

CEO's Statement



**Xavier
Rossinyol**
Chief Executive
Officer

Dear all,

I am delighted to be reporting to you for the first time under our new company name, Avolta, and I am proud to share the remarkable achievements that our united team has accomplished together. 2023 was an extraordinary year. Together we successfully executed the Dufry-Autogrill business combination, realizing the early delivery of substantial synergies, and made strong improvements to our financial KPIs.

Our transformation to Avolta is a milestone in our Destination 2027 strategy, and marks the emergence of a new and united company, now a tangible reality standing as a distinctive counterpart for our business partners and a new home for all our team members around the world. We describe Avolta as being more than the sum of its parts and we see this illustrated in our daily interactions with customers, suppliers, concession partners and, particularly, when we participate in concession tenders. We are unique in our set up, we are more diversified and resilient, and our point of differentiation is appealing to the market.

A full overview of our new name, Avolta, including our identity and our values, which foster our One Company spirit, can be found in the dedicated poster at the beginning of this annual report.

For a glossary of financial terms and Alternative Performance Measures please see page 271 of this Annual Report.

2023 was an extraordinary year, in which we successfully delivered the business combination of Dufry and Autogrill.

Key focus on delivery

Following the successful completion of the Dufry-Autogrill business combination, the official name change of our company in November 2023 cued the emergence of Avolta as a fully unified company. Aligned with our traveler-centric Destination 2027 strategy, where we seek to make travelers happier by creating a holistic travel experience revolution, we are now operating as One Team and One Company, harnessing our collective expertise across travel retail and F&B, and paving the way to deliver innovative value propositions.

Introducing smart-stores and incorporating advanced digital technology with live-data-collection will enhance our intelligence thus further optimizing efficiency and profitability of commercial areas, whilst also contributing to expand online engagement with existing and potential customers. Newly designed retail and F&B concepts with a strong sense of place, flexible and changing assortments, including on-site entertainment, activations and digital gamification will provide cus-

tomers with holistic and engaging experiences. The power of the newly combined entity multiplies the potential for innovation and yields benefits for travelers, concession partners and brand suppliers alike, granting access to hybrid offerings and expanded service opportunities.

We are already leading the transformation of travel experiences around the world. Notably, at Stockholm's Arlanda Airport (Sweden), our new Store of the Future, combines the value-rich store-in-store retail concepts with a hybrid twist. Similarly, at Milan's Malpensa Airport where we unveiled our Hudson Café with Baci, mixing travel retail with a sophisticated menu, both of these examples opened during the second half of 2023.

Delivering on our way to Destination 2027 – Full customer centricity, digital engagement and travel experience revolution.

Reporting on such a momentous year, it is only fitting that I extend my gratitude to the Avolta Board of Directors and Management Team for their unwavering support throughout the successful completion of the business combination and the establishment of

Avolta is now operating as One Team, One Company, harnessing its collective expertise across travel retail and F&B.

our new unified entity. Sharing a common vision on our journey to implementing Avolta's Destination 2027 strategy is of paramount significance, and your dedication and collaboration are invaluable assets in achieving our goals.

Avolta – Growing more diversified and resilient than ever.

Operationally, the 2023 business year was characterized by consistent growth in demand across all regions, whether they were further along in their recovery or just beginning to re-open and experience the acceleration of regional and international travel. Both leisure and business travelers confirmed their commitment to travel and to spend, demonstrating remarkable resilience in the face of ongoing disruptions and uncertainties stemming from geopolitical and macroeconomic factors. Throughout this period, the Avolta team remained dedicated to executing with excellence and prudent cost management.

Further improvements to all major KPIs

Driven by these favorable trends and boosted by positive momentum across all its regions, Avolta's 2023 Consolidated Turnover reached CHF 12,789.5 million (2022 proforma: CHF 10,804.8 million), while CORE Turnover (excluding fuel net sales) amounted to CHF 12,534.6 million. This translates into a CORE Organic Growth of 21.6% for the combined company against FY 2022 (proforma). New concessions (net) contributed positively with 1.4% on a proforma basis, while translational currency effects on Turnover were -5.6%, primarily due to fluctuations in USD, EUR and GBP. CORE EBITDA also saw significant growth, reaching CHF 1,129.6 million (2022 proforma: CHF 941.4 million) resulting in a margin of 9.0%.

This impressive outcome was driven by our commercial performance, increased productivity and the timely implementation of synergies. In 2023, we achieved CHF 30 million of our total synergies target of CHF 85 million, with the remainder set to be realized in 2024, a full year earlier than we expected at the time of announcing the Dufry-Autogrill combination.

Our Equity Free Cash Flow (EFCF) was also well above projections and stood at CHF 323.0 million, as compared to CHF 305.2 million (Dufry reported FY 2022). This remarkable acceleration highlights the company's strong cash flow generation capability and effective cost control.

Relevant KPIs deliver further improvement.

We continued to reduce our Net Debt, which stood at CHF 2,696.1 million, down from CHF 2,810.7 million in 2022, meeting covenants ahead of schedule and providing comfortable headroom. As of December 31, 2023, Avolta's available liquidity amounted to CHF 2,637.9 million compared to CHF 2,343.0 million at the end of 2022 (Dufry standalone balance sheet). In the first half of 2023, Avolta used the RCF's «Accordion» feature to enhance flexibility and onboard some of Autogrill's lending banks alongside Dufry's existing providers. In this way, Avolta increased the facility by an overall CHF 648.9 million (EUR 665 million) by the end of December 2023. The same terms and conditions as the initial RCF amount applied. Our focus on deleveraging continues, as we target a leverage of 1.5-2.0x net debt / CORE EBITDA. In the event of relevant business developments or small bolt-on M&A projects, we allow a maximum of 2.5x, with the intention of promptly returning to target as we progress towards our strategic goals.

Further enhancing our geographical diversification, Avolta achieved particular success this year in strengthening our footprint around the world with important contract extensions and new wins. Extensions played a key role here, with the significant renewal of the vast majority of Avolta's Spanish airport operation contracts for twelve years – a highlight. Including 21 airports with 120 outlets covering around 60,000 m² of retail space, this contract represents the service of approximately 132 million travelers annually (base 2019). The awarded commercial space, both retail and F&B, represent a 30% increase compared to the previous setup as well as a considerable expansion of sales categories. Also worth mentioning include the renewed seven-year concession contract at Belgrade to operate a total of eight duty-free shops; the seven-year extension in Kuala Lumpur International Airport (Malaysia) for F&B, and the fifteen-year extension at Harry Reid International Airport (Las Vegas, USA).

Delivering on the partnership with our concession partners – Success in contract extensions and footprint expansion.

When we look at the new contracts won, of particular interest is our strategic joint venture with Hubei Airport Group to oversee the operations of Wuhan Tianhe Airport's Terminal 2 as master concessionaire for retail, F&B, convenience and hybrid concepts, managing a total of 77 outlets. Our scale in the APAC region, particularly in the People's Republic of China, also saw Avolta entering into a new five-year contract at Chongqing Jiangbei International Airport for four duty-paid stores. In North America, we were awarded a long-term duty-free contract for Boston Logan International Airport, alongside an extension

for our duty-paid business. We also won long-term contracts for both retail and F&B areas at Oakland International Airport, and signed a new fifteen-year duty-paid contract at Fresno Yosemite International Airport (all located in the USA). In Latin America, Avolta signed a ten-year contract at Vitória Airport (Brazil) as well as a twenty-year contract to operate a duty-free store at the international bridge «General San Martín», the primary crossing point between Argentina and Uruguay. In the EMEA region, we achieved success by winning new retail and F&B concessions at several airports including Helsinki Airport (Finland), and Hamad International Airport in Doha (Qatar) in joint venture with Qatar Airways. Representing a selection of our developed partnerships, these examples underscore our commitment to growth and excellence across our regions, and position Avolta as a global leader in the airport concessions industry.

Planet, People and Communities – ESG Strategy fully integrated.

A cornerstone in our long-term strategy, we remain committed to enhancing our sustainability engagement as part of our ESG (Environmental, Social

and Governance) activities. In 2023, we took significant strides forward through the formulation of an updated, integrated ESG strategy for the combined entity. We have redefined the scope of our materiality matrix and adapted our four focus areas – Create Sustainable Travel Experiences, Respect Our Planet, Empower Our People and Engage Local Communities – to encompass our extended stakeholder community.

While defining the groundwork for our ongoing ESG journey, we remained committed to building on existing initiatives and broadening our activities to include the newly integrated F&B business. In this context, we made significant advancements, including the revision of the Avolta Code of Conduct and the expansion of the Diversity, Equity and Inclusion (DE&I) training programs for our team members. To ensure comprehensive coverage of our ESG efforts, we have extended the scope of our TCFD Report (Task Force on Climate-related Financial Disclosures) to cover the entirety of Avolta. We have also formulated a joint Community Engagement Strategy, designed to enhance our support for the local communities in which we operate. Finally, we updated our Avolta Supplier Code of Conduct to the new company reality and launched a recertification process that now covers 49% of our global

purchasing volume. For a detailed and comprehensive overview of our ESG strategy, engagement, and the progress we have achieved in 2023 please refer to our ESG Report on pages 97 – 148.

Encouraging outlook continues

The 2023 business year closed with a buoyant travel momentum and resilient customer demand. While we acknowledge the persistent geopolitical and macro-economic challenges, we remain optimistic on the overall outlook for our business. Key indicators underpinning these assumptions include the robust willingness of travelers to explore and make purchases through our channels, with spending levels consistently exceeding pre-pandemic levels. As a company, Avolta plays a significant role in contributing to this positive outlook. Our resolute and well-defined traveler-centric strategy is finely tuned to the current and evolving needs of the travelers, with our solid financial position further reinforcing our ability to navigate challenges and capitalize on opportunities.

TEAM MEMBERS: THANK YOU FOR DRIVING OUR SUCCESS

The shared and united spirit among our team members is a joy to observe, and I am deeply grateful to be a part of this. The sense of unity has been clearly demonstrated across our in-

Avolta is well equipped to redefine Travel Experience globally through its customer centric strategy and solid financial position.

ternal celebrations as we marked our transition to Avolta. To our dedicated colleagues: thank you all for your commitment and for the tireless efforts you have contributed to our company. Your perseverance, especially during this demanding period of simultaneous sales growth and business integration, more than earns the sincere respect and gratitude from the Global Executive Committee and myself. Your extraordinary motivation reflects a remarkable level of dedication that inspires us all.

To our external business partners: thank you for each contributing in your unique ways to support Avolta. Our collaboration with concession partners, brand suppliers and the financial community remains a steadfast and essential component of our continued success. On behalf of the Global Executive Committee and myself, we look forward to continuing this shared journey of partnership with you all.

On a more personal note, I extend my gratitude to our Chairman, Juan Carlos Torres, and the esteemed members of the Board of Directors for their trust and support in shaping Avolta's evolution.

Thanks to all key shareholders, particularly to Alessandro Benetton with Edizione and our long-term strategic investors

Finally, and with meaning, I thank our shareholders and bondholders for their enduring support, trust and contributions in propelling Avolta's mission to revolutionize the travel experience. Your partnership is invaluable as we continue to innovate and inspire this ever-evolving landscape.

Our first year together as One Company has been a success, now onwards to Destination 2027.

Journey on,

A handwritten signature in black ink, appearing to be 'X. Rossinyol', written over a horizontal line.

Xavier Rossinyol