NOTICE

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE PERSONS WHO ARE NOT U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT")) AND WHO ARE OUTSIDE OF THE UNITED STATES IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT.

EU MIFID II PRODUCT GOVERNANCE/PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Notes (as defined below) has led to the conclusion that: (i) the target market of the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "MiFID II"); and (ii) all channels for the distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("COBS"), and professional clients as defined in Regulation (EU) No. 600/2014 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 ("UK MiFIR"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "Distributor") should take into consideration the manufacturers' target market assessment; however, a Distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK MiFIR Product Governance Rules") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers target market assessment) and determining appropriate distribution channels.

PRIIPS REGULATION - PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "Prospectus Regulation"). Consequently no key information document required by Regulation (EU) No. 1286/2014, as amended (the "EU PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

IMPORTANT – UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 ("FSMA") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

IMPORTANT: You must read the following before continuing. The following applies to the preliminary offering memorandum following this notice, whether received by email or otherwise received as a result of electronic communication. You are advised to read this disclaimer carefully before reading, accessing or making any other use of the preliminary offering memorandum. In accessing the preliminary offering memorandum, you agree to be bound by the following terms and conditions, including any modifications to them, each time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE FOLLOWING PRELIMINARY OFFERING MEMORANDUM MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

Confirmation of your representation: In order to be eligible to view the preliminary offering memorandum or make an investment decision with respect to the notes, investors must be persons who are not U.S. persons (as defined in Regulation S under the Securities Act) and who are outside of the United States in offshore transactions in reliance on Regulation S under the Securities Act. The preliminary offering memorandum is being sent at your request. By accepting this e-mail and by accessing the preliminary offering memorandum, you shall be deemed to have represented to us that:

(1) you consent to delivery of such preliminary offering memorandum by electronic transmission, and

(2) you and any customers you represent are outside the United States and the e-mail address that you gave us and to which this email has been delivered is not located in the United States, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands), any State of the United States or the District of Columbia.

You are reminded that the preliminary offering memorandum has been delivered to you on the basis that you are a person into whose possession the preliminary offering memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorized to, deliver the preliminary offering memorandum to any other person.

Under no circumstances shall the preliminary offering memorandum constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

If a jurisdiction requires that the offering be made by a licensed broker or dealer and any initial purchaser of the notes offered under the preliminary offering memorandum or any affiliate of any such initial purchaser is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such an initial purchaser or affiliate on behalf of Dufry One B.V. in such jurisdiction.

The preliminary offering memorandum has not been approved by an authorized person in the United Kingdom. The notes may not be offered or sold other than to persons whose ordinary activities involve these persons in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000, as amended (the "FSMA") by us. In addition, no person may communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the notes other than in circumstances in which Section 21(1) of the FSMA does not apply to us. The preliminary offering memorandum has been sent to you in an electronic form.

You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the initial purchasers, any person who controls any initial purchaser, or any of their respective directors, officers, employees or agents accepts any liability or responsibility whatsoever in respect of any difference between the preliminary offering memorandum distributed to you in electronic format and the hard copy version available to you from the initial purchasers upon your request.

SUBJECT TO COMPLETION, DATED APRIL 13, 2021

PRELIMINARY OFFERING MEMORANDUM

STRICTLY CONFIDENTIAL NOT FOR DISTRIBUTION IN THE UNITED STATES OR TO U.S. PERSONS

DUFRY ONE B.V.

CHF % Senior Notes due 2026
€ % Senior Notes due 2028
fully and unconditionally guaranteed by Dufry AG and certain of its subsidiaries

Dufry One B.V. (registered company number 69664285), a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) organized under the laws of the Netherlands with its corporate seat in Amsterdam, the Netherlands and having its registered office at Luchthavenweg 53, 5657 EA Eindhoven, the Netherlands (the "Issuer"), is offering CHF principal amount of its % senior notes due 2026 (the "CHF Notes") and € principal amount of its % senior notes due 2028 (the "Euro Notes" and, together with the CHF Notes, the "Notes"). The Notes will be fully and unconditionally guaranteed (the "Guarantees") by the Issuer's ultimate parent, Dufry AG (the "Parent Guarantor"), a Swiss stock corporation with its corporate seat in Basel, Switzerland, and certain of the Parent Guarantor's wholly-owned subsidiaries, comprising Dufry International AG, a Swiss stock corporation with its corporate seat in Basel, Switzerland (the "Swiss Subsidiary Guarantor"), and Dufry Financial Services B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) organized under the laws of the Netherlands with its corporate seat in Amsterdam, the Netherlands (the "Dutch Subsidiary Guarantor" and, together with the Swiss Subsidiary Guarantor, the "Subsidiary Guarantors," and, together with the Parent Guarantor, the "Guarantors").

Interest on the CHF Notes will accrue from the original issue date of the CHF Notes and will be payable semi-annually in arrears on and of each year, commencing , 2021. The CHF Notes will mature on , 2026 (the "CHF Maturity Date"), and upon surrender, will be repaid at 100% of the principal amount thereof together with any accrued and unpaid interest, if any.

Interest on the Euro Notes will accrue from the original issue date of the Euro Notes and will be payable semi-annually in arrears on and of each year, commencing , 2021. The Euro Notes will mature on , 2028 (the "Euro Maturity Date"), and upon surrender, will be repaid at 100% of the principal amount thereof together with any accrued and unpaid interest, if any.

The Notes are redeemable prior to maturity, in whole or in part, at any time and from time to time at our option at the applicable redemption prices calculated as set forth under "Description of Notes—Optional Redemption." The Notes will be issued only in fully registered form, without coupons. The CHF Notes will be issued only in minimum denominations of CHF 150,000 and any integral multiple of CHF 1,000 in excess thereof. The Euro Notes will be issued only in minimum denominations of €100,000 and any integral multiple of €1,000 in excess thereof. See "Description of Notes."

The Notes and the Guarantees will be direct, unsecured and unsubordinated obligations of the Issuer and the Guarantors, respectively, and will rank equally in right of payment with all other existing and future direct, unsecured and unsubordinated obligations (except those obligations required to be preferred by law) of the Issuer and the Guarantors, respectively, and will be effectively subordinated to all existing and future obligations of the Parent Guarantor's subsidiaries other than the Issuer and the Subsidiary Guarantors.

Application will be made to The International Stock Exchange Authority (the "Authority") for the listing of and permission to deal in the CHF Notes and the Euro Notes on the Official List of The International Stock Exchange ("TISE"). No application has been made for the Notes to be listed on any other stock exchange. TISE is not a regulated market for the purposes of Directive 2014/65/EU or Markets in Financial Instruments Directive, as amended ("MiFID II"). This Offering Memorandum constitutes a 'Listing Document' for the purposes of the Listing Rules maintained by the Authority.

Investing in the Notes involves risks. See "Risk Factors" beginning on page 25.

The Notes and the Guarantees have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws and are being offered and sold outside the United States to persons other than U.S. persons as defined in and in reliance on Regulation S under the U.S. Securities Act ("Regulation S"). For a description of certain restrictions on transfers of the Notes, see "Plan of Distribution" and "Notice to Investors."

Price for the CHF Notes: % plus accrued interest, if any, from , 2021.
Price for the Euro Notes: % plus accrued interest, if any, from , 2021.

It is expected that delivery of beneficial interests in the Notes will be made through Euroclear Bank, SA/NV ("Euroclear"), and Clearstream Banking S.A., a public limited liability company (société anonyme) organized and established under the laws of Grand Duchy of Luxembourg, having its registered office at 42, avenue J.F. Kennedy, L-1855 Luxembourg, and registered with the Luxembourg Trade and Companies Register under number B 9248 ("Clearstream"), on or about , 2021 against payment therefor in immediately available funds.

Euro Senior Notes

Joint Global Coordinators and Active Bookrunners

BBVA **BofA Securities** **BNP PARIBAS** **HSBC** **ING** **UniCredit Bank**

CHF Senior Notes

Joint Global Coordinators and Active Bookrunners

Credit Suisse **Deutsche Bank** **Goldman Sachs Bank Europe SE** **Mediobanca** **UBS Investment Bank**

Joint Bookrunners

Morgan Stanley **Raiffeisen Bank International** **Raiffeisen Schweiz** **Santander Corporate & Investment Banking**

All initial purchasers have bookrunner titles in both currencies.
The date of this Offering Memorandum is , 2021

The information in this preliminary offering memorandum is not complete and may be changed. This preliminary offering memorandum is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

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In this Offering Memorandum, except as otherwise indicated, the words "Dufry," "we," "us," "our," "Group," the "Company" and "ours" refer to Dufry AG, a Swiss stock corporation, and its consolidated subsidiaries, including the Issuer and the Subsidiary Guarantors, unless the context otherwise requires. All references to the "Issuer" are to Dufry One B.V. (registered company number 69664285), a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) organized under the laws of the Netherlands with its corporate seat in Amsterdam, the Netherlands and having its registered office at Luchthavenweg 53, 5657 EA Eindhoven, the Netherlands, which is an indirect, wholly owned subsidiary of Dufry AG.

This Offering Memorandum is highly confidential and has been prepared by us solely for use in connection with the offering of the Notes. Its use for any other purpose is not authorized. This Offering Memorandum is personal to the offeree to whom it has been delivered by the Initial Purchasers and does not constitute an offer to any other person or to the public generally. Distribution of this Offering Memorandum to any person other than the offeree and any person retained to advise such offeree is unauthorized and any disclosure of the contents of this Offering Memorandum without our prior written consent is prohibited. By accepting delivery of this Offering Memorandum, you agree to the foregoing and to make no photocopies of this Offering Memorandum or any documents referred to herein.

We have not authorized anyone to provide any information other than that contained in this Offering Memorandum or to which we have referred you. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. This Offering Memorandum may only be used where it is legal to sell these securities. The information in this Offering Memorandum may only be accurate as of the date of this document.

Upon receiving this Offering Memorandum, you acknowledge that (1) you have been afforded an opportunity to request from us, and to review, all additional information considered by you to be necessary to verify the accuracy of, or to supplement, the information contained herein, (2) you have not relied on the Initial Purchasers or any person affiliated with the Initial Purchasers in connection with any investigation of the accuracy of such information or your investment decision, and (3) we have not authorized any person to deliver any information different from that contained in this Offering Memorandum. The offering is being made on the basis of this Offering Memorandum. Any decision to purchase the Notes in the offering must be based on the information contained in this document. In making an investment decision, investors must rely on their own examination of Dufry AG and the terms of this offering, including the merits and risks involved.

The information contained in this Offering Memorandum has been furnished by us and other sources we believe to be reliable. We accept responsibility for the information contained in this Offering Memorandum. To the best of our knowledge and belief, having taken all reasonable care to ensure such is the case, the information contained in this Offering Memorandum is in accordance with the facts and contains no omission likely to affect its import. The Initial Purchasers make no representations or warranty, express or implied, as to the accuracy or completeness of any of the information set forth in this Offering Memorandum, and you should not rely on anything contained in this Offering Memorandum as a promise or representation, whether as to the past or the future. This Offering Memorandum contains summaries, believed to be accurate, of the terms we consider material of certain documents, but reference is made to the actual documents. All such summaries are qualified in their entirety by this reference. See "Summary."

We reserve the right to withdraw the offering of the Notes at any time and we and the Initial Purchasers reserve the right to reject any commitment to subscribe for the Notes in whole or in part and to allot to you less than the full amount of Notes subscribed for by you.

Application will be made to the Authority for the listing of and permission to deal in the Notes on the Official List of TISE. No application has been made for the Notes to be listed on any other stock exchange. TISE is not a regulated market for the purposes of MiFID II. This Offering Memorandum constitutes a 'Listing Document' for the purposes of the Listing Rules maintained by the Authority.

In the course of any review by the competent authority, the Issuer may be requested to make changes to the financial and other information included or incorporated by reference in this Offering Memorandum. Comments by the competent authority may require significant modification or reformulation of information contained in this Offering Memorandum or may require the inclusion of additional information, including financial information in respect of the Guarantors. The Issuer may also be required to update the information in this Offering Memorandum to reflect changes in our business, financial condition or results of operations and prospects. We cannot guarantee that the application to list the Notes on the Official List of TISE will be approved as of the Issue Date (as defined herein) or any date thereafter, and settlement of the Notes is not conditioned on obtaining this listing.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129. Consequently no key information document required by Regulation (EU) No. 1286/2014, as amended (the "EU PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

IMPORTANT – UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended ("FSMA") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

EU MIFID II product governance/Professional investors and ECPs only target market – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

STABILIZATION

IN CONNECTION WITH THE ISSUANCE OF THE NOTES, CREDIT SUISSE SECURITIES, SOCIEDAD DE VALORES, S.A. (THE "CHF NOTES STABILIZING MANAGER") AND BOFA SECURITIES EUROPE SA (THE "EURO NOTES STABILIZING MANAGER", AND TOGETHER WITH THE CHF NOTES STABILIZING MANAGER, THE "STABILIZING MANAGERS") (OR ANY PERSON ACTING ON BEHALF OF THE STABILIZING MANAGER) MAY OVER-ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, STABILIZATION MAY NOT NECESSARILY OCCUR. ANY STABILIZATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE NOTES IS MADE AND, IF BEGUN, MAY CEASE AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE NOTES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES.

The Notes and the Guarantees have not been and will not be registered under the Securities Act or any state securities laws and are being offered and sold outside the United States to persons other than U.S. persons as defined in and in reliance on Regulation S under the Securities Act. By purchasing the Notes and the Guarantees, investors are deemed to have made the acknowledgements, representations, warranties and

agreements set forth under "Notice to Investors." Investors should be aware that they may be required to bear the financial risks of their investment in the Notes and the Guarantees for an indefinite period of time.

The Notes and the Guarantees have not been and will not be registered with, recommended by, or approved by the U.S. Securities and Exchange Commission (the "SEC") or any other federal, state or foreign securities commission or regulatory authority, nor has any such commission or regulatory authority reviewed or passed upon the accuracy of this Offering Memorandum. Any representation to the contrary is a criminal offense.

This Offering Memorandum does not constitute an offer to sell or a solicitation of an offer to buy the Notes or Guarantees to any person in any jurisdiction where it is unlawful to make such offer or solicitation. You are not to construe the contents of this Offering Memorandum as investment, legal or tax advice. You should consult your own counsel, accountant and other advisors as to legal, tax, business, financial and related aspects of a purchase of the Notes. We are not, and the Initial Purchasers are not, making any representation to you regarding the legality of an investment in the Notes by you under appropriate legal investment or similar laws.

The distribution of this Offering Memorandum and the offer and the sale of the Notes and the Guarantees may be restricted by law in certain jurisdictions. Persons into whose possession this Offering Memorandum or any of the Notes come must inform themselves about, and observe, any such restrictions. See "Plan of Distribution" and "Notice to Investors."

NOTICE TO CERTAIN INVESTORS IN THE UNITED KINGDOM

This Offering Memorandum is for distribution only to, and is directed solely at, persons who (i) are outside the United Kingdom, (ii) are investment professionals, as such term is defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Financial Promotion Order"), (iii) are persons falling within Article 49(2)(a) to (d) of the Financial Promotion Order, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000, as amended) in connection with the issue or sale of any Notes may otherwise be lawfully communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This Offering Memorandum is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this Offering Memorandum relates is available only to relevant persons and will be engaged in only with relevant persons. Any person who is not a relevant person should not act or rely on this Offering Memorandum or any of its contents.

NOTICE TO INVESTORS IN SWITZERLAND

The offering of the Notes in Switzerland is exempt from the requirement to prepare and publish a prospectus under the Swiss Financial Services Act of 15 June 2018, as amended (the "FinSA") because the Notes have a minimum denomination of CHF 100,000 (or equivalent in another currency) or more and the Notes will not be admitted to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Offering Memorandum nor any other offering or marketing material relating to the Notes constitutes a prospectus pursuant to the FinSA or has been or will be filed with, or approved by, a Swiss review body pursuant to Article 52 of the FinSA, and no such prospectus has been or will be prepared for, or in connection with, the offering of the Notes.

NOTICE TO CERTAIN INVESTORS IN LUXEMBOURG

This Offering Memorandum has not been approved by, and will not be submitted for approval to, the Luxembourg Financial Services Authority (Commission de Surveillance du Secteur Financier (the "CSSF")) for purposes of public offering or sale in Luxembourg, and has not been submitted for approval to any competent authority of another EU Member State and notified to the CSSF for the purposes of public offering or sale in Luxembourg. Accordingly, the Notes may not be offered or sold to the public in Luxembourg, directly or indirectly, and neither this Offering Memorandum nor any other offering memorandum, prospectus, form of application, advertisement or other material may be distributed, or otherwise made available in, from or published in, Luxembourg, except in circumstances which do not constitute an offer of securities to the public requiring the publication of a prospectus in accordance with the Luxembourg law dated 16 July 2019 on prospectuses for securities which applies the Prospectus Regulation.

PRESENTATION OF FINANCIAL AND OTHER DATA

Financial Data of Dufry

Unless otherwise indicated, our financial information included or incorporated by reference in this Offering Memorandum is prepared and presented in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

This Offering Memorandum incorporates by reference the following financial information in relation to Dufry:

- our audited consolidated financial statements as of and for the year ended December 31, 2020, which have been prepared in accordance with IFRS and audited by our independent auditors, Ernst & Young Ltd; and

- our audited consolidated financial statements as of and for the year ended December 31, 2019, which have been prepared in accordance with IFRS and audited by our independent auditors, Ernst & Young Ltd.

See "Incorporation by Reference" for more information.

We adopted IFRS 16 Leases ("IFRS 16") as of January 1, 2019 using the modified retrospective transition method. Prior periods were not restated. As described in Note 2.4 of our audited consolidated financial statements for the year ended December 31, 2019, IFRS 16 provides a single lessee accounting model and requires lessees to recognize right-of-use ("RoU") assets and lease obligations for certain lease contracts. The adoption of IFRS 16 had a significant impact on our results of operations for the year ended December 31, 2019, as we recognized new assets and liabilities for our lease contracts. In addition, the nature and timing of expenses related to those lease contracts changed as IFRS 16 replaced the straight-line operating lease expense with a depreciation charge for RoU assets and interest expense on lease obligations. As a result of the adoption of IFRS 16, concession fees, which were previously included in selling expenses in the consolidated statement of profit or loss, and linearization are now recognized either as lease expenses or as amortization of RoU assets within depreciation, amortization and impairment.

As of January 1, 2019, we changed our accounting policies for the classification of certain items in the statement of profit or loss, in order to better reflect the performance of the Company, as further described in Note 43 to our audited consolidated financial statements as of and for the year ended December 31, 2019. The comparative figures for 2018 are presented accordingly to reflect the changes in our audited consolidated financial statements as of and for the year ended December 31, 2019. We have not reclassified our consolidated financial statements as of and for the years ended December 31, 2018.

We present our financial statements in CHF.

In this Offering Memorandum, all references to "CHF" are to Swiss francs, the lawful currency of Switzerland; all references to "euro," "EUR" and "€" are to the single currency of the participating member states of the European Union participating in the third stage of economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended or supplemented from time to time; and all references to "U.S. dollars," "USD" and "$" are to the lawful currency of the United States of America.

Other Financial Measures

Throughout this Offering Memorandum, we present financial measures and adjustments with respect to Dufry that are not presented in accordance with, or defined by, IFRS or any other internationally accepted accounting principles, including free cash flow and adjusted operating cash flow.

We have presented these financial measures (i) as they are used by our management, as applicable, to monitor financial results and available operating liquidity and (ii) because they and similar measures are often used by certain investors, securities analysts and other interested parties as supplemental measures of financial position, financial performance and liquidity. We believe these measures enhance the investor's understanding of indebtedness and our ability to fund ongoing operations.

However, these financial measures are not measures determined based on IFRS or any other internationally accepted accounting principles, and you should not consider such items as an alternative to the historical financial results or other indicators of our cash flow based on IFRS. These non-IFRS financial measures, as defined by us, may not be comparable to similarly-titled measures as presented by other companies due to differences in the way non-IFRS financial measures are calculated. Even though the non-IFRS financial measures are used by management to assess our financial position, financial results and liquidity and these types of measures are commonly used by investors, they have important limitations as analytical tools, and you should not consider them in isolation or as substitutes for analysis of our financial position or results of operations as reported under IFRS.

Other Data

Certain figures in this Offering Memorandum have been subject to rounding adjustments. Accordingly, amounts shown as totals in tables or elsewhere may not be an arithmetic aggregation of the figures that precede them. In addition, certain percentages presented in the tables in this Offering Memorandum reflect calculations based upon the underlying information prior to rounding and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

INDUSTRY AND MARKET DATA

We obtained certain industry data concerning the travel retail sector used throughout this Offering Memorandum from our own research, surveys or studies conducted by third parties and industry or general publications. Industry publications and surveys generally state that they have obtained information from sources believed to be reliable, but do not guarantee the accuracy and completeness of such information. While we believe that each of these studies and publications is reliable, neither we nor the Initial Purchasers have independently verified such data and neither we nor the Initial Purchasers make any representation as to the accuracy of such information. Similarly, we believe our internal research is reliable, but it has not been verified by any independent sources. Certain information contained in this Offering Memorandum relating to our market positions and market shares and other companies in individual markets and the respective consumption figures and rates of growth in those markets are management estimates based, where available, on the most recently available industry reports relevant to those markets published on a worldwide or country basis. We have accurately reproduced this data, and as far as we are aware and able to ascertain from surveys or studies conducted by third parties and industry or general publications, no facts have been omitted which would render the reproduced information inaccurate or misleading.

INCORPORATION BY REFERENCE

We are incorporating certain documents by reference into this Offering Memorandum. The information incorporated by reference is an important part of this Offering Memorandum and you should read the information contained this Offering Memorandum in conjunction with these documents:

- our audited consolidated financial statements as of and for the year ended December 31, 2020, which have been prepared in accordance with IFRS and audited by our independent auditors, Ernst & Young Ltd, which can be found on pages 126 through 224 of our annual report for the year ended December 31, 2020, at https://www.dufry.com/system/files/2021-03/Financial_Statements.pdf, and

- our audited consolidated financial statements as of and for the year ended December 31, 2019, which have been prepared in accordance with IFRS and audited by our independent auditors, Ernst & Young Ltd, which can be found on pages 116 through 214 of our annual report for the year ended December 31, 2019, at https://www.dufry.com/sites/default/files/document/2020-03/Annual%20Report%202019%20-%20Financial%20Part.pdf.

WHERE YOU CAN FIND MORE INFORMATION

You may obtain a copy of the Indenture (as defined under "Description of Notes") that governs the Notes by requesting it in writing or by telephone at the address and phone number below.

Dufry AG
Attention: Investor Relations
Brunngässlein 12
4052 Basel
Switzerland
Telephone Number: +41 61 266 44 44

Our principal executive offices are located at Brunngässlein 12, 4052 Basel, Switzerland. Our telephone number is +41 61 266 44 44. Our website address is www.dufry.com. Information contained on, or connected to, our website does not and will not constitute part of this Offering Memorandum.

FORWARD-LOOKING STATEMENTS

This Offering Memorandum contains "forward-looking statements." Forward-looking statements are based on our beliefs and assumptions and on information currently available to us, and include, without limitation, statements regarding our business, financial condition, strategy, results of operations, certain of our plans, objectives, assumptions, expectations, prospects and beliefs and statements regarding other future events or prospects. Forward-looking statements include all statements that are not historical facts and can be identified by the use of forward-looking terminology such as the words "believe," "expect," "plan," "intend," "seek," "anticipate," "estimate," "predict," "potential," "assume," "continue," "may," "will," "should," "could," "shall," "risk" or the negative of these terms or similar expressions that are predictions of or indicate future events and future trends.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. We caution you that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition and liquidity, the development of the industry in which we operate and the effect of acquisitions on us may differ materially from those made in or suggested by the forward-looking statements contained in this Offering Memorandum. In addition, even if our results of operations, financial condition and liquidity, the development of the industry in which we operate and the effect of acquisitions on us are consistent with the forward-looking statements contained in this Offering Memorandum, those results or developments may not be indicative of results or developments in subsequent periods.

Factors that may cause our actual results to differ materially from those expressed or implied by the forward-looking statements in this Offering Memorandum include but are not limited to the risks described under "Risk Factors." For example, factors that could cause actual results to vary from projected results include, but are not limited to:

- risks related to the ongoing COVID-19 pandemic, including risks and uncertainties relating to our ability to achieve the expected turnover and cash flow scenarios for 2021 and related assumptions regarding our expenses and average monthly cash inflows or outflows for the remainder of 2021
- events outside our control that cause a reduction in airline, railway and cruise line passenger traffic, including but not limited to pandemics, terrorist attacks and natural disasters;
- changes in general economic and market conditions;
- competition among participants in the travel retail market;
- loss of and competition to obtain concessions;
- ability to execute our growth strategy effectively to integrate successfully any new concessions or future acquisitions into our business;
- dependence on local partners;
- changes in the taxation of goods or duty-free regulations in the markets in which we operate;
- adverse impacts of certain compliance or legal matters;
- restrictions on the duty-free sale of tobacco products and on smoking in general that affect our tobacco product sales;
- changes in customer preferences or demands;
- reliance on a limited number of suppliers;
- disruption in our supply chain;
- information technology systems failure or disruption;

- data breach or loss;
- ability to attract and retain qualified personnel;
- exposure to emerging markets risks (including political, economic, legal, and social uncertainties);
- fluctuations in currency exchange rates;
- ability to borrow from banks or raise funds in the capital markets;
- changes in credit rating;
- volatility in the trading market for debt securities; and
- other factors described in this Offering Memorandum.

We urge you to read the sections of this Offering Memorandum entitled "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Business" and "Industry" for a more complete discussion of the factors that could affect our future performance and the industry in which we operate.

We undertake no obligation to update these forward-looking statements, and we will not publicly release any revisions we may make to these forward-looking statements that may result from events or circumstances arising after the date of this Offering Memorandum.

SUMMARY

The following summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information appearing elsewhere in this Offering Memorandum. You should read this Offering Memorandum in its entirety, including the information set forth under "Forward-Looking Statements," "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations," and the financial statements and the notes related to those financial statements, prior to making an investment in the Notes.

Our Company

We are a leading global travel retailer with operations in 64 countries on six continents as of December 31, 2020, combining prime operations in developed markets with strong positions in emerging markets.

Our outlets are located in a variety of travel retail settings with the vast majority of our sales produced by our airport retail business (86.1% and 88.1% of sales for the years ended December 31, 2020 and 2019, respectively). As of December 31, 2020, without giving effect to temporary closures or other measures related to our COVID-19 strategy, we operated approximately 2,360 stores, with a total sales area of approximately 470,000 square meters, including approximately 2,000 stores located in airports, approximately 220 stores operating on cruise lines, ferries and seaports, approximately 90 stores at border, downtown and hotel shops and approximately 50 stores in railway stations, among others. In 2020, Dufry opened and expanded new shops adding almost 9,600 square meters of retail space across all divisions.

Our travel retail operations consist of a variety of retail concepts focusing on the specific needs of travelers, including general travel retail outlets offering a wide range of products such as perfumes and cosmetics, confectionary and other foods, wines and spirits, luxury goods and tobacco goods, as well as brand boutiques, specialized shops, convenience stores and theme shops.

We generated turnover of CHF 2,561.1 million and a net loss of CHF 2,740.5 million for the year ended December 31, 2020, compared to turnover of CHF 8,848.6 million and a net profit of CHF 30.1 million for the year ended December 31, 2019. Free cash flow for the year ended December 31, 2020 was CHF (831.5) million, while our Adjusted operating cash flow was CHF (405.9 million), compared to CHF 630.0 million and CHF 959.9 million, respectively, for the year ended December 31, 2019. As of December 31, 2020, we had approximately 17,795 full time equivalents ("FTEs"), compared to 31,336 as of December 31, 2019, which reflects the impact of our reorganization and restructuring initiative described under "Management's Discussion and Analysis of Financial Condition and Results of Operations—General Factors Affecting Our Results of Operations—Reorganization and Restructuring."

COVID-19

For information regarding the impact of COVID-19 on our business, see "Business—COVID-19."

Our Strengths

We believe we have a number of strengths that give us a competitive advantage in the global travel retail industry, including:

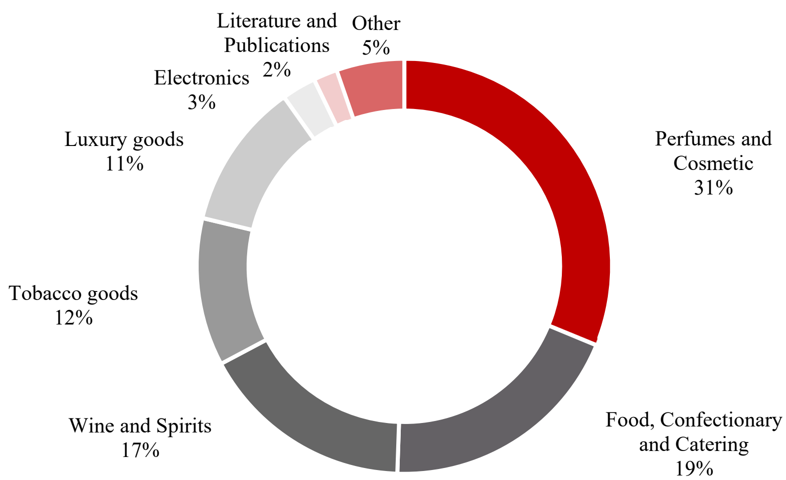
Undisputed #1 leadership position in a fragmented market. We are the clear leader in the global travel retail industry, with a market share of 11% in travel retail overall, and close to 20% in airport travel retail based on fiscal year 2019 turnover data. The global travel retail and airport retail market remains fragmented, and while our competitors mostly operate within a restricted regional or local footprint, we have extensive experience in successfully operating global travel retail businesses. Our global platform and experience in developing new retail facilities in diverse markets, as well as the ability to introduce high-quality suppliers to new outlets, are competitive advantages for us when pursuing new concessions and when negotiating with suppliers, as we are the only travel retail operator that is capable of offering window displays in 430 locations across the globe. Furthermore, as the only truly globally active travel retailer, our customer data helps us identify customer preferences by nationality with respect to brands, products and responsiveness to marketing campaigns and promotions. This allows us to maximize revenues by optimally structuring product assortment displays and in-store marketing activities.

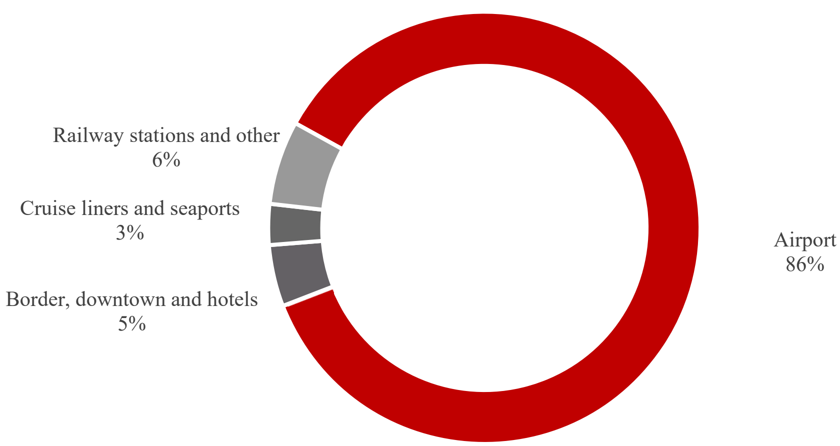
High quality portfolio benefitting from long term contracts with high renewal rates and low contract concentration. We have assembled a high-quality and diversified portfolio of travel retail concessions at attractive locations, with an average remaining term of 6 years as of December 31, 2020, as calculated by the weighted average of fiscal year 2020 turnover contribution of each contract. In 2020, 15.6% of our sales were generated from concessions with a remaining term of 10 or more years as of December 31, 2019, 29.2% of our sales were generated from concessions with a remaining term of between six and nine years as of December 31, 2019 and 55.2% of our sales were generated from concessions with a remaining term of between one and five years as of December 31, 2019. In 2019, 22.5% of our sales were generated from concessions with a remaining term of 10 or more years as of December 31, 2018, 28.3% of our sales were generated from concessions with a remaining term of between six and nine years as of December 31, 2018 and 49.2% of our sales were generated from concessions with a remaining term of between one and five years as of December 31, 2018. Moreover, the geographical diversification of our concession portfolio mitigates the risks of local and regional external impacts.

Our concession portfolio is also not dependent on any individual contract. Our largest concession contract represented only 6% and 7% of our sales in 2020 and 2019, respectively, and our top 10 contracts represented 22% and 26% of our total sales, in 2020 and 2019, respectively. Our track record as a successful, high-quality operator is important to our long-term relationships with facility owners. Given that a large portion of our concession payments are sales-driven, as a result of the variable component of our concession fees, our facility owners benefit from having a strong operator with a proven ability to grow sales. As a result, we enjoy high renewal rates for existing concessions and high success rates of winning new concessions. We opened 9,600 square meters of gross retail space in 2020, which reflects net retail space growth achieved organically, rather than through M&A activity. Moreover, we have an additional 7,900 square meters of contracted space that is expected to open in 2021. At the same time, we refurbished 12,800 square meters of retail space in 2020.

Our business operating model leverages global scale with local execution, providing us a distinct competitive advantage. Moreover, we procure on a global basis, and our integrated procurement and logistics platform provides a key competitive advantage for us, as it allows us to extract the full benefits of our global scale and market position. We work with over 1,000 suppliers around the world. Furthermore, a significant portion of our cost base is variable, which provides added resilience to the business.

We maintain well-diversified operations across geographies, product categories, retail concepts and market sector. As of December 31, 2020, we operated approximately 2,360 stores at approximately 430 locations in 64 countries. We are a truly global business, with geographically diverse operations across Africa, Asia, Central America, the Caribbean, Europe, North America and South America, combining prime operations in developed markets and high-growth emerging markets. Our operations are also diversified in terms of the products we sell, with a strong focus on high margin categories. Our core product category is Perfumes and Cosmetics, which represented 31% of our net sales in 2020. Further, we operate both duty-free and duty-paid shops, catering to different segments of the travel retail market. The following charts show the diversity of our turnover by product category, channel and market sector for the year ended December 31, 2020:


Literature and Publications 2%
Other 5%
Electronics 3%
Luxury goods 11%
Perfumes and Cosmetic 31%
Tobacco goods 12%
Wine and Spirits 17%
Food, Confectionary and Catering 19%


Railway stations and other 6%
Cruise liners and seaports 3%
Border, downtown and hotels 5%
Airport 86%


Duty paid 44%
Duty-free 56%

Well positioned to weather the COVID-19 pandemic. We believe that we are well positioned to weather the COVID-19 pandemic having taken steps to strengthen the business in order to capitalize on current and future growth trends, including:

- the restructuring and re-organization substantially completed in 2020 to strengthen and streamline our business and shift to a lower fixed cost base, which we expect to generate structural annual savings of around CHF 400 million, with around CHF 280 million from personnel costs and around CHF 120 million from other expense savings, not including some inflation in the mid- to long-term;

- prudent liquidity management steps undertaken in 2020 including raising liquidity through share placements, convertible bond issuance, right issuance, mandatory convertible notes, COVID liquidity facilities and facility agreement amendments. As a result of these steps, we had a strong liquidity position of CHF 1,905.7 million as of December 31, 2020.

- the successful delisting of Hudson as part of our re-organization to further simplify the corporate structure and to achieve structural savings.

Experienced executive management team, multinational workforce and supportive shareholder structure. We have assembled an experienced executive management team with an average of over 24 years of relevant experience and significant industry and technical knowledge. Most of the members of our current management team have been with Dufry since 2005 or were employed by companies we acquired, such as Hudson, Nuance or World Duty Free. As of December 31, 2020, our workforce was of approximately 17,795 FTEs which included over 130 nationalities, providing us with excellent local knowledge at all of our retail locations.

Furthermore, we enjoy a strong shareholder structure which was further strengthened in 2020 with the entrance of new participations Advent International and Alibaba Group, as well as the ongoing support of long-standing shareholders such as GIC Asset Management, Fidelity, FMR LLC, Qatar Investment Authority, Richemont, Norges Bank as well as Travel Retail Investments. Advent and Alibaba Group acquired shareholding in Dufry as a part of our capital increase in October 2020 where Advent International acquired 11.4% of outstanding shares and Alibaba Group 6.1%. Alibaba Group invested a further CHF 69.5 million through our private placement of the Mandatory Convertible Notes (as defined herein). We have since formed a joint venture with Alibaba Group to partner and develop travel retail in China and enhance digitalization. See "Business—Description of Operations by Segment—Asia Pacific" for more information.

Our Strategy

Dufry is the leading global player in travel retail, with operations in 64 countries on six continents, combining prime operations in developed markets with strong positions in emerging markets, and, despite the short-term COVID-related operational challenges, we intend to continue to develop the company following its long-term successful strategy of sustainable and profitable growth and building on its track-record of rapid expansion through organic growth and acquisitions.

Fostering retail excellence to create stakeholder value. Travel retail is the connecting and central element of three very important industries: retail, travel and leisure locations, as well as consumer goods brands. Linking and aligning the different expectations of our stakeholders is critical in order to foster value generation. Our strategy to achieve this goal: focus on offering the best services to our customers to create profitable and sustainable growth for all our stakeholders.

Our clear travel retail focus, where we mostly concentrate on locations with captive audiences, creates a winning formula for all stakeholders of the Dufry ecosystem. For customers, by providing an unrivalled shopping experience; for suppliers, by showcasing their brands to a fast-growing group of affluent customers; for landlords, by fully exploring the commercial potential of a travel or leisure location; for shareholders, by creating long-term value through generating cash and profits and for employees and local communities, by creating job opportunities and wealth.

Business diversification maximizes opportunities and mitigates risks. Diversification has always been a fundamental element of our strategy, which contributes considerably to minimizing risks and providing consistent growth opportunities. We maintain well-diversified operations across geographies, market sectors and channels. In addition, we leverage the latest technology and digitalization to further support market development, customer experience and enhance our diversified business profile.

Geographic diversification. Geographic diversification provides the immediate benefit of capturing the ever-growing number of travelers worldwide, as we can leverage the captive audiences in our locations. Our global presence also allows us to evaluate thoroughly the opportunities of new projects in any location by capitalizing on the expertise of our local teams. Their clear understanding of the local market characteristics forms the foundation for a close collaboration with landlords and other local business partners, to effectively develop new businesses.

Our wide geographic footprint in 64 countries and the fine-meshed network of locations and shops is also a unique marketing asset we can offer our brand partners. It provides them access to any number of mature or emerging markets, and allows them to engage directly with a growing number of customers through, for example, window and in-store displays. Today, Dufry is not only the global market leader, a position that it has held for the 6 years through 2019 with a market share of 11% in travel retail overall and close to 20% in airport travel retail based on fiscal year 2019 turnover data, but also by far the most diversified player in the industry.

Despite the consolidation seen in travel retail over the last several years, the industry remains relatively fragmented, with the top 10 players controlling just over half of the market and the remaining market consisting of small and medium-sized operators in local or regional jurisdictions with less of a global footprint. We expect to be able to capitalize on M&A, with a focus on opportunities in Asia and in the food and beverage sector, as well as opportunities that complement our presence in other existing markets. We believe our long-standing track record executing and integrating M&A transactions, combined with our knowledgeable local and regional teams, allow us to identify, structure, execute and integrate acquisitions quickly. Furthermore, our joint-venture with Alibaba Group to partner in the Chinese travel retail market provides the potential to drive our growth in Asia and with Chinese customers worldwide, while also accelerating our digitalization through the extensive know-how in this area that Alibaba can contribute.

Channel diversification. Diversification by channel and sector widens the scope of the company providing access to additional customer groups and behaviors. In this context, the cruise and ferry businesses, train stations, and also border shops and downtown locations such as hotels, casinos and leisure resorts are gaining in importance.

On the duty-free side, the airport channel is expected to continue to be the largest and fastest growing part of our business. We continue to see additional potential in further developing the cruise ship and ferry business, duty-free border shops – currently mostly in South America – and downtown duty-free shopping in selected markets, mainly in Asia, where this type of operation is particularly popular, due to specific local regulations. Most recently in January 2021, we opened a duty-free shop at the Mova Mall in Haikou, China which was made possible through our joint venture with Alibaba.

The duty-paid sector also has considerable development potential in airports, since the expected growth of domestic passengers – including intra-EU travel – is similar to that for international travelers. In the 2020 recovery phase of the pandemic, this sector temporarily gained over-proportional importance as domestic travel and flying – due to less travel restrictions –picked up faster than international travel. Furthermore, this sector is fragmented even more than duty-free, thus offering attractive new expansion opportunities.

The newest development within duty-paid is the new concept store ANECDOTE opened at The Circle at Zurich Airport in November 2020, which offers travelers and residents of the Greater Zurich area a vast variety of global brands and local premium labels at fantastic prices. The assortment covers all core categories such as perfume and cosmetics, food and confectionery, wines and spirits, sunglasses as well as fashion, accessories and convenience.

We also continue fostering the expansion of our successful duty-paid retail concepts, Hudson and Dufry Shopping, which are already implemented in several markets and have potential for further deployment. Hudson is a well-established convenience store concept that has been very successful in North America over the past 30 years and which we have expanded further into 17 countries world-wide since 2009 with over 674 global stores as of December 31, 2020. Dufry Shopping is a duty-paid concept that offers a high-quality assortment of international brands in an exclusive setting, similar to a duty-free travel retail store, but targeting domestic passengers. Based on the positive results with 13 Dufry Shopping locations in 4 countries so far, we are convinced that this concept can be successfully rolled out to other markets globally.

Accelerating digitalization. Digitalization is changing the way business is done in travel retail. Digitalizing our business allows us to approach potential customers in an even more personalized way than ever before and to flexibly adapt in-store communication to changing nationalities and customer profiles. Its characteristics, which allow us to considerably increase customer engagement cross-channel, cross- geographies and cross-sector, and to serve customers from when they plan their trip to the moment when they return home, are a great asset. Implementing digitalization not only means at the shop front, but also with respect to the whole back-office and support area of the company, where digitalization opens new opportunities to simplify processes and increase efficiency. Our recently announced joint-venture with Alibaba will further accelerate our digital initiatives and exemplifies how strategic partnerships will shape the future of travel retail.

At Dufry, we are excited about the possibilities and opportunities these new technologies offer. In the past three years, we have successfully built and deployed our digital platforms, which allow us to engage more frequently with customers and to provide them with additional services, with the ultimate goal of driving sales. Digitalization is and remains a key element of our strategy, which supports and evolves our strong business model to the next level and continuously improves our offer to the travelers we welcome in our shops.

Specifically, this means that we will be further increasing personalized digital communication with customers at home, during their whole journey, and. in particular. when they are already at the airports and close to our shops. We are also digitalizing our shops to increase conversion rates and to simplify in-store processes, focusing on areas such as product consultations, payments and locations-specific promotions. Finally, we aim to further improve customer service and individualize our product offering to specific customer profiles, based on advanced research and data analytics facilitated by digital tools.

Financial discipline focusing on returns. At Dufry, we have a disciplined financial approach to all our projects, for both organic growth and any acquisitions. We carefully analyze projects and significant investments with detailed projections and a strong focus on minimum return requirements. This includes a careful assessment of the initial investments required to build and set up the stores as well as the cost structure, profitability and cash flow generation of the business once it is operational and over time. This culture of giving importance to returns and cost control has allowed us to grow our business profitably and capture opportunities in many different markets.

As part of our financial risk management, we minimize business risks by implementing and maintaining a highly variable cost structure. These defensive characteristics help to protect the business in case of downturns, which are usually local and temporary, thus providing a solid and resilient profile. The outbreak and spread of the COVID-19 pandemic in 2020 and the company’s ability to react efficiently and in a timely manner to business disruptions by successfully implementing action plans to protect the business and its liquidity, is an impactful example of the highly variable degree of our cost structure.

Dufry’s strong cash generation capacity is a combination of the company’s usually solid profitability and the low capital intensity of our business. Pre-pandemic and based on the 2019 business performance, Dufry would expect to further improve its cash generation capacity in line with top-line growth. Post full recovery and going forward, we are confident that cash generation capacity will continue to be one of the key drivers of our strategy implementation, and will even accelerate based on the structural measures taken during 2020 in order to ensure sustainable and predictable future growth of the Group’s cash generation. Dufry also has a deleveraging target of below 4.5x Net Debt/Adjusted Operating Cash flow by the end of 2022 and 3.0-3.5x over the medium term.

Organic growth complemented by acquisitions. Dufry’s fundamental growth strategy continues to be characterized by a combination of organic growth as well as M&A opportunities with increased visibility on the pace of recovery. Although, the current COVID-19 pandemic might slightly delay some expansion projects from a landlords' perspective in the short-term, we believe travel retail remains a resilient industry on a mid- to long-term horizon, and we expect to see further growth and partnership opportunities going forward.

With respect to organic growth, the travel retail industry has the unique advantage of benefitting from a secular increase of travelers around the world and offering the great opportunity to directly engage with them. This characteristic clearly differentiates travel retail from any other retail channel. Consequently, organic growth will continue to be an important driver of Dufry's development going forward. We will focus on driving sales through implementing best-in-class shop concepts in duty-free and duty-paid, by further deploying our digital strategy and by evolving the proven marketing and promotional activities we have used and fine-tuned over the years. Besides benefitting from additional passengers in line with regional developments, we expect to further increase our retail space, be it through expansion in existing locations or by winning new contracts in airports and alternative channels. A specific focus will be on growth acceleration in Asia, with first projects being implemented in Hainan in 2021 already, based on the joint venture with Alibaba Group and the collaboration agreements with Hainan Development Holdings. Specific to the US market, the scope of alternative channels also includes food and beverage shops, as this segment is of great importance for North America and represents a synergy potential for our existing travel retail footprint. At Dufry, we traditionally maintain a sizeable project pipeline, allowing us to grow our retail space in different channels, regions and sectors.

The full reintegration of our Hudson subsidiary, previously listed on the New York Stock Exchange, completed in the fourth quarter 2020, and will not change the overall group strategy from an operational perspective. With respect to North America we will continue to expand our footprint with duty-free and duty-paid operations complemented by airport food and beverage.

Our History

We trace our origins back to 1865 when the Weitnauer family opened its first tobacco shop in Basel, Switzerland. In 1948, Weitnauer became a duty-free distributor and four years later opened its first duty-free shop with direct sales to continental European customers at Le Bourget Airport in Paris. Subsequent tax free operations were launched at EuroAirport Basel Mulhouse Freiburg in 1962 and at Milan-Linate Airport in 1979. The Dufry brand was adopted in 2003.

In March 2004, a consortium of investors led by certain funds managed by private equity firm Advent International Corporation acquired a 75% interest in Weitnauer's travel retail business. In July 2005, the consortium acquired the remaining 25% of Weitnauer's travel retail business. On December 5, 2005 we became a public company and listed our shares on the SIX Swiss Exchange.

Over the past several years we have increased our concession portfolio and expanded into new markets through a series of strategic acquisitions.

- In March 2006, we acquired Brasif Duty Free Shop and its logistics platform Eurotrade for total consideration of USD 503 million paid by us and certain funds managed by Advent International Corporation.

- In September 2008, we acquired Hudson, an operator of convenience stores, coffee shops and special retail concessions.

- In August 2011, we acquired 100% of the shares of several companies in South America and Armenia for total consideration of USD 987.2 million. As a result of the acquisitions, we achieved a leading position in the duty-free market in South America. The main companies we acquired are:

    - Interbaires SA, the exclusive retailer operating duty-free shops at both international airports of Buenos Aires plus the airports of Cordoba, Mendoza and other smaller destinations in Argentina;

    - Navinten SA and Blaicor SA, two Uruguayan retailers operating duty-free shops at the international airports of Montevideo and Punta del Este, respectively;

- ADF Shops CISC, an Armenian retailer exclusively operating the duty-free shops at the international airport of Yerevan;
- Ecuador Duty Free SA, a retailer in Ecuador operating duty-free shops at the international airport of Guayaquil; and
- International Operations & Services (UY) SA, an Uruguayan distribution platform delivering duty-free products to the above mentioned retailers.

- In January 2012, we acquired 51% of the shares and obtained control of Dufry Staer Holding Group for total consideration of CHF 44.7 million. Dufry Staer Holding Group's main subsidiary, Regstaer Ltd, is a travel retailer operating duty-free shops at the airport of Sheremetyevo in Moscow, Russia. As a result of the acquisition, we consolidated our leading position in the Russian travel retail market.
- In April 2013, we acquired 51% of the travel retail operations of the Folli Follie Group, a leading travel retailer in Greece, in April 2013 and acquired the remaining 49% of these operations in December 2013, for total consideration of CHF 401 million (consisting of cash and equity consideration).
- In September 2014, we acquired 100% of Nuance, a leading travel retailer with operations in 19 countries and territories, for total consideration of CHF 1.55 billion.
- In August 2015, we acquired a 50.1% stake in World Duty Free, an Italian company, from Edizione S.r.l. and its subsidiary, Schematrentaquattro S.p.A., for total consideration of CHF 1.38 billion, and we acquired the remaining outstanding World Duty Free shares through a mandatory tender offer which concluded in November 2015.
- In October 2019, through our subsidiary Hudson, we acquired the business and assets related to the operation of Brookstone airport stores in the U.S., a retail operator that sells a unique selection of innovative products in the categories of travel, wellness, home and entertainment, for total consideration of CHF 7.4 million. We expect to expand the business and to generate cost synergies through the integration of Brookstone into Hudson's marketing and supply chain as well as support functions.
- In November 2019, we acquired 60% in RegStaer Vnukovo, a travel retail operator of over 30 duty-free and duty-paid shops at Vnukovo, one of the three most important airports in Moscow, Russia, for total consideration of CHF 80.2 million (consisting of cash and equity consideration).
- In December 2020, as a part of our broader reorganization, we acquired the outstanding equity interest in Hudson Ltd., which was subsequently delisted from the New York Stock Exchange. We had previously completed the IPO of our North American business under the Hudson Ltd. name in February 2018, retaining 57% ownership and 93% voting rights over Hudson prior to the reacquisition.

Recent Developments

Amendments to Facilities Agreements

As of the date of this Offering Memorandum, Dufry International AG has received commitment letters from the majority lenders of the A&R Facilities Agreement and the 2020 Liquidity Facilities Agreement in which, among other things, the majority lenders committed to, subject to documentation and standard conditions, (i) not formally test the financial covenants for the relevant periods until June 30, 2022, and (ii) a maximum ratio of total drawn debt to adjusted operating cash flow of 5.0:1.0 for the test periods ending September 30, 2022 and December 31, 2022, which shall revert to 4.5:1.0 thereafter, with the permitted ratio increase mechanic only being available after December 31, 2022. Those same lenders have indicated their support to extend the maturity of the 2017 Senior U.S. Dollar Term Loan Facility and the 2017 Senior Euro Term Loan Facility from November 3, 2022 to November 3, 2024, but unanimous support of the lender group is required to effect such an extension and there can be no assurance that such extension will be granted.

Issuance of Convertible Bonds due 2026

On March 30, 2021, the Issuer completed the placement of guaranteed senior convertible bonds due 2026 in an aggregate principal amount of CHF 500 million, conditionally convertible into 5,747,127 shares to be issued from future conditional capital of the Parent Guarantor and/or existing shares, and guaranteed by the Parent Guarantor and certain of its subsidiaries (the “Convertible Bonds due 2026”). The terms and conditions of the Convertible Bonds due 2026 provide that, if (a) the shareholders of the Parent Guarantor do not resolve on the creation of a conditional capital in an amount sufficient to cover the shares to be issued upon conversion of the Convertible Bonds due 2026 by June 30, 2021, or (b) such resolution of the shareholders of the Parent Guarantor is not registered with the competent commercial register by June 30, 2021, the Issuer will have to redeem the Convertible Bonds due 2026 in cash at the greater of (i) 102% of the principal amount of each Convertible Bond due 2026, and (ii) 102% of the fair market value of the Convertible Bonds due 2026, in each case together with accrued but unpaid interest, and otherwise in accordance with the terms and conditions of the Convertible Bonds due 2026. The Convertible Bonds due 2026 were issued at par with a denomination of CHF 200,000 and carry a coupon of 0.75%, payable semi-annually. The initial conversion price, which is subject to adjustments in accordance with the terms and conditions of the Convertible Bonds due 2026, is CHF 87.00, corresponding to a conversion premium of 45% over the reference share price (which was determined in a concurrent share placement on behalf of certain current and future holders of convertible bonds via an accelerated bookbuilding process in order to facilitate hedging for such holders). See “Description of Other Indebtedness—Senior Unsecured Notes” for more information.

Conversion of Convertible Bonds due 2023

On March 23, 2021, we launched a voluntary incentivized conversion offer to holders of the Issuer’s CHF 350 million Convertible Bonds due 2023 (as defined and further described under “Description of Other Indebtedness—Senior Unsecured Notes”) pursuant to which the Issuer offered to pay such holders a cash incentive amount of CHF 16,389.89 per CHF 200,000 principal amount of the Convertible Bonds due 2023 (the “Voluntary Incentive Offer”) in order to incentivize such holders to convert their Convertible Bonds due 2023 into shares before their maturity date. At the end of the acceptance period of the Voluntary Incentive Offer, holders of 99.3% of the Convertible Bonds due 2023 accepted the Voluntary Incentive Offer, which resulted in an amount of CHF 28.5 million payable by the Issuer. The Issuer has announced its intention to early redeem the remaining Convertible Bonds due 2023 in accordance with the terms and conditions thereof.

Hainan Duty-Free Store Opening

Following our agreement in October 2020 with a wholly owned subsidiary of Alibaba Group regarding the principles pursuant to which we and Alibaba Group intend to service the travel retail market in mainland China, on January 31, 2021, the first duty free shop at the Mova Mall in Haikou, Province of Hainan, China was opened, in collaboration with the duty-free license holder Hainan Development Holdings. In addition, we expect that the collaboration with Alibaba Group will accelerate and enhance our digital transformation efforts, allowing increased customer touchpoints and engagement. See “Business—Description of Operations by Segment—Asia Pacific”.

The Issuer and the Guarantors

The Issuer (registered company number 69664285) was incorporated on September 22, 2017 as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) organized under the laws of the Netherlands with its corporate seat in Amsterdam, the Netherlands. It is an indirect wholly-owned subsidiary of the Parent Guarantor. The Issuer has no significant assets and will conduct no business except in connection with the borrowing of indebtedness (including the issuance of the Notes offered hereby) and the advance of net proceeds from such borrowings to certain Group entities. The registered address of the Issuer is Luchthavenweg 53, 5657 EA Eindhoven, the Netherlands.

The Parent Guarantor is a Swiss stock corporation incorporated on November 3, 2003 and registered on November 4, 2003 with its corporate seat in Basel, Switzerland (Company Number CHE-110.286.241). The Parent Guarantor is the indirect parent of the Issuer. The Parent Guarantor’s principal executive offices are located at Brunngässlein 12, 4052 Basel, Switzerland. The Parent Guarantor’s telephone number is +41 61 266 44 44 and its website address is www.dufry.com. Unless otherwise indicated, information contained on, or connected to, the Parent Guarantor's website does not and will not constitute part of this Offering Memorandum.

The Subsidiary Guarantors are wholly-owned subsidiaries of the Parent Guarantor. These Subsidiary Guarantors comprise the Swiss Subsidiary Guarantor and the Dutch Subsidiary Guarantor.

The Swiss Subsidiary Guarantor is a Swiss stock corporation incorporated on May 16, 1975 with its corporate seat in Basel, Switzerland, and its registered address is Brunngässlein 12, 4052 Basel, Switzerland (Company Number CHE-102.735.389).

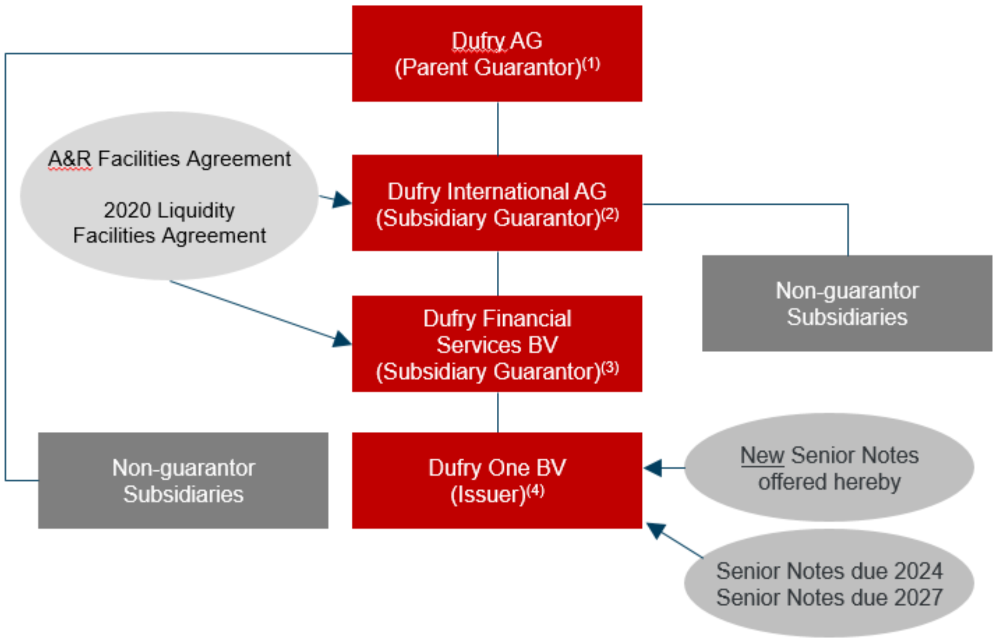
The Dutch Subsidiary Guarantor is a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*), incorporated on May 20, 2014 and organized under the laws of the Netherlands with its corporate seat in Amsterdam, the Netherlands, and its registered address is Luchthavenweg 53, 5657 EA Eindhoven, the Netherlands (registered company number 60704993).

Our consolidated financial statements and the notes thereto incorporated by reference into this Offering Memorandum include both the Guarantors and our non-guarantor subsidiaries. Except as described in this Offering Memorandum, there has been no significant change in the Group's financial or trading position since December 31, 2020.

The Issuer and the Guarantors are holding companies with no independent business operations of their own, and no significant assets other than investments in their subsidiaries. Therefore, they depend on the receipt of funds from their subsidiaries to meet their obligations. See "Risk Factors—Risks Relating to the Notes—The Issuer and the Guarantors are dependent upon cash flow from other members of the group to meet their obligations on the Notes and the Guarantees, respectively." As of December 31, 2020, we had CHF 3,704.5 million of total borrowings (current and non-current), of which CHF 190.9 million would have been total borrowings of the Parent Guarantor's subsidiaries other than the Issuer and the Guarantors.

CORPORATE STRUCTURE

The following chart summarizes our corporate structure and principal indebtedness after giving effect to this offering. This chart is provided for illustrative purposes only and does not represent all legal entities affiliated with, or all obligations of the Company and its Subsidiaries.



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(1) The shares of the Parent Guarantor, Dufry AG, are listed on the SIX Swiss Exchange under the symbol "DUFN."

(2) The Swiss Subsidiary Guarantor, Dufry International AG, is a borrower under the A&R Facilities Agreement (as defined herein). Borrowings under the A&R Facilities Agreement are unsecured and guaranteed by each other Guarantor of the Notes. For a summary of the terms of the A&R Facilities Agreement, see "Description of Other Indebtedness."

(3) The Dutch Subsidiary Guarantor, Dufry Financial Services B.V., an indirect wholly-owned subsidiary of the Swiss Subsidiary Guarantor, Dufry International AG, is a special purpose finance company with no independent business operations and no operating assets, whose statutory purpose is to (i) participate in, finance, cooperate with and manage companies and other corporations or give advice and provide other services, (ii) invest and administer funds, (iii) provide and enter into loans, (iv) provide securities on debts of companies with a legal status or other companies which form a connected group, or on debts of third parties, (v) to perform any action to further or accomplish (i) through (iv) above. The Dutch Subsidiary Guarantor is a borrower under the A&R Facilities Agreement.

(4) The Issuer, Dufry One B.V., is a special purpose finance company with no independent business operations or operating assets. The Issuer was incorporated on September 22, 2017 as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) organized under the laws of the Netherlands with its corporate seat in Amsterdam, the Netherlands.

(5) We intend to use the net proceeds from this offering to reduce, in part, the amounts drawn under our 2017 Senior U.S. Dollar Term Loan Facility and our 2017 Senior Euro Term Loan Facility, with the remainder to be used for general corporate purposes. See "Use of Proceeds."

THE OFFERING

The summary below describes the principal terms of the Notes. Certain of the terms and conditions described below are subject to important limitations and exceptions. The "Description of Notes" section of this Offering Memorandum contains a more detailed description of the terms and conditions of the Notes, including the definitions of certain terms used in this summary.

Issuer	Dufry One B.V. (registered company number 69664285), a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) organized under the laws of the Netherlands with its corporate seat in Amsterdam, the Netherlands and having its registered office at Luchthavenweg 53, 5657 EA Eindhoven, the Netherlands.
Parent Guarantor..	Dufry AG, a Swiss stock corporation.
Swiss Subsidiary Guarantor..	Dufry International AG, a wholly-owned subsidiary of the Parent Guarantor.
Dutch Subsidiary Guarantor	Dufry Financial Services B.V., a wholly-owned subsidiary of the Parent Guarantor.
Subsidiary Guarantors	The Swiss Subsidiary Guarantor and the Dutch Subsidiary Guarantor.
Guarantors	The Parent Guarantor and the Subsidiary Guarantors. Each Guarantor is an obligor under the A&R Facilities Agreement.
Initial Purchasers	Banco Bilbao Vizcaya Argentaria, S.A Banco Santander, S.A. BNP Paribas BofA Securities Europe SA Credit Suisse Securities, Sociedad de Valores, S.A. Deutsche Bank Aktiengesellschaft Goldman Sachs Bank Europe SE HSBC Continental Europe S.A. ING Bank N.V. Mediobanca – Banca di Credito Finanziario S.p.A. Morgan Stanley Europe SE Raiffeisen Bank International AG Raiffeisen Schweiz Genossenschaft UBS AG, London Branch UniCredit Bank AG
The Notes..	CHF of % senior notes due 2026. € of % senior notes due 2028.
The Guarantees	The obligations of the Issuer under the Notes and the Indenture (as defined under "Description of Notes") governing the Notes will be, jointly and severally,

	fully and unconditionally guaranteed on a senior basis by the Guarantors, subject to certain limitations described under the caption "Description of Notes—Note Guarantees."
The Offering	The Notes are being offered and sold by the Initial Purchasers outside the United States to persons other than U.S. persons as defined in and in reliance on Regulation S.
Issue Price	% for the CHF Notes, plus accrued interest, if any, from , 2021. % for the Euro Notes, plus accrued interest, if any, from , 2021.
Issue Date	, 2021.
Maturity Date	, 2026 for the CHF Notes (the "CHF Maturity Date") , 2028 for the Euro Notes (the "Euro Maturity Date").
Interest	The Notes will bear interest from the Issue Date at the rate of percent per annum, payable semi-annually in arrears.
Interest Payment Dates	and of each year, commencing , 2021 until the CHF Maturity Date. and of each year, commencing , 2021 until the Euro Maturity Date.

Ranking of the Notes	The Notes are: • direct, unsecured and unsubordinated obligations of the Issuer; • senior in right of payment to any future obligations of the Issuer expressly subordinated in right of payment to the Notes; • equal in right of payment with any future direct, unsecured and unsubordinated obligations of the Issuer (except those obligations required to be preferred by law); • guaranteed by the Guarantors on a senior basis, subject to certain limitations described under the caption "Description of Notes—Note Guarantees;" and • effectively subordinated to all existing and future obligations of the Parent Guarantor's non-guarantor subsidiaries. See "Risk Factors—Risks Relating to the Notes."
Ranking of the Guarantees	The Guarantee of each Guarantor: • is a direct, unsecured and unsubordinated obligation of such Guarantor; • is effectively subordinated to secured obligations of such Guarantor, to the extent of the value of the assets serving as security therefor; • is effectively subordinated to all indebtedness and other liabilities (including trade payables) of the Parent Guarantor's subsidiaries other than the Issuer and the Subsidiary Guarantors; • is senior in right of payment to any future obligations of such Guarantor expressly subordinated in right of payment to such Guarantor; and • equal in right of payment with all other direct, unsecured and unsubordinated obligations of such Guarantor (except those obligations required to be preferred by law). Each of the Issuer and the Guarantors is a holding company with no significant assets other than the shares in its direct subsidiaries. See "Risk Factors—Risks Relating to the Notes—The Issuer and the Guarantors are dependent upon cash flow from other members of the group to meet their obligations on the

	Notes and the Guarantees, respectively."
Use of Proceeds	We intend to use the net proceeds from this offering to reduce, in part, the amounts drawn under our 2017 Senior U.S. Dollar Term Loan Facility and our 2017 Senior Euro Term Loan Facility, with the remainder to be used for general corporate purposes. See "Use of Proceeds." The proceeds will be used outside Switzerland except to the extent use in Switzerland is permitted under the Swiss taxation laws in force from time to time without payments in respect of the Notes becoming subject to withholding or deduction for Swiss withholding tax as a consequence of such use of proceeds in Switzerland.
Change of Control Offer...	Upon the occurrence of a Change of Control (as defined in the section entitled "Description of Notes"), we will be required to repurchase the Notes of each series at a purchase price equal to 101% of their principal amount, plus accrued and unpaid interest. See "Description of Notes—Change of Control."
Covenants	The Indenture, among other things, limits our ability and the ability of our restricted subsidiaries to: • incur liens and • consolidate, merge or sell all or substantially all of our assets. These covenants are subject to a number of important exceptions and qualifications. In addition, upon achievement of certain ratings, these covenants may be suspended. For more details, see "Description of Notes."
Events of Default..	For a discussion of certain events that will permit acceleration of the Notes, see "Description of Notes—Events of Default."
Optional Redemption...	We may redeem the Notes in whole or in part, at our option, at any time and from time to time at the applicable redemption prices set forth in "Description of Notes." See "Description of Notes—Optional Redemption."
Optional Tax Redemption	The Notes may be redeemed in whole, but not in part, at our option, at a redemption price equal to 100% of the principal amount of the Notes, together with accrued and unpaid interest, if any, to the date fixed for redemption, and all Additional Amounts, if any, due to certain changes in tax law as specified in "Description of Notes." See "Description of Notes—Redemption for Changes in Taxes."

Additional Amounts	Subject to the exceptions and limitations (as set out in the section entitled "Description of Notes"), we will pay such Additional Amounts (as defined in the section entitled "Description of Notes") on either series of the Notes (or payments under the Guarantees in respect thereof) as may be necessary to ensure that the net amounts received by each holder of a Note of such series after all withholding or deductions in respect of Taxes (as defined in the section entitled "Description of Notes"), if any, shall equal the amount of principal (and premium, if any) and interest that such holder would have received in respect of such Note (or payments under the Guarantees in respect thereof) in the absence of such withholding or deduction. See "Description of Notes—Additional Amounts."
Denomination, Form and Registration of Notes	The Notes will be issued only in fully registered form, without interest coupons and will be issued only in minimum denominations of CHF 150,000 and any integral multiple of CHF 1,000 in excess thereof for the CHF Notes and €100,000 and any integral multiple of €1,000 in excess thereof for the Euro Notes. The Notes will not be issued in bearer form. The Global Notes will be deposited on the Issue Date with a common depositary and registered in the name of the nominee of the common depositary for the accounts of Euroclear and Clearstream. See "Description of Notes—Global Notes and Book-Entry System."
Further Issuances	The Issuer and the Guarantors may from time to time, without notice to or the consent of the holders of the Notes, create and issue further notes ranking equally in right of payment with and having identical terms and conditions to the Notes in all respects and such further Notes shall be consolidated and form a single series with the Notes and shall have the same terms as to status, redemption or otherwise as the Notes. See "Description of Notes—Brief Description of the Notes and the Note Guarantees—Principal, Maturity and Interest."
Transfer Restrictions...	The Notes have not been, and will not be, registered under the Securities Act or any other applicable securities laws. The Notes are subject to restrictions on transfer and, unless registered under the Securities Act, may only be offered or sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. See "Notice to Investors."
Absence of a Public Market for the Notes	Each series of the Notes are new securities for which there is currently no established trading market. Accordingly, we cannot assure you as to the development or liquidity of any market for either

	series of the Notes. Certain of the Initial Purchasers have advised us that they intend to make a market in the Notes. However, they are not obligated to do so and may discontinue any market making at any time at their sole discretion and without notice.
Listing	Application will be made to the Authority for the listing of and permission to deal in the Notes on the Official List of The International Stock Exchange (“TISE”). TISE is not a regulated market for the purposes of MiFID II. This Offering Memorandum constitutes a ‘Listing Document’ for the purposes of the Listing Rules maintained by the Authority.
Trustee	Wells Fargo Bank, National Association
Principal Paying Agent, Registrar and Transfer Agent	Elavon Financial Services DAC
TISE Listing Agent	Mourant Securities Limited
Governing Law	The Indenture and the Notes and all other transaction documents will be governed by, and construed in accordance with, the laws of the State of New York.
Risk Factors	Investing in our Notes involves risks. Prior to investing in our Notes, prospective investors should consider, together with the other information set out in this Offering Memorandum, the risks associated with an investment in our Notes. See “Risk Factors.”

DUFRY SUMMARY HISTORICAL CONSOLIDATED FINANCIAL AND OTHER DATA

The summary historical consolidated financial data as of and for each of the fiscal years ended December 31, 2020 and 2019 were derived from our audited consolidated financial statements for the year ended December 31, 2020, which have been prepared in accordance with IFRS and which are incorporated by reference into this Offering Memorandum. The summary historical consolidated financial data as of and for the fiscal year ended December 31, 2018 were derived from our audited consolidated financial statements for the year ended December 31, 2019, which have been prepared in accordance with IFRS and which are incorporated by reference into this Offering Memorandum. See "Presentation of Financial and Other Data."

We adopted IFRS 16 Leases as of January 1, 2019 using the modified retrospective transition method. Prior periods were not restated. As described in Note 2.4 of our audited consolidated financial statements for the year ended December 31, 2019, IFRS 16 provides a single lessee accounting model and requires lessees to recognize RoU assets and lease obligations for certain lease contracts. The adoption of IFRS 16 had a significant impact on our results of operations for the year ended December 31, 2019, as we recognized new assets and liabilities for our lease contracts. In addition, the nature and timing of expenses related to those lease contracts changed as IFRS 16 replaced the straight-line operating lease expense with a depreciation charge for RoU assets and interest expense on lease obligations. As a result of the adoption of IFRS 16, concession fees, which were previously included in selling expenses in the consolidated statement of profit or loss, and linearization are now recognized either as lease expenses or as amortization of RoU assets within depreciation, amortization and impairment.

As of January 1, 2019, we changed our accounting policies for the classification of certain items in the statement of profit or loss, in order to better reflect the performance of the Company, as further described in Note 43 to our audited consolidated financial statements as of and for the year ended December 31, 2019. The comparative figures for 2018 are presented accordingly to reflect the changes in our audited consolidated financial statements as of and for the year ended December 31, 2019. We have not reclassified our consolidated financial statements as of and for the years ended December 31, 2018.

The data presented below is not necessarily indicative of results of future operations and should be read in conjunction with "Use of Proceeds," "Dufry Selected Historical Consolidated Financial and Other Data," "Capitalization," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and the notes thereto incorporated by reference into this Offering Memorandum.

You should regard the summary historical financial and other data below as only an introduction and should base your investment decision on a review of the entire Offering Memorandum.

Consolidated Statement of Profit or Loss

	Year ended December 31,		
	2020	**2019**	**2018**
	(In millions of CHF)		
Net sales	2,477.6	8,609.8	8,455.8
Advertising income	83.5	238.8	229.1
Turnover	**2,561.1**	**8,848.6**	**8,684.9**
Cost of sales	(1,183.8)	(3,525.4)	(3,489.2)
Gross profit	1,377.3	**5,323.2**	**5,195.7**
Lease income/(expenses)	8.0	(1,372.9)	(2,494.7)
Personnel expenses	(716.0)	(1,243.3)	(1,175.2)
Depreciation, amortization and impairment	(2,841.9)	(1,777.0)	(571.9)
Other expenses	(361.6)	(618.8)	(630.2)
Other income	33.4	121.6	45.5
Operating (loss)/profit	**(2,500.8)**	**432.8**	**369.2**
Finance expenses	(385.4)	(387.0)	(198.0)

	Year ended December 31,		
	2020	2019	2018
	(In millions of CHF)		
Finance income	14.9	71.7	68.5
Foreign exchange gain/ (loss)	0.1	(9.2)	(5.5)
(Loss)/profit before taxes	**(2,871.2)**	**108.3**	**234.2**
Income tax	130.7	(78.2)	(98.8)
Net (loss)/profit	**(2,740.5)**	**30.1**	**135.4**
Attributable to:			
Non-controlling interests	(226.8)	56.6	63.6
Equity holders of the parent	(2,513.7)	(26.5)	71.8

Selected Consolidated Statement of Financial Position Data

	As of December 31,		
	2020	2019	2018(1)
	(In millions of CHF)		
Cash and cash equivalents	360.3	553.5	538.2
Current assets	1,387.0	2,095.8	2,189.6
Total assets	11,255.0	13,358.9	9,390.6
Current liabilities	2,223.0	2,756.1	1,678.1
Lease obligations	5,420.4	4,404.7	—
Borrowings (current and non-current)	3,704.5	3,655.4	3,824.3
Net Debt(2)	3,344.2	3,102.0	3,286.1
Total liabilities	10,337.0	10,250.9	6,048.9
Total shareholders' equity	918.0	3,108.0	3,341.7
Total liabilities and shareholders' equity	11,255.0	13,358.9	9,390.6

(1) We adopted IFRS 16 as of January 1, 2019. Balances as of December 31, 2018 have not been restated, as we applied the modified retrospective transition approach.

(2) Net debt represents debt (current and non-current borrowings) less cash and cash equivalents.

	As of December 31,		
	2020	2019	2018
	(In millions of CHF)		
Borrowings (current and non-current)	3,704.5	3,655.4	3,824.3
Cash and cash equivalents	(360.3)	(553.5)	(538.2)
Net debt	3,344.2	3,101.9	3,286.1

Selected Consolidated Statement of Cash Flows Data

	Year ended December 31,		
	2020	2019	2018
	(In millions of CHF)		
Net cash flows from operating activities	(345.3)	2,107.7	836.2
Net cash flows used in investing activities	(74.9)	(255.5)	(226.7)
Net cash flows from/(used in) financing activities	257.0	(1,800.0)	(614.4)
Currency translation on cash	(30.0)	(36.9)	(19.9)
(Decrease)/increase in cash and cash equivalents	(193.2)	15.3	(26.8)
Cash and cash equivalents at the beginning of the period	553.5	538.2	565.0
Cash and cash equivalents at the end of the period	360.3	553.5	538.2

Other Financial Data

We implemented a new company organization that became effective on September 1, 2020, and included a resegmentation of our geographic reporting segments. As a result, we now operate under the following four geographical segments in addition to the Distribution Centers unit: (i) Europe, Middle East and Africa, (ii) Asia Pacific, (iii) Central and South America, and (iv) North America, as further described in Note 5 to our audited consolidated financial statements as of and for the year ended December 31, 2020. In our audited consolidated financial statements for the year ended December 31, 2020, comparative figures for the year ended December 31, 2019 have been retroactively recast to reflect the new segments. Comparative figures for the year ended December 31, 2018 included in our audited consolidated financial statements as of and for the year ended December 31, 2019 were recast for a new segmentation in 2019, but have not been recast for the new segmentation adopted on September 1, 2020. Segment data for 2018 reflects the segmentation in the financial statements for the year ended December 31, 2019, which reflected the following four geographical segments in addition to the Distribution Centers unit: (i) Europe and Africa, (ii) Asia Pacific and Middle East, (iii) Latin America and (iv) North America, plus a Distribution Centers business unit.

In addition, following the adoption of IFRS 16 in 2019, we discontinued our presentation of EBITDA. Accordingly, EBITDA is not presented in the chart below. We note that in conjunction with the discontinuation of EBITDA we have adopted Adjusted operating cash flow as a replacement metric. Adjusted operating cash flow is also the metric used in calculating our financial covenants under our term loan agreements.

	Year ended December 31,		
	2020	2019	2018[1]
	(In millions of CHF, unless otherwise indicated)		
Turnover with external customers[2]	2,561.1	8,848.6	8,684.9
2020 Segments (2019 recast)			
Europe, Middle East and Africa (EMEA)	1,144.5	4,434.2	—
Asia Pacific	160.0	691.6	—
Central and South America	497.3	1,536.1	—
North America	644.4	1,935.8	—
Distribution Centers	114.9	250.9	—
2019 Segments (2018 recast)			
Europe and Africa	—	3,850.9	3,828.2
Asia Pacific and Middle East	—	1,274.9	1,153.6
Central and South America	—	1,536.1	1,617.0
North America	—	1,935.8	1,884.4
Distribution Centers	—	250.9	201.7
Capital expenditures[3]	(107.6)	(245.3)	(251.1)
Changes in working capital[4]	(313.9)	(18.8)	1.6
Like-for-like growth[5]	(67.2%)	0.6%	1.0%
Gross margin[6]	53.8%	60.2%	59.8%
Free cash flow[7]	(831.5)	630.0	614.6
Adjusted operating profit/(loss)[8]	(1,561.8)	767.7	681.4
Adjusted operating cash flow[9]	(405.9)	959.9	967.4
Adjusted net profit[10]	(1,658.4)	349.3	354.2
Equity free cash flow[11]	(1,030.4)	383.3	N/A

(1) We adopted IFRS 16 as of January 1, 2019. Balances as of December 31, 2018 have not been restated, as we applied the modified retrospective transition approach.

(2) See Note 5 to our audited consolidated financial statements for the year ended December 31, 2020, incorporated by reference into this Offering Memorandum, for further information regarding our reporting segments.

(3) Capital expenditures represents purchases of property, plant and equipment, purchases of intangible assets, proceeds from sale of property, plant and equipment and other investing activities. A reconciliation to this non-IFRS measure is as follows:

	Year ended December 31,		
	2020	2019	2018
	(In millions of CHF)		
Purchase of property, plant and equipment	(101.1)	(199.3)	(201.7)
Purchase of intangible assets	(17.9)	(54.1)	(53.8)
Proceeds from sales of property, plant and equipment	12.5	8.7	4.4
Other investing activities	(1.1)	(0.6)	—
Capital expenditures	**(107.6)**	**(245.3)**	**(251.1)**

(4) Changes in working capital represents the sum of changes in trade and other accounts receivable, in inventories, in trade and other accounts payable and dividends received from associates. A reconciliation to this non-IFRS measure is as follows:

	Year ended December 31,		
	2020	2019	2018
	(In millions of CHF)		
Decrease/(increase) in trade and other accounts receivable	75.8	(98.4)	93.7
Decrease/(increase) in inventories	296.3	2.8	(57.0)
(Decrease)/increase in trade and other accounts payable	(686.0)	71.2	(40.8)
Dividends received from associates	—	5.6	5.7
Changes in working capital	**(313.9)**	**(18.8)**	**1.6**

(5) Like-for-like growth represents turnover growth of stores that have been consolidated for more than 12 months and where there has been no material increase or reduction of retail space for the relevant period.

(6) Gross margin represents turnover less costs of sales divided by turnover.

(7) Free cash flow represents cash flow before working capital changes less lease payments, net, changes in working capital, income tax expense paid, capital expenditures plus interest received. A reconciliation from cash flow before working capital changes presented in accordance with IFRS to this non-IFRS measure is as follows:

	As of December 31,		
	2020	2019	2018
	(In millions of CHF)		
Cash flow before working capital changes	(4.1)	2,223.5	967.4
Lease payments, net	(405.7)	(1,269.5)	—
Proceeds from lease income	3.9	5.9	—
Changes in working capital(4)	(313.9)	(18.8)	1.6
Income tax paid	(27.3)	(97.0)	(132.8)
Capital expenditures(3)	(107.6)	(245.3)	(251.1)
Interest received	23.2	31.2	29.5
Free cash flow	**(831.5)**	**630.0**	**614.6**

(8) Adjusted operating profit represents operating profit/(loss) plus amortizations of intangible assets identified during previous acquisitions. A reconciliation from operating profit/(loss) presented in accordance with IFRS to this non-IFRS measure is as follows:

	Year ended December 31,		
	2020	2019	2018
	(In millions of CHF)		
Operating (loss)/profit	(2,500.8)	432.8	369.2
Amortization of concession rights from acquisitions	251.1	308.9	310.1
Impairment of concession rights from acquisitions	556.8	26.0	2.1
Impairment of goodwill	131.1	—	—
Adjusted operating (loss)/profit	**(1,561.8)**	**767.7**	**681.4**

(9) Adjusted operating cash flow represents cash flow before working capital changes, less lease payments, plus proceeds from lease income. A reconciliation from cash flow before working capital changes presented in accordance with IFRS to this non-IFRS measure is as follows:

	As of December 31,		
	2020	2019	2018
	(In millions of CHF)		
Cash flow before working capital changes	(4.1)	2,223.5	967.4
Lease payments	(405.7)	(1,269.5)	—
Proceeds from lease income	3.9	5.9	—
Adjusted operating cash flow	(**405.9**)	959.9	967.4

(10) Adjusted net profit represents net profit/(loss) attributable to equity holders of the parent before the impact of amortization and impairment of concession rights and transaction expenses related to acquisitions, impairment on goodwill and interest on lease obligations, after giving effect to income taxes and the minority interest related to the foregoing. A reconciliation from net profit/(loss) attributable to equity holders of the parent presented in accordance with IFRS to this non-IFRS measure is as follows:

	Year ended December 31,		
	2020	2019	2018[(a)]
	(In millions of CHF)		
Net (loss) attributable to equity holders of the parent	(2,513.7)	(26.5)	(36.1)
Amortization of concession rights related to acquisitions	251.1	308.9	310.1
Impairment of concession rights related to acquisitions	556.8	26.0	2.1
Impairment of goodwill	131.1	—	—
Interest on lease obligations	178.7	187.7	209.4
Transaction expenses	—	2.9	12.4
Deferred income tax on above lines	(172.6)	(90.6)	(84.4)
Minority interest on above lines	(89.8)	(59.1)	(59.3)
Adjusted net (loss)/profit	**(1,658.4)**	**349.3**	**(354.2)**

(a) Restated to reflect the new adjustment concepts introduced in 2019. For more information, see Note 25.4.2 in the audited consolidated financial statements as of and for the year ended December 31, 2019.

(11) Equity free cash flow represents free cash flow (net cash flows from operating activities after giving effect to lease payments, proceeds from lease income, capital expenditures and interest received), after giving effect to interest paid, cash flow related to minorities (purchase of interest in associates, dividends paid to non-controlling interests, contributions from non-controlling interests) and other financial assets (purchase of financial assets, proceeds from the sale of financial assets, proceeds from loans receivable that have been repaid, payment of loans receivable that have been granted, and transaction costs related to financial instruments). We began reporting equity free cash flow for the year ended December 31, 2019, and as a result prior periods are not presented. A reconciliation from net cash flow from operating activities presented in accordance with IFRS to this non-IFRS measure is as follows:

	Year ended December 31,	
	2020	2019
	(In millions of CHF)	
Net cash flow from operating activities	(345.3)	2,107.7
Lease payments	(405.7)	(1,269.5)
Proceeds from lease income	3.9	5.9
Capital expenditures	(107.6)	(245.3)
Interest received	23.2	31.2
Free cash flow	**(831.5)**	**630.0**
Interest paid	(168.8)	(181.3)[(a)]
Cash flow related to minorities	(34.7)	(68.7)
Purchase of interest in associates	(0.4)	(2.5)
Dividends paid to non-controlling interests	(33.3)	(70.5)
Contributions (paid to) / from non-controlling interests	(1.0)	4.3
Other financial assets	4.6	3.3
Purchase of financial assets	(0.4)	(0.1)
Proceeds from sale of financial assets	4.9	0.2
Proceeds from loans receivables repaid	0.1	3.2
Equity free cash flow	**(1,030.4)**	**383.3**

(a) Interest paid for the year ended December 31, 2019 does not include CHF 18.0 million in call premiums paid relating to the bond refinancing completed in November 2019.

Pro Forma Financial Data

The following table shows certain data adjusted to give effect to:

- the expected conversion in full of the Convertible Bonds due 2023 and the issuance of 10,606,061 shares of Dufry AG and payment of CHF 28.5 million in cash in connection with such conversion as described under "Summary—Recent Developments—Conversion of Convertible Bonds due 2023", following the acceptance of the Voluntary Incentive Offer by holders of 99.3% of the Convertible Bonds due 2023. The Issuer has announced its intention to redeem the remaining Convertible Bonds due 2023;

- the offering of CHF 500.0 million in aggregate principal amount of Convertible Bonds due 2026; and

- this offering of the equivalent of CHF 919.2 million in aggregate principal amount of Notes in this Offering and the repayment of the equivalent of approximately CHF 278.0 million of borrowings outstanding under the 2017 Senior U.S. Dollar Term Loan Facility and the equivalent of approximately CHF 236.8 million of borrowings outstanding under the 2017 Senior Euro Term Loan Facility from the expected net proceeds of the offering of CHF 911.7 million as described under "Use of Proceeds".

in each case as if it occurred on January 1, 2020:

	Year ended or as of December 31, 2020
	(unaudited) (CHF in millions)
Pro forma cash and cash equivalents[(1)]	1,222.2
Pro forma total debt[(2)]	4,317.0
Pro forma net debt[(3)]	3,094.8

(1) Pro forma cash and cash equivalents represents cash and cash equivalents at December 31, 2020 pro forma for the events described above as set forth in the table below:

	As of December 31, 2020
	Pro forma
	(CHF in millions)
Cash and cash equivalents at December 31, 2020	360.3
Proceeds from Convertible Bonds due 2026 not otherwise used	493.5
Cash payment in connection with conversion of Convertible Bonds due 2023	(28.5)
Proceeds from Notes offered hereby not otherwise used	396.9
Pro forma cash and cash equivalents	**1,222.2**

(2) Pro forma total debt represents total debt at December 31, 2020 pro forma for the events described above as set forth in the table below:

	As of December 31, 2020
	Pro forma
	(CHF in millions)
Total debt at December 31, 2020	3,762.6
Convertible Bonds due 2026[(a)]	500.0
Net conversion of Convertible Bonds due 2023	(350.0)
Notes offered hereby	919.2
Partial repayment of 2017 Senior U.S. Dollar Term Loan Facility	(278.0)
Partial repayment of 2017 Senior Euro Term Loan Facility	(236.8)
Pro forma total debt	4,317.0

(a) Amount shown does not reflect the bifurcation of the embedded conversion option for accounting purposes.

(3) Pro forma net debt represents pro forma debt less pro forma cash and cash equivalents. A reconciliation to this non-IFRS measure is as follows:

	As of December 31, 2020
	Pro forma
	(CHF in millions)
Pro forma total debt	4,317.0
Pro forma Cash and cash equivalents	(1,222.2)
Pro forma Net debt	3,094.8

RISK FACTORS

An investment in the Notes entails risk. There are a number of factors, including those specified below, that may adversely affect our ability to fulfill our obligations under the Notes. You could therefore lose a substantial portion or all of your investment in the Notes. Consequently, an investment in the Notes should be considered only by persons who can assume such risk. Described below are risks specific to our business, our industry and the Notes that we consider to be material. You should note that the risks described below are not the only risks to which we are exposed. There may be other risks that are not presently known to us or that we do not presently consider to be material that could adversely affect our ability to fulfill our obligations under the Notes.

Risks Relating to COVID-19

The COVID-19 pandemic has had, and will continue to have, a significant adverse effect on our business, operations, financial condition, operating results and liquidity, and the ultimate outcome of the COVID-19 pandemic is uncertain.

In December 2019, an outbreak of Coronavirus disease 2019 ("COVID-19") was identified in Wuhan, China. The COVID-19 outbreak has since spread and grown globally, including in each of the regions in which we operate, and was declared a global pandemic by the World Health Organization in March 2020. Although the ultimate severity and impact of the COVID-19 pandemic remains uncertain, the global pandemic and measures taken to combat it, such as restrictions on domestic and international travel as well as the unwillingness of a large part of the population to travel given the health risks associated with COVID-19, have had, and are expected to continue to have, a significant negative impact on the travel industry. As a result, all aspects of our business have been, and we expect will continue to be, materially negatively impacted.

Due to the unprecedented level of disruption of global travel, including travel restrictions adopted by governments worldwide and operational shut-downs of airports, cruise lines and other travel channels, passenger numbers at the facilities where we operate were dramatically reduced during the year ended December 31, 2020, in particular during the months of March to June, as well as November and December. As a result, at times during this period, the Company temporarily closed nearly all of its stores. Due to this disruption, turnover decreased by 71.1% in the year ended December 31, 2020 compared to 2019 and we reported a net loss of CHF 2,740.5 million for the year ended December 31, 2020. As a result of the impact of the COVID-19 pandemic, there is a material uncertainty that may cast significant doubt upon the Dufry Group's ability to continue as a going concern and therefore, whether the Dufry Group will be able to realize its assets and settle its liabilities in the ordinary course of business at the amounts recorded in the consolidated financial statements. For additional information, see "Accounting Policies—The Entity's Ability to Continue as a Going Concern –COVID-19" in our consolidated financial statements as of and for the year ended December 31, 2020, and the audit report thereon, incorporated by reference into this Offering Memorandum.

In March 2020, S&P Global downgraded each of our issuer rating and the Issuer's senior unsecured debt rating from BB to BB-, and placed such ratings on credit watch with negative implications. In October 2020, S&P Global further downgraded our issuer rating and the Issuer's senior unsecured debt rating from BB- to B+, and kept such ratings on credit watch with negative implications. In March 2021, S&P Global removed the credit watch. In June 2020, Moody's downgraded each of our long-term issuer rating and the Issuer's senior unsecured debt rating from Ba3 to B1 with a negative outlook.

We had cash and cash equivalents of CHF 360.3 million and CHF 553.5 million as of December 31, 2020 and 2019, respectively. In addition, as of December 31, 2020, approximately CHF 983.9 million and CHF 396.9 million was available for borrowing under the A&R Facilities Agreement (as defined herein) and the 2020 Liquidity Facilities Agreement (as defined herein), respectively, in each case after giving effect to outstanding letters of credit.

For the year ended December 31, 2020, cash outflows, which we define as the change in net debt over the period, were CHF 242.3 million. There can be no assurance that we will be able to continue the cost savings and other benefits achieved in 2020, and our failure to do so may adversely impact our financial condition, liquidity, and results of operations. In particular, we may not be able to continue decreasing our costs or may face increased costs in the future due to, among other things, potentially being unable to negotiate further reductions in concession fees with certain of our landlords, including minimum annual guarantee ("MAG") payments. While we were able to successfully negotiate reductions in MAG payments during 2020, we are currently negotiating extensions of those reductions for 2021 and there can be no assurance such extensions will be agreed. Furthermore, we currently, and may in the future, have disputes with certain of our landlords regarding the interpretation of our concession agreements. Any such disputes could have the impact of making it more difficult or impossible to successfully renegotiate MAG relief or could lead to litigation, either of which could make achieving expected cost savings more challenging, and, in turn, could have a material adverse impact on our business, results of operations and financial condition. We may also face increased expenses relating to providing personal protective equipment to our employees and costs we would incur if our employees are required to quarantine.

If our business continues to be materially adversely impacted by COVID-19, we may be unable to meet our debt service obligations as soon as mid-2022, breach the financial covenants included in our borrowing instruments, and further actions may be required to improve our liquidity, including further workforce reductions and postponing or cancelling capital expenditures and other discretionary expenses, as well as further equity or debt capital raising. On May 6, 2020, we entered into the A&R Facilities Agreement which, among other things, waived compliance with certain financial covenants up to and including June 30, 2021 to mitigate deterioration in adjusted operating cash flow due to COVID-19. Furthermore, as of the date of this Offering Memorandum, the Swiss Subsidiary Guarantor has received commitment letters from the majority lenders of the A&R Facilities Agreement and the 2020 Liquidity Facilities Agreement in which, among other things, the majority lenders committed to, subject to documentation and standard conditions, (i) not formally test the financial covenants for the relevant periods until June 30, 2022, and (ii) a maximum ratio of total drawn debt to adjusted operating cash flow of 5.0:1.0 for the test periods ending September 30, 2022 and December 31, 2022, which shall revert to 4.5:1.0 thereafter, with the permitted ratio increase mechanic only being available after December 31, 2022. Those same lenders have indicated their support to extend the maturity of the 2017 Senior U.S. Dollar Term Loan Facility and the 2017 Senior Euro Term Loan Facility from November 3, 2022 to November 3, 2024, but unanimous support of the lender group is required to effect such an extension and there can be no assurance that such extension will be granted. See "Description of Other Indebtedness."

If our business continues to be materially adversely impacted due to COVID-19 or other factors in the twelve months ending June 30, 2022 and beyond (including under certain of the turnover and cash flow scenarios described in "Management's Discussion and Analysis of Financial Condition and Results of Operations—General Factors Affecting Our Results of Operations—COVID-19—Liquidity position and cash outflows"), we may be in breach of the financial covenants included in the A&R Facilities Agreement, the 2020 Liquidity Facilities Agreement or any other similar agreement, and there can be no assurance that we would be able to successfully negotiate the covenant waivers with our lenders in such an event. The breach of a financial or other covenant or the failure to meet any of the obligations under our financing agreements governing our debt may result in a default or event of default under such agreements, which in turn could result in a number of adverse consequences, including cross-defaults, the acceleration of the outstanding amounts requiring immediate repayment of the related debt in part or in whole, significant increases in interest rates and other financing and reputational costs.

Since mid-June 2020, many travel restrictions have been cancelled or revised, and domestic and international travel has started to resume, especially in Asia, Europe, and the U.S. We started to re-open retail operations gradually based on single-location productivity scenarios and in close cooperation with airport authorities and landlords. By February 28, 2021, approximately 1,300 of our over 2,300 shops globally had re-opened, representing approximately 60% of sales capacity (based on turnover for the year ended December 31, 2019), including certain shops in key locations such as the UK, Spain, the U.S., Turkey, Russia, Argentina, Brazil, Mexico and the Dominican Republic. However, even though our stores have begun reopening in certain locations, we estimate that turnover decreased by between 70% and 80% for the two-month period of January and February 2021 compared to January and February of 2019, as passenger volumes have continued to remain significantly depressed versus the prior year period. While our stores may continue to reopen in the coming months, we can provide no assurance as to when and at what pace demand for travel and travel retail will return to pre-pandemic levels, if at all, and as a result, cannot assure you when our turnover and results of operations will return to pre-pandemic levels, if at all.

As the duration of the impact of COVID-19 remains highly uncertain, we could be required to raise additional equity or debt capital in the future. Our access to and cost of financing will depend on, among other things, global economic conditions, conditions in the global capital markets, the terms of our existing indebtedness (including the financial covenants included in the A&R Facilities Agreement and the 2020 Liquidity Facilities Agreement), our prospects and our credit ratings. There can be no assurance that debt or equity financings will be available to us on acceptable terms or at all in the future.

We evaluate brands and goodwill for impairment testing on an annual basis or more frequently if indicators of impairment exist. Concession rights are tested for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. Based on the fact that nearly all Dufry shops worldwide were closed starting in March 2020 and there being no assurance as to how long closures, disruption or deterioration of our shops may remain in effect, management performed impairment tests where indicators of impairment were identified. During the year ended December 31, 2020, we recorded total impairment charges of CHF 1,193.2 million. See Note 10 to our consolidated financial statements for the year ended December 31, 2020, incorporated by reference into this Offering Memorandum. There can be no assurance that a material impairment charge related to tangible assets, such as property, plant and equipment, or intangible assets, such as goodwill, concession rights or right-of-use assets, will not occur in a future period, and the risk of future material impairments has been significantly heightened as result of the effects of the COVID-19 pandemic on travel and travel retail. A further impairment charge could have a material adverse effect on our financial condition and operating results.

The ongoing pandemic has resulted, and may continue to result, in the institution of travel restrictions and other adverse impacts to our business. Travel restrictions have also caused financial distress in the airline industry. To the extent such conditions continue or worsen in the airline industry, there could be a material adverse impact on our business as a result of the bankruptcy and/or restructuring of major airlines. Moreover, additional currently unknown restrictions or other events dissuading travel may occur in the future as a result of the COVID-19 pandemic (including possibly in the near term), prolonging the negative effects of the COVID-19 pandemic on our business. Also, even if travel advisories and restrictions are eventually permanently lifted, demand for travel, and in particular air travel, in the long-term may remain weak for a significant length of time or indefinitely. For example, the International Air Transportation Association ("IATA") announced a decline of 75.6% in the international passenger demand in 2020 compared to 2019. IATA forecasts that air travel may only return to pre-COVID-19 levels in 2024, and for 2021 it forecasts a 50.6% increase with respect to 2020. Such forecasts are inherently uncertain and other industry sources have different forecasts for expected passenger numbers, including forecasts that are more negative than IATA in terms of expected passenger numbers. The actual decrease in air travel passengers, and the duration of the impact, are subject to numerous risks and uncertainties. Moreover, at this time, we are also not able to predict whether the COVID-19 pandemic will result in permanent changes to travelers' behavior, with such potential changes including a permanent reduction in business travel as a result of increased usage of "virtual" and "teleconferencing" products and more broadly a general reluctance by consumers to travel or purchase retail products in travel locations, each of which could have a material impact on our business.

In addition, unfavorable conditions in the broader economy, including due to global or local recessions, higher unemployment rates, diminished levels of consumer confidence, declines in income levels and the loss of wealth, have resulted in the past, and may result in the future, in decreased demand for travel and retail. The ongoing COVID-19 pandemic and associated decline in economic activity and increase in unemployment levels are expected to have a severe and prolonged effect on the global economy generally and, in turn, are expected to depress demand for travel and retail into the foreseeable future. If our suppliers and retail partners continue to be adversely impacted by the COVID-19 pandemic and associated decline in economic activity, our business, results of operations and financial condition may be adversely impacted as a result.

Due to the uncertainty surrounding the duration and severity of the COVID-19 pandemic and the ultimate impact on economies around the world, we can provide no assurance as to when and at what pace demand for travel and travel retail will return to pre-pandemic levels, if at all. The COVID-19 pandemic situation is dynamic, and updates on travel restrictions, shutdowns of non-essential businesses and stay-at-home orders are continually evolving. The extent of the impact of COVID-19 on our future operational and financial performance will depend on future developments, including, but not limited to, the duration, spread and intensity of the outbreak, related government measures implemented to alleviate the impact of COVID-19, whether widespread shutdowns and travel restrictions resume, the pace and effectiveness of vaccination efforts and changes in traveler's behavior, all of which are uncertain and difficult to predict considering the rapidly evolving landscape. Accordingly, we cannot predict the full impact of the COVID-19 pandemic on our business, financial condition and results of operations.

To the extent the COVID-19 pandemic adversely affects our business and financial results, it will also have the effect of heightening many of the other risks described in this "Risk Factors" section, such as those relating to our indebtedness, our need to generate sufficient cash flows to service our indebtedness, and our ability to comply with the covenants contained in the agreements that govern our indebtedness, including the indenture governing the Notes.

Risks Relating to our Business

Events outside our control that cause a reduction in airline, railway and cruise line passenger traffic, including but not limited to pandemics, terrorist attacks and natural disasters, could adversely affect our business.

Our business is mainly dependent upon sales to air travelers. The occurrence of any one of a number of events outside our control such as terrorist attacks (including cyber-attacks), hurricanes, ash clouds, pandemics (including the ongoing COVID-19 pandemic), the outbreak or escalation of hostilities among nations, natural disasters, accidents and actions by aviation authorities against airlines or airplane manufacturers may lead to a reduction in the number of air travelers on a global, regional or local level. Further, increases in oil price may inhibit growth due to higher ticket prices caused by fuel surcharges and due to increased cost of living in general restricting the budget of customers. Similarly, new regulations and taxes, such as a surcharge to compensate for the carbon emissions caused by air travel that has been proposed or already introduced in a number of countries could have a similar effect. Any future event of a similar nature, even if not directly affecting the airline industry, may lead to a significant reduction in the number of air travelers. Further, any disruption to or suspension of services provided by airlines, as a result of financial difficulties, labor disputes, construction work, increased security or otherwise, could negatively affect the number of air passengers. Such a reduction in airline passenger numbers will result in a decrease in our sales and may have a materially adverse impact on our business, financial condition and results of operations.

These events that could cause a reduction in airline passenger traffic could also have a material negative impact on our operations that serve passengers using other forms of travel, such as shops on cruise lines, ferries, at seaports, train stations, downtown tourist locations and others, which may have a material adverse effect on our business, financial condition and results of operations.

General economic and market conditions may adversely affect our results.

We operate in, and our customers come from, a large number of economies around the world, such as Argentina, Brazil, China, Greece, India, Italy, Mexico, Morocco, Russia, Spain, Switzerland, United Arab Emirates, the United Kingdom and the United States. Since our success is dependent on consumer spending, our business may be adversely affected by factors such as an economic downturn in these economies that could cause a rise in unemployment, a decline in consumer confidence, changes in exchange rates, an increase in interest rates, inflation, deflation, direct or indirect taxes and consumer debt levels. For example, the economic recession in Argentina and high levels of inflation in Brazil and Argentina may continue to deteriorate and affect consumer confidence and air passenger traffic in the Latin American region more generally. Furthermore, the United Kingdom continues to experience political, economic, implementation and logistical delays and other impacts in connection with its withdrawal from the EU (“Brexit”). Even as the impacts of the COVID-19 pandemic on travel subside, Brexit may make travel between the United Kingdom and Europe or other destinations more difficult or may negatively impact consumer or traveler spending in the United Kingdom, which may negatively affect our business. Economic downturns in these countries, or in the other countries in which we operate, may have a material adverse effect on our business, financial condition and result of operations.

The market to obtain concessions continues to be highly competitive.

We compete with other travel retailers at global, regional and local levels in obtaining and maintaining concessions at airports and for other travel facilities such as on board cruise lines and airlines and at railway stations. Some of our competitors have strong financial support or solid relationships with airport authorities which benefit those competitors in competing for concessions. There is no guarantee that we will be able to win new concessions, renew our existing concessions or that, if we do renew a concession, it will be on similar payment terms. In addition, the failure to obtain or renew a concession necessarily means that we will not be able to enter or continue operating in the market represented by such concession. If we were to fail to renew major concessions or fail to obtain further concessions, our business, financial condition and results of operations could be materially adversely affected.

As a result of competition among travel retailers to obtain or maintain retail concessions, airport authorities and other landlords have increasingly been able to demand more favorable concession terms. In addition to shorter terms, concession agreements increasingly provide for MAG payments, which are a minimum fee payable to the airport operator regardless of the amount of sales at the concession. Currently, the majority of our concessions provide for a MAG that is either a fixed amount or an amount that is variable based upon the number of travelers using the airport or other location, retail space used, estimated sales, past results or other metrics. If passenger numbers are lower than expected or if there is a decline in the sales per passenger at these facilities, our results of operations may be materially adversely affected.

Our shops are operated under concession agreements that are subject to revocation or modification and the loss of concessions could negatively affect our revenues and our business.

Our travel retail activities are mainly operated pursuant to concessions granted by airport authorities or landlords. The concessions may be unilaterally terminated or modified prior to the end of the original expiration date upon expropriation or annulment by the respective authorities or forfeiture by us. Forfeiture may be declared by the authorities if the concessionaire fails to fulfill the terms and conditions set forth in the concession agreement as well as applicable legal and regulatory obligations. Annulment may be declared by the authorities or by courts in case the act granting the concession or its terms do not comply with the appropriate legal requirements, such as procurement, antitrust or similar regulations.

The concessions may also be terminated early by airport authorities or landlords in certain circumstances including, among others:

- assignment, transfer or sub-lease by us to third parties, in whole or in part, of the rights or obligations provided for in the relevant agreement;
- a change of control in Dufry;
- failure by us to comply with any of the provisions of the concession agreement;
- use by us of the concession area for any purpose other than the object of the agreement;
- entry by us into an agreement with a third party with respect to the concession area or services to be explored without applicable airport authorities' prior approval;
- making of any modification to the facilities without applicable airport authorities' prior approval;
- default by us on the payment of the fees for a period provided for in the relevant agreement;
- our not providing the services with an adequate quality level or the failure to obtain the necessary equipment for the satisfactory rendering of such services; or
- reasons of public interest.

We may not be able to execute our growth strategy effectively or to integrate successfully any new concessions or future acquisitions into our business.

Our principal strategy is to continue to grow by enhancing and expanding our existing facilities and by seeking new concessions through tenders or private negotiations or through acquisition opportunities. In this regard, our future growth will depend upon a number of factors, some of which may not be within our control, such as the timing of any concession or acquisition opportunity, our ability to identify any such opportunities, structure a competitive proposal, obtain required financing or consummate an offer. As a result, we cannot assure you that this strategy will be successful.

In addition, we may encounter difficulties integrating expanded or new concessions or any acquisitions into our existing operations. Such expansions, new concessions or acquisitions may not achieve anticipated revenue and earnings growth or synergies and cost savings. Delays in the startup of new projects and the refurbishment of shops affect our business. A failure to grow successfully may materially adversely affect our business, financial condition and results of operations.

We are dependent on our local partners.

Our global retail operations are carried on through approximately 220 operating companies in 64 countries as of December 31, 2020. We have a significant number of concessions that have local partners, mainly in China, Portugal, the Middle East, Brazil, Africa, Eastern Europe and the U.S. Our local partners maintain ownership interests in the relevant operating subsidiary, some of which operate major concessions. Our participation in each of these operating subsidiaries differs from market to market. Our ability to withdraw funds, including dividends, from our participation in, and to exercise management control over, such subsidiaries may depend upon the consent of our local partners. While the precise terms of each relationship vary, disagreements with our local partners may affect our business, financial condition and results of operations.

Taxation of goods policies in countries where we operate may change.

A substantial part of our revenues is derived from our sale of duty-free products, such as perfumes, luxury products, spirits and tobacco. Governmental authorities in various countries in which we operate may alter or eliminate the duty-free status of certain products or otherwise change importation or tax laws. For example, from January 1, 2021, the U.K. government eliminated the tax-free concession for products such as perfumes and luxury products (but not including alcohol and tobacco) to all passengers traveling from the U.K., which could adversely impact our business. Further, sales and excise taxes on products sold at traditional retail locations may be lowered in the future, partly removing our competitive advantage with respect to duty-free product pricing. If we lose the ability to sell duty-free products generally or in any of our major duty-free markets or if we lose market share to traditional retailers as a result of a reduction in sales and excise taxes, our revenues may decrease significantly and our business, financial condition and results of operations may be materially adversely affected.

In addition, we are subject to tax audits and proceedings from time to time in the jurisdictions in which we operate. Tax authorities may disagree with certain positions we have taken and assess additional taxes and penalties. We regularly assess the likely outcomes of these audits and proceedings in order to determine the appropriateness of our tax provisions. However, there can be no assurance that we will accurately predict the outcomes of these audits, and the actual outcomes of these audits could have a material impact on our results of operations.

We may be adversely impacted by litigation.

We have extensive global operations, and we and our third-party business partners are both defendant and plaintiff in a number of court, arbitration and administrative proceedings in various jurisdictions. Actions filed against us from time to time include commercial, tort, intellectual property, customer, employment, labor, tax, administrative, customs and other claims. The outcome of such legal proceedings is uncertain, and our involvement may require significant resources, time and effort, and may divert the attention of our management. While the outcome of any legal proceedings and the potential damages and other losses we may incur arising out of any current or future legal proceedings are inherently difficult to predict, we may have to pay substantial damages, settlement costs and, in turn, increased insurance premiums if a claim is resolved against us. Even if a claim is not resolved against us, we may incur significant legal fees, which we may not recoup. Deciding whether or not to provide for a loss in connection with such legal proceedings requires us to make determinations about various factual and legal matters beyond our control. Legal proceedings for which we have recognized insufficient provisions and any future related claims or for which we have not recognized any provisions may have a material adverse effect on our business, financial condition and results of operations. In addition, we may be impacted by litigation trends, including class action lawsuits involving consumers, shareholders and employees, and our business, financial condition and results of operations may be materially adversely affected.

Restrictions on the duty-free sale of tobacco products and on smoking in general may affect our tobacco product sales.

The duty-free sale of tobacco products represented 12% of our net sales and constituted our fourth largest product category for the year ended December 31, 2020. As part of the campaign to highlight the negative effects of smoking, international health organizations and the anti-smoking lobby continue to seek restrictions on the duty-free sale of tobacco products. More generally, an increasing number of national and local governments, as well as private businesses, have prohibited, or are proposing to prohibit, smoking in public places and in their business locations, respectively. If we were to lose our ability to sell duty-free tobacco products in our major markets or the increasing number of smoking prohibitions and anti-smoking campaigns caused a reduction in our sales of tobacco products, our business, financial condition and results of operations could be materially adversely affected.

The retail business is highly competitive.

As Dufry's sale of non-traditional duty-free products increases, Dufry must compete to attract customers with other retailers, including traditional retail stores located outside airports and passenger terminals, as well as online retailers. Some of our retail competitors may have greater financial resources, greater purchasing economies of scale or lower cost bases, any of which may give them a competitive advantage over us. If we were to lose market share to competitors, our revenues would be reduced and our business, financial condition and results of operations adversely affected.

We may not be able to predict accurately or fulfill customer preferences or demands.

We derive an important amount of our revenue from the sale of fashion-related, cosmetic, and luxury products, which are subject to rapidly changing customer tastes. The availability of new products and changes in customer preferences has made it more difficult to predict sales demand for these types of products accurately. Our success depends in part on our ability to effectively predict and respond to quickly changing consumer demands and preferences, and to translate market trends into appropriate merchandise listings. Additionally, due to our limited sales space relative to other retailers, the selection of salable merchandise is an important factor in revenue generation. We cannot assure you that our product orders will match actual demand. If we are unable to successfully predict or respond to sales demand or to changing styles or trends or experience inventory shortfalls on popular merchandise, our revenue will be lower, which could have a material adverse effect on our business, financial condition and results of operations.

Our ability to maintain customer loyalty and confidence and to expand our customer base may be impaired if we fail to maintain and strengthen our brand and reputation.

The development of the brand and reputation of each of Dufry, Hudson, Nuance, World Duty Free and Hellenic Duty Free is critical to achieving widespread awareness of our products and services, and to maintaining customer loyalty and confidence. The ability of customers to recognize the Dufry, Hudson, Nuance, World Duty Free and Hellenic Duty Free brands and to differentiate between the products and services of Dufry, Hudson, Nuance, World Duty Free and Hellenic Duty Free and that of our competitors is paramount to increasing our brands' credibility with our existing customers and to attracting new customers. Brand recognition is made even more important by increasing competition and due to the segmentation of the travel retail industry. Successful promotion of our brands will largely depend on the effectiveness of our marketing efforts and on our ability to carry sought-after products at competitive prices. Brand promotion activities may not yield increased revenues and, even if they do, any increased revenues may not offset the expenses incurred in building the brand. If we fail to successfully promote and maintain our brands, our business, financial condition and results of operations could be adversely affected.

We rely on a limited number of suppliers in each major product category and events outside our control may disrupt our supply chain.

We rely on a limited number of suppliers for the majority of our purchases in each major product category. We work with over 1,000 suppliers around the world, with approximately 70% of our sales generated from products bought from 100 suppliers. Future consolidation may reduce the number of our suppliers even further. As a result, our suppliers may have increased bargaining power and we may be required to accept less favorable purchasing terms. In addition, in the event of a dispute with any supplier, the delivery of a significant amount of merchandise may be delayed or cancelled, or we may be forced to purchase merchandise from other suppliers on less favorable terms. Such events could cause revenues to fall and costs to increase, adversely affecting our business, financial condition and results of operations.

In addition, damage or disruption to our supply chain due to any of the following could impair our ability to sell our products: adverse weather conditions or natural disasters, such as a hurricane, earthquake or flooding; government action; fire; terrorism (including cyber-attacks); the outbreak or escalation of armed hostilities; pandemics, including the COVID-19 pandemic; industrial accidents or other occupational health and safety issues; strikes and other labor disputes; customs or import restrictions or other reasons beyond our control or the control of our suppliers and business partners. Failure to take adequate steps to mitigate the likelihood or potential impact of such events, or to effectively manage such events if they occur, could adversely affect our business, financial condition and results of operations, as well as require additional resources to restore our supply chain.

Information technology systems failure or disruption could impact our day-to-day operations.

Our information technology systems are used to record and process transactions at our points of sale and to manage our operations. These systems provide information regarding most aspects of our financial and operational performance, statistical data about our customers, our sales transactions and our inventory management.

Notwithstanding efforts to prevent an information technology failure or disruption, including having implemented parallel data centers and regular back-up of data, our systems may be vulnerable to damage or destruction of our hardware or software systems, including as a result of cyber-attacks. These events could cause system interruption, delays or loss of critical data and could disrupt our acceptance and fulfillment of customer orders, as well as disrupt our operations and management. For example, although our point-of-sales systems are programmed to be able to operate and process customer orders independently from the availability of our central data systems and of our network, if a problem were to disable electronic payment systems in our stores, credit card payments would need to be processed manually, which could in turn result in fewer transactions. Significant disruption to our information technology systems could have a material adverse effect on our business, result of operations and financial condition.

We also continually enhance or modify the technology used in our operations. We cannot be sure that any enhancements or other modifications we make to our operations will achieve the intended results or otherwise be of value to our customers or our operations. Future enhancements and modifications to our technology could consume considerable resources. We may be required to enhance our payment systems with new technology, which could require significant expenditures. If we are unable to maintain and enhance our technology to process transactions, we may experience a material adverse impact on our business, financial condition and results of operations.

We are subject to data privacy laws and regulations, and a compliance failure or data breach could have negative financial and reputational impacts.

The regulatory environment governing our use of individually identifiable data of customers, employees and others is complex. Privacy and information security laws and requirements change frequently, and compliance with them may require us to incur costs to make necessary systems changes and implement new administrative processes. In particular, the EU General Data Protection Regulation (the "GDPR") which entered into effect in 2018 imposes strict requirements for the protection of individually identifiable data. Failure to comply with applicable data protection regulations may expose us to significant regulatory fines. For example, the fine for non-compliance with certain GDPR requirements is up to €20 million or 4% of our global turnover (whichever is greater). If a data protection breach occurs, this could also result in reputational damage and we could experience lost sales, and lawsuits.

If we are unable to protect our customers' credit card data and other personal information, we could be exposed to data loss, litigation and liability, and our reputation could be significantly impacted.

As a retail company, we are subject to the risk of security breaches and cyber-attacks in which credit and debit card information and other personal data is stolen. Although we use secure networks to transmit confidential information, the techniques used to obtain unauthorized access, disable or degrade service, or sabotage systems change frequently and may be difficult to detect for long periods of time, and as a result we may be unable to anticipate these techniques or implement adequate preventive measures. Third parties with whom we do business may attempt to circumvent our security measures in order to misappropriate such information, and may purposefully or inadvertently cause a breach involving such information. In addition, hardware, software, or applications we develop or procure from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security. Unauthorized parties may also attempt to gain access to our systems or facilities, or those of third parties with whom we do business, through fraud, trickery or other forms of deceiving our team members, contractors, vendors or temporary staff.

We may become subject to claims for purportedly fraudulent transactions arising out of actual or alleged theft of credit or debit card information or other personal data, and we may also be subject to lawsuits or other proceedings relating to these types of incidents. Any such claim or proceeding could cause us to incur significant unplanned expenses, which could have a materially adverse impact on our business, financial condition and results of operations. Further, adverse publicity resulting from these allegations could significantly impact our reputation and have a materially adverse impact on our business, financial condition and results of operations.

Our success depends on our ability to attract and retain qualified personnel.

Our success depends, to a significant extent, on the performance and expertise of top management and other key employees. There is competition for skilled, experienced personnel in the fields in which we operate and, as a result, the retention of such personnel cannot be guaranteed. Our continuing ability to recruit and retain skilled personnel, especially in management functions both in Switzerland and internationally, will be an important element of our future success. The loss of senior management or any other key employees or the failure to attract new highly qualified employees could have a material adverse effect on our business, financial condition and results of operations.

We operate in emerging markets, which exposes us to risks inherent to these less developed markets, and such risks may increase as we intend to expand our operations in such markets.

We operate in several emerging markets, and we are evaluating opportunities to expand operations in a number of additional emerging markets. Business climates in these markets expose us to greater political, economic, legal and social uncertainty than markets with more developed institutional structures. The risk of loss resulting from changes in law, economic disruptions, social upheaval, currency devaluations, corruption and other factors may be substantial. For example, these factors could decrease tourism to countries where we operate, some of which are holiday destinations. These markets might also have delayed access to COVID-19 vaccines, which could slow their economic recovery and the recovery in their travel industries, leading to lower sales or slower growth in our stores in those markets. We are also exposed to risks arising from interruption of operations due to political or social instability and the establishment or enforcement of foreign exchange restrictions, which could effectively prevent us from repatriating profits, liquidating assets or withdrawing funds from one or more of these markets. For example, further instability in the Middle East could affect our business in Egypt, prolonged or recurring currency devaluations in Brazil and Argentina could continue to affect our business in Central and South America and political upheaval or civil unrest in Turkey and Chile could affect our business there. Similarly, the political or economic situation in Russia may deteriorate further, reducing traffic to our operations in Russia and/or resulting in fewer Russians traveling abroad, which could affect our business in countries that traditionally are popular with Russian tourists.

Furthermore, changes in tax regulations or enforcement mechanisms could substantially reduce or eliminate any turnover or profits derived from operations in these countries and could reduce significantly the value of assets related to such operations. Another aspect of certain emerging markets is the potential inadequacy of the legal system and law enforcement mechanism, which leaves us exposed to the possibility of considerable loss as a result of abusive practices by competitors, parties with which we contract or others. If we expand our operations in emerging markets the foregoing risks will increase.

We are exposed to fluctuations in currency exchange rates, which could negatively impact our financial condition and results of operations.

Our reporting currency is the Swiss Franc. A substantial majority of our turnover is generated in foreign currencies by subsidiaries outside of Switzerland whose results of operations, assets and liabilities must be translated and/or revalued into CHF resulting in the recognition of foreign exchange translation gains or losses in equity as part of the preparation of our consolidated financial statements, a risk that we generally do not hedge. Our principal translation currency exposures are to the euro and the USD. Changes in the relevant exchange rates between the Swiss Franc and the other currencies to which we are exposed, which have been volatile recently, have affected and will continue to affect the value of our assets and liabilities denominated in currencies other than the Swiss Franc, our costs and our turnover, each of which could have an adverse effect on our results of operations. We are also impacted by the purchasing power of the functional currency of our stores compared with other currencies. When the functional currency of our stores appreciates in value, our products become more expensive for the travelers whose home currency has less relative purchasing power. In addition, the increased purchasing power of the functional currency of our stores could also cause domestic travelers to purchase products abroad.

Our ability to borrow from banks or raise funds in the capital markets may be materially adversely affected by a financial crisis in a particular geographic region, industry or economic sector.

Our ability to borrow from banks or raise funds in the capital markets to meet our financial requirements is dependent on favorable market conditions. Financial crises in particular geographic regions, industries or economic sectors have led in the recent past, and could lead in the future, to sharp declines in the currencies, stock markets and other asset prices, in turn threatening affected financial systems and economies. Such economic weakness and uncertainty may also adversely impact our ability to access sources of financing. If sufficient sources of financing are not available in the future for these or other reasons, we may be unable to meet our financial requirements, which could materially and adversely affect our business, results of operations and financial condition.

We have incurred, and may incur in the future, significant indebtedness or issue additional equity securities.

We have incurred, and may incur in the future, significant indebtedness or issue additional equity securities in connection with our general operations, corporate initiatives or acquisitions, which may impact the manner in which we conduct our business. See "Management's Discussion and Analysis of Financial Condition and Results of Operations." The agreements governing our debt contain customary affirmative and negative covenants that affect our ability, among other things, to borrow money, incur liens, dispose of assets, make acquisitions and changes to the business, repurchase shares or pay dividends, and require the obligors to make certain financial information available to the lenders, maintain their existence, comply with laws and regulations and maintain insurance. Although the credit facilities and indentures governing our existing debt contain restrictions on our ability to incur indebtedness, those restrictions are subject to a number of exceptions. The potential restrictions on incurrence of additional indebtedness or the issuance of additional equity securities may limit our ability to implement elements of our growth strategy.

We are subject to anti-corruption laws in various jurisdictions, as well as other laws governing our international operations. If we fail to comply with these laws we could be subject to civil or criminal penalties, other remedial measures, and legal expenses, which could adversely affect our business, financial condition and results of operations.

Our international operations are subject to anti-corruption laws in various jurisdictions, such as the U.S. Foreign Corrupt Practices Act of 1977, as amended (the "FCPA"), the U.K. Bribery Act of 2010 and Brazilian Federal Law No. 12,846/13. The FCPA and these other laws generally prohibit employees and intermediaries from bribing or making other prohibited payments to foreign officials or other persons to obtain or retain business or gain some other business advantage. We operate in a number of jurisdictions that pose a high risk of potential anti-corruption law violations, and we participate in joint ventures and relationships with third parties whose actions could potentially subject us to liability under the anti-corruption laws. Further, we expect to participate in the Alibaba JV in China, which will subject us to associated legal, political, social and regulatory risks. In addition, we cannot predict the nature, scope or effect of future regulatory requirements to which our international operations might be subject or the manner in which existing laws might be administered or interpreted.

We are also subject to other laws and regulations governing our international operations, including regulations administered by the U.S. Department of Commerce's Bureau of Industry and Security, the U.S. Department of Treasury's Office of Foreign Asset Control, and various non-U.S. government entities, including applicable export control regulations, economic sanctions on countries and persons, customs requirements, currency exchange regulations, and transfer pricing regulations. We refer to these laws and regulations as "Trade Control laws." We have instituted policies, procedures and ongoing training of certain employees with regard to business ethics, designed to ensure that we and our employees comply with the anticorruption laws and Trade Control laws. However, we cannot assure you that our efforts have been and will be completely effective in ensuring our compliance with all applicable anti-corruption laws or other legal requirements. If we are not in compliance with the anti-corruption laws or Trade Control laws, we may be subject to criminal and civil penalties, disgorgement and other sanctions and remedial measures, and legal expenses, which could have an adverse impact on our business, financial condition, results of operations and liquidity. Likewise, any investigation of any potential violations of the FCPA or other anti-corruption laws by U.S. or foreign authorities could also have an adverse impact on our business, financial condition, financing options and results of operations and could severely harm our reputation.

We may need additional capital in the future and it may not be available on acceptable terms.

We may require additional capital in the future to do the following:

- fund our operations;
- respond to potential strategic opportunities, such as investments, acquisitions and expansions; and
- service or refinance our indebtedness.

Additional financing may not be available on terms favorable to us or at all due to several factors, including the terms of our existing indebtedness and trends in the global capital and credit markets as well as our prospects and credit rating. The terms of available financing may also restrict our financial and operating flexibility. If adequate funds are not available on acceptable terms, we may be forced to reduce our operations or delay, limit or abandon expansion opportunities. Moreover, even if we are able to continue our operations, the failure to obtain additional financing could adversely affect our ability to compete.

Ratings agency downgrades could lead to increased borrowing costs and credit stress.

In March 2020, S&P Global downgraded each of our issuer rating and the Issuer's senior unsecured debt rating from BB to BB-, and placed such ratings on credit watch with negative implications. In October 2020, S&P Global further downgraded our issuer rating and the Issuer's senior unsecured debt rating from BB- to B+, and kept such ratings on credit watch with negative implications. In March 2021, S&P Global removed the credit watch. In June 2020, Moody's downgraded each of our long-term issuer rating and the Issuer's senior unsecured debt rating from Ba3 to B1 with a negative outlook.

If any of our outstanding debt that is rated is further downgraded, raising capital will become more difficult for us, borrowing costs under our credit facilities may increase and the market price of our outstanding debt securities may decrease.

Our reorganization and restructuring program may not be successful.

In 2020, we substantially completed a reorganization and restructuring program to adapt our business and organization to the current environment in light of the ongoing COVID-19 pandemic, and to accelerate growth and support profitability during the recovery phase beyond the COVID-19-related economic and global health crisis. The reorganization included the integration of headquarters and divisions, the simplification of the first management level and the introduction of a new and reduced Global Executive Committee to reflect the new reality of the business. There can be no assurance that the reorganization and restructuring program will achieve the intended objectives of accelerating growth and support profitability during the recovery phase beyond the COVID-19-related economic and global health crisis. Additionally, there can be no assurance that the reorganization and restructuring program will achieve anticipated cost savings, or that costs associated with implementing the program may not be higher than anticipated due to unforeseen circumstances, including costs relating to workforce reductions and the potential for litigation relating to such actions, which could have an adverse impact on our business, financial condition and results of operations.

Risks Relating to the Notes

The Issuer and the Guarantors are dependent upon cash flow from other members of the group to meet their obligations on the Notes and the Guarantees, respectively.

The Issuer is a special purpose finance company with no independent business operations and no significant assets other than intercompany receivables created by its on-lending of the net proceeds of borrowings of indebtedness (including the net proceeds of the Notes offered hereby) to us. The Issuer will on-lend the net proceeds of the Notes and will be wholly dependent upon payments in respect of such intercompany loan to meet its obligations under the Notes. The Parent Guarantor and the Subsidiary Guarantors are holding companies with no independent business operations or significant assets other than investments in their subsidiaries and derive all or substantially all of their income and cash from their operating subsidiaries. The Parent Guarantor and the Subsidiary Guarantors therefore depend upon the receipt of sufficient funds from their subsidiaries to meet their obligations.

Various agreements governing our debt may restrict, and in some cases may actually prohibit, the ability of these subsidiaries to move cash within their restricted group. Applicable tax laws may also subject such payments to further taxation. Applicable corporate and other law may also limit the amounts that some of our subsidiaries will be permitted to pay as dividends or distributions on their equity interests, or even prevent such payments.

The inability to transfer cash among entities within their respective groups may mean that even though the entities, in aggregate, may have sufficient resources to meet their obligations, they may not be permitted to make the necessary transfers from one entity in their restricted group to another entity in their restricted group in order to make payments to the entity owing the obligations.

If our operating subsidiaries do not distribute cash to us to make scheduled payments on the Notes, we do not expect to have any other source of funds that would allow the Issuer to make payments to the holders of the Notes.

Payments with respect to the Notes and the Guarantees are structurally subordinated to liabilities, contingent liabilities and obligations of our non-guarantor subsidiaries.

The Notes will not be guaranteed by certain non-guarantor subsidiaries. Creditors, including trade creditors, of non-guarantor subsidiaries and any holders of preferred shares in such entities, if any, would have a claim on the non-guarantor subsidiaries' assets that would be prior to the claims of holders of the Notes. As a result, the Issuer's payment obligations under the Notes and the Guarantors' obligations under the Guarantees will be effectively subordinated to all existing and future obligations of our non-guarantor subsidiaries, including their obligations under guarantees they have issued or will issue in connection with our business operations, and all claims of creditors of our non-guarantor subsidiaries will have priority as to the assets of such entities over our claims and those of our creditors, including holders of the Notes. As of December 31, 2020, after giving effect to this offering, we would have had CHF 4,317.0 million of total debt, of which CHF 190.9 million would have been borrowings of the Parent Guarantor's subsidiaries other than the Issuer and the Guarantors.

Payments with respect to the Notes and the Guarantees are effectively subordinated to any secured obligations of the Issuer or the Guarantors to the extent of the assets serving as security for such secured obligations.

The Issuer's obligation under the Notes and the Guarantors' obligations under the Guarantees will rank equally in right of payment with all other existing and future unsubordinated indebtedness of the Issuer and the Guarantors and senior in right of payment to all of their subordinated indebtedness, if any. However, the Issuer's obligation under the Notes and the Guarantors' obligations under the Guarantees will be effectively subordinated to any secured obligations of the Issuer or the Guarantors to the extent of the assets serving as security for such secured obligations. In bankruptcy, the holder of a security interest with respect to any assets of the Issuer or the Guarantors would be entitled to have the proceeds of such assets applied to the payment of such holder's claim before the remaining proceeds, if any, are applied to the claims of the holders of the Notes.

The terms of our existing debt agreements impose operating and financial restrictions on our business.

Our credit facilities prohibit us from incurring additional indebtedness, subject to certain exceptions, unless we are able to satisfy certain financial ratios and certain other restrictions. Our ability to meet our financial ratios may be affected by events beyond our control, and we cannot assure you that we will be able to meet these ratios. These provisions may negatively affect our ability to react to changes in market conditions, take advantage of business opportunities we believe to be desirable, obtain future financing, fund needed capital expenditures, or withstand a continuing or future downturn in our business. Any of these could materially and adversely affect our ability to satisfy our obligations under the Parent Guarantee and other debt, the Issuer's ability to satisfy its obligations under the Notes and other obligations, and the Subsidiary Guarantors' ability to satisfy obligations under the Subsidiary Guarantees. For a discussion of our material long-term payment obligations or indebtedness other than the Notes, see "Description of Other Indebtedness."

You are restricted in your ability to transfer or resell the Notes without registration under applicable securities laws.

The Notes and the Guarantees have not been registered under the Securities Act or any U.S. state securities laws, and neither we nor the Issuer have any obligation or intention subsequently to register or exchange registered securities for the Notes or the Guarantees. Accordingly, the Notes and Guarantees can only be offered or sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. Therefore, a holder of the Notes may be required to bear the risk of its investment for an indefinite period. It is your obligation to ensure that your offers and sales of the Notes within the United States comply with applicable securities laws. See "Notice to Investors."

There is no active public trading market for either series of the Notes and therefore your ability to transfer them will be limited.

Although application will be made to admit the each series of Notes to the Official List of TISE, there can be no assurance regarding the future development of a market for the either series of Notes or the ability of holders to sell their Notes or the price at which holders may be able to sell their Notes. If a public market were to develop, the Notes could trade at prices that may be lower than the initial offering price, depending on many factors, including prevailing interest rates, our operating results and the market for similar securities. We will apply to list the Notes on the Official List of TISE, however, we cannot assure you that such listing will be obtained.

The trading market for debt securities may be volatile and may be adversely impacted by many events.

The market for debt securities is influenced by economic and market conditions, interest rates and currency exchange rates. Global events may lead to market volatility which may have an adverse effect on the price of the Notes.

We may be able to incur substantially more debt in the future.

We may incur substantial additional indebtedness in the future, some of which may be structurally senior in right of payment to the Notes, including in connection with future acquisitions and some of which may be secured by some of or all our assets. Any such incurrence of additional indebtedness could exacerbate the related risks that we now face.

Trading in the clearing system is subject to minimum denomination requirements.

The terms of the CHF Notes provide that the CHF Notes will be issued with a minimum denomination of CHF 150,000 and multiples of CHF 1,000 in excess thereof. The terms of the Euro Notes provide that the Euro Notes will be issued with a minimum denomination of €100,000 and multiples of €1,000 in excess thereof. It is possible that the clearing systems may process trades that could result in amounts being held in denominations smaller than the minimum denominations. If definitive notes are required to be issued in relation to such Notes in accordance with the provisions of the relevant Global Notes, a holder who does not have the minimum denomination or a multiple of CHF 1,000 or €1,000 in excess thereof in its account with the relevant clearing system at the relevant time may not receive all of its entitlement in the form of definitive Notes unless and until such time as its holding satisfies the minimum denomination requirement.

The Notes are subject to optional redemption, which may limit their market value.

The optional redemption feature of the Notes is likely to limit their market value. During any period when we may elect to redeem the Notes of a series, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period. We may be expected to redeem Notes when our cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally might not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

We may be unable to repurchase the Notes upon a change of control.

Upon the occurrence of a change of control relating to the ownership of our ordinary share capital or voting rights, as described in "Description of Notes—Change of Control," we will be required to offer to repurchase all outstanding Notes of each series at 101% of their principal amount plus accrued and unpaid interest. Our source of funds for any such purchase of the Notes of the applicable series will be available cash, cash generated from our subsidiaries or other sources, including borrowings, sales of assets or sales of equity. The sources of cash may not be adequate to permit us to repurchase a series of Notes upon a change of control. Any failure on our part to offer to repurchase the Notes, or to repurchase Notes tendered following a change of control, may result in a default under the Indenture, which could lead to a cross-default under the terms of our existing and future indebtedness. For further information, see "Description of Notes—Change of Control."

The indenture will not limit the amount of debt we or our subsidiaries may incur or restrict our ability to engage in other transactions that may adversely affect holders of the Notes.

The Indenture (as defined herein) under which each series of Notes will be issued will not limit the amount of debt that we or our subsidiaries may incur. The Indenture will not contain any financial covenants or other provisions that would afford the holders of either series of Notes any substantial protection in the event we participate in a highly leveraged transaction. In addition, the Indenture will not limit our ability to pay dividends, make distributions or repurchase our common shares. As a result of the foregoing, when evaluating the terms of the Notes, you should be aware that the terms of the Indenture and the Notes will not restrict our ability to engage in, or to otherwise be a party to, a variety of corporate transactions, circumstances and events that could have an adverse impact on your investment in the Notes.

Our credit ratings may not reflect all risks associated with an investment in the Notes.

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above and other factors that may affect the value of the Notes. If the Notes are rated, such rating may not necessarily be the same as the ratings assigned to us. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

The Guarantees of the Notes will be subject to certain limitations on enforcement and may be limited by applicable law or subject to certain defenses that may limit their validity and enforceability.

The Issuer's obligations under the Notes will be guaranteed by the Guarantors. The Notes and the Guarantees may be subject to claims that they should be limited or subordinated in favor of the Issuer's future creditors under the laws of Switzerland and the Netherlands or any other applicable jurisdiction.

The amounts or enforcement of each Guarantee will, where applicable, be limited to the extent of the amount that can be guaranteed by a particular Guarantor without rendering the Guarantee, as it relates to that Guarantor, voidable or otherwise ineffective under applicable law and without rendering the Guarantor insolvent or subject to any legal cause that would require it to be dissolved. These laws and defenses include, where applicable, those that relate to fraudulent conveyance or transfer, insolvency, voidable preference, financial assistance, corporate purpose or benefit, preservation of share capital (and statutory reserves), thin capitalization and defenses affecting the rights of creditors generally. By virtue of these limitations, a Guarantor's obligation under its Guarantee could be significantly less than amounts payable with respect to the Notes, or a Guarantor may effectively have no obligations under its Guarantee.

Although laws differ among various jurisdictions, in general, under fraudulent conveyance and similar laws, a court could subordinate or void any Guarantee if it found that:

- the relevant Guarantee was incurred with actual intent to hinder, delay or defraud creditors or shareholders of the Guarantor or other person or to prefer one creditor over another or, in certain jurisdictions, even when the recipient was simply aware that the Guarantor or other person was insolvent when it issued the Guarantee;
- the Guarantor did not receive fair consideration or reasonably equivalent value for the Guarantee and the Guarantor;
- the Guarantor was insolvent, subsequently became insolvent or was rendered insolvent because of the Guarantee or security;
- the Guarantor was undercapitalized or became undercapitalized because of the Guarantee;
- the Guarantor intended to incur, or believed that it would incur, debts beyond its ability to pay at maturity;
- the Guarantee was not in the best interests or for the benefit of the Guarantor; or
- the amount paid was in excess of the maximum amount permitted under applicable law.

The measure of insolvency for purposes of fraudulent conveyance and similar laws varies depending on the law applied. Generally, however, a Guarantor would be considered insolvent if it could not pay its obligations as they became due. In such circumstances, if a court voided such Guarantee, or held it unenforceable, noteholders would cease to have any claim in respect of the Guarantor and would be a creditor solely of the Issuer and the remaining Guarantors. If a court decides a Guarantee was a fraudulent conveyance and voids the Guarantee, or holds it unenforceable for any other reason, you may cease to have any claim in respect of the Guarantor and would be a creditor solely of the Issuer and any remaining Guarantors.

Enforcement of the Guarantees across multiple jurisdictions may be difficult.

The Notes will be guaranteed by the Guarantors, which are organized or incorporated under the laws of different jurisdictions. In the event of a bankruptcy, insolvency or similar event, proceedings could be initiated in any of these jurisdictions. The rights of holders of the Notes under the Guarantees will thus be subject to the laws of different jurisdictions, and it may be difficult to enforce such rights in multiple bankruptcy, insolvency and other similar proceedings. Moreover, such multi-jurisdictional proceedings are typically complex and costly for creditors. In addition, the bankruptcy, insolvency, administration and other laws of our jurisdiction of organization and the jurisdiction of organization of the Guarantors may be materially different from, or in conflict with, one another, including creditor's rights, priority of creditors, the ability to obtain post-petition interest and the duration of the insolvency proceeding. The application of these various laws in multiple jurisdictions could trigger disputes over which jurisdictions' law should apply and could adversely affect the ability to realize any recovery under the Notes and the Guarantees.

Relevant insolvency and administrative laws may not be as favorable to creditors, including holders of Notes, as insolvency laws of the jurisdictions in which you are familiar and may limit your ability to enforce your rights under the Notes and the Guarantees.

The Issuer is incorporated in the Netherlands and the Guarantors are incorporated or organized in Switzerland and the Netherlands. Some of our subsidiaries are incorporated or organized in jurisdictions other than those listed above and are subject to the insolvency laws of such jurisdictions. The insolvency laws of these jurisdictions may not be as favorable to your interests as creditors as the bankruptcy laws of the other jurisdictions. In addition, there can be no assurance as to how the insolvency laws of these jurisdictions will be applied in relation to one another. In the event that any one or more of the Issuer or the Guarantors or the Parent Guarantor's other subsidiaries experience financial difficulty, it is not possible to predict with certainty in which jurisdiction or jurisdictions insolvency or similar proceedings would be commenced, or the outcome of such proceedings. Applicable insolvency laws may affect the enforceability of the obligations of the Issuer, the Guarantors and shareholders of them. Prospective investors in the Notes should consult their own legal advisors with respect to such considerations.

It may not be possible for investors to enforce civil claims against us that originate in the United States.

The Issuer and one of the Guarantors are organized under the laws of the Netherlands. In addition, the Parent Guarantor and one of the Guarantors and certain other subsidiaries of the Parent Guarantor are incorporated or organized under the laws of Switzerland. The majority of the members of our board of directors and of our senior management are citizens or residents of countries other than the United States. As a result, it may not be possible for investors to effect service of process within the United States upon us or those persons or to enforce outside the United States judgments obtained against us or those persons in courts in jurisdictions inside the United States, including judgments predicated upon the civil liability provisions of the securities laws of the United States or of any State or territory within the United States. In addition, there is doubt as to the enforceability, in original actions brought in courts in jurisdictions located outside the United States, of securities laws of the United States or of any state within the United States. Awards of punitive damages in actions brought in the United States or elsewhere may be unenforceable in the Netherlands or Switzerland.

No gross-up for new withholding tax on interest in the Netherlands in respect of interest payments made to certain holders of Notes that related entities

The Netherlands has introduced a new withholding tax on interest payments as of 1 January 2021 pursuant to the Dutch Withholding Tax Act 2021 (*Wet bronbelasting 2021*). The new withholding tax generally applies to interest payments made by an entity tax resident in the Netherlands, like the Issuer, to a *related entity* (as described below) tax resident in a Listed Jurisdiction (as defined below).

For purposes of the Dutch Withholding Tax Act 2021, an entity is considered a *related entity* if (i) such entity has a Qualifying Interest (as defined below) in the Issuer or the Dutch Subsidiary Guarantor; (ii) the Issuer or the Dutch Subsidiary Guarantor has a Qualifying Interest in such entity; or (iii) a third party has a Qualifying Interest in both the Issuer or Dutch Subsidiary Guarantor and such entity. The term "Qualifying Interest" means a directly or indirectly held interest – either individually or jointly as part of a collaborating group (*samenwerkende groep*) – that confers a definite influence over the company's decisions and allows the holder of such interest to determine its activities (within the meaning of case law of the European Court of Justice on the right of freedom of establishment (*vrijheid van vestiging*)).

A jurisdiction is considered a listed jurisdiction (a "Listed Jurisdiction"), if it is listed in the yearly updated Dutch Regulation on low-taxing states and non-cooperative jurisdictions for tax purposes (*Regeling laagbelastende* *staten en niet-coöperatieve rechtsgebieden voor belastingdoeleinden*) which includes (i) jurisdictions with a corporation tax on business profits with a general statutory rate of less than 9% and (ii) jurisdictions that are included in the EU list of non-cooperative jurisdictions. For the fiscal year 2021, the following 23 jurisdictions are Listed Jurisdictions: American Samoa, Anguilla, Bahamas, Bahrain, Barbados, Bermuda, the British Virgin Islands, the Cayman Islands, Fiji, Guam, Guernsey, Isle of Man, Jersey, Palau, Panama, Samoa, Seychelles, Trinidad and Tobago, Turkmenistan, Turks and Caicos Islands, Vanuatu, the United Arab Emirates and the U.S. Virgin Islands.

The new withholding tax may also apply in situations where artificial structures are put in place with the main purpose or one of the main purposes to avoid the Dutch withholding tax, e.g., where an interest payment to a Listed Jurisdiction is artificially routed via an intermediate entity in a non-Listed Jurisdiction, or in the event of a hybrid mismatch.

In practice, the Issuer may not always be able to assess whether a holder of Notes is a related entity with respect to the Issuer or located in a Listed Jurisdiction. The parliamentary history is unclear on the Issuer's responsibilities to determine the absence of affiliation in respect of notes issued in the market, like the Notes.

As provided in "Description of Notes—Additional Amounts", if the Notes become subject to withholding tax on interest in the Netherlands pursuant to the Dutch Withholding Tax Act 2021, the Issuer will make the required withholding or deduction of such tax for the account of the relevant holder and shall not be obliged to pay any additional amounts to such holder in respect of the withholding or deduction. This may have an impact on the net income received from the Notes.

USE OF PROCEEDS

We expect to receive net proceeds from this offering in an amount equal to the equivalent of CHF 911.7 million. We expect to use the equivalent of CHF 514.8 million in the aggregate to repay amounts drawn under our 2017 Senior U.S. Dollar Term Loan Facility and our 2017 Senior Euro Term Loan Facility. We expect to hold the remaining net proceeds in an amount equal to the equivalent of CHF 396.9 million in cash initially and, during the second quarter of 2021, repay amounts drawn under the 2017 Revolving Credit Facility with such cash.

The proceeds will be used outside Switzerland except to the extent use in Switzerland is permitted under the Swiss taxation laws in force from time to time without payments in respect of the Notes becoming subject to withholding or deduction for Swiss withholding tax as a consequence of such use of proceeds in Switzerland.

CAPITALIZATION

The following table sets forth, on a consolidated basis, our cash and cash equivalents and capitalization as of December 31, 2020 in accordance with IFRS:

- on an historical basis, derived from the audited consolidated financial statements incorporated by reference into this Offering Memorandum;
- on an historical basis as adjusted to give effect to (i) the expected conversion in full of the Convertible Bonds due 2023 and the issuance of 10,606,061 shares of Dufry AG and payment of CHF 28.5 million in cash in connection with such conversion as described under "Summary—Recent Developments—Conversion of Convertible Bonds due 2023" and (ii) the offering of CHF 500.0 million in aggregate principal amount of Convertible Bonds due 2026; and
- on an historical basis as adjusted to give effect to the aforementioned transactions and as further adjusted to give effect to this offering of CHF 919.2 million in aggregate principal amount of Notes and the repayment of the equivalent of approximately CHF 278.0 million of borrowings outstanding under the 2017 Senior U.S. Dollar Term Loan Facility and the equivalent of approximately CHF 236.8 million of borrowings outstanding under the 2017 Senior Euro Term Loan Facility from the expected net proceeds of the offering of CHF 911.7 million as described under "Use of Proceeds".

You should read this table in conjunction with "Use of Proceeds," "Dufry Selected Historical Consolidated Financial and Other Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Description of Other Indebtedness" and our consolidated financial statements and the notes thereto incorporated by reference into this Offering Memorandum.

	As of December 31, 2020		
	Actual	**As Adjusted**	**As Further Adjusted**
		(Unaudited) **(In millions of CHF)**	
Cash and cash equivalents(1)	360.3	825.3	1,222.2
Debt:(2)			
2024 Notes	865.1	865.1	865.1
2027 Notes	811.1	811.1	811.1
Convertible Bonds due 2023(3)	350.0	—	—
Convertible Bonds due 2026(3)	—	500.0	500.0
Notes offered hereby(4)	—	—	919.2
2017 Senior U.S. Dollar Term Loan Facility(4)	619.6	619.6	341.6
2017 Senior Euro Term Loan Facility(4)	527.6	527.6	290.8
2017 Revolving Credit Facility(4)(5)	398.3	398.3	398.3
2020 Liquidity Facilities(4)	—	—	—
Other(6)	190.9	190.9	190.9
Total debt	**3,762.6**	**3,912.6**	**4,317.0**
Total shareholders' equity attributable to holders of the parent(7)	839.3	1,189.3	1,189.3
Total capitalization	**4,601.9**	**5,101.9**	**5,506.3**

(1) The As Adjusted amount reflects: (i) CHF 360.3 million in cash and cash equivalents at December 31, 2020; *plus* (ii) CHF 493.5 million of the net proceeds of the offering of the CHF 500 million Convertible Bonds due 2026 *less* the estimated costs of the offering of CHF 6.5 million in the aggregate); *less* (iii) CHF 28.5 million to be paid in connection with the conversion of the Convertible Bonds due 2023. The As Further Adjusted amount reflects the further addition of CHF 396.9 million of the net proceeds of this Offering (being the CHF 404.4 million of proceeds remaining following the partial repayment of the loan facilities *less* the estimated initial purchasers' discount and other transaction costs of CHF 7.5 million in the aggregate).

(2) Amounts shown do not reflect debt issuance costs.

(3) Amounts shown do not reflect the bifurcation of the embedded conversion option for accounting purposes. The carrying value of the debt component of the Convertible Bonds due 2023 as of December 31, 2020 is CHF 320.2 million.

(4) For purposes of this presentation in CHF, we have assumed an exchange rate of CHF 1.0814 to €1.00 and CHF 0.8851 to US$1.00, which represents the exchange rates in effect as of December 31, 2020 and used in our audited consolidated financial statements for the year ended December 31, 2020. These exchange rates may differ from the exchange rate in effect as of the Issue Date. This presentation assumes an offering of Euro Notes in an aggregate principal amount equivalent to CHF 919.2 million.

(5) We expect to repay the amounts outstanding under the 2017 Revolving Credit Facility with cash during the second quarter of 2021.

(6) Consists of various loan and line of credit facilities for certain of our subsidiaries to fund working capital and general corporate purposes, including amounts drawn under COVID-19 related government relief programs. As of December 31, 2020, we had access to approximately CHF 205.7 million of borrowings under COVID-19-related government relief programs, of which we had drawn approximately CHF 145.0 million.

(7) As adjusted total shareholders' equity attributable to the holders of the Parent Guarantor assumes a conversion in full of the Convertible Bonds due 2023 at the nominal amount of CHF 350 million (which does not reflect the bifurcation of the embedded conversion option for accounting purposes, which is already considered in total shareholders' equity attributable to holders of the parent as of December 31, 2020) and the issuance of 10,606,061 shares of Dufry AG, following the acceptance of the Voluntary Incentive Offer by holders of 99.3% of the Convertible Bonds due 2023. The Issuer has announced its intention to redeem the remaining Convertible Bonds due 2023.

DUFRY SELECTED HISTORICAL CONSOLIDATED FINANCIAL AND OTHER DATA

The selected historical consolidated financial data as of and for each of the fiscal years ended December 31, 2020 and 2019 were derived from our audited consolidated financial statements for the year ended December 31, 2020, which have been prepared in accordance with IFRS and which are incorporated by reference into this Offering Memorandum. The selected historical consolidated financial data as of and for the fiscal year ended December 31, 2018 were derived from our audited consolidated financial statements for the year ended December 31, 2019, which have been prepared in accordance with IFRS and which are incorporated by reference into this Offering Memorandum. See “Presentation of Financial and Other Data.”

We adopted IFRS 16 as of January 1, 2019 using the modified retrospective transition method. Prior periods were not restated. As described in Note 2.4 of our audited consolidated financial statements for the year ended December 31, 2019, IFRS 16 provides a single lessee accounting model and requires lessees to recognize RoU assets and lease obligations for certain lease contracts. The adoption of IFRS 16 had a significant impact on our results of operations for the year ended December 31, 2019, as we recognized new assets and liabilities for our lease contracts. In addition, the nature and timing of expenses related to those lease contracts changed as IFRS 16 replaced the straight-line operating lease expense with a depreciation charge for RoU assets and interest expense on lease obligations. As a result of the adoption of IFRS 16, concession fees, which were previously included in selling expenses in the consolidated statement of profit or loss, and linearization are now recognized either as lease expenses or as amortization of RoU assets within depreciation, amortization and impairment.

As of January 1, 2019, we changed our accounting policies for the classification of certain items in the statement of profit or loss, in order to better reflect the performance of the Company, as further described in Note 43 to our audited consolidated financial statements as of and for the year ended December 31, 2019. The comparative figures for 2018 are presented accordingly to reflect the changes in our audited consolidated financial statements as of and for the year ended December 31, 2019. We have not reclassified our consolidated financial statements as of and for the years ended December 31, 2018.

The data presented below is not necessarily indicative of results of future operations and should be read in conjunction with “Use of Proceeds,” “Capitalization,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements and the notes thereto incorporated by reference into this Offering Memorandum.

Consolidated Statement of Profit or Loss

	Year ended December 31,		
	2020	**2019**	**2018**
		(In millions of CHF)	
Net sales	2,477.6	8,609.8	8,455.8
Advertising income	83.5	238.8	229.1
Turnover	**2,561.1**	**8,848.6**	**8,684.9**
Cost of sales	(1,183.8)	(3,525.4)	(3,489.2)
Gross profit	1,377.3	**5,323.2**	**5,195.7**
Lease income/(expenses)	8.0	(1,372.9)	(2,494.7)
Personnel expenses	(716.0)	(1,243.3)	(1,175.2)
Depreciation, amortization and impairment	(2,841.9)	(1,777.0)	(571.9)
Other expenses	(361.6)	(618.8)	(630.2)
Other income	33.4	121.6	45.5
Operating (loss)/profit	**(2,500.8)**	**432.8**	**369.2**
Finance expenses	(385.4)	(387.0)	(198.0)
Finance income	14.9	71.7	68.5
Foreign exchange gain/ (loss)	0.1	(9.2)	(5.5)
(Loss)/profit before taxes	**(2,871.2)**	**108.3**	**234.2**
Income tax	130.7	(78.2)	(98.8)
Net (loss)/profit	**(2,740.5)**	**30.1**	**135.4**
Attributable to:			
Non-controlling interests	(226.8)	56.6	63.6
Equity holders of the parent	(2,513.7)	(26.5)	71.8

Selected Consolidated Statement of Financial Position Data

	As of December 31,		
	2020	2019	2018[(1)]
	(In millions of CHF)		
Cash and cash equivalents	360.3	553.5	538.2
Current assets	1,387.0	2,095.8	2,189.6
Total assets	11,255.0	13,358.9	9,390.6
Current liabilities	2,223.0	2,756.1	1,678.1
Lease obligations	5,420.4	4,404.7	—
Borrowings (current and non-current)	3,704.5	3,655.4	3,824.3
Net Debt[(2)]	3,344.2	3,102.0	3,286.1
Total liabilities	10,337.0	10,250.9	6,048.9
Total shareholders' equity	918.0	3,108.0	3,341.7
Total liabilities and shareholders' equity	11,255.0	13,358.9	9,390.6

(1) We adopted IFRS 16 as of January 1, 2019. Balances as of December 31, 2018 have not been restated, as we applied the modified retrospective transition approach.

(2) Net debt represents debt (current and non-current borrowings) less cash and cash equivalents.

	As of December 31,		
	2020	2019	2018
	(In millions of CHF)		
Borrowings (current and non-current)	3,704.5	3,655.4	3,824.3
Cash and cash equivalents	(360.3)	(553.5)	(538.2)
Net debt	3,344.2	3,101.9	3,286.1

Selected Consolidated Statement of Cash Flows Data

	Year ended December 31,		
	2020	2019	2018
	(In millions of CHF)		
Net cash flows from operating activities	(345.3)	2,107.7	836.2
Net cash flows used in investing activities	(74.9)	(255.5)	(226.7)
Net cash flows from/(used in) financing activities	257.0	(1,800.0)	(614.4)
Currency translation on cash	(30.0)	(36.9)	(19.9)
(Decrease)/increase in cash and cash equivalents	(193.2)	15.3	(26.8)
Cash and cash equivalents at the beginning of the period	553.5	538.2	565.0
Cash and cash equivalents at the end of the period	360.3	553.5	538.2

Other Financial Data

We implemented a new company organization that became effective on September 1, 2020, and included a resegmentation of our geographic reporting segments. As a result, we now operate under the following four geographical segments in addition to the Distribution Centers unit: (i) Europe, Middle East and Africa, (ii) Asia Pacific, (iii) Central and South America, and (iv) North America, as further described in Note 5 to our audited consolidated financial statements as of and for the year ended December 31, 2020. In our audited consolidated financial statements for the year ended December 31, 2020, comparative figures for the year ended December 31, 2019 have been retroactively recast to reflect the new segments. Comparative figures for the year ended December 31, 2018 included in our audited consolidated financial statements as of and for the year ended December 31, 2019 were recast for a new segmentation in 2019, but have not been recast for the new segmentation adopted on September 1, 2020. Segment data for 2018 reflects the segmentation in the financial statements for the year ended December 31, 2019, which reflected the following four geographical segments in addition to the Distribution

Centers unit: (i) Europe and Africa, (ii) Asia Pacific and Middle East, (iii) Latin America and (iv) North America, plus a Distribution Centers business unit.

In addition, following the adoption of IFRS 16 in 2019, we discontinued our presentation of EBITDA. Accordingly, EBITDA is not presented in the chart below. We note that in conjunction with the discontinuation of EBITDA we have adopted Adjusted operating cash flow as a replacement metric. Adjusted operating cash flow is also the metric used in calculating our financial covenants under our term loan agreements.

	Year ended December 31,		
	2020	**2019**	**2018[(1)]**
	(In millions of CHF, unless otherwise indicated)		
Turnover with external customers[(2)]	2,561.1	8,848.6	8,684.9
2020 Segments (2019 recast)			
Europe, Middle East and Africa (EMEA)	1,144.5	4,434.2	—
Asia Pacific	160.0	691.6	—
Central and South America	497.3	1,536.1	—
North America	644.4	1,935.8	—
Distribution Centers	114.9	250.9	—
2019 Segments (2018 recast)			
Europe and Africa	—	3,850.9	3,828.2
Asia Pacific and Middle East	—	1,274.9	1,153.6
Central and South America	—	1,536.1	1,617.0
North America	—	1,935.8	1,884.4
Distribution Centers	—	250.9	201.7
Capital expenditures[(3)]	(107.6)	(245.3)	(251.1)
Changes in working capital[(4)]	(313.9)	(18.8)	1.6
Like-for-like growth[(5)]	(67.2%)	0.6%	1.0%
Gross margin[(6)]	53.8%	60.2%	59.8%
Free cash flow[(7)]	(831.5)	630.0	614.6
Adjusted operating profit/(loss)[(8)]	(1,561.8)	767.7	681.4
Adjusted operating cash flow[(9)]	(405.9)	959.9	967.4
Adjusted net profit[(10)]	(1,658.4)	349.3	354.2
Equity free cash flow[(11)]	(1,030.4)	383.3	N/A

(1) We adopted IFRS 16 as of January 1, 2019. Balances as of December 31, 2018 have not been restated, as we applied the modified retrospective transition approach.

(2) See Note 5 to our audited consolidated financial statements for the year ended December 31, 2020, incorporated by reference into this Offering Memorandum, for further information regarding our reporting segments.

(3) Capital expenditures represents purchases of property, plant and equipment, purchases of intangible assets, proceeds from sale of property, plant and equipment and other investing activities. A reconciliation to this non-IFRS measure is as follows:

	Year ended December 31,		
	2020	**2019**	**2018**
	(In millions of CHF)		
Purchase of property, plant and equipment	(101.1)	(199.3)	(201.7)
Purchase of intangible assets	(17.9)	(54.1)	(53.8)
Proceeds from sales of property, plant and equipment	12.5	8.7	4.4
Other investing activities	(1.1)	(0.6)	—
Capital expenditures	**(107.6)**	**(245.3)**	**(251.1)**

(4) Changes in working capital represents the sum of changes in trade and other accounts receivable, in inventories, in trade and other accounts payable and dividends received from associates. A reconciliation to this non-IFRS measure is as follows:

	Year ended December 31,		
	2020	2019	2018
	(In millions of CHF)		
Decrease/(increase) in trade and other accounts receivable	75.8	(98.4)	93.7
Decrease/(increase) in inventories	296.3	2.8	(57.0)
(Decrease)/increase in trade and other accounts payable	(686.0)	71.2	(40.8)
Dividends received from associates	—	5.6	5.7
Changes in working capital	**(313.9)**	**(18.8)**	**1.6**

(5) Like-for-like growth represents turnover growth of stores that have been consolidated for more than 12 months and where there has been no material increase or reduction of retail space for the relevant period.

(6) Gross margin represents turnover less costs of sales divided by turnover.

(7) Free cash flow represents cash flow before working capital changes less lease payments, net, changes in working capital, income tax expense paid, capital expenditures plus interest received. A reconciliation from cash flow before working capital changes presented in accordance with IFRS to this non-IFRS measure is as follows:

	As of December 31,		
	2020	2019	2018
	(In millions of CHF)		
Cash flow before working capital changes	(4.1)	2,223.5	967.4
Lease payments, net	(405.7)	(1,269.5)	—
Proceeds from lease income	3.9	5.9	—
Changes in working capital(4)	(313.9)	(18.8)	1.6
Income tax paid	(27.3)	(97.0)	(132.8)
Capital expenditures(3)	(107.6)	(245.3)	(251.1)
Interest received	23.2	31.2	29.5
Free cash flow	**(831.5)**	**630.0**	**614.6**

(8) Adjusted operating profit represents operating profit/(loss) plus amortizations of intangible assets identified during previous acquisitions. A reconciliation from operating profit/(loss) presented in accordance with IFRS to this non-IFRS measure is as follows:

	Year ended December 31,		
	2020	2019	2018
	(In millions of CHF)		
Operating (loss)/profit	(2,500.8)	432.8	369.2
Amortization of concession rights from acquisitions	251.1	308.9	310.1
Impairment of concession rights from acquisitions	556.8	26.0	2.1
Impairment of goodwill	131.1	—	—
Adjusted operating (loss)/profit	**(1,561.8)**	**767.7**	**681.4**

(9) Adjusted operating cash flow represents cash flow before working capital changes, less lease payments, plus proceeds from lease income. A reconciliation from cash flow before working capital changes presented in accordance with IFRS to this non-IFRS measure is as follows:

	As of December 31,		
	2020	2019	2018
	(In millions of CHF)		
Cash flow before working capital changes	(4.1)	2,223.5	967.4
Lease payments	(405.7)	(1,269.5)	—
Proceeds from lease income	3.9	5.9	—
Adjusted operating cash flow	**(405.9)**	959.9	967.4

(10) Adjusted net profit represents net profit/(loss) attributable to equity holders of the parent before the impact of amortization and impairment of concession rights and transaction expenses related to acquisitions, impairment on goodwill and interest on lease obligations, after giving effect to income taxes and the minority interest related to the foregoing. A reconciliation from net profit/(loss) attributable to equity holders of the parent presented in accordance with IFRS to this non-IFRS measure is as follows:

	Year ended December 31,		
	2020	2019	2018(a)
	(In millions of CHF)		
Net (loss) attributable to equity holders of the parent	(2,513.7)	(26.5)	(36.1)
Amortization of concession rights related to acquisitions	251.1	308.9	310.1
Impairment of concession rights related to acquisitions	556.8	26.0	2.1
Impairment of goodwill	131.1	—	—
Interest on lease obligations	178.7	187.7	209.4
Transaction expenses	—	2.9	12.4
Deferred income tax on above lines	(172.6)	(90.6)	(84.4)
Minority interest on above lines	(89.8)	(59.1)	(59.3)
Adjusted net (loss)/profit	**(1,658.4)**	**349.3**	**(354.2)**

(a) Restated to reflect the new adjustment concepts introduced in 2019. For more information, see Note 25.4.2 in the audited consolidated financial statements as of and for the year ended December 31, 2019.

(11) Equity free cash flow represents free cash flow (net cash flows from operating activities after giving effect to lease payments, proceeds from lease income, capital expenditures and interest received), after giving effect to interest paid, cash flow related to minorities (purchase of interest in associates, dividends paid to non-controlling interests, contributions from non-controlling interests) and other financial assets (purchase of financial assets, proceeds from the sale of financial assets, proceeds from loans receivable that have been repaid, payment of loans receivable that have been granted, and transaction costs related to financial instruments). We began reporting equity free cash flow for the year ended December 31, 2019, and as a result prior periods are not presented. A reconciliation from net cash flow from operating activities presented in accordance with IFRS to this non-IFRS measure is as follows:

	Year ended December 31,	
	2020	2019
	(In millions of CHF)	
Net cash flow from operating activities	(345.3)	2,107.7
Lease payments	(405.7)	(1,269.5)
Proceeds from lease income	3.9	5.9
Capital expenditures	(107.6)	(245.3)
Interest received	23.2	31.2
Free cash flow	**(831.5)**	**630.0**
Interest paid	(168.8)	(181.3) [a]
Cash flow related to minorities	(34.7)	(68.7)

	Year ended December 31,	
	2020	2019
	(In millions of CHF)	
Purchase of interest in associates	(0.4)	(2.5)
Dividends paid to non-controlling interests	(33.3)	(70.5)
Contributions (paid to) / from non-controlling interests	(1.0)	4.3
Other financial assets	4.6	3.3
Purchase of financial assets	(0.4)	(0.1)
Proceeds from sale of financial assets	4.9	0.2
Proceeds from loans receivables repaid	0.1	3.2
Equity free cash flow	**(1,030.4)**	**383.3**

(a) Interest paid for the year ended December 31, 2019 does not include CHF 18.0 million in call premiums paid relating to the bond refinancing completed in November 2019.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis is based on the audited consolidated financial statements for the fiscal years ended December 31, 2020 and 2019 and the audited consolidated financial statements for the fiscal years ended December 31, 2019 and 2018, prepared in accordance with IFRS, which are incorporated by reference into this Offering Memorandum. You should read the following discussion and analysis in conjunction with the sections entitled "Summary—Summary Historical Consolidated Financial and Other Data" and "Selected Historical Consolidated Financial and Other Data" along with our consolidated financial statements and the related notes and other financial information included or incorporated by reference into this Offering Memorandum. This discussion includes forward-looking statements which, although based on assumptions we consider reasonable, are subject to risks and uncertainties which could cause actual events or conditions to differ materially from those expressed or implied herein. See "Forward-looking Statements" and "Risk Factors" for a discussion of the risks, uncertainties and assumptions associated with these statements.

Business Overview

We are a leading global travel retailer with operations in 64 countries on six continents as of December 31, 2020, combining prime operations in developed markets with strong positions in emerging markets.

As a result of the impact of the COVID-19 pandemic, all aspects of our business have been, and we expect will continue to be, negatively impacted. As such, there is a material uncertainty that may cast significant doubt upon the Dufry Group's ability to continue as a going concern and therefore, whether the Dufry Group will be able to realize its assets and settle its liabilities in the ordinary course of business at the amounts recorded in the consolidated financial statements. See "Accounting Policies—The Entity's Ability to Continue as a Going Concern –COVID-19" in Note 2 to our consolidated financial statements as of and for the year ended December 31, 2020, and the audit report thereon, incorporated by reference into this Offering Memorandum.

Our outlets are located in a variety of travel retail settings with the vast majority of our sales produced by our airport retail business (86.1% and 88.1% of sales for the years ended December 31, 2020 and 2019, respectively). As of December 31, 2020, without giving effect to temporary closures or other measures related to our COVID-19 strategy, we operated approximately 2,360 stores, with a total sales area of approximately 470,000 square meters, including approximately 2,000 stores located in airports, approximately 220 stores operating on cruise lines, ferries and seaports, approximately 90 stores at border, downtown and hotel shops and approximately 50 stores in railway stations, among others. In 2020, Dufry opened and expanded new shops adding almost 9,600 square meters of retail space across all divisions. Our travel retail operations consist of a variety of retail concepts focusing on the specific needs of travelers, including general travel retail outlets offering a wide range of products such as perfumes and cosmetics, confectionary and other foods, wines and spirits, luxury goods and tobacco, as well as brand boutiques, specialized shops, convenience stores and theme shops.

We generated turnover of CHF 2,561.1 million and a net loss of CHF 2,740.5 million for the year ended December 31, 2020, compared to turnover of CHF 8,848.6 million and a net profit of CHF 30.1 million for the year ended December 31, 2019. Free cash flow for the year ended December 31, 2020 was CHF (831.5) million, while our Adjusted operating cash flow was CHF (405.9 million), compared to CHF 630.0 million and CHF 959.9 million, respectively, for the year ended December 31, 2019. As of December 31, 2020, we had approximately 17,795 full time equivalents ("FTEs"), compared to 31,336 as of December 31, 2019, which reflects the impact of our reorganization and restructuring initiative described under "—General Factors Affecting Our Results of Operations—Reorganization and Restructuring".

General Factors Affecting Our Results of Operations

Reorganization and Restructuring

In June 2020, we announced a reorganization and restructuring program to adapt our organization to the new business environment and to accelerate growth and support profitability during the recovery phase of the economic and public health crisis resulting from COVID-19. The reorganization included the integration of headquarters and divisions, the simplification of the first management level and the introduction of a new, reduced Global Executive Committee to reflect the new reality of the business. The new organizational structure became effective as of September 1, 2020, while the restructuring was substantially completed by December 2020. We incurred in 2020

CHF 73.3 million one-off costs related to personnel expenses associated with the reorganization and restructuring program, out of which CHF 37.6 million were paid out during 2020 and CHF 35.7 million are provisioned as of December 31, 2020 under personnel payables and short term provisions depending on the status of the restructuring measures.

As a part of the reorganization and restructuring, on December 1, 2020, Dufry Holdco Ltd., a Bermuda exempted company and indirect wholly owned subsidiary of Dufry ("Merger Sub"), merged with and into Hudson Ltd., a Bermuda exempted company ("Hudson"). As a result of the Merger, Merger Sub ceased to exist, and Hudson survived as a wholly owned subsidiary of Dufry (such transaction, the "Hudson Transaction"). The Hudson Transaction and de-listing of Hudson is intended to further reduce operating complexity, simplify governance and unlock synergies, while also eliminating costs associated with Hudson's separate listing on the New York Stock Exchange and related regulatory requirements. The Hudson Transaction is expected to result in annual cost savings of at least CHF 20 million, further supporting the comprehensive set of cost saving and cash flow management measures described elsewhere in this Offering Memorandum. As Hudson was already fully consolidated in Dufry's financial statements, the impact on Dufry's 2020 financial statements was limited to (i) a reduction of the amount of equity and net profit (loss) attributable to minority interests and (ii) a related increase of the amount of equity and net profit (loss) attributable to shareholders of the parent.

COVID-19

Impact to date on our business

Although the ultimate severity and impact of the COVID-19 pandemic remains uncertain, the global pandemic and measures taken to combat it, such as restrictions on domestic and international travel as well as the unwillingness of a large part of the population to travel given the health risks associated with COVID-19, have had, and are expected to continue to have, a significant negative impact on the travel industry. As a result, all aspects of our business have been, and we expect will continue to be, materially negatively impacted.

Due to the unprecedented level of disruption of global travel, including operational shut-downs of airports, cruise lines and other travel channels, passenger numbers at the facilities where we operate were dramatically reduced during the year ended December 31, 2020, in particular during the months of March to June, as well as November and December. As a result, at times during this period, the Company temporarily closed nearly all of its stores. Due to this disruption, turnover decreased by 71.1% in the year ended December 31, 2020 compared to 2019 and we reported a net loss of CHF 2,740.5 million for year ended December 31, 2020. In addition, during the year ended December 31, 2020, we recorded total impairment charges of CHF 1,193.2 million primarily due to the effects of COVID-19. See "—Results of Operations—Depreciation, Amortization and Impairment."

In March 2020, S&P Global downgraded each of our issuer rating and the Issuer's senior unsecured debt rating from BB to BB-, and placed such ratings on credit watch with negative implications. In October 2020, S&P Global further downgraded our issuer rating and the Issuer's senior unsecured debt rating from BB- to B+, and kept such ratings on credit watch with negative implications. In March 2021, S&P Global removed the credit watch. In June 2020, Moody's downgraded each of our long-term issuer rating and the Issuer's senior unsecured debt rating from Ba3 to B1 with a negative outlook.

Since mid-June 2020, many travel restrictions have been cancelled or revised, and domestic and international travel has started to resume, especially in Asia, Europe, and the U.S. We started to re-open retail operations gradually based on single-location productivity scenarios and in close cooperation with airport authorities and landlords. As of February 28, 2021, around 1,300 of our approximately 2,360 shops globally had re-opened, representing approximately 60% of sales capacity (based on turnover for the year ended December 31, 2019), including certain shops in key locations such as the UK, Spain, the U.S., Turkey, Russia, Argentina, Brazil, Mexico and the Dominican Republic.

As noted above, even though our stores have started to reopen in certain locations, turnover decreased by between 70% and 80% for the two-month period of January and February 2021 compared to January and February 2019, as passenger volumes have continued to remain significantly depressed when compared to the prior year period. While our stores may continue to begin reopening in the coming months, we can provide no assurance as to when and at what pace demand for travel and travel retail will return to pre-pandemic levels, if at all, and as a result, cannot assure you when, if at all, our turnover and results of operations will return to pre-pandemic levels, if at all.

Measures taken by us in 2020

To bolster our liquidity position we have implemented a global restructuring program that includes several cost-containment measures designed to reduce cash outflows, including negotiating reductions in concession fees (and, in particular, the MAG payments often due as part of the concession fees), re-negotiating terms with our suppliers, reducing capital expenditures, and decreasing personnel expenses through early retirements, holdbacks of seasonal staff employment, use of governmental furlough schemes, voluntary salary reductions and reductions in personnel across all geographic regions and organizational levels. Through December 31, 2020, we were able to close several agreements releasing partially or totally CHF 551.4 million of MAG requirements. Meanwhile, management remains in negotiations with other lessors reviewing the lease terms, in order to address the ongoing impacts of COVID-19. See "Risk Factors—Risks Related to COVID-19."

As a result of these measures, we achieved fixed expense savings of approximately CHF 1,312.1 million (excluding working capital changes and interest on our outstanding indebtedness) in the year ended December 31, 2020 compared to 2019.

We have also taken the following additional initiatives to strengthen our capital structure and liquidity position:

- on May 29, 2020, we entered into new liquidity facilities agreements (the "2020 Liquidity Facilities Agreement") consisting of a EUR 120.0 million term loan facility and a EUR 247.0 million revolving credit facility (the "2020 Liquidity Facilities");

- we have access to approximately CHF 205.7 million of borrowings under COVID-19-related government relief programs as of December 31, 2020, of which we had drawn approximately CHF 145.0 million as of December 31, 2020;

- we accessed the capital markets, including by means of (i) a private placement of 5,000,000 new shares out of existing authorized capital and 500,000 treasury shares, generating gross proceeds of CHF 151.3 million, (ii) a private placement of CHF 350.0 million of guaranteed senior convertible bonds due 2023 (the "Convertible Bonds due 2023"); (iii) a rights offering of 24,696,516 new shares generating gross proceeds of CHF 820 million; and (iv) a private placement to Alibaba Group of CHF 69.5 million of mandatory convertible notes due 2023 (the "Mandatory Convertible Notes");

- we entered into the A&R Facilities Agreement, that, among other things: (i) waived compliance with the financial covenants until after the test period ending June 30, 2021; (ii) amended the ratio of net debt to adjusted operating cash flow to 5.0:1.0 for the test periods ending September 30, 2021 and December 31, 2021, reverting to 4.5:1.0 in respect of test periods thereafter; and (iii) included a new covenant that the aggregate value of the Dufry Group's cash, cash equivalents and available credit drawings would not be less than CHF 300 million until June 30, 2021; and

- we did not and will not pay a dividend in relation to fiscal years 2019 and 2020.

Measures taken by us in 2021

As of the date of this Offering Memorandum, the Swiss Subsidiary Guarantor has received commitment letters from the majority lenders of the A&R Facilities Agreement and the 2020 Liquidity Facilities Agreement in which, among other things, the majority lenders committed to, subject to documentation and standard conditions, (i) not formally test the financial covenants for the relevant periods until June 30, 2022, and (ii) a maximum ratio of total drawn debt to adjusted operating cash flow of 5.0:1.0 for the test periods ending September 30, 2022 and December 31, 2022, which shall revert to 4.5:1.0 thereafter, with the permitted ratio increase mechanic only being available after December 31, 2022. Those same lenders have indicated their support to extend the maturity of the 2017 Senior U.S. Dollar Term Loan Facility and the 2017 Senior Euro Term Loan Facility from November 3, 2022 to November 3, 2024, but unanimous support of the lender group is required to effect such an extension and there can be no assurance that such extension will be granted. See "Risk Factors—Risks Relating to COVID-19."

On March 30, 2021, the Issuer completed the placement of guaranteed senior convertible bonds due 2026 in an aggregate principal amount of CHF 500 million, conditionally convertible into 5,747,127 shares to be issued from future conditional capital of the Parent Guarantor and/or existing shares, and guaranteed by the Parent Guarantor and certain of its subsidiaries (the "Convertible Bonds due 2026"). The terms and conditions of the Convertible Bonds due 2026 provide that, if (a) the shareholders of the Parent Guarantor do not resolve on the creation of a conditional capital in an amount sufficient to cover the shares to be issued upon conversion of the Convertible Bonds due 2026 by June 30, 2021, or (b) such resolution of the shareholders of the Parent Guarantor is not registered with the competent commercial register by June 30, 2021, the Issuer will have to redeem the Convertible Bonds due 2026 in cash at the greater of (i) 102% of the principal amount of each Convertible Bond due 2026, and (ii) 102% of the fair market value of the Convertible Bonds due 2026, in each case together with accrued but unpaid interest, and otherwise in accordance with the terms and conditions of the Convertible Bonds due 2026. The Convertible Bonds due 2026 were issued at par with a denomination of CHF 200,000 and carry a coupon of 0.75%, payable semi-annually. The initial conversion price, which is subject to adjustments in accordance with the terms and conditions of the Convertible Bonds due 2026, is CHF 87.00, corresponding to a conversion premium of 45% over the reference share price (which was determined in a concurrent share placement on behalf of certain current and future holders of convertible bonds via an accelerated bookbuilding process in order to facilitate hedging for such holders). See "Description of Other Indebtedness—Senior Unsecured Notes" for more information.

On March 23, 2021, we launched a voluntary incentivized conversion offer to holders of the Issuer's CHF 350 million Convertible Bonds due 2023 (as defined and further described under "Description of Other Indebtedness—Senior Unsecured Notes") pursuant to which the Issuer offered to pay such holders a cash incentive amount of CHF 16,389.89 per CHF 200,000 principal amount of the Convertible Bonds due 2023 (the "Voluntary Incentive Offer") in order to incentivize such holders to convert their Convertible Bonds due 2023 into shares before their maturity date. At the end of the acceptance period of the Voluntary Incentive Offer, holders of 99.3% of the Convertible Bonds due 2023 accepted the Voluntary Incentive Offer, which resulted in an amount of CHF 28.5 million payable by the Issuer. The Issuer has announced its intention to early redeem the remaining Convertible Bonds due 2023 in accordance with the terms and conditions thereof.

Liquidity position and cash outflows

We had cash and cash equivalents of CHF 360.3 million as of December 31, 2020. In addition, as of December 31, 2020, CHF 983.9 million and CHF 396.9 million was available for borrowing under the A&R Facilities Agreement and the 2020 Liquidity Facilities Agreement, respectively, in each case after giving effect to outstanding letters of credit.

For the year ended December 31, 2020, cash outflows, which we define as the change in net debt over the period, were CHF 242.3 million. See footnote 2 under "Selected Historical Consolidated Financial and Other Data—Selected Consolidated Statement of Financial Position Data." There can be no assurance that we will be able to continue decreasing our costs or that we will not face increased costs in the future, including due to uncertainty around our ability to continue to negotiate reductions in concession fees, including MAG payments due to landlords regardless of passenger numbers, and potential increases in cash outflows as a result of, among other things, certain measures we have taken with respect to reducing our workforce. Further actions may be required to improve our liquidity, including but not limited to, further workforce reductions and postponing or cancelling capital expenditures and other discretionary expenses, as well as further equity or debt capital raising.

Dufry has implemented several measures to reduce cash outflows to a minimum, which are tightly controlled by a dedicated team at Group level. These initiatives include reductions in concession fees, personnel expenses and general expenses. Dufry generated CHF 1,312.1 million in cost savings in 2020, of which CHF 551.4 million were in the form of MAG relief related to the year ending December 31, 2020. As some of those contract amendments include concession fee adjustments beyond June 30, 2021 or involve other changes in terms, Dufry accounted for these reliefs as lease modifications in the year ending December 31, 2020 and will reflect these MAG reliefs as modifications of the underlying contracts with related changes in RoU assets and lease liabilities. This is expected to result in lower amortization of Dufry's RoU assets in future periods. In addition, we have taken action with respect to capital expenditures, with cash savings of CHF 137.7 million in full-year 2020.

Based on information available from industry associations and independent data providers, management has considered two turnover scenarios for 2021 depending on how fast the global travel retail market recovers:

- In a scenario with a 40% decrease in turnover compared to 2019 that is estimated to achieve break-even average monthly cash flows for 2021, we estimate:
    - average monthly cash outflows the first half of 2021 of approximately CHF 50 million; and

- average monthly cash inflows in the second half of 2021 of approximately CHF 50 million.

- In a scenario with a 55% decrease in turnover compared to 2019 that is estimated to have average monthly cash outflows of CHF 40 million for 2021, we estimate:
  - average monthly cash outflows the first half of 2021 of approximately CHF 60 million; and
  - average monthly cash outflows in the second half of 2021 of approximately CHF 20 million.

The estimated cash flows in the assumed turnover scenarios provided above are based on the following key assumptions regarding expected cash outflows:

	Turnover Scenario (as a percentage decrease from full year 2019 turnover)	
	-40%	**-55%**
Concession fees (pre-IFRS 16) (as a percentage of 2020 turnover)	33%	35%
Personnel expenses (as a percentage of 2020 personnel expense)	17%	19%
Other expenses, net (as a percentage of 2020 other expenses, net)	8%	10%
Capital expenditures (in millions of CHF)	160	130

Cash outflows and inflows refer to the change in net debt over the period (with cash outflows reflecting increased net debt over the period and cash inflows reflecting decreased net debt over the period). The estimates set forth above are preliminary, and involve a number of complex and subjective judgments and estimates about our business, our suppliers and consumer behaviors. Our actual cash outflows or inflows may vary, and subsequent information or events may lead to material differences between the estimates described above and our actual cash outflows or inflows in 2021. Accordingly, this does not constitute guidance and you should not place undue reliance on these estimates. These estimates are subject to risks and uncertainties, including those described under "Forward-looking Statements" and "Risk Factors" elsewhere in this Offering Memorandum.

As the duration of the impact of COVID-19 remains highly uncertain, we expect to report a net loss under IFRS and negative Adjusted operating profit for the year ending December 31, 2021, and we could be required to raise additional equity or debt capital in the future. Our access to and cost of financing will depend on, among other things, global economic conditions, conditions in the global capital markets, the availability of sufficient amounts of financing, our prospects and our credit ratings. There is no guarantee that debt or equity financings will be available on attractive terms or at all in the future. See "Risk Factors—Risks Relating to COVID-19."

General

Our turnover is generated by travel-related retail sales and income from advertising, which accounted for 96.7% and 3.3%, respectively, of turnover for the year ended December 31, 2020. Apart from the cost of sales, our main operating expenses are concession fees, personnel costs and other expenses associated with our retail operations.

Net Sales

Our sales growth has been, and is likely to continue to be, driven by the combination of organic growth and acquisitions.

Organic Growth

Organic growth represents the combination of like-for-like growth and growth from new concessions/expansions.

Like-for-like growth is based on sales at existing locations and is influenced by:

- *Passenger Flows*: The number of passengers passing through the locations where we operate is the most significant factor influencing sales. Globally, over one billion passengers passed through locations where we operated in 2019, though this fell significantly in 2020. Through the end of 2018, the number of air passengers had been consistently growing during the prior ten years at more than 5% in average per year. Although passenger numbers have been affected by external shocks such as terrorist attacks, wars, pandemics, epidemics and other calamities, passenger growth has historically proven resilient over the long term. However, there can be no guarantee if or when passenger numbers will return to pre-COVID-19 levels. See "Risk Factors—Risks Relating to COVID-19."

- *Product Pricing*: Traditionally, sales of duty- and tax-free beverages, tobacco, perfumes and cosmetics to international passengers have dominated the travel-related retail industry, with favorable pricing of duty-free products compared to the products of traditional retailers as a key competitive differentiation. In order to drive our organic growth, however, our pricing strategy reflects a positioning and continuous monitoring of prices, including the pricing policies of our suppliers, and targeted marketing of specific products in certain locations.

- *Turnover Productivity*: Productivity may be improved through penetration (i.e., the number of passengers who actually buy products compared to total passengers at the location) and average spend per customer. We may influence both measures to improve sales, and this can be achieved through infrastructure measures, such as improving the layout, location and accessibility of the shops, and marketing activities, such as signposting inside and outside the stores, product variety, active selling by the sales staff and customer service.

In addition to like-for-like growth, we may also increase sales by expanding existing facilities and adding new concessions to our portfolio. We enter into new markets, operate newly created retail space built by airport operators and replace other travel industry retailers at existing concessions as their contracts expire.

The table below sets forth our organic growth, growth in constant currency exchange rates and organic growth for the first quarter of 2019 through the fourth quarter of 2020:

	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019
Like-for-like	(74.5)%	(76.9)%	(88.5)%	(20.1)%	2.2%	1.3%	0.0%	(1.3)%
New concessions, net	(1.6)%	(2.8)%	(4.3)%	(1.3)%	0.9%	2.8%	2.3%	3.3%
Organic growth	**(76.0)%**	**(79.7)%**	**(92.8)%**	**(21.4)%**	**3.1%**	**4.1%**	**2.3%**	**2.0%**
Changes in scope	0.0%	0.0%	(0.5)%	0.6%	0.4%	0.0%	0.0%	0.0%
Growth in constant FX	**(76.0)%**	**(79.9)%**	**(93.3)%**	**(20.8)%**	**3.5%**	**4.1%**	**2.3%**	**2.0%**
FX impact	(1.5)%	(0.8)%	(0.3)%	(2.8)%	(1.5)%	(2.5)%	(1.4)%	1.4%
Reported growth	**(77.5)%**	**(80.5)%**	**(93.6)%**	**(23.6)%**	**2.0%**	**1.6%**	**0.9%**	**3.4%**

The tables below set forth our organic growth, growth in constant currency exchange rates and organic growth for the years ended December 31, 2020, 2019 and 2018.

	Year ended December 31,		
	2020	2019	2018
Like-for-like	(67.2)%	0.6%	1.0%
New concessions, net	(2.6)%	2.4%	1.7%
Organic growth	**(69.8)%**	**3.0%**	**2.7%**
Changes in scope	0.0%	0.1%	0.0%
Growth in constant FX	**(69.8)%**	**3.1%**	**2.7%**
FX impact	(1.3)%	(1.2)%	1.0%
Reported growth	**(71.1)%**	**1.9%**	**3.7%**

Acquisitions

Due to the high fragmentation of the travel retail industry, acquisitions have historically been one of our main sources of growth. We have, in the past, played a key role in the consolidation of the industry and have executed several notable transactions, including the acquisitions of Nuance in 2014 and of World Duty Free in 2015. We benefit from economies of scale compared to local and regional operators. Our primary advantages are mainly in procurement, logistics and customer intelligence. These advantages enable us to generate synergies relatively quickly and turn acquisitions into an important driver of profitable growth. Since 2015, we have focused on completing smaller, strategic acquisitions. For example, in 2019, we acquired 60% in RegStaer Vnukovo, a travel retail operator of over 30 duty-free and duty-paid shops at Vnukovo, one of the three most important airports in Moscow, Russia. This acquisition allowed us to considerably strengthen our position in the Moscow region with an attractive long-term concession and to extract synergies at the operational level.

Advertising Income and Gross Margin

We see the cost of sales and the resulting gross margin as an important measurement of our performance as a retailer. The cost of sales is a function of the prices we pay for certain merchandise and is influenced by our strategy of centralized negotiations with our suppliers, which includes segmenting suppliers by volume and active central management of these relationships.

Our pricing and product mix policy at any given location also affects the gross margin at such location. Our relationships with our suppliers also generate advertising income. Advertising income represented 3.3% of turnover in 2020 compared to 2.7% in 2019, thereby positively affecting our gross margin. Our global presence and the large number of locations at which we operate allow us to offer attractive advertising opportunities for our suppliers.

Operating Expense Structure

The operating expense structure is important to our profitability. After the cost of sales, concession and other periodic expenses associated with our retail operations are our principal expenses.

In return for granting us the right to operate the travel retail concession, airport authorities or other landlords typically request a fixed or variable fee that is based on our sales at the concession. Where the concession fees are variable, most concession agreements provide for a minimum guaranteed payment that is either a fixed amount or variable (for example based upon the number of passengers using an airport or other travel channel). A limited number of our contracts are based on fixed concession fees or rents. As a result, our profitability may be adversely affected if revenues decrease at concessions with a fixed minimum guaranteed amount.

Our lease expenses, such as variable concession fees, and certain of our other expenses, such as credit card commission and packaging expenses, which were recorded under selling expenses prior to January 1, 2019 and which are now recorded under lease expenses and other expenses respectively, are variable in nature as they generally move in line with sales. Personnel costs, which represent a significant expense, comprise fixed and variable components as bonuses are based on the performance of the business. Our remaining expenses, such as repairs and maintenance, office and warehouse rent, general administration and marketing, which were recorded under general expenses prior to January 1, 2019 and since January 1, 2019 are recorded under other expenses, are generally fixed in the short term.

Seasonality

In addition to the economic environment and passenger flows, our sales are affected by seasonal factors. This seasonality, however, varies from region to region. In Europe, for example, the highest sales and profit levels are obtained between July and September, while in Central America and the Caribbean, sales and profit levels are highest in December. In addition, certain seasonal events affecting sales, such as Easter or Ramadan, fall on different dates each year. As a result of these factors, our strongest months of net sales and operating profit typically occur in the second and third quarters of the year, whereas the first quarter of the year is typically the weakest. We increase our working capital prior to peak sales periods, so as to carry higher levels of stock and add temporary personnel to the sales team to meet the expected higher demand. As a consequence of the COVID-19 pandemic, it is not possible to provide an accurate indication of seasonality for 2020. Our results of operations would be adversely affected by any significant reduction in sales during the traditional peak sales periods.

Currency Fluctuations

Exchange rate risk affects us in several ways. The first type of exchange rate effect is translation effects, which arise when our financial statements are converted into CHF. As a major part of our assets, liabilities, income and expenses are denominated in currencies other than the CHF, increases and decreases in the value of the CHF against the respective currencies affect our consolidated financial statements.

Second, we are exposed to the exchange rate risk inherent to our operations. Although we operate in 64 countries as of December 31, 2020, sales of our products are mostly transacted in euros or U.S. dollars.

When we receive local currencies from our customers, these currencies are converted at the exchange rate of the day. Sometimes our sales prices are denominated in local currencies, whereas the products are acquired in U.S. dollars or euros. At those locations, currency exchange fluctuations in relation with U.S. dollars or euros may positively or adversely affect our business, financial condition and results of operations.

The cost of sales and concession payments are also largely denominated in, or related to, euros or U.S. dollars. Concession fees are largely linked to sales and, to that extent, not exposed to transaction risk. There are, however, certain cost elements, such as salaries and other expenses, which are usually paid in local currencies. We largely benefit from natural hedging and therefore do not currently engage in material forward foreign exchange hedging. Further, we match certain assets and liabilities taking into consideration short-term cash flows in the respective currencies of our operations. For remaining material exposures, we use derivative financial instruments to mitigate the risk related to such foreign currency exposures.

Depreciation, Amortization and Impairment

Our depreciation and amortization policies may affect our results of operations. We depreciate fixed assets using the straight-line method over the useful life of the asset (for example, five years for furniture and between five and ten years for equipment and other improvements to leased property) or the life of the concession to which the assets relate, whichever is less. Intangible assets with a finite lifespan are amortized over their economic useful life and are tested whenever there is an indication that the book value of the intangible asset may not be recoverable. Intangible assets with an indefinite lifespan are tested for impairment annually, whether individually or at the cash generation unit level, and are also reviewed annually to determine if the evaluations of indefinite lifespan assets remain sustainable. Otherwise, the change in the determination from indefinite to finite useful life is made on a prospective basis. Our principal intangible asset is our concession rights. RoU assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Finance income, Finance expenses and Foreign exchange gain/(loss)

Our profitability may be affected by the net amount of finance expenses and income and foreign exchange gains or losses recognized as a result of currency fluctuations.

Income Tax

Income tax expenses are based on our taxable results of operations after financial results based on each subsidiary's jurisdiction. As a result, there is a broad diversity of tax rates affecting our effective group tax rate. However, in order to allocate certain corporate common expenses, we have put into effect certain cost transfer agreements, under which certain costs can be charged to our subsidiaries based on the source of the expenses, i.e., certain administration, information technology or franchise costs. These fees are tested periodically to ensure that they are in accordance with usual market conditions. Tax losses carried forward from one tax period to the next and our assessment of their utilization may also influence our deferred tax expenses and benefits.

Non-Controlling Interests

Our business model contemplates the involvement of local partners in our operations in certain situations. In the case of a minority stake by the landlord, a local partnership allows us to align our interests with those of the landlord. We also have local partners that bring relevant expertise to operate in the local market and to manage relationships with the local community. For example, 40% of one of our major operating subsidiaries in Europe, Dufrital, belongs to the Milan airport operator, the Società Esercizi Aeroportuali SpA (SEA), and 50% of our operating subsidiary Dufry Sharjah FZC, the operator of the duty-free shops at Sharjah Airport in the United Arab Emirates, belongs to the Sharjah Airport Authority. In addition, airport authorities in the United States frequently require us to partner with a Disadvantaged Business Enterprise (a for-profit small business concern that is at least 51% owned by one or more individuals who are both socially and economically disadvantaged) with whom we typically operate a concession through a joint-venture. The net earnings from these operating subsidiaries attributed to us are reduced accordingly.

Critical Accounting Estimates

The preparation of our financial statements in conformity with IFRS 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. 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 Assets

We annually test goodwill and intangible assets with indefinite useful lives and assess other non-financial assets for impairment indications. Where required, we perform impairment tests which are based on discounted future cash flow models. The underlying calculation requires the use of estimates such as sales growth, growth rates used to extrapolate, gross margin and supplier prices, concession fee levels and discount rates.

Onerous contracts

Some of our long-term lease agreements include clauses to prevent early termination, such as obligations to fulfill guaranteed minimal payments during the full term of the agreement. The conditions for an onerous contract will be met when the business behind such a contract presents a non-profitable outlook. In this event, an impairment of the tangible, intangible and RoU assets may be required, or even a provision based on the present value of the unavoidable future negative cash flows expected is established. The unavoidable costs are the lower of the costs of fulfilling the contract and any compensation or penalties arising from failure to fulfil it.

Income Taxes

We are active in numerous jurisdictions, which makes us subject to local income taxes. Significant judgment is required in determining the taxability of certain transactions based on the local tax regulations. In case of uncertainties for some transactions in relation to the correct tax treatment, we recognize a tax expense and a liability for the amounts required to settle the estimated tax obligations. Where the final tax outcome is different from the carrying amounts, such difference will impact net profit in the period in which the obligations become certain.

Deferred Tax Assets

Deferred tax assets are recognized for unused tax losses and deductible temporary differences to the extent that it is probable that taxable profit will be available against which the credits can be utilized. Management judgment is required to determine the amount of future taxable profits that can be generated in each jurisdiction, and the limitations in use of the respective tax credits to calculate the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits.

Provisions

Management makes assumptions in relation to the expected outcome and required cash outflows based on the development of each individual case. 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.

Share-Based Payments

We measure the cost of equity settled transactions with employees by reference to the fair value of the equity instruments at the grant date. Estimating such fair values depends on the terms and conditions of the grant, as well as the most appropriate inputs to the valuation model, including the expected probability that the triggering clauses will be met. The result will be the expected quantity of shares to be assigned.

Pension and Other Post-Employment Benefit Obligations

The cost of defined benefit pension plans is determined using actuarial valuations. The actuarial valuation involves assumptions about discount rates, future salary and pension increases as well as mortality rates. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

Purchase Price Allocation

The determination of the fair values of the identifiable assets (especially the concession rights) and the assumed liabilities (especially the contingent liabilities recognized as provisions), resulting from business combinations, is based on valuation techniques such as the discounted cash flow model. Some of the inputs to this model are partially based on assumptions and judgments and any changes thereof would affect the carrying values.

Consolidation of Entities Where Dufry Has Control, but Holds Only Minority Voting Rights

We determine that we control certain entities, even when we hold less than the majority of the voting rights, when we are exposed to or have the rights to variable returns from the involvements with the investee and have the ability to affect those returns through our power over the entity. These indicators are evaluated at the time of first consolidation and reviewed when there are changes in the statutes or composition of the executive boards of these entities.

Segment Information

Our risks and returns are predominantly affected by the fact that we operate in different geographies. For the year ended December 31, 2018, we operated under five geographical segments: (i) UK and Central Europe, (ii) Southern Europe and Africa, (iii) Eastern Europe, Middle East, Asia and Australia, (iv) Latin America and (v) North America, plus a Distribution Centers business unit. As of January 1, 2019, we merged our Southern Europe and Africa division with our UK and Central Europe divisions and renamed our Eastern Europe, Middle East, Asia and Australia division and our Latin America division as our Asia Pacific and Middle East division and our Central and South America division, respectively. As a result, for the year ended December 31, 2019, we operated under the following four geographical segments in addition to the Distribution Centers unit: (i) Europe and Africa, (ii) Asia Pacific and Middle East, (iii) North America and (iv) Central and South America. In our audited consolidated financial statements for the years ended December 31, 2019, comparative figures for the year ended December 31, 2018 have been recast to reflect the new segments. As part of our reorganization and restructuring initiative, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—General Factors Affecting Our Results of Operations—Reorganization and Restructuring", since September 30, 2020, we have been operating under the following four geographical segments in addition to the Distribution Centers unit: (i) Europe, Middle East and Africa, (ii) Asia Pacific, (iii) Central and South America and (iv) North America. In our audited consolidated financial statements for the years ended December 31, 2020, comparative figures for the year ended December 31, 2019 have been recast to reflect the new segments. Comparative figures for the year ended December 31, 2018 included in our audited consolidated financial statements as of and for the year ended December 31, 2019 were recast for a new segmentation in 2019, but have not been recast for the new segmentation adopted on September 1, 2020.

Changes in Accounting Policies

We adopted IFRS 16 as of January 1, 2019 using the modified retrospective transition method. Prior periods were not restated. As described in Note 2.4 of our audited consolidated financial statements for the year ended December 31, 2019, IFRS 16 provides a single lessee accounting model and requires lessees to recognize RoU assets and lease obligations for certain lease contracts. The adoption of IFRS 16 had a significant impact on our results of operations for the year ended December 31, 2019, as we recognized new assets and liabilities for our lease contracts. In addition, the nature and timing of expenses related to those lease contracts changed as IFRS 16 replaced the straight-line operating lease expense with a depreciation charge for RoU assets and interest expense on lease obligations. As a result of the adoption of IFRS 16, concession fees, which were previously included in selling expenses in the consolidated statement of profit or loss, and linearization are now recognized either as lease expenses or as amortization of RoU assets within depreciation, amortization and impairment.

As of January 1, 2019, we changed our accounting policies for the classification of certain items in the statement of profit or loss, in order to better reflect the performance of the Company, as further described in Note 43 to our audited consolidated financial statements as of and for the year ended December 31, 2019. The comparative figures for 2018 are presented accordingly to reflect the changes in our audited consolidated financial statements as of and for the year ended December 31, 2019. We have not reclassified our consolidated financial statements as of and for the year ended December 31, 2018.

Results of Operations

The following tables set forth our consolidated statement of profit and loss data for the years ended December 31, 2020, 2019 and 2018, indicated as a percentage of total turnover:

	Year ended December 31,		
	2020	2019	2018
		(%)	
Net sales	96.7	97.3	97.4
Advertising income	3.3	2.7	2.6
Turnover	**100.0**	**100.0**	**100.0**
Cost of sales	(46.2)	(39.8)	(40.2)
Gross Profit	**53.8**	**60.2**	**59.8**
Lease (expenses) / income	0.3	(15.5)	(28.7)
Personnel expenses	(28.0)	(14.1)	(13.5)
Other expenses	(14.1)	(7.0)	(7.3)
Other income	1.3	1.4	0.5
Depreciation, amortization and impairment	(111.0)	(20.1)	(6.6)
Operating profit/(loss)	**(97.6)**	**4.9**	**4.3**
Finance expenses	(15.0)	(4.4)	(2.3)
Finance income	0.6	0.8	0.8
Foreign exchange gain/(loss)	0.0	(0.1)	(0.1)
Profit/(loss) before taxes	**(112.1)**	**1.2**	**2.7**
Income tax	5.1	(0.9)	(1.1)
Net profit/(loss)	**(107.0)**	**0.3**	**1.6**

Comparison between the Years Ended December 31, 2020 and December 31, 2019

The following summarizes changes in financial performance for the year ended December 31, 2020, compared to the year ended December 31, 2019, in each case as derived from the consolidated financial statements for the years ended December 31, 2020 and 2019:

	Year ended December 31,		
	2020	2019	Percent Change
	(In millions of CHF)		(%)
Net sales	2,477.6	8,609.8	(71.2)
Advertising income	83.5	238.8	(65.0)
Turnover	**2,561.1**	**8,848.6**	**(71.1)**
Cost of sales	(1,183.8)	(3,525.4)	(66.4)
Gross Profit	**1,377.3**	**5,323.2**	**(74.1)**
Lease (expenses) / income	8.0	(1,372.9)	—
Personnel Expenses	(716.0)	(1,243.3)	(42.4)
Depreciation, amortization and impairment	(2,841.9)	(1,777.0)	59.9
Other expenses	(361.6)	(618.8)	(41.6)
Other income	33.4	121.6	(72.5)
Operating profit/(loss)	**(2,500.8)**	**432.8**	—
Finance income	14.9	71.7	(79.2)
Finance expenses	(385.4)	(387.0)	(0.4)
Foreign exchange gain/(loss)	0.1	(9.2)	—
Financial Results, net	(370.4)	(324.5)	14.1
Profit/(loss) before taxes	**(2,871.2)**	**108.3**	—

	Year ended December 31, 2020	2019	Percent Change
	(In millions of CHF)		(%)
Income tax	130.7	(78.2)	—
Net profit/(loss)	**(2,740.5)**	**30.1**	—

Turnover

Turnover declined by 71.1% and was CHF 2,561.1 million for the year ended December 31, 2020, compared to CHF 8,848.6 million for the year ended December 31, 2019, mainly due to the impact of the COVID-19 pandemic. Our turnover decreased dramatically beginning in March 2020, after a more limited impact during the beginning stages of the COVID-19 pandemic in the first two months of the year.

With respect to our channels, 86.1% of net sales for the year ended December 31, 2020 were generated at airports, a slight decline compared to 88.1% in the prior year, while other channels, particularly railway stations, border, downtown and hotel shops, have increased as a proportion of total net sales compared to the prior year. Product mix remained relatively stable with perfumes and cosmetics, food and confectionery and wine and spirits being the predominant categories. As a proportion of total net sales, duty-free and duty-paid, represented 55.7% and 44.3% of net sales, respectively, for the year ended December 31, 2020. Duty-paid sales as a proportion of net sales slightly increased compared to 38.9% in the previous year driven by Hudson convenience stores, food and beverage and other duty-paid offerings.

Translational foreign exchange also negatively impacted turnover, mainly due to the strengthening of the Swiss franc compared to the U.S. dollar.

Performance by Segment

The following summarizes changes in turnover with external customers for the year ended December 31, 2020, compared to the year ended December 31, 2019 by segment:

	Year ended December 31, 2020	2019	Percent Change
	(In millions of CHF)		(%)
Europe, Middle East and Africa	1,144.5	4,434.2	(74.2)
Asia Pacific	160.0	691.6	(76.9)
Central and South America	497.3	1,536.1	(67.6)
North America	644.4	1,935.8	(66.7)
Distribution Centers	114.9	250.9	(54.2)

Europe, Middle East and Africa turnover decreased by 74.2% to CHF 1,144.5 million for the year ended 2020 from CHF 4,434.2 million for the year ended December 31, 2029. Performance was negative across most locations, as a result of reduced passenger numbers due to the impact of the COVID-19 pandemic. There was a slight improvement in July and August, especially in Southern Europe with the peak of the summer holidays and supported by the lifting of travel restrictions. However, from end-August onwards, given that some countries such as Spain, France and the UK saw an increase in COVID-19 cases, renewed travel restrictions were implemented from late September onwards. The Mediterranean region, Eastern Europe, Russia, the Middle East and Africa performed above average for the region, driven by less restrictions and available travel corridors, e.g., between Russia and Turkey.

Asia Pacific turnover decreased by 76.9% to CHF 160.0 million for the year ended December 31, 2020 from CHF 691.6 million for the year ended December 31, 2019, as a consequence of the COVID-19 pandemic. The majority of the shops in Dufry's Asia-Pacific locations were closed, including Australia, Hong Kong, Indonesia, Malaysia, South Korea, as conditions were not beneficial for international travel.

Central and South America turnover decreased by 67.6% to CHF 497.3 million for the year ended December 31, 2020 from CHF 1,536.1 million for the year ended December 31, 2019. The division was the least impacted during the first half of 2020, as most COVID-19 restrictions in the region only started in the second quarter.

Central America and the Caribbean, including Mexico, Dominican Republic and the Caribbean islands, were performing more robustly compared to all other regions, driven by travel from the U.S. and South America as well as international travel due to more flexible travel restrictions. Our cruise business, located in the region, was heavily impacted. South America saw demand pick-up in the fourth quarter amid border shop openings and an increase of domestic and intra-regional travel, with re-openings in Argentina, Brazil, Peru, among others.

North America turnover decreased by 66.7% to CHF 644.4 million for the year ended December 31, 2020 from CHF 1,935.8 million for the year ended December 31, 2019, with a slowdown in both the duty-free and duty-paid sectors, but especially in duty-free, which is exposed to international flight schedules. Domestic travel, which accounts for around 85% of the U.S. flight movements, started to resume in June 2020, while the Canadian business continued to be impacted by international travel restrictions. The region's performance was driven primarily by Hudson convenience stores, food and beverage and other duty-paid products.

Gross Profit

Gross profit was CHF 1,377.3 million in the year ended December 31, 2020 compared to CHF 5,323.2 million in the previous year, reaching a gross profit margin of 53.8%. Our gross profit margin was affected by the turnover mix from the retail versus the wholesale business, short-term inventory management through wholesale and promotions, and a higher duties and freight ratio, as well as one-time inventory write-offs related to the heavily impacted cruise business and liquidation programs. Purchasing prices have not been affected by the COVID-19 pandemic and Dufry expects a normalization of its gross profit margin in line with sales recovery.

Lease Income/Expenses

Lease income/expenses reflected income of CHF 8.0 million for the year ended December 31, 2020 compared to expenses of CHF 1,372.9 million for the prior year. Expenses decreased due to lower levels of sales and COVID-19-related reliefs of MAGs negotiated with airport authorities and landlords. MAG reliefs refer to waiving of fixed rent components and implementing variable concession schemes instead, or to adjusting fixed MAGs to lower passenger numbers, as well as reduced flights and operating hours. Through December 31, 2020, Dufry closed several agreements releasing CHF 551.4 million of lease obligations, of which CHF 380.3 million were recognized in the 2020 financial statement as MAG reliefs, with the remainder subject to different IFRS-16 accounting treatments and recognition over time.

Personnel Expenses

Personnel expenses were CHF 716.0 million in the year ended December 31, 2020 compared to CHF 1,243.3 million in 2019, representing a decrease of 42.4%. Savings were driven by Dufry's efficiency program, which included reducing costs at all levels, making use of government support schemes whenever possible, and the implementation of voluntary salary reduction schemes, also supported by Dufry's Global Executive Committee and Board of Directors. Personnel expenses include CHF 73.3 million for restructuring paid or provisioned in 2020.

Depreciation, Amortization and Impairment

Depreciation, amortization and impairment was CHF 2,841.9 million in the year ended December 31, 2020 compared to CHF 1,777.0 million in 2019. The increase was related to the recognition of impairments of CHF 1,193.2 million in 2020 as a consequence of the pandemic, of which CHF 443.1 million were impairments on right-of-use assets and CHF 712.8 million referred to impairments on acquisition-related intangible assets. Impairment of property, plant and equipment stood at CHF 37.3 million compared to CHF 19.7 million in 2019. Nearly all Dufry shops worldwide were required to close to help curb the spread of the COVID-19 pandemic or have been subject to very low passenger traffic, which affected our turnover, as well as our projections. An overall amount of CHF 1,062.1 million of impairments was related to depreciable and amortizable assets, and represent a timing shift in this regard, with only CHF 131.1 million related to goodwill impairments.

Other Expenses

Other expenses decreased to CHF 361.6 million for the year ended December 31, 2020, as compared to CHF 618.8 million in 2019. The decrease of 41.6% compared to 2019 reflects the initiatives to reduce as much as possible all operating expenses, as well as the effect of implementing the centralized operating expense management as part of the Group reorganization.

Other Income

Other income decreased to CHF 33.4 million for the year ended December 31, 2020, as compared to CHF 121.6 million in 2019. This decrease was mainly due to a reduction in the recovery of certain indirect tax payments previously made by one of our Brazilian subsidiaries to the Brazilian tax authorities. See "Business—Legal Proceedings."

Operating Profit/(Loss)

As a result of the foregoing, operating loss was CHF 2,500.8 million in the year ended December 31, 2020 compared to an operating profit of CHF 432.8 million in 2019.

Finance income, finance expenses and foreign exchange gain/(loss), net

Finance income, finance expenses and foreign exchange gain/(loss), net was an expense of CHF 370.4 million in the year ended December 31, 2020 compared to an expense of CHF 324.5 million in 2019. Finance expenses primarily increased mainly due to changes in margins for amended and new facilities, one-off expenses related to the financing measures taken by Dufry in the first six months of 2020, as well as lower interest income.

Income Tax Benefit (Expense)

Income taxes for the year ended December 31, 2020 were a benefit of CHF 130.7 million compared to an expense of CHF 78.2 million for the year ended December 31, 2019. The income tax benefit in 2020 was mainly driven by the tax losses incurred for most of our operations.

Net Profit/(Loss)

As a result of the foregoing, net loss was CHF 2,740.5 million in the year ended December 31, 2020 compared to a net profit of CHF 30.1 million in the prior year.

Comparison between the Years Ended December 31, 2019 and December 31, 2018

The following summarizes changes in financial performance for the year ended December 31, 2019, compared to the year ended December 31, 2018, in each case as derived from the consolidated financial statements for the years ended December 31, 2019 and 2018:

	Year ended December 31,		
	2019	**2018[(1)]**	**Percent Change**
	(In millions of CHF)		**(%)**
Net sales	8,609.8	8,455.8	1.8
Advertising income	238.8	229.1	4.2
Turnover	**8,848.6**	**8,684.9**	**1.9**
Cost of sales	(3,525.4)	(3,489.2)	1.0
Gross profit	**5,323.2**	**5,195.7**	**2.5**
Lease expenses	(1,372.9)	(2,494.7)	(45.0)
Personnel expenses	(1,243.3)	(1,175.2)	5.8
Depreciation, amortization and impairment	(1,777.0)	(571.9)	210.7
Other expenses	(618.8)	(630.2)	(1.8)
Other income	121.6	45.5	167.3
Operating profit/(loss)	**432.8**	**369.2**	**17.2**
Finance income	71.7	68.5	4.7
Finance expenses	(387.0)	(198.0)	95.5
Foreign exchange gain/(loss)	(9.2)	(5.5)	67.3
Financial Results, net	(324.5)	(135.0)	140.4
Profit/(loss) before taxes	**108.3**	**234.2**	**(53.8)**
Income tax	(78.2)	(98.8)	(20.9)
Net profit/(loss)	**30.1**	**135.4**	**(77.8)**

(1) We adopted IFRS 16 as of January 1, 2019. Balances as of December 31, 2018 have not been restated, as we applied the modified retrospective transition approach.

Turnover

In 2019, turnover grew by 1.9% to CHF 8,848.6 million from CHF 8,684.9 million in the same period in 2018. Like-for-like growth contributed 0.6% and net new concessions added 2.4%, which resulted in an organic growth of 3.0%. Changes in scope, which includes the contribution of the acquisitions of Vnukovo and Brookstone, amounted to 0.1%. The FX translation effect during the period was (1.2)%, mainly due to the strengthening of the U.S. dollar and the weakening of the euro and British pound versus the Swiss franc.

Performance by Segment

For the year ended December 31, 2018, we operated under five geographical segments: (i) UK and Central Europe, (ii) Southern Europe and Africa, (iii) Eastern Europe, Middle East, Asia and Australia, (iv) Latin America and (v) North America, plus a Distribution Centers business unit. As of January 1, 2019, we merged our Southern Europe and Africa division with our UK and Central Europe divisions and renamed our Eastern Europe, Middle East, Asia and Australia division and our Latin America division as our Asia Pacific and Middle East division and our Central and South America division, respectively. As a result, we operated under the following four geographical segments in addition to the Distribution Centers unit: (i) Europe and Africa, (ii) Asia Pacific and Middle East, (iii) North America and (iv) Central and South America. The following summarizes changes in turnover with external customers for the year ended December 31, 2019, compared to the year ended December 31, 2018 by segment for the segments in use after January 1, 2019 (having reclassified our results for the year ended December 31, 2018 comparative period, as further described in Note 43 to our audited consolidated financial statements as of and for the years ended December 31, 2019 and 2018, so that the comparative period presentation is consistent with the revised line item descriptions).

	For the year ended December,		
	2019	2018	Percent Change
	(In millions of CHF)		(%)
Europe and Africa	3,850.9	3,828.2	0.6
Asia Pacific and Middle East	1,274.9	1,153.6	10.5
North America	1,935.8	1,884.4	2.7
Central and South America	1,536.1	1,617.0	(5.0)
Distribution Centers unit	250.9	201.7	24.4

Turnover in Europe and Africa was CHF 3,850.9 million in 2019, an increase of CHF 22.7 million from CHF 3,828.2 million in 2018. Organic growth in the division was 5.8%.

The UK and especially Spain continued to deliver solid performance for the year. The implementation of the pilot projects across five Spanish airports including several commercial initiatives and best practices were very successful, resulting in increased sales during the whole year. Greece and especially Turkey maintained their positive momentum in 2019, delivering a solid growth. Other locations such as Malta, Italy and Finland also posted positive growth. Africa saw a stronger performance in most operations, with Morocco, Kenya and Egypt growing strongly in the year.

Turnover in Asia Pacific and Middle East increased by 10.5% to CHF 1,274.9 million in 2019 from CHF 1,153.6 million in 2018. Organic growth for the year stood at 10.8% supported mainly by the contribution of new concessions in 2019.

Eastern Europe posted positive performance, supported by Russia and Serbia. Asia Pacific posted a double-digit growth mainly driven by Hong Kong with the successful opening in the MTR high-speed railway station, as well as the strong performance seen in Macau and the positive growth in Cambodia and China. Australia also posted solid performance for the year, supported by the opening of new shops in Perth. The Middle East posted good performance, with solid growth in India, Sri Lanka and Sharjah.

Turnover in North America in 2019 was CHF 1,935.8 million compared to CHF 1,884.4 million in 2018 and organic growth came in at 1.8% in the year. The North American operation has been performing strongly for many years and in 2019 the duty-paid business performed well despite some temporary challenges from lower spending from Chinese passengers along the first nine months, which improved marginally in the fourth quarter of 2019.

Turnover in Central and South America stood at CHF 1,536.1 million in 2019 compared to CHF 1,617.0 million in 2018. Organic growth in the region was down 6.3% in the year, though performance in the fourth quarter turned positive, mainly supported by the implementation of commercial initiatives.

During 2019, performance in South America remained challenging, impacted by local currency devaluations, namely in Brazil and Argentina. Performance in Mexico was positive throughout the year, reaching solid results especially during the fourth quarter. The Dominican Republic posted positive growth, while the Caribbean was healthy along the year, supported by the cruise business.

There were two positive changes in legislation approved by the Brazilian government during 2019 — the possibility to open border shops and the increase of the arrival duty-free allowance — which have the potential to support organic growth in this important market in South America.

Gross Profit

Gross profit increased by 2.5% to CHF 5,323.2 million in 2019 from CHF 5,195.7 million in 2018, with the gross profit margin increasing by 40 basis points and reaching 60.2% from 59.8% in the previous year. The continued improvement is the result of Dufry's negotiations with global and mainly local suppliers as well as the further standardization of the supply chain and the implementation of the commercial platforms, which increase the agility of the commercial teams and take them closer to the market.

Lease Expenses

As mentioned previously, on January 1, 2019, Dufry adopted IFRS 16, which mainly changes the accounting treatment of lease contracts, without restating prior comparative periods. In short, while previously lease payments were accounted for as expenses as incurred, now fixed lease payments are capitalized as RoU assets and amortized over the lifetime of the lease contract, while all variable lease payments under the lease contracts are classified as lease expenses and recognized as incurred. For 2019, lease expenses were CHF 1,372.9 million compared to CHF 2,494.7 million in 2018.

Personnel Expenses

Personnel expenses were CHF 1,243.3 million in 2019 compared to CHF 1,175.2 million in 2018. As a percentage of turnover, personnel expenses increased by 60 basis points to 14.1% driven mainly by North America. Among the principal reasons for the increase were the increase in minimum wages, as well as a one-off severance charges of USD 7.2 million related to changes in the local management structure recognized in 2019.

Depreciation, Amortization and Impairment

Depreciation and impairment (excluding RoU assets) was CHF 203.9 million in 2019, remaining stable as a percentage of turnover (2.3%) compared to the previous year. Amortization (excluding impairment) in absolute terms stood at CHF 368.2 million, remaining stable as a percentage of turnover (4.2%) compared to the previous year. Depreciation of RoU assets was CHF 1,170.3 million, which relates to the leases that are capitalized. Impairments of intangible assets primarily related to acquired concession rights were CHF 34.6 million in 2019 compared to CHF 2.2 million in 2018.

Other Expenses

Other expenses decreased to CHF 618.8 million for the year ended December 31, 2019, as compared to CHF 630.2 million in 2018.

Other Income

Other income increased to CHF 121.6 million for the year ended December 31, 2019, as compared to CHF 45.5 million in 2018. This increase was mainly due to the recovery of certain indirect tax payments previously made by one of our Brazilian subsidiaries to the Brazilian tax authorities. See "Business—Legal Proceedings."

Financial Results, Net

For the year ended December 31, 2019, financial results, net was an expense of CHF 324.5 million, compared to financial results, net of an expense of CHF 135.0 million for the year ended December 31, 2018, mainly driven by the inclusion of lease interest of CHF 187.7 million in the finance expenses due to the adoption of IFRS 16 in 2019.

Income Tax Expense

For the year ended December 31, 2019, income tax expense decreased to CHF 78.2 million from CHF 98.8 million in 2018, mainly driven by deferred taxes. We are subject to a combination of different tax rates due to our operations in various countries. For 2019, the most important change in tax rate related to a revised tax reform in Greece, which reduced the rate to 24% for 2019 and beyond, resulting in a deferred tax benefit of CHF 4.1 million in Greece.

Net Profit

We recorded net profit of CHF 30.1 million for the year ended December 31, 2019, compared to a net profit of CHF 135.4 million in 2018, a 77.8% decrease.

Liquidity and Capital Resources

General

Our principal source of liquidity has been and, over the long term, is expected to continue to be cash generated from operations together with our short- and long-term debt financing. However, to provide liquidity to address the impact of the COVID-19 pandemic, we have taken a number of actions, including entering into the A&R Facilities Agreement and the 2020 Liquidity Facilities Agreement, and gaining access to certain COVID-19-related government relief programs. In addition, we have accessed the capital markets and may do so again. See "—General Factors Affecting Our Results of Operations—COVID-19—Measures taken by us to date" and "Risk Factors—Risks Relating to COVID-19." As disclosed in our financial statements for the year ended December 31, 2020, which are incorporated by reference into this Offering Memorandum, as a result of the liquidity impact of COVID-19, we concluded that there is substantial doubt about our ability to continue as a going concern, and therefore, whether we will be able to realize our assets and settle our liabilities in the ordinary course of business at the amounts recorded in the financial statements.

In the ordinary course of our business, our principal liquidity requirements have been and are expected to be for acquisitions, capital expenditures, in particular the fitting out of new shops and the renovation of existing shops, working capital for inventories, personnel expenses and lease payments.

Cash Flows (used in)/from Operating Activities

Net cash flows (used in)/from operating activities were outflows of CHF 345.3 million for the year ended December 31, 2020, a decrease of CHF 2,453.0 million compared to the prior year. The decrease in net cash flows provided from operating activities is mainly due to the impact of the COVID-19 pandemic.

Net cash flows from operating activities were inflows CHF 2,107.7 million for the year ended December 31, 2019, an increase of CHF 1,271.5 million compared to the prior year. The increase in the net cash flows from operating activities is mainly due to the adoption of IFRS 16 as of January 1, 2019 and the related change in the presentation of cash outflows related to fixed lease payments from cash flow from operating activities to cash flow from financing activities.

Our ability to generate cash from our operations depends on future operating performance. The COVID-19 pandemic has had, and we expect will continue to have, a material adverse impact on our business, results of operations and financial conditions. See "Risk Factors—Risks Relating to COVID-19." We are also subject to risks relating to general economic, financial, competitive, market, legislative, regulatory and other factors, many of which are beyond our control, as well as the other factors discussed in this Offering Memorandum. See "Risk Factors."

Cash Flows from Investing Activities/Our Investment Policy

Capital expenditure is our primary investing activity and we divide it into two main categories: tangible capital expenditure and intangible capital expenditure. The first category includes spending on the renovation and maintenance of existing shops and the fitting out of new shops, and the latter reflects upfront payments upon the granting of new concessions which are capitalized as intangible assets and amortized over the life of each concession unless they are otherwise required to be impaired. When contemplating an investment in a new concession, we focus on profitable growth as its key investment criterion.

In addition to fitting out new shops, we currently expect to invest in renovation and maintenance of our existing shops, including potentially undertaking some major refurbishment projects each year. In addition, in connection with the entry into new markets, it may be appropriate for us to invest in an airport's infrastructure or facilities. The amount we ultimately choose to invest, however, has been, and we expect will continue to be, decreased compared to our historical practice due to the COVID-19 pandemic related cost-savings measures we have implemented. See "—General Factors Affecting Our Results of Operations—COVID-19."

Due to the high fragmentation of the travel retail industry, acquisitions have historically been one of our main sources of growth. We have, over the past years, played a key role in the consolidation of the industry and have executed several significant transactions. We benefit from economies of scale compared to local and regional operators. Our primary advantages are mainly in procurement, logistics and customer intelligence. These advantages enable us to generate synergies relatively quickly and turn acquisitions into an important driver of profitable growth. Our ability to engage in acquisitions in the short- to medium-term may be reduced due to impacts related to the ongoing COVID-19 pandemic.

Net cash used in investing activities was CHF 74.9 million for the year ended December 31, 2020, as compared to CHF 255.5 million for the prior year. The decrease in net cash flows used in investing activities primarily related to a decrease in capital expenditures related to cost-saving measures in light of the COVID-19 pandemic.

Net cash used in investing activities increased to CHF 255.5 million for the year ended December 31, 2019, as compared to CHF 226.7 million for prior year. For 2019, capital expenditure was CHF 245.3 million, which includes investments made in shops during the period.

Cash Flows from/(used in) Financing Activities

Net cash flows from/(used in) financing activities decreased by CHF 2,057.0 million for the year ended December 31, 2020, to inflows of CHF 257.0 million compared to outflows of CHF 1,800.0 million in the prior year period. The decrease in net cash flows from/(used in) financing activities is mainly due to financing initiatives in 2020 as a reaction to the COVID-19 pandemic. These initiatives include the private placement of CHF 350 million of the Convertible Bonds due 2023, a private placement of 5,000,000 new shares out of existing authorized share capital and 500,000 treasury shares, generating gross proceeds of CHF 151.3 million, a rights offering of 24,696,516 new shares generating gross proceeds of CHF 820.3 million; and other proceeds from borrowings, reduced lease payments and no dividend payment in 2020 based on 2019 results.

Net cash used in financing activities increased to CHF 1,800.0 million for the year ended December 31, 2019, compared to net cash used in financing activities of CHF 616.4 million in the prior year. This increase in the net outflow was primarily due to the adoption of IFRS 16 on January 1, 2019 and the related change in the presentation of cash outflows related to fixed lease payments from cash flow from operating activities to cash flow from financing activities.

Indebtedness

As of December 31, 2020, we had total borrowings (current and noncurrent) of CHF 3,704.5 million (compared with CHF 3,655.4 million and CHF 3,824.3 million of total borrowings (current and noncurrent) as of December 31, 2019 and December 31, 2018, respectively). See "Description of Other Indebtedness."

Contractual Obligations

There are no capital expenditure commitments other than those incurred in the normal course of business as of December 31, 2020.

We have long-term obligations related to concessions, leases and credit facilities that resulted during the course of normal business operations and acquisitions.

The following table summarizes our debt obligations as of December 31, 2020, without giving effect to the conversion of the Convertible Bonds due 2023, the offering of the Convertible Bonds due 2026 or this offering of the Notes, the impact of which is described under "Capitalization."

	Total	0 to 6 Months	6 to 12 Months	1 to 2 Years	More Than 2 Years
			(In millions of CHF)		
2024 Notes	865.1	0.0	0.0	0.0	865.1
2027 Notes	811.1	0.0	0.0	0.0	811.1
Convertible Bonds due 2023	350.0	0.0	0.0	0.0	350.0
2017 Senior U.S. Dollar Term Loan Facility	619.6	0.0	0.0	619.6	0.0
2017 Senior Euro Term Loan Facility	527.6	0.0	0.0	527.6	0.0
2017 Revolving Credit Facility(1)	398.3	0.0	0.0	0.0	398.3
2020 Liquidity Facilities	0.0	0.0	0.0	0.0	0.0
Lease Obligations(2)	6,002.4	816.6	580.9	1,169.9	3,435.0
Other	190.9	34.0	3.5	27.0	126.4
Total	**9,765.0**	**850.6**	**584.4**	**2,344.1**	**5,985.8**

(1) As of December 31, 2020, we had approximately CHF 983.9 million of availability for additional credit extensions under the 2017 Revolving Credit Facility.

(2) In February 2021, the Company renegotiated two existing lease contracts, removing fixed payments, which resulted in a de-recognition of CHF 802.5 million lease obligations, of which CHF 55.2 million related to the maturity period up to 6 months, CHF 57.1 million to the maturity period from 6 to 12 months, CHF 116.1 million to the maturity period from 1 to 2 years and CHF 574.1 million to the maturity period after more than 2 years.

For further description of these long-term obligations, see Note 27 to our 2020 audited consolidated financial statements incorporated by reference herein. For further developments since December 31, 2020, see "Summary—Recent Developments.'

Off-Balance Sheet Arrangements

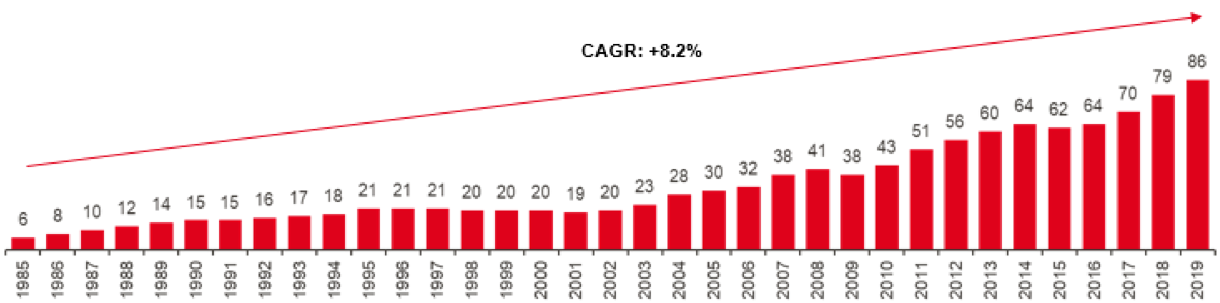
We have no material off-balance sheet arrangements.

INDUSTRY

The Travel Retail Market

The worldwide duty-free and travel retail market, comprising sales through channels principally aimed at travelers, such as shops in airports, ports and railway stations and sales on board aircrafts, ferries and cruise liners, recorded sales of approximately $86 billion for the year ended December 31, 2019 according to Generation Research. The industry has posted strong growth in the years prior to the COVID-19 pandemic, almost doubling in size in the ten years prior to 2019, and growing at more than 8% CAGR over 1985-2019 according to Generation Research.

Global Travel Retail Evolution (Market Size in USD billions)



Source: Generation Research.

In normal trading conditions, travel retail differs significantly from traditional retail. The customer base has a different buying behavior compared to traditional retail and is often characterized by captive customers, who generally have above-average purchasing power and, in most cases, have the time to shop while traveling. From a logistics perspective, travel retail is more demanding: the customer is at the shop only once, with no ability to return in the event of stock shortages. In addition, the stores can often only be accessed by travelers, as such stores are in secured areas.

In travel retail, customers have access to duty-free or duty-paid shops, depending on their destination. In general terms, duty-free shops offer goods to international travelers that are exempt from import duties, excise and other taxes. Duty-free shops are typically located in airports, on board aircraft, ferries and cruise lines as well as at international land border crossings. Airports and seaports may offer departure and arrival shops. Duty-free markets differ from domestic markets in that their assortment is geared toward offering strong global brands and high-quality products in a high-end environment at attractive prices.

Duty-free departure shops are located in the restricted departure area of international airports or seaports. Customers must be traveling internationally in order to have access to these shops. Purchases made in departure shops are not subject to quantity restrictions, but they may be subject to import restrictions in the country of destination. Import restrictions also apply to purchases made on board.

Similarly, duty-free arrival shops are also located in the restricted arrival area of international airports or seaports. Customers must be returning from international travel in order to access these shops. The growing demand of arrival shopping is being driven by passengers' preference to carry fewer items on board.

Duty-paid shops are focused on domestic passengers. Standard import duties apply to the products sold in these shops. They are located in both international and domestic airports and train stations.

In recent years, there has been a trend from travel retailers to harness online and other digital technology strategy to enhance their customer proposition, increase customer engagement, and to serve customers from when they plan their trip to the moment when they return home. An increasing number of operators offer innovative services such as home delivery, "click & collect", "reserve & collect" and "pick up drop off". Some of these services are particularly well suited for travel retail, where customers often have limited shopping time and offering a pre-flight online shopping service may significantly encourage engagement and spending.

Airport Retail

According to Generation Research, airport retail is the largest sector of the travel retail market. It includes all retail operations in airports (in departures and arrivals, airside and landside).

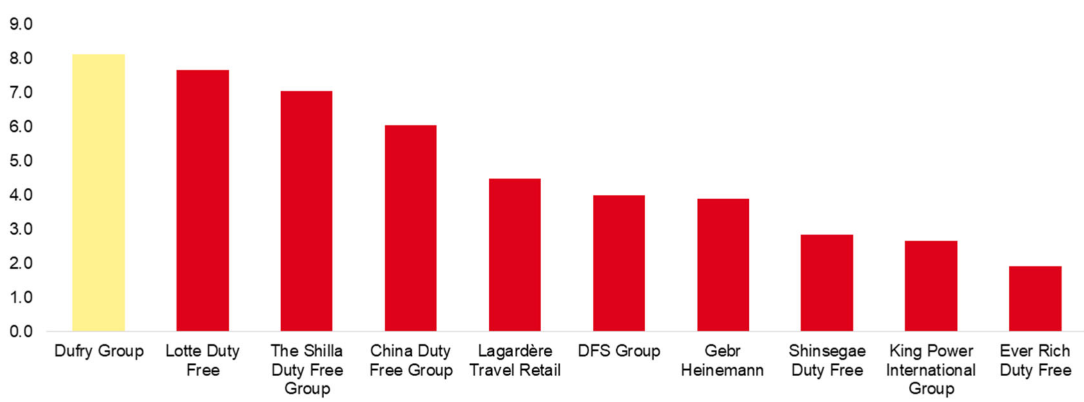
Airport retail differs from traditional retail in a number of important ways. Unlike the unrestricted access to potential customers that traditional retailers enjoy, airport retailers have a captive audience of potential customers for a limited period before the customers board their aircrafts. In addition, while airport retailers may have more limited inventory than traditional retailers, it is generally made up of high-margin, luxury goods.

Travel retail customers also differ from the traditional retail customers. Although travelers' buying behavior may be negatively affected by stress caused by enhanced security checks and the need to reach a departure gate on time, increased security also incentivizes travelers to arrive well before their flight departure, which provides more time for shopping. Airport retail customers also generally come from more affluent sectors of the population. In addition, customers on holiday may feel less constrained and more willing to engage in impulse purchases.

In airport retail, our main competitors in Europe are travel retailer Gebrüder Heinemann and the French conglomerate Lagardère Travel Retail. In the Middle East and Asia, the main operators are DFS Group, a subsidiary of LVMH, Ireland-based Aer Rianta International and two Korean conglomerates, Lotte Duty Free and The Shila Duty Free, as well as Dubai Duty Free. In the Americas and Caribbean, DFS Group and Lagardère Travel Retail as well as regional retailers such as Duty Free Americas are our main competitors for airport retail concessions.

The below chart shows the top 10 travel retailer rankings in 2019 by turnover (€ billion).

Global Top 10 Travel Retailer Ranking in 2019



Source: Moodie Davitt Report 2020.

Concessions and the Role of Airport Operators

Airport retail also differs from traditional retail with regard to expenses related to the operation of stores. While fixed rate leases have traditionally been prevalent in traditional retail, the terms of an airport retailer's agreement with the relevant airport operator are generally determined by a concession agreement providing for variable payments (in normal trading conditions).

Concessions are generally awarded through a public tender process or pursuant to private negotiations. As a rule, the airport operator determines the number and type of concessions to be awarded and the respective terms. Terms for the individual concessions, however, may vary considerably from facility to facility.

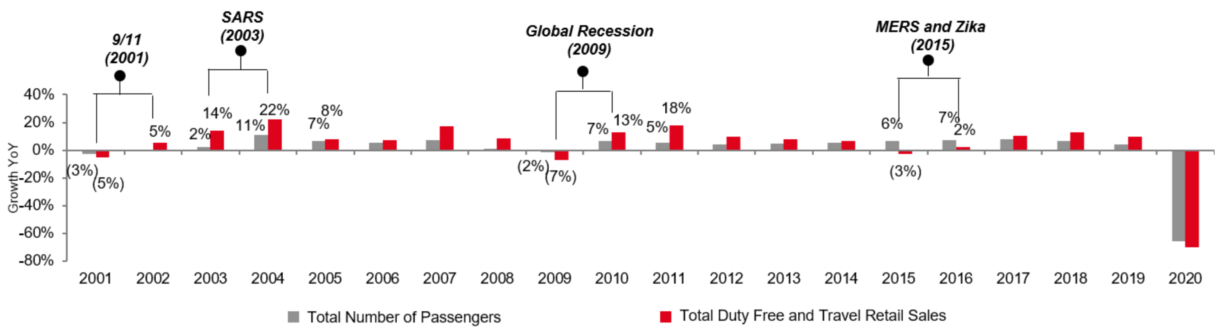
Concessions may be broken down by assortment (for example, general duty-free shops selling wine and spirits, tobacco, perfumes and cosmetics or specialized stores that sell specific goods) or by physical location (for example, a specific allocation of space within a terminal or rights to operate an entire terminal facility). The airport retailer may also obtain the right to allocate retail space within the facility, or part thereof, subject to the approval of the airport operator. The duration of a concession agreement may vary considerably depending on the location and type of facility, with the industry average being, in our experience, about five to seven years from the time of signing.

In return for granting the retailer the right to operate its concession, the airport operator typically receives a variable fee based on the amount of sales at the concession. Fees may also include a minimum guaranteed amount, for example based upon the number of passengers using an airport or other travel channel, based on retail space used or based upon current budgets or past results, requiring the retailer to make a payment to the airport operator, regardless of the revenues generated.

Historical Rebound After Events Affecting Global Passenger the Numbers

The travel retail industry has historically rebounded quickly following events that impacted the number of global air passengers, including 9/11 (2001), SARS (2003), the Global Recession (2009) and the MERS and Zika crises (2015).

Growth of Travel Retail Industry Growth after Previous Crises



Source: ACI World, IATA and Generation Research 2020

For example, after the terrorist attacks of September 11, 2001, travel retail sales declined by 5% YoY in 2001, yet increased by 5% YoY in 2002. After the SARS epidemic, travel retail sales increased from 14% YoY in 2003 to 22% YoY in 2004, and a similar rebound can be observed after the Global Recession in 2009. Experience has shown that such external impacts are typically temporary; both the total number of passengers and the total duty free and travel retail sales have historically recovered in the following year, mainly driven by a rebound in passenger numbers.

COVID-19 Impact on Passenger Traffic in 2020

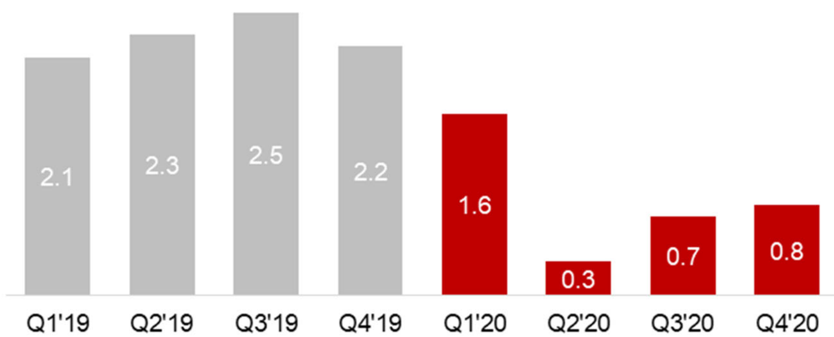
With the first confirmed COVID-19 cases arising in China in December 2019, the COVID-19 virus spread fast across China and other Asian countries, expanding to the rest of the world at the beginning of 2020. Many countries implemented travel bans to stop the spread of the coronavirus. By the second quarter of 2020, at least 93% of the global population lived in countries with coronavirus-related travel restrictions, with approximately 3 billion people residing in countries enforcing complete border closures to foreigners. The second half of 2020, particularly the summer season, saw a partial lifting of travel and other restrictions in many countries. This however was followed by a second wave of infections, leading to a return to tighter travel and domestic measures, including border closures and quarantines. By December 2020, a number of vaccines against the virus have been developed and at the time of writing are being rolled out to the public globally. A number of variants of the COVID-19 virus have been identified, some of which may be resistant to the vaccines developed so far. Therefore, the effectiveness of vaccines, as well as the ultimate success of vaccination efforts, remains unclear, as does the outlook for the end of the pandemic.

The impacts on global air travel of the pandemic and resulting governmental response have been profound. According to Airports Council International World ("ACI World"), the second quarter of 2020 posted the worst decline in passenger numbers, with a global decline of 89.4% or more than 2.1 billion passengers. The month of

April 2020 recorded a decline of 94.4% compared to the same period in 2019. Europe and the Middle East are forecasted to be the two most impacted regions in 2020, with declines above 70% compared to the projected baseline. After being hit first by the virus, Asia-Pacific recovered earlier and faster than other regions and closed the year 2020 with a passenger decline of 59.8%, also driven by the high penetration of domestic flights within China and India. North America experienced a decline of 62.5%, helped by the early recovery of domestic passenger traffic volume.

The impact continues to be felt in 2021. ACI World forecasts global passenger traffic volume (domestic and international) for the first half of 2021 to reach 2.2 billion, a 20% increase compared to the same period in 2020 and -50% compared to 2019. Passenger traffic in the second half of 2021 is forecasted to be stronger, reaching more than 3.5 billion passengers, more than double the passenger volume for the same period in 2020, but still down –25% compared to 2019.

Global Air Travel Passengers in 2020 (in millions)



Source: ACI World.

Global Air Travel Passengers in 2020 Compared to Pre-COVID-19 Projected Baseline

Region	Q1'20	Q2'20	Q3'20	Q4'20	CY'20
Africa	-17.2%	-97.4%	-83.9%	-66.8%	-67.6%
Asia-Pacific	-36.6%	-82.3%	-65.9%	-60.3%	-61.3%
Europe	-23.0%	-96.2%	-72.7%	-78.8%	-70.5%
Latin America-Caribbean	-14.3%	-94.2%	-79.8%	-57.6%	-61.1%
Middle East	-22.4%	-96.5%	-86.1%	-75.0%	-70.5%
North America	-19.0%	-89.1%	-71.9%	-64.9%	-62.5%
World	**-26.6%**	**-89.5%**	**-71.6%**	**-66.5%**	**-64.6%**

Source: ACI World. YoY percentage change based on projected baseline (pre-COVID-19) scenario based on adjusted World Airport Traffic Forecasts (WATF) 2020-2040.

International passenger volume are expected to remain low in the first half of 2021 and to increase in the second half of the year as an increasing number of people will be vaccinated, and travel restriction will be gradually lifted.

Domestic passenger traffic is recovering faster than international traffic. Certain countries, e.g. China and Russia, already reached their 2019 passenger levels in August 2020. Globally, domestic traffic will continue to increase in 2021 to reach 2.35 billion passengers in the second half of 2021 corresponding to 86.5% of the 2019 level for the same period and a majority of total global passenger traffic. This is expected to favor markets with a high penetration of domestic travel, such as the U.S. and China.

As a result of the decline in passengers in 2020 and 2021YTD, the travel retail industry experienced a significant decline in sales. Depending on regulation and viability of operations in the face of lower footfall, many travel retailers were forced or chose to close stores for periods of time in 2020 and 2021YTD.

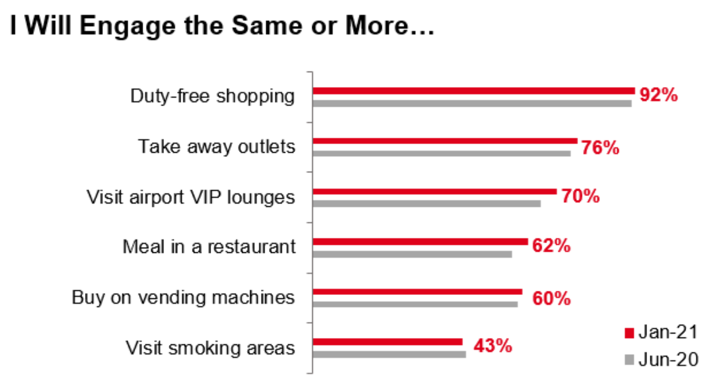
Many travel retail operators successfully renegotiated, on a temporary or permanent basis, concession fees with airport operators and other landlords. The focus of negotiations was often the minimum annual guarantee part of fees, which typically apply regardless of revenues generated.

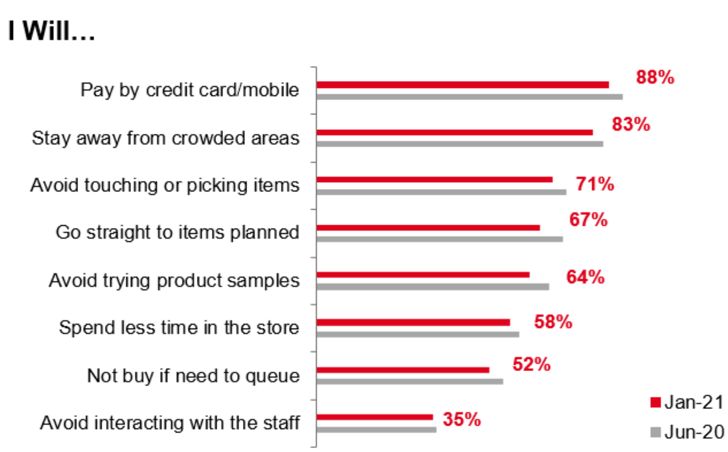
Many governments also offered support to businesses, including travel retailers, in the form of loans or furlough schemes for employees.

It is unclear how travel retail customers' behavior will change during the recovery period and after the pandemic. According to a survey commissioned by Dufry with respondents from its customer base, 91% of respondents said they would continue to spend time shopping in duty free stores at airports between security control and boarding, and the average time spent shopping in duty free stores is 30% of the total time between security control and boarding.

In another survey commissioned by Dufry with respondents from its customer base, 92% of customers in January 2021 said they will engage the same or more in duty free shopping. A majority said that they would stay away from crowded areas, avoid touching or picking items and go straight to items they had planned to purchase, with less time spent in-store.

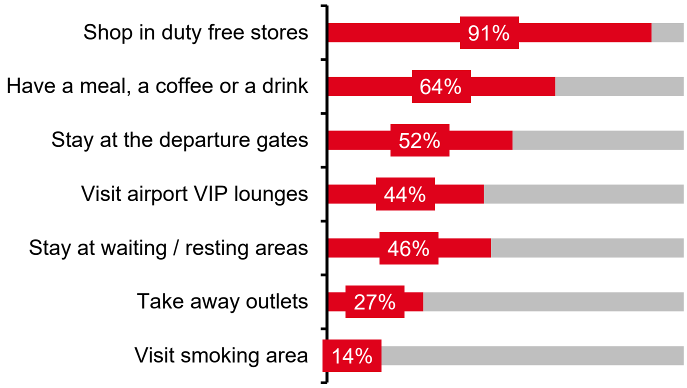
Customer Behavior Post-COVID – June 2020 vs. January 2021





Source: Online survey w1 June 2020 (1,147 participants, 2.88% error margin), w4 Jan 2021 (1,354 participants, 2.65% error margin) from Dufry's customer data base, predominantly Europe.

Activities Done From Security Control Until Boarding



Source: Online survey Feb 2021: 1,780 participants from Dufry's customer base, global setup, error margin 2.32% (multiple answers on activities possible).

Time Spent Among Different Activities

Source: Online survey Feb 2021: 1,780 participants from Dufry's customer base, global setup, error margin 2.32% (time spent as % of 100).

The overall effect on travel retail sales is uncertain. It is worth noting that Dufry, as well as other large global travel retailers, observed an increase in spend per passenger in June and the third quarter of 2020, that may be driven by a change in consumer behavior and/or a temporary change in customer profile with more affluent customers not impacted by negative economic circumstances and customers with lower health risks.

COVD-19 Recovery and Long-term Outlook

Much uncertainty still surrounds the situation of the travel industry. The path to recovery is dependent on several factors, e.g. the effectiveness and progress of the current vaccination process, the potential introduction of "vaccine passports" for restriction-free travel, passenger confidence in travel, airline fleet recovery and economic recovery. Various industry organizations and independent data providers, such as ACI World, IATA, International Civil Aviation Organization ("ICAO")and Air4Casts, are pointing to a recovery to 2019 levels between 2022 and 2024 by number of passengers or revenue passenger kilometers.

Passenger Recovery Forecasts

Data provider	Recovery 2019 level	Forecasts			Date of publication
		2021 vs. 2019	2021 vs. 2020	2022 vs. 2019	
ACI	2023	-44%	54%	-	25/03/21
IATA (RPK)	2024	-49% to -62%	13% to 50%	-	03/02/21
IATA (PAX)	2024	-38%	56%	-	24/11/20
ICAO	not provided	-43% to -54%	17% to 43%	-	23/03/21
Air4cast	2022	-47%	40%	-9%	19/03/21

Source: Latest forecasts on PAX (number of passengers) and RPK (revenue passenger kilometers) provided by industry associations IATA, ACI World, ICAO, and independent data provider Air4Casts.

Flight and Seat Capacity Recovery Forecasts for 2021

Data provider	KPI	Forecasts			Date of publication
		2021 vs. 2019	2021 vs. 2020	2022 vs. 2019	
IATA	Available seat-kilometres (ASKs)	-42%	36%	-	08/12/20
ICAO	Seat offered by airlines	-34% to -40%	19% to 32%	-	23/03/21
OAG	Global scheduled flights	-	3.9%[1]	-	22/03/21
Air4casts	Seat offered by top 10 international airlines	-	214%[2]	-	21/01/21

(1) Week of March 22nd compared to the equivalent week in 2020

(2) Comparing October 2021 to November 2020, average of seats offered. Top 10 international airlines are Ryanair, Emirates, Easyjet, Lufthansa, Turkish Airlines, British Airlines, KLM, Qatar, American Airlines and United.

Source: Latest forecasts on flight and seat capacity provided by industry associations IATA, ACI World, ICAO, and Official Aviation Guide.

While visibility on the travel pattern recovery remains low, before the pandemic and in normal trading conditions, external industry specialists such as Air4Casts estimated global passenger numbers to grow by around 4% per annum, which would have translated to a potential of over 300 million new customers for the industry every year.

The Hainan Duty-free Market

One of the most noteworthy developments for the travel retail industry other than the COVID-19 pandemic relates to new duty free regulation in Hainan, an island province in China.

Hainan’s duty-free industry first started in 2009 when the State Council of the People’s Republic of China announced plans to develop the island province into an international tourism island and offer tax refunds on purchases made by foreign visitors. Since July 2020, significant policy relaxations of the duty free regulation came into effect, including an increase in the annual tax free quota from RMB 30 thousand to RMB 100 thousand (online and offline combined), the removal of the RMB 8 thousand per item cap, and new duty-free categories added (currently 45 tax free categories vs. 38 in 2018). Effective as of February 2, 2021, purchasers can also opt to mail products through the domestic postal service directly to their homes instead of picking up purchases at the airport.

Following the relaxation of the duty-free policy, Hainan's duty-free market has seen a significant growth of 194% in H2 2020, driven by 16.3 thousand daily purchasers with an average spend of RMB 6.7 thousand. Hainan's online duty free channel has also been growing significantly since the COVID-19 pandemic began, aided by new policies allowing visitors to make duty-free purchases for 180 days after departure by flight, train or ferry. The government of Hainan is targeting to achieve RMB 100 billion and RMB 700-800 billion (equivalent to $110-120 billion) in duty-free sales in 2022 and 2030, respectively, and plans to make the island completely tax free from 2025 onwards.

Hainan currently has nine duty-free stores in operation: four in Haikou, four in Sanya and one in Bo'ao. Sanya is currently the dominant shopping destination. China Duty Free Group holds over 90% market share in Hainan. Two new licenses have been issued since July 2020 to Hainan Travel Investment Duty Free Ltd. and Global Boutique Products (Hainan) Ltd., following which there have been several partnership agreements formed between license holders and international duty-free operators. These include Hainan Development Holdings partnering with Dufry, Shenzhen Duty Free with DFS, and Hainan Travel Investment Development with Lagardère Travel Retail.

BUSINESS

Our Company

We are a leading global travel retailer with operations in 64 countries on six continents as of December 31, 2020, combining prime operations in developed markets with strong positions in emerging markets.

Our outlets are located in a variety of travel retail settings with the vast majority of our sales produced by our airport retail business (86.1% and 88.1% of sales for the years ended December 31, 2020 and 2019, respectively). As of December 31, 2020, without giving effect to temporary closures or other measures related to our COVID-19 strategy, we operated approximately 2,360 stores, with a total sales area of approximately 470,000 square meters, including approximately 2,000 stores located in airports, approximately 220 stores operating on cruise lines, ferries and seaports, approximately 90 stores at border, downtown and hotel shops and approximately 50 stores in railway stations, among others. In 2020, Dufry opened and expanded new shops adding almost 9,600 square meters of retail space across all divisions. For information regarding the impact of COVID-19 on our business, see "—COVID-19" below.

Our travel retail operations consist of a variety of retail concepts focusing on the specific needs of travelers, including general travel retail outlets offering a wide range of products such as perfumes and cosmetics, confectionary and other foods, wines and spirits, luxury goods and tobacco goods, as well as brand boutiques, specialized shops, convenience stores and theme shops.

We generated turnover of CHF 2,561.1 million and a net loss of CHF 2,740.5 million for the year ended December 31, 2020, compared to turnover of CHF 8,848.6 million and a net profit of CHF 30.1 million for the year ended December 31, 2019. Free cash flow for the year ended December 31, 2020 was CHF (831.5) million, while our Adjusted operating cash flow was CHF (405.9 million), compared to CHF 630.0 million and CHF 959.9 million, respectively, for the year ended December 31, 2019. As of December 31, 2020, we had approximately 17,795 FTEs, compared to 31,336 as of December 31, 2019, which reflects the impact of our reorganization and restructuring initiative described under "Management's Discussion and Analysis of Financial Condition and Results of Operations—General Factors Affecting Our Results of Operations—Reorganization and Restructuring."

COVID-19

Impact to date on our business

Although the ultimate severity and impact of the COVID-19 pandemic remains uncertain, the global pandemic and measures taken to combat it, such as restrictions on domestic and international travel as well as the unwillingness of a large part of the population to travel given the health risks associated with COVID-19, have had, and are expected to continue to have, a significant negative impact on the travel industry. As a result, all aspects of our business have been, and we expect will continue to be, materially negatively impacted.

Due to the unprecedented level of disruption of global travel, including operational shut-downs of airports, cruise lines and other travel channels, passenger numbers at the facilities where we operate were dramatically reduced during the year ended December 31, 2020, in particular during the months of March to June, as well as November and December. As a result, at times during this period, the Company temporarily closed nearly all of its stores. In addition, during the year ended December 31, 2020, we recorded total impairment charges of CHF 1,193.2 million primarily due to the effects of COVID-19. See "Management's Discussion and Analysis of Financial Condition and Results of Operations."

In March 2020, S&P Global downgraded each of our issuer rating and the Issuer's senior unsecured debt rating from BB to BB-, and placed such ratings on credit watch with negative implications. In October 2020, S&P Global further downgraded our issuer rating and the Issuer's senior unsecured debt rating from BB- to B+, and kept such ratings on credit watch with negative implications. In March 2021, S&P Global removed the credit watch. In June 2020, Moody's downgraded each of our long-term issuer rating and the Issuer's senior unsecured debt rating from Ba3 to B1 with a negative outlook.

Since mid-June 2020, many travel restrictions have been cancelled or revised, and domestic and international travel has started to resume, especially in Asia, Europe, and the U.S. We started to re-open retail operations gradually based on single-location productivity scenarios and in close cooperation with airport authorities and landlords. As of February 28, 2021, around 1,300 of our approximately 2,360 shops globally had re-opened, representing approximately 60% of sales capacity (based on turnover for the year ended December 31, 2019), including certain shops in key locations such as the UK, Spain, the U.S., Turkey, Russia, Argentina, Brazil, Mexico and the Dominican Republic.

Due to the disruption from COVID-19, turnover decreased by 71.1% in 2020 compared to 2019 and we reported a net loss of CHF 2,740.5 million for the year ended December 31, 2020, as passenger volumes have continued to remain significantly depressed when compared to the prior year period. While our stores may continue to begin reopening in the coming months, we can provide no assurance as to when and at what pace demand for travel and travel retail will return to pre-pandemic levels, if at all, and as a result, cannot assure you when, if at all, our turnover and results of operations will return to pre-pandemic levels, if at all.

Measures taken by us in 2020

To bolster our liquidity position we have implemented a global restructuring program that includes several cost-containment measures designed to reduce cash outflows, including negotiating reductions in concession fees (and, in particular, the MAG payments often due as part of the concession fees), re-negotiating terms with our suppliers, reducing capital expenditures, and decreasing personnel expenses through early retirements, holdbacks of seasonal staff employment, use of governmental furlough schemes, voluntary salary reductions and reductions in personnel across all geographic regions and organizational levels. Through December 31, 2020, we were able to close several agreements releasing partially or totally CHF 551.4 million of MAG requirements. Meanwhile, management remains in negotiations with other lessors reviewing the lease terms, in order to address the ongoing impacts of COVID-19. See “Risk Factors—Risks Related to COVID-19.”

As a result of these measures, we achieved fixed expense savings of approximately CHF 1,312.1 million (excluding working capital changes and interest on our outstanding indebtedness) in the year ended December 31, 2020 compared to 2019. In addition, we implemented a reorganization and restructuring program to adapt our business and organization to the current environment in light of the ongoing COVID-19 pandemic, and to accelerate growth and support profitability during the recovery phase beyond the COVID-19-related economic and global health crisis. The new organizational structure became effective as of September 1, 2020, while the restructuring was substantially completed during the fourth quarter of 2020. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—General Factors Affecting Our Results of Operations—Reorganization and Restructuring.”

We have also taken the following additional initiatives to strengthen our capital structure and liquidity position:

- on May 29, 2020, we entered into the 2020 Liquidity Facilities consisting of a EUR 120.0 million term loan facility and a EUR 247.0 million revolving credit facility;

- we have access to approximately CHF 205.7 million of borrowings under COVID-19-related government relief programs as of December 31, 2020 of which we had drawn approximately CHF 145.0 million as of December 31, 2020);

- we accessed the capital markets, including by means of (i) a private placement of 5,000,000 new shares out of existing authorized capital and 500,000 treasury shares, generating gross proceeds of CHF 151.3 million, (ii) a private placement of CHF 350.0 million of the Convertible Bonds due 2023; (iii) a rights offering of 24,696,516 new shares generating gross proceeds of CHF 820 million; and (iv) a private placement to Alibaba Group of CHF 69.5 million of the Mandatory Convertible Notes;

- we entered into the A&R Facilities Agreement, that, among other things: (i), waived compliance with the financial covenants until after the test period ending June 30, 2021; (ii) amended the ratio of net debt to adjusted operating cash flow to 5.0:1.0 for the test periods ending September 30, 2021 and December 31, 2021, reverting to 4.5:1.0 in respect of test periods thereafter; and (iii) included a new covenant that the aggregate value of the Dufry Group’s cash, cash equivalents and available credit drawings would not be less than CHF 300 million until June 30, 2021; and

- we did not and will not pay a dividend in relation to fiscal years 2019 and 2020.

Measures taken by us in 2021

As of the date of this Offering Memorandum, the Swiss Subsidiary Guarantor has received commitment letters from the majority lenders of the A&R Facilities Agreement and the 2020 Liquidity Facilities Agreement in which, among other things, the majority lenders committed to, subject to documentation and standard conditions, (i) not formally test the financial covenants for the relevant periods until June 30, 2022, and (ii) a maximum ratio of total drawn debt to adjusted operating cash flow of 5.0:1.0 for the test periods ending September 30, 2022 and December 31, 2022, which shall revert to 4.5:1.0 thereafter, with the permitted ratio increase mechanic only being available after December 31, 2022. Those same lenders have indicated their support to extend the maturity of the 2017 Senior U.S. Dollar Term Loan Facility and the 2017 Senior Euro Term Loan Facility from November 3, 2022 to November 3, 2024, but unanimous support of the lender group is required to effect such an extension and there can be no assurance that such extension will be granted. See "Risk Factors—Risks Relating to COVID-19."

On March 30, 2021, the Issuer completed the placement of guaranteed senior convertible bonds due 2026 in an aggregate principal amount of CHF 500 million, conditionally convertible into 5,747,127 shares to be issued from future conditional capital of the Parent Guarantor and/or existing shares, and guaranteed by the Parent Guarantor and certain of its subsidiaries (the "Convertible Bonds due 2026"). The terms and conditions of the Convertible Bonds due 2026 provide that, if (a) the shareholders of the Parent Guarantor do not resolve on the creation of a conditional capital in an amount sufficient to cover the shares to be issued upon conversion of the Convertible Bonds due 2026 by June 30, 2021, or (b) such resolution of the shareholders of the Parent Guarantor is not registered with the competent commercial register by June 30, 2021, the Issuer will have to redeem the Convertible Bonds due 2026 in cash at the greater of (i) 102% of the principal amount of each Convertible Bond due 2026, and (ii) 102% of the fair market value of the Convertible Bonds due 2026, in each case together with accrued but unpaid interest, and otherwise in accordance with the terms and conditions of the Convertible Bonds due 2026. The Convertible Bonds due 2026 were issued at par with a denomination of CHF 200,000 and carry a coupon of 0.75%, payable semi-annually. The initial conversion price, which is subject to adjustments in accordance with the terms and conditions of the Convertible Bonds due 2026, is CHF 87.00, corresponding to a conversion premium of 45% over the reference share price (which was determined in a concurrent share placement on behalf of certain current and future holders of convertible bonds via an accelerated bookbuilding process in order to facilitate hedging for such holders). See "Description of Other Indebtedness—Senior Unsecured Notes" for more information.

On March 23, 2021, we launched the Voluntary Incentive Offer to holders of the Issuer's CHF 350 million Convertible Bonds due 2023 (as defined and further described under "Description of Other Indebtedness—Senior Unsecured Notes") in order to incentivize such holders to convert their Convertible Bonds due 2023 into shares before their maturity date. At the end of the acceptance period of the Voluntary Incentive Offer, holders of 99.3% of the Convertible Bonds due 2023 accepted the Voluntary Incentive Offer, which resulted in an amount of CHF 28.5 million payable by the Issuer. The Issuer has announced its intention to early redeem the remaining Convertible Bonds due 2023 in accordance with the terms and conditions thereof.

Liquidity position and cash outflows

We had cash and cash equivalents of CHF 360.3 million as of December 31, 2020. In addition, as of December 31, 2020, CHF 983.9 million and CHF 396.9 million was available for borrowing under the A&R Facilities Agreement and the 2020 Liquidity Facilities, respectively, in each case after giving effect to outstanding letters of credit.

For the year ended December 31, 2020, cash outflows, which we define as the change in net debt over the period, were CHF 242.3 million. See footnote 2 under "Selected Historical Consolidated Financial and Other Data—Selected Consolidated Statement of Financial Position Data." There can be no assurance that we will be able to continue decreasing our costs or that we will not face increased costs in the future, including due to uncertainty around our ability to continue to negotiate reductions in concession fees, including MAG payments due to landlords regardless of passenger numbers, and potential increases in cash outflows as a result of, among other things, certain measures we have taken with respect to reducing our workforce. Further actions may be required to improve our liquidity, including but not limited to, further workforce reductions and postponing or cancelling capital expenditures and other discretionary expenses, as well as further equity or debt capital raising.

Dufry has implemented several measures to reduce cash outflows to a minimum, which are tightly controlled by a dedicated team at Group level. These initiatives include reductions in concession fees, personnel expenses and general expenses. Dufry generated CHF 1,312.1 million in cost savings in 2020, of which CHF 551.4 million were in the form of MAG relief related to the year ending December 31, 2020. As some of those contract amendments include concession fee adjustments beyond June 30, 2021 or involve other changes in terms, Dufry accounted for these reliefs as lease modifications in the year ending December 31, 2020 and will reflect these MAG reliefs as modifications of the underlying contracts with related changes in RoU assets and lease liabilities. This is expected to result in lower amortization of Dufry's RoU assets in future periods. In addition, we have taken action with respect to capital expenditures, with cash savings of CHF 137.7 million in full-year 2020.

Based on information available from industry associations and independent data providers, management has considered two turnover scenarios for 2021 depending on how fast the global travel retail market recovers:

- In a scenario with a 40% decrease in turnover compared to 2019 that is estimated to achieve break-even average monthly cash flows for 2021, we estimate:
  - average monthly cash outflows the first half of 2021 of approximately CHF 50 million; and
  - average monthly cash inflows in the second half of 2021 of approximately CHF 50 million
- In a scenario with a 55% decrease in turnover compared to 2019 that is estimated to have average monthly cash outflows of CHF 40 million for 2021, we estimate:
  - average monthly cash outflows the first half of 2021 of approximately CHF 60 million; and
  - average monthly cash outflows in the second half of 2021 of approximately CHF 20 million.

Cash outflows and inflows refer to the change in net debt over the period (with cash outflows reflecting increased net debt over the period and cash inflows reflecting decreased net debt over the period). The estimates set forth above are preliminary, and involve a number of complex and subjective judgments and estimates about our business, our suppliers and consumer behaviors. Our actual cash outflows or inflows may vary, and subsequent information or events may lead to material differences between the estimates described above and our actual cash outflows or inflows in 2021. Accordingly, this does not constitute guidance and you should not place undue reliance on these estimates. These estimates are subject to risks and uncertainties, including those described under "Forward-looking Statements" and "Risk Factors" elsewhere in this Offering Memorandum.

As the duration of the impact of COVID-19 remains highly uncertain, we expect to report a net loss under IFRS and negative Adjusted operating profit for the year ending December 31, 2021, and we could be required to raise additional equity or debt capital in the future. Our access to and cost of financing will depend on, among other things, global economic conditions, conditions in the global capital markets, the availability of sufficient amounts of financing, our prospects and our credit ratings. There is no guarantee that debt or equity financings will be available on attractive terms or at all in the future. See "Risk Factors—Risks Relating to COVID-19."

Our Strengths

We believe we have a number of strengths that give us a competitive advantage in the global travel retail industry, including:

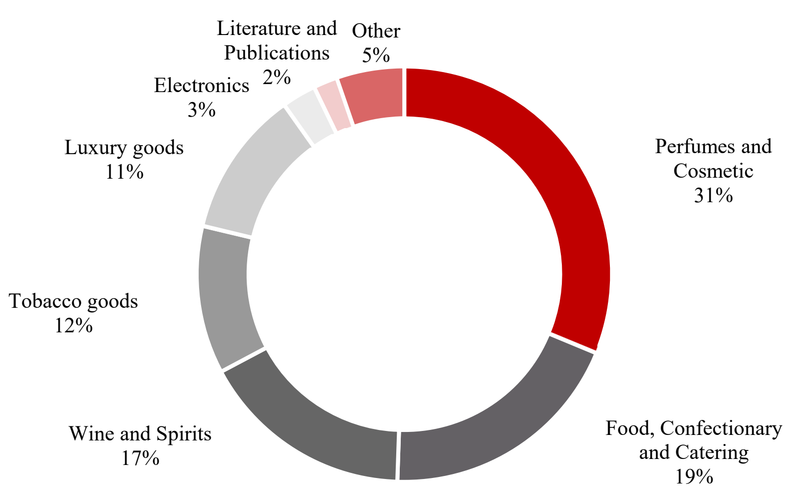
Undisputed #1 leadership position in a fragmented market. We are the clear leader in the global travel retail industry, with a market share of 11% in travel retail overall, and close to 20% in airport travel retail based on fiscal year 2019 turnover data. The global travel retail and airport retail market remains fragmented, and while our competitors mostly operate within a restricted regional or local footprint, we have extensive experience in successfully operating global travel retail businesses. Our global platform and experience in developing new retail facilities in diverse markets, as well as the ability to introduce high-quality suppliers to new outlets, are competitive advantages for us when pursuing new concessions and when negotiating with suppliers, as we are the only travel retail operator that is capable of offering window displays in 430 locations across the globe. Furthermore, as the only truly globally active travel retailer, our customer data helps us identify customer preferences by nationality with respect to brands, products and responsiveness to marketing campaigns and promotions. This allows us to maximize revenues by optimally structuring product assortment displays and in-store marketing activities.

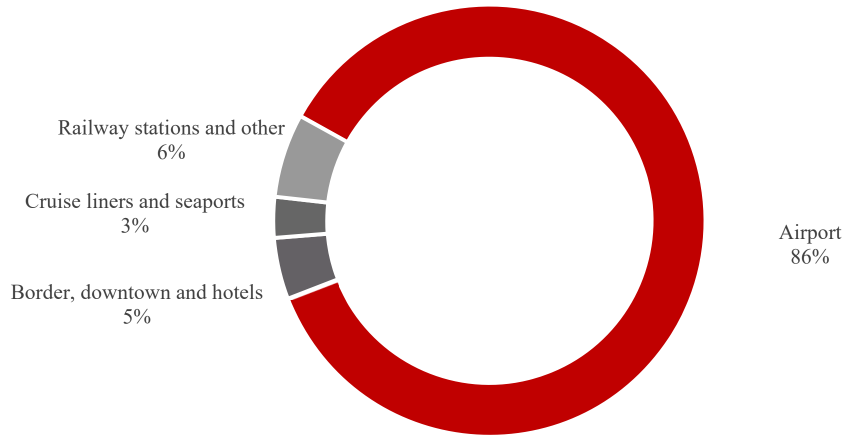
High quality portfolio benefitting from long term contracts with high renewal rates and low contract concentration. We have assembled a high-quality and diversified portfolio of travel retail concessions at attractive locations, with an average remaining term of 6 years as of December 31, 2020, as calculated by the weighted average of fiscal year 2020 turnover contribution of each contract. In 2020, 15.6% of our sales were generated from concessions with a remaining term of 10 or more years as of December 31, 2019, 29.2% of our sales were generated from concessions with a remaining term of between six and nine years as of December 31, 2019 and 55.2% of our sales were generated from concessions with a remaining term of between one and five years as of December 31, 2019. In 2019, 22.5% of our sales were generated from concessions with a remaining term of 10 or more years as of December 31, 2018, 28.3% of our sales were generated from concessions with a remaining term of between six and nine years as of December 31, 2018 and 49.2% of our sales were generated from concessions with a remaining term of between one and five years as of December 31, 2018. Moreover, the geographical diversification of our concession portfolio mitigates the risks of local and regional external impacts.

Our concession portfolio is also not dependent on any individual contract. Our largest concession contract represented only 6% and 7% of our sales in 2020 and 2019, respectively, and our top 10 contracts represented 22% and 26% of our total sales, in 2020 and 2019, respectively. Our track record as a successful, high-quality operator is important to our long-term relationships with facility owners. Given that a large portion of our concession payments are sales-driven, as a result of the variable component of our concession fees, our facility owners benefit from having a strong operator with a proven ability to grow sales. As a result, we enjoy high renewal rates for existing concessions and high success rates of winning new concessions. We opened 9,600 square meters of gross retail space in 2020, which reflects net retail space growth achieved organically, rather than through M&A activity. Moreover, we have an additional 7,900 square meters of contracted space that is expected to open in 2021. At the same time, we refurbished 12,800 square meters of retail space in 2020.

Our business operating model leverages global scale with local execution, providing us a distinct competitive advantage. Moreover, we procure on a global basis, and our integrated procurement and logistics platform provides a key competitive advantage for us, as it allows us to extract the full benefits of our global scale and market position. We work with over 1,000 suppliers around the world. Furthermore, a significant portion of our cost base is variable, which provides added resilience to the business.

We maintain well-diversified operations across geographies, product categories, retail concepts and market sector. As of December 31, 2020, we operated approximately 2,360 stores at approximately 430 locations in 64 countries. We are a truly global business, with geographically diverse operations across Africa, Asia, Central America, the Caribbean, Europe, North America and South America, combining prime operations in developed markets and high-growth emerging markets. Our operations are also diversified in terms of the products we sell, with a strong focus on high margin categories. Our core product category is Perfumes and Cosmetics, which represented 31% of our net sales in 2020. Further, we operate both duty-free and duty-paid shops, catering to different segments of the travel retail market. The following charts show the diversity of our turnover by product category, channel and market sector for the year ended December 31, 2020:





Well positioned to weather the COVID-19 pandemic. We believe that we are well positioned to weather the COVID-19 pandemic having taken steps to strengthen the business in order to capitalize on current and future growth trends, including:

- the restructuring and re-organization substantially completed in 2020 to strengthen and streamline our business and shift to a lower fixed cost base, which we expect to generate structural annual savings of around CHF 400 million, with around CHF 280 million from personnel costs and around CHF 120 million from other expense savings, not including some inflation in the mid- to long-term;

- prudent liquidity management steps undertaken in 2020 including raising liquidity through share placements, convertible bond issuance, right issuance, mandatory convertible notes, COVID liquidity facilities and facility agreement amendments. As a result of these steps, we had a strong liquidity position of CHF 1,905.7 million as of December 31, 2020.

- the successful delisting of Hudson as part of our re-organization to further simplify the corporate structure and to achieve structural savings.

Experienced executive management team, multinational workforce and supportive shareholder structure. We have assembled an experienced executive management team with an average of over 24 years of relevant experience and significant industry and technical knowledge. Most of the members of our current management team have been with Dufry since 2005 or were employed by companies we acquired, such as Hudson, Nuance or World Duty Free.

As of December 31, 2020, our workforce was of approximately 17,795 FTEs which included over 130 nationalities, providing us with excellent local knowledge at all of our retail locations.

Furthermore, we enjoy a strong shareholder structure which was further strengthened in 2020 with the entrance of new participations Advent International and Alibaba Group, as well as the ongoing support of long-standing shareholders such as GIC Asset Management, Fidelity, FMR LLC, Qatar Investment Authority, Richemont, Norges Bank as well as Travel Retail Investments. Advent and Alibaba Group acquired shareholding in Dufry as a part of our capital increase in October 2020 where Advent International acquired 11.4% of outstanding shares and Alibaba Group 6.1%. Alibaba Group invested a further CHF 69.5 million through our private placement of the Mandatory Convertible Notes. We have since formed a joint venture with Alibaba Group to partner and develop travel retail in China and enhance digitalization. See "—Description of Operations by Segment—Asia Pacific" for more information.

Our Strategy

Dufry is the leading global player in travel retail, with operations in 64 countries on six continents, combining prime operations in developed markets with strong positions in emerging markets, and, despite the short-term COVID-related operational challenges, we intend to continue to develop the company following its long-term successful strategy of sustainable and profitable growth and building on its track-record of rapid expansion through organic growth and acquisitions.

Fostering retail excellence to create stakeholder value. Travel retail is the connecting and central element of three very important industries: retail, travel and leisure locations, as well as consumer goods brands. Linking and aligning the different expectations of our stakeholders is critical in order to foster value generation. Our strategy to achieve this goal: focus on offering the best services to our customers to create profitable and sustainable growth for all our stakeholders.

Our clear travel retail focus, where we mostly concentrate on locations with captive audiences, creates a winning formula for all stakeholders of the Dufry ecosystem. For customers, by providing an unrivalled shopping experience; for suppliers, by showcasing their brands to a fast-growing group of affluent customers; for landlords, by fully exploring the commercial potential of a travel or leisure location; for shareholders, by creating long-term value through generating cash and profits and for employees and local communities, by creating job opportunities and wealth.

Business diversification maximizes opportunities and mitigates risks. Diversification has always been a fundamental element of our strategy, which contributes considerably to minimizing risks and providing consistent growth opportunities. We maintain well-diversified operations across geographies, market sectors and channels. In addition, we leverage the latest technology and digitalization to further support market development, customer experience and enhance our diversified business profile.

Geographic diversification. Geographic diversification provides the immediate benefit of capturing the ever-growing number of travelers worldwide, as we can leverage the captive audiences in our locations. Our global presence also allows us to evaluate thoroughly the opportunities of new projects in any location by capitalizing on the expertise of our local teams. Their clear understanding of the local market characteristics forms the foundation for a close collaboration with landlords and other local business partners, to effectively develop new businesses.

Our wide geographic footprint in 64 countries and the fine-meshed network of locations and shops is also a unique marketing asset we can offer our brand partners. It provides them access to any number of mature or emerging markets, and allows them to engage directly with a growing number of customers through, for example, window and in-store displays. Today, Dufry is not only the global market leader, a position that it has held for the 6 years through 2019 with a market share of 11% in travel retail overall and close to 20% in airport travel retail based on fiscal year 2019 turnover data, but also by far the most diversified player in the industry.

Despite the consolidation seen in travel retail over the last several years, the industry remains relatively fragmented, with the top 10 players controlling just over half of the market and the remaining market consisting of small and medium-sized operators in local or regional jurisdictions with less of a global footprint. We expect to be able to capitalize on M&A, with a focus on opportunities in Asia and in the food and beverage sector, as well as opportunities that complement our presence in other existing markets. We believe our long-standing track record executing and integrating M&A transactions, combined with our knowledgeable local and regional teams, allow us to identify, structure, execute and integrate acquisitions quickly. Furthermore, our joint-venture with Alibaba Group to partner in the Chinese travel retail market provides the potential to drive our growth in Asia and with Chinese customers worldwide, while also accelerating our digitalization through the extensive know-how in this area that Alibaba can contribute.

Channel diversification. Diversification by channel and sector widens the scope of the company providing access to additional customer groups and behaviors. In this context, the cruise and ferry businesses, train stations, and also border shops and downtown locations such as hotels, casinos and leisure resorts are gaining in importance.

On the duty-free side, the airport channel is expected to continue to be the largest and fastest growing part of our business. We continue to see additional potential in further developing the cruise ship and ferry business, duty-free border shops – currently mostly in South America – and downtown duty-free shopping in selected markets, mainly in Asia, where this type of operation is particularly popular, due to specific local regulations. Most recently in January 2021, we opened a duty-free shop at the Mova Mall in Haikou, China which was made possible through our joint venture with Alibaba.

The duty-paid sector also has considerable development potential in airports, since the expected growth of domestic passengers – including intra-EU travel – is similar to that for international travelers. In the 2020 recovery phase of the pandemic, this sector temporarily gained over-proportional importance as domestic travel and flying – due to less travel restrictions –picked up faster than international travel. Furthermore, this sector is fragmented even more than duty-free, thus offering attractive new expansion opportunities.

The newest development within duty-paid is the new concept store ANECDOTE opened at The Circle at Zurich Airport in November 2020, which offers travelers and residents of the Greater Zurich area a vast variety of global brands and local premium labels at fantastic prices. The assortment covers all core categories such as perfume and cosmetics, food and confectionery, wines and spirits, sunglasses as well as fashion, accessories and convenience.

We also continue fostering the expansion of our successful duty-paid retail concepts, Hudson and Dufry Shopping, which are already implemented in several markets and have potential for further deployment. Hudson is a well-established convenience store concept that has been very successful in North America over the past 30 years and which we have expanded further into 17 countries world-wide since 2009 with over 674 global stores as of December 31, 2020. Dufry Shopping is a duty-paid concept that offers a high-quality assortment of international brands in an exclusive setting, similar to a duty-free travel retail store, but targeting domestic passengers. Based on the positive results with 13 Dufry Shopping locations in 4 countries so far, we are convinced that this concept can be successfully rolled out to other markets globally.

Accelerating digitalization. Digitalization is changing the way business is done in travel retail. Digitalizing our business allows us to approach potential customers in an even more personalized way than ever before and to flexibly adapt in-store communication to changing nationalities and customer profiles. Its characteristics, which allow us to considerably increase customer engagement cross-channel, cross- geographies and cross-sector, and to serve customers from when they plan their trip to the moment when they return home, are a great asset. Implementing digitalization not only means at the shop front, but also with respect to the whole back-office and support area of the company, where digitalization opens new opportunities to simplify processes and increase efficiency. Our recently announced joint-venture with Alibaba will further accelerate our digital initiatives and exemplifies how strategic partnerships will shape the future of travel retail.

At Dufry, we are excited about the possibilities and opportunities these new technologies offer. In the past three years, we have successfully built and deployed our digital platforms, which allow us to engage more frequently with customers and to provide them with additional services, with the ultimate goal of driving sales. Digitalization is and remains a key element of our strategy, which supports and evolves our strong business model to the next level and continuously improves our offer to the travelers we welcome in our shops.

Specifically, this means that we will be further increasing personalized digital communication with customers at home, during their whole journey, and. in particular. when they are already at the airports and close to our shops. We are also digitalizing our shops to increase conversion rates and to simplify in-store processes, focusing on areas such as product consultations, payments and locations-specific promotions. Finally, we aim to further improve customer service and individualize our product offering to specific customer profiles, based on advanced research and data analytics facilitated by digital tools.

Financial discipline focusing on returns. At Dufry, we have a disciplined financial approach to all our projects, for both organic growth and any acquisitions. We carefully analyze projects and significant investments with detailed projections and a strong focus on minimum return requirements. This includes a careful assessment of the initial investments required to build and set up the stores as well as the cost structure, profitability and cash flow generation of the business once it is operational and over time. This culture of giving importance to returns and cost control has allowed us to grow our business profitably and capture opportunities in many different markets.

As part of our financial risk management, we minimize business risks by implementing and maintaining a highly variable cost structure. These defensive characteristics help to protect the business in case of downturns, which are usually local and temporary, thus providing a solid and resilient profile. The outbreak and spread of the COVID-19 pandemic in 2020 and the company's ability to react efficiently and in a timely manner to business disruptions by successfully implementing action plans to protect the business and its liquidity, is an impactful example of the highly variable degree of our cost structure.

Dufry's strong cash generation capacity is a combination of the company's usually solid profitability and the low capital intensity of our business. Pre-pandemic and based on the 2019 business performance, Dufry would expect to further improve its cash generation capacity in line with top-line growth. Post full recovery and going forward, we are confident that cash generation capacity will continue to be one of the key drivers of our strategy implementation, and will even accelerate based on the structural measures taken during 2020 in order to ensure sustainable and predictable future growth of the Group's cash generation. Dufry also has a deleveraging target of below 4.5x Net Debt/Adjusted Operating Cash flow by the end of 2022 and 3.0-3.5x over the medium term.

Organic growth complemented by acquisitions. Dufry's fundamental growth strategy continues to be characterized by a combination of organic growth as well as M&A opportunities with increased visibility on the pace of recovery. Although, the current COVID-19 pandemic might slightly delay some expansion projects from a landlords' perspective in the short-term, we believe travel retail remains a resilient industry on a mid- to long-term horizon, and we expect to see further growth and partnership opportunities going forward.

With respect to organic growth, the travel retail industry has the unique advantage of benefitting from a secular increase of travelers around the world and offering the great opportunity to directly engage with them. This characteristic clearly differentiates travel retail from any other retail channel. Consequently, organic growth will continue to be an important driver of Dufry's development going forward. We will focus on driving sales through implementing best-in-class shop concepts in duty-free and duty-paid, by further deploying our digital strategy and by evolving the proven marketing and promotional activities we have used and fine-tuned over the years. Besides benefitting from additional passengers in line with regional developments, we expect to further increase our retail space, be it through expansion in existing locations or by winning new contracts in airports and alternative channels. A specific focus will be on growth acceleration in Asia, with first projects being implemented in Hainan in 2021 already, based on the JV with Alibaba Group and the collaboration agreements with Hainan Development Holdings. Specific to the US market, the scope of alternative channels also includes food and beverage shops, as this segment is of great importance for North America and represents a synergy potential for our existing travel retail footprint. At Dufry, we traditionally maintain a sizeable project pipeline, allowing us to grow our retail space in different channels, regions and sectors.

The full reintegration of our Hudson subsidiary, previously listed on the New York Stock Exchange, completed in the fourth quarter 2020 and will not change the overall group strategy from an operational perspective. With respect to North America we will continue to expand our footprint with duty-free and duty-paid operations complemented by airport food and beverage.

Our History

We trace our origins back to 1865 when the Weitnauer family opened its first tobacco shop in Basel, Switzerland. In 1948, Weitnauer became a duty-free distributor and four years later opened its first duty-free shop with direct sales to continental European customers at Le Bourget Airport in Paris. Subsequent tax free operations were launched at EuroAirport Basel Mulhouse Freiburg in 1962 and at Milan-Linate Airport in 1979. The Dufry brand was adopted in 2003.

In March 2004, a consortium of investors led by certain funds managed by private equity firm Advent International Corporation acquired a 75% interest in Weitnauer's travel retail business. In July 2005, the consortium acquired the remaining 25% of Weitnauer's travel retail business. On December 5, 2005 we became a public company and listed our shares on the SIX Swiss Exchange.

Over the past several years we have increased our concession portfolio and expanded into new markets through a series of strategic acquisitions.

- In March 2006, we acquired Brasif Duty Free Shop and its logistics platform Eurotrade for total consideration of USD 503 million paid by us and certain funds managed by Advent International Corporation.

- In September 2008, we acquired Hudson, an operator of convenience stores, coffee shops and special retail concessions.

- In August 2011, we acquired 100% of the shares of several companies in South America and Armenia for total consideration of USD 987.2 million. As a result of the acquisitions, we achieved a leading position in the duty-free market in South America. The main companies we acquired are:

  - Interbaires SA, the exclusive retailer operating duty-free shops at both international airports of Buenos Aires plus the airports of Cordoba, Mendoza and other smaller destinations in Argentina;

  - Navinten SA and Blaicor SA, two Uruguayan retailers operating duty-free shops at the international airports of Montevideo and Punta del Este, respectively;

  - ADF Shops CISC, an Armenian retailer exclusively operating the duty-free shops at the international airport of Yerevan;

  - Ecuador Duty Free SA, a retailer in Ecuador operating duty-free shops at the international airport of Guayaquil; and

  - International Operations & Services (UY) SA, an Uruguayan distribution platform delivering duty-free products to the above mentioned retailers.

- In January 2012, we acquired 51% of the shares and obtained control of Dufry Staer Holding Group for total consideration of CHF 44.7 million. Dufry Staer Holding Group's main subsidiary, Regstaer Ltd, is a travel retailer operating duty-free shops at the airport of Sheremetyevo in Moscow, Russia. As a result of the acquisition, we consolidated our leading position in the Russian travel retail market.

- In April 2013, we acquired 51% of the travel retail operations of the Folli Follie Group, a leading travel retailer in Greece, in April 2013 and acquired the remaining 49% of these operations in December 2013, for total consideration of CHF 401 million (consisting of cash and equity consideration).

- In September 2014, we acquired 100% of Nuance, a leading travel retailer with operations in 19 countries and territories, for total consideration of CHF 1.55 billion.

- In August 2015, we acquired a 50.1% stake in World Duty Free, an Italian company, from Edizione S.r.l. and its subsidiary, Schematrentaquattro S.p.A., for total consideration of CHF 1.38 billion, and we acquired the remaining outstanding World Duty Free shares through a mandatory tender offer which concluded in November 2015.

- In October 2019, through our subsidiary Hudson, we acquired the business and assets related to the operation of Brookstone airport stores in the U.S., a retail operator that sells a unique selection of innovative products in the categories of travel, wellness, home and entertainment, for total consideration of CHF 7.4 million. We expect to expand the business and to generate cost synergies through the integration of Brookstone into Hudson's marketing and supply chain as well as support functions.

- In November 2019, we acquired 60% in RegStaer Vnukovo, a travel retail operator of over 30 duty-free and duty-paid shops at Vnukovo, one of the three most important airports in Moscow, Russia, for total consideration of CHF 80.2 million (consisting of cash and equity consideration).

- In December 2020, as a part of our broader reorganization, we acquired the outstanding equity interest in Hudson Ltd., which was subsequently delisted from the New York Stock Exchange. We had previously completed the IPO of our North American business under the Hudson Ltd. name in February 2018, retaining 57% ownership and 93% voting rights over Hudson prior to the reacquisition.

Operations

General

We operate all of our retail outlets directly and are responsible for ownership and management of inventory and employees within each store. Our retail activities reach across all areas of the travel retail market with operations at airports, on board airlines, cruise lines and seaports, railway stations, downtown tourist locations and border crossings. Developed in collaboration with airport authorities and other landlords, our stores are designed to meet the specific requirements of the traveler.

Our Retail Concepts

We operate a number of retail concepts across our locations, including:

- ***General Travel Retail.*** Our general travel retail shops are typically located in central areas with high passenger flow, mostly in airports, but also in seaports and other locations. These can serve either as departure or arrival areas. Every aspect of a shop is tailored to provide travelers with a suitable shop layout and product assortment in order to ensure attractiveness to the respective customer profiles and spending patterns. In the duty-free segment, the shops are operated under the Dufry brand or others including Nuance, World Duty Free and Hellenic Duty Free, among others. On the duty-paid side, we mostly operate under the brand Dufry Shopping. The shops offer a large selection of different products and cover a wide range of product categories, including perfumes and cosmetics, food and confectionary, wine and spirits, watches and jewelry, fashion and leather, tobacco goods, souvenirs, electronics and other accessories. In addition, we began introducing new generation stores to our general travel retail business. These stores integrate digital technology to increase the level of communication with our customers. For example, we employ immersive screens that allow for communications to target specific passengers in terms of brands, languages and product promotions. The screens typically show a mix of brand advertising, Dufry promotional campaigns and sense of place videos.

- ***Convenience Stores***. Operated under the "Hudson" brand, our well-known convenience format offers a wide assortment of products ranging from soft drinks, confectionary, packaged food, travel accessories, electronics, personal items or souvenirs, to classical publication items such as newspapers, magazines and books. Hudson is a duty-paid concept mainly located at the departure or arrival areas of airports, railway stations and other transit areas that was introduced in 2013. North America is home to most of our convenience stores with more than 580 shops. In addition, as of December 31, 2020, we operated 94 convenience stores outside North America.

- ***Brand Boutiques***. Our brand boutiques are a unique tool to increase the appeal of retail spaces, creating a comprehensive shopping mall experience for customers. We are a partner of choice for global brands to showcase their products in a singular retail space, mirroring the look and feel of the high street shops of the respective brand. Depending on the location, we design these shops as stand-alone boutiques or integrate them as shop-in-shop concepts within our own general travel retail stores. They can be found in either duty-free or duty-paid areas. As of December 31, 2020, we operated 216 Brand Boutiques, including for Armani, Burberry, Bally, Bottega Veneta, Bvlgari, Cartier, Clarins, Chloe, Coach, Ermenegildo Zegna, Etro, Gucci, Hermès, Hugo Boss, Jimmy Choo, Jo Malone London, Lacoste, La Prairie, Lindt, Loewe, Longchamp, MAC, Mango, MaxMara, MCM, Michael Kors, Montblanc, Omega, Polo Ralph Lauren, Salvatore Ferragamo, Swatch, Swarovski, Tod's, Tory Burch, Tumi, Versace, Victorinox, Victoria's Secret and others.

- ***Specialized Stores and Theme Stores***. Specialized stores and theme stores are particular shop concepts where we offer a variety of different brands belonging to one specific product category or which convey a sense of place, such as watches & jewelry, sunglasses, electronics, spirits, food or destination products, or where we carry a broad product range relating to a special theme. These shops are located in airports, seaports and on board cruise liners as well as in hotels or downtown locations. As of December 31, 2020, we operated approximately 520 specialty and theme shops.

Within our general travel retail stores, we allocate space to different products and suppliers in order to optimize sales. Space allocations as well as general layout decisions are guided by allocation of promotional opportunities to certain products or brands under the terms of a supply or other agreement with a supplier or manufacturer.

Our Sales Channels

The following table sets forth the distribution of our shops by sales channel and the percentage of sales attributable to each sales channel on December 31, 2020 and 2019.

	As of December 31, 2020[(1)]		As of December 31, 2019	
Sales channel	**Number of shops**	**Net Sales (as percentages)**	**Number of shops**	**Net Sales (as percentages)**
Airport	2,004	86%	2,017	88%
Cruise liners and seaports	217	3%	251	4%
Border, downtown and hotel shops	91	5%	115	3%
Railway stations and other	46	6%	45	5%
Total	2,358	100%	2,429	100%

(1) As of February 28, 2021, approximately 1,070, or 45% of our stores were closed.

Airport Shops

Our principal airport location typically includes at least one general travel retail shop (duty-free or duty-paid) or one convenience store. Depending on the nature of the specific location, we may also operate one or more brand boutiques, specialty stores or theme stores at the same location.

We operate our duty-free and duty-paid shops mainly through concession agreements with the relevant airport operators. The amounts payable generally combine a variable component which is calculated based upon the revenues of the shops, with a fixed payment which may be a MAG.

As part of operating a concession, we may also provide development services to airport authorities whereby we assist in the decision on the commercial unit, advise on allocation of space within the facility or design an entire commercial area.

Cruise Line, Ferries and Seaport Stores

We operate stores on board cruise ships of Norwegian Cruise Line (“NCL”), Carnival Cruise Lines, Pullmantur and Holland America Line, as well as on ferries in the Aegean Sea, the English Channel and the North and Irish Seas. We also operate shops at terminals of major cruise lines at destinations such as Grand Turk Island, Bridgetown, in Barbados, La Romana in the Dominican Republic and Cozumel, Mexico. Our cruise terminal and cruise line shops offer a full range of traditional duty-free products as well as brand boutiques and specialized shops that are similar to our airport shops, such as Colombian Emeralds International jewelry stores on the NCL vessels.

The cruise ships have routes in the Caribbean, the Mexican Riviera, Alaska, Central and South America, Bermuda, Hawaii, Europe and Asia. The cruise ship operations span a broad spectrum of sizes and scopes with various passenger capacities, crew sizes and retail spaces, and the retail opportunities on the ships vary significantly. Americans constitute the majority of passengers with other nationalities, such as Canadian, British and other European passengers, making up for the remainder. Accordingly, we maintain a commercial strategy that is flexible enough to account for varied customer preferences in order to maximize our business potential.

Railway Station, Downtown Tourist Location, Border Shops and In-flight Retail

Our operations at railway stations and at downtown tourist locations involve both general travel retail operations and specialized shops, such as convenience stores in Italy’s main railway stations and in New York

Grand Central Station, Penn Station and Washington Union Station under the Hudson News brand. The downtown tourist shops are located on the Caribbean cruise line circuit and in prime downtown areas such as São Paulo or Rio de Janeiro.

We also operate border stores, such as those located at borders in Mexico, Greece and Nicaragua, which focus on sales of traditional duty-free products such as spirits and tobacco products.

In addition, we operate in-flight retail on airlines, assist them in the selection and supply of products and train the airlines' cabin crews.

Concessions

We operated approximately 2,360 retail stores in 64 countries as of December 31, 2020. We enter into concession arrangements with operators of airports, seaports, railway stations and other areas to lease and operate these shops. The concession providers grant our operations the right to sell a pre-defined assortment of products to travelers during the concession period as defined in the respective arrangements.

The arrangements typically define:

- duration;
- nature of remuneration;
- product categories to be sold; and
- location and exterior appearance.

They may comprise one or more shops and are awarded in a public or private bid or in a negotiated transaction. The leasehold improvements and installations of these operations are depreciated over the shorter of the useful life of the assets and the duration of the arrangements.

In return for granting us the right to operate our concession, airport authorities or other landlords typically receive a fixed or variable fee that is based on our sales at the concession. Where the concession fees are variable, most concession agreements provide for a MAG that is either a fixed amount or an amount that is variable based upon the number of travelers using the airport or other location, retail space used, estimated sales, past results or other metrics. A limited number of our contracts are based on fixed amount.

Our Products and Suppliers

Our general stores offer a wide range of products, from traditional duty-free products such as perfumes and cosmetics, spirits and tobacco to fine confectionary and other foods and luxury items offered on a duty-free or duty-paid basis.

In 2020, duty-free net sales accounted for 56% of our net sales, while duty-paid net sales represented 44%, as .compared to 2019 where duty-free represented 61% of net sales and duty-paid represented 39%. The change in mix is primarily a result of a smaller decline in domestic travel relative to international travel, especially in our North American markets.

The mix of products in any store or specific location is customized for that region or store, as determined by the customers' purchasing habits. Therefore, there is an important link between the variety of products and the retail concept employed by us at any of our given sites and the travelers' profile in that location.

The following table sets forth the percentage distribution of our net sales by product category and our net sales by product category for the years ended December 31, 2020 and 2019:

	Year ended December 31, 2020		**Year ended December 31, 2019**	
	(as percentages)	**(In millions of CHF)**	**(as percentages)**	**(In millions of CHF)**
Perfumes and Cosmetics	31%	774.8	32%	2,744.4

	Year ended December 31, 2020		Year ended December 31, 2019	
	(as percentages)	(In millions of CHF)	(as percentages)	(In millions of CHF)
Food, Confectionary and Catering	19%	480.0	18%	1,566.2
Wine and Spirits	17%	413.8	17%	1,427.0
Luxury Goods	11%	283.8	13%	1,074.9
Tobacco Goods	12%	286.2	11%	988.4
Electronics	3%	61.3	2%	194.7
Literature and Publications	2%	46.5	2%	171.0
Other	5%	131.2	5%	443.2
Total	**100%**	2,477.6	**100%**	**8,609.8**

We work with over 1,000 suppliers around the world. Within each main product category, we maintain key relationships with main international suppliers. The following table sets forth our five most important suppliers in 2020, by primary product category:

Product Category	Important Suppliers
Perfumes and Cosmetics	Estee Lauder Travel Retailing, USA Produits Luxe International, France Chanel Parfums, France HFC Prestige Int. Operation, Switzerland Puig Antonio Group, Spain
Food, Confectionary and Catering	Mondelez World Travel Retail LLC, Switzerland Lindt & Spruengli, Switzerland Mars Incorporated, USA Nestlé, Switzerland Ferrero, Germany
Wine and Spirits	Diageo, UK Pernod Ricard World Trade, France LVMH Group, France Bacardi Martini, Bermuda Beam Global Spirits & Wine, USA
Luxury Goods	Luxottica, Italy Colombian Emeralds, USA Hermès, France Bulgari, Italy Compagnie Financiere Richemont, Switzerland
Tobacco Goods	Philip Morris International, Switzerland BAT, British American Tobacco, UK Imperial Tobacco, UK / Reemtsma, Germany Japan Tobacco International, Japan Karelia Group, Germany

Our logistics and procurement function works closely with our global suppliers in order to address the requirements of each category and brand to better position our shops.

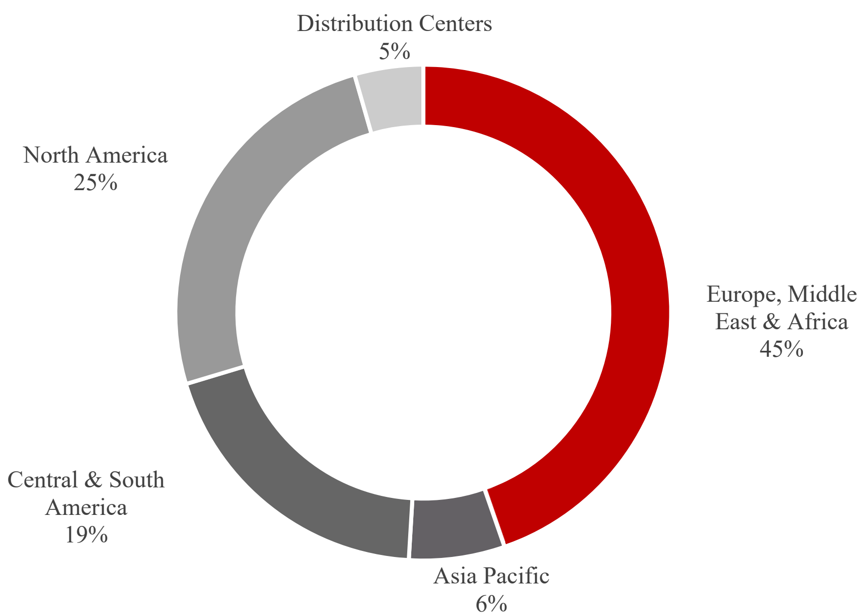
Our logistics operations are centralized in three main platforms: one in Switzerland, serving Europe and Africa, one in Hong Kong, serving Asia Pacific and Middle East and another one in Uruguay, serving Central and South America and North America.

Description of Operations by Segment

Our risks and returns are predominately affected by the fact that we operate in different geographies. As part of our reorganization and restructuring initiative, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—General Factors Affecting Our Results of Operations—Reorganization and Restructuring", we have been operating since September 30, 2020, under the following four geographical segments in addition to the Distribution Centers unit: (i) Europe, Middle East and Africa, (ii) Asia Pacific, (iii) Central and South America and (iv) North America.

Our operations are conducted mainly through local subsidiaries that are (i) directly or indirectly wholly owned by us, or (ii) in which we have a direct or indirect majority holding and that rely on local partners having a minority interest, and over which we exercise management control. In this latter case our local partner is usually a business partner or the landlord of the facility, for example, an airport authority.

The following chart sets forth our turnover by segment for the year ended December 31, 2020:



The following table shows certain statistical data on a regional basis as of December 31, 2020:

	Europe, Middle East and Africa	Asia Pacific	North America	Central and South America	Total
Total sales area (in square meters)..................	216,581	22,874	130,527	100,269	470,251
Total number of stores	787	60	497	1,014	2,358

When compared to our retail space as of December 31, 2020, we have an additional 7,900 square meters of contracted space that is expected to open in 2021.

Europe, Middle East and Africa

This region includes our operations in Armenia, Bulgaria, Cape Verde, Egypt, Finland, France, Germany, Ghana, Greece, India, Ireland, Italy, Ivory Coast, Jordan, Kenya, Kuwait, Malta, Morocco, Mozambique, Nigeria, Portugal, Russia, Serbia, Spain, Sri Lanka, Sweden, Switzerland, Turkey, United Arab Emirates and the United Kingdom.

Our largest country, by turnover, in this region in 2020 was the United Kingdom.

Asia Pacific

This region includes our operations in Australia, Cambodia, China, Hong Kong, Indonesia, Macao, Malaysia, Singapore and South Korea.

Our largest country, by turnover, in this region in 2020 was Australia.

On October 4, 2020, we agreed with a wholly owned subsidiary of Alibaba Group the principles pursuant to which we and Alibaba Group intend to service the travel retail market in mainland China. Specifically, we expect to form a joint venture (the "Alibaba JV"), in which Alibaba Group is expected to hold a 51% interest and we are expected to hold a 49% interest. Alibaba will bring to the joint venture its established network in China and its digital capabilities, while we will support the joint venture with our supply chain and strong operational skills and contribute our existing travel retail business in China. Among other things, the parties will explore the travel retail business in China to the extent permissible by applicable laws, as in some cases such operations would be subject to a number of regulatory approvals and would require cooperation with a third party approved to operate in China. Alibaba Group and Dufry expect to negotiate the definitive agreement governing the Alibaba JV in due course. On January 31, 2021, the first duty free shop at the Mova Mall in Haikou, Province of Hainan, China was opened, in collaboration with the duty-free license holder Hainan Development Holdings. In addition, we expect that the collaboration with Alibaba Group will accelerate and enhance our digital transformation efforts, allowing increased customer touchpoints and engagement.

Central and South America

This region includes our operations in Antigua, Argentina, Aruba, Bahamas, Barbados, Bolivia, Brazil, Chile, Colombia, the Dominican Republic, Ecuador, Grenada, Honduras, Jamaica, Mexico, Nicaragua, Peru, Puerto Rico, St. Kitts & Nevis, St. Lucia, St. Maarten, Trinidad & Tobago, Turks & Caicos Islands and Uruguay and our operations on cruise ships.

Our largest country, by turnover, in this region in 2020 was Mexico.

North America

This region includes our operations in Canada and the United States.

Distribution Centers

The Distribution Centers segment consists of the global distribution centers that deliver goods to our four segments. Our Distribution Centers are centralized in three platforms: Barcelona, Spain mainly serves our Europe, Middle East and Africa segment; Hong Kong, China serves our Asia Pacific segment; and Montevideo, Uruguay serves our Central and South America and North America segments. These main distribution centers receive long-haul and major shipments and organize the further dispatch of the goods to the local entities at the country and shop level.

Competition

We compete with a limited number of other major global travel retailers as well as with regional travel retailers for concessions at airports, seaports and other travel related channels. Travel retailers compete primarily on the basis of their experience and reputation in travel retail, including their relationships with suppliers and airport or other authorities, their experience in a particular region, their ability to respond to the needs of an airport authority or other landlords for planning and design advice as well as operational ability, and price, as a concession may be awarded in a tender based upon the highest concession fee offered. In addition, certain travel retailers have a competitive advantage based upon specific local circumstances.

The global travel retail market is highly fragmented and there are a number of regional and local market participants.

In airport retail, our main competitors in Europe are travel retailer Gebrüder Heinemann and the French conglomerate Lagardère Travel Retail. In the Middle East and Asia, the main operators are DFS Group, a subsidiary of LVMH, Ireland-based Aer Rianta International and two Korean conglomerates, Lotte Duty Free and The Shila

Duty Free, as well as Dubai Duty Free. In the Americas and Caribbean, DFS Group and Lagardère Travel Retail as well as regional retailers such as Duty Free Americas are our main competitors for airport retail concessions.

We also compete for customers directly with other travel retailers in some locations where we operate. As our range of products increases, we become an indirect competitor against traditional retailers. The level of competition varies greatly among the different locations where we operate. For example, in a number of airport terminals, we are the sole duty-free operator, while in some locations we compete with other retailers.

Regulation

Our operations are subject to a range of laws and regulations adopted by national, regional and local authorities from the various jurisdictions in which we operate.

In general, the countries in which we operate consider the duty-free stores as being "bonded warehouses," which avoids our clients having to pay special taxes, such as value-added and duty taxes, when they purchase goods while in international transit. This special status subjects us to bonded warehouse regulations that require, for example, that any bonded merchandise not be commingled with local merchandise or other non-bonded merchandise.

We are also subject to certain truth-in-advertising, general customs, consumer and data protection, product safety, workers' health and safety and public health rules that govern retailers in general as well the merchandise sold within the various jurisdictions in which we operate.

Furthermore, the airport authorities in the United States frequently require that our subsidiaries associate themselves with a Disadvantaged Business Enterprise ("DBE"). The most common partnership model is co-ownership of the retail location between a DBE and the Hudson Group through a joint venture. These agreements are subject to regulation and supervision.

Intellectual Property

In our key markets, we hold one or all of the trademarks Dufry, Hudson News, World Duty Free, Nuance, Hellenic Duty Free, Regstaer, Colombian Emeralds, Duty Free Caribbean, Dufry do Brasil or Interbaires. We do not hold any other additional patents, trademarks or licenses, that, if absent, would have had a material adverse effect on our business operations.

Properties

Our head office is located in Basel, Switzerland, where we lease a 2,891 square-meter commercial building. We also lease properties for our regional operations centers: a 675 square-meter property in Milan; a 271 square-meter property in Sharjah; a 2,600 square-meter property in Miami; a 3,116 square-meter property in Rio de Janeiro; and a 5,760 square-meter property in East Rutherford, New Jersey. Management believes that such facilities are adequate for our current needs in all significant aspects.

We do not own any significant real estate.

Employees

The tables below set forth the number of FTEs (unaudited) as of the dates indicated, as well as a breakdown of those FTEs geographically. These figures reflect the results of our reorganization and restructuring initiative. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—General Factors Affecting Our Results of Operations—Reorganization and Restructuring."

	December 31, 2020	December 31, 2019
Europe and Africa	9,924	12,999
Asia Pacific and Middle East	664	1,629
Central and South America	3,933	7,269
North America	2,866	8,776
Distribution Centers	408	663
Total	17,795	31,336

There were 17,795 employees as of December 31, 2020 compared to 31,336 employees as of December 31, 2019. This decrease is due to the seasonal fluctuations of our business and actions taken in response to the COVID-19 pandemic.

We believe that our employee relationships are good.

Legal Proceedings

We have extensive global operations, and we are both a defendant and a plaintiff in a number of court, arbitration and administrative proceedings. The nature of our business results in us being involved, from time to time, in contentious matters with customs and tax authorities in the various jurisdictions in which we operate, as well as with suppliers, employees and competitors. In addition, we are involved, from time to time, in disputes with airport authorities or other facility landlords in connection with the amount of concession fees payable by us. Certain items are provisioned for as necessary in the ordinary course of business and management believes current provisions are adequate.

Due to a favorable and final decision from the federal courts in Brazil, we are entitled to reclaim certain indirect tax payments previously made by one of our Brazilian subsidiaries. For the periods ending December 31, 2020 and 2019, Dufry recorded a positive pre-tax income of CHF 6.6 million and CHF 64.4 million, respectively, in relation to this case. Although we assess the recovery as virtually certain, the related enforcement proceedings are expected to take a number of years. We are also in arbitration proceedings with Folli Follie Commercial Industrial and Technical S.A. ("FFG") regarding the interpretation of a purchase price adjustment clause in the share purchase agreement entered into with FFG in 2013 when we acquired Hellenic Duty Free Shops Ltd. If we prevail, we expect to receive a purchase price adjustment equal to the then market value of 804,728 shares of Dufry AG. There can be no guarantee that we will prevail in either proceeding, or, even if we do prevail, that we will receive the judgment we expect to receive or if and when we would receive the payments awarded to us, if any.

Other than these proceedings, we have not during the previous 12 months been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which it is aware), which have had in the recent past, or may have in the future, a significant effect on our financial position or profitability.

Insurance

We have obtained insurance coverage for our operations at levels which management considers prudent and in conformity with industry standards. We have taken out global coverage for a variety of risks and activities, including business interruption insurance. These insurance policies generally exclude acts of willful misconduct and gross negligence. We intend to continue our practice of obtaining global insurance coverage where practicable, increasing coverage where necessary and reducing costs. Management does not anticipate any difficulty in obtaining adequate levels of insurance in the future.

Interruption of Business

During the past three years, we have not experienced any material business interruptions except as disclosed in this Offering Memorandum.

MANAGEMENT

Dufry AG

Members of the Board of Directors

The following table sets forth the names, ages, positions and committee memberships of the Company's directors, all of whom, except for Julián Díaz González, our Group CEO, and Juan Carlos Torres Carretero, who is considered an executive Chairman due to his intense involvement with the Company's management, are non-executive directors, followed by a short description of each director's business experience, education and activities:

Name	Age	Position	First Election
Juan Carlos Torres Carretero	72	Chairman of the Board	2003
Heekyung (Jo) Min (3)	62	Lead Independent Director	2016
Jorge Born (1)(2)(3)	58	Director	2010
Claire Chiang (2)(3)	69	Director	2016
Julián Díaz González	62	Director, Group CEO	2013
Steven Tadler (1)(2)	61	Director	2018
Lynda Tyler-Cagni (2)	65	Director	2018
Mary Guilfoile (1)	67	Director	2020
Luis Maroto Camino (1)	56	Director	2019
Ranjan Sen (4)	51	Director	2020

(1) Audit Committee member.

(2) Nomination Committee member.

(3) Remuneration Committee member.

(4) Elected by the extraordinary shareholders' meeting on October 6, 2020.

The members of the Board of Directors may be contacted at the business address of the Company.

Juan Carlos Torres Carretero is Chairman of our Board of Directors. He has many years of private equity and senior management operating experience. From 1995 to 2016, he was managing partner in charge of Advent International Corporation's investment activities in Latin America. Mr. Torres Carretero is also chairman of the boards of directors of Acamar Partners Acquisition Corp. Mr. Torres Carretero graduated in physics from Universidad Complutense de Madrid and in management from MIT's Sloan School of Management.

Heekyung (Jo) Min is the Lead Independent Director. She has served as Senior Executive Vice President and Head of Corporate Social Responsibility at CJ Cheiljedang Corporation, a publicly-listed multi-industry Korean conglomerate with retail operations since 2011; as Director General, Incheon Free Economic Zone, Korea from 2007 to 2010; as Country Advisor, Global Resolutions, Korea in 2006 and as Executive Vice President, Prudential Investment and Securities Co., Korea from 2004 to 2005. Ms. Min holds an undergraduate degree from Seoul National University and a Master's degree in Business Administration from the Columbia Graduate School of Business. Ms. Min is also a member of the board of directors of CJ Welfare Foundation as well as honorary advisor to the Asia New Zealand Foundation.

Jorge Born is a member of the board of directors of Hochschild Mining, Ltd., Chairman of the Fundación Bunge y Born and a member of the board of governors of the Lauder Institute at Wharton Business School. From 2004 to 2005, Mr. Born was an independent member of our Board of Directors. He also had served as a board member of Dufry South America Ltd. until its merger with us in 2010. Mr. Born holds a B.S. in economics from the Wharton School of the University of Pennsylvania.

Claire Chiang is the Founder and Managing Director of Banyan Tree Gallery, a Co-founder and Senior Vice President of Banyan Tree Resort Group since 1994 and was a Member of Parliament for the Government of Singapore from 1997 to 2001. Ms. Chiang holds an undergraduate degree from the University of Singapore and a Master's degree in Philosophy from the University of Hong Kong. Ms. Chiang is also a member of the Board of ISS A/S, Banyan Tree Gallery (Singapore) Pte. Ltd., RHYC Pte. Ltd, Mandai Park Holdings Pte. Ltd., Mamaboss Pte. Ltd., Banyan Tree Global Foundation Limited, Banyan Tree Gallery (Thailand) Limited, and Tian Rong (TIANJIN)

Enterprise Management Consulting Service Co. Ltd., and the following non-profit organizations: Singapore Book Council, SFP Singapore Management University, Ministry of Defense, SCCCI (Singapore Chinese Chamber of Commerce and Industry).

Julián Díaz González has been our Group CEO since 2004 and also serves on our board of directors. Mr. Díaz González served as General Manager at TNT Leisure, S.A., from 1989 to 1993, as Division Director at Aldeasa from 1993 to 1997, in various managerial and business positions at Aeroboutiques de Mexico, S.A. de C.V. and Deor, S.A. de C.V. from 1997 to 2000, and as General Manager of Latinoamericana Duty-Free, S.A. de C.V. from 2000 to 2003. Mr. Díaz González holds a degree in business administration from Universidad Pontificia Comillas (I.C.A.D.E.) de Madrid.

Steven Tadler has served as Managing Partner of Advent International since 1985, as Director of Advent International Corp. since 2002 and as Director of wTe Corporation since 1989. He served as board member of Skill-soft from 2010 to 2014 and Transunion from 2012 to 2017. Mr. Tadler holds a Master's degree in Business Administration from Harvard Business School and B.S., with distinction, from the University of Virginia. Mr. Tadler is also trustee at Endicott College and Managing Director of Exeter Capital.

Lynda Tyler-Cagni is the founder and has been Chief Executive Officer at Only the Best Agency Ltd since 2015. She also served as a Director at Atlantia SpA from 2016 to 2018 and served on the board of directors of World Duty Free Group from 2013 until our acquisition of World Duty Free Group in 2015. She has also served as an advisor to the management Board of Bonpoint and held various management positions with Fast Retailing Group, Uniqlo and Ermenegildo Zegna. Ms. Tyler-Cagni is currently a member of the business management advisory board of EDHEC Paris. She holds a B.A. (Honors) in Languages, Economics & Politics from the University of Kingston, London.

Mary Guilfoile is a Director of the Company. Ms. Guilfoile is currently Chairwoman of MG Advisors, Inc., a privately owned financial services merger and acquisitions advisory and consulting firm, and is a Partner of The Beacon Group, LP, a private investment group. Ms. Guilfoile served as Executive Vice President and Corporate Treasurer at JPMorgan Chase & Co. and as Chief Administrative Officer of its investment bank from 2000 through 2002, previously served as a Partner, CFO and COO of The Beacon Group, LLC, a private equity, strategic advisory and wealth management partnership, from 1996 through 2000. She has been a member of the boards of directors of C. H. Robinson Worldwide, Inc. since 2012, currently serving as a member of the compensation and governance committees, The Interpublic Group of Companies, Inc. since 2007, currently serving as the chair of the audit committee, and as a member of the executive and corporate governance committees, and Pitney Bowes Inc., since 2018, currently serving as a member of the audit and finance committees. Ms. Guilfoile holds a bachelor's degree in accounting from Boston College Carroll School of Management and a master's degree in business administration from Columbia Business School, and is a certified public accountant.

Luis Maroto Camino has been the CEO and President of Amadeus IT Group since 2011. He joined Amadeus IT Group in 2000, where he served as Deputy CEO, CFO and Director Marketing Finance. Prior to joining Amadeus, he held several managerial positions at the Bertelsmann Group. Mr. Maroto Camino holds a B.S. in Law from the Universidad Complutense Madrid and an MBA from the Instituto de Estudios Superiores de la Empresa, Madrid (IESE).

Ranjan Sen has been elected as a member of the Board of Directors at the extraordinary shareholders' meeting on October 6, 2020. Mr. Sen is Managing Partner and a member of the European and Asian Investment Advisory Committee and Head of its German office at Advent International Corporation. In his function, Mr. Sen is also managing director of two German limited liability companies advising Advent International Corporation. He has significant experience in the retail and consumer sector, having advised on numerous investments in this sector throughout his more than 15 years' career with Advent International. Previously, Mr. Sen worked at DB Capital Partners, the private equity arm of Deutsche Bank, and at UBS Capital. Mr. Sen studied for two years at the European Business School and graduated with a degree in Business Administration from the Richmond University in London.

Global Executive Committee

As of the date of this Offering Memorandum, the Global Executive Committee comprises eight executives: the Group Chief Executive Officer; the Chief Financial Officer; the Global Chief Corporate Officer; the Group General

Counsel; the Chief Executive Officer Operations; the Chief Commercial Officer; the Chief Executive Officer North America; and the Chief Organization & Transformation Officer. The Global Executive Committee conducts our operating management pursuant to the Board of Directors' regulations. The Group CEO reports to the Board of Directors on a regular basis.

The members of the Global Executive Committee are responsible for our day-to-day activities under the supervision of the Group CEO. At Global Executive Committee meetings, each member of the Global Executive Committee reports to the Group CEO any business developments and any important events concerning us. Outside of these meetings, each Global Executive Committee member immediately informs the Group CEO of any extraordinary event within the company.

Members of the Global Executive Committee

The following table sets forth the names and years of appointment of the current members of the Global Executive Committee, followed by a short description of each member's business experience, education and activities:

Name	Age	Position
Julián Díaz González	62	Director and Group Chief Executive Officer (Group CEO)
Yves Gerster	42	Chief Financial Officer (CFO)
Luis Marin	49	Global Chief Corporate Officer (GCCO)
Pascal C. Duclos	53	Group General Counsel (GGC)
Eugenio Andrades	52	Chief Executive Officer Operations (CEOO)
Andrea Belardini	52	Chief Commercial Officer (CCO)
Roger Fordyce	65	Chief Executive Officer North America
Salvatore Aricò	49	Chief Organization & Transformation Officer

The members of the Global Executive Committee may be contacted at the business address of the Company.

All employment agreements entered into with the members of the Global Executive Committee are entered for an indefinite period of time.

Julián Díaz González has been our Group CEO since 2004 and also serves on our board of directors. Mr. Díaz González served as General Manager at TNT Leisure, S.A., from 1989 to 1993, as Division Director at Aldeasa from 1993 to 1997, in various managerial and business positions at Aeroboutiques de Mexico, S.A. de C.V. and Deor, S.A. de C.V. from 1997 to 2000, and as General Manager of Latinoamericana Duty-Free, S.A. de C.V. from 2000 to 2003. Mr. Díaz González is also a board member of Hudson Ltd. Mr. Díaz González holds a degree in business administration from Universidad Pontificia Comillas (I.C.A.D.E.) de Madrid.

Yves Gerster has served as our CFO since 2019. Before holding his current position, Mr. Gerster was Global Head Group Treasury at Dufry International AG. Prior to his positions at Dufry, Mr. Gerster was Assistant Group Treasurer at Danzas Management AG from 1999 to 2003 and Assistant Group Treasurer at Bucher Industries AG from 2003 to 2006. Mr. Gerster holds a degree in Business Administration & Finance from the University of Basel.

Luis Marin has been our GCCO since 2018. Prior to his appointment to this role, Mr. Marin served as Chief Corporate Officer from 2014 to 2018; Business Controlling Director from 2004 to 2014 and from 2012 to 2014 was also responsible for the M&A division. Mr. Marin had previously served as the Head of Finance and Administration of Spanish subsidiaries of Areas, a company member of the French group Elior, from 2001 to 2004. He was the Financial Controller at Derbi Motocicletas — Nacional Motor S.A. from 1998 to 2001, and prior to that was an Auditor at Coopers & Lybrand from 1995 to 1998. Mr. Marin holds a degree in Economic Sciences and Business Administration from Universidad de Barcelona.

Pascal C. Duclos has been our GGC and Secretary of the Board of Directors since 2005. Before his current position with us, Mr. Duclos was a senior foreign attorney at law at the Buenos Aires law firm Beretta Kahale Godoy from 2003 to 2004 and a financial planner at UBS AG in New York from 2001 to 2002. Prior to that, he was an associate at the New York law firm Kreindler & Kreindler from 1999 to 2001 and a senior associate at the Geneva law firm Davidoff & Partners from 1991 to 1997. From 1994 to 1997, Mr. Duclos was also academic assistant at the University of Geneva School of Law. Mr. Duclos received a license in law from Geneva University

School of Law and an LL.M. from Duke University School of Law. He is licensed to practice law in Switzerland and is admitted to the New York Bar.

Eugenio Andrades has been our CEOO since September 1, 2020. Before his current position, he served as Chief Executive Officer Europe, Africa and Strategy from January 2019 to August 2020, as our Chief Executive Officer Operations and Strategy from 2018 to 2019 and our Chief Executive Officer Division UK, Central and Eastern Europe in 2016 and 2017. Prior to that, Mr. Andrades was Chief Executive Officer (2014 to 2015) and Chief Commercial Officer (2011 to 2014) at World Duty Free and held several positions at Aldeasa including Commercial Director and Operations Coordinator (2007 to 2010), Director of Strategy & Development and Investor Relations (2002 to 2007), Chief Executive Officer Jordan & Middle East (2000 to 2001) and Commercial Director and Operations Coordinator, Aldeasa (2011 to 2014), Director of Strategy & Development and Investor Relations Business & Corporate Development and Investor Relations Director (1996 to 2000). Prior to joining Aldeasa, he had been a consultant at the McKinsey group and worked for Carboex, a subsidiary of Endesa. Mr. Andrades is a graduate in Mining Engineering at the Politécnica University of Madrid. He holds a Master's degree in Finance and Strategy from the Colorado School of Mines, (Colorado, USA), and an MMBA from McKinsey & Co. Denmark.

Andrea Belardini has been our CCO since September 1, 2020. Before his current position, he served as our Divisional Chief Executive Officer for Asia Pacific and Middle East from 2016 to August 2020 and as Chief Operating Officer Region 5 & Integration Leader. Prior to that he was the Global Chief Commercial Officer for Nuance concurrent with regional CEO function from 2013 to 2014 and the CEO European Operations of Nuance from 2009 to 2014. He was the Executive Vice President Strategy and Development & Commercial Business for Aeroporti di Roma (ADR) from 2000 to 2009. Mr. Belardini graduated with Honours (Magna cum Laude) in Business and Economics from the University of Rome La Sapienza.

Roger Fordyce has been our Chief Executive Officer for North America since January 2019. Before his current position he held several positions at Hudson Group, where he started working as District Manager in 1988. From 1992 to 1996, he was Vice President of Operations, from 1996 to 2008 he was Senior Vice President of Operations and from 2008 to 2018 he was Executive Vice President and Chief Operating Officer. Prior to 1988 he held positions as Manager at Dobbs /Aeroplex, WH Smith and Greenman Bros. Mr. Fordyce is a board member of Hudson Ltd. Mr. Fordyce holds a B.A. in Psychology from SUNY Stony Brook.

Salvatore Aricò has been our Chief Organization & Transformation Officer since January 1, 2021. Mr. Aricò joined Dufry in 2014 and previously served as Global Organization and Human Resources Director. Prior to his positions at Dufry, Mr. Aricò was Executive Vice President Human Resources at Nuance Group from 2010 to 2014, Human Resources Director at L'Oreal Italia from 2006 to 2009 and Head of Organization & Human Resources at Unilever Italia from 2001 to 2005. Prior to 2001, he held various managerial positions at ING and Burgo Group. Mr. Aricò holds a Degree in Business and Economics from the University of Turin.

Conviction and Proceedings

None of the members of the Global Executive Committee is or has been during the past five years subject to any convictions for finance or business-related crimes or to legal proceedings (excluding traffic violations) by statutory or regulatory authorities (including designated professional associations) that are ongoing or have been concluded with a sanction.

The Issuer

The following table sets forth certain information with respect to the Issuer's board as of the date hereof.

Name	Age	Position	Date of Appointment
Pieter van der Schee	42	Director	September 22, 2017
Sjoerd Jacobs	29	Director	September 22, 2017
Yves Gerster	42	Director	April 1, 2019
Marinus Thomassen	53	Director	December 6, 2017

Pieter van der Schee joined Dufry in March 2013 as Manager General Ledger Accounting EMEA. Prior to joining Dufry, Mr. van der Schee was Manager Accounts Payable EMEA for NEWELL INC. since 2008. Prior to this position he held several positions in accounting, controlling and reporting. Mr. van der Schee holds a bachelor's degree in Business Economics from the HEAO in Breda, the Netherlands.

Sjoerd Jacobs joined Dufry in December 2014 and currently serves as Dufry Financial Services' Treasury Operations Manager. Mr. Jacobs holds a bachelor's degree in Business Economics, with a specialization in controlling from the HEAO in Sittard, the Netherlands.

Yves Gerster has served as the CFO of Dufry AG since 2019. Before holding his current position, Mr. Gerster was Global Head Group Treasury at Dufry International AG. Prior to his positions at Dufry, Mr. Gerster was Assistant Group Treasurer at Danzas Management AG from 1999 to 2003 and Assistant Group Treasurer at Bucher Industries AG from 2003 to 2006. Mr. Gerster holds a degree in Business Administration & Finance from the University of Basel, Switzerland.

Marinus Thomassen joined Dufry in April 2010 as Head FSSC EMEA. Prior to joining Dufry, Mr. Thomassen was Head of FSSC Europe at ACCO Brands from 2008 to 2010. Prior to this he worked for Rosenbluth International/American Express Business Travel as European CFO and held several management positions before that. Mr. Thomassen holds a Bachelor's Degree in Finance from SPD in Eindhoven, the Netherlands.

The business addresses of the board of the Issuer is Luchthavenweg 53, 5657 EA Eindhoven, the Netherlands. There are no conflicts of interest of the board of the Issuer between their duties as members of the board of the Issuer and their private interests or other duties.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

A party is related to us if the party directly or indirectly controls, is controlled by, or is under common control with us, has an interest in us that gives it significant influence over us, has joint control over us or is an associate or a joint venture of us. In addition, members of our key management personnel or close members of their families are also considered related parties as well as post-employment benefit plans for the benefit of our employees.

In the course of our ordinary business activities, we may enter into agreements with or render services to related parties provided the relationships are disclosed. In turn, such related parties may render services or deliver goods to us as part of their business. We believe all such transactions are negotiated and conducted on a basis equivalent to those that would have been achievable on an arm’s length basis, and that the terms of these transactions are comparable to those currently contracted with unrelated third-party suppliers and service providers.

As reported in our annual report for 2020 our related party transactions and relationships that occurred or existed in 2020 and 2019 were the following:

- We purchased goods from the following related parties: Hudson RPM Distributors, LLC (a company controlled by James S. Cohen, a shareholder of the Company) CHF 1.4 million (2019: CHF 16.5 million).
- We purchased services from the following related parties: Pension Fund Dufry (post-employment benefits): CHF 5.6 million (2019: CHF 6.1 million).
- At December 31, 2020 we had open invoices with the following related parties: Hudson RPM Distributors, LLC of CHF (1.7) million (2019: CHF 0.1 million) and Pension Fund Dufry (post-employment benefits) of CHF 0.3 million (2019: CHF 0.8 million).

Please see Note 41 to our audited consolidated financial statements for 2019, incorporated by reference herein, for details of our related party transactions that occurred or existed in 2019 and 2018.

DESCRIPTION OF OTHER INDEBTEDNESS

As of December 31, 2020, we had total borrowings (current and noncurrent) of CHF 3,704.5 million (compared with CHF 3,655.4 million and CHF 3,824.3 million of total borrowings (current and noncurrent) as of December 31, 2019 and December 31, 2018, respectively).

Senior Credit Facilities

The following is a brief description of our senior credit facilities.

Term and Revolving Facilities Agreements. On November 3, 2017, the Swiss Subsidiary Guarantor (together with certain other members of the Dufry Group) and a group of financial institutions entered into an unsecured multicurrency term and revolving facilities agreement (the “Facilities Agreement”), being a USD 700 million term facility (the “2017 Senior U.S. Dollar Term Loan Facility”), a EUR 500 million term facility (the “2017 Senior Euro Term Loan Facility”) and a EUR 1,300 million multicurrency revolving credit facility (the “2017 Revolving Credit Facility”). The Facilities Agreement was entered into primarily for the purpose of (i) the repayment or prepayment of then existing term and revolving facility agreements and (ii) the working capital and general corporate purposes of the Dufry Group. On May 6, 2020, the Swiss Subsidiary Guarantor (together with certain other members of the Dufry Group) and a group of financial institutions entered into an amendment and restatement agreement (the “A&R Facilities Agreement”), pursuant to which, among other things, the financial covenants and applicable margin under the Facilities Agreement were amended, as described further below (the “2020 Amendments”), and which was agreed and implemented as part of the Dufry Group’s response to the COVID-19 pandemic.

2020 Liquidity Facilities Agreement. On May 29, 2020, the Swiss Subsidiary Guarantor (together with certain other members of the Dufry Group) and a group of financial institutions entered into an unsecured single currency term and revolving facilities agreement (the “2020 Liquidity Facilities Agreement”), being a EUR 120.0 million term loan facility and EUR 247.0 million revolving credit facility (together, the “2020 Liquidity Facilities”). The 2020 Liquidity Facilities Agreement was entered into primarily for the purpose of financing the working capital and general corporate purposes of the Dufry Group.

The obligations of the Swiss Subsidiary Guarantor and the Dutch Subsidiary Guarantor as borrowers under the A&R Facilities Agreement and the 2020 Liquidity Facilities Agreement are irrevocably and unconditionally and jointly and severally guaranteed by the Parent Guarantor, the Swiss Subsidiary Guarantor and the Dutch Subsidiary Guarantor.

The loans under the facilities bear interest, paid at periods selected by the relevant borrower, at a floating rate (LIBOR, in relation to any loan in a currency other than euro or Canadian dollars, or EURIBOR, in relation to any loan in euro, or the applicable benchmark rate for Canadian dollars, in relation to any loan in Canadian dollars) plus a margin. The margins applicable to each facility are determined according to the long-term credit rating assigned to Dufry AG. Following the 2020 Amendments, in respect of the 2017 Revolving Credit Facility, until December 31, 2021 the margin ranges from 1.05% to 3.80%, and from January 1, 2022 until maturity date, the margin ranges from 0.70% to 1.80%. Following the 2020 Amendments, in respect of the 2017 Senior U.S. Dollar Term Loan Facility and the 2017 Senior Euro Term Loan Facility, until December 31, 2021 the margin ranges from 1.25% to 4.00%, and from January 1, 2022 until maturity date, the margin ranges from 0.90% to 2.00%. In respect of both the term loan facility and the revolving credit facility under the 2020 Liquidity Facilities Agreement, the margin ranges from 2.10% to 4.00%. The 2017 Revolving Credit Facility has a maturity date of November 3, 2024, and the 2017 Senior U.S. Dollar Term Loan Facility and the 2017 Senior Euro Term Loan Facility have an original maturity date of November 3, 2022, subject to an extension which is being discussed with the participating lenders. The 2020 Liquidity Facilities mature on May 29, 2021, subject to the possible exercise of the extension options.

We are required to adhere to the following financial covenants (measured under the financial definitions set forth in the A&R Facilities Agreement and the 2020 Liquidity Facilities Agreement): (i) a maximum ratio of total drawn debt to adjusted operating cash flow of 5.0:1.0 for the test periods ending September 30, 2021 and December 31, 2021 and 4.5:1.0 thereafter, (ii) a minimum ratio of adjusted operating cash flow to total interest expense of 3.0:1.0 for the test periods ending September 30, 2021 and thereafter and (iii) the minimum liquidity (being cash, cash equivalents and undrawn available credit lines) of the Dufry Group should be no less than CHF 300 million, tested on a monthly basis until and including June 30, 2021. On the basis that the original maturity date of the facilities available under the 2020 Liquidity Facilities Agreement is May 29, 2021, the requirements set forth in clauses (i) and (ii) of the preceding sentence will be applicable to any of the 2020 Liquidity Facilities only to the extent the maturity date of such facility is extended pursuant to the exercise of the extension options described above. To calculate the maximum ratio of total drawn debt to adjusted operating cash flow, amounts expressed in currencies other than CHF are converted to CHF using the closing exchange rate of the relevant period.

The A&R Facilities Agreement and the 2020 Liquidity Facilities Agreement also contain other terms, including terms providing for voluntary prepayment, affirmative and negative covenants that affect our ability, among other things, to borrow money, incur liens, dispose of assets, make acquisitions and changes to the business, repurchase shares or pay dividends, and require the obligors to make certain financial information available to the lenders, maintain their existence, comply with laws and regulations and maintain insurance. Notably, the 2020 Liquidity Facilities become immediately due and payable if the Convertible Bonds due 2023 are redeemed, repaid or prepaid in full or in part (instead of being converted into shares of the Company). Events of default under the A&R Facilities Agreement and the 2020 Liquidity Facilities Agreement include, among other things, payment and covenant breaches, the occurrence of a material adverse effect, insolvency of the obligors and certain cross defaults in respect of other material financial indebtedness.

On September 3, 2020, the Swiss Subsidiary Guarantor obtained a waiver of certain covenants contained in each of the A&R Facilities Agreement and the 2020 Liquidity Facilities Agreement to permit the Dufry Group to proceed with the Hudson Transaction.

As of the date of this Offering Memorandum, the Swiss Subsidiary Guarantor has received commitment letters from the majority lenders of the A&R Facilities Agreement and the 2020 Liquidity Facilities Agreement in which, among other things, the majority lenders committed to, subject to documentation and standard conditions, (i) not formally test the financial covenants for the relevant periods until June 30, 2022, and (ii) a maximum ratio of total drawn debt to adjusted operating cash flow of 5.0:1.0 for the test periods ending September 30, 2022 and December 31, 2022, which shall revert to 4.5:1.0 thereafter, with the permitted ratio increase mechanic only being available after December 31, 2022. Those same lenders have indicated their support to extend the maturity of the 2017 Senior U.S. Dollar Term Loan Facility and the 2017 Senior Euro Term Loan Facility from November 3, 2022 to November 3, 2024, but unanimous support of the lender group is required to effect such an extension and there can be no assurance that such extension will be granted.

COVID-19-Related Financing Arrangements

In 2020, certain of our subsidiaries entered into over ten lending agreements pursuant to four government-backed COVID-19 relief programs, including those in the European Union, Switzerland, United Kingdom and Russia (collectively, the "Government Relief Loans"). As of December 31, 2020, the Government Relief Loans provided an aggregate of CHF 205.7 million of available borrowings, of which approximately CHF 145.0 million was drawn. The Government Relief Loans were entered into primarily for the purpose of financing ongoing liquidity and working capital needs.

The obligations of the subsidiary borrowers under the Government Relief Loans are generally not guaranteed by Dufry, except for (i) a term loan in the amount of CHF 65 million borrowed by WDFG UK Limited, which is irrevocably and unconditionally guaranteed by the Parent Guarantor, the Dutch Subsidiary Guarantor, and the Swiss Subsidiary Guarantor, and (ii) a term loan in the amount of CHF 27.0 million borrowed by World Duty Free Group S.A.U., which is irrevocably and unconditionally guaranteed by the Swiss Subsidiary Guarantor.

The Government Relief Loans bear interest, paid either monthly, quarterly or semi-annually, generally at floating base rate plus a margin. The margins applicable to each facility under the Government Relief Loans vary, and are subject to adjustments in certain cases based on the long-term credit rating assigned to the Parent Guarantor. The Government Relief Loans have maturity dates that range between one and five years.

The Government Relief Loans contain customary restrictive covenants which, among other things, limit the borrower's ability to incur additional secured or unsecured debt, distribute dividends, and make acquisitions or dispositions. In addition, the facilities under the Government Relief Loans may be terminated by the lenders thereunder in certain circumstances, including as a result of our bankruptcy, insolvency and other customary events of default.

Senior Unsecured Notes

The following is a brief description of our senior unsecured notes.

2024 Notes. On October 24, 2017, the Issuer issued unsecured, publicly listed senior notes due on October 15, 2024 in an aggregate principal amount of EUR 800 million (the “2024 Notes”) for the purpose of financing the redemption of its 4.50% senior notes due 2022. The Issuer’s obligations under the 2024 Notes are irrevocably, unconditionally, jointly and severally guaranteed by the Swiss Subsidiary Guarantor, the Dutch Subsidiary Guarantor and the Parent Guarantor. The notes bear interest, paid semi-annually in arrears, at a fixed rate of 2.50%, on April 15 and October 15 of each year.

The indenture governing the 2024 Notes also contains other terms, including affirmative and negative covenants that affect our ability, among other things, to incur liens and consolidate, merge or sell all or substantially all of our assets, and require us to make certain financial information available to the noteholders. Events of default under the indenture governing the 2024 Notes include, among other things, payment breaches, covenant breaches and insolvency.

2027 Notes. On November 6, 2019, the Issuer issued unsecured, publicly listed senior notes due on February 15, 2027 in an aggregate principal amount of EUR 750 million (the “2027 Notes”) for the purpose of financing the redemption of its 4.50% senior notes due 2023. The Issuer’s obligations under the 2027 Notes are irrevocably, unconditionally, jointly and severally guaranteed by the Swiss Subsidiary Guarantor, the Dutch Subsidiary Guarantor and the Parent Guarantor. The notes bear interest, paid semi-annually in arrears, at a fixed rate of 2.00%, on February 15 and August 15 of each year.

The indenture governing the 2027 Notes also contains other terms, including affirmative and negative covenants that affect our ability, among other things, to incur liens and consolidate, merge or sell all or substantially all of our assets, and require us to make certain financial information available to the noteholders. Events of default under the indenture governing the 2027 Notes include, among other things, payment breaches, covenant breaches and insolvency.

Convertible Bonds due 2023. In May 2020, the Issuer completed the placement of guaranteed senior convertible bonds due 2023 in an aggregate principal amount of CHF 350 million, convertible (at the time of the issuance and subject to adjustments to the 2023 Initial Conversion Price (as defined below)) into 10,606,061 shares to be issued from conditional capital of the Parent Guarantor and/or existing shares, and guaranteed by the Parent Guarantor and certain of its subsidiaries (the “Convertible Bonds due 2023”).

On March 23, 2021, we launched the Voluntary Incentive Offer to holders of the Convertible Bonds due 2023 in order to incentivize such holders to convert their Convertible Bonds due 2023 into shares before their maturity date. At the end of the acceptance period of the Voluntary Incentive Offer, holders of 99.3% of the Convertible Bonds due 2023 accepted the Voluntary Incentive Offer, which resulted in an amount of CHF 28.5 million payable by the Issuer. The Issuer has announced its intention to early redeem the remaining Convertible Bonds due 2023 in accordance with the terms and conditions thereof.

Mandatory Convertible Notes. In November 2020, the Issuer completed the placement of guaranteed convertible notes due 2023 in an aggregate principal amount of CHF 69.5 million, mandatorily convertible (at the time of the issuance and subject to adjustments to the MCN Initial Conversion Price (as defined below)) into 2,092,113 Shares to be issued from conditional capital of the Parent Guarantor and/or existing shares, and guaranteed by the Parent Guarantor and certain of its subsidiaries (the “Mandatory Convertible Notes”). Unless previously converted, redeemed, or purchased and cancelled, the Mandatory Convertible Notes will be mandatorily convertible at par at maturity on November 18, 2023.

The Mandatory Convertible Notes were issued at par with a denomination of CHF 100,000 and carry a coupon of 4.10%, payable semi-annually. The initial conversion price, which is subject to adjustments in accordance with the terms and conditions of the Mandatory Convertible Notes, is CHF 33.22 (the “MCN Initial Conversion Price”), corresponding to the reference share price (which was determined in a share placement occurring concurrently with the issuance of the Mandatory Convertible Notes). The terms and conditions of the Mandatory Convertible Notes provide for customary equity-linked anti-dilution provisions, which provide that in the event of certain corporate actions the MCN Initial Conversion Price will be adjusted pursuant to, and in accordance with, such terms and conditions. As of the date of this Offering Memorandum, no such adjustment has occurred and, thus, the MCN Initial Conversion Price of the Mandatory Convertible Notes remains unchanged.

Convertible Bond due 2026. On March 30, 2021, the Issuer completed the placement of guaranteed senior convertible bonds due 2026 in an aggregate principal amount of CHF 500 million, conditionally convertible (at the time of the issuance and subject to adjustments to the 2026 Initial Conversion Price (as defined below)) into 5,747,127 shares to be issued from future conditional capital of the Parent Guarantor and/or existing shares, and guaranteed by the Parent Guarantor and certain of its subsidiaries (the "Convertible Bonds due 2026"). The terms and conditions of the Convertible Bonds due 2026 provide that, if (a) the shareholders of the Parent Guarantor do not resolve on the creation of a conditional capital in an amount sufficient to cover the shares to be issued upon conversion of the Convertible Bonds due 2026 by June 30, 2021, or (b) such resolution of the shareholders of the Parent Guarantor is not registered with the competent commercial register by June 30, 2021, the Issuer will have to redeem the Convertible Bonds due 2026 in cash at the greater of (i) 102% of the principal amount of each Convertible Bond due 2026, and (ii) 102% of the fair market value of the Convertible Bonds due 2026, in each case together with accrued but unpaid interest, and otherwise in accordance with the terms and conditions of the Convertible Bonds due 2026. Unless previously converted, redeemed, or purchased and cancelled, the Convertible Bonds due 2026 will be redeemed at par at maturity on March 30, 2026.

The Convertible Bonds due 2026 were issued at par with a denomination of CHF 200,000 and carry a coupon of 0.75%, payable semi-annually. The initial conversion price, which is subject to adjustments in accordance with the terms and conditions of the Convertible Bonds due 2026, is CHF 87.00 (the "2026 Initial Conversion Price"), corresponding to a conversion premium of 45% over the reference share price (which was determined in a concurrent share placement on behalf of certain current and future holders of convertible bonds via an accelerated bookbuilding process in order to facilitate hedging for such holders). The terms and conditions of the Convertible Bonds due 2026 provide for customary equity-linked anti-dilution provisions, which provide that in the event of certain corporate actions, the 2026 Initial Conversion Price will be adjusted pursuant to, and in accordance with, such terms and conditions. As of the date of this Offering Memorandum, no such adjustment has occurred and, thus, the 2026 Initial Conversion Price of the Convertible Bonds due 2026 is unchanged.

The terms and conditions of the Convertible Bonds due 2026 also contain other terms, including affirmative and negative covenants that affect our ability, among other things, to grant guarantees and incur liens. Events of default under the Convertible Bonds due 2026 include, among other things, payment breaches, covenant breaches, insolvency and bankruptcy.

DESCRIPTION OF NOTES

The Issuer will issue € million aggregate principal amount of senior notes due 2028 denominated in euro (the "Euro Notes") and CHF million in aggregate principal amount of senior notes due 2026 denominated in Swiss franc (the "CHF Notes" and together with the Euro Notes, the "Notes") under an indenture (the "Indenture"), to be dated as of , 2021, among the Issuer, the Guarantors, Wells Fargo Bank, National Association, as trustee (the "Trustee") and Elavon Financial Services DAC as Principal Paying Agent, Registrar and Transfer Agent (each as defined below). For purposes of this section, the word "Issuer" refers only to Dufry One B.V. (registered company number 69664285), a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) organized under the laws of the Netherlands with its corporate seat in Amsterdam, having its registered office at Luchthavenweg 53, 5657 EA Eindhoven, the Netherlands, the word "Company" refers only to Dufry AG and not to any of its subsidiaries, and the terms "we," "our" and "us" each refer to the Company and its consolidated subsidiaries. Any reference to a "Holder" or a "Noteholder" in this "Description of Notes" refers to the registered holders of the Notes. The terms of the Notes include those expressly set forth in the Indenture. The Indenture will not incorporate or include any of the provisions of the U.S. Trust Indenture Act of 1939, as amended.

The following summary of certain provisions of the Indenture and the Notes does not purport to be complete and is subject to, and qualified in its entirety by reference to, all the provisions of the Indenture. You can find the definitions of certain terms used in this description under the subheading "—Certain Definitions." Certain defined terms used in this description but not defined below under "—Certain Definitions" have the meanings assigned to them in the Indenture. We urge you to read the Indenture because it, and not this description, defines your rights as holders of the Notes. Copies of the Indenture are available as set forth under "Where You Can Find More Information."

Brief Description of the Notes and the Note Guarantees

The Notes will be:

- unsecured Senior Indebtedness of the Issuer;
- equal in right of payment with any future Senior Indebtedness of the Issuer; and
- senior in right of payment to any future Subordinated Obligations of the Issuer.

The Note Guarantee of the Company in respect of the Notes will be:

- unsecured Senior Indebtedness of the Company;
- effectively subordinated to all secured indebtedness of the Company to the extent of the value of the assets securing such secured indebtedness and effectively subordinated to all indebtedness and other liabilities (including trade payables) of the Company's Subsidiaries' (other than the Issuer, the Subsidiary Guarantors and Subsidiaries that become Subsidiary Guarantors pursuant to the provisions described below under "—Future Subsidiary Guarantors");
- equal in right of payment with all existing and future Senior Indebtedness of the Company; and
- senior in right of payment to any future Guarantor Subordinated Obligations of the Company.

The Subsidiary Note Guarantees of each Subsidiary Guarantor in respect of the Notes will be:

- unsecured Senior Indebtedness of such Subsidiary Guarantor;
- effectively subordinated to all secured indebtedness of such Subsidiary Guarantor to the extent of the value of the assets securing such secured indebtedness and effectively subordinated to all indebtedness and other liabilities (including trade payables) of the Subsidiary Guarantors' Subsidiaries (other than the Issuer, the other Subsidiary Guarantors and Subsidiaries that become Subsidiary Guarantors pursuant to the provisions described below under "—Future Subsidiary Guarantors");

- equal in right of payment with all existing and future Senior Indebtedness of such Subsidiary Guarantor; and
- senior in right of payment to any future Guarantor Subordinated Obligations of such Subsidiary Guarantor.

As of December 31, 2020, the aggregate amount of indebtedness of the Company's subsidiaries other than the Issuer and the Subsidiary Guarantors was CHF 190.9 million.

Principal, Maturity and Interest

The Issuer will issue € million aggregate principal amount of Euro Notes in this Offering. The Euro Notes will mature on , 2028. Each Euro Note will bear interest at a rate of % per annum from , 2021, or from the most recent date to which interest thereon has been paid or provided for. Interest will be payable semi-annually in cash to Holders on and of each year, commencing , 2021. The Issuer will make a payment to the Holder of record of the Euro Notes on the immediately preceding Business Day. Interest will be paid on the basis of a 360-day year consisting of twelve 30-day months.

The Issuer will issue CHF million aggregate principal amount of CHF Notes in this Offering. The CHF Notes will mature on , 2026. Each CHF Note will bear interest at a rate of % per annum from , 2021, or from the most recent date to which interest thereon has been paid or provided for. Interest will be payable semi-annually in cash to Holders on and of each year, commencing , 2021. The Issuer will make a payment to the Holder of record of the CHF Notes on the immediately preceding Business Day. Interest will be paid on the basis of a 360-day year consisting of twelve 30-day months.

Additional Notes having the same terms in all respects as the CHF Notes and the Euro Notes, as applicable, or in all respects except with respect to interest paid or payable on or prior to the first interest payment date after the issuance of such Notes, may be issued under the Indenture ("Additional Notes"). Each of the Euro Notes and the CHF Notes will constitute a separate series of Notes, but shall be treated as a single class for all purposes under the Indenture, including waivers, amendments, redemptions and offers to purchase or any other action by the Holders of the Notes hereunder, except as otherwise provided in the Indenture.

Other Terms

Principal of, and premium, if any, and interest on, the Notes will be payable, and the Notes may be exchanged or transferred, at the office or agency designated by the Company for such purposes (which initially shall be the designated corporate trust office of the Paying Agent).

Principal of, and premium, if any, and interest on, Notes in global form registered in the name or held by the common depositary of Euroclear and Clearstream or its nominee in immediately available funds will be payable to Euroclear and Clearstream or its nominee, as the case may be, as the registered Holder of such global Note. See "—Global Notes and Book-Entry System."

The Notes will be issued only in fully registered form, without coupons. The Notes will be issued only in minimum denominations of €100,000 and any integral multiple of €1,000 in excess thereof, in the case of the Euro Notes, and in minimum denominations of CHF 150,000 and any integral multiple of CHF 1,000 in excess thereof, in the case of the CHF Notes.

Paying Agent, Registrar and Transfer Agent for the Notes

The Issuer will maintain one or more paying agents (each, a "Paying Agent") for the Notes which initially will be Elavon Financial Services DAC (the "Principal Paying Agent").

The Issuer will also maintain one or more registrars (each, a "Registrar") and transfer agents (each, a "Transfer Agent"). The Registrar will maintain a register reflecting ownership of Definitive Registered Notes (as defined herein) outstanding from time to time and will make payments on and facilitate transfer of Definitive Registered Notes on the behalf of the Issuer.

The Issuer may change the Paying Agents, the Registrars or the transfer agents without prior notice to the Holders. For so long as the Notes are listed on The International Stock Exchange (the "Exchange") and the rules of the Exchange so require, the Issuer will notify the Exchange of any change of Paying Agent, Registrar or Transfer Agent. The Issuer or any of its Subsidiaries may act as Paying Agent or Registrar in respect of the Notes.

Additional Amounts

All payments made by or on behalf of the Issuer under or with respect to the Notes or any of the Guarantors under or with respect to any Note Guarantee will be made free and clear of and without withholding or deduction for, or on account of, any present or future Taxes unless the withholding or deduction of such Taxes is required by law. If any deduction or withholding for, or on account of, any Taxes imposed or levied by or on behalf of (1) any jurisdiction in which the Issuer or any Guarantor is incorporated, organized or resident for Tax purposes or (2) any jurisdiction from or through which payment is made by or on behalf of the Issuer or any Guarantor (including the jurisdiction of any Paying Agent) (each such jurisdiction, or any political subdivision thereof or therein, a "Tax Jurisdiction") is at any time required to be made from any payments made under or with respect to the Notes or any Note Guarantee, the Issuer or the relevant Guarantor, as applicable, will pay such additional amounts (the "Additional Amounts") as may be necessary in order that the net amounts received in respect of such payments by each Holder after such withholding or deduction (including after any such withholding or deduction from Additional Amounts) will equal the respective amounts that would have been received in respect of such payments in the absence of such withholding or deduction; *provided*, *however*, that no Additional Amounts will be payable with respect to:

(1) any Taxes to the extent such Taxes would not have been imposed but for the existence of any present or former connection between the relevant Holder or beneficial owner of a Note and the relevant Tax Jurisdiction (including being a resident of, or engaged in business in, such jurisdiction for Tax purposes), other than any connection arising solely from the acquisition, ownership, holding or disposition of such Note, the enforcement of rights under such Note or under a Guarantee and/or the receipt of any payments in respect of such Note or a Guarantee;

(2) any Taxes to the extent such Taxes would not have been imposed but for the presentation of a Note for payment (where presentation is required) more than 30 days after the date on which such payment became due and payable or the date on which the relevant payment is first made available for payment to the Holder, whichever is later (except to the extent that the Holder would have been entitled to Additional Amounts had the Note been presented on the last day of such 30 day period);

(3) any estate, inheritance, gift, sales, transfer or similar Taxes;

(4) any Taxes withheld or deducted on a payment pursuant to laws enacted by Switzerland after the Issue Date changing the Swiss federal withholding tax system from an issuer-based system to a paying agent-based system pursuant to which a person other than the Issuer or relevant Guarantor, as the case may be, is required to withhold Taxes on any such payments;

(5) any Taxes imposed as a result of a presentation of a Note (where presentation is required) to a Paying Agent if the Note could have been presented to another available Paying Agent, and the presentation that other Paying Agent would not have resulted in withholding or deduction;

(6) any Taxes not payable by way of deduction or withholding from payments to a Holder or beneficial owner under, or with respect to, the Notes or with respect to any Note Guarantee;

(7) any Taxes to the extent such Taxes are imposed by reason of the failure of the Holder or beneficial owner of a Note, after a written request by the applicable withholding agent addressed to the Holder, to comply with any certification, identification, information or other reporting requirements, whether required by statute, treaty, regulation or administrative practice of a Tax Jurisdiction or otherwise needed as a precondition to exemption from, or reduction in the rate of deduction or withholding of, Taxes imposed by the Tax Jurisdiction or to assess whether such Tax is applicable to the respective payment (including, without limitation, a certification that the Holder or beneficial owner is not resident in the Tax Jurisdiction), but in each case, only to the extent the Holder or beneficial owner is legally eligible to provide such certification or documentation or such

certification or documentation is otherwise reasonably requested by the Issuer for assessing whether some exemption or reduction is applicable;

(8) any Taxes required by sections 1471 through 1474 of the United States Internal Revenue Code of 1986, as amended ("FATCA"), any current or future Treasury Regulations or rulings promulgated thereunder, any law, regulation or other official guidance enacted in any jurisdiction implementing FATCA, any intergovernmental agreement between the United States and any other jurisdiction to implement FATCA or any law enacted by such other jurisdiction to give effect to such agreement, or any agreement with the U.S. Internal Revenue Service under FATCA;

(9) any Taxes withheld or deducted on a payment pursuant to the Dutch Withholding Tax Act 2021 (*Wet bronbelasting 2021*); or

(10) any combination of items (1) through (9) above.

In addition, no Additional Amounts shall be paid with respect to a Holder who is a fiduciary or a partnership or person other than the sole beneficial owner of a Note, to the extent that the beneficiary or settlor with respect to such fiduciary, the member of such partnership or the beneficial owner would not have been entitled to Additional Amounts had such beneficiary, settlor, member or beneficial owner held such Notes directly. For a description of the formalities that Holders and beneficial owners must follow in order to claim an exemption from withholding tax and certain disclosure requirements imposed on the Issuer relating to the identity and residence of beneficial owners, see "Certain Taxation Considerations" and "Risk Factors."

In addition to the foregoing, the Issuer or relevant Guarantor, as applicable, will also pay and indemnify the Holder for any present or future stamp, issue, registration, transfer, court or other similar documentary Taxes which are levied by any Tax Jurisdiction on the execution, delivery, issuance, or registration of any of the Notes, the Indenture, any Note Guarantee or any other document referred to therein, or by any jurisdiction on the enforcement of any Notes or any Note Guarantee.

If the Issuer or any Guarantor (if it is the applicable withholding agent), as the case may be, becomes aware that it will be obligated to pay Additional Amounts with respect to any payment under or with respect to the Notes or any Note Guarantee, the Issuer or the relevant Guarantor, as the case may be, will deliver to the Trustee and Paying Agents on a date that is at least 30 days prior to the date of that payment (unless the obligation to pay Additional Amounts arises less than 45 day prior to that payment date, in which case the Issuer or the relevant Guarantor shall notify the Trustee and Paying Agents promptly thereafter) an Officer's Certificate stating that Additional Amounts will be payable, the amount estimated to be so payable and any other information reasonably necessary to enable the Paying Agents to pay Additional Amounts to the applicable Holders on the relevant payment date. The Trustee shall be entitled to rely on such Officer's Certificate as conclusive proof that such payments are necessary.

The Issuer or the relevant Guarantor, as the case may be, will make all withholdings and deductions required by law and will remit the full amount deducted or withheld to the relevant Tax authority in accordance with applicable law. The Issuer or the relevant Guarantor will use its reasonable efforts to obtain Tax receipts from any applicable Tax authority evidencing the payment of any Taxes so deducted or withheld. The Issuer or the relevant Guarantor will furnish to the Trustee (or to a Holder upon written request), within a reasonable time after the date the payment of any Taxes so deducted or withheld is made, an Officer's Certificate certifying the payment of such Taxes, which Certificate shall have certified copies of Tax receipts evidencing payment by the Issuer or the relevant Guarantor, as the case may be, attached thereto or if, notwithstanding such entity's efforts to obtain receipts, receipts are not available, other evidence of payments (reasonably satisfactory to the Trustee) by such entity.

Whenever in the Indenture or in this "Description of Notes" there is mentioned, in any context, the payment of principal, interest or any other amount payable under, or with respect to, any of the Notes or any Note Guarantee, such mention shall be deemed to include mention of the payment of Additional Amounts to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

The above obligations will survive any termination, defeasance or discharge of the Indenture, any transfer by a Holder or beneficial owner of its Notes, and will apply, mutatis mutandis, to any jurisdiction in which any successor Person to the Issuer or any Guarantor is incorporated, organized or resident for Tax purposes or any jurisdiction from or through which payment is made by or on behalf of such Person on the Notes or any Note Guarantee and, in each case, any political subdivision thereof or therein.

Note Guarantees

General

On the Issue Date, the Notes and the Issuer's obligations under the Indenture will be fully and unconditionally Guaranteed (collectively, the "Note Guarantees") on a senior basis by the Company and certain of the Company's Subsidiaries organized under the laws of Switzerland or the Netherlands, each of which is an obligor in respect of the Existing Notes, the A&R Facilities, the 2020 Liquidity Facilities, the Mandatory Convertible Notes and the Convertible Bonds due 2026. From and after the Issue Date, if any Subsidiary that is not a Guarantor Guarantees payment by the Company or any of its Subsidiaries of any Bank Indebtedness or Public Debt of the Company or any of its Subsidiaries in excess of the De Minimis Guaranteed Amount and, after giving effect to such Guarantee, the aggregate principal amount of Bank Indebtedness and Public Debt that is Guaranteed by non-Guarantor Subsidiaries exceeds CHF 500 million, the Company will cause such Subsidiary to execute and deliver to the Trustee a supplemental indenture substantially in the form of an exhibit to the Indenture pursuant to which such Subsidiary will Guarantee payment of the Notes and the Issuer's obligations under the Indenture, whereupon such Subsidiary will become a Guarantor for all purposes under the Indenture. In addition, the Company may cause any Subsidiary that is not a Guarantor to Guarantee payment of the Notes and the Issuer's obligations under the Indenture and become a Guarantor. The Note Guarantees will be joint and several obligations of the Guarantors.

Not all of the Company's Subsidiaries will Guarantee the Notes and the Issuer's obligations under the Indenture. In the event of a bankruptcy, liquidation or reorganization of any of these non-Guarantor Subsidiaries, the non-Guarantor Subsidiaries will pay the holders of their debt and their other creditors (including trade creditors) before they will be able to distribute any of their assets to the Company.

The operations of the Company and the Guarantors are conducted through their Subsidiaries and, therefore, the Issuer and Guarantors depend on the cash flow of the Company's Subsidiaries to meet their obligations, including their respective obligations under the Notes and Note Guarantees. The Notes and the Note Guarantees will be effectively subordinated in right of payment to all indebtedness and other liabilities and commitments (including trade payables and lease obligations) of the Company's non-Guarantor Subsidiaries. Any right of the Issuer or any Guarantor to receive assets of any of the Company's non-Guarantor Subsidiaries upon that non-Guarantor Subsidiary's liquidation or reorganization (and the consequent right of the Holder of the Notes to participate in those assets) will be effectively subordinated to the claims of that non-Guarantor Subsidiary's creditors. See "Risk Factors—Risks Relating to the Notes—The Issuer and the Guarantors are dependent upon cash flow from other members of the group to meet their obligations on the Notes and the Guarantees, respectively."

The obligations of the Guarantors will be contractually limited under the applicable Note Guarantees to reflect limitations under applicable law with respect to maintenance of share capital (and statutory reserves), corporate benefit, fraudulent conveyance and other legal restrictions applicable to the Guarantors and their respective shareholders, directors and general partners. For a description of such contractual limitations, see "Risk Factors—Risks Relating to the Notes—The Note Guarantees will be subject to certain limitations on enforcement and may be limited by applicable law or subject to certain defenses that may limit their validity and enforceability." By virtue of this limitation, a Guarantor's obligation under its Note Guarantee could be significantly less than amounts payable with respect to the Notes or the Indenture, or a Guarantor may have effectively no obligation under its Note Guarantee.

Release of Note Guarantees

The Note Guarantee of a Subsidiary Guarantor will be automatically released:

(1) in connection with any sale or other disposition of all or substantially all of the assets of that Subsidiary Guarantor (including by way of merger, consolidation, amalgamation or combination) to a Person that is not (either before or after giving effect to such transaction) the Issuer, the Company or a Subsidiary;

(2) in connection with any sale or other disposition of Capital Stock of that Subsidiary Guarantor (including by way of merger, consolidation, amalgamation or combination) to a Person that is not (either before or after giving effect to such transaction) the Issuer, the Company or a Subsidiary;

(3) upon repayment in full of all obligations of the Issuer and the Guarantors under the Indenture and the Notes;

(4) upon the liquidation or dissolution of such Guarantor, *provided* that no Event of Default has occurred or is continuing;

(5) upon such Subsidiary Guarantor consolidating with, merging into or transferring all of its assets to the Company or another Subsidiary Guarantor, and as a result of, or in connection with, such transaction such Subsidiary Guarantor dissolves or otherwise ceases to exist;

(6) upon legal defeasance, covenant defeasance or satisfaction and discharge of the Indenture as provided below under the captions "—Defeasance" and "—Satisfaction and Discharge;" or

(7) (a) in the case of Note Guarantees in effect on the Issue Date, upon the release or discharge of the Guarantee by such Subsidiary Guarantor of each of the Existing Notes, the A&R Facilities, the 2020 Liquidity Facilities, the Mandatory Convertible Notes, the Convertible Bonds due 2026 and any other Bank Indebtedness or Public Debt of the Company or any of its Subsidiaries in excess of the De Minimis Guaranteed Amount that is Guaranteed by such Subsidiary Guarantor, or, (b) in the case of Note Guarantees granted pursuant to the covenant described under the caption "—Certain Covenants—Future Subsidiary Guarantors," upon the release or discharge of the Guarantee that resulted in the creation of such Note Guarantee if, as a result of such release or discharge, the aggregate principal amount of Bank Indebtedness and Public Debt that is Guaranteed by non-Guarantor Subsidiaries does not exceed CHF 500 million, except in each case a discharge or release by or as a result of payment under such Guarantee.

The Note Guarantee of the Company will be automatically released:

(1) upon repayment in full of all obligations of the Issuer and the Guarantors under the Indenture and the Notes; or

(2) upon legal defeasance, covenant defeasance or satisfaction and discharge of the Indenture as provided below under the captions "—Defeasance" and "—Satisfaction and Discharge."

Upon the occurrence of any release event described above, the Guarantor to be released shall deliver written notice of such release to the Trustee. Upon written request and delivery of an Officer's Certificate and an Opinion of Counsel, each stating that all conditions precedent provided for in the Indenture relating to such release have been complied with, the Trustee shall execute an acknowledgement of such release.

Mandatory Redemption

Except as set forth below under "—Change of Control," the Issuer is not required to make mandatory redemption or sinking fund payments with respect to the Notes.

Optional Redemption

Euro Notes

The Euro Notes will be redeemable on any one or more occasions, at the Issuer's option, at any time prior to maturity at varying redemption prices, upon not less than 10 nor more than 60 days' prior notice to the Holders with a copy to the Trustee and Paying Agent in accordance with the provisions set forth below.

The Euro Notes will be redeemable, at the Issuer's option, in whole or in part, at any time and from time to time on and after , 20 and prior to maturity at the following redemption prices (expressed as a percentage of principal amount), plus accrued and unpaid interest and Additional Amounts, if any, to the relevant redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date), if redeemed during the 12-month period commencing on of the years set forth below:

	Redemption Price
20	%
20	%
20 and thereafter..............................	%

In addition, the Indenture provides that at any time and from time to time on or prior to , 20 , the Notes will be redeemable at the Issuer's option, in an aggregate principal amount equal to up to 40% of the original aggregate principal amount of the Euro Notes (including the principal amount of any Additional Notes) with funds in an equal aggregate amount not exceeding the aggregate proceeds of one or more Qualified Equity Offerings, at a redemption price (expressed as a percentage of principal amount thereof) of %, plus accrued and unpaid interest and Additional Amounts, if any, to the redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date); *provided* that:

(a) redemption occurs within 180 days of the date of the closing of such Qualified Equity Offering; and

(b) an aggregate principal amount of Notes equal to at least 50% of the original aggregate principal amount of the Euro Notes (including the principal amount of any Additional Notes) must remain outstanding after each such redemption of Notes.

In addition, at any time prior to , 20 , the Euro Notes may be redeemed or purchased (by the Issuer or any other Person) in whole or in part, at the Issuer's option, at a price (the "Redemption Price") equal to 100% of the principal amount thereof plus the Applicable Premium (as defined below) as of, and accrued but unpaid interest and Additional Amounts, if any, to, the date of redemption or purchase (the "Redemption Date") (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date).

CHF Notes

The CHF Notes will be redeemable on any one or more occasions, at the Issuer's option, at any time prior to maturity at varying redemption prices, upon not less than 10 nor more than 60 days' prior notice to the Holders with a copy to the Trustee and Paying Agent in accordance with the provisions set forth below.

The CHF Notes will be redeemable, at the Issuer's option, in whole or in part, at any time and from time to time on and after , 20 and prior to maturity at the following redemption prices (expressed as a percentage of principal amount), plus accrued and unpaid interest and Additional Amounts, if any, to the relevant redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date), if redeemed during the 12-month period commencing on of the years set forth below:

	Redemption Price
20	%
20	%
20 and thereafter..............................	%

In addition, the Indenture provides that at any time and from time to time on or prior to , 20 , the Notes will be redeemable at the Issuer's option, in an aggregate principal amount equal to up to 40% of the original aggregate principal amount of the CHF Notes (including the principal amount of any Additional Notes), with funds in an equal aggregate amount not exceeding the aggregate proceeds of one or more Qualified Equity Offerings, at a redemption price (expressed as a percentage of principal amount thereof) of %, plus accrued and unpaid interest and Additional Amounts, if any, to the redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date); *provided* that:

(a) redemption occurs within 180 days of the date of the closing of such Qualified Equity Offering; and

(b) an aggregate principal amount of Notes equal to at least 50% of the original aggregate principal amount of the CHF Notes must remain outstanding after each such redemption of Notes.

In addition, at any time prior to , 20 , the CHF Notes may be redeemed or purchased (by the Issuer or any other Person) in whole or in part, at the Issuer's option, at a price (the "Redemption Price") equal to 100% of the principal amount thereof plus the Applicable Premium (as defined below) as of, and accrued but unpaid interest and Additional Amounts, if any, to, the date of redemption or purchase (the "Redemption Date") (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date).

For purposes of the foregoing discussion, the following definitions apply:

"*Applicable Premium*" means, with respect to a Note the greater of (i) 1.0% of the principal amount of such Note and (ii) with respect to any Note at any Redemption Date:

in the case of any Euro Notes, the excess of:

(A) the present value at such Redemption Date of (1) the redemption price of such Euro Note on , 20 (such redemption price being that described in the second paragraph of this "Optional Redemption" section) plus (2) all required remaining scheduled interest payments due on such Euro Note from the Redemption Date through such date, computed using a discount rate equal to the Bund Rate plus 50 basis points, over

(B) the principal amount of such Euro Note on such Redemption Date, in each case as calculated by the Issuer or on behalf of the Issuer by such Person as the Issuer shall designate; *provided* that such calculation shall not be a duty or obligation of the Trustee or the Principal Paying Agent and neither the Trustee nor the Principal Paying Agent shall have the obligation to verify the accuracy of such Applicable Premium, or

in the case of any CHF Notes, the excess of:

(A) the present value at such Redemption Date of (1) the redemption price of such CHF Note on , 20 (such redemption price being that described in the second paragraph of this "Optional Redemption" section) plus (2) all required remaining scheduled interest payments due on such CHF Note from the Redemption Date through such date, computed using a discount rate equal to the Swiss Government Bond Rate plus 50 basis points, over

(B) the principal amount of such CHF Note on such Redemption Date, in each case as calculated by the Issuer or on behalf of the Issuer by such Person as the Issuer shall designate; *provided* that such calculation shall not be a duty or obligation of the Trustee or the Principal Paying Agent and neither the Trustee nor the Principal Paying Agent shall have the obligation to verify the accuracy of such Applicable Premium.

"*Bund Rate*" means, with respect to a Redemption Date, the yield to maturity at the time of computation of German Bundesanleihe securities selected by any Reference German Bund Dealer as having a fixed maturity most nearly equal to the period from such Redemption Date to , 20 and that would be utilized at the time of selection, and in accordance with customary financial practice, in pricing new issues of euro-denominated corporate debt securities in a principal amount approximately equal to the then outstanding principal amount of the Notes and of a maturity most nearly equal to , 20 ; *provided*, *however*, that if the period from the Redemption Date to such date is not equal to the constant maturity of a German Bundesanleihe security selected by such Reference German Bund Dealer, the Bund Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of German Bundesanleihe securities for which such yields are given, except that if the period from the Redemption Date to such date is less than one year, a fixed maturity of one year shall be used. "*Reference German Bund Dealer*" means any dealer of German Bundesanleihe securities appointed by the Issuer.

"*Qualified Equity Offering*" means any issuance of Capital Stock after the Issue Date (other than Disqualified Stock) of the Company, or options, warrants or rights with respect to its Capital Stock, pursuant to (i) a public offering in accordance with applicable laws, rules and regulations or (ii) a private offering in accordance with Rule 144A, Regulation S or another exemption from registration under the Securities Act.

"*Swiss Government Bond Rate*" means, with respect to any Redemption Date, the yield to maturity at the time of computation of direct obligations of the Swiss Confederation (*Staatsanleihen*) with a constant maturity (as officially compiled and published in the most recent financial statistics that has become publicly available at least two Business days (but not more than five Business Days) prior to the date on which a notice of redemption is delivered to Holders (or, if such financial statistics are not so published or available, any publicly available source of similar market data selected by the Issuer in good faith)) most nearly equal to the period from the Redemption Date to , 20 ; *provided, however*, that if the period from the Redemption Date to , 20 is not equal to the constant maturity of a direct obligation of the Swiss Confederation for which a weekly average yield is given, the Swiss Government Bond Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of direct obligations of the Swiss Confederation for which such yields are given, except that if the period from such Redemption Date to , 20 is less than one year, the weekly average yield on actually traded direct obligations of the Swiss Confederation adjusted to a constant maturity of one year shall be used.

General

Any redemption and notice of redemption may at the Issuer's discretion, be subject to the satisfaction of one or more conditions precedent (including, in the case of a redemption related to an Equity Offering, the consummation of such Equity Offering). In addition, if such redemption or notice is subject to the satisfaction of one or more conditions precedent, such notice may state that, in the Issuer's discretion, the redemption date may be delayed until such time as any or all such conditions shall be satisfied *provided*, *however*, that in any case such redemption date shall be no more than 60 days from the date on which such notice is first given, or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied by the redemption date, or by the redemption date so delayed. Notwithstanding anything else in the Indenture or the Notes to the contrary, redemption notices may be delivered more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the Notes or a satisfaction and discharge of the Indenture.

Redemption for Changes in Taxes

The Issuer may redeem the Notes, in whole but not in part, at its option upon giving not less than 10 nor more than 60 days' prior notice to the Holders (which notice will be irrevocable and given in accordance with the procedures described in "—Selection and Notice"), at a redemption price equal to 100% of the aggregate principal amount thereof, together with accrued and unpaid interest, if any, to the date fixed by the Issuer for redemption (a "Tax Redemption Date") and all Additional Amounts (if any) then due or that will become due on or before the Tax Redemption Date as a result of the redemption or otherwise (subject to the right of Holders on any record date occurring prior to the Tax Redemption Date to receive interest due on the relevant interest payment date and Additional Amounts (if any) in respect thereof) if, as a result of (i) any amendment to, or change in, the laws or treaties (or any regulations or rulings promulgated thereunder) of a relevant Tax Jurisdiction, which change or amendment is announced and becomes effective on or after the Issue Date (or, if the applicable Tax Jurisdiction became a Tax Jurisdiction on a date after the Issue Date, such later date), or (ii) any amendment to, or change in, an official written interpretation, administration or application of such laws, treaties, regulations or rulings (including by virtue of a holding, judgment, order by a court of competent jurisdiction or a change in published administrative practice) which amendment or change is announced and becomes effective on or after the Issue Date (or, if the applicable Tax Jurisdiction became a Tax Jurisdiction on a date after the Issue Date, such later date), on the next date on which any amount would be payable in respect of the Notes, the Issuer is or would be required to pay Additional Amounts, and the Issuer cannot avoid such payment obligation by taking reasonable measures available to it.

The Issuer will not give notice of redemption earlier than 60 days prior to the earliest date on which the obligation to pay Additional Amounts arises, and the law imposing the obligation to pay Additional Amounts must be in effect at the time such notice is given. Prior to the publication or, where relevant, delivery of any notice of redemption of the Notes pursuant to the foregoing, the Issuer will deliver to the Trustee an opinion of independent tax counsel or tax advisors of recognized expertise in the laws of the relevant jurisdiction and satisfactory to the Trustee to the effect that there has been such amendment or change which would entitle the Issuer to redeem the Notes hereunder. In addition, before the Issuer publishes or sends notice of redemption of the Notes as described above, it will deliver to the Trustee an Officer's Certificate to the effect that the obligation to pay Additional Amounts cannot be avoided by the Issuer taking reasonable measures available to it.

The Trustee will accept and shall be entitled to conclusively rely on such Officer's Certificate and opinion of independent tax counsel as sufficient evidence of the existence and satisfaction of the conditions precedent as described above, in which event it will be conclusive and binding on the Holders. Any Notes that are redeemed will be cancelled.

Change of Control

Upon the occurrence of a Change of Control with respect to the Notes, unless the Issuer (or another person on behalf of the Issuer) has exercised its right to redeem the Notes as described under "—Optional Redemption," each Holder will have the right to require the Issuer or the Company to purchase all or a portion (equal to €100,000 or an integral multiple of €1,000 in excess thereof in the case of the Euro Notes, and equal to CHF 150,000 or an integral multiple of CHF 1,000 in excess thereof in the case of the CHF Notes) of such Holder's Notes pursuant to the offer described below (the "Change of Control Offer"), at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, to the date of purchase (the "Change of Control Payment"), subject to the rights of Holders on the relevant record date to receive interest due on the relevant interest payment date.

Within 30 days following the date upon which the Change of Control occurs, unless the Issuer has exercised its right to redeem the Notes as described under "—Optional Redemption," with respect to the Notes, prior to any Change of Control but after the public announcement of the pending Change of Control, the Issuer or the Company will be required to send, by mail (or otherwise deliver in accordance with the applicable rules and procedures of Euroclear and Clearstream), a notice to each Holder of Notes, with a copy to the Trustee and Principal Paying Agent, which notice will govern the terms of the Change of Control Offer. Such notice will state, among other things, the purchase date, which must be no earlier than 10 days nor later than 60 days from the date such notice is mailed (or otherwise deliver in accordance with the applicable rules and procedures of Euroclear and Clearstream), other than as may be required by law (the "Change of Control Payment Date"). The notice, if mailed (or otherwise delivered in accordance with the applicable rules and procedures of Euroclear and Clearstream) prior to the date of consummation of the Change of Control, will state that the Change of Control Offer is conditioned on the Change of Control being consummated on or prior to the Change of Control Payment Date.

On the Change of Control Payment Date, the Issuer or the Company will, to the extent lawful, (1) accept or cause a third party to accept for payment all Notes or portions of Notes properly tendered pursuant to the Change of Control Offer; (2) deposit or cause a third party to deposit with the Principal Paying Agent an amount equal to the Change of Control Payment in respect of all Notes or portions of Notes properly tendered; and (3) deliver or cause to be delivered to the Registrar the Notes accepted together with an Officer's Certificate (with a copy to the Trustee) stating the aggregate principal amount of Notes or portions of Notes being repurchased.

The Principal Paying Agent will promptly deliver to each Holder of Notes properly tendered the Change of Control Payment for such Notes, and the Issuer will promptly issue, and upon delivery of an authentication order from the Issuer, the authentication agent will promptly authenticate and send (or cause to be transferred by book entry) to each Holder a new Note equal in principal amount to any unpurchased portion of the Notes surrendered, if any.

The Change of Control provisions described above will be applicable whether or not any other provisions of the Indenture are applicable. Except as described above with respect to a Change of Control, the Indenture does not contain provisions that permit the Holders to require the Issuer or Company to repurchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction.

The Issuer or Company will not be required to make a Change of Control Offer with respect to the Notes if (1) a third party makes such an offer in the manner, at the times and otherwise in compliance with the requirements for such an offer made by the Issuer or Company and such third party purchases all the Notes properly tendered and not withdrawn under its offer or (2) notice of redemption has been given pursuant to the Indenture as described above under the caption "—Optional Redemption."

Notwithstanding anything to the contrary contained herein, a Change of Control Offer may be made in advance of a Change of Control, conditioned upon the occurrence of a Change of Control (by the issuer or the Company, or a third party as contemplated by the immediately preceding paragraph), if a definitive agreement is in place for the Change of Control at the time the Change of Control Offer is made.

Notes repurchased by the Issuer or the Company pursuant to a Change of Control Offer will have the status of Notes issued but not outstanding or will be retired and cancelled at the option of the Issuer or the Company, as applicable. Notes purchased by a third party pursuant to the preceding paragraph will have the status of Notes issued and outstanding.

If Holders of not less than 90% in aggregate principal amount of the outstanding Notes validly tender and do not withdraw such Notes in a Change of Control Offer and the Issuer or the Company, or any third party making a Change of Control Offer in lieu of the Issuer or the Company as described above, purchases all of the Notes validly tendered and not withdrawn by such Holders, the Issuer, the Company or such third party will have the right, upon not less than 10 nor more than 60 days' prior notice, given not more than 30 days following such purchase pursuant to the Change of Control Offer described above, to redeem all Notes that remain outstanding following such purchase at a price in cash equal to 101% of the principal amount thereof plus accrued and unpaid interest and Additional Amounts, if any, to the redemption date.

The Issuer and the Company will comply in all material respects with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the Notes as a result of a Change of Control. To the extent that the provisions of any such securities laws or regulations applicable to us conflict with the Change of Control Offer provisions of the Notes, the Issuer and the Company will comply with those securities laws and regulations and will not be deemed to have breached our obligations under the Change of Control Offer provisions of the Notes by virtue of any such conflict.

In the event a Change of Control occurs at a time when the Issuer or the Company is prohibited, by the terms of any indebtedness, from purchasing the Notes, the Issuer and the Company may seek the consent of the holders of such indebtedness to the purchase of the Notes or may attempt to refinance the borrowings that contain such prohibition. If the Issuer or the Company does not obtain such a consent or repay such borrowings, the Issuer and the Company would remain prohibited from purchasing the Notes.

In such case, the Issuer's or the Company's failure to offer to purchase the Notes would constitute a default under the Indenture. For the avoidance of doubt, the Indenture will provide that the Issuer's or the Company's failure to offer to purchase the Notes would constitute a default under clause (iv) and not clause (i) under the caption "—Events of Default." Indebtedness incurred in the future may contain prohibitions on the occurrence of certain events that would constitute a Change of Control or require the repurchase of such indebtedness upon a Change of Control. Moreover, the exercise by the Holders of Notes of their right to require the Issuer or the Company to repurchase their Notes could cause a default under such indebtedness, even if the change of control itself does not, due to the financial effect of such repurchase on us. Finally, the ability to pay cash to the Holders of Notes following the occurrence of a Change of Control may be limited by the Issuer's or the Company's then existing financial resources. We cannot assure you that sufficient funds will be available when necessary to make any required repurchases. See "Risk Factors—Risks Relating to the Notes—We may be unable to repurchase the Notes upon a change of control."

If and for so long as the Notes are listed on the Exchange and the rules of the Exchange so require, the Issuer will release a notice of any Change of Control through the Exchange (with a copy to the Trustee and Principal Paying Agent) or, to the extent and in the manner permitted by such rules, post such notice on the official website of the Exchange (*www.tisegroup.com*). For purposes of the foregoing discussion of a Change of Control Offer, the following definitions are applicable:

"*Change of Control*" means the occurrence of any of the following:

(1) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Company and its Subsidiaries taken as a whole to any "person" (as that term is used in Section 13(d)(3) of the Exchange Act) other than the Company or one of its Subsidiaries;

(2) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any "person" (as defined above) becomes the Beneficial Owner, directly or indirectly, of more than 50% of the Voting Stock of the Company (measured by voting power rather than the number of shares), other than (i) any such transaction where the Voting Stock of the

Company (measured by voting power rather than number of shares) outstanding immediately prior to such transaction constitutes or is converted into or exchanged for a majority of the outstanding shares of Voting Stock of such Beneficial Owner (measured by voting power rather than number of shares) or (ii) any merger or consolidation of the Company with or into any person (as defined above) (a "**Permitted Person**") or a Subsidiary of a Permitted Person, in each case, if immediately after such transaction no person (as defined above) is the Beneficial Owner, directly or indirectly, of more than 50% of the total Voting Stock of such Permitted Person (measured by voting power rather than the number of shares); or

(3) the first day on which a majority of the members of the Board of Directors are not Continuing Directors.

Notwithstanding the foregoing, a transaction, including a scheme of arrangement or analogous proceeding, will not be deemed to be a Change of Control if (1) the Company becomes a direct or indirect wholly-owned subsidiary of a corporation, limited liability company or similar entity (a "Holding Company") and (2) (A) the direct or indirect holders of the Voting Stock of such Holding Company immediately following that transaction are substantially the same as the holders of the Company's Voting Stock immediately prior to that transaction or (B) immediately following that transaction no "person" (as that term is used in Section 13(d)(3) of the Exchange Act) (other than a Holding Company satisfying the requirements of this sentence) is the Beneficial Owner, directly or indirectly, of more than 50% of the Voting Stock of such Holding Company.

"*Continuing Directors*" means, as of any date of determination, any member of the Board of Directors who:

(1) was a member of such Board of Directors on the date of the Indenture; or

(2) was nominated for election or elected to such Board of Directors with the approval of a majority of the Continuing Directors who were members of such board of directors at the time of such nomination or election.

The definition of Change of Control includes a phrase relating to the direct or indirect sale, lease, transfer, conveyance or other disposition of "all or substantially all" of the properties or assets of the Company and its Subsidiaries taken as a whole. Although there is a limited body of case law interpreting the phrase "substantially all," there is no precise, established definition of the phrase under applicable law.

Accordingly, the applicability of the requirement that the Issuer or the Company offer to repurchase the Notes as a result of a sale, lease, transfer, conveyance or other disposition of less than all of the assets of the Company and its Subsidiaries taken as a whole to another person or group may be uncertain.

Selection and Notice

If less than all of the Notes are to be redeemed at any time, the Registrar will select Notes for redemption in compliance with the requirements of the principal securities exchange, if any, on which the Notes are listed or, if the Notes are not so listed, on a pro rata basis or by lot or such other method as the Registrar deems to be fair and appropriate (or, in the case of Notes issued in global form as discussed under "—Global Notes and Book-Entry System," based on the applicable procedures Euroclear and Clearstream), unless otherwise required by applicable law or depositary requirements. The Registrar shall not be liable for selections made by it in accordance with this paragraph.

No Notes of €100,000 or less, in the case of the Euro Notes, or of CHF 150,000 or less, in the case of the CHF Notes, can be redeemed in part. Notices of redemption will be mailed by first class mail (or otherwise delivered in accordance with the rules and procedures of Euroclear and Clearstream) at least 10 but not more than 60 days before the redemption date to each Holder of Notes to be redeemed at its registered address, except that redemption notices may be mailed more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the Notes or a satisfaction and discharge of the Indenture. The Issuer may provide in such notice that payment of the redemption price and the performance of the Issuer's obligations with respect to such redemption may be performed by another Person. Any such redemption and notice may, in the Issuer's discretion, be subject to the satisfaction of one or more conditions precedent, including but not limited to the occurrence of a Change of Control.

If any Note is to be redeemed in part only, the notice of redemption that relates to that Note will state the portion of the principal amount of that Note that is to be redeemed. A new Note in principal amount equal to the unredeemed portion of the original Note will be issued in the name of the holder of Notes upon cancellation of the original Note. Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on Notes or portions of Notes called for redemption.

If and for so long as the Notes are listed on the Exchange and the rules of the Exchange so require, any such notice to the holders of the Notes shall also be released through the Exchange or, to the extent and in the manner permitted by such rules, posted on the official website of the Exchange (*www.tisegroup.com*) and, in connection with any redemption, the Issuer will notify the Exchange of any change in the principal amount of Notes outstanding.

Effectiveness of Covenants

The Indenture will provide that, if on any day following the Issue Date (a) the Notes are rated Investment Grade by two of the Rating Agencies and (b) no Default or Event of Default has occurred and is continuing under the Indenture, then, beginning on that date (the "Suspension Date"), subject to the provisions of the following paragraph, the covenant listed under the caption "—Certain Covenants—Future Subsidiary Guarantors" will be suspended (the "Suspended Covenant").

The Issuer will provide an Officer's Certificate to the Trustee promptly following the occurrence of the Suspension Date. The Trustee shall have no obligation to independently determine or verify if such events have occurred or notify the Holders of the Suspended Covenant. The Trustee may provide a copy of such Officer's Certificate to any Holder of Notes upon request.

In the event that the Company and its Subsidiaries are not subject to the Suspended Covenant under the Indenture for any period of time as a result of the foregoing, and on any subsequent date (the "Reversion Date") the condition in clause (a) above is not satisfied, then the Company and its subsidiaries will thereafter again be subject to the Suspended Covenant with respect to future events. Upon the Reversion Date, the obligation to grant Guarantees pursuant to the covenant described under "—Certain Covenants—Future Subsidiary Guarantors" will be reinstated (and the Reversion Date will be deemed to be the date on which any guaranteed indebtedness was incurred for purposes of the covenant described under "—Certain Covenants—Future Subsidiary Guarantors"). The Issuer will provide an Officer's Certificate to the Trustee promptly following the occurrence of the Reversion Date.

We cannot assure you that the Notes will ever achieve or maintain Investment Grade ratings.

Certain Covenants

The Indenture will contain certain covenants including, among others, the following:

Limitation on Issuer's Activities and Ownership

For so long as the Notes are outstanding:

(a) the Issuer will conduct no business or any other activities other than that of financing the business operations of the Company's Subsidiaries through the borrowing of indebtedness and the on-lending of the proceeds thereof to the Company (including a Successor Company (as defined below under the caption "—Merger and Consolidation")) or to Subsidiaries of the Company (including a Successor Company) on substantially the same terms as such indebtedness and activities incidental thereto; and

(b) the Company (including a Successor Company), will maintain a 100% direct or indirect equity ownership of the Issuer; *provided*, *however*, that (i) nothing in this "Limitation on Issuer's Activities and Ownership" shall prevent the Issuer from consolidating with or merging with or into the Company (including a Successor Company) or a Subsidiary and (ii) following such consolidation or merger with or into the Company (including a Successor Company) but not a Subsidiary, the limitations set forth in paragraphs (a) and (b) of this "Limitation on Issuer's Activities and Ownership" shall terminate.

Limitation on Liens

The Indenture will provide that the Company shall not, and shall not permit any Subsidiary to, directly or indirectly, create or permit to exist any Lien (other than Permitted Liens) on any of its property or assets (including Capital Stock of any other Person), whether owned on the date of the Indenture or thereafter acquired, securing any Bank Indebtedness or Public Debt (the "Initial Lien"), unless contemporaneously therewith effective provision is made to secure the indebtedness due under the Indenture and the Notes or, in respect of Liens on any Guarantor's property or assets, the Note Guarantee by the such Guarantor, equally and ratably with (or on a senior basis to, in the case of Subordinated Obligations or Guarantor Subordinated Obligations) such obligation for so long as such obligation is so secured by such Initial Lien.

Any such Lien thereby created in favor of the Notes or any such Note Guarantee will be automatically and unconditionally released and discharged upon (i) the release and discharge of the Initial Lien to which it relates or (ii) any sale, exchange or transfer (other than a transfer constituting a transfer of all or substantially all of the assets of the Company that is governed by the provisions of the covenant described under "—Merger and Consolidation" below) to any Person that is not an Affiliate of the Company of the property or assets subject to such Initial Lien, or of all of the Capital Stock held by the Company or any Subsidiary in, or all or substantially all the assets of, the Subsidiary creating such Initial Lien.

Future Subsidiary Guarantors

The Indenture will provide that, from and after the Issue Date, if any Subsidiary that is not a Guarantor Guarantees payment by the Company or any of its Subsidiaries of any Bank Indebtedness or Public Debt of the Company or any of its Subsidiaries in excess of the De Minimis Guaranteed Amount and, after giving effect to such Guarantee, the aggregate principal amount of Bank Indebtedness and Public Debt that is Guaranteed by non-Guarantor Subsidiaries exceeds CHF 500 million, the Company will cause such Subsidiary to execute and deliver to the Trustee a supplemental indenture substantially in the form of an exhibit to the Indenture pursuant to which such Subsidiary will Guarantee payment of the Notes, whereupon such Subsidiary will become a Subsidiary Guarantor for all purposes under the Indenture. The Company will also have the right to cause any other Subsidiary to Guarantee payment of the Notes. The Note Guarantees will be subject to release and discharge under certain circumstances prior to payment in full of the Notes. See "—Note Guarantees."

Notwithstanding the foregoing:

(1) no Note Guarantee shall be required as a result of any Guarantee of indebtedness that existed at the time such Person became a Subsidiary if the Guarantee was not incurred in connection with, or in contemplation of, such Person becoming a Subsidiary;

(2) such Note Guarantee need not be secured unless required pursuant to the "—Limitation on Liens" covenant;

(3) if such indebtedness is by its terms expressly subordinated to the Notes or any Note Guarantee, any such Guarantee or other liability of such Subsidiary with respect to such indebtedness shall be subordinated to such Subsidiary's Note Guarantee at least to the same extent as such indebtedness is subordinated to the Notes or any other Note Guarantee;

(4) no Note Guarantee shall be required if such Note Guarantee could reasonably be expected, in the Company's good faith determination, to give rise to or result in (A) personal liability for the employees, officers, directors or shareholders of such Subsidiary, (B) any violation of applicable law that cannot be avoided or otherwise prevented through measures reasonably available to the Company or such Subsidiary, including, for the avoidance of doubt, "white-wash" or similar procedures, or (C) any significant cost, expense, liability or obligation (including with respect of any Taxes) other than reasonable out-of-pocket expenses and other than reasonable expenses incurred in connection with any governmental or regulatory filings required as a result of, or any measures pursuant to clause (B) undertaken in connection with such Note Guarantee that cannot be avoided through measures reasonably available to the Company or the Subsidiary; and

(5) each such Note Guarantee will be limited as necessary to recognize certain defenses generally available to guarantors (including those that relate to fraudulent conveyance or transfer, voidable

preference, financial assistance, corporate purpose, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally) or other considerations under applicable law.

Reports

So long as any Notes are outstanding, the Company will furnish to the Trustee:

(1) within 120 days after the end of the Company's fiscal year (commencing with the fiscal year ending December 31, 2021) an annual report including (i) an operating and financial review of the audited financial statements, including a discussion of the results of operations, financial condition and liquidity and capital resources, and a discussion of material commitments and contingencies and critical accounting policies, (ii) a description of the business, management and shareholders of the Company, all material affiliate transactions and a description of all material contractual arrangements, including material debt instruments (unless such contractual arrangements were described in a previous annual or semi-annual report, in which case the Company need describe only any material changes), (iii) material risk factors relating to the business of the Company and material recent developments, and (iv) audited consolidated statements of income, statements of cash flow and balance sheets of the Company prepared in accordance with IFRS or U.S. GAAP as of and for the most recent two fiscal years (including appropriate footnotes and the report of the independent auditors on such financial statements);

(2) within 60 days following the end of the first semi-annual period of the Company's financial year (commencing with the semi-annual period ending June 30, 2021) an interim report including (i) an unaudited condensed consolidated balance sheet as of the end of such semi-annual period and an unaudited condensed statement of income and statement of cash flow for the period from the beginning of the then-current fiscal year until the end of such semi-annual period, and the comparable prior year periods (together with condensed footnote disclosure) prepared in accordance with IFRS or U.S. GAAP, (ii) an operating and financial review of the unaudited financial statements, in a level of detail comparable in all material respects to the operating and financial review of the Company contained in its semi-annual report as of and for the six month period ended June 30, 2020 and (iii) material recent developments; and

(3) concurrently with its publication, (i) all information that is required to be provided to the holders of the shares of the Company under the rules of the SIX Swiss Exchange or otherwise by applicable law and (ii) so long as any of the Existing Notes are outstanding and to the extent not already provided to the Holders of the Notes, all information that is required to be provided to the holders of any of the Existing Notes;

provided, *however*, that the reports set forth in clauses (1), (2), and (3) above will not be required to (i) contain any reconciliation to U.S. generally accepted accounting principles of any financial information prepared in accordance with IFRS or (ii) include separate financial statements for any Subsidiary Guarantors or non-guarantor Subsidiaries of the Company; *provided*, *further*, *however*, that any reports set out in this paragraph delivered to the Trustee via email in PDF format or other electronic means shall be deemed to have been "furnished" to the Trustee in accordance with the terms of this paragraph.

All financial statements shall be prepared in accordance with IFRS or U.S. GAAP. Except as provided for above, no report need include separate financial statements for the Company or Subsidiaries of the Company or any disclosure with respect to the results of operations or any other financial or statistical disclosure not of a type included in this Offering Memorandum. So long as the Company's ordinary shares are admitted for trading on the SIX Swiss Exchange and the Company is in compliance with the reporting requirements applicable to the Company as a result of such admission to trading, the Company will be deemed to have complied with the provisions contained in clauses (1) through (3) of the preceding paragraph.

Contemporaneously with the furnishing of each such report discussed above, the Company will also (a) file a press release with the appropriate internationally recognized wire services in connection with such report and (b) post such report on the Company's website. The Issuer will also make available copies of all reports required by clauses (1) through (3) of the first paragraph of this covenant, if and so long as the Notes are listed on the Exchange and the rules of the Exchange so require, to the extent and in the manner permitted by such rules, post such reports on the official website of the Exchange (*www.tisegroup.com*).

The Company will also hold semi-annual conference calls for the Holders of the Notes to discuss financial information for the previous six-months (it being understood that such semi-annual conference call may be the same conference call as with the Company's equity investors and analysts). The conference call will be following the last day of each six-month period of the Company and not later than 10 Business Days from the time that the Company distributes the financial information as set forth in the third preceding paragraph.

No fewer than two days prior to the conference call, the Company will issue a press release announcing the time and date of such conference call and providing instructions for Holders, securities analysts and prospective investors to obtain access to such call.

Delivery of such reports, information and documents to the Trustee shall be for informational purposes only and the Trustee's receipt of such shall not constitute actual or constructive notice of any information contained therein or determinable from information contained therein, including the Company's compliance with any of its covenants under the Indenture or the Notes (as to which the Trustee shall have no duty to monitor or confirm and shall be entitled to rely exclusively on Officer's Certificates). The Trustee shall not be obligated to monitor or confirm, on a continuing basis or otherwise, the Company's compliance with the covenants or with respect to any reports or other documents filed with any website under the Indenture, or participate in any conference calls.

Merger and Consolidation

The Indenture will provide that the Company will not consolidate with or merge with or into, or convey, transfer or lease all or substantially all its assets to, any Person, unless:

(i) the resulting, surviving or transferee Person (the "Successor Company") will be a Person organized and existing under the laws of Switzerland, Canada, the United States of America, any state thereof or the District of Columbia, or any country that is a member of the Organisation for Economic Co-Operation and Development on the Issue Date, and the Successor Company (if not the Company) will expressly assume all the obligations of the Company, under the Indenture and its Note Guarantee, pursuant to a supplemental indenture;

(ii) immediately after giving effect to such transaction, no Default or Event of Default will have occurred and be continuing;

(iii) each Subsidiary Guarantor (other than (x) any Subsidiary Guarantor that will be released from its obligations under its Subsidiary Note Guarantee in connection with such transaction and (y) any party to any such consolidation or merger) shall have delivered a supplemental indenture in form reasonably satisfactory to the Trustee, confirming its Subsidiary Note Guarantee (other than any Subsidiary Note Guarantee that will be discharged or terminated in connection with such transaction); and

(iv) the Company will have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each to the effect that such consolidation, merger or transfer complies with the provisions described in this paragraph, *provided* that in giving such opinion such counsel may rely on an Officer's Certificate as to compliance with the foregoing clause (ii) and as to any matters of fact and an Opinion of Counsel stating that the Notes and Indenture are valid and binding obligations of the successor person.

The Successor Company will succeed to, and be substituted for, and may exercise every right and power of, the Company, under the Indenture, and thereafter the predecessor Company shall be relieved of all obligations and covenants under the Indenture, except that the predecessor Company, in the case of a lease of all or substantially all its assets will not be released from the obligation to pay (or guarantee the payment of) the principal of and interest and Additional Amounts, if any, on the Notes.

Clause (ii) will not apply to any transaction in which (1) any Subsidiary consolidates with, merges into or transfers all or part of its assets to the Company or (2) the Company consolidates or merges with or into or transfers all or substantially all its properties and assets to (x) an Affiliate incorporated or organized for the purpose of reincorporating or reorganizing the Company in another jurisdiction or changing its legal structure to a corporation or other entity or (y) a Subsidiary of the Company so long as all assets of the Company and the Subsidiaries immediately prior to such transaction (other than Capital Stock of such Subsidiary) are owned by such Subsidiary and its Subsidiaries immediately after the consummation thereof.

Maintenance of Listing

The Issuer will use its commercially reasonable efforts to effect and, once effective, maintain the listing of the Notes on the Exchange for so long as such Notes are outstanding; *provided* that if at any time the Issuer determines that it will not maintain such listing, it will obtain prior to the delisting of the Notes from the Exchange, and thereafter use its commercially reasonable efforts to maintain, a listing of such Notes on another recognized stock exchange or exchange regulated market in western Europe.

Open Market and Negotiated Purchases

The Issuer, the Company, any of their Affiliates or any third party acting on their behalf may at any time purchase Notes, in whole or in part, in the open market, in negotiated transactions or otherwise at any price, in accordance with the terms of the Indenture and applicable securities laws. Any such purchased Notes will not be resold, except in compliance with the Indenture and applicable requirements or exemptions under any relevant securities laws.

Events of Default

An "Event of Default" will be defined in the Indenture as:

(i) a default in any payment of interest or Additional Amounts, if any, on any Note when due, continued for 30 days;

(ii) a default in the payment of principal of any Note when due, whether at its Stated Maturity, upon optional redemption, upon required repurchase, upon declaration of acceleration or otherwise;

(iii) the failure by the Issuer to comply for 60 days after notice with its other agreements contained in the Notes or the Indenture;

(iv) the failure by the Company or any Subsidiary to pay any indebtedness within any applicable grace period after final maturity or the acceleration of any such indebtedness by the holders thereof because of a default, if the total amount of such indebtedness so unpaid or accelerated exceeds CHF 75.0 million or its foreign currency equivalent; *provided* that no Default or Event of Default will be deemed to occur with respect to any such accelerated indebtedness that is paid or otherwise acquired or retired within 30 Business Days after such acceleration (the "cross acceleration provision");

(v) certain events of bankruptcy, insolvency or insolvent reorganization of the Company or a Significant Subsidiary, or of other Subsidiaries that are not Significant Subsidiaries but would in the aggregate constitute a Significant Subsidiary if considered as a single Person (the "bankruptcy provisions");

(vi) the rendering of any judgment or decree for the payment of money in an amount (net of any insurance or indemnity payments actually received in respect thereof prior to or within 90 days from the entry thereof, or to be received in respect thereof in the event any appeal thereof shall be unsuccessful) in excess of CHF 75.0 million or its foreign currency equivalent against the Company or a Significant Subsidiary, or jointly and severally against other Subsidiaries that are not Significant Subsidiaries but would in the aggregate constitute a Significant Subsidiary if considered as a single Person, that is not discharged, or bonded or insured by a third Person, if such judgment or decree remains outstanding for a period of 60 days following such judgment or decree and is not discharged, waived or stayed (the "judgment default provision"); or

(vii) the failure of any Note Guarantee by the Company or a Subsidiary Guarantor that is a Significant Subsidiary to be in full force and effect (except as contemplated by the terms thereof or of the

Indenture) or the denial or disaffirmation in writing by the Company or any Subsidiary Guarantor that is a Significant Subsidiary of its obligations under the Indenture or its Note Guarantee, if such Default continues for 20 days.

The foregoing will constitute Events of Default whatever the reason for any such Event of Default and whether it is voluntary or involuntary or is effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body.

However, a Default under clause (iii) will not constitute an Event of Default until the Trustee or the Holders of at least 30% in principal amount of the outstanding Notes notify the Company (and the Trustee if given by Holders) of the Default and the Company does not cure such Default within the time specified in such clause after receipt of such notice.

If an Event of Default (other than a Default relating to certain events of bankruptcy, insolvency or reorganization of the Company) occurs and is continuing under the Indenture, the Trustee by notice to the Company, or the Holders of at least 30% in principal amount of the outstanding Notes by notice to the Company and the Trustee, may declare the principal of and accrued but unpaid interest on all the Notes to be due and payable. Upon the effectiveness of such a declaration, such principal and interest will be due and payable immediately.

Notwithstanding the foregoing, if an Event of Default relating to certain events of bankruptcy, insolvency or reorganization of the Company or a Significant Subsidiary occurs and is continuing, the principal of and accrued but unpaid interest on all the Notes will become immediately due and payable without any declaration or other act on the part of the Trustee or any Holders. Under certain circumstances, the Holders of a majority in principal amount of the outstanding Notes may rescind any such acceleration with respect to the Notes and its consequences.

Subject to the provisions of the Indenture relating to the duties of the Trustee, in case an Event of Default occurs and is continuing and a responsible officer of the Trustee has received written notice thereof, the Trustee will be under no obligation to exercise any of the rights or powers under the Indenture at the request or direction of any of the Holders unless such Holders have offered to the Trustee indemnity or security reasonably satisfactory to it against any loss, liability or expense. Except to enforce the right to receive payment of principal, premium (if any) or interest when due, no Holder may pursue any remedy with respect to the Indenture or the Notes unless (i) such Holder has previously given the Trustee written notice that an Event of Default is continuing, (ii) Holders of at least 30% in principal amount of the outstanding Notes have requested the Trustee in writing to pursue the remedy, (iii) such Holders have offered the Trustee security or indemnity reasonably satisfactory to it against any loss, liability or expense, (iv) the Trustee has not complied with such request within 60 days after the receipt of the request and the offer of security or indemnity reasonably satisfactory to the Trustee against any loss, liability or expense and (v) the Holders of a majority in principal amount of the outstanding Notes have not given the Trustee a direction inconsistent with such request within such 60-day period. Subject to certain restrictions, the Holders of a majority in principal amount of the outstanding Notes are given the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee. The Trustee, however, may refuse to follow any direction that conflicts with law or the Indenture or that the Trustee determines is unduly prejudicial to the rights of any other Holder (it being understood that the Trustee does not have an affirmative duty to ascertain whether or not any such directions are unduly prejudicial to such Holders) or that would involve the Trustee in personal liability. Prior to taking any action under the Indenture, the Trustee will be entitled to indemnification or security satisfactory to it in its sole discretion against all losses and expenses caused by taking or not taking such action.

The Indenture provides that if a Default or an Event of Default occurs and is continuing and is known to the Trustee, the Trustee must send to each Holder notice of the Default or Event of Default within 90 days after it occurs.

Except in the case of an Event of Default in the payment of principal of, or premium (if any) or interest on or Additional Amounts, if any, with respect to, any Note, the Trustee may withhold notice if and so long as it in good faith determines that withholding notice is in the interests of the Holders. In addition, the Company is required to deliver to the Trustee, within 120 days after the end of each fiscal year, a certificate indicating whether the signers thereof know of any Default or Event of Default occurring during the previous year. The Company also is required to deliver to the Trustee, within 30 days after the occurrence thereof, written notice of any event that would constitute certain Defaults or Events of Default, their status and what action the Company is taking or proposes to take in respect thereof.

Amendments and Waivers

Subject to certain exceptions, the Indenture may be amended with the consent of the Holders of a majority in principal amount of the Notes then outstanding and any past default or future compliance with any provisions may be waived with the consent of the Holders of a majority in principal amount of the Notes then outstanding (including in each case, consents obtained in connection with a tender offer or exchange offer for Notes). However, without the consent of Holders holding not less than 90% of the then outstanding aggregate principal amount of Notes affected, no amendment or waiver may (i) reduce the principal amount of Notes whose Holders must consent to an amendment or waiver, (ii) reduce the rate of or extend the time for payment of interest or Additional Amounts on any Note, (iii) reduce the principal of or extend the Stated Maturity of any Note, (iv) reduce the premium payable upon the redemption of any Note, or change the date on which any Note may be redeemed as described under "—Optional Redemption" above, (v) make any Note payable in money other than that stated in such Note, (vi) impair the right of any Holder to institute suit for the enforcement of any payment on or with respect to such Holder's Notes or (vii) make any change in the amendment or waiver provisions described in this sentence.

Notwithstanding the foregoing, if any amendment, waiver or other modification affects only the rights of the Euro Notes or the CHF Notes, as applicable, the Holders of the other series of Notes shall not be required to consent thereto (and in such case, only the consent of a majority or 90%, as the case may be, in aggregate principal amount of the affected series of Notes shall be required to consent thereto). For the avoidance of doubt, it is understood and agreed that any matter described in the preceding paragraphs that by its terms applies only to the Euro Notes or the CHF Notes shall not be deemed to affect the rights of, or require the consent of, the Holders of the other series of Notes and shall require only the consent of a majority or 90% of the Holders of the Euro Notes or the CHF Notes, as the case may be.

Notwithstanding the preceding, without the consent of any Holder, the Company, the Issuer, the Trustee and (as applicable) any Subsidiary Guarantor may supplement or amend the Indenture to cure any ambiguity, manifest error, omission, defect or inconsistency, each as determined in good faith by the Company and as provided in an Officer's Certificate; to provide for the assumption by a successor of the obligations of the Company, the Issuer or a Subsidiary Guarantor under the Indenture; to comply with the rules of any applicable depositary as determined in good faith by the Company and as provided in an Officer's Certificate; to provide for uncertificated Notes in addition to or in place of certificated Notes; to add Note Guarantees with respect to the Notes (provided any such supplemental indenture may be signed by the Issuer, the Guarantor providing the Note Guarantee, and the Trustee); to secure the Notes, to confirm and evidence the release, termination or discharge of any Note Guarantee or Lien with respect to or securing the Notes when such release, termination or discharge is provided for under the Indenture; to add to the covenants of the Company for the benefit of the Holders or to surrender any right or power conferred upon the Company; to provide for or confirm the issuance of Additional Notes; to conform the text of the Indenture, the Notes or any Note Guarantee to any provision of this "Description of Notes" (to the extent that such provision in this "Description of Notes" was intended to be a verbatim recitation of a provision of the Indenture, the Notes or any Note Guarantee, as determined in good faith by the Company and as provided in an Officer's Certificate); or to make any change that does not materially adversely affect the rights of any Holder as determined in good faith by the Company and as provided in an Officer's Certificate.

The consent of the Holders is not necessary under the Indenture to approve the particular form of any proposed supplement, amendment or waiver. It is sufficient if such consent approves the substance of the proposed supplement, amendment or waiver. Until a supplement, amendment or waiver becomes effective, a consent to it by a Holder is a continuing consent by such Holder and every subsequent Holder of all or part of the related Note. Any such Holder or subsequent holder may revoke such consent as to its Note by written notice to the Trustee or the Company, received thereby before the date on which the Company certifies to the Trustee that the Holders of the requisite principal amount of Notes have consented to such supplement, amendment or waiver. After a supplement, amendment or waiver under the Indenture becomes effective, the Company is required to mail to Holders a notice briefly describing such supplement, amendment or waiver. However, the failure to give such notice to all Holders, or any defect therein, will not impair or affect the validity of the supplement, amendment or waiver.

Defeasance

The Issuer at any time may terminate all of its obligations under the Notes and the Indenture ("legal defeasance"), except for certain obligations, including those relating to the defeasance trust and obligations to register the transfer or exchange of the Notes, to replace mutilated, destroyed, lost or stolen Notes, to reimburse certain costs and provide indemnification and to maintain a registrar and paying agent in respect of the Notes. The Issuer at any time may terminate its, the Company's and the Subsidiary Guarantors' obligations under certain covenants under the Indenture, including the covenants described under "—Certain Covenants" and "—Change of Control," the operation of the default provisions relating to such covenants described under "—Events of Default" above, the operation of the cross acceleration provision, the bankruptcy provisions with respect to Subsidiaries of the Company other than the Issuer and the judgment default provision described under "—Events of Default" above, and the limitations contained in clauses (iii) and (iv) under "—Certain Covenants—Merger and Consolidation" above ("covenant defeasance"). If the Issuer exercises its legal defeasance option or its covenant defeasance option, each Subsidiary Guarantor will be released from all of its obligations with respect to its Subsidiary Note Guarantee.

The Issuer may exercise its legal defeasance option notwithstanding its prior exercise of its covenant defeasance option. If the Company exercises its legal defeasance option, payment of the Notes may not be accelerated because of an Event of Default with respect thereto. If the Issuer exercises its covenant defeasance option, payment of the Notes may not be accelerated because of an Event of Default specified in clause (iv), (v) (as it relates to the covenants described under "—Certain Covenants" above), (vi), (vii), (viii) (but only with respect to events of bankruptcy, insolvency or reorganization of a Subsidiary of the Company other than the Issuer), (ix) or (x) under "—Events of Default" above or because of the failure of the Company to comply with clause (iii) and (iv) under "—Certain Covenants—Merger and Consolidation" above.

Either defeasance option may be exercised until any redemption date or the maturity date of the Notes. In order to exercise either defeasance option, the Issuer must irrevocably deposit or cause to be deposited in trust (the "defeasance trust") with the Principal Paying Agent cash in euro or European Government Obligations or a combination thereof (in the case of the Euro Notes) or cash in CHF or CHF-denominated Swiss Government Obligations or a combination thereof (in the case of the CHF Notes), in each case, in an amount sufficient (without reinvestment), in the opinion of an independent firm of certified public accountants, to pay principal of, and premium (if any) and interest on, the Notes to redemption or maturity, as the case may be, and must comply with certain other conditions, including delivery to the Trustee of an Opinion of Counsel to the effect that beneficial owners of the Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such deposit and defeasance and will be subject to U.S. federal income tax on the same amount and in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred (and, in the case of legal defeasance only, such Opinion of Counsel (x) must be based on a ruling of the U.S. Internal Revenue Service addressed to the Issuer, a revenue ruling or other change in applicable U.S. federal income tax law since the Issue Date and (y) need not be delivered if all Notes not theretofore delivered to the Trustee for cancellation have become due and payable, will become due and payable at their Stated Maturity within one year, or have been or are to be called for redemption within one year under arrangements reasonably satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Issuer).

Satisfaction and Discharge

The Indenture will be discharged and cease to be of further effect as to all outstanding Notes when (i) either (a) all Notes previously authenticated and delivered (other than certain lost, stolen or destroyed Notes, and certain Notes for which provision for payment was previously made and thereafter the funds have been released to the Issuer) have been delivered to the Trustee for cancellation or (b) all Notes not previously delivered to the Trustee for cancellation (x) have become due and payable, (y) will become due and payable at their Stated Maturity within one year or (z) have been or are to be called for redemption within one year under arrangements reasonably satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Issuer; (ii) the Issuer has irrevocably deposited or caused to be deposited with the Principal Paying Agent money, cash in euro or European Government Obligations or a combination thereof (in the case of the Euro Notes) or cash in CHF or CHF-denominated Swiss Government Obligations or a combination thereof (in the case of the CHF Notes), in each case, in an amount sufficient (without reinvestment) in the opinion of an independent firm of certified public accountants, to pay and discharge the entire indebtedness on the Notes not previously delivered to the Trustee for cancellation, for principal, premium, if any, and interest to the date of redemption or their Stated Maturity, as the case may be; (iii) the Company has paid or caused to be paid all other sums payable under the Indenture by the

Company; and (iv) the Company has delivered to the Trustee an Officer's Certificate and an Opinion of Counsel each to the effect that all conditions precedent under the "Satisfaction and Discharge" section of the Indenture relating to the satisfaction and discharge of the Indenture have been complied with, *provided* that any such counsel may rely on any Officer's Certificate as to matters of fact (including as to compliance with the foregoing clauses (i), (ii) and (iii)); *provided* that upon any redemption that requires the payment of the Applicable Premium, the amount deposited shall be sufficient for purposes of the Indenture to the extent that an amount is deposited with the Principal Paying Agent equal to the Applicable Premium calculated as of the date of deposit, with any deficit as of the date of redemption only required to be deposited with the Principal Paying Agent on or prior to the date of redemption.

No Personal Liability of Directors, Officers, Employees, Incorporators and Stockholders

No past, present or future director, officer, employee, incorporator or stockholder of the Company, the Issuer, any Subsidiary Guarantor or any Subsidiary of any thereof shall have any liability for any obligation of the Company, the Issuer, or any Subsidiary Guarantor under the Indenture, the Notes or any Note Guarantee, or for any claim based on, in respect of, or by reason of, any such obligation or its creation.

Each Holder, by accepting the Notes, waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes.

Concerning the Trustee

Wells Fargo Bank, National Association is the Trustee under the Indenture. The Trustee assumes no responsibility for the accuracy or completeness of the information concerning the Issuer or its Affiliates or any other party contained in this Offering Memorandum or the related documents or for any failure by the Company or any other party to disclose events that may have occurred and may affect the significance or accuracy of such information. The Trustee shall not be responsible for determining whether any Change of Control occurred and whether any Change of Control Offer with respect to the Notes is required. The Trustee shall not be responsible for monitoring the rating status of the Issuer or its Affiliates, making any request upon any Rating Agency, determining whether any rating event with respect to the Notes has occurred.

The Indenture provides that, except during the continuance of an Event of Default, the Trustee will perform only such duties as are set forth specifically in the Indenture. During the existence of an Event of Default that is known to a responsible officer of the Trustee, the Trustee will exercise such of the rights and powers vested in it under the Indenture and use the same degree of care and skill in its exercise as a prudent person would exercise under the circumstances in the conduct of such person's own affairs.

Judgment Currency

Euros is the required currency of account and payment for all sums payable by the Issuer or any Guarantor under the Notes, any Note Guarantee thereof and the Indenture. Any payment on account of an amount that is payable in euros, which is made to or for the account of any Noteholder, Principal Paying Agent or the Trustee in lawful currency of any other jurisdiction (the "Judgment Currency"), whether as a result of any judgment or order or the enforcement thereof or the liquidation of the Issuer or any Guarantor, shall constitute a discharge of the Issuer or the Guarantor's obligation under the Indenture and the Notes or Note Guarantee, as the case may be, only to the extent of the amount of euros, that such Noteholder, Principal Paying Agent or the Trustee, as the case may be, could purchase in the London foreign exchange markets with the amount of the Judgment Currency in accordance with normal banking procedures at the rate of exchange prevailing on the first Business Day following receipt of the payment in the Judgment Currency. If the amount of euros that could be so purchased is less than the amount of euros originally due to such Noteholder, Principal Paying Agent or the Trustee, as the case may be, the Issuer and the Guarantors shall indemnify and hold harmless the Noteholder, Principal Paying Agent or the Trustee, as the case may be, from and against all loss or damage arising out of, or as a result of, such deficiency. This indemnity shall constitute an obligation separate and independent from the other obligations contained in the Indenture or the Notes, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Noteholder, Principal Paying Agent or the Trustee from time to time and shall continue in full force and effect notwithstanding any judgment or order for a liquidated sum in respect of an amount due hereunder or under any judgment or order.

Transfer and Exchange

A Noteholder may transfer or exchange Notes in accordance with the Indenture. Upon any transfer or exchange, the Registrar and the Trustee may require such Noteholder, among other things, to furnish appropriate endorsements and transfer documents and the Company may require such Noteholder to pay any Taxes or other governmental charges required by law or permitted by the Indenture. The Company is not required to transfer or exchange any Note selected for redemption or purchase, or otherwise to transfer or exchange any Note for a period of 2 Business Days prior to any redemption date or purchase date. No service charge will be made for any registration of transfer or exchange of the Notes, but the Company may require payment of a sum sufficient to cover any transfer Tax or other governmental charge payable in connection with the transfer or exchange. The Notes will be issued in registered form and the Holder of a Note will be treated as the owner of such Note for all purposes.

Listing

Application will be made to the Exchange for the Notes to be admitted to the official list and to trading on the Exchange. We cannot assure you that the application to list the Notes on the Exchange and to admit the Notes on the Exchange will be approved and settlement of the Notes is not conditioned on obtaining this listing.

Additional Information

Any Noteholder or prospective Noteholder who receives this Offering Memorandum may, following the Issue Date, obtain a copy of the Indenture without charge by writing to the Company at Dufry AG, Attention: Investor Relations, Brunngässlein 12, 4052 Basel, Switzerland. So long as the Notes are listed on the Exchange and the rules of the Exchange so require, copies, current and future, of all of the Company's annual audited consolidated financial statements and the Company's unaudited consolidated interim financial statements may be obtained, free of charge, during normal business hours at the registered office of the Issuer.

Governing Law

The Indenture provides that it and the Notes will be governed by, and construed in accordance with, the laws of the State of New York, without regard to conflicts of laws principles.

Consent to Jurisdiction and Service of Process

The Indenture will provide that the Issuer and each Guarantor will appoint International Operations & Services (USA) Inc. at 13690 NW 14th St, Miami, Florida 33182, United States, as its agent for service of process in any suit, action or proceeding with respect to the Indenture, the Notes and the Note Guarantees brought in any federal or state court located in the City of New York and will submit to such jurisdiction.

Enforceability of Judgments

Since a substantial portion of the assets of the Issuer and the Guarantors are outside the United States, any judgment obtained in the United States against the Issuer or any Guarantor, may not be collectable within the United States.

Certain Definitions

"*2020 Liquidity Facilities Agreement*" means the unsecured single currency term and revolving facilities agreement dated May 6, 2020, among Dufry International AG, the guarantors party thereto from time to time, the lenders party thereto from time to time, and ING Bank N.V., London Branch, as Agent, as such agreement may be amended, supplemented, waived or otherwise modified from time to time or refunded, refinanced, restructured, replaced, renewed, repaid, increased or extended from time to time (whether in whole or in part, whether with the original administrative agent and lenders or other agents and lenders or otherwise, and whether provided under the 2020 Liquidity Facilities Agreement or other agreements or otherwise).

"*2020 Liquidity Facilities*" means the collective reference to the 2020 Liquidity Facilities Agreement, any Finance Documents (as defined therein), any notes issued pursuant thereto and any guarantee and collateral agreement, patent and trademark security agreement, mortgages, and other guarantees, pledge agreements, security agreements and collateral documents, and other instruments and documents, executed and delivered pursuant to or in connection with any of the foregoing, in each case as the same may be amended, supplemented, waived or otherwise modified from time to time, or refunded, refinanced, restructured, replaced, renewed, repaid, increased or extended from time to time (whether in whole or in part, whether with the original agent and lenders or other agents and lenders or otherwise, and whether provided under the 2020 Liquidity Facilities Agreement or one or more other credit agreements, indentures (including the Indenture) or financing agreements or otherwise). Without limiting the generality of the foregoing, the term "2020 Liquidity Facilities" shall include any agreement (i) changing the maturity of any indebtedness incurred thereunder or contemplated thereby, (ii) adding Subsidiaries of the Company as additional borrowers or guarantors thereunder, (iii) increasing the amount of indebtedness incurred thereunder or available to be borrowed thereunder or (iv) otherwise altering the terms and conditions thereof.

"*2024 Notes*" means the Issuer's Senior Notes due 2024, issued pursuant to the Indenture dated as of October 24, 2017, among the Issuer, Wells Fargo Bank, National Association as Trustee, Société Générale Bank & Trust as Principal Paying Agent, Registrar and Transfer Agent and the Guarantors party thereto.

"*2027 Notes*" means the Issuer's Senior Notes due 2027, issued pursuant to the Indenture dated as of November 20, 2019 among the Issuer, Wells Fargo Bank, National Association as Trustee, Société Générale Bank & Trust as Principal Paying Agent, Registrar and Transfer Agent and the Guarantors party thereto.

"*Affiliate*" of any specified Person means any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control" when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"*A&R Facilities Agreement*" means the Facilities Agreement, as amended pursuant to the amendment and restatement agreement dated May 26, 2020, among Dufry International AG, the guarantors party thereto from time to time, the lenders party thereto from time to time, and ING Bank N.V., London Branch, as Agent, as such agreement may be amended, supplemented, waived or otherwise modified from time to time or refunded, refinanced, restructured, replaced, renewed, repaid, increased or extended from time to time (whether in whole or in part, whether with the original administrative agent and lenders or other agents and lenders or otherwise, and whether provided under the Facilities Agreement or other credit agreements or otherwise).

"*A&R Facilities*" means the collective reference to the A&R Facilities Agreement, any Finance Documents (as defined therein), any notes issued pursuant thereto and any guarantee and collateral agreement, patent and trademark security agreement, mortgages, and other guarantees, pledge agreements, security agreements and collateral documents, and other instruments and documents, executed and delivered pursuant to or in connection with any of the foregoing, in each case as the same may be amended, supplemented, waived or otherwise modified from time to time, or refunded, refinanced, restructured, replaced, renewed, repaid, increased or extended from time to time (whether in whole or in part, whether with the original agent and lenders or other agents and lenders or otherwise, and whether provided under the Facilities Agreement or one or more other credit agreements, indentures (including the Indenture) or financing agreements or otherwise). Without limiting the generality of the foregoing, the term "A&R Facilities" shall include any agreement (i) changing the maturity of any indebtedness incurred thereunder or contemplated thereby, (ii) adding Subsidiaries of the Company as additional borrowers or guarantors thereunder, (iii) increasing the amount of indebtedness incurred thereunder or available to be borrowed thereunder or (iv) otherwise altering the terms and conditions thereof.

"*Bank Indebtedness*" means any and all amounts, whether outstanding on the Issue Date or thereafter incurred, payable under or in respect of any Credit Facility, including without limitation principal, premium (if any), interest (including interest accruing on or after the filing of any petition in bankruptcy or for reorganization relating to the Company or any Subsidiary whether or not a claim for post-filing interest is allowed in such proceedings), fees, charges, expenses, reimbursement obligations, guarantees, other monetary obligations of any nature and all other amounts payable thereunder or in respect thereof.

"*Beneficial Owner*" has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the Exchange Act, except that in calculating the beneficial ownership of any particular "person" (as that term is used in Section 13(d)(3) of the Exchange Act), such "person" will be deemed to have beneficial ownership of all securities that such "person" has the right to acquire by conversion or exercise of other securities, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition. The terms "Beneficially Owns" and "Beneficially Owned" have a corresponding meaning.

"*Board of Directors*" means, for any Person, the board of directors or other governing body of such Person or, if such Person does not have such a board of directors or other governing body and is owned or managed by a single entity, the board of directors of such entity, or, in either case, any committee thereof duly authorized to act on behalf of such board of directors. Unless otherwise provided, "*Board of Directors*" means the Board of Directors of the Company.

"*Business Day*" means a day other than a Saturday, Sunday or other day on which commercial banking institutions are authorized or required by law to close in London, the Netherlands, New York City, the Bailiwick of Jersey or Zurich (or any other city in which a Principal Paying Agent maintains its office).

"*Capital Stock*" of any Person means any and all shares of, rights to purchase, warrants or options for, or other equivalents of or interests in (however designated) equity of such Person, including any Preferred Stock, but excluding any debt securities convertible into, or exchangeable for, such equity.

"*Capitalized Lease Obligation*" means an obligation that is required to be classified and accounted for as a capitalized lease for financial reporting purposes in accordance with IFRS or U.S. GAAP. The Stated Maturity of any Capitalized Lease Obligation shall be the date of the last payment of rent or any other amount due under the related lease.

"*CHF*" means Swiss francs, the lawful currency of Switzerland.

"*Commodities Agreement*" means, in respect of a Person, any commodity futures contract, forward contract, option or similar agreement or arrangement (including derivative agreements or arrangements), as to which such Person is a party or beneficiary.

"*Consolidated Total Assets*" means, as of any date of determination, the total assets on the consolidated balance sheet of the Company and its Subsidiaries, as at the end of the most recently ended fiscal quarter of the Company for which such a balance sheet is available, determined on a consolidated basis in accordance with IFRS or U.S. GAAP, after giving *pro forma* effect to any transaction giving rise to the need to make such calculation (including a pro forma application of the use of proceeds therefrom) on such date.

"*Convertible Bonds due 2026*" means the Issuer's senior convertible bonds due 2026 in an aggregate principal amount of CHF 500 million issued in March 2021.

"*Credit Facilities*" means the A&R Facilities, the 2020 Liquidity Facilities and any other facilities or arrangements designated by the Company, in each case with one or more banks or other third party lenders or institutions providing for revolving credit loans, term loans, receivables financings (including without limitation through the sale of receivables to such institutions or to special purpose entities formed to borrow from such institutions against such receivables or the creation of any Liens in respect of such receivables in favor of such institutions), letters of credit or other indebtedness, in each case, including all agreements, instruments and documents executed and delivered pursuant to or in connection with any of the foregoing, including but not limited to any notes and letters of credit issued pursuant thereto and any guarantee and collateral agreement, patent and trademark security agreement, mortgages or letter of credit applications and other guarantees, pledge agreements, security agreements and collateral documents, in each case as the same may be amended, supplemented, waived or otherwise modified from time to time, or refunded, refinanced, restructured, replaced, renewed, repaid, increased or extended from time to time (whether in whole or in part, whether with the original banks, third party lenders or institutions or other banks, third party lenders or institutions or otherwise, and whether provided under any original Credit Facility or one or more other credit agreements, indentures, financing agreements or other Credit Facilities or otherwise). Without limiting the generality of the foregoing, the term "Credit Facility" shall include any agreement (i) changing the maturity of any indebtedness incurred thereunder or contemplated thereby, (ii) adding Subsidiaries as additional borrowers or guarantors thereunder, (iii) increasing the amount of indebtedness incurred thereunder or available to be borrowed thereunder or (iv) otherwise altering the terms and conditions thereof.

"*Currency Agreement*" means, in respect of a Person, any foreign exchange contract, currency swap agreement or other similar agreement or arrangements (including derivative agreements or arrangements), as to which such Person is a party or a beneficiary.

"*De Minimis Guaranteed Amount*" means a principal amount of Bank Indebtedness or Public Debt that does not exceed CHF 75.0 million.

"*Default*" means any event or condition that is, or after notice or passage of time or both would be, an Event of Default.

"*Disqualified Stock*" means, with respect to any Person, any Capital Stock that by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable or exercisable) or upon the happening of any event (other than following the occurrence of a Change of Control or other similar event described under such terms as a "*change of control*") (i) matures or is mandatorily redeemable pursuant to a sinking fund obligation or otherwise, (ii) is convertible or exchangeable for indebtedness or Disqualified Stock or (iii) is redeemable at the option of the holder thereof (other than following the occurrence of a Change of Control or other similar event described under such terms as a "*change of control*"), in whole or in part, in each case on or prior to the final Stated Maturity of the Notes.

"*European Government Obligations*" means direct obligations (or certificates representing an ownership interest in such obligations) of Switzerland, the United Kingdom or any a member state of the European Monetary Union as of January 1, 2007 (including any agency or instrumentality thereof) for the payment of which the full faith and credit of such government is pledged.

"*Exchange Act*" means the U.S. Securities Exchange Act of 1934, as amended.

"*Existing Notes*" means the 2024 Notes and 2027 Notes.

"*Facilities Agreement*" means the Multicurrency Term and Revolving Credit Facilities Agreement, dated as of November 3, 2017, among Dufry International AG, the guarantors party thereto from time to time, the lenders party thereto from time to time, and ING Bank N.V., London Branch, as Agent, as such agreement may be amended, supplemented, waived or otherwise modified from time to time or refunded, refinanced, restructured, replaced, renewed, repaid, increased or extended from time to time (whether in whole or in part, whether with the original administrative agent and lenders or other agents and lenders or otherwise, and whether provided under the Facilities Agreement or other credit agreements or otherwise).

"*Financing Disposition*" means any sale, transfer, conveyance or other disposition of, or creation or incurrence of any Lien on, property or assets by the Company or any Subsidiary thereof to or in favor of any Special Purpose Entity, or by any Special Purpose Subsidiary, in each case in connection with the incurrence by a Special Purpose Entity of indebtedness, or obligations to make payments to the obligor on indebtedness, which may be secured by a Lien in respect of such property or assets.

"*Fitch*" means Fitch Ratings Ltd., or any of its successors or assigns.

"*Guarantors*" means each of Dufry AG, Dufry International AG, Dufry Financial Services B.V. and any other Subsidiary of the Company (including any Subsidiary that becomes a Guarantor at its option) that executes a supplemental indenture providing for a Note Guarantee in accordance with the provisions of the Indenture, and their respective successors and assigns, in each case, until the Note Guarantee of such Person has been released in accordance with the provisions of the Indenture.

"*Guarantee*" means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any indebtedness or other obligation of any other Person; *provided* that the term "*Guarantee*" shall not include endorsements for collection or deposit in the ordinary course of business. The term "*Guarantee*" used as a verb has a corresponding meaning.

"*Guarantor Subordinated Obligations*" means, with respect to a Guarantor, any indebtedness of such Guarantor that is expressly subordinated in right of payment to the obligations of such Guarantor under its Note Guarantee pursuant to a written agreement.

"*Hedging Obligations*" of any Person means the obligations of such Person pursuant to any Interest Rate Agreement, Currency Agreement or Commodities Agreement.

"*Holder*" means the Person in whose name a Note is registered on the books of the Registrar.

"*IFRS*" means International Financial Reporting Standards, as issued by the International Accounting Standards Board.

"*Interest Rate Agreement*" means, with respect to any Person, any interest rate protection agreement, future agreement, option agreement, swap agreement, cap agreement, collar agreement, hedge agreement or other similar agreement or arrangement (including derivative agreements or arrangements), as to which such Person is party or a beneficiary.

"*Investment Grade*" means a rating of Baa3 or better by Moody's (or its equivalent under any successor rating category of Moody's), a rating of BBB- or better by S&P (or its equivalent under any successor rating category of S&P) and a rating of BBB- or better by Fitch (or its equivalent under any successor rating category of Fitch), or the equivalent investment grade rating from any replacement rating agency or rating agencies selected by the Issuer under the circumstances permitting us to select a replacement agency and in the manner for selecting a replacement agency, in each case as set forth in the definition of "Rating Agency."

"*Issue Date*" means the first date on which Notes are issued.

"*Lien*" means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including any conditional sale or other title retention agreement or lease in the nature thereof).

"*Management Advances*" means loans or advances made to, or Guarantees with respect to loans or advances made to, directors, officers or employees of the Company or any Subsidiary (x) in respect of travel, entertainment or moving-related expenses incurred in the ordinary course of business, (y) in respect of moving-related expenses incurred in connection with any closing or consolidation of any facility, or (z) in the ordinary course of business and (in the case of this clause (z)) not exceeding CHF 25.0 million in the aggregate outstanding at any time.

"*Mandatory Convertible Notes*" means the Issuer's convertible notes due 2023 in an aggregate principal amount of CHF 69.5 million issued in November 2020.

"*Material Acquisitions*" means any acquisition that meets the conditions of a "significant subsidiary" under Rule 1-02(w) of Regulation S-X promulgated by the SEC, as such Regulation is in effect on the Issue Date, at the 50% level or higher.

"*Moody's*" means Moody's Investors Service, Inc., and its successors and affiliates.

"*Obligations*" means, with respect to any indebtedness, any principal, premium (if any), interest including interest accruing on or after the filing of any petition in bankruptcy or for reorganization relating to the Company or any Subsidiary whether or not a claim for post-filing interest is allowed in such proceedings, fees, charges, expenses, reimbursement obligations, Guarantees of such indebtedness (or of Obligations in respect thereof), other monetary obligations of any nature and all other amounts payable thereunder or in respect thereof.

"*Officer*" means, with respect to the Company or any other obligor upon the Notes, the Chairman of the Board, the President, the Chief Executive Officer, the Chief Financial Officer, any Vice President, the Controller, the Treasurer or the Secretary (a) of such Person or (b) if such Person is owned or managed by a single entity, of such entity (or any other individual designated as an "*Officer*" for the purposes of the Indenture by the Board of Directors).

"*Officer's Certificate*" means, with respect to the Company or any other obligor upon the Notes, a certificate signed by one Officer of such Person and delivered to the Trustee.

"*Opinion of Counsel*" means a written opinion from legal counsel, who may be an employee of or counsel to the Company, or other counsel who is reasonably acceptable to the Trustee.

"*Permitted Liens*" means:

(i) Liens securing indebtedness existing on, or provided for under written arrangements existing on, the Issue Date;

(ii) Liens securing Hedging Obligations entered into for bona fide hedging purposes;

(iii) Liens securing Purchase Money Obligations or Capitalized Lease Obligations; provided, however, that the Lien may not extend to any other property owned by such Person or any of its Subsidiaries at the time the Lien is incurred (other than assets and property affixed or appurtenant thereto or pursuant to customary after-acquired property clauses), and the indebtedness (other than any interest thereon) secured by the Lien may not be incurred more than 12 months after the latest of the acquisition, completion of construction, purchase, replacement or lease of, repairs, improvement or additions to, the property, plant or equipment subject to the Lien;

(iv) Liens securing indebtedness consisting of (1) accommodation guarantees or other trade credit to or for the benefit of Subsidiaries, customers or suppliers of the Company or any of its Subsidiaries in the ordinary course of business, (2) bid proposals to, or for the benefit of, airport authorities, landlords or other grantors of concessions or leases for retail operations in the ordinary course of business or (3) upfront, key money or similar payments made to, or for the benefit of, airport authorities, landlords or other grantors of concessions or leases for retail operations in the ordinary course of business;

(v) Liens securing indebtedness (1) arising from the honoring of a check, draft or similar instrument of such Person drawn against insufficient funds, *provided* that such indebtedness is extinguished within five Business Days of its incurrence, (2) arising from cash management activities (including but not limited to liability positions related to notional or other cash pooling activities) or (3) consisting of guarantees, indemnities, obligations in respect of earnouts or other purchase price adjustments, or similar obligations, incurred in connection with the acquisition or disposition of any business, assets or Person;

(vi) Liens securing indebtedness consisting of (1) letters of credit, bankers' acceptances or other similar instruments or obligations issued, or relating to liabilities or obligations incurred, in the ordinary course of business (including those issued to, or for the benefit of, customs authorities or to governmental entities in connection with self-insurance under applicable workers' compensation statutes), (2) completion guarantees, surety, judgment, appeal or performance bonds, or other similar bonds, instruments or obligations, provided, or relating to liabilities or obligations incurred, in the ordinary course of business (including performance guarantees, guarantee deposits or other forms of indebtedness that have the effect of a guarantee in respect of the payment of concession or other fees to, or for the benefit of, airport authorities, landlords or other grantors of concessions or leases for retail operations), (3) Management Advances, (4) the financing of insurance premiums in the ordinary course of business or (5) netting, overdraft protection and other arrangements (including bank account arrangements) arising under standard business terms of any bank at which the Company or any Subsidiary maintains an overdraft, cash pooling or other similar facility or arrangement;

(vii) Liens securing (1) indebtedness of a Special Purpose Subsidiary on all or part of the assets disposed of in, or otherwise incurred in connection with, a Financing Disposition or (2) indebtedness incurred in connection with a Special Purpose Financing; provided, in the case of clauses (1) and (2), that such indebtedness is not recourse to the Company or any Subsidiary that is not a Special Purpose Subsidiary (other than with respect to Special Purpose Financing Undertakings);

(viii) Liens securing indebtedness in an aggregate outstanding principal amount not to exceed (together with any refinancing or successive refinancings thereof pursuant to clause (xi) below) the greater of CHF 1,500 million and 15% of Consolidated Total Assets (determined at the time of incurrence thereof).

(ix) Liens securing the Notes (but not Additional Notes) or any Guarantee thereof;

(x) Liens existing on property or assets of a Person at the time such Person becomes a Subsidiary of the Company (or at the time the Company or a Subsidiary acquires such property or assets, including any acquisition by means of a merger or consolidation with or into the Company or any Subsidiary); provided, however, that such Liens are not created in connection with, or in contemplation of, such other Person becoming such a Subsidiary (or such acquisition of such property or assets), and that such Liens are limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof) that secured (or, under the written arrangements under which such Liens arose, could secure) the obligations to which such Liens relate;

(xi) Liens securing any refinancing (or successive refinancings) as a whole, or in part, of any indebtedness secured by any Lien referred to in the foregoing clause (i), (iii), (viii) or (x); provided, that (1) in the case of clauses (i), (iii) and (x), such new Lien shall be limited to all or part of the same property and assets that secured or, under the written agreements pursuant to which the original Lien arose, could secure the original Lien (plus improvements, accessions, proceeds or dividends or distributions in respect thereof); and (2) the amount of indebtedness secured by such Lien at such time is not greater than the outstanding principal amount or, if greater, committed amount of the indebtedness so refinanced, plus fees, underwriting discounts, premiums and other costs and expenses incurred in connection with such refinancing;

(xii) Liens (1) arising by operation of law (or by agreement to the same effect) in the ordinary course of business, (2) on property or assets under construction (and related rights) in favor of a contractor or developer or arising from progress or partial payments by a third party relating to such property or assets, (3) on receivables (including related rights), (4) on cash set aside at the time of the incurrence of any indebtedness or government securities purchased with such cash, in either case to the extent that such cash or government securities prefund the payment of interest on such indebtedness and are held in an escrow account or similar arrangement to be applied for such purpose, (5) securing or arising by reason of any netting or set-off arrangement entered into in the ordinary course of banking or other trading activities, (6) in favor of the Company or any Subsidiary (other than Liens on property or assets of the Issuer, the Company or any Subsidiary Guarantor in favor of any Subsidiary that is not a Subsidiary Guarantor), (7) arising out of conditional sale, title retention, consignment or similar arrangements for the sale of goods entered into in the ordinary course of business, (8) relating to pooled deposit or sweep accounts to permit satisfaction of overdraft, cash pooling or similar obligations incurred in the ordinary course of business, (9) attaching to commodity trading or other brokerage accounts incurred in the ordinary course of business, (10) in favor of any Special Purpose Entity in connection with any Financing Disposition, (11) securing reimbursement obligations with respect to letters of credit that encumber documents and other property relating to such letters of credit and the proceeds thereof, (12) on assets pursuant to merger agreements, stock or asset purchase agreements and similar agreements in respect of the disposition of such assets, (13) on specific items of inventory or other goods and proceeds of any Person securing such Person’s obligations in respect of bankers’ acceptances or trade letters of credit issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods, (14) in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods in the ordinary course of business or (15) in respect of any lease or other agreements that are treated as indebtedness under IFRS 16;

(xiii) Liens securing indebtedness constituting loans to, or guarantees of the loans of, holders of non-controlling interests in any of the Company’s Subsidiaries for the purpose of financing the investment by such holder in the business or activities of such Subsidiary, in an aggregate principal amount at any time outstanding not exceeding CHF 75.0 million; and

(xiv) Liens on assets of any Subsidiary that is not the Issuer or a Subsidiary Guarantor securing indebtedness of such Subsidiary; *provided* that the aggregate principal amount of indebtedness at any time outstanding and secured by liens pursuant to this clause (xiv) shall not exceed CHF 500 million.

“*Person*” means any individual, corporation, partnership, joint venture, association, joint-stock company, limited liability company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity.

"*Preferred Stock*" as applied to the Capital Stock of any corporation means Capital Stock of any class or classes (however designated) that by its terms is preferred as to the payment of dividends, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such corporation, over shares of Capital Stock of any other class of such corporation.

"*Public Debt*" means any indebtedness issued to third parties consisting of bonds, debentures, notes, *schuldscheindarlehen* or other similar debt securities that are capable of being listed, quoted or traded on an organized securities exchange or similar trading platform (including any such indebtedness that is privately placed).

"*Purchase Money Obligations*" means any indebtedness incurred to finance or refinance the acquisition, leasing, construction or improvement of property (real or personal) or assets, and whether acquired through the direct acquisition of such property or assets or the acquisition of the Capital Stock of any Person owning such property or assets, or otherwise.

"*Rating Agency*" means each of Moody's, Fitch and S&P or, if Moody's, Fitch and S&P or any combination of them shall not make a rating on the Notes publicly available, a nationally recognized statistical rating agency or agencies, as the case may be, selected by the Company, which shall be substituted for Moody's, Fitch or S&P or any combination of them, as the case may be.

"*refinance*" means refinance, refund, replace, renew, repay, modify, restate, defer, substitute, supplement, reissue, resell or extend (including pursuant to any defeasance or discharge mechanism); and the terms "*refinances,*" "*refinanced*" and "*refinancing*" as used for any purpose in the Indenture shall have a correlative meaning.

"*SEC*" means the U.S. Securities and Exchange Commission.

"*Senior Indebtedness*" means any indebtedness of the Company or any Subsidiary other than, in the case of the Issuer, Subordinated Obligations and, in the case of any Guarantor, Guarantor Subordinated Obligations.

"*Significant Subsidiary*" means any Subsidiary that would be a "*significant subsidiary*" of the Company within the meaning of Rule 1-02 under Regulation S-X promulgated by the SEC, as such Regulation is in effect on the Issue Date.

"*Special Purpose Entity*" means (x) any Special Purpose Subsidiary or (y) any other Person that is engaged in the business of acquiring, selling, collecting, financing or refinancing receivables, accounts (as defined in the Uniform Commercial Code as in effect in any jurisdiction from time to time), other accounts and/or other receivables, and/or related assets.

"*Special Purpose Financing*" means any financing or refinancing of assets consisting of or including receivables of the Company or any Subsidiary that have been transferred to a Special Purpose Entity or made subject to a Lien in a Financing Disposition.

"*Special Purpose Financing Undertakings*" means representations, warranties, covenants, indemnities, guarantees of performance and (subject to clause (y) of the proviso below) other agreements and undertakings entered into or provided by the Company or any of its Subsidiaries that the Company determines in good faith (which determination shall be conclusive) are customary or otherwise necessary or advisable in connection with a Special Purpose Financing or a Financing Disposition; *provided* that (x) it is understood that Special Purpose Financing Undertakings may consist of or include (i) reimbursement and other obligations in respect of notes, letters of credit, surety bonds and similar instruments provided for credit enhancement purposes or (ii) Hedging Obligations, or other obligations relating to Interest Rate Agreements, Currency Agreements or Commodities Agreements entered into by the Company or any Subsidiary, in respect of any Special Purpose Financing or Financing Disposition, and (y) subject to the preceding clause (x), any such other agreements and undertakings shall not include any Guarantee of Indebtedness of a Special Purpose Subsidiary by the Company or a Subsidiary that is not a Special Purpose Subsidiary.

"*Special Purpose Subsidiary*" means a Subsidiary of the Company that (a) is engaged solely in (x) the business of acquiring, selling, collecting, financing or refinancing receivables, accounts (as defined in the Uniform Commercial Code as in effect in any jurisdiction from time to time), other accounts and/or other receivables (including any thereof constituting or evidenced by chattel paper, instruments or general intangibles), all proceeds thereof and all rights (contractual and other), collateral and other assets relating thereto, and (y) any business or activities incidental or related to such business, and (b) is designated as a "Special Purpose Subsidiary" by the Company.

"*S&P*" means Standard & Poor's Global Ratings and its successors and affiliates.

"*Stated Maturity*" means, with respect to any security, the date specified in such security as the fixed date on which the payment of principal of such security is due and payable, including pursuant to any mandatory redemption provision (but excluding any provision providing for the repurchase of such security at the option of the holder thereof upon the happening of any contingency).

"*Subordinated Obligations*" means any indebtedness of the Issuer (whether outstanding on the date of the Indenture or thereafter incurred) that is expressly subordinated in right of payment to the Notes pursuant to a written agreement.

"*Subsidiary*" of any Person means (a) any corporation, association or other business entity (other than a partnership, joint venture, limited liability company or similar entity) of which more than 50% of the total ordinary voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof (or Persons performing similar functions) or (b) any partnership, joint venture, limited liability company or similar entity of which more than 50% of the capital accounts, distribution rights, total equity and voting interests or general or limited partnership interests, as applicable, is, in the case of clauses (a) and (b), at the time owned or controlled, directly or indirectly, by (1) such Person, (2) such Person and one or more Subsidiaries of such Person or (3) one or more Subsidiaries of such Person. Unless otherwise specified herein, each reference to a "Subsidiary" will refer to a Subsidiary of the Company.

"*Subsidiary Note Guarantee*" means any Note Guarantee that may from time to time be entered into by a Subsidiary of the Company on the Issue Date or after the Issue Date pursuant to the covenant described under "—Certain Covenants—Future Subsidiary Guarantors."

"*Subsidiary Guarantor*" means any Subsidiary of the Company that enters into a Subsidiary Note Guarantee.

"*Successor Company*" shall have the meaning assigned thereto in clause (i) under "—Merger and Consolidation."

"*Swiss Government Obligations*" means direct obligations of, or obligations guaranteed by, the Swiss Confederation (*Staatsanleihen*), and the payment for which the Swiss Confederation pledges its full faith and credit; provided that the Swiss Confederation has a long term government debt rating of "A1" or higher by Moody's or "A+" or higher by S&P or the equivalent rating category of another internationally recognized rating agency.

"*Tax*" means any tax, duty, levy, impost, assessment, fee or other governmental charge, in each case in the nature of a tax (including penalties, interest and any additions thereto, and, for the avoidance of doubt, including any withholding or reduction for or on account thereof).

"*Trade Payables*" means, with respect to any Person, any accounts payable or any indebtedness or monetary obligation to trade creditors created, assumed or guaranteed by such Person arising in the ordinary course of business in connection with the acquisition of goods or services.

"*Trustee*" means the party named as such in the Indenture until a successor replaces it and, thereafter, means the successor.

"*U.S. GAAP*" means United States generally accepted accounting principles.

"*Voting Stock*" of an entity means all classes of Capital Stock of such entity then outstanding and normally entitled to vote in the election of directors or all interests in such entity with the ability to control the management or actions of such entity.

Global Notes and Book-Entry System

The Notes will be issued only in fully registered form, without interest coupons and will be issued only in minimum denominations of €100,000 and any integral multiple of €1,000 in excess thereof in the case of the Euro Notes, and in minimum denominations of CHF 150,000 and integral multiple of CHF 1,000 in excess thereof in the case of CHF Notes. The Notes will not be issued in bearer form.

The Notes will be represented by one or more global notes (the "*Global Notes*"). The Global Notes will be deposited on the Issue Date with a common depositary and registered in the name of the nominee of the common depositary for the accounts of Euroclear and Clearstream (such nominee being referred to herein as the "*Global Note Holder*").

Euroclear and Clearstream have advised us as follows:

Euroclear and Clearstream hold securities for participants. They also facilitate the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in the accounts of such participants. Euroclear and Clearstream provide various services to their participants, including the safekeeping, administration, clearance, settlement, lending and borrowing of internationally traded securities. Euroclear and Clearstream interface with domestic securities markets.

Euroclear and Clearstream participants are financial institutions such as underwriters, securities brokers and dealers, banks, trust companies and certain other organizations. Indirect access to Euroclear or Clearstream is also available to indirect participants that clear through or maintain a custodial relationship with a Euroclear or Clearstream participant, either directly or indirectly.

So long as the Global Note Holder is the registered owner of any Notes, the Global Note Holder will be considered the sole Holder of outstanding Notes represented by such Global Notes under the Indenture.

Except as provided below, owners of Notes will not be entitled to have the Notes registered in their names and will not be considered the owners or holders thereof under the Indenture for any purpose, including with respect to the giving of any directions, instructions, or approvals to the Trustee thereunder. Neither we nor the Trustee will have any responsibility or liability for any aspect of the records relating to or payments made on account of Notes by Euroclear and Clearstream, as the case may be, or for maintaining, supervising or reviewing any records of Euroclear and Clearstream, as the case may be, relating to such Notes.

Payments in respect of the principal of, premium, if any, and interest on any Notes registered in the name of the Global Note Holder on the applicable record date will be payable by the Principal Paying Agent to or at the direction of the Global Note Holder in its capacity as the registered holder under the Indenture. Under the terms of the Indenture, we and the Principal Paying Agent may treat the persons in whose names any Notes, including the Global Notes, are registered as the owners thereof for the purpose of receiving such payments and for any and all other purposes whatsoever. Consequently, neither we nor the Trustee or Principal Paying Agent have or will have any responsibility or liability for the payment of such amounts to beneficial owners of the Notes (including principal, premium, if any, and interest). We believe, however, that it is currently the policy of Euroclear and Clearstream to immediately credit the accounts of the relevant Participants with such payments, in amounts proportionate to their respective beneficial interests in the relevant security as shown on the records Euroclear and Clearstream, as the case may be.

Payments by the depositary's participants and the depositary's indirect participants to the beneficial owners of the Notes will be governed by standing instructions and customary practice and will be the responsibility of the depositary's participants or the depositary's indirect participants.

Notes in definitive, fully registered form will be issued and delivered to each person that the depositary identifies as a beneficial owner of the related Note only if (1) Euroclear or Clearstream notifies us in writing that it is no longer willing or able to act as a depositary, and we are unable to locate a qualified successor within 90 days or (2) we, at our option upon a change in Tax law that would be adverse to us but for the issuance of Notes in definitive, fully registered form, notify the Trustee in writing that we elect to cause the issuance of the Notes in definitive form under the Indenture.

Neither we nor the Trustee will be liable for any delay by the Global Note Holder, Euroclear or Clearstream in identifying the beneficial owners of the applicable Notes and we and the Trustee may conclusively rely on, and will be protected in relying on, instructions from the Global Note Holder, Euroclear or Clearstream, for all purposes.

CERTAIN TAXATION CONSIDERATIONS

Potential investors and sellers of Notes should be aware that they may be required to pay stamp taxes or other documentary taxes or fiscal duties or charges in accordance with the laws and practices of the country where the Notes are transferred or other jurisdictions. In addition, payments of interest on the Notes, or income derived from the Notes, may be subject to taxation, including withholding taxes, in the jurisdiction of the Issuer, in the jurisdiction of the holder of Notes, or in other jurisdictions in which the holder of Notes is required to pay taxes. Any such tax consequences may have an impact on the net income received from the Notes.

Prospective investors should carefully consider the tax consequences of investing in the Notes and consult their professional advisers on the tax consequences of buying, holding or selling any Notes in light of their own particular circumstances, including the effect of the laws of their country of citizenship, residence or domicile. The discussions that follow for each jurisdiction are based upon the applicable laws and interpretations thereof as of the date hereof, all of which laws and interpretations are subject to change or differing interpretations, which changes or differing interpretations could apply retroactively.

Dutch Tax Considerations

General

The following is a general summary of certain material Dutch tax consequences of the acquisition, holding and disposal of the Notes. This summary does not purport to describe all possible tax considerations or consequences that may be relevant to a holder or a prospective holder of Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as trusts or similar arrangements) may be subject to special rules. In view of its general nature, it should be treated with corresponding caution. This summary is based on the tax laws of the Netherlands, published regulations thereunder and published authoritative case law, all as in effect on the date hereof, and all of which are subject to change, possibly with retroactive effect. Where the summary refers to “the Netherlands” or “Dutch” it refers only to the part of the Kingdom of the Netherlands located in Europe.

This discussion is for general information purposes only and is not Dutch tax advice or a complete description of all Dutch tax consequences relating to the acquisition, holding and disposal of the Notes. Holders or prospective holders of Notes should consult their own tax advisors regarding the Dutch tax consequences relating to the acquisition, holding and disposal of the Notes in light of their particular circumstances.

Withholding Tax

Non-related holders of Notes

All payments of principal or interest made by the Issuer under the Notes to holders of Notes other than holders that are entities *related* (*gelieerd*) to the Issuer or Dutch Subsidiary Guarantor (within the meaning of the Dutch Withholding Tax Act 2021; *Wet bronbelasting 2021*) (see below) may be made free of withholding or deduction of, for or on account of any taxes of whatever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein.

Entities related to the Issuer

Payments of principal or interest made by the Issuer under the Notes to holders of Notes that are entities *related* (*gelieerd*) to the Issuer or Dutch Subsidiary Guarantor (within the meaning of the Dutch Withholding Tax Act 2021) (see below) may become subject to Dutch withholding tax at a rate of 25% (rate for 2021), if such *related* entity:

(i) is considered to be resident (*gevestigd*) in a jurisdiction that is listed in the yearly updated Dutch Regulation on low-taxing states and non-cooperative jurisdictions for tax purposes (*Regeling laagbelastende staten en niet-coöperatieve rechtsgebieden voor belastingdoeleinden*) (a “Listed Jurisdiction”); or

(ii) has a permanent establishment located in a Listed Jurisdiction to which the interest payment is attributable; or

(iii) is entitled to the interest payment for the main purpose or one of the main purposes to avoid taxation for another person or entity and there is an artificial arrangement or transaction or a series of artificial arrangements or transactions; or

(iv) is a hybrid entity (a hybrid mismatch), or

(v) is not resident in any jurisdiction,

all within the meaning of the Dutch Withholding Tax Act 2021.

Listed Jurisdiction

For the fiscal year 2021, the following 23 jurisdictions are Listed Jurisdictions: American Samoa, Anguilla, Bahamas, Bahrain, Barbados, Bermuda, the British Virgin Islands, the Cayman Islands, Fiji, Guam, Guernsey, Isle of Man, Jersey, Palau, Panama, Samoa, Seychelles, Trinidad and Tobago, Turkmenistan, Turks and Caicos Islands, Vanuatu, the United Arab Emirates and the U.S. Virgin Islands.

Entity related to the Issuer

For purposes of the Dutch Withholding Tax Act 2021, an entity is considered related to the Issuer or Dutch Subsidiary Guarantor if:

(i) such entity has a Qualifying Interest (as defined below) in the Issuer or the Dutch Subsidiary Guarantor;

(ii) the Issuer or the Dutch Subsidiary Guarantor has a Qualifying Interest in such entity; or

(iii) a third party has a Qualifying Interest in both the Issuer or a Dutch Subsidiary Guarantor and such entity.

The term “Qualifying Interest” means a directly or indirectly held interest - either individually or jointly as part of a collaborating group (*samenwerkende groep*) - that confers a definite influence over the entity’s decisions and allows the holder of such interest to determine its activities (within the meaning of case law of the European Court of Justice on the right of freedom of establishment (*vrijheid van vestiging*)).

Payments under the Guarantees

All payments made by the Dutch Subsidiary Guarantor under the Guarantees in its capacity as guarantor may be made free of withholding or deduction of, for or on account of any taxes of whatever nature, imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein.

Taxes on Income and Capital Gains

Please note that the summary in this section does not describe the Dutch tax consequences for:

(i) holders of Notes if such holders, and in the case of individuals, such holder’s partner or certain of its relatives by blood or marriage in the direct line (including foster children), have a substantial interest (*aanmerkelijk belang*) or deemed substantial interest (*fictief aanmerkelijk belang*) in the Issuer or the Dutch Subsidiary Guarantor under the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*). Generally speaking, a holder of securities in a company is considered to hold a substantial interest in such company, if such holder alone or, in the case of individuals, together with such holder’s partner (as defined in the Dutch Income Tax Act 2001), directly or indirectly, holds (i) an interest of 5% or more of the total issued and outstanding capital of that company or of 5% or more of the issued and outstanding capital of a certain class of shares of that company; or (ii) rights to acquire, directly or indirectly, such interest; or (iii) certain profit sharing rights in that company that relate to 5% or more of the company’s annual profits or to 5% or more of the company’s liquidation proceeds. A deemed substantial interest may arise if a substantial interest (or part thereof) in a company has been disposed of, or is deemed to have been disposed of, on a non-recognition basis;

(ii) pension funds, investment institutions (*fiscale beleggingsinstelingen*), exempt investment institutions (*vrijgestelde beleggingsinstellingen*) (as defined in the Dutch Corporate Income Tax Act 1969; *Wet op de vennootschapsbelasting 1969*) and other entities that are, in whole or in part, not subject to or exempt from Dutch corporate income tax; and

(iii) holders of Notes who are individuals for whom the Notes or any benefit derived from the Notes are a remuneration or deemed to be a remuneration for activities performed by such holders or certain individuals related to such holders (as defined in the Dutch Income Tax Act 2001).

Dutch Resident Entities

Generally speaking, if the holder of Notes is an entity that is a resident or deemed to be resident of the Netherlands for Dutch corporate income tax purposes (a "Dutch Resident Entity"), any payment under the Notes or any gain or loss realized on the disposal or deemed disposal of the Notes is subject to Dutch corporate income tax at a rate of 15% with respect to taxable profits up to € 245,000 and 25% with respect to taxable profits in excess of that amount (rates and brackets for 2021).

Dutch Resident Individuals

If the holder of Notes is an individual, resident or deemed to be resident of the Netherlands for Dutch income tax purposes (a "Dutch Resident Individual"), any payment under the Notes or any gain or loss realized on the disposal or deemed disposal of the Notes is taxable at the progressive income tax rates (with a maximum of 49.5% in 2021), if:

(i) the Notes are attributable to an enterprise from which the holder of Notes derives a share of the profit, whether as an entrepreneur (*ondernemer*) or as a person who has a co-entitlement to the net worth (*medegerechtigd tot het vermogen*) of such enterprise without being a shareholder (as defined in the Dutch Income Tax Act 2001); or

(ii) the holder of Notes is considered to perform activities with respect to the Notes that go beyond ordinary management (*normaal, actief vermogensbeheer*) or derives benefits from the Notes that are taxable as benefits from other activities (*resultaat uit overige werkzaamheden*).

If the above-mentioned conditions (i) and (ii) do not apply to the individual holder of Notes, such holder will be taxed annually on a deemed, variable return (with a maximum of 5.69% in 2021) of the individual's net investment assets for the year (*rendementsgrondslag*), insofar the individual's net investment assets for the year exceed a statutory threshold (*heffingvrij vermogen*). The deemed return on the individual's net investments for the year is taxed at an income tax rate of 31%. Actual income, gains or losses in respect of the Notes are as such not subject to Dutch income tax.

The net investment assets for the year are the fair market value of the investment assets less the allowable liabilities on January 1 of the relevant calendar year. The Notes are included as investment assets. A tax free allowance may be available.

For the net investment assets on January 1, 2021, the deemed return ranges from 1.90% up to 5.69% (depending on the aggregate amount of the net investment assets of the individual on January 1, 2021). The deemed return will be adjusted annually on the basis of historic market yields.

Non-residents of the Netherlands

A holder of Notes that is neither a Dutch Resident Entity nor a Dutch Resident Individual will not be subject to Dutch taxes on income or capital gains in respect of any payment under the Notes or in respect of any gain or loss realized on the disposal or deemed disposal of the Notes, provided that:

(i) such holder does not have an interest in an enterprise or deemed enterprise (as defined in The Dutch Income Tax Act 2001 and The Dutch Corporate Income Tax Act 1969) which, in whole or in part, is either effectively managed in the Netherlands or carried on through a permanent establishment, a deemed permanent establishment or a permanent representative in the Netherlands and to which enterprise or part of an enterprise the Notes are attributable; and

(ii) in the event the holder is an individual, such holder does not carry out any activities in the Netherlands with respect to the Notes that go beyond ordinary asset management and does not derive benefits from the Notes that are taxable as benefits from other activities in the Netherlands.

Gift and Inheritance Taxes

Residents of the Netherlands

Gift or inheritance taxes will arise in the Netherlands with respect to a transfer of the Notes by way of a gift by, or on the death of, a holder of such Notes who is resident or deemed resident of the Netherlands at the time of the gift or such holder's death.

Non-residents of the Netherlands

No Dutch gift or inheritance taxes will arise on the transfer of Notes by way of a gift by, or on the death of, a holder of Notes who is neither resident nor deemed to be resident in the Netherlands, unless:

(i) in the case of a gift of a Note by an individual who at the date of the gift was neither resident nor deemed to be resident in the Netherlands, such individual dies within 180 days after the date of the gift, while being resident or deemed to be a resident in the Netherlands;

(ii) in the case of a gift of a Note is made under a condition precedent, the holder of the Notes is resident or is deemed to be resident of the Netherlands at the time the condition is fulfilled; or

(iii) the transfer is otherwise construed as a gift or inheritance made by, or on behalf of, a person who, at the time of the gift or death, is or is deemed to be resident in the Netherlands.

For purposes of Netherlands gift and inheritance taxes, amongst others, a person that holds the Dutch nationality will be deemed to be resident in the Netherlands if such person has been resident in the Netherlands at any time during the ten years preceding the date of the gift or such person's death. Additionally, for purposes of Dutch gift tax, amongst others, a person not holding the Dutch nationality will be deemed to be resident in the Netherlands if such person has been resident in the Netherlands at any time during the twelve months preceding the date of the gift. Applicable tax treaties may override deemed residency.

Value Added Tax (VAT)

No Dutch VAT will be payable by a holder of Notes on (i) any payment in consideration for the issue of the Notes or (ii) the payment of interest or principal by the Issuer under the Notes.

Other Taxes and Duties

No Dutch registration tax, stamp duty or any other similar documentary tax or duty will be payable by a holder of Notes in respect of (i) the issue of the Notes or (ii) the payment of interest or principal by the Issuer under the Notes.

Switzerland Tax Considerations

The following discussion of taxation in this section is only a summary of certain tax implications under the laws of Switzerland in force as of the date of this Prospectus as they may affect investors in the Notes. This summary is of a general nature and is not intended to be exhaustive. It applies only to persons who are beneficial owners of Notes and may not apply to certain classes of persons. Neither the Issuer nor the Guarantors make any representation as to the completeness of the information on, or undertakes any liability of whatsoever nature for, the tax implications for investors in the Notes. Potential investors are advised to consult their own professional advisers in light of their particular circumstances.

Withholding Tax

Payments of interest on, and repayment of principal of, the Notes by the Issuer (or any payment by the Swiss Guarantors under the respective Guarantee in respect thereof) will not be subject to Swiss withholding tax, provided that the Issuer uses the proceeds from the offering and sale of the Notes outside of Switzerland, except to the extent use in Switzerland is permitted under the Swiss taxation laws in force from time to time without payments in respect of the Notes becoming subject to withholding or deduction for Swiss withholding tax as a consequence of such use of proceeds in Switzerland.

On April 3, 2020, the Swiss Federal Council published a consultation draft on the reform of the Swiss withholding tax system applicable to interest on Notes. This consultation draft provides for, among other things, the replacement of the current debtor-based regime applicable to interest payments with a paying agent-based regime for Swiss withholding tax. Under this paying agent-based regime generally all interest payments made by paying agents acting out of Switzerland to individuals resident in Switzerland will be subject to Swiss withholding tax, including any such interest payments made on notes issued by entities organized in a jurisdiction outside Switzerland. The proposed legislation was rejected in the consultation process. Consequently, the Swiss Federal Council decided to prepare a new draft on the reform of the Swiss withholding tax system providing for the abolition of Swiss withholding tax on interest payments on notes for submission to the Swiss Federal Parliament in the first half of 2021. If nevertheless a new paying agent-based regime were to be enacted as contemplated by the consultation draft published on April 3, 2020 and were to result in the deduction or withholding of Swiss withholding tax on any interest payments in respect of a Note (or any payment by a Guarantor in respect thereof) by any person in Switzerland other than the Issuer (or a Swiss Guarantor), the holder would not be entitled to receive any additional amounts as a result of such deduction or withholding under the Terms of the Notes.

Securities Turnover Taxes

The issue, sale and delivery, of the Notes on the Issue Date to the initial holders of the Notes is not subject to Swiss securities turnover tax (primary market).

The trading of the Notes in the secondary market is subject to Swiss securities turnover tax at a rate of 0.30 percent of the consideration paid for the Notes traded, if a Swiss domestic (or Principality of Liechtenstein) securities dealer, as defined in the Swiss Stamp Tax Act, is a party to, or acts as an intermediary for, the transaction and no exemption applies in respect of one of the parties to the transaction. In such case and subject to applicable statutory exemptions, generally half of the tax is charged to one party to the transaction and the other half to the other party. notwithstanding the foregoing, where both the seller and the purchaser of the Notes are not residents of Switzerland or the Principality of Liechtenstein, the transaction will not be subject to Swiss securities turnover tax.

Income Taxation on Principal or Interest

Notes held by non-Swiss holders

Any payment of interest on, or repayment of principal of, the Notes by the Issuer (or any payment by a Guarantor under a Guarantee in respect thereof) made to a holder of a Note who (i) is a non-resident of Switzerland, and (ii) during the taxation year in which such payment is made has not engaged in trade or business through a permanent establishment within Switzerland to which the Note is attributable, will not be subject to any Swiss federal, cantonal or communal income tax.

For a discussion of the proposed draft Swiss withholding tax legislation that could replace the current issuer-based withholding tax system with a paying-agent based system, see above under "—*Withholding Tax*", for a discussion of the automatic exchange of information in tax matters, see below under "—*International Automatic Exchange of Information in Tax Matters*", and for a discussion of the Swiss facilitation of the implementation of FATCA, see below under "—*Swiss Facilitation of the Implementation of the U.S. Foreign Account Tax Compliance Act (FATCA)*".

Notes held by Swiss resident holders as private assets

A person who (i) is an individual resident in Switzerland holding a Note as a private asset, and (ii) receives a payment of interest on such Note by the Issuer (or a payment by a Guarantor under a Guarantee in respect thereof), is required to include such payment (in case of a Euro Note converted into Swiss francs at the exchange rate prevailing at the time such payment was made) in their personal income tax return for the relevant tax period in which such payment is made, and such person will be taxed on any net taxable income (including such payment) for the relevant tax period. A gain (which may include interest accrued or, in case of a Euro Note, foreign exchange rate gain on such Note) realized by such person on the sale of such Note is a tax-free private capital gain, and a loss (which may include, in case of a Euro Note, a foreign exchange rate loss on such Note) realized by such person on the sale of such Note is a non-tax deductible private capital loss.

See "—*Notes held as Swiss assets of a trade or business in Switzerland*" below for a summary on the tax treatment of individuals classified as "professional securities dealers".

Notes held as assets of a trade or business in Switzerland

A holder of a Note who is (i) an individual resident in Switzerland holding a Note as a Swiss business asset or (ii) a Swiss-resident corporate taxpayer or corporate or individual taxpayer resident outside of Switzerland that holds such Note as part of a business carried on through a permanent establishment within Switzerland, is required to recognize (A) any payment of interest on such Note by the Issuer (or any payment by a Guarantor under a Guarantee in respect thereof) made to such holder, and (B) any capital gain or loss realized by such holder on the sale or other disposition of such Note, in its income statement for the respective tax period in which the relevant payment or disposition is made, and such holder will be taxed on any net taxable earnings for such period (which tax will, if such holder is a corporate or individual taxpayer resident outside of Switzerland as described in clause (ii) above, be limited to the extent such net earnings are allocable to Switzerland).

Swiss-resident individuals who hold Notes and who, for income tax purposes, are classified as "professional securities dealers" for reasons of, among other things, frequent dealings and leveraged transactions in securities will be treated as though they hold Notes as part of Swiss business assets and be taxed as described in the paragraph immediately above.

International Automatic Exchange of Information in Tax Matters

Switzerland has concluded a multilateral agreement with the European Union (the "EU") on the international automatic exchange of information ("AEOI") in tax matters, which applies to all EU member states. In addition, Switzerland signed the multilateral competent authority agreement on the automatic exchange of financial account information ("MCAA"), and a number of bilateral AEOI agreements with other countries, most of them on the basis of the MCAA. Based on these agreements and the implementing laws of Switzerland, Switzerland collects and exchanges data in respect of financial assets, held in, and income derived thereon and credited to, accounts or deposits (including Notes held in such accounts or deposits) with a paying agent in Switzerland for the benefit of individuals resident in a EU member state or in another treaty state. An up-to-date list of the AEOI agreements to which Switzerland is a party that are in effect, or signed but not yet in effect, can be found on the website of the State Secretariat for International Financial Matters (SIF).

Swiss Facilitation of the Implementation of the U.S. Foreign Account Tax Compliance Act (FATCA)

The United States and Switzerland entered into an intergovernmental agreement (the "U.S.-Switzerland IGA") to facilitate the implementation of the U.S. Foreign Account Tax Compliance Act ("FATCA"). Under the U.S.-Switzerland IGA, financial institutions acting out of Switzerland generally are directed to become participating foreign financial institutions (FFIs). The U.S.-Switzerland IGA ensures that accounts held by U.S. persons with Swiss financial institutions (including accounts in which Notes are held) are disclosed to the U.S. tax authorities either with the consent of the account holder or by means of group requests within the scope of administrative assistance on the basis of the double taxation agreement between the United States and Switzerland (the "Treaty"). The Treaty, as amended in 2019, includes a mechanism for the exchange of information in tax matters upon request between Switzerland and the United States, which is in line with international standards, and allows the United States to make group requests under FATCA concerning non-consenting U.S. accounts and non-consenting non-participating foreign financial institutions for periods from June 30, 2014. Furthermore, the Swiss Federal Council approved a mandate for negotiations with the United States on October 8, 2014, with regard to a change from the current direct-notification-based regime to a regime where the relevant information is sent to the Swiss Federal Tax Administration, which in turn provides the information to the U.S. tax authorities. It is not yet known when negotiations will continue and if and when any new regime would come into force.

CERTAIN INSOLVENCY LAW CONSIDERATIONS

Swiss Insolvency Law Considerations

The Parent Guarantor, and certain of its subsidiaries (including one of the Subsidiary Guarantors) are organized under the laws of Switzerland. Consequently, in the event of a bankruptcy or insolvency event with respect to us or one of our subsidiaries, primary proceedings could be initiated in Switzerland. Swiss insolvency laws may make it difficult or impossible to effect a restructuring and the insolvency laws of Switzerland may not be as favorable to your interests as creditors as the laws of the United States or other jurisdictions with which you may be familiar. The following is a brief description of certain aspects of insolvency law in Switzerland. In the event that the Parent Guarantor or any of its Swiss subsidiaries (including the Subsidiary Guarantor incorporated in Switzerland) experienced financial difficulty, it is not possible to predict with certainty in which jurisdiction or jurisdictions insolvency or similar proceedings would be commenced, or the outcome of such proceedings.

Under Swiss insolvency law, there is no group insolvency concept, which means there is no consolidation of the assets and liabilities of a group of companies in the event of insolvency. In case of a group of companies, each entity has, from a Swiss insolvency law point of view, to be dealt with separately. As a consequence, there is, in particular, no pooling of claims among the respective entities of a group, but rather claims of and vis-à-vis each entity have to be dealt with separately.

Pursuant to Swiss insolvency laws, your ability to receive payment under the Notes may be more limited than would be the case under non-Swiss bankruptcy laws. Under Swiss law, the following types of proceedings (altogether referred to as insolvency proceedings) may be opened against an entity having its registered office or assets in Switzerland.

In the event of a Swiss entity's insolvency, the respective insolvency proceedings would be governed by Swiss law as a result of such Swiss entity's offices being registered in the competent commercial register in Switzerland. The enforcement of claims and questions relating to insolvency and bankruptcy in general are dealt with by the Swiss Federal Act on Debt Enforcement and Bankruptcy, as amended from time to time. Under these rules, claims that are pursued against a Swiss entity can lead to the opening of bankruptcy (*Konkurs*) and, hence, a general liquidation of all assets, even if located outside Switzerland, and liabilities of the debtor. However, with regard to assets located outside Switzerland, a Swiss bankruptcy decree may only be enforceable if it is recognized at the place where such assets are located. If bankruptcy has not been declared, creditors secured by a pledge must follow an individual debt enforcement proceeding limited to the liquidation of the collateral (*Betreibung auf Pfandverwertung*) unless the parties have agreed that the creditor shall have the right to a private realization (*private Verwertung*) of the pledge.

However, if bankruptcy is declared while such an individual debt enforcement proceeding is pending, the proceeding ceases and the creditor participates in the bankruptcy proceedings with the other creditors and an individual debt enforcement proceeding is no longer permitted.

As a rule, the opening of bankruptcy by the competent court needs to be preceded by a prior debt enforcement procedure which involves, *inter alia*, the issuance of a payment summons (*Zahlungsbefehl*) by local debt enforcement authorities (*Betreibungsamt*). However, the competent court may also declare a debtor bankrupt without such prior proceedings if the following requirements are met: (i) at the request of the debtor, if the debtor's board of directors or the auditors of the company (in case of failure of the board of directors) declare that the debtor is over-indebted (*überschuldet*) within the meaning of art. 725 (2) of the Swiss Code of Obligations (or the corresponding provision of the Swiss Code of Obligations in case of a limited liability company (GmbH)) or if it declares to be insolvent (*zahlungsunfähig*), and (ii) at the request of a creditor, if the debtor commits certain acts to the detriment of its creditors or ceases to make payments (*Zahlungseinstellung*) or in certain events during composition proceedings. The bankruptcy proceedings are carried out and the bankrupt estate is managed by the receiver in bankruptcy (*Konkursverwaltung*).

All assets owned by the relevant debtor at the time of the declaration of bankruptcy and all assets acquired or received subsequently form the bankrupt estate which, after deduction of costs and certain other expenses, is used to satisfy the creditors. Final distribution of non-secured claims is based on a ranking of creditors in three classes. The first and the second class, which are privileged, comprise certain claims under employment contracts, accident insurance, pension plans, employee social plans, family law and certain deposits under the Swiss Federal Banking

Act. Certain privileges can also be claimed by the Swiss government and its subdivisions based on specific provisions of Swiss Federal law. All other creditors are treated equally in the third class. A secured party participates in the third class to the extent its claim is (i) not covered by its collateral and (ii) not privileged, as described in the immediately preceding sentences.

Upon the opening of formal insolvency proceedings (*Konkurseröffnung*), the right to administer and dispose over the business and the assets of the debtor passes to the insolvency office (*Konkursamt*). The insolvency office has full administrative and disposal authority over the debtor's estate (*Konkursmasse*), provided that certain acts require the approval of the insolvency court. The creditors' meeting may appoint a private insolvency administration (*private Konkursverwaltung*) and, in addition, a creditors' committee (*Gläubigerausschuss*). In such case, the private insolvency administration will be competent to maintain and liquidate the debtor's estate. The creditors' committee has additional competences.

Insolvency results in the acceleration of all claims against a debtor (secured or unsecured), except for those secured by a mortgage on the debtor's real property, and the relevant claims become due upon the opening of formal bankruptcy proceedings (*Konkurseröffnung*). As a result of such acceleration, a creditor's bankruptcy claim consists of the principal amount of the debt (discounted at 5% if not interest bearing), interest accrued thereon until the date of insolvency, and (limited) costs of enforcement. Upon insolvency, interest ceases to accrue. Only secured claims enjoy a preferential treatment insofar as interest that would have accrued until the collateral is realized will be honored if and to such extent as the proceeds of the collateral suffice to cover such interests.

All creditors, whether secured or unsecured (unless they have a segregation right (*Aussonderungsrecht*)), wishing to assert claims against the debtor need to participate in the insolvency proceedings. Swiss insolvency proceedings are collective proceedings and creditors may generally no longer pursue their individual claims separately, but can instead only enforce them in compliance with the restrictions of Swiss insolvency laws. Therefore, secured creditors are generally not entitled to enforce any security interest outside of insolvency proceedings. In an insolvency proceeding, however, secured creditors have certain preferential rights (*Vorzugsrechte*). Generally, entitlement to realize such security is vested with the insolvency administration. Realization proceedings are governed by Swiss insolvency laws which provide for a public auction, or, subject to certain conditions, a private sale. Proceeds from enforcement are used to cover (i) enforcement costs, (ii) the claims of the secured creditors and (iii) any excess proceeds will be used to satisfy unsecured creditors.

Typically, liabilities resulting from acts of the insolvency administrator after commencement of formal insolvency proceedings constitute liabilities of the debtor's estate (*Masseverbindlichkeiten*). Thereafter, all other claims (insolvency claims—*Konkursforderungen*), in particular claims of unsecured creditors, will be satisfied pursuant to the distribution provisions of Swiss insolvency laws, which provide for certain privileged classes of creditors, as set out above. All other creditors will be satisfied on a pro rata basis if and to the extent there are funds remaining in the debtor's estate (*Konkursmasse*) after the liabilities of the debtor's estate as well as the security interests and privileged claims have been settled and paid in full.

Swiss insolvency laws also provide for reorganization procedures by composition with the debtor's creditors. Reorganization is initiated by a request with the competent court for a temporary moratorium (*provisorische Nachlassstundung*) of a maximum duration of four months. During the moratorium, the debtor can seek to restructure and, if successful, ask the court to lift the moratorium without entering into a composition agreement. The moratorium can also result in a composition agreement which takes the form of (i) either an ordinary composition agreement (*ordentlicher Nachlassvertrag*) where the debtor's business continues and the contractual terms of its payment obligations are modified (*Stundungsvergleich*) or creditors receive a dividend (*Dividendenvergleich*) or (ii) a composition agreement providing for the assignment of assets (*Nachlassvertrag mit Vermögensabtretung*) where the debtor's assets are assigned to creditors in order to sell the debtor's (or part of it) or to liquidate the assets. The moratorium could also result in a composition agreement that may comprise the formation of a new company (*Auffanggesellschaft*) to receive part of the business of the debtor. During a moratorium, debt collection proceedings, and as a rule, individual debt enforcement proceedings to liquidate collateral, cannot be initiated and pending debt collection proceedings are stayed (although a secured creditor may have to take, during a moratorium, certain actions to safeguard its rights in connection with any individual debt enforcement proceeding initiated before the moratorium).

In principle, interest ceases to accrue against the debtor for all unsecured claims. Furthermore, the debtor's power to dispose of its assets and to manage its affairs is restricted. The moratorium does not per se affect the agreed due dates of debts (contrary to bankruptcy, in which case all debts become immediately due upon adjudication). Any composition agreement needs to be approved by the creditors and confirmed by the competent court. With the judicial confirmation, the composition agreement becomes binding on all creditors, whereby secured claims are only subject to the composition agreement to the extent that the collateral proves to be insufficient to cover the secured claims.

Under Swiss insolvency laws, the insolvency administration and certain creditors may, under certain conditions, avoid transactions, such as, *inter alia*, the granting of or the payment under any guarantee and/or security or, if a payment has already been made under the relevant guarantee or security, require that the recipients return the amount received to the debtor's estate (*Konkursmasse*). In particular, a transaction (which term includes the granting of a guarantee, the provision of security and the payment of debt) detrimental to the debtor's other creditors may be avoided according to Swiss insolvency laws in the following cases if such acts result in damages to the creditors:

- The debtor has made a transaction being considered as a gift or a disposal of assets without any consideration, provided that the debtor made such transaction within the last year prior to the opening of formal insolvency proceedings (*Konkurseröffnung*) or the confirmation of a composition agreement with assignment of assets (*Nachlassvertrag mit Vermögensabtretung*). Similarly, transactions pursuant to which the debtor received a consideration which was disproportionate to its own performance, may be avoided. In case the beneficiary of the relevant transaction with the debtor is a related party, including without limitation a group company, the burden of proof is shifted to the beneficiary of such transaction, who must in this case prove that such transaction was at arm's length.

- Certain acts are voidable if performed by the debtor within the last year prior to the opening of formal insolvency proceedings (*Konkurseröffnung*) or the confirmation of a composition agreement with assignment of assets (*Nachlassvertrag mit Vermögensabtretung*), provided that the debtor was already over-indebted at that time: (i) granting of security for existing claims, provided that the debtor was not previously obliged to grant such security, (ii) payment of a monetary obligation (*Geldschuld*) in any other way than by payment in cash (*Barschaft*) or other customary means of payment, and (iii) the payment of a debt not yet due. However, any avoidance action is dismissed if the beneficiary of the transaction can prove that it was not aware of the debtor's over-indebtedness and, being diligent, could not know that the debtor had been over-indebted at that time.

- Furthermore, any acts performed within the last five years prior to, inter alia, the opening of formal insolvency proceedings (*Konkurseröffnung*) or the confirmation of a composition agreement with assignment of assets (*Nachlassvertrag mit Vermögensabtretung*) performed by the debtor with the intention to discriminate some creditors against others or to favor some creditors to others are voidable if such intention was known, or when exercising the requisite due diligence must have been known, to the debtor's counterparty. In case the beneficiary of the relevant transaction with the debtor is a related party, including without limitation a group company, the burden of proof is shifted to the beneficiary of such transaction, who must in this case prove that such intention was not recognizable.

If any guarantee or security is avoided as summarized above or held unenforceable for any other reason, the claimant would cease to have any claim in respect of the guarantee (or any security interest, as the case may be) and would have a claim solely under the notes and the remaining guarantees, if any. Any amounts obtained from transactions that have been avoided would have to be repaid.

Guarantees by Guarantors incorporated in Switzerland

The granting of guarantees by Guarantors incorporated in Switzerland (each a "Swiss Guarantor" and collectively, the "Swiss Guarantors") as well as any other undertaking contained in any agreement having the same or a similar effect, such as, but not limited to, the waiver of set-off or subrogation rights or the subordination of intra-group claims, granted by the Swiss Guarantor for the benefit of the Swiss Guarantor's direct and indirect parent and sister companies are subject to certain restrictions on the distribution of corporate assets under Swiss corporate law. These Swiss rules regarding capital maintenance, including but not limited to articles 671(1) to (4), 675(2) and 680(2) of the Swiss Code of Obligations (or the corresponding provisions of the Swiss Code of Obligations in case of a limited liability company (*GmbH*)), prohibit the direct or indirect repayment of a Swiss stock corporation's (*Aktiengesellschaft*) share capital and legal reserves to its shareholders and restrict the distribution of a Swiss stock corporation's accrued earnings to its shareholders. Therefore, in order to enable the

Swiss Guarantors to grant guarantees guaranteeing liabilities of the Issuer without the risk of violating such restrictions and to protect management from personal liability, it is standard market practice for guarantees and other respective documents to contain so-called “limitation language” in relation to subsidiaries incorporated in Switzerland in the form of a Swiss stock corporation (or Swiss limited liability company (*Gesellschaft mit beschränkter Haftung*), respectively). Pursuant to such limitation language, the enforcement of the guarantee granted by each of the Swiss Guarantors will be limited reflecting the requirement that payments under the Guarantee may not cause the Swiss Guarantor to incur a liability which would exceed its freely distributable equity at the time of the enforcement of the Guarantee. The freely distributable equity is equal to the maximum amount which the relevant Swiss Guarantor can distribute to its shareholders as a dividend payment under Swiss law at that point in time. These limitations apply in relation to guarantees or security interests securing the performance of any obligations of any (direct or indirect) shareholder and/or any sister company of the Swiss Guarantors.

If the entering into the Guarantees by any Swiss Guarantor or the performance by any Swiss Guarantor of any of its obligations under any Guarantee to which it is a party is classified as a conveyance of an economic benefit by such Guarantor to the Issuer (except where the Issuer is a direct or indirect subsidiary of a Guarantor) for which the Issuer has not received or will not receive equivalent value in exchange therefor, then at the time such Guarantor enters into the Guarantees or performs such obligation, such Guarantor may be liable for Swiss withholding tax of 35 percent on any actual or constructive dividend distribution resulting from such conveyance of an economic benefit.

The guarantees by the Swiss Guarantors are, based on a choice of law, subject to the laws of New York. Should a Swiss court accept jurisdiction in proceedings on the merits, a Swiss court will generally recognize a choice of law of the contracting parties. The scope of such choice of law is, however, usually limited to the rules of the substantive law chosen by the parties; as to procedural matters, a Swiss court will apply Swiss procedural law. Due to the different nature of Swiss procedural law and the procedural law in common law jurisdictions (such as the United States of America and the United Kingdom) classification and delimitation issues between substantive and procedural law could occur. To establish the non-Swiss substantive law applicable to the merits, a Swiss court may, in pecuniary matters, request the parties to establish the non-Swiss substantive law; Swiss law will be applied, if the content of the foreign substantive law cannot be established. While a Swiss court will generally accept a choice of law, restrictively applied exceptions exist: Swiss courts may diverge from the chosen substantive law if such chosen law would lead to a result contrary to Swiss public policy, if the purpose of mandatory rules of Swiss law require, by their special aim, immediate application, or if the purpose of mandatory rules of another law, to which the dispute is closely connected, are considered legitimate under Swiss legal concepts and, upon weighing the interests of the parties involved, the clearly predominant interest(s) of one party so require.

Foreign bankruptcy decrees issued in the country of a debtor’s domicile may be recognized in Switzerland only, provided that (i) the bankruptcy decree is enforceable in the country where it was issued, (ii) its recognition is, inter alia, not against Swiss public policy, and (iii) the country which issued the bankruptcy decree grants reciprocity to Switzerland.

Dutch Legal Considerations

General

Dufry One B.V. (the Issuer) and Dufry Financial Services B.V. (one of the Subsidiary Guarantors) are incorporated under the laws of the Netherlands and currently have their “centre of main interests” (as such term is used in Council Regulation (EU) 2015/848 on insolvency proceedings, “Recast EU Insolvency Regulation”) in the Netherlands. Consequently, in the event of its insolvency, insolvency proceedings with respect to the Issuer or this Subsidiary Guarantor may be initiated under, and be governed by, Dutch insolvency law.

The insolvency laws of the Netherlands and, in particular, the provisions of the Dutch Bankruptcy Act (*Faillissementswet*) may be less favorable to your interests as creditors than the bankruptcy laws of other jurisdictions with which you may be familiar, including in respect of priority of creditors, the ability to obtain post-petition interest or to effect a restructuring, and the duration of the insolvency proceedings, and may limit the ability of the holders of Notes to enforce the terms of the Guarantee granted by this Subsidiary Guarantor. Thus, your ability to recover payments due on the Notes may be more limited than it might have been under the laws of other jurisdictions with which you may be familiar.

The following is a brief description of certain aspects of the insolvency laws of the Netherlands.

There are two primary insolvency regimes under Dutch law: the first, moratorium of payments (*surseance van betaling*), is intended to facilitate the reorganization of a debtor's indebtedness and enable the debtor to continue as a going concern. The second, bankruptcy (*faillissement*), is primarily designed to liquidate and distribute the proceeds of the assets of a debtor to its creditors. Such liquidation, however, may take place by way of a going concern sale. Both insolvency regimes are set forth in the Dutch Bankruptcy Act (*Faillissementswet*). Creditors will solely by reason of claims under the Notes or the guarantee granted by a Dutch company not qualify as secured creditors under Dutch bankruptcy law.

Moratorium of Payments

An application for a moratorium of payments can only be made by the debtor itself if it foresees its inability to continue to pay its debts as they fall due. Once the application for a moratorium of payments is filed, the Dutch court will immediately (*dadelijk*) grant a provisional moratorium and appoint an administrator (*bewindvoerder*). The debtor is only entitled to administer and dispose of his assets with the consent of the administrator. A meeting of creditors is required to decide on the definitive moratorium. If a draft composition (*ontwerp-akkoord*) is filed simultaneously with the application for moratorium of payments, the Dutch court can order that the composition will be processed before a decision about a definitive moratorium. If the composition is accepted and subsequently ratified (*gehomologeerd*) by the Dutch court, the provisional moratorium ends. The definitive moratorium will generally be granted unless a qualified minority (more than one-quarter in amount of claims held by creditors represented at the creditors' meeting or more than one-third in number of creditors represented at such creditors' meeting) of the unsecured non-preferential creditors withholds its consent or if there is no prospect that the debtor will in the future be able to pay its debts as they fall due (in which case the debtor will generally be declared bankrupt). The moratorium of payments only affects unsecured non-preferential creditors. A moratorium takes effect retroactively from 0.00 hours on the day on which the court has granted the provisional suspension of payments.

Under Dutch law, secured and preferential creditors (including tax and social security authorities) may enforce their rights against assets of the company in moratorium of payments to satisfy their claims as if there were no moratorium of payments. A recovery under Dutch law could, therefore, involve a sale of assets that does not reflect the going concern value of the debtor. However, the Dutch court may order a "cooling off period" (*afkoelingsperiode*) for a maximum period of four months during which, inter alia, enforcement actions by secured or preferential creditors are barred. Also in a definitive moratorium of payments, a composition (*akkoord*) may be offered to creditors. A composition will be binding on all unsecured and non-preferential creditors if it is (i) approved by a simple majority of the meeting of the recognized and of the admitted creditors representing at least 50% of the amount of the recognized and of the admitted claims, and (ii) subsequently ratified (*gehomologeerd*) by the Dutch court. Upon request by the debtor or the administrator, the Dutch court or supervisory judge (*rechter-commissaris*) if appointed, can decide to adopt the proposed but rejected composition as if it were approved if (i) three-fourths the number of the creditors represented at the creditors' meeting approved the composition and (ii) the rejection of the composition is caused by one or more creditors such that, taking all circumstances into consideration, especially the percentage of the claim that such creditor(s) would receive in case the estate is liquidated and distributed, such creditor(s) reasonably could not have voted against the composition. Secured or preferential claims are not affected by a composition, unless such claims are submitted for verification (see definition below) to the administrator and not withdrawn prior to the vote on the composition plan, in which case security or preferential rights in respect of those claims will be lost. Consequently, Dutch insolvency laws could preclude or inhibit the ability of the holders of Notes to effect a restructuring and could reduce the recovery of a holder of Notes in Dutch moratorium of payments proceedings. Interest payments that fall due after the date on which a moratorium of payments is granted cannot be claimed in a composition.

Bankruptcy

At the request of the debtor itself, the public prosecutor (if the public interest so requires) or one or more of its creditors, the Dutch court may open bankruptcy proceedings in respect of a debtor that has ceased to pay its debts. A debtor is considered to have ceased paying its debts if claims of at least two creditors for payments due remain unpaid. If bankruptcy is declared by the Dutch court, the court will appoint a receiver (*curator*) who is entrusted with the administration of the bankruptcy. The bankrupt debtor loses the right to administer and dispose of its assets. A bankruptcy order takes effect retroactively from 0.00 hours on the day the order is rendered. The receiver in bankruptcy manages the bankrupt estate, which consists of all of the debtor's assets and liabilities that exist on the date on which the bankruptcy order became final, and of all assets acquired during the bankruptcy. The bankruptcy estate is not liable for obligations incurred by the debtor after the bankruptcy order, except to the extent that such obligations arise from transactions that are beneficial to the estate. Under Dutch bankruptcy proceedings, the assets of a debtor are generally liquidated and the proceeds distributed to the debtor's creditors in accordance with the respective rank and priority of their claims. The general principle of Dutch bankruptcy law is the so-called *paritas creditorum* (principle of equal treatment) which means that all creditors have an equal right to payment and that the proceeds of bankruptcy proceedings shall be distributed in proportion to the size of their claims. However, certain creditors (such as secured creditors and tax and social security authorities) will have special rights that take priority over the rights of other creditors, which may adversely affect the interests of (non-preferential) holders of Notes. For example, in a Dutch bankruptcy secured creditors may take recourse against the encumbered assets of a debtor to satisfy their claims as if there is no bankruptcy. Consequently, Dutch insolvency laws could reduce the potential recovery of a holder of Notes in Dutch bankruptcy proceedings.

As in moratorium of payments proceedings, the Dutch court may order a "cooling off period" (*afkoelingsperiode*) for a maximum of four months during which enforcement actions by secured creditors are barred. Further, a receiver in bankruptcy can force a secured creditor to enforce its security interest within a reasonable period of time, failing which, the receiver will be entitled to sell the secured assets, if any, and the secured creditor will have to share in the bankruptcy costs (*algemene faillissementskosten*). Excess proceeds of enforcement must be returned to the bankrupt estate; they may not be set-off against an unsecured claim of the secured creditor in the bankruptcy. Such set-off is allowed prior to the bankruptcy although a set-off prior to bankruptcy may be subject to clawback in the case of fraudulent conveyance or bad faith in obtaining the claim used for set-off. The claim of a creditor may be limited depending on the date the claim becomes due and payable in accordance with its terms. Generally, claims of the holders of Notes that are not due and payable by their terms on the date of a bankruptcy of this Subsidiary Guarantor will be accelerated and become due and payable as of that date. Each of these claims will have to be submitted to the receiver to be verified. "Verification" under Dutch law means that the receiver determines the value of the claim and whether and to what extent it will be admitted in the bankruptcy proceedings. The valuation of claims that are not due and payable at the time of the opening of the bankruptcy proceedings or within one year thereafter, is based on a net present value analysis. Interest payments that fall due after the date of the bankruptcy cannot be verified. The existence, value and ranking of any claims submitted by the holders of Notes may be challenged in the Dutch bankruptcy proceedings.

Generally, in a creditors' meeting (*verificatie vergadering*), the receiver, the insolvent debtor and all verified creditors may dispute the verification of claims of other creditors. Creditors whose claims or value thereof are disputed in the creditors' meeting may be referred to separate court proceedings (*renvooi procedures*). Such *renvooi procedures* could also cause payments to the holders of Notes to be delayed compared with holders of undisputed claims.

As in moratorium of payments proceedings, in a bankruptcy a composition may be offered to creditors, which shall be binding on unsecured non-preferential creditors if (i) it is approved by a simple majority of the meeting of unsecured non-preferential creditors, with admitted and provisionally admitted claims representing at least 50% of the total amount of the admitted and provisionally admitted unsecured non preferential claims, and (ii) subsequently ratified by the Dutch court. Upon request by the debtor or the receiver, the supervisory judge can decide to adopt the proposed but rejected composition as if it were approved if (i) three-fourths the number of the creditors represented at the creditors' meeting approved the composition and (ii) the rejection of the composition is caused by one or more creditors such that, taking all circumstances into consideration, especially the percentage of the claim that such creditor(s) would receive in case the estate is liquidated and distributed, such creditor(s) reasonably could not have voted against the composition. The Dutch Bankruptcy Act does not in itself recognize the concept of classes of creditors. Remaining amounts, if any, after satisfaction of the secured and the preferential creditors are distributed among the unsecured non-preferential creditors, who will be satisfied on a *pro rata* basis. Contractual subordination may to a certain extent be given effect in Dutch insolvency proceedings. The actual effect depends largely on the way such subordination is construed. Interest payments that fall due on or after the date on which the bankruptcy proceedings are opened cannot be verified in the bankruptcy. The proceeds resulting from the liquidation of the bankrupt estate may not be available for distribution for several years and may be insufficient to satisfy unsecured creditors.

Dutch Scheme

With the entry into force of the Act on Court Confirmation of Extrajudicial Restructuring Plans (*Wet homologatie onderhands akkoord*) ("WHOA") on January 1, 2021, debtors now have the possibility to offer a composition outside of formal insolvency proceedings. The WHOA is inspired on the UK Scheme of Arrangements and the US Chapter 11 procedure and it offers debtors additional possibilities to restructure their debt. Unlike a composition in suspension of payments and in bankruptcy proceedings, a composition under the WHOA can be offered to secured creditors as well as shareholders. The WHOA provides, inter alia, for cross class cramdown, the restructuring of group company obligations through aligned proceedings, the termination of onerous contracts, the suspension of certain ipso facto clauses in contracts and supporting court measures. A WHOA composition may result in claims against the Issuer and the Dutch Subsidiary Guarantors being compromised if the relevant majority votes in favor of such a composition and it is subsequently confirmed by the Dutch courts. A composition plan under the WHOA can extend to claims against entities that are not incorporated under Dutch law and/or are residing outside the Netherlands. Accordingly, the WHOA can affect the rights of the Trustee and/or the holders of the Notes under the Indenture and therefore the Notes.

Voting on a WHOA composition plan is done in classes. A class is deemed to accept the plan if two third of the total amount of the debt of that class or, in the case of a class of shareholders, two thirds of the share capital of that class, participating in the vote, votes in favor. The WHOA provides for the possibility for a composition plan to be binding on a dissenting class (i.e., cross class cramdown). Under the WHOA, the court will confirm a composition plan if at least one class of creditors (other than a class of shareholders) that can be expected to receive a distribution in case of a bankruptcy of the debtor approves the plan, unless there is a statutory ground for refusal. The court can, inter alia, refuse confirmation of a composition plan on the basis of (i) a request by a dissenting creditor, if the value of the distribution that such creditor receives under the plan is lower than the distribution it can be expected to receive in case of a bankruptcy of the debtor or (ii) a request of a dissenting creditor in a dissenting class, if the plan provides for a distribution of value that deviates from the statutory or contractual ranking and priority to the detriment of that class, unless there is a reasonable ground to do so. There is one mandatory refusal ground specifically applicable to secured financial creditors. If the composition plan entails a debt-for-equity swap to which such creditors do not want to ascribe, and these creditors do not have the right to opt for a different kind of distribution, the court will refuse confirmation of such plan on the request of such creditor.

Under the WHOA, the court may grant a stay on enforcement of a maximum of four months, with a possible extension of four months. For the duration of such moratorium, all enforcement action against the assets of (or in the possession of) the debtor is suspended unless with the court's approval, including action to enforce security over the assets of the debtor or, in case of an undisclosed right of pledge over receivables, the collection, or notification to the debtors. Furthermore, any petitions for bankruptcy in respect of the debtor are suspended and the court may lift attachments on the debtor's assets at the request of the debtor or restructuring expert.

Actio Pauliana

To the extent that Dutch law applies, a legal act performed by a debtor (including, without limitation, an agreement pursuant to which it guarantees the performance of the obligations of a third party or agrees to provide or provides security for any of its or a third party's obligations, enters into additional agreements benefiting from existing security and any other legal act having a similar effect) can be challenged in an insolvency proceeding or otherwise and may be nullified by any of its creditors or its trustee in bankruptcy, if (i) it performed such acts without an obligation to do so (*onverplicht*), (ii) generally the creditor concerned or, in the case of its bankruptcy, any creditor was prejudiced as a consequence of the act, and (iii) at the time the act was performed both it and (unless the act was for no consideration (*om niet*)) the party with or towards which it acted, knew or should have known that one or more of its creditors (existing or future) would be prejudiced. In addition, in the case of such a bankruptcy, their trustee may nullify its performance of any due and payable obligation (including (without limitation) an obligation to provide security for any of its or a third party's obligations) if (i) the payee (*hij die betaling ontving*) knew that a request for bankruptcy had been filed at the moment of payment, or (ii) the performance of the obligation was the result of a consultation between the debtor and the payee with a view to give preference to the latter over the debtor's other creditors.

Under Dutch law, as soon as a debtor is declared bankrupt, all pending executions of judgments against such debtor, as well as all attachments on the debtor's assets (other than with respect to secured creditors and certain other creditors, as described above), will be terminated by operation of law with retroactive effect from 0.00 hours on the day the order is rendered. Simultaneously with the opening of the bankruptcy, a Dutch receiver will be appointed. The proceeds resulting from the liquidation of the bankrupt estate may not be sufficient to satisfy unsecured creditors of a bankrupt debtor after the secured and the preferential creditors have been satisfied. Litigation pending on the date of the bankruptcy order is automatically stayed.

Emergency Legislation to Protect Enterprises in Financial Distress due to the COVID 19 Pandemic

The emergency legislation (the Temporary COVID-19 Social Affairs and Employment and Justice and Security Act (*Tijdelijke Wet COVID-19 SZW en JenV*)) regarding a temporary suspension of enforcement and other measures in support of enterprises during the COVID-19 pandemic entered into force on 17 December 2020. The emergency legislation provides for a court ordered moratorium and several related protections which apply until at least April 1, 2021 and can, if and when necessary, be extended beyond that date for two month periods at a time.

The measures of the legislation apply to enterprises (other than regulated entities) whose continuity is threatened due to the COVID-19 pandemic. In response to a request from creditors (other than the tax authorities) to declare the enterprise bankrupt or initiate the execution or seizure of assets, the enterprise/debtor can request the court to grant a moratorium vis-à-vis those creditors of two months (which may be extended twice at the request of the enterprise/debtor by two month periods at a time).

If such moratorium is granted by the court then during such moratorium period:

(i) the bankruptcy petition is stayed;

(ii) payment obligations to those creditors are suspended, and any prior default does not, in and of itself, provide a legal basis to change the terms or suspend performance of, or terminate, an agreement with those creditors; and

(iii) if the court so decides, conservatory and executory attachments by those creditors are suspended, and no other enforcement measures can (continue to) be taken by those creditors against the assets of their debtor without the prior approval of the court.

The measures referred to in (iii) can also be requested in summary proceedings and attachments can be terminated as part of such proceedings. It is important to note that any measure of the court only affects those creditors who requested the bankruptcy or initiated the execution or seizure of assets of the debtor. However, any request by other creditors will most likely result in the court taking the same decisions.

When considering the request to apply the measures discussed above, the court will need to establish that the enterprise/debtor has made it plausible that, solely or mainly due to the outbreak of the COVID-19 pandemic, the enterprise has not been able to continue its business as usual and as a result has temporarily become unable to pay its debts when they fall due. Creditors not covered by the moratorium retain these rights vis-à-vis their debtor. The enterprise/debtor is in any event presumed to be in this position if it can provide financial information that shows that prior to the outbreak of the COVID-19 pandemic or the restrictive measures announced since March 15, 2020 (i) it had sufficient liquidity to satisfy its due and payable debts, and (ii) its revenue decreased by at least 20% compared to the average revenue in the preceding three months. The court will further need to conclude that following the moratorium the enterprise/debtor will be able to satisfy its debts and that the creditor(s) that are affected are not significantly and unreasonably prejudiced as a result of the moratorium. When granting a moratorium, the court can take any measures it considers necessary to ensure the interests of the creditor(s) are not prejudiced.

Limitations

If a Dutch company grants a guarantee and that guarantee is not in the company's corporate interest, the guarantee may be nullified by the Dutch company, its receiver in bankruptcy and its administrator (*bewindvoerder*) and, as a consequence, not be valid, binding and enforceable against it. In determining whether the granting of such guarantee is in the interest of the relevant company, the Dutch courts would not only consider the text of the objects clause in the articles of association of the company but all relevant circumstances including whether the company derives certain commercial benefits from the transaction in respect of which the guarantee was granted. The objects clauses in the articles of association of this Subsidiary Guarantor include the issuance of guarantees in favor of group companies and third parties.

In addition, if it is determined that there are no, or insufficient, commercial benefits from the transactions for the company that grants the guarantee, then such company (and any bankruptcy receiver) may contest the enforcement of the guarantee, and it is possible that such challenge would be successful. Such benefit may, according to Dutch case law, consist of an indirect benefit derived by the company as a consequence of the interdependence of such company with the group of companies to which it belongs. In addition, it is relevant whether, as a consequence of the granting of the guarantee, the continuity of such company would foreseeably be endangered by the granting of such guarantee. It remains possible that even if such strong financial and commercial interdependence exists, the transaction may be declared void if it appears that the granting of the guarantee cannot serve the realization of the relevant company's objects.

Whether or not a guarantor is insolvent in the Netherlands, pursuant to Dutch law, payment under a guarantee may be withheld under the doctrines of reasonableness and fairness (*redelijkheid en billijkheid*), force majeure and unforeseen circumstances (*onvoorziene omstandigheden*).

If Dutch law applies, a guarantee governed by Dutch law may be voided by a Dutch court, if the document was executed through undue influence (*misbruik van omstandigheden*), fraud (*bedrog*), duress (*bedreiging*) or mistake (*dwaling*) of a party to the agreement contained in that document.

In addition, a guarantee issued by a Dutch company may be suspended or avoided by the Enterprise Chamber of the Court of Appeal in Amsterdam (*Ondernemingskamer van het Gerechtshof te Amsterdam*) on the motion of the holder or holders of 10% or more of the shares in such company or depositary receipts issued therefor with a nominal value of €225,000 or more, or such lesser amount as provided by the articles of association (*statuten*) of such company. A trade union and/or other entities entitled thereto in the articles of association of the relevant Dutch company may also submit a motion to the Enterprise Chamber for this purpose. Likewise, the guarantee itself may be upheld by the Enterprise Chamber, yet actual payment under it may be suspended or avoided.

CERTAIN ERISA CONSIDERATIONS

Sections 404 and 406 of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and Section 4975 of the Internal Revenue Code of 1986, as amended (the "Code") impose fiduciary standards and prohibited transaction restrictions on the activities of employee benefit plans and certain other retirement plans, accounts and arrangements subject to such provisions of law, including entities such as investment funds, bank collective investment funds and insurance company accounts whose underlying assets are deemed to be "plan assets" for purposes of such provisions of law (together referred to as "Benefit Plan Investors").

Governmental plans (as defined in Section 3(32) of ERISA), plans maintained outside the United States primarily for the benefit of persons substantially all of whom are non-resident aliens (as described in Section 4(b)(4) of ERISA) and certain church plans (as defined in Section 3(33) of ERISA) (together referred to as "Non-ERISA Plan Investors") are not subject to Title I of ERISA or Section 4975 of the Code, but may be subject to applicable federal, state, local, non-U.S. or other laws or regulations that are similar to such provisions of ERISA or the Code ("Similar Laws").

When considering an investment in the Notes with a portion of the assets of any Benefit Plan Investor or Non-ERISA Plan Investor, a fiduciary should determine whether the investment is in accordance with the documents and instruments governing the Benefit Plan Investor or Non-ERISA Plan Investor and the applicable provisions of ERISA, the Code or any Similar Laws relating to a fiduciary's duties to the Benefit Plan Investor or Non-ERISA Plan Investor, including, without limitation, the prudence, diversification, delegation of control and prohibited transaction provisions of ERISA, the Code and any other applicable Similar Laws.

In addition, Section 406 of ERISA and Section 4975 of the Code prohibit Benefit Plan Investors from engaging in specified transactions involving "plan assets" of Benefit Plan Investors with persons or entities who are "parties in interest", within the meaning of ERISA, or "disqualified persons", within the meaning of Section 4975 of the Code, unless an exemption is available and all requirements thereunder are satisfied. The Issuer, the Initial Purchasers and their respective affiliates (collectively, the "Transaction Parties") may be parties in interest or disqualified persons with respect to certain Benefit Plan Investors, and, where this is the case, the acquisition or holding of Notes by or on behalf of a Benefit Plan Investor may constitute or result in a prohibited transaction under Section 406 of ERISA or Section 4975 of the Code unless a statutory or administrative exemption applies. Fiduciaries and other persons (including parties in interest or disqualified persons) involved in a non-exempt prohibited transaction may be subject to penalties and other liabilities under Section 406 of ERISA or Section 4975 of the Code, and the prohibited transaction may need to be rescinded or otherwise corrected.

There are statutory or administrative exemptions that could apply, depending on the circumstances, to provide relief from certain of the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the Code in connection with the acquisition or holding of Notes, including, but not limited to: Prohibited Transaction Class Exemption ("PTCE") 84-14 a (applicable to a "qualified professional asset manager"); PTCE 90-1 (applicable to insurance company separate accounts); PTCE 91-38 (applicable to bank collective investment funds); PTCE 95-60 (applicable to insurance company general accounts); and PTCE 96-23 (applicable to an "in-house asset manager"). In addition, Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code generally exempt certain transactions with a person that is a party in interest or disqualified person to a Benefit Plan Investor solely by reason of it or its affiliate providing services to the Benefit Plan Investor, provided that such services are not in a fiduciary capacity within the meaning of ERISA or Section 4975 of the Code in connection with the investment of "plan assets" of the Benefit Plan Investor involved in the transaction and the Benefit Plan Investor pays no more than, and receives no less than, "adequate consideration" in connection with the transaction.

There can be no assurance that any prohibited transaction exemption will apply to the acquisition or holding, or subsequent transfer or other disposition, of Notes by any particular Benefit Plan Investor or, even if all of the conditions specified therein were satisfied, that the exemption would apply to all prohibited transactions that may occur in connection with such investment. Each Benefit Plan Investor and its fiduciary acting on its behalf shall be solely responsible for determining whether any prohibited transaction exemptions apply and provide full relief to the acquisition and holding of Notes by the Benefit Plan Investor.

Accordingly, each purchaser or transferee of any interest in the Notes will be deemed to have represented by its acquisition of any interest in the Notes that: either (A) no portion of the assets used to acquire and hold the Notes constitutes assets of any Benefit Plan Investor or Non-ERISA Plan Investor or (B) (1) the purchase, holding and subsequent disposition of the Notes will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a violation under any provision of Similar Law, (2) none of the Transaction Parties has provided any investment recommendation or investment advice to the Benefit Plan Investor or Non-ERISA Plan Investor or any fiduciary or other person investing the assets of the Benefit Plan Investor or Non-ERISA Plan Investor (a "Fiduciary") on which such investor or Fiduciary has relied in connection with the decision to acquire the Notes (or an interest therein), (3) none of the Transaction Parties is acting as a "fiduciary" within the meaning of Section 3(21) of ERISA or Section 4975(e)(3) of the Code or any similar concept under Similar Law to the Benefit Plan Investor or Non-ERISA Plan Investor or the Fiduciary in connection with the Benefit Plan Investor's or Non-ERISA Plan Investor's acquisition of the Notes (or an interest therein) and (4) the Fiduciary is exercising its own independent judgment in evaluating the transaction.

Each of the Transaction Parties has its own interests in the offering and sale of Notes and related transactions, which differ from the interests of any Benefit Plan Investor or Non-ERISA Plan Investor considering the acquisition or holding of Notes, and such financial interests are disclosed in this Offering Memorandum. Fiduciaries, or other persons considering acquiring the Notes on behalf of, or with the assets of, any Benefit Plan Investor or Non-ERISA Plan Investor, should consult with their own counsel and advisers regarding the potential applicability of ERISA, the Code and any Similar Laws to such investment.

The sale of Notes to a Benefit Plan Investor or Non-ERISA Plan Investor is in no respect a representation by any Transaction Party that such an investment meets all relevant legal requirements with respect to investments by Benefit Plan Investors or Non-ERISA Plan Investors generally or any particular Benefit Plan Investor or Non-ERISA Plan Investor, or that such an investment is appropriate for Benefit Plan Investors or Non-ERISA Plan Investors generally or any particular Benefit Plan Investor or Non-ERISA Plan Investor.

PLAN OF DISTRIBUTION

Subject to the terms and conditions set forth in a purchase agreement (the "Purchase Agreement"), dated as of the date hereof, by and among the Issuer, the Guarantors and the initial purchasers listed in Schedule I thereto (collectively, the "Initial Purchasers"), the Issuer has agreed to sell to each Initial Purchaser, and each Initial Purchaser has agreed, severally and not jointly, to purchase from the Issuer, together with all other Initial Purchasers, CHF Notes in an aggregate principal amount of CHF million and Euro Notes in an aggregate principal amount of € million.

The Purchase Agreement provides that the obligations of the Initial Purchasers to pay for and accept delivery of the Notes are subject to, among other conditions, the delivery of certain legal opinions by their counsel.

The Initial Purchasers propose to offer the Notes initially at the price indicated on the cover page hereof. After the initial offering of the Notes, the offering price and other selling terms of the Notes may from time to time be varied by the Initial Purchasers without notice. One or more of the Initial Purchasers may use affiliates or other appropriately licensed entities for sales of the Notes in jurisdictions in which such Initial Purchasers are not otherwise permitted.

Persons who purchase Notes from the Initial Purchasers may be required to pay stamp duty, taxes and other charges in accordance with the laws and practice of the country of purchase in addition to the offering price set forth on the cover page hereof.

The Purchase Agreement provides that the Issuer and each Guarantor will indemnify the Initial Purchasers against certain liabilities, including liabilities under the Securities Act, and will contribute to payments that the Initial Purchasers may be required to make in respect thereof.

We have agreed, subject to certain limited exceptions, that during the period from the date hereof through and including the date that is 90 days after the date the Notes are issued, to not, and to cause our subsidiaries to not, without having received the prior written consent of the Joint Global Coordinators as provided for in the Purchase Agreement, offer, sell, contract to sell or otherwise dispose of any securities that are substantially similar to the Notes.

We have also agreed that we will not at any time offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any securities under circumstances in which such offer, sale, pledge, contract or disposition would cause the exclusion afforded by Regulation S under the Securities Act to cease to be applicable to the offer and sale of the Notes.

Each series of Notes will constitute a new class of securities with no established trading market. Application will be made to the Authority for the Notes to be admitted to the Official List of TISE. However, there can be no assurance that the prices at which the Notes will sell in the market after this offering will not be lower than the initial offering price or that an active trading market for the Notes will develop and continue after this offering.

The Initial Purchasers have advised us that they intend to make a market in the Notes as permitted by applicable law. The Initial Purchasers are not obligated, however, to make a market in the Notes, and any market-making activity may be discontinued at any time at the sole discretion of the Initial Purchasers without notice. In addition, any such market-making activity will be subject to the limits imposed by the Securities Act and the Exchange Act. Accordingly, we cannot assure you that any market for the Notes will develop, that it will be liquid if it does develop, or that you will be able to sell any Notes at a particular time or at a price which will be favorable to you. See "Risk Factors—Risks Relating to the Notes—There is no active public trading market for either series of the Notes and therefore your ability to transfer them will be limited."

In connection with the issue of the Notes, the Stabilizing Manager or persons acting on its behalf may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level that is higher than that which might otherwise prevail. However, we cannot assure you that the Stabilizing Manager or persons acting on its behalf will undertake stabilization action. Any stabilization action may begin on or after the date on which adequate public disclosure of the terms of the offer of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes.

The Initial Purchasers and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the Initial Purchasers and their respective affiliates have, from time to time, performed, and may in future perform, various financial advisory and investment banking services for the Parent Guarantor and its subsidiaries, for which they received or will receive customary fees and expenses. In addition, in the ordinary course of their business activities, the Initial Purchasers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Parent Guarantor and its affiliates. The Initial Purchasers and their affiliates may receive allocations of the Notes. Certain of the Initial Purchasers or their respective affiliates are also agents, lenders and/or letter of credit issuers under our 2017 Senior U.S. Dollar Term Loan Facility and our 2017 Senior Euro Term Loan Facility, which we intend to repay in part with the proceeds from the Notes, and may be agents, lenders and/or letter of credit issuers under any credit facilities we may enter into. See “Use of Proceeds.”

Certain of the Initial Purchasers or their affiliates that have a lending relationship with us routinely hedge their credit exposure to us consistent with their customary risk management policies. Typically, such Initial Purchasers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the Notes offered hereby. Any such short positions could adversely affect future trading prices of the Notes offered hereby. The Initial Purchasers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Selling Restrictions

General

No action has been taken in any jurisdiction, including the United States and the United Kingdom, by us, the Guarantors or the Initial Purchasers that would permit a public offering of the Notes or the possession, circulation or distribution of this Offering Memorandum or any other material relating to us, the Guarantors or the Notes in any jurisdiction where action for this purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Offering Memorandum nor any other offering material or advertisements in connection with the Notes may be distributed or published, in or from any country or jurisdiction, except in compliance with any applicable rules and regulations of any such country or jurisdiction. This Offering Memorandum does not constitute an offer to sell or a solicitation of an offer to purchase in any jurisdiction where such offer or solicitation would be unlawful. Persons into whose possession this Offering Memorandum comes are advised to inform themselves about and to observe any restrictions relating to the offering of the Notes, the distribution of this Offering Memorandum and resale of the Notes.

United States

The Notes and the Guarantees have not been and will not be registered under the Securities Act. The Initial Purchasers have agreed that they will only offer or sell the Notes outside the United States to non-U.S. persons in offshore transactions in reliance on Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S under the Securities Act.

In connection with sales outside the United States, the Initial Purchasers have agreed that they will not offer, sell or deliver the Notes to, or for the account or benefit of, U.S. persons (i) as part of the Initial Purchasers’ distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering or the date the Notes are originally issued. The Initial Purchasers will send to each distributor, dealer or person to whom they sell such Notes during such 40-day period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, with respect to Notes initially sold pursuant to Regulation S, until 40 days after the later of the commencement of this offering or the date the Notes are originally issued, an offer or sale of such Notes within the United States by a dealer that is not participating in the Offering may violate the registration requirements of the Securities Act.

EEA

Each Initial Purchaser has represented, warranted and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Memorandum to any retail investor in the European Economic Area. For these purposes:

(a) the expression "retail investor" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or

(ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(iii) not a qualified investor as defined in the Prospectus Regulation; and

(b) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

UK

Each Initial Purchaser has represented, warranted and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Memorandum to any retail investor in the United Kingdom. For these purposes:

(a) the expression "retail investor" means a person who is one (or more) of the following:

(i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or

(ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or

(iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA; and

(b) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Switzerland

The offering of the Notes in Switzerland is exempt from the requirement to prepare and publish a prospectus under the FinSA because (i) the Notes have a minimum denomination of CHF 100,000 (or equivalent in another currency) or more and (ii) each Initial Purchaser has represented, warranted and agreed that the Notes will not be admitted to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Offering Memorandum nor any other offering or marketing material relating to the Notes constitutes a prospectus pursuant to the FinSA or has been or will be filed with, or approved by, a Swiss review body pursuant to Article 52 of the FinSA, and no such prospectus has been or will be prepared for, or in connection with, the offering of the Notes.

Canada

The securities may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the securities must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this offering memorandum (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

NOTICE TO INVESTORS

The Notes are subject to restrictions on transfer as summarized below. By purchasing Notes, you will be deemed to have made the following acknowledgements, representations to and agreements with us and the Initial Purchasers:

(1) You acknowledge that:

- the Notes and the Guarantees have not been registered under the Securities Act or any other securities laws and are being offered for resale in transactions that do not require registration under the Securities Act or any other securities laws; and

- unless so registered, the Notes may not be offered, sold or otherwise transferred except under an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act or any other applicable securities laws, and in each case in compliance with the conditions for transfer set forth in paragraph (4) below.

(2) You represent that you are not an affiliate (as defined in Rule 144 under the Securities Act) of ours, that you are not acting on our behalf and that you are not a U.S. person (as defined in Regulation S under the Securities Act) or purchasing for the account or benefit of a U.S. person, other than a distributor, and you are purchasing Notes in an offshore transaction in accordance with Regulation S.

(3) You acknowledge that neither we nor the Initial Purchasers nor any person representing us or the Initial Purchasers has made any representation to you with respect to us or the offering of the Notes, other than the information contained in this Offering Memorandum. You represent that you are relying only on this Offering Memorandum in making your investment decision with respect to the Notes. You agree that you have had access to such financial and other information concerning us and the Notes as you have deemed necessary in connection with your decision to purchase Notes, including an opportunity to ask questions of and request information from us.

(4) You represent that you are purchasing Notes for your own account, or for one or more investor accounts for which you are acting as a fiduciary or agent, in each case not with a view to, or for offer or sale in connection with, any distribution of the Notes in violation of the Securities Act, subject to any requirement of law that the disposition of your property or the property of that investor account or accounts be at all times within your or their control and subject to your or their ability to resell the Notes pursuant to any other available exemption from registration under the Securities Act. You agree on your own behalf and on behalf of any investor account for which you are purchasing Notes, and each subsequent holder of the Notes by its acceptance of the Notes will agree, that until the end of the Resale Restriction Period (as defined below), the Notes may be offered, sold or otherwise transferred only:

(a) to us;

(b) under a registration statement that has been declared effective under the Securities Act;

(c) through offers and sales that occur outside the United States within the meaning of Regulation S under the Securities Act; or

(d) under any other available exemption from the registration requirements of the Securities Act;

subject in each of the above cases to any requirement of law that the disposition of the seller's property or the property of an investor account or accounts be at all times within the seller or account's control.

You also acknowledge that:

- the above restrictions on resale will apply from the closing date until the date that is 40 days after the later of the closing date and the last date that we or any of our affiliates was the owner of the Notes or any predecessor of the Notes (the "Resale Restriction Period"), and will not apply after the applicable Resale Restriction Period ends;

- if a holder of Notes proposes to resell or transfer Notes under clause (d) above before the applicable Resale Restriction Period ends, the seller must deliver to us and the Trustee a letter from the purchaser in the form set forth in the indenture which must provide, among other things, that the purchaser is an institutional accredited investor that is acquiring the Notes not for distribution in violation of the Securities Act;

- we and the Trustee reserve the right to require in connection with any offer, sale or other transfer of Notes under clauses (c), (d), and (e) above the delivery of an opinion of counsel, certifications or other information satisfactory to us and the Trustee; and

- each Note will contain a legend substantially to the following effect:

THIS SECURITY AND THE GUARANTEE IN RESPECT THEREOF HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, SUCH REGISTRATION. THE HOLDER OF THIS SECURITY, BY ITS ACCEPTANCE HEREOF, AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR ACCOUNT FOR WHICH IT HAS PURCHASED SECURITIES, TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY, PRIOR TO THE DATE (THE "RESALE RESTRICTION TERMINATION DATE") THAT IS 40 DAYS AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE COMPANY OR ANY AFFILIATE OF THE COMPANY WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF SUCH SECURITY), ONLY (A) TO THE COMPANY OR ITS SUBSIDIARIES, (B) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) PURSUANT TO OFFERS AND SALES THAT OCCUR OUTSIDE THE UNITED STATES WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT, (D) TO AN INSTITUTIONAL "ACCREDITED INVESTOR" WITHIN THE MEANING OF RULE 501(a)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT THAT IS AN INSTITUTIONAL ACCREDITED INVESTOR ACQUIRING THE SECURITY FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF SUCH AN INSTITUTIONAL ACCREDITED INVESTOR, IN EACH CASE IN A MINIMUM PRINCIPAL AMOUNT OF THE SECURITIES OF $250,000, FOR INVESTMENT PURPOSES AND NOT WITH A VIEW TO OR FOR OFFER OR SALE IN CONNECTION WITH ANY DISTRIBUTION IN VIOLATION OF THE SECURITIES ACT, OR (E) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT TO THE COMPANY'S AND THE TRUSTEE'S RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSES (C), (D) OR (E) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM. THIS LEGEND WILL BE REMOVED UPON THE REQUEST OF THE HOLDER AFTER THE RESALE RESTRICTION TERMINATION DATE.

EACH PURCHASER OR TRANSFEREE OF A NOTE WILL BE DEEMED TO HAVE REPRESENTED AND WARRANTED THAT: EITHER (A) NO PORTION OF THE ASSETS USED BY SUCH PURCHASER OR TRANSFEREE TO PURCHASE AND HOLD A NOTE CONSTITUTES ASSETS OF ANY EMPLOYEE BENEFIT PLAN SUBJECT TO TITLE I OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), ANY PLAN, INDIVIDUAL RETIREMENT ACCOUNT OR OTHER ARRANGEMENT SUBJECT TO SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED ("CODE") OR PROVISIONS UNDER ANY FEDERAL, STATE, LOCAL, NON-U.S. OR OTHER LAWS OR REGULATIONS THAT ARE SIMILAR TO SUCH PROVISIONS OF ERISA OR THE CODE ("SIMILAR LAWS"), OR ANY ENTITY WHOSE UNDERLYING ASSETS ARE CONSIDERED TO INCLUDE "PLAN ASSETS" OF ANY SUCH EMPLOYEE BENEFIT PLAN, PLAN, ACCOUNT OR ARRANGEMENT (EACH OF THE FOREGOING, A "PLAN") OR (B) (I) THE PURCHASE, HOLDING AND SUBSEQUENT DISPOSITION OF A NOTE BY SUCH PURCHASER OR TRANSFEREE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR A VIOLATION UNDER ANY APPLICABLE SIMILAR LAW, (II) NONE OF THE ISSUER, THE INITIAL PURCHASERS AND THEIR RESPECTIVE AFFILIATES (COLLECTIVELY, THE "TRANSACTION PARTIES") HAS PROVIDED ANY

INVESTMENT RECOMMENDATION OR INVESTMENT ADVICE TO THE PLAN OR ANY FIDUCIARY OR OTHER PERSON INVESTING THE ASSETS OF THE PLAN (A "FIDUCIARY") ON WHICH EITHER THE PLAN OR FIDUCIARY HAS RELIED IN CONNECTION WITH THE DECISION TO ACQUIRE THE NOTE (OR AN INTEREST THEREIN), (III) NONE OF THE TRANSACTION PARTIES IS ACTING AS A "FIDUCIARY" WITHIN THE MEANING OF SECTION 3(21) OF ERISA OR SECTION 4975(e)(3) OF THE CODE OR ANY SIMILAR CONCEPT UNDER SIMILAR LAW TO THE PLAN OR FIDUCIARY IN CONNECTION WITH THE PLAN'S ACQUISITION OF THE NOTE (OR AN INTEREST THEREIN) AND (IV) THE FIDUCIARY IS EXERCISING ITS OWN INDEPENDENT JUDGMENT IN EVALUATING THE TRANSACTION.

(5) You represent that: either (A) no portion of the assets used by you to acquire and hold the Notes constitutes assets of (i) any employee benefit plan that is subject to Title I of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), (ii) any plan, individual retirement account or other arrangement that is subject to Section 4975 of the Internal Revenue Code of 1986, as amended (the "Code") or provisions under any federal, state, local, non-U.S. or other laws or regulations that are similar to such provisions of ERISA or the Code ("Similar Laws") or (iii) any entity whose underlying assets are considered to include "plan assets" of any such employee benefit plan, account or arrangement (each of the foregoing, a "Plan") or (B) (1) the purchase, holding and subsequent disposition of the Notes by you will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a violation under any provision of Similar Law, (2) none of the Issuer, the Initial Purchasers and their respective affiliates (collectively, the "Transaction Parties") has provided any investment recommendation or investment advice to the Plan or any fiduciary or other person investing the assets of the Plan (a "Fiduciary") on which either the Plan or Fiduciary has relied in connection with the decision to acquire the Note (or an interest therein), (3) none of the Transaction Parties is acting as a "fiduciary" within the meaning of Section 3(21) of ERISA or Section 4975(e)(3) of the Code or any similar concept under Similar Law to the Plan or Fiduciary in connection with the Plan's acquisition of the Note (or an interest therein) and (4) the Fiduciary is exercising its own independent judgment in evaluating the transaction.

(6) You acknowledge that we, the Initial Purchasers, and others will rely upon the truth and accuracy of the above acknowledgments, representations, and agreements. You agree that if any of the acknowledgments, representations or agreements you are deemed to have made by your purchase of Notes is no longer accurate, you will promptly notify us and the Initial Purchasers. If you are purchasing any Notes as a fiduciary or agent for one or more investor accounts, you represent that you have sole investment discretion with respect to each of those accounts and that you have full power to make the above acknowledgments, representations and agreements on behalf of each account.

LEGAL MATTERS

The validity of the Notes and the Guarantees offered by this Offering Memorandum and certain U.S. legal matters will be passed upon for us by Davis Polk & Wardwell LLP, our U.S. counsel. Certain Swiss legal matters will be passed upon for us by Homburger AG, our Swiss counsel, and certain Dutch legal matters will be passed upon for us by NautaDutilh N.V. Certain U.S. legal matters in connection with the Notes will be passed upon for the Initial Purchasers by Clifford Chance LLP, U.S. counsel for the Initial Purchasers.

INDEPENDENT AUDITORS

Our consolidated financial statements as of and for the years ended December 31, 2020 and 2019 incorporated by reference into this Offering Memorandum, have been audited by Ernst & Young Ltd, Basel, a member of EXPERTsuisse, the Swiss Expert Association for Audit, Tax and Fiduciary.

GENERAL INFORMATION

The issue of the Notes and their sale were authorized by a resolution of board of directors of the Issuer dated April 8, 2021. The Notes have been accepted for clearance and settlement through Euroclear and Clearstream. The Common Code and ISIN numbers for the CHF Notes are as follows: and . The Common Code and ISIN numbers for the Euro Notes are as follows: and .

The expenses in relation to the admission of the Notes to trading on TISE will be approximately € .

Mourant Securities Limited is acting solely in its capacity as listing agent for the Issuer in connection with the Notes and is not itself seeking admission of the Notes to trading on TISE.

If and for so long as the Notes are listed on TISE and the Listing Rules maintained by the Authority require, electronic copies of our consolidated financial statements as of and for the years ended December 31, 2020 and 2019, the Indenture, specimen Global Notes, as well as copies of the Issuer's and our articles of association may be inspected and obtained free of charge during the normal business hours on any business day at the office of the Company.

Issuer Legal Entity Identifier (LEI)

The Legal Entity Identifier (LEI) code of the Issuer is 7245003K5MN9U7XW0808.

TISE Disclosures

Subject as set out below, the Issuer accepts responsibility for the information contained in this Offering Memorandum and to the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case) the information contained in the Offering Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information.

Neither the admission of the Notes to the Official List of TISE nor the approval of the Offering Memorandum pursuant to the listing requirements of the Authority shall constitute a warranty or representation by the Authority as to the competence of the service providers to, or any other party connected with, the issuer, the adequacy and accuracy of information contained in the Offering Memorandum or the suitability of the issuer for investment or for any other purpose.

These securities are only intended to be offered in the primary market to, and held by, investors who are particularly knowledgeable in investment matters.

There has been no material adverse change to:

(a) the Issuer;

(b) the Issuer's group structure;

(c) the Issuer's business or accounting policies; or

(d) the financial or trading position of the Issuer,

during the period from its date of incorporation to the date of the application for listing of the Notes.

The Issuer is not engaged in any legal or arbitration proceedings, and the Issuer is not aware of any legal or arbitration proceedings pending against the Issuer, that may have or have had in the recent past (covering at least the previous 12 months) a significant effect on the financial position of the Issuer.

This Listing Document includes particulars given in compliance with the Listing Rules maintained by the authority for the purpose of giving information with regard to the Issuer. The directors, whose names appear on page 95, accept full responsibility for the information contained in this Listing Document and confirm, having made all reasonable inquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

The annual accounts of the Issuer will be submitted to the Authority each year when they become available.

DEFINITIONS

ACI World	Airports Council International World
Authority	The International Stock Exchange Authority
Board of Directors	all members of the board of directors of the Company, including Juan Carlos Torres Carretero, Heekyung (Jo) Min, Jorge Born, Claire Chiang, Julián Díaz González, Mary J. Steele Guilfoile, Luis Maroto Camino, Ranjan Sen, Steven Tadler and Lynda Tyler-Cagni
CHF or Swiss Francs	the lawful currency of Switzerland
Clearstream	Clearstream Banking SA
Code	U.S. Internal Revenue Code of 1986, as amended
Company	Dufry AG
Dutch Subsidiary Guarantor	Dufry Financial Services B.V.
EEA	the European Union and its 27 member States (Austria, Belgium, Bulgaria, Croatia, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain and Sweden), as well as three European Free Trade Association (EFTA) countries, Norway, Iceland and Liechtenstein
EMEA	Europe, the Middle East and Africa
ERISA	U.S. Employee Retirement Income Security Act of 1974, as amended
EU	the European Union
EUR, euro or €	the lawful currency of the member states of the European Monetary Union
Euroclear	Euroclear Bank SA/NV
Exchange Act	U.S. Securities Exchange Act of 1934, as amended
FATCA	U.S. Foreign Account Tax Compliance Act
FinSA	the Swiss Financial Services Act of 15 June 2018, as amended
FSMA	the Financial Services and Markets Act 2000, United Kingdom
FTEs	Full time equivalents
Guarantors	The Subsidiary Guarantors and the Parent Guarantor

Global Executive Committee	all members of the Global Executive Committee of the Company, including Julián Díaz González, José Antonio Gea, Yves Gerster, Luis Marin, Pascal C. Duclos, Eugenio Andrades, Andrea Belardini and Roger Fordyce
Hudson	Hudson Ltd.
ICAO	International Civil Aviation Organization
IATA	International Air Transportation Association
IFRS	International Financial Reporting Standards
Initial Purchasers	Banco Bilbao Vizcaya Argentaria, S.A Banco Santander, S.A. BNP Paribas BofA Securities Europe SA Credit Suisse Securities, Sociedad de Valores, S.A. Deutsche Bank Aktiengesellschaft Goldman Sachs Bank Europe SE HSBC Continental Europe S.A. ING Bank N.V. Mediobanca – Banca di Credito Finanziario S.p.A. Morgan Stanley Europe SE Raiffeisen Bank International AG Raiffeisen Schweiz Genossenschaft UBS AG, London Branch UniCredit Bank AG
Issuer	Dufry One B.V.
Joint Global Coordinators	*For CHF Notes:* Credit Suisse Securities, Sociedad de Valores, S.A. Deutsche Bank Aktiengesellschaft Goldman Sachs Bank Europe SE Mediobanca – Banca di Credito Finanziario S.p.A. UBS AG, London Branch *For Euro Notes:* Banco Bilbao Vizcaya Argentaria, S.A BNP Paribas BofA Securities Europe SA HSBC Continental Europe S.A. ING Bank N.V. UniCredit Bank AG
MAG	Minimum annual guarantee
Nuance	The Nuance Group AG
Offering	the offering of up to € million in % Senior Notes due 2028 and CHF million in % Senior Notes due 2026 of the Issuer
Offering Memorandum	the offering memorandum (inclusive of any financial

	statements therein) issued by the Issuer in respect of the Notes together with any supplements or amendments thereto
Order	Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended)
Parent Guarantor	Dufry AG
Securities Act	U.S. Securities Act of 1933, as amended
Stabilizing Manager	Credit Suisse Securities, Sociedad De Valores, S.A. for the CHF Notes and BofA Securities Europe SA for the Euro Notes
Subsidiary Guarantors	The Dutch Subsidiary Guarantor and the Swiss Subsidiary Guarantor
Swiss Code of Obligations	Swiss Code of Obligations of March 30, 1911, as amended
Swiss Subsidiary Guarantor	Dufry International AG
TISE	The Official List of The International Stock Exchange
U.K. or United Kingdom	the United Kingdom of Great Britain and Northern Ireland
U.S. or United States	the United States of America, its territories and possessions, any state of the United States and the District of Columbia
U.S. dollars or USD	the lawful currency of the United States
World Duty Free	World Duty Free S.p.A.