

Media Release

Basel, April 23, 2020

Dufry announces initiatives to strengthen its capital structure, presents the Board's proposals to the Ordinary General Meeting 2020, and provides preliminary information on first quarter business performance

Dufry is taking a comprehensive set of initiatives to strengthen its capital structure and liquidity position, in addition to the cost saving and cash flow management measures already announced on March 12, 2020. These initiatives are designed to help the company sustain a prolonged period of significant disruptions and reinforce its competitive positioning in the longer term.

The initiatives announced today include:

- An additional credit facility from some of Dufry's core banks for approx. CHF 425.0 million
- Consent received from Dufry's bank consortium to waive the existing financial covenants until end of June 2021 and a higher leverage covenant for the September and December 2021 testing periods
- Planned private placement of up to 5.5 million shares with strong indications of interest to participate from investors
- Planned issuance of a CHF 300.0 million senior, unsecured guaranteed convertible bond with strong indications of interest to participate from investors
- The cancellation of the 2020 dividend payment

As announced on March 12, 2020, Dufry has set up a special committee at the Global Executive Committee level which implemented an action plan to secure cash flow generation, drive sales, save costs and safeguard liquidity. The action plan includes among others the following measures:

- Reduce personnel costs at all levels and, where possible, make use of government support schemes
- Implement voluntary salary reduction schemes
- Negotiate agreements with landlords to reduce or abate Minimum Annual Guarantees
- Minimize all operating expenses and other cost items to minimum levels monitored at Group level

Dufry has adapted its operating structure to the new situation, allowing the company to leverage its highly flexible cost structure even further. Additionally, several government support schemes, especially related to personnel expenses, will provide further cost savings.

Moreover, several measures to reduce cash outflows to a minimum have been implemented and are under tight control by a dedicated team at group level. These include initiatives at Capex and Net Working Capital level that target total cash savings of around CHF 160.0 million in the full-year 2020.

In light of the above, Dufry's Board of Directors proposes to the upcoming Ordinary General Meeting on May 18, 2020 a set of resolutions, including:

- No 2020 dividend payment
- The creation of conditional capital underlying the convertible bond

Trading update on Q1 2020 Business Performance

The business performance in the first quarter 2020 was characterized by completely different developments in each of the three months. In January, we saw organic growth increasing to +0.8%; in February we faced a first sales slowdown starting in Asia with organic growth decreasing to -2.3% year-to-date, while in March the increasing travel restrictions and airport closures resulted in a negative sales performance for the month of -55.9%. The turnover for the first quarter 2020 amounted to CHF 1,438.7 million, resulting in an expected organic sales growth performance of around -22.0%. In the first two weeks of April, Dufry has seen reduced sales levels in the amount of around 90% as compared to the same period in the previous year.

Due to the downturn in global travel that has occurred as a result of COVID-19 and the challenges in forecasting the duration of the impact of the COVID-19 pandemic on Dufry's business, the consequences for our financial performance for the full year are uncertain at this stage. Dufry therefore withdraws its guidance for the 2020 business year previously disclosed on March 12, 2020. The company will issue its interim trading update for the first quarter as planned on May 12, 2020.

Cash flow management and cost saving measures

The implemented cost savings and cash flow management measures allow Dufry to considerably reduce its cash burn rate and to continue operations for a prolonged duration until the business environment normalizes, even in a scenario of sales reducing by 70%-80%, with shops being closed due to travel restrictions and with travel activities remaining at a minimum in the locations where Dufry operates its shops. During the months of April and May cash outflows will be higher than in the following months due to the payment of previously incurred costs.

As mentioned above, the indicated cost saving initiatives do not include the additional personnel costs savings coming from the several government support schemes which Dufry is making use of in Switzerland, Greece, Spain, Italy, the UK, and Germany, among others. As the impact of these savings strongly depends on the duration of the travel restrictions and the degree of the business recovery in the specific locations, it is not possible to provide an estimate at this stage.

In addition to these measures, Dufry is implementing a comprehensive set of financing initiatives to strengthen the company's liquidity position and capital base, beyond the Cash and Cash Equivalent and net available committed facilities of CHF 685.9 million as of March 31, 2020, in order to help it withstand even a prolonged period of significant disruptions and reinforce Dufry's competitive positioning in the longer term.

Dufry secures commitments for an additional approx. CHF 425.0 million facility

The company has secured commitments from certain of its relationship banks based on a term sheet for an approx. CHF 425.0 million 12-month facility with two 6-months extensions. This allows to convert current uncommitted into committed facilities. The company is working with the group of banks to finalize the full documentation.

Consent received to waive covenants

Dufry's bank consortium consisting of 25 international banks has also approved, subject to final documentation, the company's request to waive the current financial covenants until the end of June 2021 and to establish an increased threshold of Net debt / Adjusted Operating Cash Flow of 5.00x instead of 4.50x for the covenant testing in September and December 2021. The agreement with the banks also includes the addition of a minimum liquidity covenant at CHF 300.0 million, restrictions on dividends, share buybacks and acquisitions during the period of the covenant waiver as well as a number of technical amendments.

Placement of shares and issuance of convertible bonds

The company plans to undertake a private placement to institutional investors by means of an accelerated book-building procedure of up to 5,000,000 shares from its existing authorized share capital and up to 500,000 treasury shares. Members of the Board of Directors and Management plan to participate in the share placement with a meaningful amount.

In addition, Dufry plans to issue a senior, unsecured guaranteed convertible bond with an aggregate principal amount of CHF 300.0 million. The new convertible bond will also be placed by means of an accelerated book-building procedure with institutional investors.

The company has received strong indications of interest to participate from investors for both the share placement and the convertible bond issuance.

Further details on the envisaged placement of shares and issuance of convertible bonds will be communicated in due course.

Fostering the resilience of the business

The cost cutting and cash flow management measures as well as the new financing initiatives described above are designed to provide Dufry with a strong capital structure and liquidity position to sustain a prolonged period of significant disruptions, even in a scenario of sales reducing by 70%-80%, and to continue operations until travel patterns and sales generation return to normalized levels.

Ordinary General Meeting 2020

Further to the actions outlined above, the Board of Directors has resolved to propose the following measures:

- Cancellation of the originally proposed dividend payment for 2020, thus reducing short-term cash outflows.
- Creation of conditional share capital sufficient to enable the physical settlement of the bonds upon conversion.

The Ordinary General Meeting of Dufry AG will be held on Monday, May 18, 2020 at 14.00 CEST at the offices of Dufry AG at Brunngässlein 12, CH-4058 Basel, Switzerland.

The meeting will be held without the presence of shareholders based on Article 6a of the Ordinance 2 issued by the Swiss Federal Council on measures to prevent coronavirus (COVID-19) in the version of March 16, 2020 (as amended). The shareholders of Dufry AG may exercise their rights at the Ordinary General Meeting exclusively through the Independent Voting Rights Representative. This measure makes it possible to hold the Ordinary General Meeting despite the current COVID-19 pandemic.

The detailed agenda will be published in the coming days on www.dufry.com/en/investors and in the Swiss Official Gazette of Commerce, and will also be mailed to the shareholders registered in Dufry's share register.

Juan Carlos Torres, Chairman of Dufry's Board of Directors, said: "Let me first express my regret for having to hold this year's Ordinary General Meeting without the physical presence of our shareholders and for not being able to present them in person the positive results achieved in the 2019 business year as well as the initiatives implemented and newly proposed to the AGM to strengthen the company's financial structure. The Board of Directors is firmly convinced that these initiatives are in the best interest of the shareholders and will help Dufry to overcome this challenging situation caused by the impact and the uncertainties of the COVID-19 pandemic. Here, I

would like to thank our long-term shareholders for their continued support and commitment to purchase additional shares and participating in the issuance of the convertible bond.”

Julián Díaz, CEO of Dufry, added: “These equity measures, in addition to the new credit facility, the cancellation of the dividend and the other operational cost cutting measures being implemented, will significantly strengthen Dufry's capital base and liquidity position. The initiatives are designed to help Dufry to weather the COVID-19 pandemic and current economic downturn even under a severe scenario, while also providing the company with enough flexibility to react to business opportunities arising in the context of the current situation. The company’s setup allows us to react fast and adapt to business requirements as needed, also in view of the travel recovery phase.”

Conference Call with Management

Dufry will hold a conference call with Julián Díaz, CEO Dufry AG, and Yves Gerster, CFO Dufry AG, on April 23, 2020 at 10h CEST. The call will be held in English; there will be no presentation.

Participants are invited to register for the conference call [here](#). In this case, participants will receive the dial-in numbers and a personal pin-code.

The access to the webcast platform will be available [here](#). A playback option will be available in the webcast platform until May 1, 2020.

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Dufry Group – A leading global travel retailer

Dufry AG (SIX: DUFN) is a leading global travel retailer with over 2,400 duty-free and duty-paid shops in airports, cruise lines, seaports, railway stations and downtown tourist areas.

The Company, headquartered in Basel, Switzerland, operates in 65 countries in all six continents.



**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.