	2024	2023
Purchase of services	(7)	(7)
Lease related expenses	(35)	(26)
Other expenses	(2)	(1)
Right-of-use assets at December 31	48	29
Accounts receivables at December 31	1	–
Lease obligations at December 31	50	31
Accounts payables at December 31	15	10

Transactions and balances with associates are the following:

In millions of CHF	2024	2023
Sales of goods	7	6
Sales of services	4	2
Accounts receivables at December 31	7	11
Accounts payables at December 31	1	1

The Company has contractually agreed to a commitment in the amount of CHF 3 million for a period of five years starting October 31, 2023, to Laguna AG, an entity fully controlled by the Company's chairman, in relation to transportation and logistics services provided by a third party. 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 Avolta, including compensation in Company shares as follows:

	2024	2023
Board of directors		
Number of directors	12	12
Current employee benefits (in millions of CHF)	9	10
Total compensation (in millions of CHF)	**9**	**10**
Global executive committee		
Number of members	10	13
Current employee benefits (in millions of CHF)	19	21
Post-employment benefits (in millions of CHF)	2	3
Share-based payments (income)/expense[1] (in millions of CHF)	9	20
Total compensation (in millions of CHF)	**31**	**44**

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, refer to the remuneration report at the end of the annual report.

40. Events after reporting date

Avolta AG launched its previously announced public share buyback program of up to CHF 200 million on January 27, 2025. This strategic initiative aims to enhance shareholder value in line with Avolta's Destination 2027 strategy.

The Board of Directors proposes, subject to the approval of the General Assembly, to distribute CHF 1.00 per share which will amount to a total distribution of approximately CHF 147 million. The Board of Directors proposes to distribute the amount from the reserve from capital contribution.

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To the General Meeting of
Avolta AG, Basel

Basel, March 11, 2025

Report on the Audit of the Consolidated Financial Statements

Opinion
We have audited the consolidated financial statements of Avolta AG (the Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2024, the consolidated statement of 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 material accounting policy information.

In our opinion, the accompanying consolidated financial statements (pages 170 to 249) give a true and fair view of the consolidated financial position of the Group as at December 31, 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and comply with Swiss law.

Basis for Opinion
We conducted our audit in accordance with Swiss law, 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 International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards) (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.

Valuation of concession right intangibles and right-of-use assets
Key Audit Matter
The Group’s consolidated statement of financial position includes concession right intangibles and right-of-use assets with definite useful lives.

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 3.2l, 3.2m and 3.2n. As detailed in Note 4, 16, 17 and 18.3 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 evaluation of concession right intangibles and right-of-use assets for potential impairment involves a complex analysis driven by significant assumptions. Risks presented in the quantitative assessment include significant assumptions such as discount rates and sales growth values. Given the high level of judgment and complexity of the estimations with regards to these rates, combined with the significance of the recognized amounts to the financial statements as a whole, we determined the valuation of concession right intangibles and right-of-use assets to be a key audit matter.

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How the scope of our audit responded to the key audit matter
We obtained an understanding of management's processes and controls of 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 sales against the Group's assumptions and used external industry information to evaluate supporting or contradictory information in relation to management assumptions.

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 completeness and accuracy of the related disclosures in the consolidated financial statements on the concession right intangibles and right-of-use assets.

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.

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 remuneration 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 Accounting Standards 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.

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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. This description forms an integral part of our report.

Report on Other Legal and Regulatory Requirements
In accordance with Art. 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 the 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, 2024

In millions of CHF	Note	2024	2023
Finance income		19	24
Total income		**19**	**24**
Personnel expenses	6	(33)	(45)
General and administrative expenses		(15)	(20)
Management fee expenses		(7)	(7)
Finance expenses		–	(1)
Taxes		(1)	(2)
Total expenses		**(56)**	**(75)**
Loss for the year		**(37)**	**(51)**

Statement of financial position

at December 31, 2024

In millions of CHF	Note	31.12.2024	31.12.2023
Assets			
Cash and cash equivalents		2	77
Current receivables subsidiaries		3	4
Loans to subsidiaries		–	691
Current assets		**5**	**772**
Investments in subsidiaries		5,374	5,374
Loans to subsidiaries		461	–
Non-current assets		**5,835**	**5,374**
Total assets		**5,840**	**6,146**
Liabilities and shareholders' equity			
Current interest-bearing liabilities		1	–
Current liabilities third parties		2	3
Current liabilities subsidiaries		7	2
Deferred income and accrued expenses		87	73
Current liabilities		**97**	**78**
Total liabilities		**97**	**78**
Share capital	4.1	733	763
Legal capital reserves			
Reserve from capital contribution	4.1	6,547	6,851
Reserve from capital contribution for own shares held at subsidiaries		2	2
Legal retained earnings			
Other legal reserves		6	6
Voluntary retained earnings			
Results carried forward		(1,464)	(1,413)
Loss for the year		(37)	(51)
Treasury shares	5	(44)	(89)
Total shareholders' equity		**5,743**	**6,068**
Total liabilities and shareholders' equity		**5,840**	**6,146**

Notes to the financial statements

1. Corporate information

Avolta AG (the “Company”) is a publicly listed company. The shares of the Company are listed on the Swiss Stock Exchange (SIX) in Zurich.

Avolta 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 the consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (“IFRS”), a recognized accounting standard, the Company has, 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. The financial statements may be influenced by the creation and release of excess reserves.

All amounts are presented in millions of Swiss Francs (CHF) and prior year figures are adjusted consistent with the current year presentation. Numbers presented throughout this report may not add up precisely due to rounding.

The financial statements have been prepared on a going concern basis.

Where not prescribed by law, the significant accounting and valuation principles applied are described below.

2.2 Summary of significant accounting policies

Investments in subsidiaries

Investments are held at historical cost. The Company reviews the carrying amount of 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. When the recoverable amount exceeds the carrying value, the previous recognized impairment loss is reversed.

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 equity.

Share-based payments

The Company accrues personnel expenses related to share-based payment plans for the respective period in deferred income and accrued expenses. 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 participants 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

	Share capital and voting rights		Share capital (in thousands)		Currency
	31.12.2024	31.12.2023	31.12.2024	31.12.2023	
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. Share capital

4.1 Ordinary shares

	Number of shares (in thousands)	Share capital (in millions of CHF)	Reserve from capital contribution (in millions of CHF)
Balance at January 1, 2023	**90,797**	**454**	**4,552**
Increase of share capital	61,817	309	2,299
Balance at December 31, 2023	**152,614**	**763**	**6,851**
Share cancellations	(6,104)	(30)	(201)
Dividend distribution	–	–	(104)
Balance at December 31, 2024	**146,510**	**733**	**6,547**

Of the reserve from capital contribution, the Swiss federal tax authorities have formally recognized CHF 3,403 million (2023: CHF 3,507 million) at December 31, 2024.

4.2 Conditional share capital

	Number of shares (in thousands)	Share capital (in millions of CHF)
Balance at January 1, 2023	**39,743**	**199**
Decrease of conditional share capital	(30,663)	(153)
Increase of conditional share capital	45,399	227
Conversion of mandatory convertible bonds	(2,092)	(11)
Balance at December 31, 2023	**52,387**	**262**
Cancellation of conditional share capital	(45,399)	(227)
Balance at December 31, 2024	**6,988**	**35**

4.3 Capital Band (formerly authorized capital)

	Number of shares (in thousands)	Nominal value (per share in CHF)	Nominal value (in millions of CHF)
At December 31, 2023			
Capital band available increase	16,337	5	82
Capital band available decrease	(29,062)	5	(145)
At December 31, 2024			
Capital band available increase	36,627	5	183
Capital band available decrease	(9,157)	5	(46)

Within the capital band, the Company's Board of Directors is granted authority to increase or decrease share capital until May 15, 2029.

5. Treasury shares

	Number of Shares[2] (in thousands)	In millions of CHF
Balance at January 1, 2023	**611**	**(23)**
Returned shares[1]	805	(34)
Purchased shares	801	(33)
Balance at December 31, 2023	**2,217**	**(90)**
Purchased shares	5,709	(202)
Distributions	(438)	15
Cancellations	(6,104)	231
Balance at December 31, 2024	**1,384**	**(46)**

[1] Related to a past business combination.
[2] Direct and indirect.

6. Personnel expenses

The personnel expenses correspond to the remuneration of selected members of the management.

Avolta AG employed less than 10 employees in 2024 and 2023.

7. 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 are:

- AVOLTA Participations AG
- DUFRY International AG
- DUFRY Samnaun AG
- DUFRY Russia Holding AG
- DUFRY Trading AG
- DUFRY Basel Mulhouse AG
- Restoroute de Bavois S.A.[1]
- Avolta North America GmbH[1]
- DUFRY Corporate AG
- DUFRY Holdings & Investments AG
- AVOLTA AG
- DUFRY Altay AG
- The Nuance Group AG
- Autogrill Schweiz AG[1]
- Restoroute de la Gruyere S.A.[1]

[1] Entry into the VAT group as of January 1, 2025

8. Contingent liabilities

The Company jointly and severally with Dufry International AG, Dufry Financial Services B.V., and Hudson Group (HG) Inc guarantees the following credit facilities:

2024 In millions	Maturity	Coupon rate	Currency	Nominal amount in currency	Drawn amount in CHF
Main bank credit facilities					
Committed revolving credit facility	28.10.2029		EUR	2,400	796
Subtotal					**796**
Senior notes					
Senior notes	15.04.2026	3.63%	CHF	300	300
Senior notes	15.02.2027	2.00%	EUR	750	704
Senior notes	15.04.2028	3.38%	EUR	725	681
Senior notes	18.04.2031	4.75%	EUR	500	470
Convertible notes	30.03.2026	0.75%	CHF	500	500
Subtotal					**2,655**
Guarantee facility					
Uncommitted guarantee facility	n/a		EUR	190	179
Subtotal					**179**
At December 31, 2024					**3,630**

2023 In millions	Maturity	Coupon rate	Currency	Nominal amount in currency	Drawn amount in CHF
Main bank credit facilities					
Committed revolving credit facility	20.12.2027		EUR	2,750	358
Subtotal					**358**
Senior notes					
Senior notes	15.04.2028	3.38%	EUR	725	673
Senior notes	15.04.2026	3.63%	CHF	300	300
Senior notes	15.10.2024	2.50%	EUR	800	743
Senior notes	15.02.2027	2.00%	EUR	750	697
Convertible notes	30.03.2026	0.75%	CHF	500	500
Subtotal					**2,913**
Guarantee facility					
Uncommitted guarantee facility	n/a		EUR	49	46
Subtotal					**46**
At December 31, 2023					**3,316**

There were no assets pledged as of December 31, 2024 and 2023.

9. Participations of the members of the Board of Directors and the Global Executive Committee in Avolta AG

The following members of the Board of Directors or of the Global Executive Committee of Avolta AG (including related parties) held directly or indirectly shares of the Company at December 31, 2024 and December 31, 2023 (members not listed do not hold any shares or options):

			31.12.2024			31.12.2023
In thousands	Shares	Outstanding unvested PSU[1]	Participation	Shares	Outstanding unvested PSU[1]	Participation
Members of board of directors						
J.C. Torres Carretero, Chairman	637.1	–	0.43%	637.1	–	0.42%
H. Jo Min, Lead Independent Director	–	–	0.00%	0.7	–	0.00%
L. Tyler-Cagni, Director	–	–	0.00%	3.6	–	0.00%
Total Board of Directors	**637.1**	**–**	**0.43%**	**641.4**	**–**	**0.42%**
Members of global executive committee						
X. Rossinyol, CEO	131.8	317.3	0.31%	81.8	208.5	0.19%
Y. Gerster, CFO	40.5	78.1	0.08%	8.7	70.3	0.05%
F. Cheung, President & CEO Asia Pacific	5.0	26.7	0.02%	–	16.6	0.01%
S. Johnson, President & CEO North America	–	57.3	0.04%	–	26.4	0.02%
L. Marin, President & CEO Europe, Middle East and Africa	37.6	75.5	0.08%	10.8	68.8	0.05%
E. Urioste, President & CEO Latin America	–	26.7	0.02%	–	16.0	0.01%
P. Duclos, Group General Counsel	–	84.7	0.06%	–	74.7	0.05%
C. Rossotto, Chief Public Affairs & ESG Officer	–	37.7	0.03%	–	16.9	0.01%
V. Talwar, Chief Commercial & Digital Officer	–	52.2	0.04%	–	23.4	0.02%
K. Volery, Chief People & Culture Officer	–	25.9	0.02%	–	14.4	0.01%
Total Global Executive Committee	**214.9**	**781.9**	**0.68%**	**101.3**	**535.9**	**0.42%**

[1] Outstanding unvested Performance Share Units (PSU) at target level.

None of the members of the Board of Directors or Global Executive Committee held any options.

10. Material indirect subsidiaries

The table below lists the material subsidiaries of the Avolta Group, including all entities which contribute more than 0.3 % of turnover and/or 0.3 % of total assets.

H = Holding/Finance O = Operating D = Distribution Center

As of December 31, 2024	Location	Country	Type	Ownership (in %)	Share capital (in thousands)	Currency
Europe, Middle East and Africa (EMEA)						
ADF Shops CJSC	Yerevan	Armenia	O	100	553,825	AMD
AC Restaurants & Hotels Beheer N.V.	Antwerp	Belgium	O	100	3,250	EUR
Autogrill België N.V.	Antwerp	Belgium	O	100	8,756	EUR
Dufry Sofia OOD	Sofia	Bulgaria	O	80	2,500	BGN
Autogrill Coté France S.a.S.	Marseille	France	O	100	11,293	EUR
Autogrill Deutschland GmbH	Munich	Germany	O	100	205	EUR
Le Crobag GmbH & Co KG	Hamburg	Germany	O	100	905	EUR
Hellenic Duty Free Shops S.A.	Athens	Greece	O	100	397,535	EUR
Autogrill Italia S.p.A.	Novara	Italy	O	100	68,688	EUR
Dufrital S.p.A.	Milan	Italy	O	60	466	EUR
Nuova Sidap S.r.l.	Novara	Italy	O	100	200	EUR
World Duty Free S.p.A.	Novara	Italy	H	100	63,720	EUR
Aldeasa Jordan Airports Duty Free Shops Ltd.	Amman	Jordan	O	100	500	JOD
WDFG SA, Kuwait Branch	Kuwait City	Kuwait	O	100	2,383	KWD
Dufry Maroc Sarl	Casablanca	Morocco	O	80	2,500	MAD
HMSHost Nederland B.V.	Amsterdam	Netherlands	O	100	0	EUR
Horeca Exploitatie Maatshappij Schiphol, B.V. (HEMS)	Amsterdam	Netherlands	O	100	45	EUR
Regstaer-M LLC	Moscow	Russian Fed.	O	60	10,010	RUB
Dufry d.o.o. Beograd	Belgrade	Serbia	O	100	6,603	EUR
Sociedad de Distribucion Comercial Aeroportuaria de Canarias S.L.	Telde	Spain	O	60	717	EUR
World Duty Free Group S.A.U.	Madrid	Spain	O	100	19,831	EUR
The Nuance Group (Sverige) AB	Stockholm	Sweden	O	100	100	SEK
Autogrill Schweiz AG	Olten	Switzerland	O	100	23,183	CHF
The Nuance Group AG	Zurich	Switzerland	O	100	82,100	CHF
Urart Gumrukzus Magaza Isletmeciligi Ve Ticaret A.S.	Antalya	Turkey	O	100	1,728	TRY
HMSHost UK Ltd.	London	United Kingdom	O	100	217	GBP
WDFG Ferries Ltd.	London	United Kingdom	O	100	50	GBP
WDFG UK Ltd.	London	United Kingdom	O	100	360	GBP
Dufry Sharjah FZC	Sharjah	Utd.Arab Emir.	O	50	150	AED
Asia Pacific						
Anway Ltd.	Hong Kong	China	O	100	886,391	HKD
The Nuance Group (HK) Ltd.	Hong Kong	China	O	100	–	HKD
Autogrill VFS F&B Company Ltd. (Vietnam)	Ho Chi Minh City	Vietnam	O	70	104,462,000	VND

As of December 31, 2024	Location	Country	Type	Ownership in %	Share capital in thousands	Currency
North America						
Host International of Canada, Ltd.	Vancouver	Canada	O	100	1,351	CAD
The Nuance Group (Canada) Inc.	Toronto	Canada	O	100	–	CAD
WDFG Vancouver LP	Vancouver	Canada	O	100	–	CAD
Airport Management Services, LLC	Delaware	USA	H/O	100	–	USD
HG BOS Duty-Free JV	Boston	USA	O	80	–	USD
HG Logan Retailers JV	Boston	USA	O	80	–	USD
HMSHost Corporation	Delaware	USA	H	100	–	USD
Host International, Inc.	Delaware	USA	H/O	100	–	USD
HSI Honolulu Joint Venture Company	Honolulu	USA	O	90	–	USD
HSI MCA FLL FB, LLC	Delaware	USA	O	76	–	USD
Hudson Group (HG) Retail, LLC	Delaware	USA	H/O	100	–	USD
Hudson Group (HG), Inc.	Delaware	USA	H	100	–	USD
Hudson Las Vegas JV	Las Vegas	USA	O	73	–	USD
Hudson News O'Hare Joint Venture	Chicago	USA	O	70	–	USD
JFK Air Ventures II JV	New York	USA	O	80	–	USD
Seattle Air Ventures-JV	Olympia	USA	O	75	–	USD
Stellar Partners, Inc.	Tampa	USA	O	100	1,264	USD
WDFG North America LLC	Delaware	USA	H/O	100	–	USD
Latin America						
Interbaires S.A.	Buenos Aires	Argentina	O	100	258,919	ARS
Dufry do Brasil Duty Free Shop Ltda.	Rio de Janeiro	Brazil	O	100	1,345,390	BRL
Dufry Lojas Francas Ltda.	Sao Paulo	Brazil	O	100	830,213	BRL
Aldeasa Chile Ltda.	Santiago de Chile	Chile	O	100	2,517	USD
Inversiones Tunc SRL	Santo Domingo	Dominican Rep.	O	100	200	DOP
Dufry Mexico SA de CV	Mexico City	Mexico	O	100	1,289,975	MXN
Alliance Duty Free LLC	San Juan	Puerto Rico	O	100	2,213	USD
Dufry Cruise Services, LLC	Miami	USA	O	100	–	USD
Global Distribution Centers						
International Operations & Services Company (HK) Ltd.	Hong Kong	China	D	100	109,000	HKD
Dufry International AG	Basel	Switzerland	H/D	100	1,000	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 BV	Eindhoven	Netherlands	H	100	–	EUR
Dufry One BV	Eindhoven	Netherlands	H	100	–	EUR

11. Events after reporting date

Avolta AG launched its previously announced public share buyback program of up to CHF 200 million on January 27, 2025. This strategic initiative aims to enhance shareholder value in line with Avolta's Destination 2027 strategy.

Proposed appropriation of retained earnings and capital distribution

The Board of Directors proposes, subject to the approval of the General Assembly, to carry forward the loss for the year of CHF 37 million as cumulative negative retained earnings, and to distribute CHF 1.00 per share which will amount to a total distribution of approximately CHF 147 million. The Board of Directors proposes to distribute the amount from the reserve from capital contribution.

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To the General Meeting of
Avolta AG, Basel

Basel, March 11, 2025

Report on the Audit of the Financial Statements

Opinion
We have audited the financial statements of Avolta AG (the Company), which comprise the statement of financial position as at December 31, 2024, 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 253 to 263, 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 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.

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
The standalone financial statements of Avolta AG presents investments in Avolta Group companies as described in Notes 2.2 and 3.

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 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.

Given the high level of judgment and complexity of the estimations, combined with the significance of the amounts to the financial statements as a whole, we assessed management's estimates made in relation to the valuation of investments in subsidiaries to be a key audit matter.

How the scope of our audit responded to the Key Audit Matter
We obtained an understanding of management's process and control of the identification of impairment indicators, the review of key assumptions used in the impairment testing process and the review of the impairment models.

We independently evaluated whether there are any impairment indicators for the investment in subsidiaries. For investments for which there were impairment indicators identified, we involved valuation specialists to assess the appropriateness of the mathematical integrity and valuation methodology used in the impairment tests. We performed procedures for key inputs and assumptions used in impairment tests of the investments in the Avolta Group companies.

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 against the Group's assumptions and used external industry information to evaluate supporting or contradictory information in relation to management assumptions.

Deloitte.

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 completeness and accuracy of the related disclosures to the financial statements on investments in subsidiaries.

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 standalone financial statements, the remuneration 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. This description forms an integral part of our report.

Report on Other Legal and Regulatory Requirements
In accordance with Art. 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 the financial statements according to the instructions of the Board of Directors.

Based on our audit in accordance with Art. 728a para. 1 item 2 CO, we confirm that the proposals of the Board of Directors comply 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
Licensed audit expert
Auditor in charge

Fabian Hell
Licensed audit expert

Avolta's Alternative Performance Measures

Avolta believes that disclosing adjusted results of the Group's performance enhances the financial markets' understanding of the Group because the adjusted results enable better comparison across years. These CORE figures exclude exceptional acquisition respective disposal related expenses and income, and also exclude impairments and amortization of acquisition-related intangible assets, which can differ significantly from year to year.

Avolta's profit or loss statement in accordance with IFRS is materially impacted by IFRS 16 lease accounting. 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, Avolta considers all of its concession fees and corresponding payments as CORE to its business, in contrast to IFRS 16, which treats fixed payments as a financing activity. In addition, Avolta believe that the straight-line depreciation of right-of-use assets does not reflect the economic reality of its business and the operational performance of the Group. Avolta uses these adjusted results in addition to IFRS as important factors in internally assessing the Group's performance.

In addition, Avolta, in continuance with Autogrill's previous practice, reclasses net sales and respective cost of sales in relation to fuel sales to other income.

Organic growth

In millions of CHF	2024	2023
Like-for-like	6.4%	23.2%
Net new concessions	(0.1%)	1.9%
Organic growth	**6.3%**	**25.1%**

Organic growth describes the turnover growth of the Company in CHF excluding turnover from acquisition and disinvestments to allow for annual comparison of Avolta 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	2024	2023
Net sales	13,241	12,329
Advertising income	232	206
Turnover	**13,473**	**12,535**
Cost of sales	(4,690)	(4,477)
Gross profit	**8,783**	**8,058**
Concession expenses	(3,409)	(3,179)
Personnel expenses	(2,749)	(2,539)
Other expenses	(1,474)	(1,418)
Other income	116	208
CORE EBITDA	**1,267**	**1,130**
Depreciation, amortization and impairment	(368)	(312)
CORE EBIT	**899**	**818**
Financial result	(187)	(202)
CORE Profit before tax	**712**	**616**
Income tax	(162)	(159)
CORE Net profit	**550**	**457**
Attributable to		
Non-controlling interests	164	149
Equity holders of the parent	386	308
Earnings per share attributable to equity holders of the parent		
Basic earnings per share in CHF	2.62	2.26
Diluted earnings per share in CHF	2.57	2.21

Avolta's CORE profit or loss statement 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, the foreign exchange impact on our lease obligations and the financing component of IFRS 16 is removed. 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 Avolta's lenders to calculate covenants under the bank financing agreements.

Profit or loss reconciliation IFRS/CORE

2024 In millions of CHF	IFRS	Acquisition related adjustments	Lease adjustments	Fuel sales adjustments[1]	CORE
Net sales[1]	13,493	–	–	(252)	13,241
Advertising income	232	–	–	–	232
Turnover	**13,725**	**–**	**–**	**(252)**	**13,473**
Cost of sales	(4,924)	–	–	234	(4,690)
Gross profit	**8,801**	**–**	**–**	**(18)**	**8,783**
Lease expenses (IFRS) / Concession expenses (CORE)	(1,951)	–	(1,458)	–	(3,409)
Personnel expenses	(2,749)	–	–	–	(2,749)
Other expenses[2]	(1,416)	–	(58)	–	(1,474)
Other income	98	–	–	18	116
Operating profit before D&A (IFRS) / CORE EBITDA	**2,783**	**–**	**(1,516)**	**–**	**1,267**
Depreciation & impairment of PP&E	(306)	–	–	–	(306)
Amortization & impairment of intangibles[3]	(364)	248	54	–	(62)
Depreciation & impairment right-of-use assets	(1,179)	–	1,179	–	–
Operating profit (IFRS) / CORE EBIT	**934**	**248**	**(283)**	**–**	**899**
Financial result[4]	(587)	–	400	–	(187)
Profit before tax (IFRS) / CORE EBT	**347**	**248**	**117**	**–**	**712**
Income tax expenses[5]	(87)	(74)	(1)	–	(162)
Net profit (IFRS) / CORE Net profit	**260**	**174**	**116**	**–**	**550**
Attributable to					
Non-controlling interests	157	(2)	9	–	164
Equity holders of the parent	**103**	**176**	**107**	**–**	**386**
Earnings per share attributable to equity holders of the parent					
Basic earnings per share in CHF	0.70				2.62
Diluted earnings per share in CHF	0.68				2.57

1 Net sales (CORE) and cost of sales (CORE) differ from the IFRS amounts because they exclude fuel sales and fuel cost of sales. The net amount is classified as other income (CORE) in accordance with management's protocol for the analysis of Group figures.

2 CHF 58 million non-shop leases included in other expenses (CORE).

3 CHF 248 million amortization of acquisition related concession rights.

4 CHF 400 million lease interest expenses and IFRS 16 related foreign exchange effect.

5 CHF 74 million deferred taxes on acquisition related concession rights.

2023 In millions of CHF	IFRS	Acquisition related adjustments	Lease adjustments	Fuel sales adjustments[1]	CORE
Net sales	12,584	–	–	(255)	12,329
Advertising income	206	–	–	–	206
Turnover	**12,790**	**–**	**–**	**(255)**	**12,535**
Cost of sales	(4,716)	–	–	239	(4,477)
Gross profit	**8,074**	**–**	**–**	**(16)**	**8,058**
Lease expenses (IFRS)/Concession expenses (CORE)	(1,876)	–	(1,303)	–	(3,179)
Personnel expenses	(2,539)	–	–	–	(2,539)
Other expenses[2,3]	(1,376)	19	(61)	–	(1,418)
Other income	192	–		16	208
Operating profit before D&A (IFRS)/CORE EBITDA	**2,475**	**19**	**(1,364)**	**–**	**1,130**
Depreciation & impairment of PP&E	(277)	–	–	–	(277)
Amortization & impairment of intangibles[4]	(243)	208	–	–	(35)
Depreciation & impairment right-of-use assets	(1,090)	–	1,089	–	–
Operating profit (IFRS)/CORE EBIT	**865**	**227**	**(275)**	**–**	**818**
Financial result[5,6]	(567)	16	349	–	(202)
Profit before taxes (IFRS)/CORE EBT	**298**	**243**	**74**	**–**	**616**
Income tax[7]	(82)	(53)	(24)	–	(159)
Net profit/CORE Net profit	**216**	**190**	**50**	**–**	**457**

Attributable to

Non-controlling interests	129	11	9	–	149
Equity holders of the parent	**87**	**179**	**41**	**–**	**308**

Earnings per share attributable to equity holders of the parent

Basic earnings per share in CHF	0.64				2.26
Diluted earnings per share in CHF	0.63				2.21

1 Net sales (CORE) and cost of sales (CORE) differ from the IFRS amounts because they exclude fuel sales and fuel cost of sales. The net amount is classified as other income (CORE) in accordance with management's protocol for the analysis of Group figures.

2 Other expenses (CORE) exclude CHF 19 million financial related transaction cost directly linked to the closing of the combination with Autogrill.

3 CHF 58 million non-shop leases included in other expenses (CORE).

4 CHF 208 million amortization and impairment of acquisition related concession rights.

5 Financial results (CORE) exclude CHF 16 million in connection with a Bridge financing, directly linked to the closing of the combination with Autogrill.

6 CHF 349 million lease interest expenses and IFRS 16 related foreign exchange effect.

7 CHF 53 million deferred taxes on acquisition related concession rights and CHF 24 million deferred taxes related to IFRS 16.

CORE cash flow

In millions of CHF	2024	2023
CORE EBITDA	**1,267**	**1,130**
Other non-cash items and changes in lease obligation	91	81
Changes in net working capital	(84)	(44)
Capital expenditures	(473)	(433)
Cash flow related to minorities	(124)	(103)
Dividends from associates	1	2
Income taxes paid	(120)	(129)
Cash flow before financing	**558**	**504**
Interest, net	(135)	(160)
Other financing items	2	(21)
Equity free cash flow	**425**	**323**
Dividend to Group shareholders	(104)	–
Purchase of treasury shares[1]	(202)	(33)
Foreign exchange adjustments and other	(86)	(175)
Decrease / (Increase) in financial net debt	**33**	**115**
– at the beginning of the period	2,696	2,811
– at the end of the period	2,663	2,696

[1] Gross consideration.

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 Avolta'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.

Cash flow reconciliation from operating activities (IFRS) to EFCF

In millions of CHF	2024	2023
Net cash flow from operating activities	**2,605**	**2,359**
Cash flow consideration used in investing activities		
Purchase of property, plant and equipment	(434)	(404)
Purchase of intangible assets	(49)	(37)
Proceeds from lease income	29	23
Loans receivable repaid / (granted)	1	(36)
Proceeds from sale of property, plant and equipment	10	9
Proceeds from sale of financial assets, net	4	(1)
Interest received	91	62
Cash flow consideration from financing activities		
Lease payments	(1,484)	(1,362)
Interest paid	(226)	(222)
Contribution from non-controlling interests	19	31
Dividends paid to non-controlling interests	(143)	(134)
Add back of acquisition related transaction costs		
Finance related transaction costs (Bridge financing)	–	16
Other transaction costs	2	19
Equity free cash flow (EFCF)	**425**	**323**

Financial net debt

In millions of CHF	31.12.2024	31.12.2023
Borrowings (current and non-current)	3,389	3,340
Financial derivatives liability - Borrowings	38	80
Less financial derivatives assets - Borrowings	(8)	(9)
Less cash and cash equivalents	(756)	(715)
Financial net debt	**2,663**	**2,696**

Avolta's financial net debt is not considering IFRS 16 related lease obligations.

Trade net working capital

In millions of CHF	31.12.2024	31.12.2023
Inventories	1,276	1,062
Trade and credit card receivables	56	41
Less trade payables	(824)	(873)
Trade net working capital	**508**	**230**

Working capital management relates to all trade-related items, which is one of the main focus areas. For better transparency, Avolta 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	2024	2023
Purchase of property, plant and equipment	(434)	(404)
Purchase of intangible assets	(49)	(37)
Proceeds from sale of property, plant and equipment	10	9
Capex	**(473)**	**(432)**

Capex includes purchase of property, plant, equipment, intangible assets, other investing activities and proceeds from sale of property, plant, equipment on a cash basis. Any purchases or proceeds related to financial assets are not included within the definition as not considered core to Avolta's business operations and as those activities might differ over time.

The financial reports are available under:
www.avoltaworld.com/en/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 2025, please refer to pages 329/330 of this Annual Report.