

News Release

Basel, October 6, 2020

Dufry publishes terms of the planned capital increase by way of a Rights Offering

Dufry AG (SIX: DUFN) (“Dufry”) today announces the terms of the ordinary capital increase by way of a rights offering to be approved by Dufry’s Extraordinary General Meeting today, October 6, 2020. The envisaged gross proceeds of approx. CHF 700 million from the planned capital increase will be used in part to finance the acquisition of all remaining equity interest in Hudson Ltd. (NYSE: HUD) (“Hudson”) previously announced on August 19, 2020, as well as for general corporate purposes, which may include the setup and operations of the Joint Venture with Alibaba Group to pursue growth opportunities in China and to accelerate Dufry’s digital transformation.

The Board of Directors proposes to today’s Extraordinary General Meeting to increase the share capital of Dufry through the issuance of up to 24,696,516 fully paid-up new registered shares with a par value of CHF 5 each (the “New Shares”). This will result in an increase of the share capital of Dufry from currently CHF 277,835,830 by up to CHF 123,482,580 to a maximum amount of CHF 401,318,410. The planned capital increase will be executed as an “at-market” rights offering with pre-emptive rights for existing shareholders. Existing shareholders will receive one subscription right for every registered share they hold on October 9, 2020 (after market close) to subscribe for New Shares to be issued in the planned capital increase at a ratio of 4 New Shares for each 9 existing shares held. The pre-emptive rights will not be listed on SIX Swiss Exchange nor traded on any stock exchange and will lapse without compensation unless exercised during the rights exercise period.

Dufry has secured equity investment commitments to purchase New Shares not taken up by existing shareholders (“Rump Shares”) from funds managed by Advent International Corporation or its affiliates (“Advent International”) and from a wholly owned subsidiary of Alibaba Group (“Alibaba Group”). Advent International has agreed to purchase Rump Shares up to a maximum investment amount of CHF 415 million (to be automatically increased by an amount equal to 20% of any amount by which the gross proceeds from the offering exceed CHF 500 million, up to a maximum investment amount of CHF 455 million), and Alibaba Group has agreed to purchase Rump Shares up to a maximum investment amount in CHF equal to the product of (i) the maximum number of Rump Shares which does not result in a holding of Rump Shares by Alibaba Group of 10% or more of Dufry’s registered share capital immediately following the capital increase and (ii) its commitment price, but not to exceed CHF 250 million, at a fixed subscription price of CHF 28.50 per Rump Share or such higher price as Advent International and Alibaba Group may decide until the end of the International Offering period, whereby the commitment price for Alibaba Group will be the price per Rump Share at which Advent International commits to purchase Rump Shares in the International Offering pursuant to the Advent Commitment Letter (provided that if Advent International agrees to increase the current commitment price of CHF 28.50, then, depending on the amount of the increase, the consent of Alibaba Group may become necessary before such increased commitment price becomes also binding for Alibaba Group) or such higher price as notified by Alibaba Group during the book-building procedure until the end of the International Offering Period) (the “Commitment Price”). Advent International and Alibaba Group have agreed to pay the Commitment Price even if the Offer Price (as defined below) is lower than the Commitment Price. If the Offer Price is higher than the

Commitment Price, the commitments of Advent International and Alibaba Group will no longer be valid, and Advent International and Alibaba Group will neither be obliged nor entitled to purchase Rump Shares.

Immediately following the closing of the rights offering, Advent International's stake in Dufry will in no event exceed 19.99%, and Alibaba Group's stake will in no event exceed 9.99%. The commitment of Alibaba Group is subject to the number of Rump Shares allocated to Alibaba Group being at least equal to a minimum participation of 8.5% of Dufry's registered share capital immediately following the capital increase, unless waived or reduced by Alibaba Group, and other customary conditions. Advent International and Alibaba Group have agreed to a lock-up period of six months following the first day of trading of the offered shares.

The planned rights offering will be made to existing shareholders, subject to certain legal limitations based on residency (the "Rights Offering"). Rump Shares will (x) in first priority be sold to Advent International at the Commitment Price up to its committed investment amount, (y) in second priority be sold to Alibaba Group at the Commitment Price up to its committed investment amount, in the case of (x) and (y) provided that the Offer Price will not be higher than the Commitment Price, and (z) in third priority be offered for sale by way of a public offering in Switzerland and private placements in certain jurisdictions outside Switzerland in compliance with applicable securities laws (the "International Offering").

Subject to the Extraordinary General Meeting approving the proposal by the Board of Directors for the ordinary capital increase, the rights exercise period is expected to start on October 12, 2020 and to end on October 19, 2020, 12:00 noon CEST, and the International Offering period is expected to commence on October 12, 2020 and to end on October 20, 2020 at 15:00 CEST. The offering and listing prospectus is expected to be published on October 7, 2020.

If (i) the volume weighted average price ("VWAP") of the existing shares on the last day of the rights exercise period (the "Trading Price") is higher than the Commitment Price or (ii) the number of Rump Shares that Advent International and Alibaba Group have agreed to purchase (the "Commitment Shares") is lower than the number of Rump Shares necessary to raise gross proceeds of CHF 700 million (the "Necessary Rump Shares"), then the offer price in the Rights Offering and the International Offering (the "Offer Price") will be determined by Dufry and the Joint Global Coordinators, acting on behalf of the Managers, on the last day of the International Offering period on the basis of the number of offered shares for which rights have been exercised, sufficiency of investor demand for the offered shares resulting from the book-building procedure (including, for the avoidance of doubt, the orders placed by Advent International and Alibaba Group at the Commitment Price), the market price for the existing shares, and general market conditions. If (i) the Trading Price equals, or is lower than, the Commitment Price and (ii) the number of Commitment Shares is equal to or exceeds the number of Necessary Rump Shares, then the Offer Price will be the Commitment Price.

If (i) the Trading Price is higher than the Commitment Price or (ii) the number of Commitment Shares is lower than the number of Necessary Rump Shares, then the final number of offered shares and the Offer Price will be published through electronic media and in a supplement on or about October 20, 2020, after the close of trading. If (i) the Trading Price equals, or is lower, than the Commitment Price and (ii) the number of Commitment Shares is equal to or exceeds the number of Necessary Rump Shares, then the final number of offered shares and the Offer Price will be published through electronic media and in a supplement on or about October 19, 2020, after the close of trading.

The New Shares are expected to commence trading on SIX Swiss Exchange on October 22, 2020, and settlement and delivery of the New Shares against payment of the Offer Price are expected to occur on the same day.

The expected timetable for the planned capital increase and Rights Offering is summarized below.*

October 7, 2020	Publication of offering and listing prospectus
October 12, 2020	Commencement of the rights exercise period and the International Offering period
October 19, 2020	12:00 noon CEST: End of rights exercise period After close of trading: Announcement of take-up in the Rights Offering and, if (i) the Trading Price equals, or is lower than, the Commitment Price and (ii) the number of Commitment Shares is equal to or exceeds the number of Necessary Rump Shares, of the final number of New Shares and the Offer Price
October 20, 2020	15:00 CEST: End of International Offering period. After the close of trading: Announcement of final number of New Shares and of Offer Price (if (i) the Trading Price is higher than the Commitment Price or (ii) the number of Commitment Shares is lower than the number of Necessary Rump Shares)
October 22, 2020	First day of trading of the New Shares Settlement and delivery of the New Shares against payment of the Offer Price

*The Company, together with the Joint Global Coordinators, acting on behalf of the Managers, reserves the right to extend or shorten the rights exercise period, the International Offering period or to terminate the Offering without any prior notice, at any time and for any reason.

In the listing prospectus to be published on October 7, 2020, certain information regarding Dufry's current trading will be disclosed as follows: We estimate that turnover decreased by between 75% and 85% for the two-month period of July and August 2020 compared to July and August of 2019, as passenger volumes have continued to remain significantly depressed when compared to the prior year period. As of August 31, 2020, more than 1,000 of our approximately 2,410 shops globally had re-opened, representing approximately 67% of sales capacity (based on turnover for the year ended December 31, 2019), including in key locations such as the UK, Spain, Switzerland, Mexico, the U.S., Turkey, Russia, Hong Kong, India, Cambodia, South Korea and Kuwait.

Through June 30, 2020, we were able to close several agreements releasing partially or totally CHF 161.8 million of MAG requirements in relation to the first half of 2020. In addition, during the third quarter of 2020, we closed further agreements releasing partially or totally at least CHF 140 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.

As of September 30, 2020, we had cash and cash equivalents of at least CHF 700 million. In addition, as of September 30, 2020, approximately CHF 222.7 million and CHF 396.1 million was available for borrowing under the Facilities Agreement and the New Liquidity Facilities Agreement, respectively, in each case after giving effect to outstanding letters of credit.

For further information please click [here](#).

For further information, please contact:

Dr. Kristin Köhler
Global Head Investor Relations
Phone: +41 61 266 44 22
Mobile: +41 79 563 18 09
kristin.koehler@dufry.com

Renzo Radice
Global Head Corporate Communications
& Public Affairs
Phone : +41 61 266 44 19
Mobile: +41 79 461 23 34
renzo.radice@dufry.com

Dufry Group – A leading global travel retailer

Dufry AG (SIX: DUFN) is the leading global travel retailer operating over 2,400 duty-free and duty-paid shops in airports, cruise lines, seaports, railway stations and downtown tourist areas, in more than 420 locations in 65 countries across all six continents.

The Company, founded in 1865 and headquartered in Basel, Switzerland, is offering customers a first-class shopping experience, global brands a unique market access and landlords a reliable, value-enhancing partnership. To learn more about Dufry, please visit www.dufry.com.

About Hudson

Hudson, a Dufry Company, is a travel experience company turning the world of travel into a world of opportunity by being the Traveler's Best Friend in more than 1,000 stores in airport, commuter hub, landmark, and tourist locations. Our team members care for travelers as friends at our travel convenience, specialty retail, duty free and food and beverage destinations. At the intersection of travel and retail, we partner with landlords and vendors, and take innovative, commercial approaches to deliver exceptional value. To learn more about how we can make your location a travel destination, please visit us at www.hudsongroup.com.



**SOS CHILDREN'S
VILLAGES**

Social Responsibility

Dufry cares for children and supports social projects from SOS Kinderdorf in Brazil, Cambodia, Mexico, Morocco and Ivory Coast. SOS Children's Villages is an independent, non-political and non-demonstrational organization established for orphaned and destitute children all over the world.

Legal disclaimer

This press release is for information purposes only and is not intended to constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States of America, Australia, Canada, Japan, or any other jurisdiction. The securities mentioned herein have not been and will not be registered under the U.S. Securities Act of 1933 ("Securities Act") and may not be offered or sold within the United States of America except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. There will be no public offering of any of Dufry's securities in the United States of America or in any other jurisdiction.

The offers referred to herein, when made in member states of the European Economic Area ("EEA") and the United Kingdom, is only addressed to and directed to "qualified investors" within the meaning of Article 2(e) the Prospectus Regulation ("Qualified Investors"). For these purposes, the expression "Prospectus Regulation" means Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, and includes any relevant delegated regulations.

If located in a relevant state, each person who initially acquires any securities, and to the extent applicable any funds on behalf of which such person acquires such securities that are located in a relevant state, or to whom any offer of securities may be made will be deemed to have represented, acknowledged and agreed that it is a Qualified Investor as defined above.

For readers in the United Kingdom, this announcement is only being distributed to and is only directed at Qualified Investors who are (i) outside the United Kingdom or (ii) investment professionals falling within Article 19(5) ("Investment professionals") of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") or (iii) certain high value persons and entities who fall within Article 49(2)(a) to (d) ("High net worth companies, unincorporated associations etc.") of the Order; or (iv) any other person to whom it may lawfully be communicated (all such persons in (i) to (iv) together being referred to as "relevant persons").

Information to Distributors: Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "MiFID II Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Rights and the offered shares have been subject to a product approval process by each underwriter established in the EEA, which has determined that the Rights and the offered shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "Target Market Assessment"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the offered shares may decline and investors could lose all or part of their investment; the offered shares offer no guaranteed income and no capital protection; and an investment in the offered shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offering. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the underwriters established in the EEA will only procure investors who meet the criteria of professional clients and eligible counterparties. For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Rights and the offered shares. Each distributor is responsible for undertaking its own target market assessment in respect of the Rights and the offered shares and determining appropriate distribution channels.

This document is not an offer to sell or a solicitation of offers to purchase or subscribe for shares. This document is (i) not a prospectus within the meaning of article 652a of the Swiss Code of Obligations, (ii) not a listing prospectus as defined in articles 27 et seqq. of the listing rules of the SIX Swiss Exchange AG or of any other stock exchange or regulated trading venue in Switzerland, (iii) not a prospectus within the meaning of the Swiss Financial Services Act and (iv) not a prospectus under any other applicable laws. Copies of the prospectus and any supplement will be available free of charge in Switzerland for 12 months following the first trading day at UBS AG, Prospectus Library, P.O. Box, 8098 Zurich, Switzerland (Telephone: +41 (0) 44 239 47 03 (answering machine); Fax: +41 (0) 44 239 69 14; email: swiss-prospectus@ubs.com) or at Credit Suisse AG, Zurich, Switzerland (email: equity.prospectus@credit-suisse.com); and Dufry AG, Basel, Switzerland (Telephone: +41 (0) 61 266 44 44).

This press release may contain certain forward-looking statements relating to Dufry and its business. Such statements involve certain risks, uncertainties and other factors which could cause the actual results, financial condition, performance or achievements of Dufry to be materially different from those expressed or implied by such statements. Readers should therefore not place undue reliance on these statements, particularly not in connection with any contract or investment decision. Dufry disclaims any obligation to update any such forward-looking statements.