

# Dufry seeks to increase flexibility with new bond offer

Dufry AG has announced the launch of an offering of approximately CHF 500 million (current value US\$535.8 million) new convertible bonds and a voluntary incentivised conversion offer to holders of the CHF 350 million (current value US\$375 million) 1.0% convertible bonds due 2023 and issued by Dufry One B.V.

This offer will strengthen Dufry's balance sheet and financial flexibility in preparation for the recovery of travel retail. Dufry has also initiated the refinancing process of its debt positions with upcoming maturities until 2023.

## **New Convertible Bonds**

Dufry is launching senior unsecured convertible bonds due 2026 in an aggregate principal amount of approximately CHF 500 million (current value US\$535.8 million), conditionally convertible into shares of Dufry AG.

The bonds will be issued by Dufry One B.V. and be guaranteed by Dufry and two of its subsidiaries. The shares to be delivered will be sourced from conditional capital or from existing shares.

At the next ordinary general meeting, scheduled for 18 May 2021, the Board of Directors will be seeking shareholders' approval, for the creation of conditional capital sufficient to proceed.

The bonds will be issued at par. They are expected to carry a coupon between 0.50-1.00%, payable semi-annually in arrears. The bonds will be redeemed at par at maturity on 30 March 2026. The bonds will be convertible into shares of Dufry AG at an initial conversion price expected to be set at a premium of 42.5-47.5% over the reference share price.

Dufry may redeem the New Convertible Bonds at par plus any accrued interest no earlier than 21 calendar days after the third anniversary of the closing date, if the volume-weighted average price of the shares is at least 130% of the conversion price on at least 20 out of 30 consecutive trading days, or any time, if less than 15% of the aggregate principal amount of such bonds is outstanding

Dufry has agreed to a lock-up period of 90 days following closing of the bonds' issuance, subject to customary exceptions and waiver by the Joint Global Coordinators.

## **Incentive Offer**

Holders of existing convertible bonds who elect to early exercise their right to convert their bonds into shares are being offered a cash incentive of CHF 13,965.65 (US\$14,966.57) per CHF 200,000 (US\$214,334) in principal amount, and a share price adjustment amount, as further set out in the official offer document dated 23 March 2021. This offer commences today, 23 March 2021, and ends at 16.00 CET on 6 April 2021.

If at any time less than 15% of the aggregate principal amount of the Existing Convertible Bonds originally issued are outstanding and held by persons other than the Parent Guarantor and any Subsidiary, the Company may redeem such Existing Convertible Bonds at their principal amount (in accordance with the Conditions) together with accrued but unpaid interest to such date.