Avolta

Financial Report 2023

Excellent progress on our Destination 2027 ambitions

Yves Gerster
Chief Financial Officer

Dear all,

As we look back on 2023, we can be proud of our many achievements. The most notable highlights are perhaps the closure of the two-staged EUR 2.4 billion Autogrill transaction in July 2023 and the earlier-than-anticipated integration of the businesses, standing 2023 as a historical and transformational year for Avolta. In total, our full year CORE turnover reached CHF 12,534.6 million, representing organic growth of 21.6 % proforma versus the previous year.

Despite a business environment further impacted by inflation, interest rate challenges and geopolitical concerns, demand for travel and the travel experience was strong and with demand through to the end of the year remaining strong we are confident that this momentum is sustainable over the foreseeable future. Our reinforced geographical diversification (73 countries, over 1,000 locations, over 5,100 stores and restaurants) has further enhanced our resilient and defensive qualities, underpinning our «Destination 2027» financial ambitions of medium-term profitable and cash generative growth.

In this regard, Avolta delivered a solid 2023 profit performance with CORE EBITDA of CHF 1,129.6 million, representing a margin of 9.0 %, + 30 basis points (bps) proforma. 2023 Equity Free Cash Flow (EFCF) reached CHF 323.0 million, an 28.6 % conversion of CORE EBITDA, positioning us firmly on the pathway towards our «Destination 2027» goal of EFCF conversion superior to 30 %.

Profitable and cash generative growth.

All of the aforementioned metrics performed well 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 the lower-than-forecasted integration costs[1] and, in part, to the earlier-than-anticipated synergy realization.

In October last year, we communicated our «Destination 2027» vision as regards our medium-term capital allocation. Specifically, of our annual EFCF, we have committed to returning one third to shareholders by way of a dividend. For 2023, we will propose at the Annual General Meeting of Shareholders (AGM) on 15 May 2024, a dividend of CHF 0.70 per share equating to a total payout of CHF 106.8 million from our EFCF of CHF 323.0 million. For the remaining two thirds of annual EFCF, our priority is to deleverage the balance sheet while retaining a degree of flexibility to invest in relevant business development and small bolt-on acquisitions in order to reinforce the longer-term competitive advantage of the business. In total, we have a medium-term leverage target of 1.5-2.0x net debt/CORE EBITDA with flexibility up to 2.5x if needed after investment in growth. Our December 31, 2023 net debt amounted to CHF 2,696.1 million, the lowest level since 2015, and representing a net debt to CORE EBITDA leverage ratio of 2.6x, well below the covenants ceiling 4.5x, in part thanks to the combination with Autogrill. As at December 31, 2023 we had CHF 715 million cash on the balance sheet and additional liquidity of CHF 1,923 million resulting from undrawn credit facilities.

Avolta has a history of addressing debt financing well ahead of maturity by aligning products and timing to the respective market environment to achieve the best possible financing. At present, while Avolta has access to a range of products and strives to balance financing security, maturity profile and cost aspects and while current available liquidity of CHF 2,637.9 million, thereof CHF 715 million available cash and cash equivalents, we are mindful of the 2.5 % coupon on our October 2024 EUR 800 million maturity.

Ample liquidity.

At an attractive weighted average rate of 3.8 %, our current debt profile con-

[1] CHF 50 million vs. our initial expectation of CHF 100 million, of which CHF 25 million was expensed in 2023 with the remainder to be expensed in 2024.

Avolta delivered a solid 2023 profit performance.

sists of 81% fixed rate debt and 19% on floating rates. Our ratings in 2023 improved with upgrades by both S&P from B+ to BB Outlook Stable and Moody's from B1 to Ba3 Credit Watch Outlook Positive.

During 2023, we have continued the close relationship and ongoing interaction with our shareholders, investors, bondholders, equity and debt analysts as well as banks and rating agencies in more than 1,190 interactions, thereof 9 roadshows, 12 conferences, 564 meetings and 626 conference calls and emails.

Resilient growth.

Our long-term strategy to revolutionize the travel retail experience coupled with the combination with Autogrill has impacted the financial profile of Avolta. With 37% of revenues generated in Duty-Free, 31% Duty-Paid and 32% F&B in 2023, and a presence in 73 markets, across over 1,000 locations and more than 5,100 outlets, we are significantly more resilient and defensive than ever before while our balance sheet has also been significantly reinforced.

The combination with Autogrill and expansion into travel F&B has changed our P&L and cash flow. While Autogrill delivered similar net returns to the combined entity, we now have structurally higher gross profit margins and a lower concession fee (with longer contract durations) ratio. On the other hand, personnel and other expenses as well as CAPEX requirements will be higher due to the different profile of the F&B business. In October 2023, we have published proforma combined financial statements for 2019 and 2022 which allow comparison to our 2023 consolidated financial statements. The historical pro forma numbers are available on our webpage.

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

We have reinforced our ongoing ESG commitment by fully integrating the ESG strategies and sets of initiatives of the former entities into a new combined ESG Strategy House, which has resulted in greater transparency of our group wide ESG direction. In particular, we have implemented the double materiality approach in our new Materiality Matrix, developed through a collaborative process with various stakeholder groups. We have also evolved our TCFD Report not only by considering the scope of the new joint entity, but also by providing three severity scenarios for our climate-related risks and opportunities. Last but not least, and a topic close to my heart, we have finalized Avolta's Community Engagement strategy creating the base for a joint and focused implementation of initiatives in the communities where we operate.

Diligent cost and cash flow management.

For 2024, while macroeconomic and geopolitical developments remain uncertain, we look forward to the year with confidence, underpinned by recent demand momentum across the travel-related sectors, the positive outlook for global passenger trends

The business combination has positively impacted the financial profile of Avolta. We are now more resilient than ever.

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, 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 CHF	CORE 2023	In %	CORE 2022	In %	IFRS 2023	IFRS 2022
Turnover	**12,534.6**	**100.0%**	**6,878.4**	**100.0%**	**12,789.5**	**6,878.4**
Cost of sales	(4,477.0)	(35.7%)	(2,684.6)	(39.0%)	(4,716.0)	(2,684.6)
Gross profit	**8,057.6**	**64.3%**	**4,193.8**	**61.0%**	**8,073.5**	**4,193.8**
Concession expenses (CORE)/Leases expenses (IFRS)	(3,178.7)	(25.4%)	(2,029.9)	(29.5%)	(1,875.5)	(1,081.9)
Personnel expenses	(2,539.3)	(20.3%)	(997.9)	(14.5%)	(2,539.3)	(997.9)
Other expenses (CORE)/(IFRS)	(1,417.7)	(11.3%)	(620.7)	(9.0%)	(1,375.7)	(578.7)
Other income (CORE)/(IFRS)	207.7	1.7%	60.9	0.9%	191.9	61.8
CORE EBITDA/Operating profit bef D&A	**1,129.6**	**9.0%**	**606.2**	**8.8%**	**2,474.9**	**1,597.1**
Depreciation & impairment of PP&E	(277.5)	(2.2%)	(113.9)	(1.7%)	(277.4)	(113.9)
Amortization & impairment of intangibles (CORE)/(IFRS)	(34.5)	(0.3%)	(21.7)	(0.3%)	(242.8)	(195.6)
Depreciation & impairment right-of-use assets (IFRS)	–	–	–	–	(1,089.6)	(785.2)
CORE EBIT/Operating profit (IFRS)	**817.6**	**6.5%**	**470.7**	**6.8%**	**865.1**	**502.4**
Financial result (CORE)/(IFRS)	(201.3)	(1.6%)	(175.6)	(2.6%)	(567.1)	(305.6)
CORE Profit before taxes/Profit before taxes (IFRS)	**616.3**	**4.9%**	**295.1**	**4.3%**	**298.0**	**196.8**
Income tax (CORE)/(IFRS)	(159.5)	(25.9%)	(105.5)	(35.8%)	(81.6)	(76.2)
CORE Net profit/Net profit (IFRS)	**456.8**	**3.6%**	**189.6**	**2.8%**	**216.4**	**120.6**

Equity free cash flow

In millions of CHF	2023	2022
CORE EBITDA	**1,129.6**	**606.2**
Other non-cash items and changes in lease obligation	80.7	79.6
Changes in net working capital	(44.0)	(4.6)
Capital expenditures	(432.7)	(110.1)
Cash flow related to minorities[1]	(102.6)	(65.0)
Dividends from associates	1.9	2.7
Income taxes paid	(129.2)	(76.1)
Cash flow before financing	**503.7**	**432.7**
Interest, net	(160.3)	(134.1)
Other financing items	(20.4)	6.6
Equity free cash flow	**323.0**	**305.2**
Acquisition & financing activities, net[2]	(268.4)	(20.3)
Transaction costs	(34.5)	–
Foreign exchange adjustments and other	94.5	(16.1)
Decrease/(Increase) in financial net debt	**114.6**	**268.8**
– at the beginning of the period	2,810.7	3,079.5
– at the end of the period	2,696.1	2,810.7

[1] Includes CHF (133.9) million dividends paid to non-controlling interests and CHF 31.4 million contribution from non-controlling interests.

[2] Acquisition & financing activities, net consist mainly of the acquisition of net debt from Autogrill, the cash portion of the MTO consideration and purchases of treasury shares.

Financial Statements 2023 Content

Consolidated Financial Statements 156 – 255

Financial Statements Avolta AG 256 – 270

Consolidated statement of profit or loss

for the year ended December 31, 2023

In millions of CHF	Note	2023	2022
Net sales	7	12,583.7	6,721.2
Advertising income		205.8	157.2
Turnover		**12,789.5**	**6,878.4**
Cost of sales		(4,716.0)	(2,684.6)
Gross profit		**8,073.5**	**4,193.8**
Lease expenses	8	(1,875.5)	(1,081.9)
Personnel expenses	9	(2,539.3)	(997.9)
Depreciation and amortization	10	(1,639.4)	(1,111.5)
Impairment	10	(21.7)	(49.3)
Reversal of impairment	10	51.3	66.2
Other expenses	11	(1,375.7)	(578.7)
Other income	12	191.9	61.7
Operating profit		**865.1**	**502.4**
Finance expenses	13.1	(626.5)	(350.9)
Finance income	13.2	109.5	68.5
Foreign exchange (loss)/gain		(50.1)	(23.2)
Profit before tax		**298.0**	**196.8**
Income tax expenses	14	(81.6)	(76.2)
Net profit		**216.4**	**120.6**

Attributable to

Non-controlling interests		129.1	62.4
Equity holders of the parent		87.3	58.2

Earnings per share attributable to equity holders of the parent

Basic earnings per share in CHF	26.2	0.64	0.63
Diluted earnings per share in CHF	26.2	0.63	0.62

Consolidated statement of other comprehensive income

for the year ended December 31, 2023

In millions of CHF	Note	2023	2022
Net profit		**216.4**	**120.6**
Other comprehensive income			
Remeasurement of post-employment benefit plans	15	11.2	(37.6)
Income tax	14, 15	(0.1)	4.1
Items not being reclassified to net income in subsequent periods, net of tax		**11.1**	**(33.5)**
Exchange differences on translating foreign operations	15	(261.5)	(91.6)
Net gain / (loss) on hedge of net investment in foreign operations	28.1	14.3	(3.6)
Share of other comprehensive income of associates	15, 20	–	0.5
Income tax on above positions	14, 15	–	–
Items to be reclassified to net income in subsequent periods, net of tax		**(247.2)**	**(94.7)**
Total other comprehensive income, net of tax		**(236.1)**	**(128.2)**
Total comprehensive income, net of tax		**(19.7)**	**(7.6)**
Attributable to			
Non-controlling interests		109.4	60.4
Equity holders of the parent		(129.1)	(68.0)

Consolidated statement of financial position

at December 31, 2023

In millions of CHF	Note	31.12.2023	31.12.2022
Assets			
Property, plant and equipment	16	1,131.4	314.3
Right-of-use assets	17	7,237.0	2,567.8
Intangible assets	18	2,144.3	1,477.8
Goodwill	18	2,978.6	2,272.2
Investments in associates		33.7	24.4
Deferred tax assets	31	164.7	145.4
Net defined benefit assets	33	36.0	17.0
Other non-current assets	21	312.1	155.8
Non-current assets		**14,037.8**	**6,974.7**
Inventories	22	1,062.0	928.4
Trade and credit card receivables	23	41.3	62.3
Current investments		54.9	–
Other accounts receivable	24	576.2	467.6
Income tax receivables		28.1	21.9
Cash and cash equivalents	29.1	714.6	854.7
Current assets		**2,477.1**	**2,334.9**
Total assets		**16,514.9**	**9,309.6**
Liabilities and shareholders' equity			
Equity attributable to equity holders of the parent		2,360.8	893.0
Non-controlling interests		134.5	73.1
Total equity		**2,495.3**	**966.1**
Borrowings	28	2,520.6	3,452.3
Lease obligations	29	6,750.8	2,010.2
Deferred tax liabilities	31	410.4	221.4
Provisions	32	74.1	44.0
Net defined benefit obligation	33	43.5	12.3
Other non-current liabilities	30	80.4	29.3
Non-current liabilities		**9,879.8**	**5,769.5**
Trade payables		873.7	486.4
Borrowings	28	819.4	122.7
Lease obligations	29	1,102.6	992.4
Income tax payables		45.3	42.1
Provisions	32	105.7	89.3
Other liabilities	30	1,193.1	841.1
Current liabilities		**4,139.8**	**2,574.0**
Total liabilities		**14,019.6**	**8,343.5**
Total liabilities and shareholders' equity		**16,514.9**	**9,309.6**

Consolidated statement of changes in equity

for the year ended December 31, 2023

		Attributable to equity holders of the parent									
In millions of CHF	Note	Share capital	Share premium	Treasury shares	Capital reserve for mandatory convertible notes	Employee benefit reserve	Translation reserve	Retained earnings	Total	Non-controlling interest	Total equity
Balance at January 1, 2023		**454.0**	**4,542.2**	**(22.9)**	**60.3**	**1.7**	**(543.4)**	**(3,598.9)**	**893.0**	**73.1**	**966.1**
Net earnings		–	–	–	–	–	–	87.3	87.3	129.1	216.4
Other comprehensive income / (loss)	15	–	–	–	–	11.1	(227.5)	–	(216.4)	(19.7)	(236.1)
Total comprehensive income / (loss) for the period		**–**	**–**	**–**	**–**	**11.1**	**(227.5)**	**87.3**	**(129.1)**	**109.4**	**(19.7)**
Transactions with or distributions to shareholders											
Conversion of mandatory convertible notes to equity	25.2	10.5	49.8	–	(60.3)	–	–	–	–	–	–
Purchase of treasury shares	26.1	–	–	(33.4)	–	–	–	–	(33.4)	–	(33.4)
Share capital increase	25.1	298.6	2,240.8	–	–	–	–	–	2,539.4	–	2,539.4
Dividends		–	–	–	–	–	–	–	–	(142.5)	(142.5)
Share-based payments	26.1	–	–	–	–	–	–	35.4	35.4	–	35.4
Total transactions with or distribution to owners		**309.1**	**2,290.6**	**(33.4)**	**(60.3)**	**–**	**–**	**35.4**	**2,541.4**	**(142.5)**	**2,398.9**
Changes in ownership interests in subsidiaries											
Acquired non-controlling interests of Autogrill	6	–	–	–	–	–	–	–	–	441.6	441.6
Changes in participation of non-controlling interests of Autogrill	6	–	–	–	–	–	–	(920.5)	(920.5)	(384.1)	(1,304.6)
Put-option held by non-controlling interests		–	–	–	–	–	–	(15.1)	(15.1)	(5.3)	(20.4)
Other changes (mainly ownership interest changes)		–	–	(34.1)	–	–	–	25.2	(8.9)	42.3	33.4
Changes in participation of non-controlling interests	**27**	**–**	**–**	**(34.1)**	**–**	**–**	**–**	**(910.4)**	**(944.5)**	**94.5**	**(850.0)**
Balance at December 31, 2023		**763.1**	**6,832.8**	**(90.4)**	**–**	**12.8**	**(770.9)**	**(4,386.6)**	**2,360.8**	**134.5**	**2,495.3**

Consolidated statement of changes in equity

for the year ended December 31, 2022

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 interest	Total equity
		Attributable to equity holders of the parent									
Balance at January 1, 2022		**454.0**	**4,542.2**	**(1.3)**	**60.3**	**35.4**	**(450.9)**	**(3,683.1)**	**956.6**	**77.9**	**1,034.5**
Net earnings		–	–	–	–	–		58.2	58.2	62.4	120.6
Other comprehensive income/(loss)	15	–	–	–	–	(33.7)	(92.5)	–	(126.2)	(2.0)	(128.2)
Total comprehensive income/(loss) for the period		**–**	**–**	**–**	**–**	**(33.7)**	**(92.5)**	**58.2**	**(68.0)**	**60.4**	**(7.6)**
Transactions with or distributions to shareholders											
Dividends to non-controlling interests		–	–	–	–	–	–	–	–	(74.6)	(74.6)
Purchase of treasury shares	26.1	–	–	(21.6)	–	–	–	–	(21.6)	–	(21.6)
Share-based payments	26	–	–	–	–	–	–	16.4	16.4	–	16.4
Total transactions with or distribution to owners		**–**	**–**	**(21.6)**	**–**	**–**	**–**	**16.4**	**(5.2)**	**(74.6)**	**(79.8)**
Changes in ownership interests in subsidiaries											
Put-option held by non-controlling interests		–	–	–	–	–	–	13.4	13.4	5.1	18.5
Other changes in participation of non-controlling interests		–	–	–	–	–	–	(3.8)	(3.8)	4.3	0.5
Changes in participation of non-controlling interests	27	–	–	–	–	–	–	9.6	9.6	9.4	19.0
Balance at December 31, 2022		**454.0**	**4,542.2**	**(22.9)**	**60.3**	**1.7**	**(543.4)**	**(3,598.9)**	**893.0**	**73.1**	**966.1**

Consolidated statement of cash flows

for the year ended December 31, 2023

In millions of CHF	Note	2023	2022
Cash flows from operating activities			
Profit before tax		298.0	196.8
Adjustments for:			
Depreciation and amortization	10	1,639.4	1,111.5
Impairment	10	21.7	49.3
Reversal of impairment	10	(51.3)	(66.2)
Increase/(decrease) in allowances and provisions		23.8	64.7
Other non-cash items		33.1	8.7
Relief of lease obligations	8	–	(80.2)
Loss/(gain) on sale of non-current assets		(1.1)	(0.6)
Loss/(gain) on foreign exchange differences		50.1	23.2
Finance expenses	13.1	626.5	350.9
Finance income	13.2	(109.5)	(68.5)
Cash flow before working capital changes		2,530.7	1,589.6
Decrease/(increase) in trade and other accounts receivable		(49.1)	(28.7)
Decrease/(increase) in inventories		(141.2)	(288.2)
(Decrease)/increase in trade and other accounts payable		146.3	312.3
Dividends received from associates	20	1.9	2.7
Cash generated from operations		**2,488.6**	**1,587.7**
Income tax paid		(129.2)	(76.1)
Net cash flows from operating activities[1]		**2,359.4**	**1,511.6**
Cash flow used in investing activities			
Purchase of property, plant and equipment	16	(404.4)	(97.4)
Purchase of intangible assets	18	(36.6)	(15.9)
Purchase of financial assets		(154.7)	(0.1)
Proceeds from lease income		22.5	4.0
Loans receivable (granted)/repaid		(36.1)	4.1
Proceeds from sale of property, plant and equipment		8.3	3.2
Proceeds from sale of financial assets		79.5	2.6
Interest received[2]		61.9	30.8
Business combination, cash acquired	6	459.7	1.1
Contribution from sale of interest in subsidiaries, net of cash		(0.8)	0.2
Net cash flows used in investing activities		**(0.7)**	**(67.4)**

[1] Include variable lease payments of CHF 1,903.3 (2022: 1,109.5) million.
[2] Interest received are disclosed in cash flow from investing activities (consistent to prior year).

Consolidated statement of cash flows (continued)

for the year ended December 31, 2023

In millions of CHF	Note	2023	2022
Cash flow from financing activities			
Transaction costs for financial instruments	29	(6.0)	(16.8)
Proceeds from / (repayment of) 3rd party loans	29	1.6	(1.8)
Proceeds from borrowings	29	231.2	–
Payment of derivatives interests	29	–	(14.2)
Repayment of borrowings	29	(864.5)	(152.2)
Purchase of non-controlling interests Autogrill	6	(44.1)	–
Dividends paid to non-controlling interests		(133.9)	(68.3)
Purchase of treasury shares	26	(33.4)	(21.6)
Contribution from non-controlling interests		31.4	3.3
Lease payments	29	(1,361.7)	(907.8)
Interest paid [3]		(222.4)	(164.9)
Net cash flow used in financing activities		**(2,401.8)**	**(1,344.3)**
Currency translation on cash	29	(97.0)	(38.7)
Increase / (Decrease) in cash and cash equivalents		**(140.1)**	**61.2**
Cash and cash equivalents at the			
– beginning of the period	29.1	854.7	793.5
– end of the period	29.1	714.6	854.7

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

Notes to the consolidated financial statements

for the year ended December 31, 2023

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, 2023 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 6, 2024, and are subject to the approval of the Annual General meeting to be held on May 15, 2024.

Following the combination with Autogrill in February 2023, the company was renamed from Dufry AG to Avolta AG to unify the combined business representing the company’s broader scope and diversification. The shareholder resolved to change the company name of Dufry AG to Avolta AG and to amend article 1 of the Articles of Incorporation at the Extraordinary General Meeting of November 3, 2023.

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 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 carrying values of recognized assets and liabilities that are hedged items in fair value hedges, and are otherwise carried at amortized cost, are adjusted to record changes in the fair values attributable to the risks that are being hedged. The consolidated financial statements are presented in millions of Swiss Francs (“CHF”). All values are rounded to the nearest one hundred thousand, except when indicated otherwise.

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

2.1 Russia's invasion of Ukraine

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

In Ukraine, the Avolta Group only has operations at the Airport in Odessa, which are suspended due to the conflict since March 2022.

The Russian travel market has a very low significance for Avolta Group, since Avolta's operations in Russia, operated through a local joint venture, only represents 0.8 % of the 2023 Group's net sales (2022: 1.7 %).

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

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

3. Accounting Policies

3.1 Basis of Consolidation

The consolidated financial statements of Avolta comprise all entities directly or indirectly controlled by Avolta (its subsidiaries) as at December 31, 2023 and December 31, 2022 respectively for the comparative information.

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 or dividends are eliminated in full.

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

If 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 interest as well as derecognizes the cumulative translation differences recorded in equity,
- recognizes the fair value of the consideration received, recognizes the fair value of any investment retained as well as recognizes any surplus or deficit in the statement of profit or loss,
- recognizes any receivable from / payable to this former subsidiary.

3.2 Changes in scope of consolidation

On February 3, 2023, Avolta, global leader in travel retail, successfully closed the business combination with Autogrill S.p.A Group (Autogrill), a global leader in travel food & beverage. For further information refer to note 6.

3.3 Summary of significant accounting policies

a) Business combinations and Goodwill
Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, 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. Thereafter any change in the fair value of the contingent consideration not classified as equity will be recognized through the statement of profit or loss.

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.

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

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

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

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

Monetary assets and liabilities denominated in foreign currencies are remeasured using the functional currency exchange rate at the reporting date and the difference is recorded as unrealized foreign exchange gains / losses. Exchange differences arising on the settlement or on the translation of derivative financial instruments are recognized through the statement of profit or loss (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 currency 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 net translation differences are recognized in other comprehensive income. On disposal of a foreign entity or when control is lost, the deferred cumulative translation difference recognized within equity relating to that particular operation is recognized in the statement of profit or loss as gain or loss on sale of subsidiaries.

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

Principal foreign exchange rates applied for valuation and translation:

	Average rate		Closing rate	
In CHF	2023	2022	31.12.2023	31.12.2022
1 USD	0.8983	0.9546	0.8415	0.9244
1 EUR	0.9715	1.0049	0.9288	0.9896
1 GBP	1.1171	1.1793	1.0714	1.1186

c) Net sales

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

When the Group is acting as an agent and not as a principal in a sales transaction, the revenue recognized is the net amount of the Group's premium or commission. The Group acts as an agent within 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. The compensation will be received on contractual terms. Usually, Avolta is not entitled to offset the income with trade payables related with the same supplier. An allowance on these advertising receivables is recognized to reflect the risks and uncertainties in relation with the final achievements of incentives based on thresholds, to be confirmed after the end of the respective program.

e) Grants

Grants, including non-monetary grants measured at fair value, are recognized if there is reasonable certainty that the Group will meet the conditions set out in contracts (in the case of private grants, e.g. awarded against services rendered) or government regulations (in the case of public grants awarded in the different countries where the Group operates) and that the grants will be received.

Capital grants are recorded in the statement of financial position as deferred revenue, which is recognized as income on a systematic, rational basis over the useful life of the tangible or intangible asset.

Operating 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.

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

f) Cost of sales

Cost of sales are recognized when the Company 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) Lease expenses

On May 28, 2020 the IASB issued an amendment to IFRS 16 providing lessees with an exemption from assessing whether a COVID-19 related relief of lease obligations is a lease modification, requiring lessees that apply the exemption to account for COVID-19 related rent concessions as if they were not lease modifications. Avolta adopted this amendment applying it for the full year 2020. The practical expedient applies only to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all of the following conditions are met:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before June 30, 2021 (for example, a rent concession would meet this condition if it results in reduced lease payments on or before June 30, 2021 and increased lease payments that extend beyond June 30, 2021); and
- there is no substantive change to other terms and conditions of the lease.

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

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

The exemption applies only to rent concessions occurring as a direct consequence of the COVID-19 pandemic and subject to the above conditions and was applied in all possible cases. Avolta did not recognize in 2023 any net relief of lease obligations (2022: 80.2 million) presented as lease (expense) / income (see note 8).

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

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

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

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

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 changes in the net defined benefit obligation in the statement of profit or loss:

- Service costs comprising current service costs are disclosed under “personnel expenses”. Past service costs, gains and losses on curtailments and non-routine settlements are shown under “other expenses”
- Net interest expense or income under “finance expenses” or “finance income”.

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

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

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

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

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

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

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

Deferred tax liabilities are recognized for all taxable temporary differences, except:

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

Deferred tax assets are recognized for all deductible temporary differences 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, taking into account the remaining duration of the underlying concession agreements.

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

m) Property, plant and equipment
These are stated at cost less accumulated depreciation and any impairment in fair value. Depreciation is computed on a straight-line basis over the shorter of the estimated useful life of the asset or the lease term. The useful lives applied are as follows:

- Real estate (buildings) : 20 to 40 years
- Leasehold improvements : the shorter of the lease term or 10 years
- Furniture and fixtures : the shorter of the lease term or 5 years
- Motor vehicles : the shorter of the lease term or 5 years
- Computer hardware : the shorter of the lease term or 5 years

n) Right-of-use assets
The Group recognizes right-of-use assets at the commencement date of the lease (i. e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any 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. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life or the lease term. Right-of-use assets are subject to impairment. The contractual term of the Group's assets is up to 40 years.

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

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

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

Types of right-of-use assets:

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

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

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

(iii) Vehicles and other
Avolta has also entered into many other lease agreements, for example vehicles, hard or software, and other assets, which in accordance with IFRS 16, qualify for capitalization of leases.

o) Short-term leases and leases of low-value assets
The Group applies the short-term lease recognition exemption to its short-term leases (i. e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value (i. e., below CHF 10.000, division North America below USD 25.000). Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

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

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

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

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

Avolta’s share of post-acquisition net profit/(loss) is recognized in the statement of profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in the statement of comprehensive income with a corresponding adjustment to the carrying amount of the investment. When 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 made payments on behalf of the associate. If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income is reclassified to net profit / (loss) where appropriate.

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

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 investor's interests in the associates. Unrealized losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by Avolta.

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

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

The historical costs are determined according to the weighted average cost method, except the Food & Beverage inventories which are calculated using the FIFO method or with criteria that approximate FIFO. Historical cost includes all expenses incurred in bringing the inventories to their present location and condition. Beside the purchase price of the goods less the discounts or rebates obtained, the historical cost includes import duties and transport cost. Avolta purchases most of the inventory centrally and provides the subsidiaries the goods in their reporting currency, i.e. free of currency risk for them.

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

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

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

w) Lease obligations
At the commencement date of the lease, the Group recognizes lease obligations measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and

amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs. Amounts resulting from a remeasurement of the lease obligation due to an index or a rate are recognized against right-of-use assets.

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

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

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

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

x) Lease receivable

In its role as sub-lessor, the Group 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. For this reason, considering the recognition of a right-of-use asset under IFRS 16 and the fact that the sub-leases typically have a duration equal to the principal lease, the Group reduces its right-of-use assets and recognizes a lease receivable as a counter-entry, split between current and non-current assets.

The lease receivable corresponds to the present value of the minimum lease payments to be received as of the commencement date, including those determined on the basis of an index or rate (initially valued using the index or rate at the commencement date of the contract), as well as any penalties in the event that the lease term provides for the option for the early termination of the lease contract and the exercise of that option is estimated to be reasonably certain. The present value is determined using the implicit interest rate of the lease contract. If it is not possible to determine this rate easily, the Group uses the incremental borrowing rate as discount rate. The lease receivable is subsequently increased by the interest accrued and decreased by the receipts received for the lease.

Lease receivables are remeasured in the event of changes in the future minimum receipts expected for the lease, as result of:

- changes in the index or rate used to determine the lease receipts: in such cases the lease receivables are remeasured by discounting the new minimum lease receipts at the initial discount rate;
- change in the lease term or in the likelihood of exercise of the purchase, extension, or early termination option: in such cases the lease receivable is remeasured by discounting the new minimum lease receipts at the discount rate in place at the date of the change;
- contractual changes that do not fall under any of the reasons for the separate recognition of a new lease: in these cases as well, the lease receivable is remeasured by discounting the new minimum lease payments at the discount rate in place at the date of the change.

The use of estimates in relation to the measurement of lease receivables is mentioned in the previous section on Right-of-use assets.

y) 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.

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

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

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

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

Restructurings
A restructuring provision is recognized when Avolta has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes

only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity. Amounts of restructuring are shown in other provisions.

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

z) Investments and other financial assets
(i) Classification
The Group classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortized cost.

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

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

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

Debt instruments
Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss. Impairment losses are presented as part of the financial result.

FVOCI: Debt instruments that are held for collection of contractual cash flows and for selling the financial assets, where the asset's cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognized in profit or loss.

When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in finance income using the effective interest rate method. Impairment expenses are presented in the other operational result.

FVPL: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss and presented as net in the period in which it arises.

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

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

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

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

ab) Financial liabilities
(i) Financial liabilities at FVPL
These are stated at fair value, with any gains or losses arising on remeasurement recognized in the statement of profit or loss. The net gain or loss recognized in the consolidated statement of profit or loss incorporates any interest paid on the financial liability and is included in the finance income or finance expenses in the statement of profit or loss. Fair value is determined in the manner described in note 34.

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

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

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

ac) 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.

ad) Derivatives and hedging activities

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either:

- hedges of the fair value of recognized assets or liabilities or a firm commitment (fair value hedges),
- hedges of a particular risk associated with the cash flows of recognized assets and liabilities and highly probable forecast transactions (cash flow hedges), or
- hedges of a net investment in a foreign operation (net investment hedges).

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

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

Cash flow hedges that qualify for hedge accounting

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

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

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

Amounts accumulated in other comprehensive income (OCI) are reclassified in the periods when the hedged item affects profit or loss, as follows:

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

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

Net investment hedges

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

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

Further details of derivative financial instruments are disclosed in note 34.

3.4 New standards, interpretations and amendments adopted

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, 2023).

New and amended standards adopted by the Group
- IAS 1: Disclosure of accounting policies
- IAS 8: Definition of accounting estimates
- IAS 12: Deferred tax related to assets and liabilities arising from a single transaction

The amendments apply for the first time in 2023, but do not have a material impact on the consolidated financial statements of the Group.

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

- Amendment to IFRS 16 – Leases on sale and leaseback
- Amendment to IAS 1 – Non-current liabilities with covenants
- Amendment to IAS 7 and IFRS 7 – Supplier finance
- Amendments to IAS 21 – Lack of Exchangeability

The new standards and interpretations issued not yet effective do not have a material impact from a qualitative and quantitative perspective.

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.

Amendments to IAS 12 Income Taxes
The International Accounting Standards Board (IASB) has published ‘International Tax Reform – Pillar Two Model Rules’ (Amendments to IAS 12) in May 2023. 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.

OECD Pillar Two model rules

The Group is within the scope of the OECD Pillar Two model rules. Switzerland and other jurisdictions in which the Group operates have (substantively) enacted Pillar Two legislation. The legislations in those jurisdictions will be effective for the Group's financial year beginning January 1, 2024. Since the Pillar Two legislations were not effective at the reporting date, there is no current income tax exposure for the year ended December 31, 2023.

The Group is in the process of assessing its exposure to the Pillar Two legislation for when it comes into effect. As per a preliminary transitional safe harbour calculation based on 2023 figures, there are a limited number of jurisdictions where the transitional safe harbour rule may not apply.

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 the discounted value models of future cash flows. The underlying calculation requires the use of estimates. The estimates and assumptions used are disclosed in note 19.

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 segments and the Global Distribution Centers as an additional segment.

As part of the integration of the Autogrill Group, the Group implemented a new organization which became effective on February 7, 2023. The previous segment The Americas was split into Latin America (LATAM) and North America. Furthermore, certain countries have been reallocated from Europe, Middle East and Africa (EMEA) to Asia Pacific (APAC). In addition, the Group allocates advertising income to the operating segments. The comparative figures have been presented accordingly to reflect these changes.

The Group is presenting the CORE EBITDA (Non-GAAP) KPI which is used by the Global Executive Committee to monitor the Group's performance. This indicator provides the most relevant view on Avolta's business and represents an operational KPI excluding the accounting impact resulting from IFRS 16 related profit or loss line items (i.e. depreciation of right-of-use assets and lease interest) and adding the relevant concession fee owed based on the corresponding concession agreement. Please refer to 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:

2023 In millions of CHF	Turnover With external customer	With other divisions	Total	Core EBITDA (unaudited)	Employees (FTE)
Europe, Middle East and Africa (EMEA)[1,2]	6,520.2	–	6,520.2	696.5	26,107
North America[1]	3,971.4	–	3,971.4	519.3	29,851
Latin America (LATAM)	1,653.7	–	1,653.7	238.6	5,991
Asia Pacific (APAC)	557.8	–	557.8	41.6	5,804
Global Distribution Centers[3]	86.4	1,529.7	1,616.1	(366.5)	706
Total divisions	**12,789.5**	**1,529.7**	**14,319.2**	**1,129.5**	**68,459**
Eliminations	–	(1,529.7)	(1,529.7)	–	–
Total	**12,789.5**	**–**	**12,789.5**	**1,129.5**	**68,459**

2022 In millions of CHF	Turnover With external customer	With other divisions	Total	Core EBITDA (unaudited)	Employees (FTE)
Europe, Middle East and Africa (EMEA)[1,2]	3,541.3	–	3,541.3	444.1	10,353
North America[1]	1,638.3	–	1,638.3	280.6	8,969
Latin America (LATAM)	1,279.9	–	1,279.9	176.3	3,077
Asia Pacific (APAC)	210.7	–	210.7	(0.5)	810
Global Distribution Centers[3]	208.2	1,303.5	1,511.7	(294.3)	583
Total divisions	**6,878.4**	**1,303.5**	**8,181.9**	**606.2**	**23,792**
Eliminations	–	(1,303.5)	(1,303.5)	–	–
Total	**6,878.4**	**–**	**6,878.4**	**606.2**	**23,792**

1 The Group generated 28.3 % (2022: 21.4 %) of its turnover in the US, 10.8 % (2022: 14.7 %), in the United Kingdom and 11.0 % (2022: 2.2 %) in Italy.

2 Avolta generated 3.1 % (2022: 4.0 %) of its turnover with external customers in Switzerland (domicile).

3 Global Distribution Center and corporate entities have global functions that cannot be allocated to the other segments.

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

Profit or loss reconciliation IFRS / CORE

Please refer to pages 273 – 274 in Avolta's alternative performance measures chapter for more details on the reconciliation between the IFRS and CORE profit or loss.

2023 In millions of CHF	IFRS	Acquisition rel. adj. (unaudited)	Lease adjustments (unaudited)	Fuel sales adjustments (unaudited)	CORE (unaudited)
Net sales (IFRS) / (CORE)	12,583.7	–	–	(254.9)	12,328.8
Advertising income	205.8	–	–	–	205.8
Turnover (IFRS) / (CORE)	**12,789.5**	**–**	**–**	**(254.9)**	**12,534.6**
Cost of sales (IFRS) / (CORE)	(4,716.0)	–	–	239.0	(4,477.0)
Gross profit (IFRS) / (CORE)	**8,073.5**	**–**	**–**	**(15.9)**	**8,057.6**
Leases expenses (IFRS) / Concession expenses (CORE)	(1,875.5)	–	(1,303.2)	–	(3,178.7)
Personnel expenses	(2,539.3)	–	–	–	(2,539.3)
Other expenses (IFRS) / (CORE)	(1,375.7)	18.8	(60.8)	–	(1,417.7)
Other income (IFRS) / (CORE)	191.9	–	(0.1)	15.9	207.7
Operating profit before D&A / CORE EBITDA	**2,474.9**	**18.8**	**(1,364.1)**	**–**	**1,129.6**
Depreciation & impairment of PP&E	(277.4)	–	(0.1)	–	(277.5)
Amortization & impairment of intangibles (IFRS) / (CORE)	(242.8)	208.3	–	–	(34.5)
Depreciation & impairment right-of-use assets (IFRS)	(1,089.6)	–	1,089.6	–	–
Operating profit / CORE EBIT	**865.1**	**227.1**	**(274.6)**	**–**	**817.6**
Financial result (IFRS) / (CORE)	(567.1)	15.7	350.1	–	(201.3)
Profit before taxes / CORE EBT	**298.0**	**242.8**	**75.5**	**–**	**616.3**
Income tax (IFRS) / (CORE)	(81.6)	(53.3)	(24.6)	–	(159.5)
Net profit / CORE Net profit	**216.4**	**189.5**	**50.9**	**–**	**456.8**

2022 In millions of CHF	IFRS	Acquisition rel. adj. (unaudited)	Lease adjustments (unaudited)	Fuel sales adjustments (unaudited)	CORE (unaudited)
Net sales (IFRS) / (CORE)	6,721.2	–	–	–	6,721.2
Advertising income	157.2	–	–	–	157.2
Turnover (IFRS) / (CORE)	**6,878.4**	**–**	**–**	**–**	**6,878.4**
Cost of sales (IFRS) / (CORE)	(2,684.6)	–	–	–	(2,684.6)
Gross profit (IFRS) / (CORE)	**4,193.8**	**–**	**–**	**–**	**4,193.8**
Leases expenses (IFRS) / Concession expenses (CORE)	(1,081.9)	–	(948.0)	–	(2,029.9)
Personnel expenses	(997.9)	–	–	–	(997.9)
Other expenses (IFRS) / (CORE)	(578.7)	–	(42.0)	–	(620.7)
Other income (IFRS) / (CORE)	61.8	–	(0.9)	–	60.9
Operating profit before D&A / CORE EBITDA	**1,597.1**	**–**	**(990.9)**	**–**	**606.2**
Depreciation & impairment of PP&E	(113.9)	–	–	–	(113.9)
Amortization & impairment of intangibles (IFRS) / (CORE)	(195.6)	173.9	–	–	(21.7)
Depreciation & impairment right-of-use assets (IFRS)	(785.2)	–	785.2	–	–
Operating profit / CORE EBIT	**502.4**	**173.9**	**(205.7)**	**–**	**470.7**
Financial result (IFRS) / (CORE)	(305.6)	–	130.0	–	(175.6)
Profit before taxes / CORE EBT	**196.8**	**173.9**	**(75.7)**	**–**	**295.1**
Income tax (IFRS) / (CORE)	(76.2)	(37.1)	7.8	–	(105.5)
Net profit / CORE Net profit	**120.6**	**136.8**	**(67.9)**	**–**	**189.6**

Financial position and other disclosures

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]	9,792.3	7,677.1	(39.9)	(186.9)	(937.5)
North America[2]	4,085.3	2,698.3	(16.0)	(186.5)	(508.3)
Latin America (LATAM)	1,620.8	1,572.6	(13.9)	(23.1)	(102.6)
Asia Pacific (APAC)	369.5	538.0	(4.0)	(28.0)	(46.3)
Global Distribution Centers[3]	1,246.1	3,431.5	(6.3)	(16.3)	(13.6)
Total divisions[4]	**17,114.0**	**15,917.5**	**(80.1)**	**(440.8)**	**(1,608.3)**
Unallocated positions[5]	79.1	3,006.4	(1.5)	(0.2)	(1.5)
Eliminations	(678.2)	(4,904.3)	–	–	–
Total	**16,514.9**	**14,019.6**	**(81.6)**	**(441.0)**	**(1,609.8)**

At December 31, 2022 In millions of CHF	Total assets	Total liabilities	Income tax (expense) / income	Capital expenditure paid	Depreciation amortization and impairment
Europe, Middle East and Africa (EMEA)[1]	4,831.1	3,013.2	(10.6)	(35.6)	(659.4)
North America[2]	2,054.8	1,701.9	(29.4)	(46.6)	(254.6)
Latin America (LATAM)	1,413.9	1,572.6	(35.2)	(12.8)	(120.6)
Asia Pacific (APAC)	240.7	437.0	(1.2)	(4.8)	(43.8)
Global Distribution Centers[3]	1,399.9	3,531.0	1.2	(13.2)	(15.0)
Total divisions[4]	**9,940.4**	**10,255.6**	**(75.2)**	**(113.0)**	**(1,093.4)**
Unallocated positions[5]	40.9	3,045.5	(1.0)	(0.3)	(1.3)
Eliminations	(671.7)	(4,957.6)	–	–	–
Total	**9,309.6**	**8,343.5**	**(76.2)**	**(113.3)**	**(1,094.7)**

1 Within the Group, 5.7 % (2022: 9.4 %) of the total non-current assets are located in Switzerland (domicile) and 29.9 % (2022: 7.5 %) in Spain.
2 Within the Group, 21.1 % (2022: 15.1 %) of the total non-current assets are located in the US.
3 Global Distribution Centers and corporate entities have global functions and cannot be allocated to the other segments.
4 Before inter-segment elimination.
5 Total liabilities contain 3rd-party financing.

Reconciliation of assets

In millions of CHF	31.12.2023	31.12.2022
Operating assets	**17,114.0**	**9,940.4**
Current assets of corporate and holding companies	51.0	26.4
Non-current assets of corporate and holding companies	28.1	14.6
Eliminations	(678.2)	(671.7)
Total assets	**16,514.9**	**9,309.6**

Reconciliation of liabilities

In millions of CHF	31.12.2023	31.12.2022
Operating liabilities	**15,917.5**	**10,255.6**
Borrowings of corporate and holding companies, current	743.3	0.2
Borrowings of corporate and holding companies, non-current	2,190.4	2,999.0
Other non-segment liabilities	72.8	46.3
Eliminations	(4,904.3)	(4,957.6)
Total liabilities	**14,019.6**	**8,343.5**

6. Acquisitions of businesses

6.1 Combination with Autogrill

On February 3, 2023, Dufry, global leader in Travel Retail, successfully closed the business combination with Autogrill, global leader in Travel Food & Beverage 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 30,663,329 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 30,663,329 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. Please refer to note 6.2 for further details.

Since then, Dufry has successfully integrated Autogrill into its organization, which is expected to generate cost synergies, comprising both cost reductions and gross profit improvements. Furthermore, the combination of Dufry, global leader in Travel Retail, and Autogrill, global leader in Travel Food & Beverage (F&B), creates a unique, integrated Travel Experience Player, leveraging mutual skills to develop more compelling offers for Avolta's customers and build the next generation of travel experience. The synergies are reflected in the value of the goodwill besides other intangibles that are not recognized individually. The resulting goodwill is not amortized, is not tax deductible and is subject to annual impairment testing.

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

IN MILLIONS OF CHF	Final fair value	
Property, plant and equipment	785.2	
Right-of-use assets[1]	1,317.1	
Concession rights	860.5	
Brands	113.0	
Other intangible assets	36.4	
Investments in associates	4.2	
Deferred tax assets	43.6	
Other non-current assets	107.9	
Inventories	124.3	
Trade and credit card receivables	9.3	
Cash and cash equivalents	459.7	
Other current assets	158.0	
Borrowings	(571.4)	
Lease obligations	(1,434.1)	
Post-employment benefit obligations	(30.8)	
Deferred tax liabilities	(269.4)	
Provisions	(80.8)	
Trade payables	(402.6)	
Other liabilities	(399.7)	
Fair value of non-controlling interests	(57.5)	
Identifiable net assets	**772.9**	
Dufry's share in the net assets (50.3 %)		388.8
Goodwill		890.2
Consideration in cash	–	
Consideration in shares	1,279.0	
Total consideration		**1,279.0**

[1] adjusted for subleases and unfavorable lease terms.

From the date when Dufry took control of the Autogrill operations on February 3, 2023, until December 31, 2023, Autogrill operations contributed CHF 4,538.8 million in turnover and a net profit of CHF 47.9 million to the Group. If the business combination had taken place at the beginning of 2023, Autogrill would have generated a turnover of CHF 4,890.5 million (unaudited) and a net profit of CHF 29.4 million (unaudited). Transaction costs in connection to the Autogrill business combination are reflected in other expenses and finance expenses. Please refer to note 11 and note 13 for further information.

6.2 Transaction with non-controlling interest in Autogrill

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 1,304.6 million, thereof paid in shares CHF 1,260.5 million and a total consideration paid in cash of CHF 44.1 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 is CHF 920.5 million. This amount is recognized in the retained earnings in the line changes in participation of non-controlling interests in the statement of changes in equity.

There were no significant transactions during 2022.

7. Net sales

Net sales by product categories:

In millions of CHF	EMEA	North America	LATAM	APAC	Global DC	2023
Perfumes and Cosmetics	1,533.1	165.7	555.2	97.5	58.8	2,410.3
Food, Confectionery & Catering	2,007.8	3,005.7	172.7	183.0	3.4	5,372.7
Wine and Spirits	661.7	67.4	426.1	139.2	11.2	1,305.6
Luxury goods	278.2	176.9	255.2	57.3	0.1	767.7
Tobacco goods	1,185.9	35.5	90.6	68.9	0.7	1,381.6
Electronics	14.0	126.8	70.4	1.7	–	212.9
Literature and Publications	11.7	95.1	4.6	–	–	111.4
Fuel	254.9	–	–	–	–	254.9
Other	466.9	263.7	33.6	2.2	0.3	766.7
Total	**6,414.3**	**3,936.8**	**1,608.3**	**549.8**	**74.5**	**12,583.7**

In millions of CHF	EMEA*	North America*	LATAM*	APAC*	Global DC*	2022
Perfumes and Cosmetics	1,275.0	128.4	382.6	60.6	73.6	1,920.2
Food, Confectionery & Catering	483.7	814.0	126.6	13.8	3.2	1,441.3
Wine and Spirits	589.5	58.4	388.0	80.4	25.7	1,142.0
Luxury goods	248.9	123.2	173.3	26.1	0.6	572.1
Tobacco goods	782.9	29.6	74.5	9.2	0.3	896.5
Electronics	13.1	127.7	40.7	2.0	–	183.5
Literature and Publications	9.7	89.1	3.8	–	–	102.6
Other	117.4	246.5	83.5	15.5	0.1	463.0
Total	**3,520.2**	**1,616.9**	**1,273.0**	**207.6**	**103.5**	**6,721.2**

* The comparative figures have been presented according to the new segment structure. Please refer to note 5 for further details.

Net sales by market sector:

In millions of CHF	EMEA	North America	LATAM	APAC	Global DC	2023
Duty-free	2,581.5	255.9	1,463.7	369.0	–	4,670.1
Duty-paid	1,944.1	1,683.0	144.6	36.2	74.5	3,882.4
Food & Beverage	1,888.7	1,997.9	–	144.6	–	4,031.2
Total	**6,414.3**	**3,936.8**	**1,608.3**	**549.8**	**74.5**	**12,583.7**

In millions of CHF	EMEA*	North America*	LATAM*	APAC*	Global DC*	2022
Duty-free	2,205.9	317.8	1,151.1	182.7	0.4	3,857.9
Duty-paid	1,314.3	1,299.1	121.9	24.9	103.1	2,863.3
Total	**3,520.2**	**1,616.9**	**1,273.0**	**207.6**	**103.5**	**6,721.2**

* The comparative figures have been presented according to the new segment structure. Please refer to note 5 for further details.

Net sales by channel:

In millions of CHF	EMEA	North America	LATAM	APAC	Global DC	2023
Airports	4,639.7	3,805.0	1,432.8	387.8	–	10,265.3
Motorways	1,278.3	–	–	–	–	1,278.3
Border, downtown & hotel shops	128.4	48.6	56.0	53.1	–	286.1
Cruise liners and seaports	72.0	–	118.9	–	–	190.9
Railway stations and other	295.9	83.2	0.6	108.9	74.5	563.1
Total	**6,414.3**	**3,936.8**	**1,608.3**	**549.8**	**74.5**	**12,583.7**

In millions of CHF	EMEA*	North America*	LATAM*	APAC*	Global DC*	2022
Airports	3,348.0	1,540.6	1,081.1	175.9	–	6,145.6
Border, downtown & hotel shops	70.1	37.1	54.3	16.8	–	178.3
Cruise liners and seaports	55.1	–	134.4	–	–	189.5
Railway stations and other	47.0	39.2	3.2	14.9	103.5	207.8
Total	**3,520.2**	**1,616.9**	**1,273.0**	**207.6**	**103.5**	**6,721.2**

* The comparative figures have been presented according to the new segment structure. Please refer to note 5 for further details.

8. Lease (expenses) / income

In millions of CHF	2023	2022
Lease expenses [1]	(1,891.0)	(1,168.9)
Lease expenses short-term contracts	(40.2)	(15.2)
Lease expenses low value contracts	(13.1)	(0.7)
Sublease income	60.6	10.7
Relief of lease obligations [2]	–	80.2
Change in provision for onerous contract	8.2	12.0
Total	**(1,875.5)**	**(1,081.9)**

1 Lease expenses include only variable lease expenses. Fixed and in substance fixed commitments are recognized in accordance with lease accounting as depreciation of right-of-use assets or interest on lease obligations. For the following year, the Group estimates that the lease expenses may be between 15% and 17 % of net sales.

2 In 2022, Avolta applied the COVID-19 related rent concession - amendment to IFRS 16 and recognized relief of lease obligations presented as lease expenses.

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

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

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

9. Personnel expenses

In millions of CHF	2023	2022
Salaries and wages	(1,980.5)	(773.8)
Social security expenses	(291.2)	(129.9)
Retirement benefits	(53.5)	(12.9)
Other personnel expenses	(214.1)	(81.3)
Total	**(2,539.3)**	**(997.9)**

10. Depreciation, amortization and impairment

In millions of CHF	2023	2022
Depreciation of property, plant and equipment	(278.5)	(112.7)
Impairment of property, plant and equipment	(5.7)	(1.4)
Reversal of impairment of property, plant and equipment	6.8	0.2
Depreciation & impairment of PP&E	**(277.4)**	**(113.9)**
Depreciation of right-of-use assets	(1,088.3)	(818.9)
Impairment of right-of-use assets	(15.3)	(15.0)
Reversal of right-of-use assets	14.0	48.7
Depreciation & impairment RoU assets	**(1,089.6)**	**(785.2)**
Amortization of intangibles	(272.6)	(180.0)
Impairment of intangibles	(0.7)	(32.9)
Reversal of impairment of intangibles	30.5	17.3
Amortization & impairment of intangibles	**(242.8)**	**(195.6)**
Depreciation, amortization & impairment	**(1,609.8)**	**(1,094.7)**

Aggregated information of reversal of impairments per division (segment)

			2023			2022
In millions of CHF	Property, plant and equipment	Right-of-use assets	Intangible assets and goodwill	Property, plant and equipment	Right-of-use assets	Intangible assets and goodwill
Europe, Middle East and Africa (EMEA)	2.4	3.4	–	0.2	46.1	–
North America	–	–	–	–	–	–
Latin America (LATAM)	4.4	6.7	30.5	–	–	17.3
Asia Pacific (APAC)	–	3.9	–	–	2.6	–
Global Distribution Centers	–	–	–	–	–	–
Total	**6.8**	**14.0**	**30.5**	**0.2**	**48.7**	**17.3**

Aggregated information of impairments per division (segment)

	2023			2022		
In millions of CHF	Property, plant and equipment	Right-of-use assets	Intangible assets and goodwill	Property, plant and equipment	Right-of-use assets	Intangible assets and goodwill
Europe, Middle East and Africa (EMEA)	(5.5)	(0.4)	(0.7)	(1.4)	–	(32.9)
North America	–	–	–	–	–	–
Latin America (LATAM)	(0.2)	(14.7)	–	–	(15.0)	–
Asia Pacific (APAC)	–	(0.2)	–	–	–	–
Global Distribution Centers	–	–	–	–	–	–
Total	**(5.7)**	**(15.3)**	**(0.7)**	**(1.4)**	**(15.0)**	**(32.9)**

In 2023 and 2022, Avolta's performance was characterized by a strong recovery of the travel retail industry, resulting in increasing sales in most regions where Avolta operates. However, the level of recovery was not the same for all countries. Whereas some operations performance was better than expected, other operations recovered only slower than expected.

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

11. Other expenses

In millions of CHF	2023	2022
Repairs and maintenance	(179.5)	(44.8)
Utilities	(125.4)	(37.9)
Credit card expenses	(217.5)	(101.3)
Professional advisors	(168.0)	(70.7)
IT expenses	(87.9)	(56.1)
Freight & packaging	(72.4)	(45.9)
Acquisition related transaction costs [1]	(41.4)	(20.3)
Other operational expenses	(78.3)	(41.8)
Advertising expenses	(32.3)	(9.1)
Office and admin expenses	(43.4)	(22.0)
Travel, car, entertainment and representation	(49.0)	(15.2)
Royalties, franchise fees and commercial services	(144.9)	(30.1)
Public relations expenses	(24.2)	(14.2)
Taxes other than income taxes	(73.1)	(38.8)
Ancillary premises expenses	(8.0)	(7.4)
Insurances	(19.5)	(17.5)
Bank expenses	(10.9)	(5.6)
Total	**(1,375.7)**	**(578.7)**

[1] In 2023 thereof CHF 18.8 million financial-related transaction costs directly linked to the closing of the combination with Autogrill.

12. Other income

In millions of CHF	2023	2022
Selling Income	66.6	41.2
Airport services income[1]	103.6	–
Other operational income[2]	21.7	20.5
Other income	**191.9**	**61.7**

1 Services provided in airline lounges. Related costs are recognized in the corresponding expense line items.
2 In 2023, other operating income includes government support of CHF 7.0 (2022: 10.0) million.

13. Finance income and finance expenses

13.1 Finance income

In millions of CHF	2023	2022
Income on financial assets		
Interest income on current deposits	54.9	28.0
Interest income on 3rd party loans	2.6	2.5
Other finance income[1,2]	49.3	24.7
Interest income on financial assets	**106.8**	**55.2**
Income from financial investments and associates		
Share of result in associates	3.7	10.7
Gain on disposal of financial investments	–	2.6
Gain / (loss) on revaluation of financial investments	(1.0)	–
Income from financial investments and associates	**2.7**	**13.3**
Total finance income	**109.5**	**68.5**

1 In 2023, thereof CHF 36.8 million gains of interest financial derivatives.
2 In 2023, thereof gain in relation to modifications of lease contracts of CHF 7.6 million.

13.2 Finance expenses

In millions of CHF	2023	2022
Expenses on financial liabilities		
Interest expense	(533.9)	(284.6)
of which lease interest	(321.0)	(127.6)
of which bank interest	(91.8)	(47.8)
of which bank commitment fees	(28.0)	(12.8)
of which bank guarantees commission expense	(7.1)	(5.0)
of which notes interest	(84.5)	(83.6)
of which related to other financial liabilities	(1.5)	(7.8)
Amortization / write off of arrangement fees	(5.4)	(18.3)
Impairment on other financial assets	0.3	(2.6)
Other finance costs [1,2,3]	(87.5)	(45.4)
Interest expense on financial liabilities	**(626.5)**	**(350.9)**
Expenses on non-financial liabilities		
Interest expense	–	–
Interest and other finance expenses	**–**	**–**
Total finance expenses	**(626.5)**	**(350.9)**

[1] Thereof CHF 49.1 (2022: 38.8) million losses of interest financial derivatives.

[2] In 2023, thereof CHF 15.6 million financing related transaction costs in connection with the closing of the Autogrill transaction (Bridge financing).

[3] In 2023, thereof CHF 13.3 million net loss relating to the revaluation of financial investments.

14. Income taxes

Income tax recognized in the consolidated statement of profit or loss

In millions of CHF	2023	2022
Current Income tax income / (expense)	(121.4)	(73.1)
of which corresponding to the current period	(125.5)	(79.7)
of which adjustments recognized in relation to prior years	4.2	6.6
Deferred Income tax income / (expense)	39.8	(3.1)
of which related to the origination or reversal of temporary differences	47.6	(23.7)
of which adjustments recognized in relation to prior years	(8.6)	23.1
of which relates to foreign exchange movements [1]	0.6	(2.5)
of which adjustments due to change in tax rates	0.2	–
Total	**(81.6)**	**(76.2)**

Income tax reconciliation

In millions of CHF	2023	2022
Consolidated profit/(loss) before taxes	298.0	196.8
Expected tax rate in %	22.8%	21.8%
Income tax at the expected rate	(67.8)	(43.0)
Effect of		
Income not subject to income tax	3.8	3.6
Different tax rates for subsidiaries in other jurisdictions	25.3	(0.8)
Effect of changes in tax rates on previously recognized deferred tax assets and liabilities	(0.2)	–
Non-deductible expenses	(11.9)	(7.1)
Permanent differences	(5.0)	(5.7)
Losses of the year for which no deferred tax asset is recognized	(30.2)	(52.5)
Net change of recognition of temporary differences and tax credits	(7.2)	(0.4)
Non recoverable withholding taxes	(15.2)	(10.1)
Income taxes in non-controlling interest holders	25.9	14.0
Adjustments recognized in relation to prior year	(4.4)	29.7
Foreign exchange movements on deferred tax balances[1]	0.6	(2.5)
Other items	4.7	(1.4)
Total	**(81.6)**	**(76.2)**

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

The expected tax rate in % approximates the average income tax rate of the countries where the Group is active, weighted by the profitability of the respective operations adjusted for impairments. For 2023, there were no major changes in tax rates noted for countries in which Avolta is operating.

Deferred income tax recognized in other comprehensive income or in equity

In millions of CHF	2023	2022
Recognized in other comprehensive income		
Actuarial gains/(losses) on defined benefit plans	0.1	4.1
Total	**0.1**	**4.1**
Recognized in equity		
Tax effect on share-based payments	–	–
Total	**–**	**–**

15. Components of other comprehensive income

2023 **In millions of CHF**	**Attributable to equity holders of the parent**					
	Employee benefit reserve	**Translation reserves**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total equity**
Remeasurement of post-employment benefits plans	11.2	–	–	11.2	–	11.2
Income tax effect	(0.1)	–	–	(0.1)	–	(0.1)
Subtotal	**11.1**	**–**	**–**	**11.1**	**–**	**11.1**
Exchange differences on translating foreign operations	–	(241.8)	–	(241.8)	(19.7)	(261.5)
Subtotal	**–**	**(241.8)**	**–**	**(241.8)**	**(19.7)**	**(261.5)**
Net gain / (loss) on hedge of net investment in foreign operations (note 28.1)	–	14.3	–	14.3	–	14.3
Income tax effect	–	–	–	–	–	–
Subtotal	**–**	**14.3**	**–**	**14.3**	**–**	**14.3**
Share of other comprehensive income of associates	–	–	–	–	–	–
Subtotal	**–**	**–**	**–**	**–**	**–**	**–**
Other comprehensive income	**11.1**	**(227.5)**	**–**	**(216.4)**	**(19.7)**	**(236.1)**

2022 **In millions of CHF**	**Attributable to equity holders of the parent**					
	Employee benefit reserve	**Translation reserves**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total equity**
Remeasurement of post-employment benefits plans	(37.8)	–	–	(37.8)	0.2	(37.6)
Income tax effect	4.1	–	–	4.1	–	4.1
Subtotal	**(33.7)**	**–**	**–**	**(33.7)**	**0.2**	**(33.5)**
Exchange differences on translating foreign operations	–	(89.4)	–	(89.4)	(2.2)	(91.6)
Subtotal	**–**	**(89.4)**	**–**	**(89.4)**	**(2.2)**	**(91.6)**
Net gain / (loss) on hedge of net investment in foreign operations (note 28.1)	–	(3.6)	–	(3.6)	–	(3.6)
Income tax effect	–	–	–	–	–	–
Subtotal	**–**	**(3.6)**	**–**	**(3.6)**	**–**	**(3.6)**
Share of other comprehensive income of associates	–	0.5	–	0.5	–	0.5
Subtotal	**–**	**0.5**	**–**	**0.5**	**–**	**0.5**
Other comprehensive income	**(33.7)**	**(92.5)**	**–**	**(126.2)**	**(2.0)**	**(128.2)**

16. Property, plant and equipment

2023 In millions of CHF	Leasehold improvements	Buildings	Furniture fixtures	Computer hardware	Vehicles	Work in progress	Total
At cost							
Balance at January 1	**608.8**	**13.7**	**536.6**	**59.4**	**6.6**	**69.9**	**1,295.0**
Business combinations	430.9	49.7	206.4	–	0.5	97.7	785.2
Decrease in scope of consolidation	(3.4)	–	(0.1)	(0.3)	–	–	(3.8)
Additions	71.1	1.4	62.2	8.5	1.4	256.1	400.7
Disposals	(217.1)	–	(1.8)	(5.2)	(2.1)	(3.4)	(229.6)
Reclassification within classes	96.3	1.5	96.8	4.2	1.1	(199.9)	–
Currency translation adjustments	(163.1)	(4.6)	(108.9)	(7.6)	(1.2)	(15.8)	(301.2)
Balance at December 31	**823.5**	**61.7**	**791.2**	**59.0**	**6.3**	**204.6**	**1,946.3**
Accumulated depreciation							
Balance at January 1	**(388.8)**	**(8.9)**	**(407.5)**	**(42.7)**	**(5.3)**	**–**	**(853.2)**
Decrease in scope of consolidation	3.3	–	0.1	0.3	–	–	3.7
Additions (note 10)	(148.2)	(2.5)	(114.8)	(11.7)	(1.3)	–	(278.5)
Disposals	166.9	9.0	1.8	5.1	2.1	–	184.9
Reclassification within classes	29.1	(9.0)	(24.2)	4.0	0.1	–	–
Currency translation adjustments	110.5	1.8	85.9	6.0	1.0	–	205.2
Balance at December 31	**(227.2)**	**(9.6)**	**(458.7)**	**(39.0)**	**(3.4)**	**–**	**(737.9)**
Impairment							
Balance at January 1	**(81.0)**	**(2.6)**	**(38.5)**	**(2.3)**	**(0.1)**	**(3.0)**	**(127.5)**
Decrease in scope of consolidation	–	–	–	–	–	–	–
Impairment (note 10)	(5.3)	–	(0.4)	–	–	–	(5.7)
Reversal of impairment (note 10)	4.6	–	2.1	0.1	–	–	6.8
Disposals	37.3	–	–	–	–	–	37.3
Reclassification within classes	(8.2)	0.1	7.5	0.6	–	0.1	0.1
Currency translation adjustments	9.2	0.1	2.2	0.2	–	0.3	12.0
Balance at December 31	**(43.4)**	**(2.4)**	**(27.1)**	**(1.4)**	**(0.1)**	**(2.6)**	**(77.0)**
Carrying amount							
At December 31, 2023	**552.9**	**49.7**	**305.4**	**18.6**	**2.8**	**202.0**	**1,131.4**

2022 In millions of CHF	Leasehold improvements	Buildings	Furniture fixtures	Computer hardware	Vehicles	Work in progress	Total
At cost							
Balance at January 1	**580.8**	**15.2**	**530.9**	**53.3**	**6.7**	**50.0**	**1,236.9**
Increase in scope of consolidation	–	–	0.8	–	–	–	0.8
Decrease in scope of consolidation	(0.5)	–	(0.6)	(0.1)	–	(0.2)	(1.4)
Additions	25.3	–	14.7	6.1	0.6	61.1	107.8
Disposals	(12.1)	(1.1)	(9.5)	(2.4)	(0.6)	(2.5)	(28.2)
Reclassification within classes	20.1	–	16.0	1.7	–	(37.8)	–
Reclassification to Intangible	–	–	–	–	–	(0.5)	(0.5)
Currency translation adjustments	(4.8)	(0.4)	(15.7)	0.8	(0.1)	(0.2)	(20.4)
Balance at December 31	**608.8**	**13.7**	**536.6**	**59.4**	**6.6**	**69.9**	**1,295.0**
Accumulated depreciation							
Balance at January 1	**(349.7)**	**(8.5)**	**(379.4)**	**(35.8)**	**(5.1)**	**–**	**(778.5)**
Decrease in scope of consolidation	0.1	–	0.2	0.1	–	–	0.4
Additions (note 10)	(55.0)	(0.2)	(48.5)	(8.3)	(0.7)	–	(112.7)
Disposals	11.4	–	9.3	2.3	0.5	–	23.5
Reclassification within classes	1.3	(0.3)	(0.9)	(0.1)	–	–	–
Currency translation adjustments	3.1	0.1	11.8	(0.9)	–	–	14.1
Balance at December 31	**(388.8)**	**(8.9)**	**(407.5)**	**(42.7)**	**(5.3)**	**–**	**(853.2)**
Impairment							
Balance at January 1	**(86.2)**	**(3.9)**	**(34.9)**	**(1.8)**	**(0.1)**	**(2.4)**	**(129.3)**
Decrease in scope of consolidation	0.4	–	0.3	0.1	–	0.2	1.0
Impairment (note 10)	(0.4)	–	(1.0)	–	–	–	(1.4)
Reversal of impairment (note 10)	–	–	–	–	–	0.2	0.2
Disposals	0.2	1.1	–	–	–	–	1.3
Reclassification within classes	4.9	–	(3.2)	(0.6)	–	(1.1)	–
Currency translation adjustments	0.1	0.2	0.3	–	–	0.1	0.7
Balance at December 31	**(81.0)**	**(2.6)**	**(38.5)**	**(2.3)**	**(0.1)**	**(3.0)**	**(127.5)**
At December 31, 2022	**139.0**	**2.2**	**90.6**	**14.4**	**1.2**	**66.9**	**314.3**

Cash flow used for purchase of property, plant and equipment

In millions of CHF	2023	2022
Payables for capital expenditure at the beginning of the period	(19.8)	(9.3)
Additions of property, plant and equipment	(400.7)	(107.8)
Payables for capital expenditure at the end of the period	77.1	19.8
Payables for capital expenditure acquired through business combination	(66.5)	–
Other	0.2	–
Currency translation adjustments	5.3	(0.1)
Total Cash Flow	**(404.4)**	**(97.4)**

17. Right-of-use assets

2023 In millions of CHF	Shops	Other Buildings	Vehicles	Other	Total
At cost					
Balance at January 1	**5,766.9**	**245.7**	**6.9**	**2.6**	**6,022.1**
Business combinations	1,281.4	33.5	1.6	0.6	1,317.1
Decrease in scope of consolidation	(1.2)	(0.7)	–	–	(1.9)
Additions[1]	160.3	13.8	2.4	0.5	177.0
Disposals[2]	(144.6)	(22.1)	(0.5)	(0.3)	(167.5)
Lease modifications[3]	4,645.3	8.5	0.1	0.1	4,654.0
Currency translation adjustments	(612.4)	(19.8)	(0.6)	(0.2)	(633.0)
Balance at December 31	**11,095.7**	**258.9**	**9.9**	**3.3**	**11,367.8**
Accumulated depreciation					
Balance at January 1	**(3,014.9)**	**(106.8)**	**(4.2)**	**(1.4)**	**(3,127.3)**
Decrease in scope of consolidation	1.1	0.6	–	–	1.7
Additions (note 10)	(1,051.4)	(33.6)	(2.4)	(0.9)	(1,088.3)
Disposals[2]	126.7	15.4	0.5	0.3	142.9
Lease modifications[3]	(0.1)	1.6	–	–	1.5
Currency translation adjustments	230.4	8.5	0.4	0.1	239.4
Balance at December 31	**(3,708.2)**	**(114.3)**	**(5.7)**	**(1.9)**	**(3,830.1)**
Impairment					
Balance at January 1	**(320.7)**	**(6.3)**	**–**	**–**	**(327.0)**
Impairment (note 10)	(15.3)	–	–	–	(15.3)
Reversal of impairment (note 10)	14.0	–	–	–	14.0
Disposals[2]	4.0	–	–	–	4.0
Currency translation adjustments	23.2	0.4	–	–	23.6
Balance at December 31	**(294.8)**	**(5.9)**	**–**	**–**	**(300.7)**
Carrying amount					
At December 31, 2023	**7,092.7**	**138.7**	**4.2**	**1.4**	**7,237.0**

1 New contracts.

2 Ending of lease contracts.

3 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.

2022 In millions of CHF	Shops	Other Buildings	Vehicles	Other	Total
At cost					
Balance at January 1	**5,872.7**	**240.0**	**8.2**	**2.1**	**6,123.0**
Decrease in scope of consolidation	(0.6)	(0.4)	–	–	(1.0)
Additions[1]	50.9	10.5	0.4	0.9	62.7
Disposals[2]	(147.0)	(7.0)	(1.5)	(0.4)	(155.9)
Lease modifications[3]	152.7	6.6	0.3	0.1	159.7
Reclassification within classes	(0.3)	0.3	–	–	–
Currency translation adjustments	(161.5)	(4.3)	(0.5)	(0.1)	(166.4)
Balance at December 31	**5,766.9**	**245.7**	**6.9**	**2.6**	**6,022.1**
Accumulated depreciation					
Balance at January 1	**(2,528.7)**	**(84.9)**	**(4.2)**	**(1.4)**	**(2,619.2)**
Decrease in scope of consolidation	0.1	0.1	–	–	0.2
Additions (note 10)	(787.4)	(29.4)	(1.6)	(0.5)	(818.9)
Disposals[2]	135.3	6.4	1.3	0.4	143.4
Lease modifications[3]	75.3	(0.1)	–	–	75.2
Reclassification within classes	1.7	(1.8)	–	0.1	–
Currency translation adjustments	88.8	2.9	0.3	–	92.0
Balance at December 31	**(3,014.9)**	**(106.8)**	**(4.2)**	**(1.4)**	**(3,127.3)**
Impairment					
Balance at January 1	**(376.5)**	**(6.5)**	**–**	**–**	**(383.0)**
Business combination	0.5	0.3	–	–	0.8
Impairment (note 10)	(15.0)	–	–	–	(15.0)
Reversal of impairment (note 10)	48.7	–	–	–	48.7
Disposals[2]	4.7	–	–	–	4.7
Lease modifications[3]	7.5	–	–	–	7.5
Reclassification within classes	0.3	(0.3)	–	–	–
Currency translation adjustments	9.1	0.2	–	–	9.3
Balance at December 31	**(320.7)**	**(6.3)**	**–**	**–**	**(327.0)**
Carrying amount					
At December 31, 2022	**2,431.3**	**132.6**	**2.7**	**1.2**	**2,567.8**

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

18. Intangible assets and goodwill

2023 In millions of CHF	Concession rights Acquisition Related	Concession rights Plain	Brands	Others[1]	Total	Goodwill
At cost						
Balance at January 1	**4,357.8**	**84.7**	**262.0**	**256.1**	**4,960.6**	**2,390.2**
Business combinations	860.5	–	113.0	36.4	1,009.9	890.2
Decrease in scope of consolidation	–	–	–	(0.4)	(0.4)	–
Additions	–	–	–	36.7	36.7	–
Disposals	(73.7)	(5.4)	–	(17.9)	(97.0)	–
Reclassification within classes	(4.2)	2.6	–	1.6	–	–
Currency translation adjustments	(370.3)	(6.3)	(15.6)	(26.1)	(418.3)	(197.3)
Balance at December 31	**4,770.1**	**75.6**	**359.4**	**286.4**	**5,491.5**	**3,083.1**
Accumulated amortization						
Balance at January 1	**(2,344.1)**	**(51.2)**	**(3.3)**	**(197.7)**	**(2,596.3)**	**–**
Decrease in scope of consolidation	–	–	–	0.4	0.4	–
Additions (note 10)	(239.7)	(4.3)	–	(28.6)	(272.6)	–
Disposals	33.9	5.2	–	16.4	55.5	–
Reclassification within classes	(0.3)	0.1	–	0.2	–	–
Currency translation adjustments	195.4	5.3	0.1	20.2	221.0	–
Balance at December 31	**(2,354.8)**	**(44.9)**	**(3.2)**	**(189.1)**	**(2,592.0)**	**–**
Impairment						
Balance at January 1	**(856.3)**	**(20.5)**	**(5.7)**	**(4.0)**	**(886.5)**	**(118.0)**
Impairment (note 10)	–	–	–	(0.7)	(0.7)	–
Reversal of impairment (note 10)	30.5	–	–	–	30.5	–
Disposals	40.0	–	–	1.5	41.5	–
Reclassification within classes	–	–	–	–	–	–
Currency translation adjustments	57.7	1.9	0.5	(0.1)	60.0	13.5
Balance at December 31	**(728.1)**	**(18.6)**	**(5.2)**	**(3.3)**	**(755.2)**	**(104.5)**
Carrying amount						
Balance at December 31, 2023	**1,687.2**	**12.1**	**351.0**	**94.0**	**2,144.3**	**2,978.6**

[1] Others mainly contain IT software.

2022 In millions of CHF	Concession rights Acquisition Related	Concession rights Plain	Brands	Others[1]	Total	Goodwill
At cost						
Balance at January 1	**4,529.7**	**85.5**	**266.1**	**245.0**	**5,126.3**	**2,512.8**
Additions	–	0.4	–	15.5	15.9	–
Disposals	(25.7)	(1.0)	–	(3.5)	(30.3)	–
Reclassification from property, plant and equipment	–	–	–	0.5	0.5	–
Currency translation adjustments	(146.2)	(0.2)	(4.1)	(1.4)	(151.8)	(122.6)
Balance at December 31	**4,357.8**	**84.7**	**262.0**	**256.1**	**4,960.6**	**2,390.2**
Accumulated amortization						
Balance at January 1	**(2,272.4)**	**(51.1)**	**(3.3)**	**(182.5)**	**(2,509.3)**	**–**
Additions (note 10)	(158.3)	(1.3)	–	(20.3)	(179.9)	–
Disposals	25.7	1.1	–	3.5	30.3	–
Currency translation adjustments	60.9	0.1	–	1.6	62.6	–
Balance at December 31	**(2,344.1)**	**(51.2)**	**(3.3)**	**(197.7)**	**(2,596.3)**	**–**
Impairment						
Balance at January 1	**(849.9)**	**(20.2)**	**(5.6)**	**(4.0)**	**(879.7)**	**(152.8)**
Impairment (note 10)	(32.9)	–	–	–	(32.9)	–
Reversal of impairment (note 10)	17.3	–	–	–	17.3	–
Currency translation adjustments	9.2	(0.3)	(0.1)		8.8	34.8
Balance at December 31	**(856.3)**	**(20.5)**	**(5.7)**	**(4.0)**	**(886.5)**	**(118.0)**
Carrying amount						
At December 31, 2022	**1,157.4**	**13.0**	**253.0**	**54.4**	**1,477.8**	**2,272.2**

[1] Others mainly contain IT software.

19. Impairment tests of tangible and intangible assets

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

19.1 Key assumptions used for value-in-use calculations

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

Sales growth
Management based its assumptions on information available at the time of the preparation of the financial statements and assumes that sales will continue to grow in 2024 in line with the international air traffic growth and inflation. Most locations have reached 2019 sales levels in 2023 or will reach in 2024. For the periods after 5 years, Avolta has used growth rates between 2.3% – 4.0 % (2022: 2.0% – 3.3%) to extrapolate the cash flow projections. In its projections, Avolta assumes that the climate change & environmental risk has no material impact on future sales levels and the overall recovery of the business.

Discount rates
The cash flows are discounted using a weighted average cost of capital ("WACC") rate composed among other factors of:

(a) a risk free interest rates derived from actual governmental bonds rates: CHF: up to 1.02%, EUR: up to 3.37%, USD: up to 4.83% (2022: up to CHF 1.50%, up to EUR 1.97%, up to USD 3.89%),
(b) a credit spread of 1.30 % – 3.40 % (2022: 2.00 % – 4.70%) ,
(c) a re-levered beta of 1.19 (2022: 1.07), and
(d) an equity-risk premium used in 2023 is up to 5.50% – 6.00% (2022: 6.25%). Certain WACC components, like country premium or default country risk, have been weighted for each segment.

19.2 Impairment test of goodwill

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

In millions of CHF	31.12.2023	31.12.2022 [1]
Europe, Middle East and Africa (EMEA)	1,578.6	1,434.3
North America	872.9	513.9
Latin America (LATAM)	455.7	251.8
Asia Pacific (APAC)	33.3	34.4
Global Distribution Centers	38.1	37.8
Total carrying amount of goodwill	**2,978.6**	**2,272.2**

[1] Refer to Note 5 for details on implementation of the new segment structure.

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

Specific assumptions used for the valuation of goodwill:

	Post tax discount rates		Pre-tax discount rates		CAGR[1] for net sales		Long term growth rate	
Group of cash generating units in percentage (%)	**2023**	**2022[2]**	**2023**	**2022[2]**	**2023**	**2022[2]**	**2023**	**2022[2]**
Europe, Middle East and Africa (EMEA)	6.63%	6.89%	8.56%	8.92%	3.42%	4.72%	2.28%	2.50%
North America	5.73%	6.21%	7.77%	8.28%	4.27%	5.25%	2.54%	2.70%
Latin America (LATAM)	5.66%	6.44%	8.02%	8.57%	0.48%	4.96%	2.41%	2.70%
Asia Pacific (APAC)	6.41%	6.34%	8.15%	8.52%	7.43%	19.43%	3.10%	2.50%

1 Compound Annual Growth Rate.

2 Refer to Note 5 for details on implementation of the new segment structure.

Sensitivity analysis to changes in assumptions

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

	Discount rate		Sales growth drop[1]	
Group of cash generating units in percentage (%)	**2023**	**2022[2]**	**2023**	**2022[2]**
	+2 %	+2 %	-3 %	-3 %
Europe, Middle East and Africa (EMEA)	–	–	–	–
North America	–	–	–	–
Latin America (LATAM)	–	–	–	–
Asia Pacific (APAC)	–	–	–	–

1 The reasonable drop in sales or margin (in percentage of sales) has been considered in each year within the impairment test.

2 Refer to Note 5 for details on implementation of the new segment structure.

19.3 Impairment test of brand names

Avolta's operations apply several retail and food & beverage concepts which use different brand names. The table below indicates the key components used for determining the value-in-use arising during business acquisitions in the past and have been kept at historical values.

At closing the estimated recoverable amount of all brand names of the Group exceed their carrying amounts. Management believes that no possible reasonable change in any of the key assumptions would lead to a situation where the recoverable amounts fall below the respective carrying amount.

Key assumptions used for the valuation of brand names:

	Post tax discount rates		Growth rates for net sales	
Brand names in percentage (%)	2023	2022	2023	2022
Dufry	5.75%	6.78%	2.08%	4.46%
Hudson News	5.67%	8.35%	3.85%	8.28%
Nuance	6.06%	7.16%	4.14%	4.96%
World Duty Free	5.68%	7.52%	2.10%	2.26%
HMSHost	5.60%	n/a	5.18%	n/a
Autogrill	7.73%	n/a	3.95%	n/a

19.4 Impairment test of tangible and other intangible assets

The selection of CGUs for the test has been made based on historical impairments, profitability and materiality of assets. The methodology and assumptions used for these impairment tests are similar to those described for goodwill, except for:

(a) The tests were done on CGU level,
(b) The period of cash flows is limited to the contractual lease term, ignoring renewal probabilities,
(c) The effective tax rate was used as WACC component,
(d) For test purposes the carrying amount of the assets was net of linked liabilities, in particular lease obligations,
(e) No reliefs of minimal lease payments have been assumed unless contractually agreed by the time of approving these financial statements,
(f) The cash flows are reduced for a share of expenses related to corporate assets.

The table of note 10 discloses the aggregated impairment expense and reversal of impairment by segment incurred in 2023, whereas note 16, note 17 and note 18 show the cumulated impairment on property, plant and equipment, right-of-use assets and intangible assets by type of asset.

Sensitivity analysis to changes in assumptions

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

Group of cash generating units in percentage (%)		Discount rate		Sales growth drop
	2023	2022[1]	2023	2022[1]
	+1 %	+1 %	-3 %	-3 %
Europe, Middle East and Africa (EMEA)	(3.6)	(35.6)	(94.0)	(79.0)
North America	–	(0.3)	–	(8.6)
Latin America (LATAM)	(2.2)	(17.8)	(25.4)	(31.1)
Asia Pacific (APAC)	–	–	–	–

[1] Refer to Note 5 for details on implementation of the new segment structure.

20. Investments in associates

These investments are accounted for using the equity method.

Summarized statement of comprehensive income

In millions of CHF	2023	2022
Net profit / (loss)	**3.7**	**10.7**
Other comprehensive income		
Items to be reclassified to net income in subsequent periods	–	0.1
Total comprehensive income	**3.7**	**10.8**

21. Other non-current assets

In millions of CHF	31.12.2023	31.12.2022
Guarantee deposits	139.9	52.6
Loans	30.8	19.1
Lease receivables	54.1	4.0
Prepayment for leases	23.9	32.8
Tax receivables	78.7	55.2
Other	–	0.5
Subtotal	**327.4**	**164.2**
Allowances	(15.3)	(8.4)
Total	**312.1**	**155.8**

Movement in allowances

In millions of CHF	2023	2022
Balance at January 1	**(8.4)**	**(10.4)**
Creation	(9.3)	–
Utilized	1.5	1.7
Reclassification	0.3	0.6
Currency translation adjustments	0.6	(0.3)
Balance at December 31	**(15.3)**	**(8.4)**

22. Inventories

In millions of CHF	31.12.2023	31.12.2022
Inventories at cost	1,172.8	1,024.1
Inventory allowance	(110.8)	(95.7)
Total	**1,062.0**	**928.4**

Cost of sales includes inventories written down to net realizable value and inventory losses of CHF 94.5 (2022: 74.7) million.

23. Trade and credit card receivables

In millions of CHF	31.12.2023	31.12.2022
Trade receivables[1]	39.3	28.1
Credit card receivables	4.7	39.4
Gross	**44.0**	**67.5**
Allowances	(2.7)	(5.2)
Net	**41.3**	**62.3**

[1] Includes trade receivables against associates of CHF 9.0 (2022: 6.2) million.

Aging analysis of trade receivables

In millions of CHF	31.12.2023	31.12.2022
Not due	15.9	6.3
Overdue		
Up to 30 days	12.7	11.6
31 to 60 days	3.9	0.2
61 to 90 days	1.7	0.6
More than 90 days	2.3	4.2
Total overdue	**20.6**	**16.6**
Trade receivables, net	**36.5**	**22.9**

24. Other accounts receivable

In millions of CHF	31.12.2023	31.12.2022
Advertising receivables	166.4	194.0
Services provided to suppliers	2.3	1.6
Loans receivable	25.4	0.7
Receivables from subtenants and business partners	7.5	4.0
Personnel receivables	2.7	1.1
Accounts receivables	**204.3**	**201.4**
Prepayments of lease expenses and rents	18.3	28.6
Prepayments of sales and other taxes	136.0	109.6
Prepayments to suppliers	9.1	4.5
Prepayments, other	36.3	14.4
Prepayments	**199.7**	**157.1**
Receivables from operational and airport services income	56.6	–
Receivables from subleases	17.2	2.9
Guarantee deposits	46.7	102.4
Derivative financial assets	9.3	10.1
Other	59.6	16.2
Other receivables	**189.4**	**131.6**
Total	**593.4**	**490.1**
Allowance	(17.2)	(22.5)
Total	**576.2**	**467.6**

Movement in allowances

In millions of CHF	2023	2022
Balance at January 1	**(22.5)**	**(24.7)**
Creation	(8.2)	(3.4)
Release	11.7	5.0
Utilized	–	0.5
Reclassification	–	0.1
Currency translation adjustments	1.8	–
Balance at December 31	**(17.2)**	**(22.5)**

25. Equity

25.1 Fully paid ordinary shares

In millions of CHF	Number of shares	Share capital	Share premium
Balance at January 1, 2022	**90,797,007**	**454.0**	**4,542.2**
Balance at December 31, 2022	**90,797,007**	**454.0**	**4,542.2**
Conversion of mandatory convertible notes to equity	2,092,113	10.5	49.8
Share capital increase	59,725,131	298.6	2,240.8
Balance at December 31, 2023	**152,614,251**	**763.1**	**6,832.8**

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 30,663,329 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 30,663,329 Dufry shares. Additional 29'061'802 Dufry shares were issued in several steps in context of the MTO for the outstanding Autogrill shares at the Milan Stock Exchange.

Avolta's Board of Directors will propose to the Annual General Meeting of Shareholders to pay out a dividend of CHF 0.70 per share in 2024.

25.2 Mandatory convertible notes

	Number of notes	In thousands of CHF
Balance at January 1, 2022	**695**	**60,300**
Balance at December 31, 2022	**695**	**60,300**
Conversion of mandatory convertible notes to equity	(695)	(60,300)
Balance at December 31, 2023	**–**	**–**

In November 2023, CHF 69.5 million Mandatory Convertible Bond has been converted into 2'092'113 Avolta AG shares at a conversion price of CHF 33.22.

25.3 Translation reserves

In millions of CHF	Attributable to equity holders of the parent	Non-controlling interests	Total
Balance at January 1, 2022	**(450.9)**		
Exchange differences arising on translating the foreign	(89.4)	(2.2)	(91.6)
Net gain/(loss) on hedge of net investments in foreign	(3.6)		(3.6)
Share of other comprehensive income of associates	0.5		0.5
Balance at December 31, 2022	**(543.4)**		
Exchange differences arising on translating the foreign operations	(241.8)	(19.7)	(261.5)
Net gain/(loss) on hedge of net investments in foreign operations	14.3	–	14.3
Share of other comprehensive income of associates	–	–	–
Balance at December 31, 2023	**(770.9)**		

26. Share-based payment plans

In 2023, Avolta recorded CHF 43.5 million in relation to its PSU plans (2023, 2022 and 2021) under personnel expenses, out of which CHF 6.9 million are recorded as other liabilities (personnel payables). In 2022, Avolta recorded CHF 18.5 million in relation to its PSU plans (2022 and 2021) under Personnel Expenses, whereas CHF 3.3 million are recorded as other liabilities (personnel payables). Amounts recorded in other payables include charges for cash settled portions CHF 1.9 million (2022: CHF 1.6 million) and accruals for social security charged CHF 5.0 million (2022: CHF 1.7 million).

2023 Plan

During 2023, Avolta granted to selected members of the management the award 2023 consisting of 862,071 performance share units (PSU). The PSU award 2023 will vest on June 1, 2026 and has a contractual life between 30 and 41 months. At grant dates, the fair values of one PSU award 2023 was calculated applying a combination of market share price and applying a Monte Carlo simulation. The range of fair values was determined between CHF 30.03 and CHF 39.28 for the respective grant dates, with a weighted average fair value of CHF 33.67. As part of this plan, 191,951 PSU will be settled in cash.

The PSU granted in 2023 are subject to three performance conditions (unchanged to the previous year): Cumulative CORE EPS with a 50 % weighting, Relative TSR with a 25 % weighting and an ESG target with a 25 % weighting. The ESG target consists of two different KPIs related to material areas from a business and stakeholder perspective, each with a weighting of ½ of the ESG target.

On the vesting date, the PSU vest and are converted into shares based on the achievement of the performance targets. Each PSU may provide between zero share (less than 50 % targets achievement) and 2 shares (150 % or more targets achievement). The target (100 % vesting) in relation to the cumulative CORE EPS measured corresponds to a total of CHF 4.26, ranking at 50th percentile of the peer group for the TSR element and defined ESG targets in the aera of conducted trainings on embedding culture of diversity and suppliers related measures.

Holders of PSU are not entitled to vote or receive dividends like shareholders do. As of December 31, 2023, none of the PSU awards 2023, 2022 and 2021 have forfeited and 1,810,237 PSU (2022: 948,166) remain outstanding.

2022 Plan

During 2022, Avolta granted to selected members of the management the award 2022 consisting of 553,359 performance share units (PSU). The PSU award 2022 will vest on June 3, 2025 and has a contractual life between 31 and 41 months. At grant dates the fair values of one PSU award 2022 was calculated applying a combination of market share price and applying a Monte Carlo simulation. The range of fair values was determined between CHF 31.73 and CHF 48.78 for the respective grant dates, with a weighted average fair value of CHF 36.19. As part of this plan, 42,761 PSU will be settled in cash.

The PSU granted in 2022 are subject to three performance conditions: Cumulative Adjusted EPS with a 50 % weighting, Relative TSR with a 25 % weighting, and an ESG target with a 25 % weighting. The ESG target consists of three different KPIs related to material areas from a business and stakeholder perspective, each with a weighting of ⅓ of the ESG target.

On the vesting date, the PSU vest and are converted into shares based on the achievement of the performance targets. Each PSU may provide between zero share (less than 50 % targets achievement) and 2 shares (150 % or more targets achievement). The target (100 % vesting) in relation to the cumulative adjusted EPS measured corresponds to a total of CHF 7.60 (to be adjusted by the effect of the combination with Autogrill), ranking at 50th percentile of the peer group for the TSR element and defined ESG measures per area, such as 60 % reduction of CO_2 emissions on scope 1 & 2 by 2024.

Holders of PSU are not entitled to vote or receive dividends like shareholders do. As of December 31, 2022, none of the PSU awards 2022 and 2021 have forfeited and 948,166 PSU (2021: 394,807) remain outstanding.

2021 Plan
On November 30, 2021, Avolta granted to selected members of the management the award 2021 consisting of 394,807 performance share units (PSU). The PSU award 2021 has a contractual life of 30 months and will vest on June 3, 2024. At grant date the fair value of one PSU award 2021 represented the market value for one Avolta share at that date, i. e. CHF 41.54. As part of this plan, 44,753 PSU will be settled in cash.

Holders of one PSU award 2021 will have the right to receive free of charge up to two Avolta shares depending on two performance targets reached by Avolta during the grant year of award and the following two years compared with the target. The performance targets of the 2021 PSU grant are the cumulative adjusted EPS, with a 50 % weighting, and the cumulative Equity Free Cash Flow (EFCF) with a 50 % weighting. On the vesting date, after the three-year vesting period, the PSU vest and are converted into shares based on the achievement of the performance targets. Each PSU may provide between zero share (less than 50 % targets achievement) and 2 shares (150 % or more targets achievement). The target (100 % vesting) in relation to the cumulative adjusted EPS measured corresponds to an improvement by CHF 26.50 compared to the adjusted EPS for fiscal year 2020, respectively an improvement by CHF 993 million compared to the EFCF for fiscal year 2020. Holders of PSU are not entitled to vote or receive dividends like shareholders do.

Older Plans
During 2020, Avolta did not grant any awards and therefore no PSU were allocated in 2023.

26.1 Treasury shares

Treasury shares are valued at historical cost.

	Number of shares	In millions of CHF
Balance at January 1, 2022	**11,281**	**(1.3)**
Purchased shares	600,000	(21.6)
Balance at December 31, 2022	**611,281**	**(22.9)**
Returned shares [1]	804,728	(34.1)
Purchased shares	801,056	(33.4)
Balance at December 31, 2023	**2,217,065**	**(90.4)**

[1] Related to a past business combination.

26.2 Earnings per share

26.2.1 Earnings per share attributable to equity holders of the parent

Basic

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

In millions of CHF / Quantity	2023	2022
Net profit/(loss) attributable to equity holders of the parent	87.3	58.2
Weighted average number of ordinary shares outstanding	136,299,408	92,800,277
Basic earnings per share in CHF	**0.64**	**0.63**

Diluted

Diluted earnings per share are calculated by dividing the net profit/(loss) attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

Refer to note 28 for instruments that could potentially dilute basic earnings per share in future, but were not included in the calculation of diluted earnings per share because they are antidilutive for 2023 and 2022.

In millions of CHF / Quantity	2023	2022
Net profit/(loss) attributable to equity holders of the parent	87.26	58.20
Weighted average number of ordinary shares outstanding	139,360,952	94,010,983
Diluted earnings per share in CHF	**0.63**	**0.62**

26.2.2 Weighted average number of ordinary shares

In shares	2023	2022
Outstanding shares	137,659,900	90,797,007
Mandatory convertible shares	–	2,092,113
Less treasury shares	(1,360,492)	(88,843)
Used for calculation of basic earnings per share	**136,299,408**	**92,800,277**
Effect of dilution		
PSU plans	3,061,544	1,210,706
Used for calculation of diluted earnings per share	**139,360,952**	**94,010,983**

27. Breakdown of transactions with non-controlling interests

The following transactions have been recognized in equity attributable to non-controlling interests holders:

In millions of CHF	2023	2022
Acquisition of NCI share in Autogrill Feb	441.6	–
Changes in NCI share in Autogrill	(384.1)	–
Change in relation to put option (49 % of Dufry Staer Holding Ltd)[1]	(5.3)	5.1
Navinten NCI change to 49 %	16.2	–
Other non-controlling interests (disposed)/acquired	6.9	2.8
Change in Avolta's interest	**75.3**	**7.9**
NCI portion of increases in share capital of subsidiaries	19.2	1.5
Share capital changes	**19.2**	**1.5**
Total	**94.5**	**9.4**

[1] No cash flow effects.

27.1 Information on companies with non-controlling interests

In 2023, Avolta allocated CHF 129.1 (2022: 62.4) million of net result to non-controlling interests (NCI). Within the Avolta Group, the net earnings allocated to non-controlling interests is predominantly related to the US subsidiaries, totaling CHF 104.1 (2022: 47.2) million.

Airport authorities in the United States frequently require companies to partner with local business partners based on Airport Concession Disadvantaged Business Enterprise ("ACDBE") regulation. 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 individual significant non-controlling interests in 2023 and 2022.

28. Borrowings

In millions of CHF	31.12.2023	31.12.2022
Bank debt overdrafts	41.5	–
Senior Notes	743.0	–
Bank debt loans	32.1	119.6
Third party loans	2.8	3.1
Borrowings, current	**819.4**	**122.7**
Bank debt loans	379.3	453.9
Senior Notes	2,138.0	2,993.0
Third party loans	3.3	5.4
Borrowings, non-current	**2,520.6**	**3,452.3**
Total	**3,340.0**	**3,575.0**
Of which are		
Bank debt	452.9	573.5
Senior Notes	2,881.0	2,993.0
Third party loans	6.1	8.5

Bank debt

In millions of CHF	31.12.2023	31.12.2022
Bank debts are denominated in		
US Dollar	311.4	409.5
Euro	46.4	–
Deferred arrangement fees	(18.1)	(17.3)
Subtotal	**339.7**	**392.2**
Bank debts at subsidiaries in		
Euro*	93.2	104.9
Swiss Franc*	6.8	11.0
British Pound*	–	55.9
US Dollar	6.9	–
Other currencies*	6.3	9.5
Total	**452.9**	**573.5**

* Include Government backed COVID-19 loans of CHF 66.8 (2022: 175.9) million.

Since the beginning of the COVID-19 pandemic in 2020 and as a consequence thereof economical restrictions, governments granted backed COVID-19 loans to certain Avolta subsidiaries, which are accounted for financial liability in accordance with IFRS 9. As of December 2023, the amount of loans granted was overall CHF 66.8 (2022: 175.9) million, whereas the loans were granted in different currencies. Loans granted were in EUR 65.8 (2022: 106.0) million and in CHF 5.7 (2022: 11.0) million. The loans in GBP have been completely reimbursed (2022: 50.0 million) as well as in MAD (2022: 46.8 million). The interest rates vary between 0.0 % and 5.6 % (2022: 0.0 % and 5.5 %).

Notes

In millions of CHF	31.12.2023	31.12.2022
Senior Notes denominated in Euro	2,121.3	2,251.4
Senior Notes denominated in CHF	300.0	300.0
Convertible Notes denominated in CHF	474.2	463.5
Deferred interest on modification of financing arrangements	(6.4)	(8.9)
Deferred arrangement fees	(8.1)	(13.0)
Total	**2,881.0**	**2,993.0**

Detailed credit facilities

Avolta negotiates and manages its main credit facilities centrally. In December 2022, Avolta had successfully refinanced its main bank credit facilities. A new EUR 2,085 million Revolving Credit Facility (RCF) replaced EUR 1,300 million RCF and USD 550 million Term Loan with maturity in December 2027 compared to previous maturity date in November 2024. In April 2023, EUR 2,085 million RCF has been increased by EUR 180 million, in June 2023 by EUR 410 million and in September 2023 by EUR 75 million to a new total amount of EUR 2,750 million. As of December 31, 2023 the drawn amount is CHF 357.8 million.

In February 2022, Avolta entered into an amendment of certain borrowing instruments which waived compliance with certain financial covenants for another twelve months until and including June 30, 2023.

On signing date in December 2022, the margin of the RCF was 3.5 % based on Avolta's rating. Due to two upgrades by S&P and one upgrade by Moody's, the margin has improved and is 2.75 % as of December 31, 2023.

In June 2023, the former Autogrill credit facility was cancelled by repaying the notional drawn amount of CHF 506.8 million (EUR 200.0 million and USD 347.8 million).

The post agreements and the bank guarantee facilities contain covenants and conditions customary to this type of financing. In 2023 and 2022, Avolta complied with the financial covenants and conditions contained in the bank credit agreements.

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, 2023 and thereafter,
- a minimum ratio of CORE EBITDA to Total Interest Expense (excluding lease interest) of 3:1 for the test periods ending December 31, 2023 and thereafter.

Bank credit facilities

In millions of CHF	Maturity	Currency	Credit limit in foreign currency	Draw amount in CHF
Revolving credit facility (multi-currency)	20.12.2027	EUR	2,750.0	357.8
Uncommitted current facilities	n/a	CHF	50.0	–
At December 31, 2023				**357.8**

In millions of CHF	Maturity	Currency	Credit limit in foreign currency	Draw amount in CHF
Revolving credit facility (multi-currency)[1]	20.12.2027	EUR	2,085.0	409.5
Uncommitted current facilities	n/a	CHF	50.0	–
At December 31, 2022				**409.5**

[1] New revolving credit facility replacing the EUR 1,300.0 million revolving credit facility which was cancelled and the USD 550.0 million committed term loan which was fully repaid, both before their maturity.

Notes

					Amount in CHF	
In millions of CHF	Maturity	Coupon rate	Currency	Nominal in foreign currency	2023	2022
Senior notes	15.10.2024	2.50%	EUR	800.0	745.9	790.3
Senior notes	15.02.2027	2.00%	EUR	750.0	692.0	732.1
Senior notes	15.04.2028	3.38%	EUR	725.0	672.1	712.2
Senior notes	15.04.2026	3.63%	CHF	300.0	299.4	298.9
Convertible notes[1]	30.03.2026	0.75%	CHF	500.0	471.6	459.5
Total					**2,881.0**	**2,993.0**

[1] Equity component CHF 54.1 million.

Weighted average interest rate

Below are the overall weighted average notional interest rates on the main currencies of bank credit facilities and notes:

Interest rate in percentage (%)	2023	2022
Average on USD	7.88	4.96
Average on CHF	2.01	2.01
Average on EUR	3.51	3.19
Weighted Average Total	**3.76**	**3.10**

28.1 Hedge of net investments in foreign operations

The company has designated USD 292.9 million bank loans in relation to the investments in Alliance Inc., Interbaires SA, Navinten SA, Blaicor SA, International Operation & Services SA, and Duty Free Ecuador SA.

In millions of	CHF	USD
Balance at January 1, 2022	**267.1**	**292.9**
Currency translation adjustments	3.6	–
Balance at December 31, 2022	**270.7**	**292.9**
Currency translation adjustments	(14.3)	–
Balance at December 31, 2023	**256.4**	**292.9**

There is no ineffectiveness for these hedges and the effect of hedging is presented in line item Net gain / (loss) on hedge of net investment in foreign operations in OCI.

The company maintains the hedge ratio by verifying 100 % hedge ratio.

28.2 Equity-like loans

Avolta granted to below mentioned foreign subsidiaries long-term loans. These loans are considered as part of Avolta's net investment in foreign operations, as settlement is neither planned nor likely to occur in the foreseeable future.

		Amount in foreign currency		Equivalent amount in CHF	
In millions of	Currency	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Dufry International AG	EUR	1,572.9	1,087.1	1,460.8	1,075.8
Nuance Group (Australia) Pty Ltd.	AUD	121.8	121.8	69.8	76.7
Dufry Americas y Caribe Corp.	USD	10.2	10.2	8.6	9.4
Nuance Group (Sverige) AB	SEK	110.0	110.0	9.2	9.8
Dufry Duty Free (Nigeria) Ltd.	USD	6.8	6.8	5.7	6.3

Any translation differences arising on these loans are accounted for in equity in the line item Exchange difference on translating foreign operations.

29. Borrowings and lease obligations, net

In millions of CHF	Cash and cash equivalents	Lease obligations	Financial derivatives asset-borrowings	Financial derivatives liability-borrowings	Borrowings	Net debt
Balance at January 1, 2023	**854.7**	**3,002.6**	**9.4**	**99.8**	**3,575.1**	**5,813.4**
Cash flows from operating, financing and investing activities	(502.1)	–	–	–	–	502.1
Repayment of 3rd party loans payable					1.6	1.6
Transaction costs for financial instruments	–	–	–	–	(6.0)	(6.0)
Repayment of borrowings	–	–	(1.7)	(0.7)	(865.5)	(864.5)
Proceeds from borrowings					231.2	231.2
Lease payments	–	(1,361.7)	–	–	–	(1,361.7)
Cash flow	**(502.1)**	**(1,361.7)**	**(1.7)**	**(0.7)**	**(638.7)**	**(1,497.3)**
Business combinations (note 6)	459.7	1,434.1	0.4	–	571.4	1,545.4
Other change in scope	(0.7)	(0.3)			0.8	1.2
Additions to lease obligations	–	179.7	–	–		179.7
Interest on lease obligations	–	321.0	–	–	–	321.0
Modification of lease obligations	–	4,671.0	–	–	–	4,671.0
Early termination of lease obligations	–	(28.1)	–	–	–	(28.1)
Other	–	(0.5)			3.3	2.8
Discounted interests	–	–	–	–	11.8	11.8
Arrangement fees amortization	–	–	–	–	10.4	10.4
Currency translation adjustments	(97.0)	(364.4)	1.2	(19.1)	(194.1)	(481.8)
Other non-cash movements	**362.0**	**6,212.5**	**1.6**	**(19.1)**	**403.6**	**6,233.4**
Balance at December 31, 2023	**714.6**	**7,853.4**	**9.3**	**80.0**	**3,340.0**	**10,549.5**

In millions of CHF	Cash and cash equivalents	Lease obligations	Financial derivatives asset-borrowings	Financial derivatives liability-borrowings	Borrowings	Net debt
Balance at January 1, 2022	**793.5**	**3,636.4**	**7.4**	**63.5**	**3,817.0**	**6,716.0**
Cash flows from operating, financing and investing activities	98.8	–	–	–	–	(98.8)
Business combinations	1.1	–	–	–	–	(1.1)
Repayment of 3rd party loans payable	–	–	–	–	(1.8)	(1.8)
Transaction costs for financial instruments	–	–	–	–	(16.8)	(16.8)
Repayment of borrowings	–	–	–	–	(152.2)	(152.2)
Payments of derivatives interests	–	–	(24.3)	(38.5)	–	(14.2)
Lease payments	–	(907.8)	–	–	–	(907.8)
Cash flow	**99.9**	**(907.8)**	**(24.3)**	**(38.5)**	**(170.8)**	**(1,192.7)**
Additions to lease obligations	–	63.0	–	–	–	63.0
Interest on lease obligations	–	127.6	–	–	–	127.6
Modification of lease obligations	–	244.2	–	–	–	244.2
Relief on lease obligations	–	(80.2)	–	–	–	(80.2)
Early termination of lease obligations	–	(13.9)	–	–	–	(13.9)
Discounted interests of financial derivatives	–	–	24.1	38.7	–	14.6
Discounted interests	–	–	–	–	10.2	10.2
Arrangement fees amortization	–	–	–	–	17.7	17.7
Currency translation adjustments	(38.7)	(87.3)	2.2	36.1	(147.5)	(162.2)
Unrealized exchange differences on the translation of net debt in foreign currencies	–	20.6	–	–	48.4	69.0
Other non-cash movements	**(38.7)**	**274.0**	**26.3**	**74.8**	**(71.2)**	**290.0**
Balance at December 31, 2022	**854.7**	**3,002.6**	**9.4**	**99.8**	**3,575.0**	**5,813.3**

.

29.1 Offsetting financial assets and financial liabilities

Avolta's notional cash pool is operated by a major finance institute. Based on enforceable master netting agreement, the respective balances at the end of the period have been set-off as follows:

In millions of CHF	Balance before global pooling	Set-off	Net balance
31.12.2023			
Cash and cash equivalents	2,153.8	(1,439.2)	714.6
Borrowings, current	2,258.6	(1,439.2)	819.4
31.12.2022			
Cash and cash equivalents	1,727.9	(873.2)	854.7
Borrowings, current	995.9	(873.2)	122.7

1 Thereof CHF 74.9 million (2022: CHF 0.0 million) credit card receivables with a maturity of up to 4 working days included in cash and cash equivalents.

29.2 Legal restrictions on money transfer

Cash and cash equivalents at the end of the reporting period include CHF 123.6 (2022: 110.1) million held by subsidiaries operating in countries with exchange controls or other legal restrictions on money transfer. There are no material assets that have any other restrictions to realize or settle liabilities of the Group.

30. Other liabilities

In millions of CHF	31.12.2023	31.12.2022
Concession fee payables	181.4	181.5
Other service related vendors	289.6	255.9
Personnel payables	362.7	158.9
Sales and other tax liabilities	99.6	62.4
Put option Dufry Staer Holding Ltd	26.8	7.7
Financial derivative liabilities - current	80.2	99.8
Lease obligation due to tax refund	20.9	18.6
Payables for capital expenditure	77.1	19.9
Interest payables	22.6	25.4
Payables to local business partners	3.8	1.9
Other payables[1]	108.8	38.4
Total	**1,273.5**	**870.4**
Thereof		
Current liabilities	1,193.1	841.1
Non-current liabilities	80.4	29.3
Total	**1,273.5**	**870.4**

1 Thereof CHF 15.6 million related to Covid-19 related employee retention liability in the US.

31. Deferred tax assets and liabilities

Deferred tax assets and liabilities arise from the following positions:

In millions of CHF	31.12.2023	31.12.2022
Deferred tax assets		
Inventories	12.4	14.9
Property, plant and equipment	38.6	64.1
Intangible assets	42.7	46.4
Lease obligations	1,433.2	286.9
Provisions and other payables	76.9	51.5
Tax loss carry-forward	75.7	89.6
Other	7.6	4.5
Total	**1,687.1**	**557.9**
Deferred tax liabilities		
Property, plant and equipment	(24.8)	(34.7)
Right-of-use assets	(1,403.1)	(295.6)
Intangible assets	(445.2)	(282.9)
Provisions and other payables	(51.4)	(13.2)
Other	(8.3)	(7.5)
Total	**(1,932.8)**	**(633.9)**
Deferred tax liabilities net	**(245.7)**	**(76.0)**

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

In millions of CHF	2023	2022
Deferred tax assets	164.7	145.4
Deferred tax liabilities	(410.4)	(221.4)
Balance at December 31	**(245.7)**	**(76.0)**

Reconciliation of movements to the deferred taxes:

In millions of CHF	2023	2022
Changes in deferred tax assets	19.3	(34.5)
Changes in deferred tax liabilities	(189.0)	54.0
Business combinations (note 6)	225.8	–
Currency translation adjustments	(16.4)	(18.5)
Deferred tax movements (expense) at December 31	**39.7**	**1.0**
Thereof		
Recognized in the statement of profit or loss	39.8	(3.1)
Recognized in equity	–	–
Recognized in OCI	(0.1)	4.1

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 2024 and the management projections thereafter.

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

In millions of CHF	31.12.2023	31.12.2022
Expiring within 1 to 3 years	358.5	292.1
Expiring within 4 to 7 years	750.4	775.6
Expiring after 7 years	27.5	117.4
With no expiration limit	1,580.5	1,089.4
Total	**2,716.9**	**2,274.5**

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 607.4 (2022: CHF 502.2) million. The unrecognized tax losses can be allocated to the following countries: Switzerland CHF 694.3 million; Spain CHF 358.7 million; Italy CHF 349.1 million; Brazil CHF 210.3 million; Netherlands CHF 207.9 million; Australia CHF 148.0 million; US CHF 84.8 million; Mexico CHF 81.6 million; Russia CHF 52.7 million; Belgium CHF 51.7 million and other countries CHF 477.9 million.

In addition, Avolta has unrecognized temporary differences of CHF 170.5 (2022: CHF 163.1) million tax effected. These tax effected unrecognized temporary differences can be allocated to the following countries: Spain CHF 59.4 million; Switzerland CHF 31.8 million; Brazil CHF 27.9 million; US CHF 16.2 million; Mexico CHF 11.4 million and other countries CHF 23.8 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.

32. Provisions

2023 In millions of CHF	Contingent liabilities	Onerous contract	Closedown	Lawsuits and duties	Labor disputes	Other	Total
Balance at January 1, 2023	**8.7**	**8.4**	**6.4**	**43.6**	**3.0**	**63.2**	**133.3**
Business combinations (note 6)	13.7	8.9	–	11.0	1.1	46.1	80.8
Charge for the year	–	2.7	0.7	1.9	2.6	27.3	35.2
Utilized	–	(8.3)	(2.8)	–	(1.2)	(3.0)	(15.3)
Unused amounts reversed	–	(0.9)	(0.2)	(3.7)	(1.9)	(37.4)	(44.1)
Currency translation adjustments	(1.8)	(1.1)	(0.5)	(1.5)	(0.3)	(4.9)	(10.1)
Balance at December 31, 2023	**20.6**	**9.7**	**3.6**	**51.3**	**3.3**	**91.3**	**179.8**
Thereof							
Current	–	5.9	3.6	51.3	0.5	44.4	105.7
Non-current	20.6	3.8	–	–	2.8	46.9	74.1

Management believes that its provisions are adequate based upon currently available information. However, given the inherent difficulties in estimating liabilities in the areas described below, future expenses may be different from the amounts provisioned.

Contingent liabilities

Contingent liabilities are recognized in connection with business combinations, usually in relation with legal claims, from which the final outcome is difficult to assess.

Onerous contracts

Avolta enters in certain non-cancellable agreements. If the economic condition to operate such business deteriorates materially, it can happen that the present value of the unavoidable future cash flows is not enough to cover the carrying amount of the tangible or intangible assets, or even become negative so that the company would need to present a provision for onerous contracts. Estimating these future cash flows require management to project future sales and operating profits. At balance sheet date, an amount of CHF 9.7 (2022: 8.4) million has been provided mainly in relation to three operation in the region Europe, Middle East and Africa (EMEA) and one operation in Latin America (LATAM).

Close down

The provision of CHF 3.6 (2022: 6.4) million relates mainly to four operations in Asia Pacific (APAC) and three in EMEA.

Lawsuits and duties

The provision for lawsuits and duties of CHF 51.3 (2022: 43.6) million covers uncertainties related to the outcome of law suits in relation to taxes-other than income, duties and includes risk in relation to concession fees in connection with Avolta's subsidiaries in EMEA, North America and LATAM.

Labor disputes

The provision of CHF 3.3 (2022: 3.0) million relates mainly to claims presented by Avolta employees mainly in EMEA and LATAM.

Other

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

Cash outflows of non-current provisions

The cash outflows of non-current provisions as of December 31, 2023 are expected to occur in:

In millions of CHF	Expected cash outflow
2025	25.3
2026	7.0
2027	7.5
2028	2.1
2029+	32.2
Total non-current	**74.1**

33. 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 93.8 % (2022: 93.0 %) of the total defined benefit obligation and 96.7 % (2022: 96.6 %) of the plan assets correspond to pension funds in Switzerland, the United Kingdom (UK) and Italy.

			2023			2022
In millions of CHF	Funded	Unfunded	Total	Funded	Unfunded	Total
Switzerland						
Fair value of plan assets	263.7	–	263.7	151.3	–	151.3
Present value of defined benefit obligation	(244.5)	–	(244.5)	(151.3)	–	(151.3)
Financial (liability) asset	**19.2**	**–**	**19.2**	**–**	**–**	**–**
UK						
Fair value of plan assets	129.0	–	129.0	132.1	–	132.1
Present value of defined benefit obligation	(114.9)	–	(114.9)	(115.1)	–	(115.1)
Financial (liability) asset	**14.1**	**–**	**14.1**	**17.0**	**–**	**17.0**
Italy						
Fair value of plan assets	–	–	–	–	–	–
Present value of defined benefit obligation	–	(28.5)	(28.5)	–	(2.1)	(2.1)
Financial (liability) asset	**–**	**(28.5)**	**(28.5)**	**–**	**(2.1)**	**(2.1)**
Other plans						
Fair value of plan assets	9.4	3.9	13.3	10.0	–	10.0
Present value of defined benefit obligation	(18.7)	(7.0)	(25.7)	(11.4)	(8.8)	(20.2)
Financial (liability) asset	**(9.3)**	**(3.1)**	**(12.4)**	**(1.4)**	**(8.8)**	**(10.2)**
Carrying amount						
Net defined benefit assets	**36.0**	**–**	**36.0**	**17.0**	**–**	**17.0**
Net defined benefit obligation	**(11.9)**	**(31.6)**	**(43.5)**	**(1.4)**	**(10.9)**	**(12.3)**

33.1 Switzerland

In Switzerland two pension plans are in place, one already existing before the acquisition (CHF 170.7 million of liabilities and CHF 192.5 million of assets at December 31, 2023), whereas the second plan is related to the acquired entities in Switzerland (referring to note 6) with CHF 73.8 million of liabilities and CHF 71.2 million of assets at December 31, 2023. Both pension plans are cash balance plans where contributions are made by employees and employer based on a percentage of the insured salary. The pension plans guarantee the amount accrued on the members saving account, as well as interest on those savings amounts. At retirement date, the savings account are converted into pensions, or optionally part of the savings can be paid out as a lump sum.

Legal framework
Pension plans in Switzerland are governed by the Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (BVG), which stipulates that pension plans are to be managed as independent, legally autonomous units, a pension fund. Pension plans are overseen by a regulator as well as by a state supervisory body. A pension plan's most senior governing body (Board of Trustees) must be composed of equal numbers of employee and employer representatives.

Main risks
The main risks to which the pension fund is exposed are: a) mortality risk, when the effective average life results to be longer than the assumptions used based on the official demographic statistics, then pension payments would need to be done for longer periods, b) Market and liquidity risk as if the future rate of return on plan assets is lower to the actual discount rate used to calculate the conversion factor, then additional funds will be needed and c) Death and disability risk as if the amounts or number of effective cases are higher than the indications provided by the demographic statistics, this can result in a mismatch of asset-liabilities relation of the pension fund. These risks are regularly monitored by an actuary and the Board of Trustees.

Asset-liability management
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 any more explicit asset-liability matching strategy instruments such as annuity purchase products or longevity swaps. With the investment strategy, the board of trustees defines the allocation of asset classes, currencies and other risks, which takes into account requirements from BVG, and the objective of achieving an investment return which together with the contributions paid, is sufficient to maintain reasonable control over the various funding risks of the plan.

33.2 United Kingdom (UK)

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 as well as to existing members. Under the Plan, members are entitled to annual pensions on retirement at age 65 of one sixtieth of revalued pensionable salary for each year of service. Pensionable salary is defined as basic salary less the statutory Lower Earnings limit. The Plan is administered by a separate board of trustees which is legally separate from the Company. The Trustees are comprised of representatives of employer, employees and independent trustees. The trustees are required by law to act in the interest of all relevant beneficiaries and are responsible for the investment policy with regards to assets plus the day to day administration of the scheme. The pension payments are made from the trustee-administered funds; however, where plans are underfunded, the company meets the benefit payment obligation as it falls due.

33.3 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 due by the employer is foreseen by the art. 2120 of the Civil Code and it differs from the one calculated on actuarial basis (respectively CHF 29.5 million and CHF 28.5 million).

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).

Due to the above mentioned in the system of post-employment benefits brought about by Law 296 of December 27, 2006 and by the decrees and regulations issued in early 2007:

- TFR accrued at December 31, 2006 by employees of the Group's Italian companies is treated as a defined benefit plan in accordance with IAS 19.
- TFR accrued from January 1, 2007 is treated as a defined contribution plan, so contributions accrued during the exercise are fully recognized as costs.

Cost of defined benefit plans

			2023			2022
In millions of CHF	Switzerland	UK	Italy	Switzerland	UK	Italy
Service costs						
Current service costs	(4.6)	–	–	(6.3)	–	–
Past service costs	(0.4)	–	–	3.9	–	–
Net interest	0.1	0.8	(0.9)	0.2	0.5	–
Fund Administration	(0.2)	–	–	–	–	–
Total pension expenses recognized in the statement of profit or loss	**(5.1)**	**0.8**	**(0.9)**	**(2.2)**	**0.5**	**–**

The current and past service costs are included in personnel expenses, whereas fund administration expenses are included in the other expenses. The past service costs are a consequence of Avolta's modified pension fund plan rules as of 1st of January 2023 (lower conversion rate and increase in the maximum insured salary).

Remeasurements employee benefits

			2023			2022
In millions of CHF	Switzerland	UK	Italy	Switzerland	UK	Italy
Actuarial gains (losses) - experience	6.9	(3.0)	0.2	(7.9)	(9.1)	(0.1)
Actuarial gains (losses) - demographic assumptions	(1.0)	1.2	–	–	1.1	–
Actuarial gains (losses) - financial assumptions	(30.5)	(3.3)	(0.7)	50.2	73.2	0.4
Return on plan assets exceeding expected interest	(5.6)	2.2	–	(19.7)	(72.8)	–
Effect of asset ceiling	45.3	–	–	(53.3)	–	–
Total remeasurements recorded in other comprehensive income	**15.1**	**(2.9)**	**(0.5)**	**(30.7)**	**(7.6)**	**0.3**

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

	2023			2022		
In millions of CHF	Switzerland	UK	Italy	Switzerland	UK	Italy
Balance at January 1	**151.3**	**132.1**	**–**	**226.9**	**227.5**	**–**
Business combination	69.6	–	–	–	–	–
Interest income [1]	6.2	6.0	–	0.9	4.0	–
Return on plan assets, above interest income	(5.6)	2.2	–	(19.7)	(72.8)	–
Contributions paid by employer	7.2	–	–	5.1	–	–
Contributions paid by employees	14.9	–	–	7.3	–	–
Benefits paid	(23.9)	(5.7)	–	(15.6)	(5.0)	–
Administration costs	–	–	–	(0.2)	(0.2)	–
Asset ceiling [2]	44.0	–	–	(53.3)	–	–
Currency translation	–	(5.6)	–	(0.1)	(21.4)	–
Balance at December 31	**263.7**	**129.0**	**–**	**151.3**	**132.1**	**–**

[1] Expected interest income on plan assets based on discount rate. See actuarial assumptions.

[2] The plan assets are larger than the DBO. However, as no economic benefit is expected, the net defined benefit asset must be ceiled. There is no economic benefit as the employer service cost is smaller than the employer's expected contributions and no employer's contribution reserve is available.

Change in present value of defined benefit obligation

			2023			2022
In millions of CHF	Switzerland	UK	Italy	Switzerland	UK	Italy
Balance at January 1	**151.3**	**115.1**	**2.1**	**198.8**	**200.6**	**3.1**
Business combination	67.5	–	29.8		–	–
Current service costs	4.6	–	–	6.3	–	–
Interest costs	4.9	5.1	1.0	0.8	3.5	–
Contributions paid by employees	14.9	–	–	7.3	–	–
Actuarial losses / (gains) - experience	(6.9)	3.1	(0.2)	7.9	9.1	0.1
Actuarial losses / (gains) - demographic assumptions	1.0	(1.2)	–	–	(1.1)	–
Actuarial losses / (gains) - financial assumptions	30.5	3.3	0.7	(50.2)	(73.2)	(0.4)
Benefits paid	(23.9)	(5.7)	(2.7)	(15.6)	(5.0)	(0.2)
Past service cost - plan amendments	0.4	–	–	(3.9)	–	–
Other	0.2	–	–	–	–	–
Currency translation	–	(4.8)	(2.2)	(0.1)	(18.8)	(0.5)
Balance at December 31	**244.5**	**114.9**	**28.5**	**151.3**	**115.1**	**2.1**
Net defined benefit (obligation) / asset at December 31	**19.2**	**14.1**	**(28.5)**	**–**	**17.0**	**(2.1)**

Based on pension legislation of certain countries the employer and / or the employees have the obligation to remedy any default situation of the pension foundation, which usually would result in higher periodic contributions. At the statement of financial position date, there was no such default situation. The actuarial calculations based on IAS 19 resulted in a defined benefit obligation / asset.

Actuarial assumptions

The present value of the defined benefit obligation is determined annually by independent actuaries using the projected unit credit method. The main actuarial assumptions used are:

			2023			2022
In percentage (%)	Switzerland	UK	Italy	Switzerland	UK	Italy
Discount rates	1.50	4.50	2.99	2.30	4.75	3.6
Future salary increases	1.80	–	2.00	1.50	–	n/a
Future pension increases	–	1.80	3.00	–	1.85	3.2
Mortality table (generational tables)	2020	2022	2022	2,020	2,021	n/a

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

Plan asset structure

The structure of categories of plan assets is as follows:

	2023			2022		
In percentage (%)	Switzerland	UK	Italy	Switzerland	UK	Italy
Shares	31.0	99.7	n/a	27.2	99.6	n/a
Bonds	21.8	–	n/a	13.9	–	n/a
Real estate	32.2	–	n/a	45.7	–	n/a
Other[1]	15.0	0.3	n/a	13.2	0.4	n/a
Total	**100.0**	**100.0**	**n/a**	**100.0**	**100.0**	**n/a**

[1] Includes Cash and cash equivalents (CHF 3.2 million in 2023) and alternative investments.

All assets held by the Pension fund in Switzerland and UK are fair-value-level 1 (quoted prices in active markets), except certain real estate and alternative investments in Switzerland which are fair-value-level 3 (significant unobservable inputs) representing 36.5 % (2022: 45.7 %) of the total assets.

The net outflow of funds due to pension payments can be planned reliably. Contributions are paid regularly to the funded pension plans in Switzerland and UK. Furthermore, the respective investment strategies take account of the need to guarantee the liquidity of the plan at all times. Avolta does not make use of any assets held by these pension plans.

Plan participants

	2023			2022		
In millions of CHF	Switzerland	UK	Italy	Switzerland	UK	Italy
Expected cash flow for						
Contribution Employer	5.2	–	n/a	4.9	–	n/a
Contribution Employees	7.4	–	n/a	3.0	–	n/a
Weighted average duration of defined benefit	17.2	17.1	7.6	15.7	16.0	8.0

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 obligation:

	Switzerland		UK		Italy	
2023 **In millions of CHF**	**Increase**	**Decrease**	**Increase**	**Decrease**	**Increase**	**Decrease**
Discount rate	(18.7)	20.5	(4.8)	4.8	(1.8)	1.9
Salary rate	2.7	(3.5)	–	–	1.9	(1.8)

The sensitivity analysis is based on realistically possible changes as of the end of the reporting year. Each change in a significant actuarial assumption was analyzed separately as part of the test. Interdependencies were not taken into account.

34. Fair value measurement

Fair value of financial instruments carried at amortized cost
Except as detailed in the table Quantitative disclosures fair value measurement hierarchy for assets below, 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 instead of through profit or loss.

Quantitative disclosures fair value measurement hierarchy for assets

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 forward contracts - USD	–	–	–	–	–
Foreign exchange swaps contracts - EUR	–	–	–	–	–
Foreign exchange swaps contracts - OTHER	4.4	–	4.4	–	4.4
Cross currency swaps contracts - EUR	4.9	–	4.9	–	4.9
Subtotal (note 37.3)	**9.3**	**–**	**9.3**	**–**	**9.3**
Short-term investments - USD	54.9	54.9	–	–	54.9
Money market deposits - USD	16.8	–	16.8	–	16.8
Total	**81.0**	**54.9**	**26.1**	**–**	**81.0**
Assets for which fair values are disclosed					
Loans and receivables					
Trade and credit card receivables	4.7	–	4.7	–	4.7

December 31, 2022 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 forward contracts - USD	0.1	–	0.1	–	0.1
Foreign exchange swaps contracts - EUR	3.7	–	3.7	–	3.7
Foreign exchange swaps contracts - OTHER	0.5	–	0.5	–	0.5
Cross currency swaps contracts - EUR	5.1	–	5.1	–	5.1
Options - USD	0.7	–	0.7	–	0.7
Total (note 37.3)	**10.1**	**–**	**10.1**	**–**	**10.1**
Assets for which fair values are disclosed					
Loans and receivables					
Trade and credit card receivables	62.0	–	62.0	–	62.3

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

Quantitative disclosures fair value measurement hierarchy for liabilities

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 forward contracts - USD	0.1	–	0.1	–	0.1
Foreign exchange swaps contracts - EUR	4.8	–	4.8	–	4.8
Foreign exchange swaps contracts - OTHER	–	–	–	–	–
Cross currency swaps contracts - EUR	75.3	–	75.3	–	75.3
Put option Dufry Staer Holding Ltd	26.8	–	–	26.8	26.8
Total (Note 37.3)	**107.0**	**–**	**80.2**	**26.8**	**107.0**
Liabilities for which fair values are disclosed					
At amortized cost					
Senior notes CHF 300	297.3	297.3	–	–	299.4
Senior notes EUR 800	730.6	730.6	–	–	745.9
Senior notes EUR 750	650.7	650.7	–	–	692.0
Senior notes EUR 725	643.6	643.6	–	–	672.1
Convertible notes CHF 500	470.4	470.4	–	–	471.6
Total	**2,792.6**	**2,792.6**	**–**	**–**	**2,881.0**
RCF - multicurrency - USD	311.8	–	311.8	–	311.4
RCF - multicurrency - EUR	46.5	–	46.5	–	46.4
Related deferred arrangement fees	–	–	–	–	(18.1)
Short-term financing	–	–	–	–	–
Total	**358.3**	**–**	**358.3**	**–**	**339.7**

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

December 31, 2022 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 forward contracts - USD	0.1	–	0.1	–	0.1
Foreign exchange swaps contracts - EUR	–	–	–	–	–
Foreign exchange forward contracts - OTHER	0.6	–	0.6	–	0.6
Cross currency swaps contracts - EUR	99.1	–	99.1	–	99.1
Put option Dufry Staer Holding Ltd	7.7	–	–	7.7	7.7
Total	**107.5**	**–**	**99.8**	**7.7**	**107.5**
Liabilities for which fair values are disclosed					
At amortized cost					
Senior notes CHF 300	262.6	262.6	–	–	298.9
Senior notes EUR 800	765.2	765.2	–	–	790.3
Senior notes EUR 750	604.2	604.2	–	–	732.1
Senior notes EUR 725	592.9	592.9	–	–	712.2
Convertible notes CHF 500	420.2	420.2	–	–	459.5
Total	**2,645.1**	**2,645.1**	**–**	**–**	**2,993.0**
Floating rate borrowings USD	412.8	–	412.8	–	392.2
Total	**412.8**	**–**	**412.8**	**–**	**392.2**

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

35. Capital risk management

Capital comprises equity attributable to the equity holders of the parent less hedging and revaluation reserves for unrealized gains or losses on net investments, plus other equity-linked or equity-like instruments attributable to the parent.

The primary objective of 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.

35.1 Gearing ratio

The following ratio compares owner's equity to borrowed funds:

In millions of CHF	31.12.2023	31.12.2022
Cash and cash equivalents	(714.6)	(854.7)
Borrowings, current	819.4	122.7
Borrowings, non-current	2,520.6	3,452.3
Borrowings, net (excluding derivatives)	**2,625.4**	**2,720.3**
Equity attributable to equity holders of the parent	2,360.8	893.0
Adjusted for		
Accumulated hedged gains/(losses)	(185.9)	(171.6)
Effects from transactions with non-controlling interests[1]	2,412.1	1,497.9
Total capital [2]	**4,587.0**	**2,219.3**
Total net debt and capital	**7,212.4**	**4,939.6**
Gearing ratio	**36.4%**	**55.1%**

[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.

35.2 Categories of financial instruments

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	714.6	–	714.6	–	714.6
Trade and credit card receivables	41.3	–	41.3	–	41.3
Other accounts receivable	321.3	26.1	347.4	228.8	576.2
Current Investment	–	54.9	54.9	–	54.9
Other non-current assets	283.8	–	283.8	28.3	312.1
Total	**1,361.0**	**81.0**	**1,442.0**		

	Financial liabilities				
In millions of CHF	At amortized cost	At FVPL	Subtotal	Non-financial liabilities[1]	Total
Trade payables	873.7	–	873.7	–	873.7
Borrowings, current	819.4	–	819.4	–	819.4
Lease obligations, current	1,102.6	–	1,102.6	–	1,102.6
Other liabilities	949.8	107.0	1,056.8	136.3	1,193.1
Borrowings, non-current	2,520.6	–	2,520.6	–	2,520.6
Lease obligations, non-current	6,750.8	–	6,750.8	–	6,750.8
Other non-current liabilities	51.9	–	51.9	28.5	80.4
Total	**13,068.8**	**107.0**	**13,175.8**		

At December 31, 2022	Financial assets				
In millions of CHF	At amortized cost	At FVPL	Subtotal	Non-financial assets[1]	Total
Cash and cash equivalents	854.7	–	854.7	–	854.7
Trade and credit card receivables	62.3	–	62.3	–	62.3
Other accounts receivable	309.8	10.1	319.9	147.7	467.6
Other non-current assets	119.6	0.4	120.0	35.8	155.8
Total	**1,346.4**	**10.5**	**1,356.9**		

	Financial liabilities				
In millions of CHF	At amortized cost	At FVPL	Subtotal	Non-financial liabilities[1]	Total
Trade payables	486.4	–	486.4	–	486.4
Borrowings, current	122.7	–	122.7	–	122.7
Lease obligations, current	992.4	–	992.4	–	992.4
Other liabilities	647.0	107.5	754.5	86.6	841.1
Borrowings, non-current	3,452.3	–	3,452.3	–	3,452.3
Lease obligations, non-current	2,010.2	–	2,010.2	–	2,010.2
Other non-current liabilities	29.3	–	29.3	–	29.3
Total	**7,740.3**	**107.5**	**7,847.8**		

[1] Non-financial assets or non-financial liabilities comprise prepaid expenses and deferred income, which will not generate a cash outflow or inflow as well as other tax positions.

35.3 Net income by IFRS 9 valuation category

Financial Assets at December 31, 2023

In millions of CHF	At amortized cost	At FVPL	Total
Interest income	57.5	–	57.5
Other finance income	12.5	36.8	49.3
From interest	**70.0**	**36.8**	**106.8**
Foreign exchange gain/(loss)[1]	(8.6)	–	(8.6)
Impairments/allowances[2]	0.3	–	0.3
Total – from subsequent valuation	**(8.3)**	**–**	**(8.3)**
Net (expense)/income	**61.7**	**36.8**	**98.5**

Financial Liabilities at December 31, 2023

In millions of CHF	At amortized cost	At FVPL	Total
Interest expenses	(534.9)	1.0	(533.9)
Amortization of arrangement fees	(5.4)	–	(5.4)
Other finance expenses	(25.1)	(62.4)	(87.5)
From interest	**(565.4)**	**(61.4)**	**(626.8)**
Foreign exchange gain/(loss)[1]	(41.5)	–	(41.5)
Total – from subsequent valuation	**(41.5)**	**–**	**(41.5)**
Net (expense)/income	**(606.9)**	**(61.4)**	**(668.3)**

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, 2022

In millions of CHF	At amortized cost	At FVPL	Total
Interest income	31.0	–	31.0
Other finance income	0.1	24.1	24.2
From interest	**31.1**	**24.1**	**55.2**
Foreign exchange gain/(loss) [1]	37.4	1.4	38.8
Impairments/allowances [2]	(2.6)	–	(2.6)
Total – from subsequent valuation	**34.8**	**1.4**	**36.2**
Net (expense)/income	**65.9**	**25.5**	**91.4**

Financial Liabilities at December 31, 2022

In millions of CHF	At amortized cost	At FVPL	Total
Interest expenses	(284.6)	–	(284.6)
Amortization of arrangement fees	(18.3)	–	(18.3)
Other finance expenses	(6.7)	(38.7)	(45.4)
From interest	**(309.6)**	**(38.7)**	**(348.3)**
Foreign exchange gain/(loss) [1]	10.0	(72.0)	(62.0)
Total – from subsequent valuation	**10.0**	**(72.0)**	**(62.0)**
Net (expense)/income	**(299.6)**	**(110.7)**	**(410.3)**

[1] This position includes the foreign exchange gain/(loss) recognized on third party and intercompany financial assets and liabilities through consolidated statement of profit or loss.

[2] This position includes net income/(expense) from released impairments, allowances or recoveries during the period less the increase of impairments or allowances.

36. Financial risk management objectives

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 these 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.

37. 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 statement of profit or loss and to reduce fluctuations in cash flows through structuring the respective transactions to minimize market risks. In cases, where the associated risk cannot be hedged appropriately through a transaction structure, and the evaluation of market risks indicates a material exposure, 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 the current financial year, Avolta utilized foreign currency forward contracts and options for hedging purposes.

37.1 Foreign currency risk management

Avolta manages the cash flow surplus or deficits in foreign currency of the operations through FX-transactions in the respective local currency. Major imbalances in foreign currencies at Group level are hedged through foreign exchange forwards contracts. The terms of the foreign currency forward contracts have been negotiated to match the terms of the forecasted transactions.

37.2 Foreign currency sensitivity analysis

Among various methodologies to analyze and manage risk, Avolta utilizes a system based on sensitivity analysis. This tool enables Group treasury to identify the level of risk of each entity. Sensitivity analysis provides an approximate quantification of the exposure in the event that certain specified parameters were to be met under a specific set of assumptions.

Foreign Currency Exposure

In millions of CHF	USD	EUR	GBP	BRL	Other	Total
December 31, 2023						
Monetary assets	1,148.0	2,930.1	391.3	75.5	2,339.6	6,884.5
Monetary liabilities	(527.5)	(2,394.4)	(402.1)	(133.3)	(2,095.0)	(5,552.3)
Net currency exposure before foreign currency contracts and hedging	**620.5**	**535.7**	**(10.8)**	**(57.8)**	**244.6**	**1,332.2**
Foreign currency contracts	(826.6)	983.2	–	–	(210.2)	(53.6)
Hedging	232.1	(1,460.8)	–	–	(79.0)	(1,307.7)
Net currency exposure	**26.0**	**58.1**	**(10.8)**	**(57.8)**	**(44.6)**	**(29.1)**
December 31, 2022						
Monetary assets	1,099.7	704.4	404.6	108.6	2,116.7	4,434.0
Monetary liabilities	516.5	2,637.5	399.3	140.9	2,092.9	5,787.1
Net currency exposure before foreign currency contracts and hedging	**583.2**	**(1,933.1)**	**5.3**	**(32.3)**	**23.8**	**(1,353.1)**
Foreign currency contracts	(815.6)	813.1	–	43.1	98.4	139.0
Hedging	255.7	1,075.9	–	–	(86.5)	1,245.1
Net currency exposure	**23.3**	**(44.1)**	**5.3**	**10.8**	**35.7**	**31.0**

The sensitivity analysis includes all monetary assets and liabilities irrespective of whether the positions are third party or intercompany. Avolta has considered some intercompany long-term loans as equity-like loans. Consequently, the related exchange differences are presented in other comprehensive income and thereafter as translation reserve in equity. In addition, 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	31.12.2023	31.12.2022
Effect on profit or loss based on USD	(1.3)	(1.2)
Other comprehensive income based on USD	11.6	12.8
Effect on profit or loss based on EUR	(2.9)	2.2
Other comprehensive income based on EUR	(73.0)	53.8
Effect on profit or loss based on GBP	0.6	(0.3)
Effect on profit or loss based on BRL	2.9	(0.5)

Reconciliation to categories of financial instruments:

In millions of CHF	31.12.2023	31.12.2022
Financial assets		
Total financial assets held in foreign currencies (see above)	6,884.5	4,434.0
Less intercompany financial assets in foreign currencies	(6,259.2)	(3,584.6)
Third party financial assets held in foreign currencies	625.3	849.4
Third party financial assets held in reporting currencies	816.7	507.5
Total third party financial assets	**1,442.0**	**1,356.9**
Financial liabilities		
Total financial liabilities held in foreign currencies (see above)	5,552.3	5,787.1
Less intercompany financial liabilities in foreign currencies	(3,561.1)	(3,852.1)
Third party financial liabilities held in foreign currencies	1,991.2	1,935.0
Third party financial liabilities held in reporting currencies	11,184.6	5,912.8
Total third party financial liabilities	**13,175.8**	**7,847.8**

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

As the management of the company actively pursues to naturally hedge the positions in each operation, the policy of 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 under-lying or principal amount	Positive fair value	Negative fair value
December 31, 2023	1,204.3	9.3	80.2
December 31, 2022	856.0	10.1	99.8

38. 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.

38.1 Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates derivatives and non-derivative instruments at the reporting date. The risk analysis provided here assumes a simultaneous increase of 100 basis points of the interest rate of all interest bearing financial positions.

If interest rates had been 100 basis points higher whereas all other variables were held constant, Avolta's net profit/loss for the year 2023 would decrease by CHF 36.1 (2022: decrease by CHF 35.3) million.

38.2 Allocation of financial assets and liabilities to interest classes

	In %		In millions of CHF				
At December 31, 2023	Average variable interest rate	Average fixed interest rate	Variable interest rate	Fixed interest rate	Total interest bearing	Non-interest bearing	Total
Cash and cash equivalents	1.9%	3.1%	388.5	104.8	493.3	221.3	714.6
Trade and credit card receivables			–	–	–	41.3	41.3
Other accounts receivable	1.6%	0.5%	15.8	17.9	33.7	313.7	347.4
Current investment	2.8%		54.9	–	54.9	–	54.9
Other non-current assets	4.7%	0.6%	2.9	59.9	62.8	221.0	283.8
Financial assets			**462.1**	**182.6**	**644.7**	**797.3**	**1,442.0**
Trade payables				–	–	873.7	873.7
Borrowings, current		2.4%	–	807.4	807.4	12.0	819.4
Other liabilities	7.3%	11.3%	0.1	1.1	1.2	1,055.6	1,056.8
Borrowings, non-current	4.1%	2.2%	598.9	1,921.7	2,520.6	–	2,520.6
Lease obligations		7.6%	–	7,853.4	7,853.4	–	7,853.4
Other non-current liabilities			–	–	–	51.9	51.9
Financial liabilities			**599.0**	**10,583.6**	**11,182.6**	**1,993.2**	**13,175.8**
Net financial liabilities			**136.9**	**10,401.0**	**10,537.9**	**1,195.9**	**11,733.8**

	In %		In millions of CHF				
At December 31, 2022	Average variable interest rate	Average fixed interest rate	Variable interest rate	Fixed interest rate	Total interest bearing	Non-interest bearing	Total
Cash and cash equivalents	1.0%	4.5%	378.2	92.7	470.9	383.8	854.7
Trade and credit card receivables			–	–	–	62.3	62.3
Other accounts receivable	1.1%		0.1	–	0.1	319.8	319.9
Other non-current assets	0.7%	9.3%	2.4	4.8	7.2	112.8	120.0
Financial assets			**380.7**	**97.5**	**478.2**	**878.7**	**1,356.9**
Trade payables			–	–	–	486.4	486.4
Borrowings, current	2.9%	3.6%	19.0	103.0	122.0	0.7	122.7
Other liabilities			–	–	–	754.5	754.5
Borrowings, non-current	6.1%	2.4%	448.7	3,003.6	3,452.3	0.0	3,452.3
Lease obligations		4.8%	–	3,002.6	3,002.6	0.0	3,002.6
Other non-current liabilities			–	–	–	29.3	29.3
Financial liabilities			**467.7**	**6,109.2**	**6,576.9**	**1,270.9**	**7,847.8**
Net financial liabilities			**87.0**	**6,011.7**	**6,098.7**	**392.2**	**6,490.9**

39. Credit risk management

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

Almost all Avolta sales are retail sales 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 assets positions hold a credit rating of A – or higher.

39.1 Maximum credit risk

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

40. 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 keeping unused credit facilities with financial institutions (see note 28).

40.1 Remaining maturities for non-derivative financial assets and liabilities

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

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	595.9	149.0	–	–	744.9
Trade and credit card receivables	38.2	3.1	–	–	41.3
Other accounts receivable	307.2	42.5	–	–	349.7
Current Investment	54.9	–	–	–	54.9
Other non-current assets	0.5	0.5	32.4	294.0	327.4
Total cash inflows	**996.7**	**195.1**	**32.4**	**294.0**	**1,518.2**
Trade payables	857.7	16.0	–	–	873.7
Borrowings, current	100.4	762.7	–	–	863.1
Other liabilities	931.0	45.6	–	–	976.6
Borrowings, non-current	26.6	30.1	912.2	1,807.3	2,776.2
Lease obligations [1]	771.7	648.8	1,230.0	7,409.6	10,060.1
Other non-current liabilities	–	–	–	51.9	51.9
Total cash outflows	**2,687.4**	**1,503.2**	**2,142.2**	**9,268.8**	**15,601.6**

[1] Lease obligation with a maturity of more than 2 years contain an amount of CHF 4'329.6 million with a maturity longer than 5 years.

At December 31, 2022 In millions of CHF	1-6 months	6-12 months	1-2 years	More than 2 years	Total
Cash and cash equivalents	863.4	8.8	–	–	872.2
Trade and credit card receivables	62.3	–	–	–	62.3
Other accounts receivable	308.4	1.4	–	–	309.8
Other non-current assets	0.2	0.5	2.2	117.2	120.1
Total cash inflows	**1,234.3**	**10.7**	**2.2**	**117.2**	**1,364.4**
Trade payables	486.4	–	–	–	486.4
Borrowings, current	116.6	25.7	–	–	142.3
Other liabilities	754.5	–	–	–	754.5
Borrowings, non-current	55.8	56.1	118.0	3,728.3	3,958.2
Lease obligations [1]	555.8	436.6	514.7	2,087.6	3,594.7
Other non-current liabilities	–	–	–	29.3	29.3
Total cash outflows	**1,969.1**	**518.4**	**632.7**	**5,845.2**	**8,965.4**

[1] Lease obligation with a maturity of more than 2 years contain an amount of CHF 801.5 million with a maturity longer than 5 years.

40.2 Remaining maturities for derivative financial instruments

Avolta holds derivative financial instruments at year-end.

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	9.3	–	–	–	9.3
Derivative financial liabilities	80.2	–	–	–	80.2

At December 31, 2022 In millions of CHF	1-6 months	6-12 months	1-2 years	More than 2 years	Total
Derivative financial assets	5.0	–	–	5.2	10.1
Derivative financial liabilities	0.7	–	–	99.1	99.8

41. 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 as well as post-employment benefit plans for the benefit of employees of Avolta. Transactions with related parties are conducted at arm's length.

The related party transactions and relationships for Avolta are the following:

In millions of CHF	2023	2022
Other income		
Edizione SpA	0.2	–
Purchase of services from		
Pension Fund DUFRY, post-employment benefits	(7.2)	(5.1)
Lease related expenses		
Aeroporti Di Roma SPA	(16.6)	–
Autostrada Bs Vr Vi Pd SpA	(6.6)	–
Aeroporto di Bologna	(2.4)	–
Other expenses		
Aeroporti Di Roma SPA	(1.1)	–
ADR Mobility Srl	(0.1)	–
Aeroporto di Bologna	(0.1)	–
Right of Use at December 31		
Aeroporti Di Roma SPA	6.7	–
Autostrada Bs Vr Vi Pd SpA	18.8	–
SANEF S.A.	2.9	–
SAPN S.A. (Société des autoroutes Paris-Normandie)	0.9	–
Accounts receivables at December 31		
Aeroporti Di Roma SPA	0.4	–
Lease obligations at December 31		
Aeroporti Di Roma SPA	7.3	–
Autostrada Bs Vr Vi Pd SpA	19.4	–
SANEF S.A.	3.6	–
SAPN S.A. (Société des autoroutes Paris-Normandie)	1.2	–
Accounts payables at December 31		
Pension Fund	0.4	0.3
Aeroporti Di Roma SPA	3.5	–
Autostrada Bs Vr Vi Pd SpA	5.4	–
Aeroporto di Bologna	0.8	–
SANEF S.A.	0.2	–
SAPN S.A. (Société des autoroutes Paris-Normandie)	0.1	–
ADR Mobility Srl	0.1	–

The transactions with associates are the following:

In millions of CHF	2023	2022
Sales of goods to		
Nuance Basel LLC (Sochi)	1.3	2.7
Dufry Thomas Julie Korea CO. Ltd	2.3	–
Nuance Group (Chicago) LLC	1.1	0.7
NCM Brookstone Stores Georgia, LLC	0.2	0.2
Puerto Libre Int. SA	1.3	0.8
Lojas Francas de Portugal S.A.	–	15.3
Sales of services to		
Dufry Thomas Julie Korea CO. Ltd	0.1	–
CaresQuick nv	0.1	–
Nuance Basel LLC (Sochi)	0.5	0.5
QA HMSHost LLC	1.1	–
Nuance Group (Chicago) LLC	0.3	0.3
NCM Brookstone Stores Georgia, LLC	–	0.1
Puerto Libre Int. SA	0.1	0.1
Lojas Francas de Portugal S.A.	–	0.5
Purchase of services from		
Nuance Group (Chicago) LLC	–	(0.1)
Accounts receivables at December 31		
Lojas Francas de Portugal S.A.	–	1.6
Nuance Basel LLC (Sochi)	0.3	1.1
Puerto Libre Int. SA	0.1	–
Nuance Group (Chicago) LLC	1.6	2.5
NCM Brookstone Stores Georgia, LLC	0.9	1.0
Dufry Thomas Julie Korea CO. Ltd	7.2	–
QA HMSHost LLC	0.8	–
CaresQuick nv	0.5	–
Accounts payables at December 31		
Lojas Francas de Portugal S.A.	–	1.6
Nuance Group (Chicago) LLC	0.7	1.1
NCM Brookstone Stores Georgia, LLC	0.3	0.6

The company has contractually agreed to a commitment in the amount of CHF 3 million for a period of five years starting 31 October 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:

In millions of CHF	2023	2022
Board of directors		
Number of directors	12	9
Current employee benefits	9.6	7.6
Total compensation	**9.6**	**7.6**
Global executive committee		
Number of members	13	8
Current employee benefits	21.4	18.0
Post-employment benefits	2.6	1.8
Share-based payments (income)/expense [1]	19.7	6.2
Total compensation	**43.7**	**26.0**

[1] Expenses accrued during the year for members of the Global Executive Committee.

For further information regarding participations and compensation to members of the Board of Directors or Global Executive Committee, please refer to the remuneration report at the end of the annual report.

42. Events after reporting date

No significant events occurred after 31 December 2023 up to 6 March 2024 that would have a material impact on these financial statements.

Deloitte.

Deloitte AG
Pfingstweidstrasse 11
8005 Zürich
Schweiz

Phone: +41 (0)58 279 60 00
Fax: +41 (0)58 279 66 00
www.deloitte.ch

To the General Meeting of
Avolta AG (formerly Dufry AG), Basel

Basel, March 6, 2024

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, 2023, and the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements (pages 156 to 251), give a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and of its consolidated financial performance and its consolidated cash flow 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, the International Standards on Auditing (ISA) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession, as well as those of the 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.

Goodwill Valuation
Key Audit Matter
The Group's consolidated statement of financial position includes goodwill of CHF 2,978.6 million (2022: 2,272.2 million). As at December 31, 2023, management concluded that the estimated recoverable amount of goodwill of each of the Group's segments exceeded their carrying amounts.

The accounting policies regarding goodwill applied by the Group are explained in the notes to the consolidated financial statements in sections 3.3a and 3.3r. As detailed in Note 4, 10, 18 and 19 to the consolidated financial statements, the level at which goodwill is monitored and tested annually for impairment is the Group's segments.

The Group management focuses on the regional performance of its operations. Key metrics used by management in assessing performance are measured at the operating segment.

The evaluation of goodwill 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 consolidated financial statements as a whole, we assessed Group management's estimates made in relation to discount rates and sales growth rates to be a key audit matter.

Deloitte.

How the scope of our audit responded to the key audit matter
We obtained an understanding of management's process and control activities over the evaluation of goodwill for potential impairment, including the review of management's judgment in allocating goodwill to the operating segments, the review of significant assumptions used in the impairment test and the review of the impairment models.

We involved valuation specialists to assess the appropriateness of the mathematical integrity and valuation methodology used in the impairment tests.

We evaluated the projected sales growth rates used in the cash flow projections during the forecast period and the terminal growth rate assumptions. In addition, we performed lookback analyses to assess historical sales and expenses against the Group's 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 evaluated the Group's sensitivity analysis by performing an independent analysis using management's models.

We assessed the adequacy of impairment related disclosures in the consolidated financial statements, including the key assumptions used and the completeness and accuracy of sensitivities disclosed.

Based on the procedures performed above, we obtained sufficient audit evidence to address the valuation risk of goodwill.

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 in the amount of CHF 1,699.3 million (2022: CHF 1,170.4 million) and right-of-use assets with definite useful lives in the amount of CHF 7,237.0 million (2022: CHF 2,567.8 million). As at December 31, 2023, management recorded an impairment charge of CHF 16.0 million for concession right intangibles and right-of-use assets and a reversal of impairment of CHF 44.5 million from concession right intangibles and right-of-use assets (2022: CHF 47.9 million and CHF 66.0 million, respectively).

The accounting policies regarding concession right intangibles and right-of-use assets applied by the Group are explained in the notes to the consolidated financial statements in sections 3.3n, 3.3p and 3.3r. As detailed in Note 4, 10, 17, 18 and 19 to the consolidated financial statements, the Group assesses at each reporting date whether there are indicators of impairment. When such indicators are identified, the carrying value of the respective cash generating unit, to which the respective concession right intangibles and right-of-use assets belong to, are tested for impairment.

The evaluation of concession rights 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 assessed management's estimates made in relation to discount rates and sales growth rates 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 activities over the evaluation of potential impairment, including the controls in relation to the review of management's judgment in the identification of impairment indicators, the review of key assumptions used in the impairment test and the review of the impairment models.

We independently evaluated whether there are any impairment indicators for concession right intangibles and right-of-use assets. For those cash generating units for which there were impairment indicators identified, we performed procedures to assess the appropriateness of the mathematical integrity and valuation methodology used in the impairment tests, with the support of our valuation specialists.

We performed analyses over the projected sales growth rates used in the cash flow projections during the forecast period. In addition, we performed lookback analyses to assess historical sales and expenses against the Group's assumptions. In addition, we tested on a sample basis the variable and fixed lease payments against contractual agreements.

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 evaluated the Group's sensitivity analysis by performing an independent analysis using management's models.

We assessed the adequacy of impairment related disclosures in the consolidated financial statements, including the key assumptions used and the completeness and accuracy of sensitivities disclosed.

Based on the procedures performed above, we obtained sufficient audit evidence to address the risk of valuation of concession right intangibles and right-of-use assets.

Purchase Price Allocation for the business combination of Autogrill S.p.A.
Key Audit Matter
The assets, liabilities and contingent liabilities acquired of the business combination with Autogrill S.p.A. were stated at their fair values, which were determined in the course of the purchase price allocation and fair value determination.

This results in net assets measured at fair value in the amount of CHF 772.9 million as of the date of the acquisition. Management has the discretion to make judgments, estimates and assumptions in allocating the purchase price and determining the fair value. Changes in these assumptions could have a significant effect on the purchase price allocation and fair values.

The judgments and estimates are 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 assumptions, combined with the significance of the recognized amounts to the consolidated financial statements as a whole, we assessed management's estimates made in relation to discount rates and sales growth rates 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 controls over the acquisition accounting, including the due diligence procedures and review of valuation reports.

We obtained the underlying documentation, terms and conditions of the transaction and assessed the accounting treatment of the consideration transferred and the assets and liabilities acquired in accordance with IFRS 3 ‚Business Combinations'.

We performed a risk assessment over the assets acquired and liabilities assumed to determine the nature and extent of further procedures and performed opening balance sheet testing for selected acquired assets and liabilities.

Together with our valuation specialists we audited the Group's valuations and assessed the methodology used to determine the assets acquired and liabilities assumed, in particular the methodologies and discount rates as key assumptions, used in the valuation of the acquired business, and a reconciliation of the key inputs used in the fair value measurement.

We tested the assumptions 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 and expenses against the Group's assumptions.

We assessed the adequacy of related disclosures in note 6.1 and 6.2.

Based on the procedures performed above, we obtained sufficient audit evidence to address the risk related to the purchase price allocation.

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 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.

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.

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	Fabian Hell
Licensed audit expert	Licensed audit expert

Statement of profit or loss

for the year ended December 31, 2023

In thousands of CHF	Note	2023	2022
Finance income		23,699	26,571
Other income		10	21
Total income		**23,709**	**26,592**
Personnel expenses	8	(44,533)	(18,149)
General and administrative expenses		(19,548)	(11,361)
Management fee expenses		(7,333)	(7,107)
Reversal of impairment	7	–	44,114
Finance expenses		(968)	(166)
Taxes		(1,970)	(1,139)
Total expenses		**(74,352)**	**6,192**
(Loss) / Profit for the year		**(50,643)**	**32,784**

Statement of financial position

at December 31, 2023

In thousands of CHF	Note	31.12.2023	31.12.2022
Assets			
Cash and cash equivalents		76,910	906
Current receivables third parties		478	64
Current receivables subsidiaries		4,334	2,313
Loans to subsidiaries		691,000	775,000
Current assets		**772,722**	**778,283**
Investments in subsidiaries	3	5,373,761	2,824,339
Non-current assets		**5,373,761**	**2,824,339**
Total assets		**6,146,483**	**3,602,622**
Liabilities and shareholders' equity			
Current interest bearing liabilities		649	965
Current liabilities third parties		2,732	1,118
Current liabilities participants and bodies		–	70
Current liabilities subsidiaries		1,781	1,094
Deferred income and accrued expenses		72,764	21,561
Current liabilities		**77,926**	**24,808**
Total liabilities		**77,926**	**24,808**
Share capital	5.1	763,071	453,985
Legal capital reserves			
Reserve from capital contribution	5.1	6,851,002	4,551,169
Reserve from capital contribution for own shares held at subsidiaries		1,698	1,698
Legal retained earnings			
Other legal reserves		5,927	5,927
Voluntary retained earnings			
Results carried forward	14	(1,413,402)	(1,446,186)
(Loss)/profit for the year	14	(50,643)	32,784
Treasury shares	6	(89,096)	(21,563)
Total shareholders' equity		**6,068,557**	**3,577,814**
Total liabilities and shareholders' equity		**6,146,483**	**3,602,622**

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.

Following the combination with Autogrill in February 2023, the company was renamed from Dufry AG to Avolta AG to unify the combined business representing the company's broader scope and diversification. The shareholder resolved to change the company name of Dufry AG to Avolta AG and to amend article 1 of the Articles of Incorporation at the Extraordinary General Meeting of November 3, 2023.

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 Swiss francs ("CHF"), unless otherwise indicated.

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

The financial statements are prepared applying on a going concern basis.

2.2 Russia's invasion of Ukraine

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

In Ukraine, the Avolta Group only has operations at the Airport in Odessa, which are suspended due to the conflict since March 2022.

The Russian travel market has a very low significance for Avolta Group, since Avolta's operations in Russia, operated through a local joint venture, only represents 0.8 % of the 2023 Group's net sales (2022: 1.7 %).

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

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

2.3 Summary of significant accounting policies

Investments in subsidiaries
Investments are held at historical cost. The Company reviews the carrying amount of these investments annually, and if events and circumstances suggest that this amount may not be recoverable, an impairment or impairment reversal is recognized in the statement of profit or loss.

Treasury shares
Treasury shares are recognized at acquisition cost and deducted from shareholders' equity. Gains or losses arising out of the sale of treasury shares are recorded in the statement of profit or loss.

Share-based payments
The Company accrues personnel expenses related to share-based payment plans for the respective period in deferred income and accrued liabilities. Any difference between the share-based awards granted and the corresponding accrual created for the plan will be recognized in the statement of profit or loss, when the shares are assigned to the member of the share-based payment plans.

Current and non-current interest-bearing liabilities
Interest-bearing liabilities are recognized at their nominal value in the statement of financial position.

Exchange rate differences
All assets and liabilities denominated in foreign currencies are translated into CHF using year-end exchange rates, except investments in subsidiaries, which are recognized at historical values. Net unrealized exchange losses are recognized in the statement of profit or loss and net unrealized gains are deferred within accrued expenses. Realized exchange gains or losses arising from business transactions denominated in foreign currencies are recognized in the statement of profit or loss.

3. Direct subsidiaries

	Share capital and voting rights		Share capital		Currency
In thousands	31.12.2023	31.12.2022	31.12.2023	31.12.2022	
Dufry International AG, Switzerland	100%	100%	1,000	1,000	CHF
Dufry Corporate AG, Switzerland	100%	100%	100	100	CHF
Dufry Holdings & Investments AG, Switzerland	100%	100%	1,000	1,000	CHF

4. Significant shareholders' participation

In percentage (%) of outstanding registered shares	31.12.2023	31.12.2022
Edizione S.p.A.	22.17%	0.00%
Advent International Corporation	8.72%	10.10%
Compagnie Financiere Rupert	4.94%	5.00%
State of Qatar	4.49%	6.91%
Alibaba Group Holding Limited	4.87%	5.40%
BlackRock, Inc.	3.41%	0.00%

5. Share capital

5.1 Ordinary shares

In thousands of CHF	Number of shares	Share capital	Reserve from capital contribution
Balance at January 1, 2022	**90,797,007**	**453,985**	**4,552,310**
Reclass from reserve from capital contribution for own shares held at subsidiaries	–	–	(1,141)
Balance at December 31, 2022	**90,797,007**	**453,985**	**4,551,169**
Increase of share capital	61,817,244	309,086	2,299,833
Balance at December 31, 2023	**152,614,251**	**763,071**	**6,851,002**

5.2 Conditional share capital

In	Shares	CHF
Balance at January 1, 2022	**9,079,700**	**45,398,500**
Increase of conditional share capital	30,663,329	153,316,645
Balance at December 31, 2022	**39,743,029**	**198,715,145**
Decrease of conditional share capital	(30,663,329)	(153,316,645)
Increase of conditional share capital	45,398,503	226,992,515
Conversion of mandatory convertible bonds	(2,092,113)	(10,460,565)
Balance at December 31, 2023	**52,386,090**	**261,930,450**

5.3 Capital Band (formerly authorized capital)

In	Shares	Nominal value in CHF
Balance at January 1, 2022	**–**	**–**
Increase of authorized share capital	45,398,503	226,992,515
Balance at December 31, 2022	**45,398,503**	**226,992,515**
Balance at May 08, 2023	**45,398,503**	**226,992,515**
Issued out of capital range at May 22, 2023	(22,133,293)	(110,666,465)
Issued out of capital range at June 7, 2023	(4,393,587)	(21,967,935)
Issued out of capital range at July 6, 2023	(410,471)	(2,052,355)
Issued out of capital range at July 24, 2023	(2,124,451)	(10,622,255)
Balance at December 31, 2023	**16,336,701**	**81,683,505**

6. Treasury shares

In thousands of	Shares[2]	CHF
Balance at January 1, 2022	**11,281**	**(1,300)**
Purchased shares	600,000	(21,563)
Balance at December 31, 2022	**611,281**	**(22,863)**
Returned shares[1]	804,728	(34,129)
Purchased shares	800,000	(33,404)
Balance at December 31, 2023	**2,216,009**	**(90,396)**

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

7. Impairment of investments in subsidiaries

Avolta AG has reviewed the valuation of its investments in Dufry International AG and Dufry Holdings & Investments AG. Based on the assessment performed, the Company did not recognize a need for impairment (2022 reversal of impairment: CHF 44.1 million).

8. Personnel expenses

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

Avolta AG employed less than 10 employees in 2023 and 2022.

9. Guarantee commitment regarding Swiss value added tax (VAT)

The Company belongs to the Swiss value added tax (VAT) group of Dufry International AG, and thus carries joint liability to the Swiss federal tax administration for VAT. Members of the VAT group as of December 31, 2023, are:

AVOLTA Participations AG	DUFRY Corporate AG
DUFRY International AG	DUFRY Holdings & Investments AG
DUFRY Samnaun AG	AVOLTA AG
DUFRY Russia Holding AG	DUFRY Altay AG
DUFRY Trading AG	The Nuance Group AG
DUFRY Basel Mulhouse AG	

10. Contingent liabilities

The Company jointly and severally with Dufry International AG and Dufry Financial Services B. V. guaranteed the following credit facilities:

In millions of	Maturity	Coupon rate	Currency	Nominal amount in currency	Drawn amount in CHF
Main bank credit facilities					
Committed revolving credit facility	20.12.2027		EUR	2,750.0	357.8
Subtotal					**357.8**
Senior notes					
Senior notes	15.04.2028	3.38%	EUR	725.0	673.4
Senior notes	15.04.2026	3.63%	CHF	300.0	300.0
Senior notes	15.10.2024	2.50%	EUR	800.0	743.0
Senior notes	15.02.2027	2.00%	EUR	750.0	696.6
Convertible notes	30.03.2026	0.75%	CHF	500.0	500.0
Subtotal					**2,913.0**
Guarantee facility					
Uncommitted guarantee facility	n/a		EUR	49.0	45.5
Subtotal					**45.5**
At December 31, 2023					**3,316.3**

In millions of	Maturity	Coupon rate	Currency	Nominal amount in currency	Drawn amount in CHF
Main bank credit facilities					
Committed revolving credit facility	20.12.2027		EUR	2,085.0	409.5
Subtotal					**409.5**
Senior notes					
Senior notes	15.04.2028	3.38%	EUR	725.0	717.5
Senior notes	15.04.2026	3.63%	CHF	300.0	300.0
Senior notes	15.10.2024	2.50%	EUR	800.0	791.7
Senior notes	15.02.2027	2.00%	EUR	750.0	742.2
Convertible notes	30.03.2026	0.75%	CHF	500.0	500.0
Mandatory convertible notes	18.11.2023	4.10%	CHF	69.5	–
Subtotal					**3,051.3**
Guarantee facility					
Uncommitted guarantee facility	n/a		EUR	49.0	48.5
Subtotal					**48.5**
At December 31, 2022					**3,509.3**

There were no assets pledged as of December 31, 2023 and 2022.

11. 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, 2023 and December 31, 2022 (members not listed do not hold any shares or options):

			31.12.2023			31.12.2022
In thousands of	Shares	Outstanding unvested PSU[1]	Participation	Shares	Outstanding unvested PSU[1]	Participation
Members of board of directors						
J.C. Torres Carretero, Chairman	637.1	–	0.42%	611.8	–	0.67%
H. Jo Min, Lead Independent Director	0.7	–	0.00%	0.7	–	0.00%
L. Tyler-Cagni, Director	3.6	–	0.00%	3.6	–	0.00%
Total Board of Directors	**641.4**	**–**	**0.42%**	**616.1**		**0.68%**
Members of global executive committee						
X. Rossinyol, CEO	81.8	208.5	0.19%	81.2	76.0	0.17%
Y. Gerster, CFO	8.7	70.3	0.05%	8.7	32.4	0.05%
F. Cheung, President & CEO Asia Pacific	–	16.6	0.01%	n/a	n/a	n/a
S. Johnson, President & CEO North America	–	26.4	0.02%	n/a	n/a	n/a
L. Marin, President & CEO Europe, Middle East and Africa	10.8	68.8	0.05%	10.8	32.4	0.05%
E. Urioste, President & CEO Latin America	–	16.0	0.01%	n/a	n/a	n/a
P. Duclos, Group General Counsel	–	74.7	0.05%	–	32.4	0.04%
C. Rossotto, Chief Public Affairs & ESG Officer	–	16.9	0.01%	n/a	n/a	n/a
V. Talwar, Chief Commercial & Digital Officer	–	23.4	0.02%	n/a	n/a	n/a
K. Volery, Chief People & Culture Officer	–	14.4	0.01%	n/a	n/a	n/a
Additional former member of global executive committee						
E. Andrades, CEO Operations	n/a	n/a	n/a	2.0	32.4	0.04%
A. Belardini, Chief Commercial Officer	n/a	n/a	n/a	19.1	32.4	0.06%
S. Branquinho, Chief Diversity & Inclusion Officer	n/a	n/a	n/a	0.5	6.0	0.01%
Total Global Executive Committee	**101.3**	**535.9**	**0.42%**	**122.3**	**244.0**	**0.40%**

[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.

12. Events after reporting date

No significant events occurred after 31 December 2023 up to 6 March 2024 that would have a material impact on these financial statements.

13. 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, 2023	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 Restaurant&Hotel Beheer N.V	Antwerp	Belgium	O	100	3,250	EUR
Autogrill Belgie N.V.	Antwerp	Belgium	O	100	8,756	EUR
Dufry Sofia OOD	Sofia	Bulgaria	O	80	2,500	BGN
WDFG Helsinki Oy	Vantaa	Finland	O	100	3	EUR
Autogrill Coté France S.A.S.	Marseille	France	O	100	31,580	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 SpA	Novara	Italy	H	100	63,720	EUR
Aldeasa Jordan Airports Duty Free Shops Ltd	Amman	Jordan	O	100	500	JOD
WDFG SAU, Kuwait Branch	Kuwait City	Kuwait	O	100	2,383	KWD
Nuance Group (Malta) Ltd	Luqa	Malta	O	52	2,795	EUR
Dufry Maroc Sarl	Casablanca	Morocco	O	80	2,500	MAD
HMSHost Nederland B.V.	Amsterdam	Netherlands	O	100	–	EUR
HorecaExploitatie Schiphol B.V	Amsterdam	Netherlands	O	100	45	EUR
Dufry d.o.o. Belgrade	Belgrade	Serbia	O	100	6,603	EUR
Sociedad de Distribucion Comercial Aeroportuaria de Canarias SL	Telde	Spain	O	60	717	EUR
World Duty Free Group SAU	Madrid	Spain	O	100	19,831	EUR
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	1,001	CHF
Urart Gumr. Magaza Isletm. ve	Antalya	Turkey	O	100	1,728	TRY
HMSHost UK, Limited	London	United Kingdom	O	100	217	GBP
WDFG Ferries Limited	London	United Kingdom	O	100	50	GBP
WDFG UK Limited	London	United Kingdom	O	100	360	GBP
Dufry Sharjah FZC	Sharjah	Utd.Arab Emir.	O	50	150	AED
Asia Pacific						
Nuance Group (Australia) Pty L	Melbourne	Australia	O	100	210,000	AUD
The Nuance Group (HK) Ltd	Hong Kong	China	O	100	–	HKD
The Nuance Group (Macau) Ltd	Macau	China	O	100	50	MOP
Autogrill VFS F&B Co. Ltd.	Ho Chi Minh City	Vietnam	O	70	104,462,000	VND

As of December 31, 2023	Location	Country	Type	Ownership in %	Share capital in thousands	Currency
North America						
HostInternational of Canada, Ltd	Vancouver	Canada	O	100	1,351	CAD
The Nuance Group (Canada) Inc.	Toronto	Canada	O	100	1,017	CAD
WDFG Vancouver LP	Vancouver	Canada	O	100	–	CAD
Airport Management Services LL	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 JV Company	Honolulu	USA	O	90	–	USD
HSI MCA FLL FB, LLC	Delaware	USA	O	76	–	USD
HSI MCA LBL LAX T6-TBIT, LLC	Delaware	USA	O	75	–	USD
Hudson Group (HG) Inc.	Delaware	USA	H	100	–	USD
Hudson Group (HG) Retail, LLC	Delaware	USA	H/O	100	–	USD
Hudson Las Vegas JV Hudson New	Las Vegas	USA	O	73	–	USD
Hudson News O'Hare JV	Chicago	USA	O	70	–	USD
JFK Air Ventures II JV	New York	USA	O	80	–	USD
Seattle Air Ventures	Olympia	USA	O	75	–	USD
Stellar Partner Inc.	Tampa	USA	O	100	26	USD
WDFG North America LLC	Delaware	USA	H/O	100	–	USD
Latin America						
Interbaires SA	Buenos Aires	Argentina	O	100	258,920	ARS
Dufry do Brasil DF Shop Ltda	Rio de Janeiro	Brazil	O	87	830,214	BRL
Dufry Lojas Francas Ltda	Sao Paulo	Brazil	O	87	1,323,310	BRL
Aldeasa Chile, Ltda	Santiago de Chile	Chile	O	100	2,517	USD
Dufry Colombia S.A.S	Bogota	Colombia	O	100	100,100	COP
Inversiones Tunc, SA	Santo Domingo	Dominican Rep.	O	100	200	DOP
Dufry Jamaica Ltd.	St. James	Jamaica	O	100	–	JMD
Dufry Mexico SA de CV	Mexico City	Mexico	O	100	4,250	MXN
Alliance Duty Free, LLC	San Juan	Puerto Rico	O	100	2	USD
Navinten SA	Montevideo	Uruguay	O	51	296,747	UYP
Dufry Cruise Services, Inc.	Miami	USA	O	100	–	USD
Global Distribution Centers						
International Operations & Services (HK) Ltd	Hong Kong	Hong Kong	D	100	109,000	HKD
Dufry International AG	Basel	Switzerland	H	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	19,060	USD
Other companies						
Dufry Financial Services B.V.	Eindhoven	Netherlands	H	100	–	EUR
Dufry One B.V.	Eindhoven	Netherlands	H	100	–	EUR

Proposed appropriation of retained earnings and capital distribution

In thousands of CHF	2023	2022
Proposed appropriation of retained earnings		
Result carried forward	(1,413,402)	(1,446,186)
Profit /(Loss) for the year	(50,643)	32,784
Retained earnings at December 31	**(1,464,045)**	**(1,413,402)**
Proposed distribution out of retained earnings		
Balance at beginning of the year	4,551,169	4,552,310
Dividends	(106,830)	–
Reclass from reserve from capital contribution for own shares held at subsidiaries	–	(1,141)
Reserve from capital contribution at December 31	**4,444,339**	**4,551,169**

Deloitte AG
Pfingstweidstrasse 11
8005 Zürich
Schweiz

Phone: +41 (0)58 279 60 00
Fax: +41 (0)58 279 66 00
www.deloitte.ch

To the General Meeting of
Avolta AG (formerly Dufry AG), Basel

Basel, March 6, 2024

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, 2023, 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 256 to 268 comply with Swiss law and the Company's articles of incorporation.

Basis for Opinion
We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investments in subsidiaries
Key Audit Matter
As described in Notes 2.3, 3 and 7 to the financial statements, Avolta AG holds investments in Avolta Group companies with the carrying value of CHF 5,373.8 million (2022: CHF 2,824.3 million), representing 87% (2022: 78%) of the total assets. As at December 31, 2023, management neither recorded an impairment reversal nor an impairment loss (2022: CHF 44.1 million impairment reversal).

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 above amounts to the financial statements as a whole, we assessed management's estimates made in relation to 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 controls of the identification of impairment indicators, the review of key assumptions used in the impairment test and the review of the impairment models.

For investments selected, we involved valuation specialists to assess the appropriateness of the mathematical integrity and valuation methodology used in the impairment tests. We evaluated the key inputs and assumptions used in impairment tests of the investments in the Avolta Group companies.

We performed analyses over the projected sales growth rates used in the cash flow projections during the forecast period. We independently determined the weighted average cost of capital (WACC) and compared them against management's assumptions, with the support of our valuation specialists.

We performed lookback analyses to assess historical revenue and expenses against the Group's assumptions.

We assessed the adequacy of investment related disclosures in note 7 to the financial statements.

Based on the procedures performed above, we obtained sufficient audit evidence to address the risk of valuation of investments in subsidiaries.

Other Information
The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the standalone financial statements, the renumeration report and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' Responsibilities for the Financial Statements
The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on EXPERTsuisse's website at: https://www.expertsuisse.ch/en/audit-report-for-ordinary-audits. This description forms an integral part of our report.

Report on Other Legal and Regulatory Requirements
In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

Furthermore, we confirm that the proposed appropriation of retained earnings and capital distribution complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Deloitte AG

Andreas Bodenmann Licensed audit expert	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 company 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, we consider all our concession fees and corresponding payments as CORE to our business, in contrast to IFRS 16, which treats fixed payments as a financing activity. In addition, we believe that the straight-line depreciation of right-of-use assets does not reflect the economic reality of our business and the operational performance of our Group. 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	2023	2022
Like-for-like	23.2%	77.9%
Net new concessions	1.9%	(1.8%)
Organic growth [1]	**25.1%**	**76.1%**

[1] As reported i.e. not pro-forma.

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	2023	2022
Net sales (CORE)	12,328.8	6,721.2
Advertising income	205.8	157.2
Turnover (CORE)	**12,534.6**	**6,878.4**
Cost of sales (CORE)	(4,477.0)	(2,684.6)
Gross profit (CORE)	**8,057.6**	**4,193.8**
Concession expenses (CORE)	(3,178.7)	(2,029.9)
Personnel expenses	(2,539.3)	(997.9)
Other expenses (CORE)	(1,417.7)	(620.7)
Other income (CORE)	207.7	60.9
CORE EBITDA	**1,129.6**	**606.2**
Depreciation, amortization and impairment (CORE)	(312.0)	(135.6)
CORE EBIT	**817.6**	**470.7**
Financial result (CORE)	(201.3)	(175.6)
CORE Profit before tax	**616.3**	**295.1**
Income tax (CORE)	(159.5)	(105.5)
CORE Net profit	**456.8**	**189.6**
Attributable to		
Non-controlling interests	148.9	83.9
Equity holders of the parent	307.9	105.7
Earnings per share attributable to equity holders of the parent		
CORE basic earnings/(loss) per share in CHF	2.26	1.14
CORE diluted earnings/(loss) per share in CHF	2.21	1.12

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, we remove the FX impact on our lease obligations and the financing component of IFRS 16. In addition, all depreciation and amortization expenses related to previous acquisitions are removed to enable a better view of the performance of the current year. CORE EBITDA is used by Avolta's lenders to calculate covenants under the bank financing agreements.

Profit or loss reconciliation IFRS/CORE

2023 In millions of CHF	IFRS	Acquisition rel. adj. (unaudited)	Lease adjustments (unaudited)	Fuel sales adjustments (unaudited)[1]	CORE (unaudited)
Net sales (IFRS)/(CORE)	12,583.7	–	–	(254.9)	12,328.8
Advertising income	205.8	–	–	–	205.8
Turnover (IFRS)/(CORE)	**12,789.5**	**–**	**–**	**(254.9)**	**12,534.6**
Cost of sales (IFRS)/(CORE)	(4,716.0)	–	–	239.0	(4,477.0)
Gross profit (IFRS)/(CORE)	**8,073.5**	**–**	**–**	**(15.9)**	**8,057.6**
Leases expenses (IFRS)/Concession expenses (CORE)	(1,875.5)	–	(1,303.2)	–	(3,178.7)
Personnel expenses	(2,539.3)	–	–	–	(2,539.3)
Other expenses (IFRS)/(CORE)[2, 3]	(1,375.7)	18.8	(60.8)	–	(1,417.7)
Other income (IFRS)/(CORE)	191.9	–	(0.1)	15.9	207.7
Operating profit bef D&A/CORE EBITDA	**2,474.9**	**18.8**	**(1,364.1)**	**–**	**1,129.6**
Depreciation & impairment of PP&E	(277.4)	–	(0.1)	–	(277.5)
Amortization & impairment of intangibles (IFRS)/(CORE)[4]	(242.8)	208.3	–	–	(34.5)
Depreciation & impairment right-of-use assets (IFRS)	(1,089.6)	–	1,089.6	–	–
Operating profit/CORE EBIT	**865.1**	**227.1**	**(274.6)**	**–**	**817.6**
Financial result (IFRS)/(CORE)[5, 6]	(567.1)	15.7	350.1	–	(201.3)
Profit before taxes/CORE EBT	**298.0**	**242.8**	**75.5**	**–**	**616.3**
Income tax (IFRS)/(CORE)[7]	(81.6)	(53.3)	(24.6)	–	(159.5)
Net profit/CORE Net profit	**216.4**	**189.5**	**50.9**	**–**	**456.8**
Attributable to					
Non-controlling interests	129.1	10.9	8.9	–	148.9
Equity holders of the parent	87.3	178.6	42.0	–	307.9
Earnings per share attributable to equity holders of the parent					
Basic Earnings/CORE Basic Earnings per share in CHF	0.64				2.26
Diluted Earnings/CORE Diluted Earnings per share in CHF	0.63				2.21

1 CHF 254.9 million net sales (CORE) and CHF 239.0 million cost of sales (CORE) differ from the IFRS amounts because they do not include 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 18.8 million financial related transaction cost directly linked to the closing of the combination with Autogrill.

3 CHF 58.3 million non-shop leases included in other expenses (CORE).

4 CHF 208.3 million amortization of acquisition related concession rights.

5 Financial result (CORE) exclude CHF 15.7 million in connection with a Bridge financing, directly linked to the closing of the combination with Autogrill.

6 CHF 350.1 million lease interest expenses and IFRS 16 related foreign exchange effect.

7 CHF 53.3 million deferred taxes on acquisition related concession rights and CHF 24.6 million deferred taxes related to IFRS 16.

2022 In millions of CHF	IFRS	Acquisition rel. adj. (unaudited)	Lease adjustments (unaudited)	CORE (unaudited)
Net sales (IFRS)/(CORE)	6,721.2	–	–	6,721.2
Advertising income	157.2	–	–	157.2
Turnover (IFRS)/(CORE)	**6,878.4**	**–**	**–**	**6,878.4**
Cost of sales (IFRS)/(CORE)	(2,684.6)	–	–	(2,684.6)
Gross profit (IFRS)/(CORE)	**4,193.8**	**–**	**–**	**4,193.8**
Leases expenses (IFRS)/Concession expenses (CORE)	(1,081.9)	–	(948.0)	(2,029.9)
Personnel expenses	(997.9)	–	–	(997.9)
Other expenses (IFRS)/(CORE)[1]	(578.7)	–	(42.0)	(620.7)
Other income (IFRS)/(CORE)	61.8	–	(0.9)	60.9
Operating profit bef D&A/CORE EBITDA	**1,597.1**	**–**	**(990.9)**	**606.2**
Depreciation & impairment of PP&E	(113.9)	–	–	(113.9)
Amortization & impairment of intangibles (IFRS)/(CORE)[2]	(195.6)	173.9	–	(21.7)
Depreciation & impairment right-of-use assets (IFRS)	(785.2)	–	785.2	–
Operating profit/CORE EBIT	**502.4**	**173.9**	**(205.7)**	**470.7**
Financial result (IFRS)/(CORE)[3]	(305.6)	–	130.0	(175.6)
Profit before taxes/CORE EBT	**196.8**	**173.9**	**(75.7)**	**295.1**
Income tax (IFRS)/(CORE)[4]	(76.2)	(37.1)	7.8	(105.5)
Net profit/CORE Net profit	**120.6**	**136.8**	**(67.9)**	**189.6**

Attributable to

Non-controlling interests	62.4	22.0	(0.5)	83.9
Equity holders of the parent	58.2	114.8	(67.3)	105.7

Earnings per share attributable to equity holders of the parent

Basic Earnings/CORE Basic Earnings per share in CHF	0.63			1.14
Diluted Earnings/CORE Diluted Earnings per share in CHF	0.62			1.12

1 CHF 42.0 million non-shop leases included in other expenses (CORE).
2 CHF 173.9 million amortization and impairment of acquisition related concession rights.
3 CHF 130.0 million lease interest expenses and IFRS 16 related foreign exchange effect.
4 CHF 37.1 million deferred taxes on acquisition related concession rights and CHF 7.8 million deferred taxes related to IFRS 16.

CORE cash flow

In millions of CHF	2023	2022
CORE EBITDA	**1,129.6**	**606.2**
Other non-cash items and changes in lease obligation	80.7	79.6
Changes in net working capital	(44.0)	(4.6)
Capital expenditures	(432.7)	(110.1)
Cash flow related to minorities [1]	(102.6)	(65.0)
Dividends from associates	1.9	2.7
Income taxes paid	(129.2)	(76.1)
Cash flow before financing	**503.7**	**432.7**
Interest, net	(160.3)	(134.1)
Other financing items	(20.4)	6.6
Equity free cash flow	**323.0**	**305.2**
Acquisition & financing activities, net [2]	(268.4)	(20.3)
Transaction costs	(34.5)	–
Foreign exchange adjustments and other	94.5	(16.1)
Decrease / (Increase) in financial net debt	**114.6**	**268.8**
– at the beginning of the period	2,810.7	3,079.5
– at the end of the period	2,696.1	2,810.7

[1] Includes CHF (133.9) million dividends paid to non-controlling interests and CHF 31.4 million contribution from non-controlling interests.

[2] Acquisition & financing activities, net consist mainly of the acquisition of net debt from Autogrill, the cash portion of the MTO consideration and purchases of treasury shares.

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	2023	2022
Net cash flow from operating activities	**2,359.4**	**1,511.6**
Reconciliation elements related to investing activities		
Purchase of property, plant and equipment	(404.4)	(97.4)
Purchase of intangible assets	(36.6)	(15.9)
Proceeds from lease income	22.5	4.0
(Proceeds from)/Repayment of loans receivable granted	(36.1)	4.1
Proceeds from sale of property, plant and equipment	9.1	3.2
Proceeds from sale of financial assets	(0.8)	2.6
Interest received	61.9	30.8
Reconciliation elements related to financing activities		
Lease payments	(1,361.7)	(907.8)
Interest paid	(222.3)	(164.9)
Contribution from non-controlling interests	31.4	3.3
Dividends paid to non-controlling interests	(133.9)	(68.3)
Adjusted for acquisition related transaction costs		
Transaction costs	34.5	–
Equity free cash flow	**323.0**	**305.2**

Financial net debt

In millions of CHF	31.12.2023	31.12.2022
Borrowings (current and non-current)	3,340.0	3,575.0
Financial derivatives liability - Borrowings	80.0	99.8
Less financial derivatives assets - Borrowings	(9.3)	(9.4)
Less cash and cash equivalents	(714.6)	(854.7)
Financial net debt	**2,696.1**	**2,810.7**

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

Trade net working capital

In millions of CHF	31.12.2023	31.12.2022
Inventories	1,062.0	928.4
Trade and credit card receivables	41.3	62.3
Less trade payables	(873.7)	(486.4)
Trade net working capital	**229.6**	**504.3**

Working capital management related 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	2023	2022
Purchase of property, plant and equipment	(404.4)	(97.4)
Purchase of intangible assets	(36.6)	(15.9)
Proceeds from sale of property, plant and equipment	8.3	3.2
Capex	**(432.7)**	**(110.1)**

Capex includes purchase of property, plant, equipment, intangible assets, other investing activities and proceeds from sale of property, plant, equipment on cash basis. Any purchase 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 2024 please refer to pages 334/335 of this Annual Report.