

MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

DEAR SHARE- HOLDERS

The 2021 business environment for travel retail improved compared to the previous year, which will be remembered as the most difficult one seen in our industry. The initiatives we began implementing in 2020: reorganization of the company, cost control, financing, cash generation and collaboration with suppliers and landlords, proved their efficacy throughout 2021 and generated positive results.

We saw a steady recovery of travel, which varied significantly depending on regional lifting of restrictions and the type of travel – domestic or international. While markets such as the United States, the intraregional destinations in Central America, the Caribbean, and some European countries increased flight frequencies starting in the second quarter, other geographies and transcontinental connections took longer to reopen and mostly resumed in the second half of the year.

Acceleration of organic growth.

With respect to our operational performance in 2021, our turnover reached CHF 3,915.4 million, resulting in a considerable improvement in organic growth, which came in at 53.2% as compared to -69.6% in the previous year. Our focus on adapting the organization to new business requirements continues and we have progressed well, implementing defined structural adaptations, whilst closely monitoring costs at all levels. With these measures in place, we overachieved our earlier cost saving target, originally estimated to reach CHF 970.0 million but which ultimately came in at CHF 1,919.7 million at year-end. Adjusted net profit reached CHF 23.4 million, resulting in an Adjusted EPS

of CHF 0.27. Sales acceleration and tight cost management resulted in positive cash generation from May through October and an overall solid liquidity position at the end of the year amounting to CHF 2,243.9 million.

Dufry to reach climate neutrality for scopes 1+2 by 2025.

In 2021 we raised the bar with our ESG engagement. By defining CO₂ emission reduction targets for our whole value chain and evolving our diversity & inclusion strategy, we have made important steps to anchor a sustainability culture within the company. Our initiatives with defined targets continued our positive ESG trajectory over recent years: the implementation of internationally recognized reporting standards, clearly defining our ESG strategy, becoming a signatory member of UN Global Compact and adopting formal commitments for human rights, environment, labor and anti-corruption.

2021 marks the year in which Dufry defines Science-Based Targets (SBT) to reach climate neutrality for scopes 1+2 as well as to considerably reduce carbon intensity within scope 3. This is probably the most important milestone achieved in the year under review within our ESG engagement initiatives. We made improvements in all four of our focus areas – Customer Focus, Protecting Environment, Employee Experience and Trusted Partner – and I invite you to visit pages 73–109 of this report to discover detailed information on the progress made.

¹ For a glossary of financial terms and key performance indicators please see page 231 of this Annual Report.



In 2021, Dufry further optimized company reorganization, consolidated cost control, built financial resilience, and evolved ESG across all four areas of focus.

Juan Carlos Torres
Carretero

2,300

Dufry is a real global player operating over 2,300 shops throughout all six continents.

In the first and the second quarters of 2021, we initiated the early refinancing process of the 2023 maturities through a mixed portfolio of financial instruments. In parallel, we have extended the maturities for the remaining term loans to 2024 and achieved an extension of the covenant holiday until June 2023. The refinancing includes CHF 500 million new convertible bonds due 2026 and the early conversion of the existing CHF 350 million 2023 convertible bonds. Additionally, Dufry priced EUR 725 million Senior Notes due 2028 and CHF 300 million Senior Notes due 2026. These transactions with lending banks and bondholders underpinned the strong support from new and existing shareholders that we experienced last year. The total proceeds of all combined 2021 financial transactions amounted to CHF 1,619.9 million.

Ongoing strong support by shareholders, bondholders, and lending banks.

As per December 31, 2021 Dufry's market capitalization stood at CHF 4.099 billion. In line with the recovery of travel and vaccination levels, Dufry shares saw a strong recovery in the first quarter peaking at CHF 68.24 in March. Then, impacted by the increase of infection levels as of September, the share price adjusted downwards and then flattened, and closed the year at CHF 45.15. The average daily trading volume on all platforms was CHF 61.2 million, confirming the good liquidity of our shares. The SIX Swiss Exchange remains an important trading platform, where the average daily volume of Dufry shares reached CHF 28.8 million in 2021. Dufry's trading volumes are mainly concentrated at the SIX 46% and BATS Chi-X OTC 47% platforms. As is our tradition, we have maintained a continuous

dialogue with our shareholders and the financial community through over 1,700 contacts on roadshow or conference meetings, calls and emails – unfortunately, still mostly virtual – but we resumed in person meetings and physically attended conferences as of the second semester 2021.

At the General Meeting of Shareholders 2021, we welcomed two new independent members to the Board of Directors – Ms Eugenia M. Ulasewicz and Mr Joaquín Moya-Angeler Cabrera. They will contribute to Dufry's development with their wealth of experience earned through participation on several board committees of listed and private companies, as well as academic and nonprofit organizations. Claire Chiang, who had been a Board Member since 2016, decided not to stand for re-election. I thank Ms Chiang for her valuable contributions to Dufry, wishing her all the best for her future endeavors.

We took into consideration shareholder feedback with respect to the 2020 Remuneration Report and have actively engaged with the financial community. In this context, we reached out to investors and proxy advisors to understand and address their concerns. Subsequently, we implemented several changes in our short- and long-term incentive plans, which are reflected in this year's Remuneration Report.

Regarding the 2022 General Meeting of Shareholders, the Board of Directors resolved to propose suspending the dividend payment for the business year 2021. This allows us to focus on protecting our liquidity and further strengthening the company's financial position. The Board of Directors will consider re-initiation of dividend payments in line with the recovery. In addition, we expect attractive shareholder value generation opportunities to arise in the short- and medium-term and will thoroughly assess any investment from a value accretion perspective once the business starts to recover sustainably.

Our community engagement programs around the world continued to support and assist communities in markets in which we operate. It is now the 12th year that we have contributed to the funding of SOS Children's Villages initiatives in Brazil, Mexico and Kenya. This year, when children and families really needed extra support, we asked our customers to join our efforts by purchasing our Captain Dufrey plush bear, the profits of which were donated to SOS Children's Villages. In 2021, we and our employees were also involved in community projects in many other parts of the world such as Senegal, Greece, the United Kingdom, Switzerland, the United States, Canada and Spain.

Supporting communities in need.

We are confident that progress to recovery will continue in 2022, driven by strong leadership and dedicated teams. Despite the unknowns, we can count on improving trends in terms of increasing vaccination rates, lifted travel restrictions and the valuable lessons learned while managing the current challenges. Our priorities are continued cost controls and safeguarding the liquidity of the company, but we will accelerate sales and seize opportunities to develop our company further.

As disclosed on February 21, 2022, Julian Diaz will step down from his functions as Chief Executive Officer and will not stand for reelection as Member of the Dufrey Board of Directors at the AGM 2022. During his tenure, which started in 2004, Julian successfully executed the company's global expansion strategy of profitable and sustainable growth and earned the respect of the travel retail industry. Through a combination of organic growth as well as several transformational acquisitions, Dufrey became the leading player and the only truly global travel retailer of the industry. Julian has been the driving force of the Group's development and reliably steered the company on its remarkable path. Personally, in the name of the Board of Directors and on behalf of the whole company, I express our gratitude to Julian Diaz for his outstanding dedication and the extraordinary contributions he made to the benefit of Dufrey and all its stakeholders during his successful career in the company. Our best wishes for good health, happiness and further satisfactions accompany him for his future endeavors.

I am very pleased that we could appoint Xavier Rossinyol as new and experienced CEO who will further develop our company as of June 1, 2022. Following his first stay

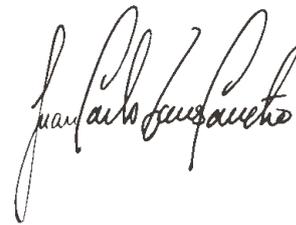
at Dufrey from 2004 to 2015, he can build on his know-how of our company and the specificities of travel retail, and rely on the additional wealth of experience gained by leading for several years, as CEO of gate-group, a global player of an adjacent industry thus getting to know well the airline and airport industries. Xavier is familiar with the expectations of the financial markets and our stakeholders and has the necessary skills and attributes to further evolve our growth strategy. We wish Xavier Rossinyol lots of success as new Dufrey Chief Executive Officer.

A grateful "Thank You" is due to all our employees and management teams, for once again proving their dedication and support. It was through their immense commitment and hard work that the company achieved our main targets. We also want to pay our respects to the colleagues we have lost and to their families, all of whom are very much in our thoughts. We continually review our efforts to provide customers and employees with safe shopping and working environments and wish our colleagues who have suffered from the virus a swift and full recovery.

In this second year of travel disruption, the exceptional support from our landlords and suppliers, with whom we closely collaborated to find mutually viable solutions, solidified partnerships. We appreciate their willingness to work jointly to overcome the crisis.

The ongoing trust of our business partners, shareholders and bondholders, reinvigorated our long-standing relationships and fostered our common vision of Dufrey as a WorldClass.WorldWide company.

Sincerely,



Juan Carlos Torres Carretero