Annual Report **2022**

gategroup

TABLE OF CONTENTS

Timo Vättö
Chairman

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IN OUR LONG-TERM PARTNERSHIPS AS WELL AS IN OUR NEWEST CUSTOMER RELATIONSHIPS, WE CONTINUE TO SEEK OPPORTUNITIES TO DELIVER EXCEPTIONAL SOLUTIONS TO A GROWING SPECTRUM OF BUSINESS LINES AND THE EVOLVING NEEDS OF OUR CUSTOMERS.

Dear gategroup stakeholders,

"The only constant is change." That contemporary-sounding statement originated with the Greek philosopher Heraclitus nearly 2500 years ago, but it feels as current and familiar as reading today's news.

The world entered 2022 hopeful that we would see the gradual retreat of the COVID-19 pandemic. Instead, we contended with its continuation, new public health crises, Russia's invasion of Ukraine and global inflation rates not seen in four decades. In addition to the humanitarian toll of these events, each posed new risks and threats to the global economic ecosystem and to businesses in the sectors we serve.

After so many consecutive challenging years, there is naturally a risk to give in to "crisis fatigue." But the entire gategroup organization, under the leadership of our CEO Christoph Schmitz and his Executive Team, continued to focus on the firm's long-term prospects and to invest in its core strengths and strategies. Throughout the year, our global team demonstrated its consistent customer-focused commitment to the innovation and customer service that are our foundation for industry leadership.

In our long-term partnerships as well as in our newest customer relationships, we continue to seek opportunities to deliver exceptional solutions to a growing spectrum of business lines and the evolving needs of our customers. We maintain our confidence in the airline industry's prospects for long-term success, and at the same time we are fully invested in the diversification of our business and the platforms we are developing for gategroup's sustainable profitability and growth.

On behalf of the Board of Directors, I want to thank each member of the gategroup team for their focused performance during a time of constant distractions. We take great pride in their continued commitment and sense of purpose. Our gratitude must also be extended to gategroup's valued customers, suppliers and strategic partners – with you, we continue to build world-leading solutions. We also thank the government agencies and financial community with which we work for their collaboration and support. We have once again shown that gategroup's assets are capable of withstanding market turmoil until we can once again thrive in more prosperous and stable times.

Finally, I would like to thank our shareholders and all members of our Board of Directors for their vision and the decisiveness they displayed as we pursued our strategy for navigating these uncertain times. We value our shareholders' commitment and continued engagement, and we recognize the critical role they play in our company's transformation and growth. I'm grateful to each of you for your confidence in gategroup and for your contributions to bringing our performance objectives to fruition.

Sincerely yours,

Timo Vättö
Chairman of the Board

Christoph Schmitz
CEO

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WITH OPERATIONS IN 60 COUNTRIES, GATEGROUP HAS A TRULY GLOBAL PERSPECTIVE ON OUR TEAM'S RESPONSIBILITIES TO PEOPLE AND THE PLANET.

Dear customers, partners, employees, suppliers, lenders and shareholders,

Companies throughout the world had to contend with an extraordinary array of challenges during 2022, including multiple public health crises, Russia's war against Ukraine, and the combined economic impact of supply chain disruptions and skyrocketing inflation rates, and gategroup was no exception to this.

But gategroup did stand out in many crucial respects. During the course of 2022, the company has rehired more than 5000 employees, bringing its workforce back to 90% of its pre-COVID numbers. We ramped up all our operating units and nearly doubled in size compared to 2021, recording revenues of CHF 3.9 billion and increasing our EBITDA by 65.5% to CHF 100.1 million. This material growth was driven by a combination of encouraging factors. In parallel to a strong recovery of the aviation sector in most global regions, we benefited from a stable contract portfolio. With long-term contracts, a renewal rate ahead of 85% and a number of material contract wins throughout the year, gategroup managed to increase its market share. Once again, we have proven to be a reliable partner to our customers during the crisis by providing services whenever and wherever required, despite often difficult circumstances. We believe that the crisis has brought us closer together as partners.

In addition to the recovery of our aviation catering, we continued to grow our food service business with an almost 50% increase in revenue and expansion in all four pillars of ready-to-eat meals, catering solutions, platforms and packaging. We won new business in all regions, including in the train catering segment and the retail supply and ready-to meals segment globally. We have also made notable progress in optimizing our production methods using different technologies ranging from fresh to MAP and frozen, while deSter's world-leading rotable packaging has been making significant inroads into the QSR segment.

Based on this recovery and stabilization, we are confident in our prospects and our readiness for stronger air travel volume during summer 2023.

For gategroup, 2022 was a year of social and environmental activity as well as business progress. We were among the first responders to establish kitchens to feed refugees on the Romanian–Ukrainian border, for example, and we provided additional humanitarian support as a corporate partner of Cuisine Sans Frontières. Furthermore, we joined the United Nations Global Compact, introduced a new ESG function to the organization and will be publishing our first ESG report in Q2 2023.

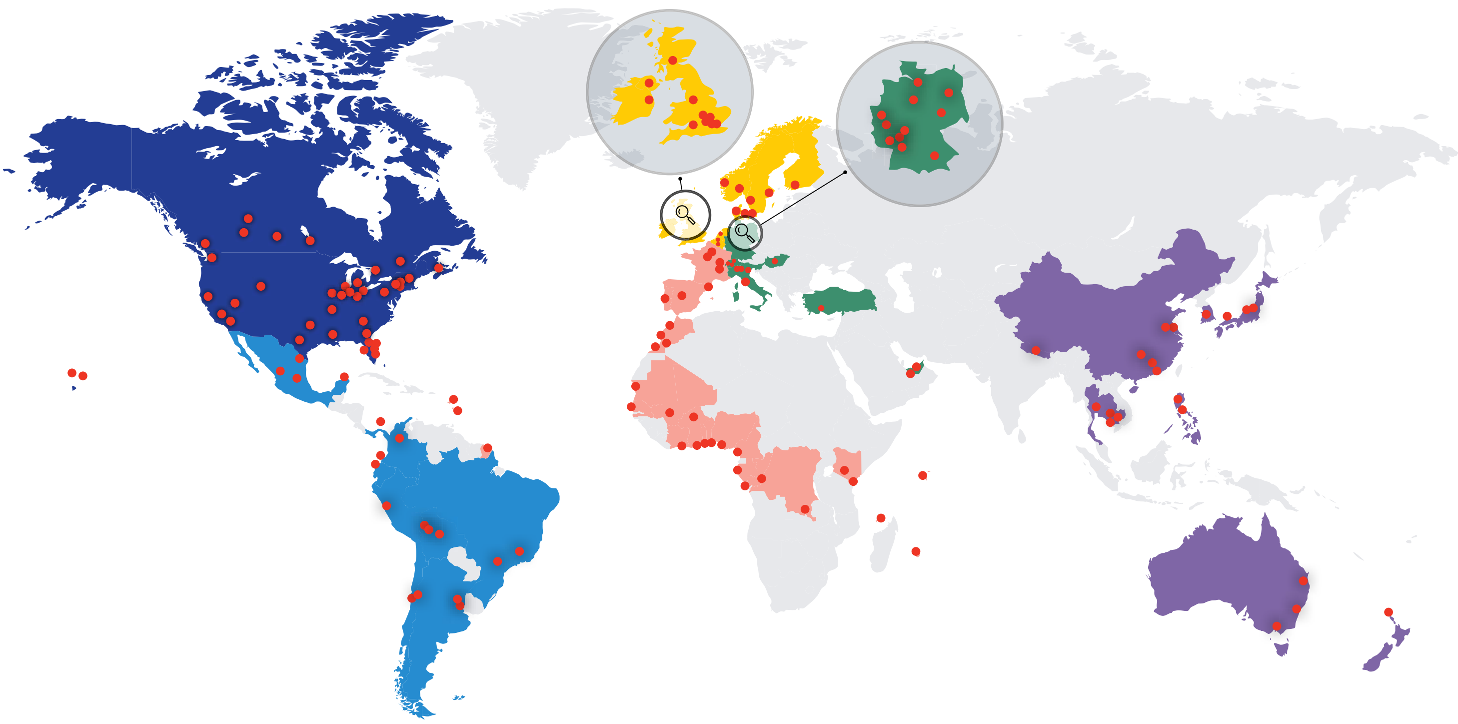
With operations in 60 countries, gategroup has a truly global perspective, and our approach to ESG reflects our conviction that sustainability and profitability can complement, rather than compete with, one another as corporate priorities. We are in the process of evaluating ideas and innovations that can contribute to both a safer, healthier world and to stronger financial performance.

As always, we could not move forward without the loyalty of our customers, the boundless energy and innovative ideas that our employees bring to our workplace and the lenders and shareholders whose confidence makes it possible for us to pursue those ideas. Each of our stakeholders plays an invaluable role in gategroup's success and its advances toward long-term prosperity and growth.

With gratitude for your commitment and collaboration,

Christoph Schmitz
Chief Executive Officer

2022 in pictures



- North America
- Latin America
- Central, Eastern Europe & Middle East
- Northern & Western Europe
- Southern Europe & Africa
- Asia Pacific

● gategroup operating units (includes catering, retail and equipment operating facilities)

Headquarters, Zurich, Switzerland

ca. 520
MILLION AIRLINE PASSENGERS SERVED

CHF
3.9 bn
REVENUE

300+
GLOBAL AVIATION CUSTOMERS

2800+
FLEET OF HIGHLOADERS

20+
AIRLINE RETAIL CUSTOMERS SERVED

ca. 3.3 million
FLIGHTS CATERED

38k+
EMPLOYEES

60
COUNTRIES

6
CONTINENTS

OPERATING IN
200+
LOCATIONS

80+
LOUNGES

250+
FOOD SERVICE CUSTOMERS

We are a culinary company

A company with strong culinary roots, we have a well-established tradition of leading the development of innovative solutions for the industries we serve.

THE WORLD IS IN THE MIDST OF A REVOLUTION IN THE WAY PEOPLE EAT AND THE RELATIONSHIP THEY CHOOSE TO HAVE WITH FOOD.

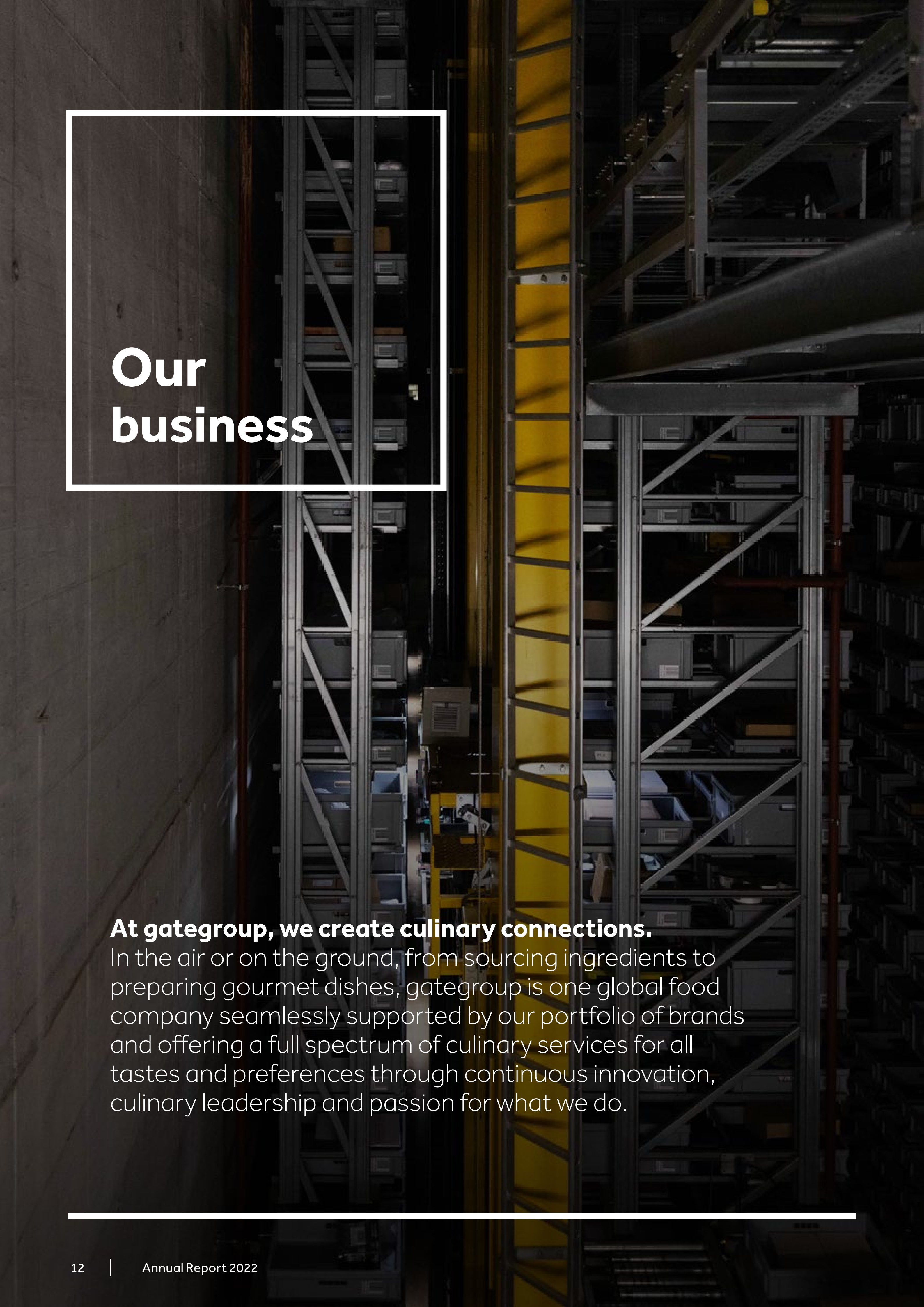
Diners have developed an appetite for trying foods and flavors that previous generations might have regarded as outside their comfort zones. Today, people embrace a sense of adventure in eating meals that introduce them to unfamiliar cultures. And this enhanced sense of curiosity about distant corners of the globe has emerged alongside a commitment to protecting our planet by eating mindfully and sustainably, conscious of the environmental impact of what we choose to eat.

These social trends are central to gategroup's operating model, plans for expansion into new lines of business and emerging strategy for merging profitability and sustainability performance.

A company with strong culinary roots, we have a well-established tradition of leading the development of innovative solutions for the industries we serve. Whether we're working with longtime partners or customers operating in our new business lines, we welcome opportunities to align our products and services with emerging priorities in each sector.

While certain climate change imperatives present challenges that will have to be addressed over time, we are well-positioned to respond more swiftly to other trends, such as the growing market for vegetarian and vegan dining options or for locally-sourced foods. By delivering delicious meals to these consumer segments, gategroup can support climate-friendly eating and, at the same time, create opportunities for more cost-efficient approaches to purchasing ingredients and preparing nutrient-rich and delicious foods. With a workforce of dining enthusiasts dispersed across 60 countries, we have a wealth of in-house expertise in the creation of menus that reflect these changing values and draw on culinary traditions from around the world. Together, they give us a competitive edge in satisfying changing appetites and in optimizing our approach to business and our prospects for long-term market expansion and success.

We continue to monitor dining trends, explore ingredients and cuisines that can be added to our portfolio and seek additional means of developing offerings that are delicious, Earth-friendly and aligned with our business performance targets. In this way, we support our values and ambitions as our vision of gategroup's culinary future continues to evolve.



Our business

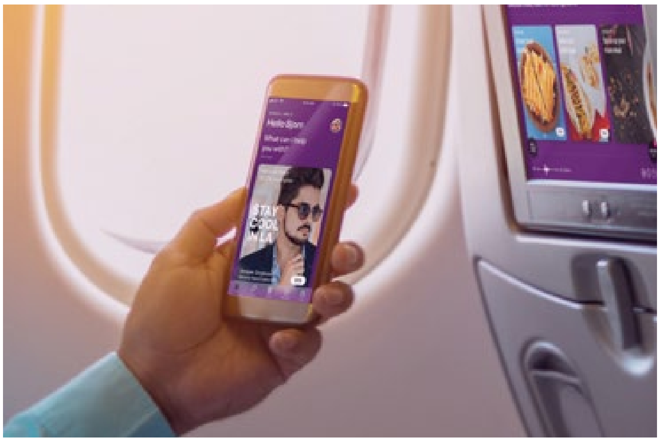
At gategroup, we create culinary connections.
In the air or on the ground, from sourcing ingredients to preparing gourmet dishes, gategroup is one global food company seamlessly supported by our portfolio of brands and offering a full spectrum of culinary services for all tastes and preferences through continuous innovation, culinary leadership and passion for what we do.

AVIATION

CULINARY

FOOD SERVICE

LOGISTICS & SUPPLY CHAIN



INNOVATIVE TECHNOLOGY

Our business
Aviation

As the global industry leader in airline catering and provisioning solutions, gategroup has a strong commitment to and stake in the future of air travel. Together with our longtime partners in this sector, we have faced unprecedented challenges brought on by external disruptions beyond our control. And together, we have maintained our optimism about the industry's capacity to rebound, regain its full strength and advance with innovative products and services for the business and leisure travel segments.

Bringing that vision to fruition required discipline, strategic deployment of our fundamental strengths and faith in our core business even as we began to explore new commercial ventures. We continued to invest in upgrades to the value gategroup delivers to airline customers even as our diversification initiatives opened doors to new market opportunities and our airline partners continue to look for stable and reliable service providers such as gategroup.

Today, we are gratified to see this business line's steady improvement both as a segment of our business and as a contributor to our prospects for long-term growth.

Our brands Gate Gourmet and Servair continue to set the standard for dining experiences that enhance passengers' time in flight. Working in close collaboration with our customers, gategroup's team of talented chefs create menus designed to delight from first class to the main cabin. And that commitment to quality continues after each meal leaves our kitchens, when the members of our operational excellence teams take over to ensure delivery of consistently excellent catering services.

As an example of this creative collaboration came to fruition in October 2022 with the opening of Studio Ellen, a think tank design kitchen and workspace led by a community of world-class chefs and culinary experts to co-create a new food identity for United Airlines. Closely partnered with United and specifically, their cabin crew, we continuously cultivate a deep understanding of their passengers' evolving expectations and integrate data science, sustainability and culinary trends in a collaborative process to deliver a differentiated expression of the United Airlines brand through culinary experiences.

Inflight retail has driven further revenue opportunities via our gateretail brand of award-winning omni-channel programs. In keeping with contemporary modes of shopping as well as sustainable retail practice, we employ interactive point-of-sale systems that manage pre-selections, execute pre-orders and deliver advertising digitally. This cost-effective approach aligns with consumers' preference for personalization and self-service. It reduces waste by eliminating the need for printed retail materials. And it provides carriers with instant, transparent EPOS backend data for further customization in line with passenger needs and expectations.

As data analysis becomes more sophisticated and offers greater insight into sales and market trends, we anticipate continuing to uncover opportunities to maximize new revenue opportunities via the onboard digital channel. Passengers will enjoy greater flexibility in choosing when they place orders for physical as well as virtual products.

Partnerships with gategroup's aviation customers extend beyond on-board services to the customized pre-flight experiences available through our Lounge Services. From staff recruitment to lounge design and management — and, of course, food and beverage concept creation — we provide services that capture each customer's unique brand.

During the second half of 2022, Servair gained market share in lounges serving one of the world's most recognized cities for leading gastronomy and design trends: Paris. We have expanded our culinary offerings at the Air France lounges at both Roissy Charles de Gaulle and Orly and at the Lufthansa lounge at Roissy Charles de Gaulle. Our partnership with Swiss International Air Lines provided another of the year's highlights: the airline's first-class lounge at Zurich International Airport was named the world's best by Skytrax at the annual World Airlines Awards ceremony. In total, we serve millions of customers annually at more than 80 lounges worldwide.

Our business

Food service

As a part of gategroup's diversification strategy, the Food Service segment is categorized into four distinct pillars that provide a foundation for growth.

In 2022, our ready-to meals and ingredients offering represented a significant portion of the business segment's revenue, demonstrating the strength of this category. We have made notable progress in production using different technologies ranging from fresh to MAP and frozen, and we adjust our production capabilities to local requirements for this specific market. This category aligns with the increasing consumer interest in meal kits and market demand for fresh, high-quality ingredients.

Our catering solutions comprise gategroup's catering for remote locations, trains, businesses and industries. We can scale production capacity for these solutions to meet customer requirements at the highest quality standards. Recent wins in various sub-segments, such as train catering, demonstrate our ability to differentiate ourselves and bring innovative solutions to the market, leveraging both our network and culinary capabilities.

Our platform-driven food experience category capitalizes on gategroup's reputation for culinary excellence by producing meals and/or meal components for online distribution channels, allowing cross-selling from different pillars and tailoring our capabilities and commercial models to this pillar's customers.

The development, production and marketing of packaging solutions that enable and ensure sustainable handling of food products are part of gategroup's fourth pillar. Our deSter line's innovative offerings contribute to environmental and profitability targets. deSter has been selected to design and produce various reusable packaging for world-leading QSRs, showcasing the increasing demand for environmentally friendly food packaging. As awareness and demand for environmentally friendly food packaging continue to rise, we look forward to making a significant impact within this market segment.

During 2022, our teams achieved growth in these pillars across all regions. Our aim is to focus on developing our competitive advantages in targeted markets and expanding our global reach to drive growth in these categories.

Our business

Culinary leadership

Not all artists are painters or sculptors. At gategroup, we're devoted to advancing the culinary arts — and we've built a global community of recognized culinary leaders who are applying the latest trends, innovations, and creative techniques to deliver new masterpieces around the world.

Supported by data science, this community of thought leaders challenges the culinary status quo, brings innovation and creativity to the plate and explores more sustainable food selections. Their eclectic, authentic regional dishes delight passengers daily, making food a brand channel for gategroup.

Our studio model provides the ideal environment for pursuing strategic partnerships dedicated to bespoke culinary menus in all their forms for our customers. Leveraging data science and current culinary and passenger trends, gategroup is committed to being a leader in the industry through robust culinary excellence, innovative cooking techniques and food safety standards. Sustainability also ranks high among our studio priorities, and we're committed to using locally sourced ingredients as much as possible. This approach can serve to support several aims: promoting passenger health by using the freshest foods available, assisting the local economies in the communities where we do business and encouraging sustainable agriculture.

Within our studios' open kitchens, art meets science as we draw on data and prediction modeling to identify gastronomy trends that guide us in menu development. From exploring global cuisines to increasing our use of plant-based recipes that even the most ardent carnivores will love, we're working to change the way people think not just about "airline food," but about food itself.

As a measure of our commitment to local communities, our studios also offer hands-on training under the guidance of "ambassador chefs." Their role is not just to guide the preparation of inventive, memorable meals but also to cultivate the next generation of culinary talent, in keeping with gategroup's commitment to ongoing training and professional development.

From 2022, gategroup would like to proudly present a snapshot of four culinary leaders in our community.

DIRK SCHIED

EXECUTIVE CHEF INNOVATION

Coming from a Michelin-star hospitality background, Dirk has been with gategroup for three years. As part of his role as Executive Chef Innovation he draws on his deep understanding of current culinary trends and his network in the community to support the Global Culinary Excellence team, develop new recipes, and support customer presentations, workshops and showcases.

MOLLY BRANDT

EXECUTIVE CHEF - REGIONAL CULINARY INNOVATION

A 27-year veteran of the culinary scene, Molly has been with gategroup for two years as Executive Chef - Regional Culinary Innovation. In this role she brings her insights and expertise from her background in Michelin-starred restaurants to forecast trends and create fresh, original recipes and approaches for gategroup's North American customers.

MAX HERZOG

EXECUTIVE CHEF STUDIO 508

With an almost 20 year career including Michelin-starred restaurants and five-star hospitality, Max now serves as Executive Chef for Studio 508, Lufthansa's dedicated culinary studio. In this role he actively engages with the Lufthansa inflight team, understanding their needs and requirements, and designing concepts and recipes for them in conjunction with consumer tastes and Lufthansa's strategic needs.

FRANÇOIS ADAMSKI

CORPORATE CHEF SERVAIR

2001 Bocuse d'Or winner François Adamski has served as Corporate Chef Servair for four years, bringing his deep expertise and passion for food to the Servair culinary community through his work as General Secretary of Servair's Culinary Studio. His work includes developing Air France dishes with Signature Chefs from France and abroad as well as creating his own signature dishes for Air France's lounges.

Our business

Logistics & supply chain

With growth plans that encompassed regional expansion as well as launches of new business lines, gategroup needed to count logistics, procurement and supply chain management among its core strengths. During 2022, we continued to augment the capabilities of our central trading procurement house in Luxembourg, which is responsible for oversight of our supplier network throughout Europe and beyond.

To support market-driven growth, our supply chain team worked throughout 2022 on ensuring that gategroup's digital business platform aligns fully with our business capabilities, customer priorities and product development. Our goal is to increase gategroup's dexterity in responding to market trends. To that end, we are developing cross-sectoral teams whose fusion of technology and business expertise encourages greater depth and breadth of perspective on managing risks and interdependencies. This approach empowers employees to collaborate on sound and secure means of pursuing top-line growth and promotes a system of shared responsibility for outcomes.

The results achieved by our combined procurement and supply chain team affirm our decision to centralize this essential function. While business around the world continued to be disrupted by supply chain challenges, our centralization strategy empowered our procurement specialists and streamlined the process of sourcing from geographically diverse vendors. The benefits of this approach extend to cost management: our global procurement reach equips us with a means of reducing the impact of rising prices. This, in turn, strengthens our ability to deliver the volume of meals and the quality of dining experience required by our customers.

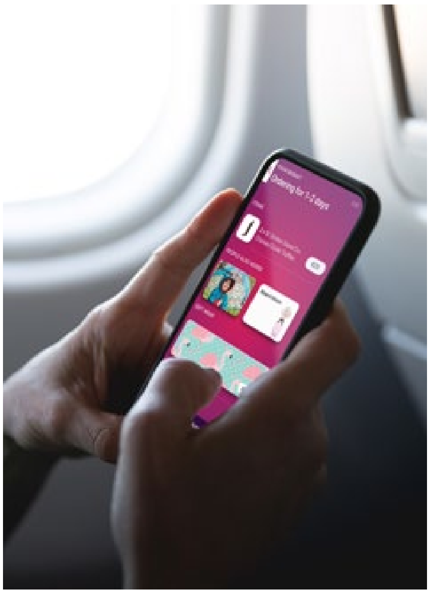
The procurement team is equally adept at meeting shareholder requirements by unlocking methods of reducing the costs of office and mobile technology, kitchen equipment, our transport fleet and operating expenses. Each of these factors contributes to our ability to manage risk, verify the value of our processes and systems and optimize top- and bottom-line performance.

The business landscape, like the future, holds a variety of uncertainties — those enterprises can anticipate and those that take the world by surprise. A strong logistics, procurement and supply chain function puts gategroup in the best position to respond swiftly and effectively as we encounter these unknowns. Our investments in this area of our business support our ability to maintain uninterrupted operations and sustain our reputation as a reliable partner to regional, national and global leaders in all the markets and industries we serve.

Our business

Innovative technology

Customization is key to the value we offer to our partners and end consumers across gategroup's existing and emerging business lines. IT is the backbone of our ability to deliver the caliber of quality and the diversity of products, services and experiences associated with the gategroup name.



To uphold those standards, we developed and continually augment proprietary IT capabilities that align with current performance, security and remote-access demands. By maintaining IT talent and expertise in-house, we ensure gategroup's capacity for anticipating and quickly responding to to emerging requirements in customer-facing technologies. This model also equips us to scale our IT solutions to growth in our existing business lines and opportunities to expand our presence in new markets or service sectors.

Partnership with our customers is among our guiding principles. In keeping with that priority, we continually invest in our IT solutions to ensure their end-to-end interoperability with existing customer systems, connectivity with their tools and user-friendly platforms for managing implementations. In this way, we position gategroup's IT as an asset that serves customer relationships, preserves our competitive position and strengthens our value proposition. After focusing on upgrades to our ERP services in 2021, we identified cybersecurity and access to data as our IT priority for 2022, with the result of improved data security, enhanced compliance, increased trust with our customers, streamlined operations and strong competitive advantage. We continue to evaluate the potential value of artificial intelligence and machine learning as a tool for automating internal and customer-facing processes such as accounts payable/accounts receivable management, permanent inventory and predictive analytics. In addition, we are monitoring advances in data mining that can create opportunities for further customization of end-customer experiences — for example, by tracking frequent flyers' food preferences.

These examples illustrate the depth and breadth of IT's integration into gategroup's operating model and pursuit of the company's business objectives. This approach to technology mirrors our core values and our commitment to delivering outstanding services and memorable culinary experiences.

Our people

"WITH OPERATIONS IN 60 COUNTRIES, DIVERSITY IS INTRINSIC TO WHO WE ARE, AND ONE OF OUR PRIORITIES IS MAKING SURE THAT ALL OUR TEAM MEMBERS ARE COMFORTABLE BEING WHO THEY ARE AT WORK.

Our plan for expansion of gategroup's business lines reflects a vision of the future not just for our company, but also for the members of our team. We depend on their dedication and initiative to ensure that we achieve our objectives. And we are, in turn, committed to ensuring that gategroup provides rewarding careers and ongoing opportunities for professional development.

It's equally important that we foster a culture that makes every employee feel valued and welcome. With operations in 60 countries, diversity is intrinsic to who we are, and one of our priorities is making sure that all our team members are comfortable being who they are at work. But we're also invested in who they can become and in providing the training and guidance they need to continue learning, remain engaged and contribute their full potential to our shared long-term success.

THAT'S THE BOTTOM LINE: OUR PEOPLE AND OUR COMPANY MUST PROGRESS TOGETHER.

As we execute our growth strategy, gategroup must evolve as an employer as well as a company. Sustainable relationships are a cornerstone of our operations, and that principle extends to our desire to offer people lifelong careers where that is possible. To achieve that aim, we must invest in nurturing trust within our team, strengthening employees' understanding of our roadmap and encouraging them to have a sense of ownership and participation in bringing our business vision to life.

We recognize that in exploring new directions, we are asking our team to adjust to changing expectations and work in unfamiliar ways. Especially in times of transition, they must be able to count on the organization to provide a strong enabling infrastructure and ensure clarity in our processes and procedures.

During 2022, we established the principles and priorities that will guide our enhancement of gategroup's training and development value chain during 2023. Among the steps we have outlined are upgrading our approach to talent reviews and career plans (including mobility across business lines and geographic regions) and developing formal and informal learning mechanisms, from training and development to mentoring.

Our people programs are in a moment of transition, in keeping with the transformation underway at gategroup as an enterprise. But it is precisely because of our people — the wealth of talent behind each culinary innovation we bring to market — that we are able to move forward with complete confidence. We take great pride in each member of our team, and we work continuously to ensure that being a gategroup professional is a source of pride for them.

Our people

Purpose & values

At gategroup, we believe food and travel have a common purpose. Both nourish the soul and give us the means to maintain the human connections that matter most to us.

On business trips, we fly to distant cities to strengthen relationships with customers and strategic partners — usually by engaging in conversation over a good meal.

In our personal lives, travel is a means of rekindling old friendships, spending time with distant loved ones and sharing meals and memories that have been passed down through the generations. Whether we're returning to our ancestral roots or experiencing unfamiliar lands, food and travel offer adventures that provide us with a sense of place, a deeper understanding of diverse cultures and a chance to learn more about the world and ourselves.

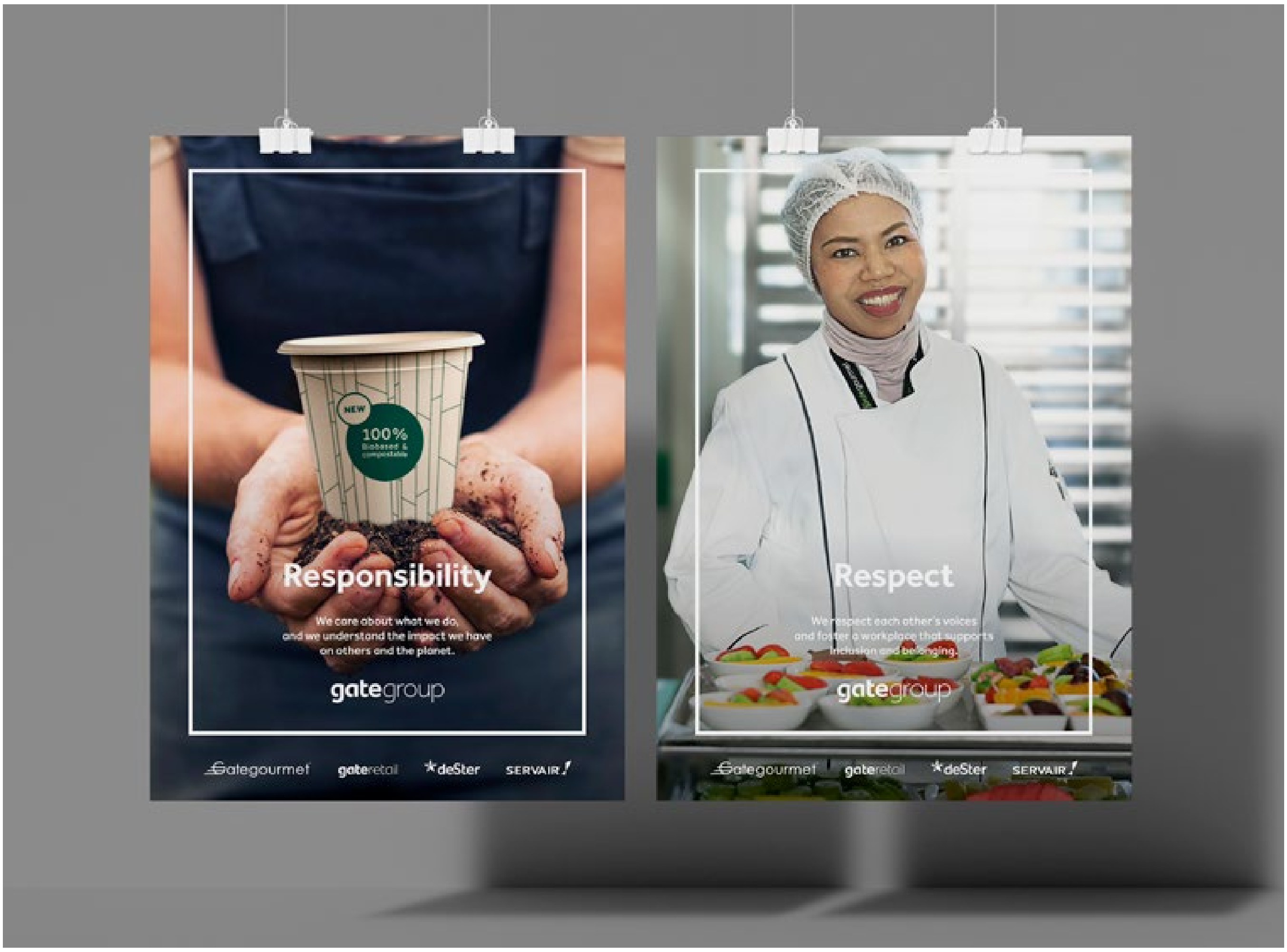
A truly outstanding journey, like a memorable feast, leaves us with an appreciation of the histories, traditions and communities that inspire our hunger to explore the world. It's our passion at gategroup to enhance every journey in which we play a role.

WE'RE EQUALLY PASSIONATE ABOUT THE JOURNEY OF THE FOOD ITSELF.

Our chefs strive to create meals that offer an authentic taste of the cultures represented by the ingredients they select. Our procurement team works from a position of sensitivity toward and respect for the suppliers who provide the raw materials we need to delight our end customers. And our entire team is committed to delivering culinary experiences that entice the senses and reflect an awareness of the growing global demand for environmental and social justice.

These are gategroup's core values. They reflect the diversity of perspectives and experiences that are among our greatest assets. Throughout the organization, our team members have the local knowledge and industry expertise necessary to provide travelers with tastes of the world's endless culinary pleasures, one plate at a time.

It's our pleasure to partner our customers in enhancing the experience, nourishing the journey and awakening people to the banquet that awaits us all each time we venture into the world.

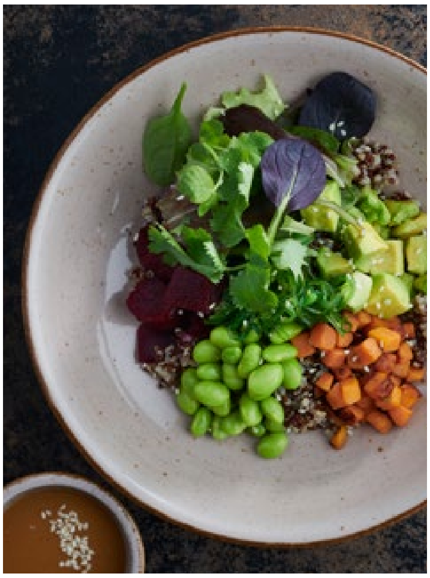


ESG

At gategroup, we take our ESG responsibilities seriously. This strategy and its goals are the result of an in-depth analysis of our material issues, challenges and opportunities.

We are committed to following the principles of the United Nations Global Compact and to engaging in regular meaningful and transparent reporting.

Locally sourced ingredients support climate action, contribute to cost management and deliver the freshest and most delicious dining experience. Our "Tasting HEIMAT" initiative, first launched in partnership with Lufthansa in 2021, is a strong example of gategroup's success in combining sustainable practice, superior nutrition and menus that give passengers a taste of local culture. Ingredients are harvested in local fields, processed by local producers and prepared fresh daily. An additional program highlight: "Tasting HEIMAT" has eliminated the use of disposable plastic.



Sustainable initiatives such as our pledge to make gategroup's entire egg supply chain cage-free by 2025 (an extension of a practice already in place in Switzerland) contribute to animal welfare and support our customers' sustainability performance targets. And our continued development of training programs likewise meets social needs in addition to supporting our financial performance. By creating jobs and opportunities in communities that struggle with unemployment, we create a sustainable platform for cultivating and retaining talent.

In 2022, after devoting two years to gategroup's expansion into new business lines, the time had come for us to formalize the company's ESG strategy and benchmarks. Our mantra is that we must measure what we intend to manage, and in keeping with that principle, we embarked on a comprehensive ESG materiality analysis. This process was designed to identify most relevant topics for gategroup with regard to the organization's impact across the value chain and the opportunities to contribute significantly to achieving the United Nations Sustainable Development Goals.

Learn more about the UN Sustainable Development Goals (SDGs) on page 34.

We completed the materiality analysis in November 2022, put together a high level ESG Framework 2025+ and recruited a team dedicated to managing ESG at the Corporate level. As a result, gategroup entered 2023 ready to define concrete measures and KPIs for meeting the goals defined in the ESG framework. Among the ambitions we will be continuously tracking for the next three years are:

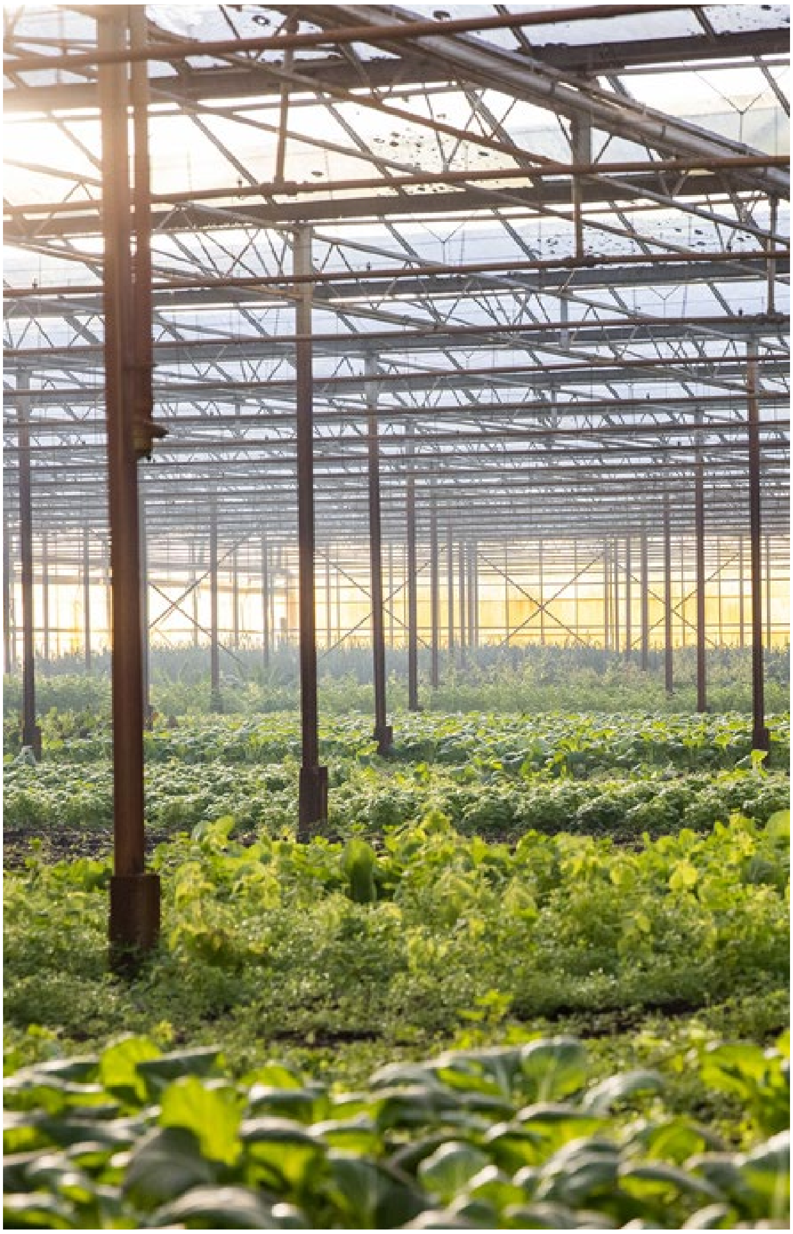
- Implementation of water, wasteand CO_2 emission reductions
- Establishment of a path to Net Zero
- Development of an organization-wide integrated Diversity, Equity and Inclusion framework
- Evolution of our workplace health and safety culture
- Creation of a structured framework for community engagement
- Integration of ESG practices throughout the organization and within the enterprise risk management process
- Development and rollout of a responsible supply chain program
- Collaboration with our customers to increase the depth of ESG offerings across all business lines

As the development and implementation of the ESG framework evolves, in the interest of transparency, we are committed to the continuous increase of in-depth non-financial reporting that adheres to best practice and international reporting standards.

In addition to establishing the Global ESG team, we chartered an ESG Committee in late 2022. Composed of global heads of Compliance, Procurement, HR and other relevant functions, it will be responsible for oversight and enforcement of gategroup corporate mandates on such issues as environmental stewardship, health and safety, diversity and inclusion, responsible supply chain, human rights and corporate governance. Its scope of focus includes collection, processing and analysis of ESG-relevant data to be used to progress toward our goals and to be included in the annual ESG report.

The Committee is chaired by gategroup's Chief Operating Officer and assists him in shaping and implementing the company's ESG strategy. On a quarterly basis, the COO will provide strategic guidance with respect to ESG matters to gategroup's Executive Management Team (EMB), which is responsible for issuing resolutions for the ESG Committee to put into action.

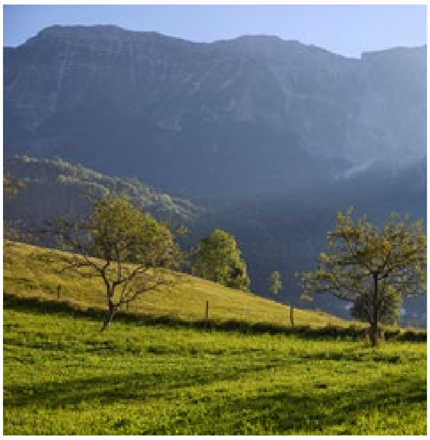
This work is an ongoing process that requires continual dialog with all key stakeholders. We will engage with industry associations, suppliers, customers and community members regarding evolving issues and regulatory matters. These exchanges of information and ideas will strengthen our ability to reduce negative impacts and make a positive contribution to the international sustainability agenda.



That international focus comes naturally to us as a company with operations in 60 countries. We look at every challenge and every opportunity to innovate from local and global perspectives, and our ESG approach will follow that model. Thus, as we are building our internal ESG infrastructure and processes, we have also taken steps with an impact beyond the parameters of our operations. For example, gategroup has joined the UN Global Compact at the corporate level, and we plan to actively engage in its cross-industry working groups to address the topics most relevant for us.

Although we have been conscious of ESG priorities for many years and have made those an integral part of gategroup's Code of Conduct, we are very much at the initial stages of formalizing our ESG practices and reporting activities. While we are confident that our efforts in this first phase have the potential to deliver positive results by 2025, we also understand that this is just the start of the journey. Time and deliberation are required to arrive at the right answers to the right ESG questions.

We know there are opportunities to put our resources to more efficient use and to transform our purpose and values from concepts to principles that we live consistently and factor into our day-to-day decision-making. It is an exciting venture and one that we have no doubt will increase our capacity to deliver superior solutions to our customers, become an employer of choice, achieve strong performance for our investors and provide positive results for the well-being of our planet.



OUR AMBITION IS TO BE A NET ZERO COMPANY BY 2050

The benefits of running an environmentally responsible business extend from protecting our planet to supporting our customers' and gategroup's own operational efficiencies and profit margins. Examples of our environmental actions to date include those that focus on reducing packaging waste, decreasing dependence on single-use plastics and increasing use of locally grown and produced foods. In addition, we are making strides toward increased reliance on renewable energy sources at our facilities and in our operations, and we are conducting ongoing research into strategies for building and running more climate-friendly kitchens.

As part of the materiality assessment conducted in 2022, we identified three areas as particularly relevant for gategroup's environmental management program: optimizing water use, reducing waste and minimizing the organization's CO_2 footprint. One of the clear long-term ambitions set here was to become a Net Zero Business by 2050.

We are in the process of defining concrete targets and metrics to track our progress in these areas. Detailed information will be provided in the separate ESG report that will be published in Q2 2023.

We aim to align with our commitment to working in support of the United Nations Sustainable Development Goals. Within the environmental arena, we see gategroup as capable of making especially meaningful contributions to realizing Goals 12 (Responsible consumption and production), 13 (Climate action), 14 (Life below water) and 15 (Life on land).

These initiatives are designed to ensure that serving customers' needs and serving as caretakers of the planet are inextricably linked in the way gategroup does business across the globe.

OUR MISSION INCLUDES RESPONDING TO REFUGEE CRISES WORLDWIDE

Our social mission extends from the workplace, where we are committed to providing opportunity and respect to every member of our team, to the communities in which we operate. These commitments are intertwined, as part of being an employer of choice involves empowering our employees to identify needs in their communities that we as a company can help to address.

As a culinary company, we have always felt a calling during times of humanitarian crisis to provide sustenance to people in need. During 2022, gategroup joined in efforts coordinated by the Swiss NGO Cuisine sans frontières (Kitchens without Borders) at the outset of Russia's invasion of Ukraine. We are proud to have been among the first responders providing meals to Ukrainian refugees who sought safety in Romania. Our collaboration with Cuisine sans frontières extends from Eastern Europe to South America, where since 2019 we have provided new employment skills and state-recognized professional certification to indigenous peoples in Ecuador.

At the same time, we are proud to participate in programs that offer displaced people a chance to regain their ability to provide for themselves and their families. Those complementary areas of social focus played a prominent role throughout 2022 in gategroup's work serving communities across the globe. In the United States, gategroup continued its hiring outreach to refugees who resettled in the country from Afghanistan. The program launched in 2021 and resulted in 92 hires over its first three months. As a partner of the Tent Coalition for Refugees in the U.S., we committed in 2022 to hiring 1,000 refugees in the country over three years.

Another U.S. social partner is the all-volunteer nonprofit Project Isaiah, which operates in 11 cities. Each week, those volunteers deliver more than 350,000 boxed meals to domestic violence and homeless shelters, community food banks, senior housing facilities and organizations helping youth and disabled people. Grassroots-level support is central to our model of combining institutional, corporate-wide assistance with opportunities for our employees to address issues of need they see in their home communities.

We will engage with those host communities to raise awareness of opportunities to work, grow and prosper as a gategroup employee. This positions us to serve the dual purpose of offering assistance to those who cannot provide for themselves as well as professional and financial self-sufficiency for those in need of career opportunities.

EXPANDING OUR SCOPE OF GOVERNANCE AS WELL AS OUR BUSINESS LINES

Our principles and rules of corporate governance are codified within gategroup's Articles of Incorporation, the Organizational Regulations of the Board of Directors and the Charters of the Board Committees. In addition, gategroup's Code of Conduct — known as the company's ethical compass — provides a roadmap for not only complying with the law but living by our values. The Code of Conduct includes guidance on such matters as making ethical decisions, being willing to speak out, treating one another and our business partners fairly and adhering to the highest standards of responsibility as a global corporation.

The Board of Directors, which met nine times during fiscal 2022, reviews these documents regularly and, with the leadership team, updates them in response to evolving business requirements.

Given the transformation of gategroup that began with our response to Covid-era disruptions, we determined during 2022 that the company would benefit strategically from a comprehensive review of our governance documents and functions. This includes the Code of Conduct and our risk management policies as well as explicit new policies, such as those on Labor & Human Rights, Environmental management, as well as integration of ESG into the enterprise risk management process during 2023.

Having acted on opportunities to develop new business lines, we have succeeded in transitioning to a new phase of gategroup's growth. We have become a different company, and with the expanded breadth of our scope and interests comes the challenge of regulatory compliance across a greater number of sectors. In today's rapidly changing regulatory landscape, we must take responsibility for ensuring that our approach to governance policies and practices is optimized for the way gategroup does business today.

This review, which we expect to complete in 2023, will affirm gategroup's longstanding commitment to operating with full transparency and accountability and to upholding the standards of conduct expected of an industry leader.

SUSTAINABLE DEVELOPMENT GOALS

"The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 Sustainable Development Goals (SDGs), which are an urgent call for action by all countries - developed and developing - in a global partnership. They recognize that ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality, and spur economic growth – all while tackling climate change and working to preserve our oceans and forests."

- The United Nations Department of Economic and Social Affairs

As a signatory to the UN Global Compact, we have committed to doing our part to realize these goals.

gategroup

H.E. António Guterres
Secretary-General
United Nations
New York, NY 10017
USA

Glattbrugg, October 31st, 2022

Dear Secretary-General,

I am pleased to confirm that gategroup supports the Ten Principles of the United Nations Global Compact on human rights, labour, environment and anti-corruption. With this communication, we express our commitment to making the UN Global Compact and its principles part of the strategy, culture and day-to-day operations of our company, and to engaging in collaborative projects which advance the broader development goals of the United Nations, particularly the Sustainable Development Goals. As part of our commitment, gategroup will make a clear statement of this commitment to our stakeholders and the general public.

We recognize that a key requirement for participation in the UN Global Compact is the annual submission of a Communication on Progress (CoP) that describes our company's efforts to implement the Ten Principles. We support public accountability and transparency, and therefore commit to report on progress starting the calendar year after joining the UN Global Compact, and annually thereafter according to the UN Global Compact CoP policy. This includes:

• A statement signed by the chief executive expressing continued support for the UN Global Compact and renewing our ongoing commitment to the initiative and its principles. This is separate from our initial letter of commitment to join the UN Global Compact.
• The completion of the online questionnaire of the Communication on Progress through which we will disclose our company's continuous efforts to integrate the Ten Principles into our business strategy, culture and daily operations, and contribute to United Nations goals, particularly the Sustainable Development Goals.

Sincerely yours,

Mr. Christoph Schmitz
CEO gategroup

Gategroup Holding AG
Sägereistrasse 20
8152 Glattbrugg
SWITZERLAND

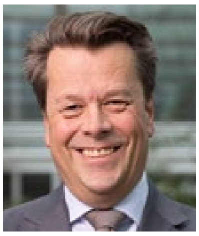
Tel. +00 41 44 533 70 00
www.gategroup.com

Our leadership team

CHRISTOPH SCHMITZ

CHIEF EXECUTIVE OFFICER,
MEMBER OF THE BOARD

Christoph Schmitz was appointed Chief Executive Officer of gategroup effective November 1, 2021 and is a Member of the Executive Management Board. Prior to his appointment, he served as gategroup's Chief Financial Officer since January 2015. Before joining gategroup, he was CFO at Wild Flavors, an international supplier of ingredients to the food and beverage industry, where he successfully implemented a private equity-supported buy, build and exit strategy. Prior to this Mr. Schmitz held various C-level roles at several multinational companies in North America, Australia, Germany and India. Mr. Schmitz has over 20 years of experience in executive management roles, holds an MBA from the Rotman School of Management at the University of Toronto and an M.Sc. in Business Management.



HERMAN ANBEEK

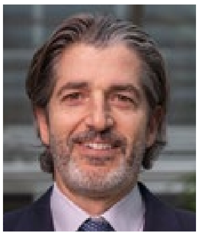
PRESIDENT AMERICAS, EUROPE AND MIDDLE EAST

Herman Anbeek was appointed President, Americas, Europe & Middle East in June 2015 and is a Member of the Executive Management Board. Mr. Anbeek previously served as Group Senior Vice President and President Emerging Markets in March 2012 and was promoted to President, Airline Solutions in September 2014. Before this, Mr. Anbeek held the position of Chief Commercial Officer from June 2007. In addition to experience in consulting and the retail sector, Mr. Anbeek has profound knowledge of the aviation and airline catering industries. Before joining gategroup, he held several roles at LSG Skychefs and KLM in the Netherlands and the Caribbean. Mr. Anbeek holds a Master of Science in Business Engineering from the University of Technology, Enschede, The Netherlands.

ALEXIS FRANTZ

PRESIDENT SOUTHERN EUROPE AND AFRICA

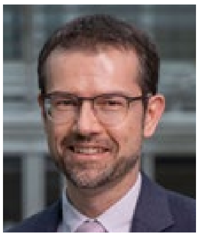
Alexis Frantz was appointed gategroup's President Southern Europe & Africa in January 2019 and is a Member of the Executive Management Board. Appointed Chief Executive of Servair in January 2019, Mr. Frantz has extensive experience in the airline industry. Prior to this role he was Corporate Secretary and member of the Executive Committee at Servair. He joined Servair from Air France in 2013 as Director of Strategy and held several leadership positions before being appointed Head of Organization and Communication for Ground Operations. Mr. Frantz holds an MS from the École Polytechnique and an MBA from the Kellogg School of Management in Chicago.



FEDERICO GERMANI

CHIEF COMMERCIAL OFFICER AND
PRESIDENT LATAM & APAC

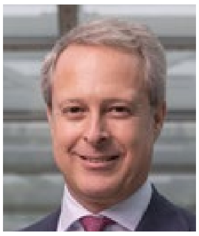
Federico Germani joined gategroup in October 2017, and currently serves as Chief Commercial Officer and is a Member of the Executive Management Board. Mr. Germani is a seasoned aviation industry expert with more than 14 years of experience in the LATAM Group where he held the position of Corporate Senior Vice President for Services and Innovation, and several corporate global leadership roles first based in the U.S. and later in Brazil. Before joining LATAM Group, Federico held leadership roles in McKinsey, Goldman Sachs and IBM. Mr. Germani holds an MBA in marketing and finance from the Kellogg School of Management and an MSc in Industrial Engineering from Instituto Tecnologico of Buenos Aires.



URS SCHWENDINGER

CHIEF FINANCIAL OFFICER

Urs Schwendinger was appointed Chief Financial Officer of gategroup in November 2021 and is a Member of the Executive Management Board. Mr. Schwendinger brings over 18 years of airline catering experience with him. Before his appointment to Group CFO, he held a variety of senior financial roles within gategroup including Vice President Group Controlling and M&A as well as regional CFO roles in North America and prior to that in Asia Pacific & Middle East. Prior to joining gategroup he gained experience in the banking industry with UBS as well as the telecom industry with Sunrise Communications in Switzerland. Mr. Schwendinger holds an MBA in Supply Chain Management from the Swiss Federal Institute of Technology Zurich (ETH) as well as a BSc in Business Administration.



FRANCISCO MORENO

CHIEF OPERATING OFFICER

Francisco Moreno assumed the role of Chief Operating officer in January 2022 and is a Member of the Executive Management Board. Mr. Moreno heads Operations, IT, Procurement & Supply Chain and Sustainability globally. Mr. Moreno joined gategroup in January 2017 as Chief of Strategy and HR Officer. Mr. Moreno led the definition of gategroup's Gateway 2020 strategy in 2015, the organization development and post-merger integration efforts of IFS, Servair and LSG Europe. Before joining gategroup, Mr. Moreno held leadership roles in Accenture Strategy in the UK and A.T. Kearney in Spain where he specialized in corporate strategy and organization, M&A and post-merger integration, transformation and operational improvement programs. Mr. Moreno holds an MBA from INSEAD, an MSc in Electrical Engineering from ICAI (Univ. Pontificia de Comillas) and a BA in Economics from San Pablo CEU University

DR. JEANETTE HRON

CHIEF PEOPLE OFFICER

Dr. Hron joined gategroup in October 2022 as Chief People Officer, a position she previously held for Europe & Middle East at Compass Group. She brings to her work in the catering industry two decades of executive leadership experience in several other sectors at market-leading companies such as Munich RE, Novartis / Sandoz and Danone. Dr. Hron serves as an ambassador for diversity, equity and inclusion within the company and champions gategroup's values of excellence, responsibility, passion and respect. Following completion of her studies in Psychology in Switzerland, she earned a PhD in Organizational Psychology at the Ludwig-Maximilians-University in Munich. Career moves have given Dr. Hron the opportunity to live and work in Germany, France and Switzerland.

ANGELA PETZOLD THEILER

CHIEF LEGAL OFFICER

Angela Petzold Theiler has served as gategroup's Chief Legal Officer and Corporate Secretary since November 2021. Ms. Petzold Theiler served in the Corporate and M&A department of Niederer Kraft & Frey AG, one of Switzerland's top law firms. Before joining gategroup, she ran the legal departments of the Americas and, thereafter, the EMEA region and served as corporate secretary for Barry Callebaut, the world's leading manufacturer of high-quality chocolate and cocoa products. Ms. Petzold Theiler is qualified to practice law in Switzerland and holds two Masters of Laws degrees, from the University of Zurich (lic.iur.) and Northwestern University School of Law, Chicago (LLM).

Our leadership team

Board of Directors

TIMO VÄTTÖ

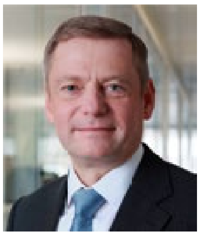
CHAIRMAN OF THE BOARD

Timo Vättö has 30 years of experience in financial services industry, strategy, financing, and M&A. He serves on the Board of Directors of various international companies, among which Evalueserve Holdings AG, IHAG Holding AG and Rettig Group. Previously, he served as Chairman at Altisource Portfolio Solutions SA (2009-2019), KYC Exchange Net AG (2013-2019) and Director at Citibank Switzerland (2004-2009). Prior to 2008, served 20 years at Citigroup in Corporate and Investment Banking (CIB). He holds a Master of Science, Economics and Business Administration from the University of Tampere, Finland.

RICHARD ONG

MEMBER OF THE BOARD

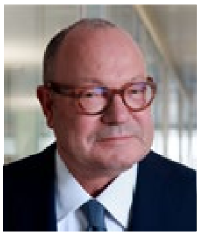
Richard Ong is the founder, chairman and chief executive officer of the RRJ Group. Prior to founding the RRJ Group, Mr. Ong was a co-founder and chief executive officer of HOPU. He served as gategroup's chairman of the board from April 2019 until June 2021. Prior to 2008, Mr. Ong had a 15-year career with Goldman Sachs. Based in Beijing, he was partner and co-head of the Asian Investment Banking Division (ex-Japan). He became a managing director of Goldman Sachs in 1996 and a partner in 2000. Mr. Ong was also a member of the Goldman Sachs Asian Management Committee. Prior to his transfer to Goldman Sachs Gaohua Securities Co. Ltd. in Beijing, he was the co-president of Goldman Sachs Singapore. Richard also has experience working in Hong Kong, and prior to joining Goldman Sachs, Mr. Ong worked in New York City for Chase Manhattan Bank and Prudential-Bache Capital Funding. Mr. Ong graduated from Cornell University with a Bachelor of Science and MBA from the University of Chicago.



UWE KRUEGER

MEMBER OF THE BOARD

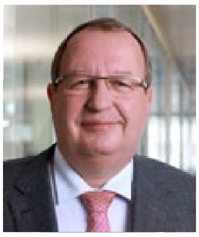
Dr. Uwe Krueger joined Temasek in January 2018, and is currently Joint Head, Portfolio Management Group and Head, Industrials, Business Services, Energy & Resources. Prior to Temasek, Dr. Krueger was the Chief Executive Officer of WS Atkins plc, one of the world's largest engineering firms providing professional, technology-based consultancy and support services globally to private and public sector clients. Prior to Atkins, he was the President of Cleantech Switzerland. He was also an Operations Director and Senior Advisor with TPG Capital, based in London and San Francisco. Before TPG Capital, he was the Chief Executive Officer of OC Oerlikon Management AG and assumed multiple roles with Hochtief AG, among them CEO Central/Eastern Europe (Warsaw, Moscow) and Chairman Turner International (Dallas/US). He started his career as a Project Manager with A.T. Kearney. Dr. Krueger currently serves on the Board of Aggreko plc. He previously served on the Boards of SUSI AG, Ontex S.A., and was a Member of the Swiss Federal Nuclear Commission. Dr. Krueger holds a PhD from University of Frankfurt and was conferred an Honorary Doctorate from Heriot-Watt University, Edinburgh. He also holds an Honorary Professorship of Physics at Johann Wolfgang Goethe University, Frankfurt. He received the European CEO of the Year Award in 2016.



ANDREAS SCHMID

MEMBER OF THE BOARD

Andreas Schmid is an entrepreneur and has served as Chairman and co-owner of Helvetica Capital AG since 2017 and as Chairman of the Board of Zurich Airport since 2000. In 2008 Andreas Schmid was elected into the Board of Steiner AG and two years later into the Board of Wirz Partner Holding AG, where he has served as Chairman of the Board since 2017. In 2014 he was named Chairman of the Board of Trustees of Avenir Suisse and in 2017 was elected to the Board of The Radisson Hotel Group. Formerly, Mr. Schmid was Chairman of gategroup from 2009 until 2015. He was appointed Chairman and CEO of Barry Callebaut AG 1999, where he subsequently served as Vice-Chairman until 2014 and thereafter as member of the Board of Directors until 2017. Between 2002 and 2006 Mr. Schmid chaired the Board of Directors of Kuoni Travel Holding AG and between 2007 and 2011, he chaired the Supervisory Board of Symrise AG. Mr. Schmid holds a master's degree in law (lic. iur.) from the University of Zurich, where he also studied economics and management.



BJÖRN BAJAN

MEMBER OF THE BOARD

Mr. Bajan is a business lawyer with over 30 years of experience as partner in a Zurich law firm as well as Executive Manager and Member of the Board in various Swiss and international corporations. He is presently the Chairman of Susi Partners AG in Zurich, a leading sustainable infrastructure investor. He also served as Executive Board member of OC Oerlikon Corporation AG, one of the world's leading high-tech industrial companies and as Corporate Secretary and Board Advisor of Landis+Gyr. Mr. Bajan holds a degree in Law from the University of Zurich and is a member of the Zurich Bar. Additionally, he earned a Master of Law in international Business Law from the University of London.

THOMAS WEYER

MEMBER OF THE BOARD

Thomas Weyer serves as Chief Financial Officer of Munich Airport GmbH since 2011. He is currently Chairman of the Supervisory Board of Aeroground GmbH, Medicare GmbH and FMBau GmbH. From 2008 to 2010, he served as Chief Operating Officer of Munich Airport GmbH, and from 2004 to 2008 as Managing Director of Berlin Airports GmbH and member of the Supervisory Board of Globeground Berlin GmbH. Prior to joining Berlin Airports, he served 14 years at HOCHTIEF AirPort and Infrastructure, HOCHTIEF AG, Philipp Holzmann AG and Mobay Corporation. He holds an MBA from Duquesne University, a Master's in Civil and Struct. Engineering (Dipl.-Ing.) from TU Aachen and studies in marketing and finance from the University of Evansville, USA.

VIVIAN LAM

MEMBER OF THE BOARD

Vivian Lam serves as CEO of RRJ Management (HK) Limited since 2011. She is a home-grown seasoned private equity investor with 20 years direct investment experience and has been active in promoting Green Finance and ESG. Prior to joining RRJ, Vivian spent more than 11 years working in the Hong Kong and Shanghai offices of GE and GE Capital, and 1.5 years at PwC. She is a Chartered Accountant and Financial Analyst (CFA) and holds an MBA from Chicago Booth School of Business and a BBA from the University of Hong Kong with First Class Honors.

BERNIE HAN

MEMBER OF THE BOARD

Bernie Han is a 20-year veteran of the airline industry and currently serves as member of the Board of Directors of Frontier Airlines. He served as President and CEO and Frontier Communications from 2019 to 2021, and previously held several senior roles at DISH incl. EVP Strategic Planning, COO and CFO from 2006 to 2018. Prior to DISH, he spent 20 years in the aviation industry holding several senior roles at companies such as American West Airlines, Northwest Airlines and American Airlines. He holds a Master of Business Administration, Master of Electrical Engineering and Bachelor of Science degrees from Cornell University, USA.

Financial report 2022

Consolidated financial statements

Consolidated Financial Statements

Consolidated Income Statement

in CHF m	Notes	2022	2021
Total revenue	6	**3,874.6**	**2,097.0**
Materials and service expenses		(1,457.4)	(686.1)
Personnel expenses	7	(1,750.4)	(1,021.2)
Other operating expenses, net	8	(584.4)	(366.0)
Impairment charges	16	(2.4)	–
Depreciation and amortization	16, 17, 18	(187.6)	(203.4)
Other gains and (losses), net	9	2.7	(1.2)
Total operating expenses		**(3,979.5)**	**(2,277.9)**
Operating loss		**(104.9)**	**(180.9)**
Financial income	10	1.5	1.5
Financial expenses	10	(133.0)	(124.9)
Share of result of associates and joint ventures	11	0.7	(6.1)
Loss before tax		**(235.7)**	**(310.4)**
Income tax expenses	20	(10.2)	(14.9)
Loss for the year		**(245.9)**	**(325.3)**
thereof attributable to shareholders of the Company		(251.7)	(323.9)
thereof attributable to non-controlling interests		5.8	(1.4)

Consolidated Statement of Comprehensive Income

in CHF m	Notes	2022	2021
Loss for the year		**(245.9)**	**(325.3)**
Items that will not be reclassified to profit or loss			
Remeasurement gains on defined benefit plans, net of taxes	20, 21	205.9	124.2
Items that may be reclassified subsequently to profit or loss			
Currency translation differences arising during the year, net of taxes		6.6	26.9
Other comprehensive income		**212.5**	**151.1**
Total comprehensive income		**(33.4)**	**(174.2)**
thereof attributable to shareholders of the Company		(37.4)	(171.9)
thereof attributable to non-controlling interests		4.0	(2.3)

The accompanying notes form an integral part of these Consolidated Financial Statements.

Consolidated Balance Sheet

in CHF m	Notes	December 31, 2022	December 31, 2021
Cash and cash equivalents	*12*	208.1	246.6
Trade receivables	*13*	380.2	275.1
Other current receivables and prepayments	*14*	214.2	173.2
Inventories	*15*	203.6	162.6
Current income tax assets		10.0	14.0
Total current assets		**1,016.1**	**871.5**
Property, plant and equipment	*16, 18*	829.4	914.1
Intangible assets	*17*	1,052.0	1,128.2
Investments in associates and joint ventures	*11*	28.8	27.1
Financial assets at fair value through profit or loss	*19*	20.7	27.0
Other non-current receivables		108.6	129.2
Deferred income tax assets	*20*	9.4	24.4
Total non-current assets		**2,048.9**	**2,250.0**
Total assets		**3,065.0**	**3,121.5**
Short-term debt	*22*	72.0	62.9
Trade and other payables	*23*	393.5	365.9
Current income tax liabilities		32.8	27.2
Short-term provisions	*24*	63.8	112.5
Other current liabilities	*25*	747.4	627.1
Total current liabilities		**1,309.5**	**1,195.6**
Long-term debt	*22*	2,030.1	1,887.1
Deferred income tax liabilities	*20*	36.9	42.7
Defined benefit liabilities	*21*	292.1	481.6
Long-term provisions	*24*	106.9	156.8
Other non-current liabilities	*25*	86.9	109.6
Total non-current liabilities		**2,552.9**	**2,677.8**
Total liabilities		**3,862.4**	**3,873.4**
Equity attributable to shareholders of the Company		(877.0)	(833.2)
Non-controlling interests		79.6	81.3
Total equity		**(797.4)**	**(751.9)**
Total liabilities and equity		**3,065.0**	**3,121.5**

The accompanying notes form an integral part of these Consolidated Financial Statements.

Consolidated Statement of Changes in Equity

in CHF m	Share capital	Treasury shares	Retained earnings and other reserves	Currency translation	Total	Non-controlling interests	Total equity
	Attributable to shareholders of the Company						
At January 1, 2022	**180.6**	**(4.1)**	**(1,007.7)**	**(2.0)**	**(833.2)**	**81.3**	**(751.9)**
(Loss)/Profit for the year	–	–	(251.7)	–	(251.7)	5.8	(245.9)
Other comprehensive income	–	–	205.6	8.7	214.3	(1.8)	212.5
Total comprehensive income	**–**	**–**	**(46.1)**	**8.7**	**(37.4)**	**4.0**	**(33.4)**
Effect of hyperinflation accounting	–	–	(4.6)	–	(4.6)	–	(4.6)
Change in ownership of subsidiaries without loss of control (Note 25)	–	–	(2.0)	–	(2.0)	–	(2.0)
Change in non-controlling interests	–	–	0.3	(0.1)	0.2	(0.2)	–
Dividends paid to non-controlling interests	–	–	–	–	–	(5.5)	(5.5)
At December 31, 2022	**180.6**	**(4.1)**	**(1,060.1)**	**6.6**	**(877.0)**	**79.6**	**(797.4)**
At January 1, 2021	**135.5**	**(4.1)**	**(785.4)**	**(30.7)**	**(684.7)**	**85.2**	**(599.5)**
Loss for the year	–	–	(323.9)	–	(323.9)	(1.4)	(325.3)
Other comprehensive income	–	–	123.3	28.7	152.0	(0.9)	151.1
Total comprehensive income	**–**	**–**	**(200.6)**	**28.7**	**(171.9)**	**(2.3)**	**(174.2)**
Capital increase (Note 26)	45.1	–	(20.5)	–	24.6	–	24.6
Effect of hyperinflation accounting	–	–	(1.6)	–	(1.6)	–	(1.6)
Change in non-controlling interests	–	–	0.4	–	0.4	(0.2)	0.2
Dividends paid to non-controlling interests	–	–	–	–	–	(1.4)	(1.4)
At December 31, 2021	**180.6**	**(4.1)**	**(1,007.7)**	**(2.0)**	**(833.2)**	**81.3**	**(751.9)**

The accompanying notes form an integral part of these Consolidated Financial Statements.

Consolidated Cash Flow Statement

in CHF m	Notes	2022	2021
Loss before tax		**(235.7)**	**(310.4)**
Adjustments for:			
Finance result	10	131.5	123.4
Long-term incentive plans	27	4.3	(0.2)
Share of result of associates and joint ventures	11	(0.7)	6.1
Depreciation and amortization	16, 17, 18	187.6	203.4
Impairment charges	16	2.4	–
Other (gains) and losses, net	9	(2.7)	1.2
Cash flow before working capital and provision changes		86.7	23.5
Changes in working capital		(116.9)	(34.7)
Changes in provisions and defined benefit plans		(23.1)	(100.4)
Cash used in operations		(53.3)	(111.6)
Interest paid		(40.8)	(50.8)
Interest received		1.3	1.0
Income taxes paid, net		(5.8)	(6.9)
Cash flow from operating activities		**(98.6)**	**(168.3)**
Acquisition of subsidiaries, net of cash acquired	29	–	(100.0)
Purchase of property, plant and equipment	16	(39.8)	(22.0)
Purchase of intangible assets	17	(2.9)	(4.1)
Acquisition of equity-accounted investment		(3.0)	–
Proceeds from sale of non-current assets		15.6	10.4
Payment on sale of investment		(0.6)	–
Other investing activities		(1.9)	(1.7)
Dividends from associates and joint ventures	30	0.1	–
Cash flow from investing activities		**(32.5)**	**(117.4)**
Proceeds from debt	22	181.0	473.2
Repayments of debt and principal amount of lease liabilities	22	(75.0)	(265.9)
Capital increase	26	–	24.6
Dividends paid to non-controlling interests	22	(5.5)	(1.4)
Cash flow from financing activities		**100.5**	**230.5**
Change in cash and cash equivalents		**(30.6)**	**(55.2)**
Movement in cash and cash equivalents			
At start of the year		244.7	302.7
Change in cash and cash equivalents		(30.6)	(55.2)
Effects of exchange rate changes		(10.8)	(2.8)
At end of the year	12	**203.3**	**244.7**

The accompanying notes form an integral part of these Consolidated Financial Statements.

Notes to the Consolidated Financial Statements

1 General Information

gategroup Holding AG (the "Company") and its subsidiaries (together the "Group") are the world's largest provider of airline catering services in terms of revenue. The Group also provides retail on board services as well as other services and products linked principally to airline hospitality and logistics. The Group operates a global network spanning approximately 60 countries and territories on six continents. The Company has its registered office in Opfikon, its address is Sägereistrasse 20, CH-8152 Glattbrugg, Switzerland.

As at December 31, 2022, 98.6% of the shares outstanding of the Company are held by Saffron Asset Holding Limited, Hong Kong, Zeppelin Asset Holding Limited, Hong Kong, and Esta Investments Pte Ltd, Singapore which are owned between RRJ Capital Master Fund III, Cayman Islands and Temasek Holdings (Private) Limited, Singapore. The remaining shares are held by the Company.

These consolidated financial statements were authorized for issue by the Board of Directors of the Company (the "Board") on March 10, 2023.

2 Accounting Policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied for all years presented, unless otherwise stated.

2.1 Basis of Preparation

The Group's consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the requirements of the Swiss Code of Obligations, as well as with the accounting and measurement principles described below. The consolidated financial statements are expressed in Swiss Francs ("CHF") (presentation currency) and prepared on a historical cost basis, except for certain financial assets and liabilities which are measured at fair value.

The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4 Critical Accounting Estimates and Judgments.

The entity's ability to continue as a going concern

The Group continued and even accelerated its path of operational and economic recovery in 2022. Demand for air travel increased significantly during the year, leading to an 85% increase in revenue compared to 2021, rising to CHF 3,874.6m. This is approximately 78% of the pre-COVID-19 level. This clearly shows that people want to travel again after more than two years of the pandemic. In response, the Group ramped up its business in 2022 through capacity expansions in all regions except Asia, which remained affected by COVID-19 restrictions during the year.

While this can be seen as a positive development, the economic landscape changed significantly during the year due to inflation and in some countries a restricted labor pool. As a result, the cost of doing business has become fundamentally more expensive, leading to lower operating margins and lower operating cash flows in the current period. The EBITDA margin of 2.6% compares to a pre-COVID-19 level of 8.9% in 2019.

To mitigate the negative financial impact of the COVID-19 pandemic and the adversely changed cost base, the Group has recently taken the following actions:

- Management has initiated several projects to fundamentally restore profitability ranging from renegotiating existing customer contracts, to terminating loss-making contracts, and expanding or developing higher margin products. In addition, an indirect labor hiring freeze, internal travel restrictions and reducing capital expenditure to a minimum will help to maintain liquidity.

- In addition, there were wage subsidy programs in a number of countries, which included both grants and loans for companies that had to close operations and furlough staff. These were conditional on the employees remaining on leave and the Group continuing to pay their salaries. The Group received CHF 23.2m (2021: CHF 246.0m) under these programs, which is presented within the Group's personnel expenses (Note 7).
- Furthermore, the Group received other government support programs in various countries during the year, which are not conditional. Under these programs, the Group received delayed government grants amounting to CHF 74.4m (2021: CHF 37.0m), which are presented within other operating expenses (Note 8).
- The Group has also further increased loans where the Group benefits from the support of the respective governments (Note 22).

Considering the undrawn commitments of the shareholders amounting to CHF 53.2m (CHF 173.2m undrawn on December 31, 2021, minus drawn amount in 2022 of CHF 120.0m (Note 22)), the current financial projections demonstrate that there are anticipated to be adequate resources available to allow the business to continue in operational existence for at least twelve months from the date of the authorization of these consolidated financial statements. As such, these consolidated financial statements have been prepared on a going concern basis.

2.2 Changes in Accounting Policies

The following new standards and amendments apply for the first time in 2022, but they have not had a material impact on the consolidated financial statements of the Group:

Standard	Effective date
COVID-19-Related Rent Concessions beyond 30 June 2021 – Amendment to IFRS 16	April 1, 2021
Onerous Contracts – Cost of Fulfilling a Contract – Amendments to IAS 37	January 1, 2022
Annual Improvements to IFRS Standards 2018–2020	January 1, 2022
Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16	January 1, 2022
Reference to the Conceptual Framework – Amendments to IFRS 3	January 1, 2022

Published Standards, Interpretations, and Amendments not yet applied

No published future amendments to IFRS are currently expected to have any material impact on the Group's accounting practices or on its financial position, performance and disclosure in 2023 or later.

2.3 Consolidation Accounting

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date control ceases.

The acquisition method is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets paid, equity instruments issued and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. Goodwill is measured as the excess of the sum of the fair value of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in the consolidated income statement.

If a business combination is achieved in stages, the acquirer's previously held equity interest in the acquiree is remeasured to fair value at each acquisition date and a resulting gain or loss relating to the previously held equity interest is recognized through profit or loss.

Any contingent consideration payable is measured at fair value at the acquisition date and subsequent changes to the fair value are recognized in the consolidated income statement.

All material intercompany transactions and balances, and any unrealized gains or losses arising from intercompany transactions, are eliminated in preparing the consolidated financial statements.

Gains and losses on transactions with non-controlling interests are recorded in equity.

When the Group loses control over a subsidiary the assets and liabilities, any related non-controlling interests and other components of equity are derecognized. Any resulting gain or loss is recognized in the consolidated income statement.

Associates and Joint Ventures
Associates are those entities in which the Group has significant influence, but no control, over financial and operating policies. Significant influence is presumed to exist when the Group holds, directly or indirectly, between 20.0% and 50.0% of the voting rights of the entity.

The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent of the parties sharing control for strategic financial and operating decisions, and whereby the parties that have joint control have rights to the net assets of the arrangement.

Associates and joint ventures are accounted for using the equity method and are initially recognized at cost. When the Group's share of losses in an associate or joint venture equals or exceeds its interest, no further losses are recognized unless there is a legal or constructive funding obligation. If the associates or joint ventures subsequently report profits, then the Group resumes recognizing its share of those profits only after these equal the share of losses not previously recognized. The book value of investments in associates and joint ventures consists of the share of net assets and goodwill.

In reporting the results of associates and joint ventures their accounting policies are changed where necessary to ensure consistency with the policies adopted by the Group.

2.4 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Executive Management Board ("EMB"), which has been identified as being the Group's Chief Operating Decision Maker.

2.5 Foreign Currency Translation

The consolidated financial statements are expressed in CHF, which is the Group's presentation currency. Each of the Group's entities determines its own functional currency based on the primary economic environment in which it operates. Transactions in foreign currencies are accounted for at the rates prevailing on the date of the transaction.

Monetary assets and liabilities of the Group's entities which are denominated in foreign currencies are translated using year-end exchange rates. Exchange differences are recorded as an income or expense. Non-monetary assets and liabilities are translated at historical exchange rates. When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of the net investment in a foreign operation and are recognized in other comprehensive income, and presented under currency translation in equity.

For the translation of a foreign-currency operation into the Group's presentation currency (CHF), the following rates are applied:
- year-end exchange rates for assets and liabilities,
- monthly average rates for income statement accounts and
- monthly average rates, or actual rates for significant transactions, in the cash flow statement.

This policy is applicable for all foreign-currency operations, except for operations whose functional currency is the currency of a hyperinflationary economy, for which all amounts – assets and liabilities, income statement accounts and cash flows – are translated at year-end exchange rates.

Translation differences are recorded in other comprehensive income. On disposal of a foreign operation, the related cumulative translation adjustment is transferred from equity and included in the profit or loss from the disposal in the income statement.

The principal exchange rates used were as follows:

Swiss Francs per	2022 Closing rate	2022 Annual average rate	2021 Closing rate	2021 Annual average rate
1 Australian Dollar	0.63	0.66	0.66	0.68
1 Euro	0.99	1.00	1.04	1.08
1 GB Pound	1.11	1.18	1.23	1.26
1 Swedish Krona	0.09	0.09	0.10	0.11
1 US Dollar	0.92	0.95	0.91	0.91
1 Korean Won	0.001	0.001	0.001	0.001

2.6 Hyperinflation Accounting

In 2018, the economy of the Argentine Republic was newly classified as being hyperinflationary under the criteria included in IAS 29 – Financial Reporting in Hyperinflationary Economies. In 2021 and 2022, the economy of the Argentine Republic continued to be hyperinflationary. The application of inflation accounting requires restatement of the financial statements of the Argentinian subsidiary into current purchasing power, which reflects a price index at the end of the reporting period, before being included in the consolidated financial statements. Therefore, all non-monetary items are presented in units of measure as of December 31, 2022. All items recognized in the income statement are restated by applying the change in the price index from the dates when the items of income and expenses were initially earned or incurred. For the restatement, the Group uses a conversion coefficient derived from the consumer price index in the Argentine Republic, published by the Federación Argentina de Consejos Profesionales de Ciencias Económicas. The index increased by 552.1 basis points from 582.5 as at December 31, 2021, to 1,134.6 as at December 31, 2022 (2021: increase by 196.6 basis points). The gain or loss on the net monetary position is recognized in finance result in the consolidated income statement.

2.7 Recognition of Revenue

Revenue is recognized at an amount that reflects the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. Revenue is reduced for estimated volume rebates and other similar allowances. These elements are generally determined applying the expected value method. The Group recognizes revenue when it transfers control over a product or service to a customer. Contract assets primarily relate to the Group's right to consideration for delivery of services and goods not yet invoiced. Contract liabilities consist mainly of deferred revenue, which is recognized when the consideration from the customer has been received but the performance obligations have not yet been satisfied. The Group reports revenue in the categories catering and other, retail on board and equipment as well as food service not related to the aviation business. Revenue for all categories is recognized at a point in time.

2.8 Government Grants

Grants from governments or similar organizations are recognized at their fair value when there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants received to compensate for cost are deferred and recognized in profit or loss over the period necessary to match them against the related costs that they are intended to compensate. Government grants are presented separately within personnel expenses (Note 7) and within other operating expenses, net (Note 8) in profit or loss.

2.9 Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown in the balance sheet within short-term debt.

2.10 Trade and Other Receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost, less provision for impairment. The impairment provision is calculated applying the simplified approach of the Expected Credit Loss ("ECL") model considering only the lifetime ECL. The provision includes an element based on historic credit loss experience, reflecting the average bad debt write-offs over the last three years and a forward-looking element, incorporating country specific credit default rates reflecting public information and expectation of changing conditions. Further, an additional provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization and default or delinquency in payments are considered indicators that a trade receivable is impaired.

Trade and other receivables are further classified as either current or non-current depending on whether they are expected to be realized within twelve months of the balance sheet date.

2.11 Financial Assets

The Group classifies its financial assets in the following categories: financial assets at fair value through profit or loss and financial assets at amortized cost. The classification depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. Management determines the classification of its financial assets at initial recognition and reclassifies them only when it changes the business model for managing financial assets. All purchases and sales are recognized on the settlement date.

Financial Assets at Fair Value through Profit or Loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets at fair value through profit or loss are measured at fair value and related transaction costs are expensed in the income statement. Fair value changes on a financial asset at fair value through profit or loss are recognized in the period in which they arise. Assets in this category are classified as current if they are expected to be realized within twelve months and non-current otherwise.

Financial Assets at Amortized Cost

Financial assets at amortized cost are non-derivative financial assets held to collect contractual cash flows, where those cash flows are solely payments of principal and interest on the principal amount outstanding. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except for maturities of more than twelve months which are classified as non-current assets. Amortized cost is the amount at which the financial asset is measured at initial recognition minus principal repayments, plus or minus the cumulative amortization using the effective interest rate method for any difference between the initial amount and the maturity amount, minus any reduction for impairment or collectability.

Impairment of Financial Assets

Financial assets at amortized cost are impaired based on the ECL model. At each balance sheet date the Group assesses whether the credit risk for a financial instrument has increased. For trade receivables, the Group applies the simplified approach permitted by IFRS 9.

Offsetting Financial Assets and Liabilities

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

2.12 Inventories

Inventories are stated at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Cost is determined using the standard cost method, the weighted average cost method, or the first-in first-out method. The cost of inventory comprises the purchase cost of raw materials and traded goods, as well as transport and other direct costs. Allowances are made for obsolete and slow-moving inventories. Unsaleable items are fully written off.

2.13 Up-front Contract Payments

From time to time the Group enters into contracts whereby, in some cases, an up-front payment is made to customers as an integral part of a long-term agreement. These up-front payments are recognized in other prepayments and other non-current receivables. They are amortized over the life of the related contract. The amortization charge is recorded as a reduction of revenue.

2.14 Property, Plant and Equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the assets. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and its cost can be measured reliably. The carrying amount of any replaced asset is derecognized. All other repairs and maintenance costs are charged to the income statement during the financial year in which they are incurred.

Land is not depreciated. Capitalized leased assets are depreciated over the shorter of the useful life and the lease term. Depreciation on other assets is calculated using the straight-line method to allocate cost less any expected residual value over their estimated useful lives, as follows:

– Buildings	10–40 years
– Catering and other equipment	3–10 years
– Fixtures and fittings	5–15 years
– Vehicles	3–12 years

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at each balance sheet date.

Gains or losses on the sale of property, plant and equipment are determined by comparing proceeds with the carrying amount and are included in the consolidated income statement.

2.15 Assets Held for Sale

Non-current assets or disposal groups comprising assets and liabilities are classified as held for sale if it is highly probable that their carrying value will be recovered primarily through sale rather than through continuing use. Such assets or disposal groups are measured at the lower of their carrying amount and fair value less costs to sell.

2.16 Leases

As a Lessee

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e. those leases that have a lease term of twelve months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of assets that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

At the commencement date of a lease, a lessee recognizes a liability representing its obligation to make lease payments (i.e. lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset).

Right-of-use assets are initially measured at cost and subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of useful life or the end of the lease term and are adjusted for impairment losses and any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are presented in the consolidated balance sheet under property, plant and equipment.

Lease liabilities are initially measured at the present value of the lease payments that are yet to be paid at commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's Incremental Borrowing Rate ("IBR"). As the Group cannot readily determine the interest rates implicit in the leases, the IBR is applied. Lease liabilities are subsequently measured at amortized cost using the effective interest method. The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever there is a change in cash flows based on contractual clauses that have been part of the contract since inception (e.g. change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments).

Lease liabilities are presented in the consolidated balance sheet under short-term debt and long-term debt.

As a Lessor

The lessor classifies its leases as operating leases or finance leases, and accounts for them accordingly. The Group has no material lessor arrangements other than intercompany sublease arrangements.

2.17 Intangible Assets

Goodwill

Goodwill arising on the acquisition of subsidiaries is included in intangible assets. Goodwill arising on acquisitions of associates and joint ventures is included in the carrying value of the investment and is tested for impairment as part of that investment. Separately recognized goodwill is tested at least annually for impairment or whenever there are indications of potential impairment, and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. On disposal of a Cash Generating Unit ("CGU") or an operation forming part of a CGU, the related goodwill is included in the determination of profit or loss on disposal. Goodwill disposed of is measured on the basis of the relative values of the operation disposed of and the portion of the CGU retained. Goodwill is allocated to the Group's reportable regions (groups of CGU's), being the lowest level at which the goodwill is monitored for internal management purposes.

Other Intangible Assets

Other intangible assets comprise intellectual property, customer relationship assets from acquisitions and capitalized software. Intellectual property comprises trademarks acquired in business combinations. Acquired intangible assets from business combinations are capitalized at fair value at the acquisition date. Intangible assets acquired separately are measured initially at cost. For capitalized software, capitalized costs can include purchase consideration, employee and consultant costs, and an appropriate portion of relevant overheads. Only costs that are directly associated with the purchase or internal development of identifiable software products controlled by the Group and that are designed to generate economic benefits exceeding costs beyond a one year time horizon, are recognized as capitalized software.

The useful lives of intangibles are assessed to be either finite or indefinite. Trademarks are considered to have an indefinite life if they arise from contractual or other legal rights that can be renewed without significant cost, are subject to continuous marketing support and if there is no foreseeable limit to their useful economic life. Intangible assets with finite lives are amortized on a straight-line basis over their estimated useful life, as follows:

- Customer relationships 5–30 years
- Intellectual property with finite useful life 3–25 years
- Capitalized software 2–5 years

Intangible assets other than trademarks with indefinite useful lives are assessed for impairment when events or changes in circumstances indicate that the carrying value may not be fully recoverable. The useful life is reviewed annually and changes are made on a prospective basis.

Trademarks with indefinite useful lives are tested for impairment at least annually or whenever there is an indicator of potential impairment. The useful life of a trademark with indefinite useful life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, any changes are made on a prospective basis.

2.18 Impairment of Non-Financial Assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested at least annually for impairment or whenever there are impairment indicators. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying value exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash inflows, or the reportable regions for goodwill and intellectual property. Non-financial assets other than goodwill that previously suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.19 Employee Benefits

Wages, salaries, social security contributions, paid annual leave and sick leave, bonuses, and non-monetary benefits are accrued, net of governmental support received, in the year in which the associated services are rendered by employees of the Group. Where the Group provides long-term employee benefits, the cost is accrued to match the rendering of the services by the employee concerned.

Group companies operate various pension schemes that are designed to follow local practices in the respective countries. The Group has defined benefit and defined contribution plans. The major defined benefit plans are generally funded through payments to independent pension or insurance funds, with the level of funding being determined by regular actuarial calculations.

Defined Benefit Plans

The asset or liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the accrued portion of the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension liability.

When the fair value of the plan assets exceeds the present value of the defined benefit obligation, the Group's management assesses whether this surplus is fully recoverable through refunds or reductions in future contributions. Any portion of the surplus which is not fully recoverable is not recognized.

Pension costs comprise service costs (current and past service cost) and net interest. Current and past service costs are recognized immediately in the consolidated income statement. Net interest is determined by applying the discount rate to the net defined benefit liability or asset and is recognized in the consolidated income statement.

Remeasurements of the net defined benefit liability arising from actuarial gains and losses, return on plan assets differing from the assumed interest rates and any change in the effect of an asset ceiling, are reported through the consolidated statement of comprehensive income in the period in which they arise. They are not reclassified to profit or loss in subsequent periods.

Defined Contribution Plans

Under a defined contribution plan the Group pays fixed contributions. The Group has no legal or constructive obligation to pay further contributions. Defined contribution and state administered plans may require employees to make contributions and typically enable employees to earn matching or other contributions from the Group. The funding of these plans is in accordance with statutory funding requirements. Obligations for contributions to defined contribution and state administered plans are recognized as personnel expense in the income statement as incurred.

Other Long-term Employee Benefits

Other non-current employee benefits (including among others jubilee or long service benefits) are also measured using the projected unit credit method. However, unlike the accounting required for defined benefit plans, remeasurements of the net liability (asset) are presented in the consolidated income statement and not in the consolidated statement of other comprehensive income.

Termination Benefits

Termination benefits are recognized on the date on which the Group can no longer rescind the offer of the benefit or when restructuring provisions are recorded.

Long-term Incentive Plans

The Group provides a Phantom Unit Long-term Incentive Plan to members of management. The Plan is accounted for as cash-settled share-based compensation.

The cost of the plan is recognized as personnel expense in the income statement with a corresponding charge to provisions.

2.20 Taxation

Income tax expense in the consolidated income statement is comprised of current and deferred income taxes. Transactions recognized in other comprehensive income include any related tax effects. Current income tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date together with any adjustments to tax payable in respect of previous years.

Deferred income tax is recognized based on the balance sheet liability method, which measures temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred income tax recognized is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. At each balance sheet date, the Group assesses the recoverability of its deferred income tax assets. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax assets and liabilities are offset only when the Group has a legally enforceable right to offset.

2.21 Financial Liabilities

Financial liabilities comprise predominantly trade payables, bank overdrafts, loans and lease liabilities. The Group classifies its financial liabilities into the following categories: Trade payables and other financial liabilities at amortized cost and financial liabilities at fair value through profit or loss.

Trade Payables

Trade payables are recognized initially at fair value and subsequently measured at amortized cost.

Financial Liabilities at Fair Value through Profit or Loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit and loss. They are classified as current if they are due within twelve months and non-current otherwise. They are measured at fair value and related transaction costs are expensed in the income statement. Fair value changes are included in profit or loss for the period in which they arise.

Other Financial Liabilities, including Debt
Debt and other financial liabilities are initially recognized at fair value, net of transaction costs incurred and subsequently carried at amortized cost. Any difference between the amount borrowed and the repayment amount is reported in the consolidated income statement over the duration of the loan using the effective interest rate method. They are classified as a current liability unless the Group has an unconditional right to defer settlement for at least twelve months after the balance sheet date.

2.22 Provisions

Provisions for legal claims, non-income tax disputes, onerous contracts, property disputes, restructuring costs and other matters are recognized when the Group has a present or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

A contract is onerous when the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received. If the Group has a contract that is onerous, a provision is recognized at the present value of the obligation. Restructuring provisions principally comprise employee termination benefits, legal, property and other related costs. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

2.23 Share Capital

Ordinary shares are classified as equity. Dividends on ordinary shares are recorded in equity in the period in which they are approved by the Company's shareholders.

Where the Group purchases shares of the Company, the consideration paid is recognized as treasury shares and presented as a deduction from equity unless these shares are cancelled or sold. Any consideration received from the sale of these shares is recognized in equity.

3 Financial Risk Management

3.1 Financial Risk Factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Board has put in place appropriate structures to ensure risk governance and monitoring across the Group.

The Group's overall financial risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group may use derivative financial instruments to hedge certain risk exposures.

Financial risk management is carried out by a central treasury department which identifies, evaluates and hedges financial risks where appropriate. The principles for overall financial risk management, as well as policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk, the use of both derivative and non-derivative financial instruments and the investment of excess liquidity exist and are formally documented.

Foreign Exchange Risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities, net investments in foreign operations, third party financing transactions, as well as intercompany transactions.

Whenever possible, foreign exchange risks are reduced by matching income and expenditure in the same currency and negotiating terms with suppliers that include invoicing Group companies in their functional currency.

The Group invests in foreign subsidiaries, whose net assets are exposed to currency translation risk. Generally, the intention is that currency exposure of the net assets of subsidiaries is primarily managed through borrowings denominated in the relevant foreign currencies. When appropriate, the Group enters into foreign exchange forward contracts. In 2022 and 2021, no such transactions were entered into.

The following sensitivity analysis illustrates the foreign currency risk of the material currency exposures on profit after tax and equity. If there had been a change of 5% in the underlying currency with all other variables held constant, the result from the shift in exchange rates related to financial instruments held in the balance sheet can be summarized as follows:

in CHF m	Impact on profit after tax				Impact on equity			
	2022		2021		2022		2021	
Movement against all currencies	5%	(5%)	5%	(5%)	5%	(5%)	5%	(5%)
Australian Dollar	(1.1)	1.1	(0.4)	0.4	2.2	(2.2)	2.3	(2.3)
Danish Krone	2.8	(2.8)	1.6	(1.6)	–	–	–	–
Euro	8.3	(8.3)	4.5	(4.5)	(8.3)	8.3	5.2	(5.2)
Norwegian Krone	1.6	(1.6)	1.0	(1.0)	–	–	–	–
US Dollar	5.3	(5.3)	(11.0)	11.0	(5.5)	5.5	(2.5)	2.5

Cash Flow and Fair Value Interest Rate Risk

The Group's interest rate risk is primarily driven by changes to market interest rates on financial assets and liabilities subject to variable interest and risk free rates. Together with the floating interest rates on cash balances, they form the cash flow risk which creates uncertainty over future net interest payments. The interest rate risk is limited through the issue of the fixed interest rate Bonds (nominal CHF 350.0m). The remaining exposure is addressed through the management of the fixed/floating ratio of net financial liabilities. To manage this, the Group may enter into interest rate swap agreements. At December 31, 2022 and 2021, no such interest rate derivatives were outstanding. Assets and liabilities at fixed rates only expose the Group to fair value interest rate risk in case they are classified as fair value through profit or loss (Note 19).

The primary objective of the Group's interest rate management is to protect the net interest result.

The Group analyzes its interest rate exposure on a regular basis. Various scenarios are simulated taking into consideration the sensitivity of financial assets and liabilities with variable interest rates and the refinancing of positions with a maturity of less than twelve months. Based on these scenarios, the Group calculates the impact on profit and loss of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies. The scenarios are run for interest-bearing positions.

Based on the simulations performed, at December 31, 2022, if there had been an interest rate increase of 100 basis points/decrease of 50 basis points with all other variables held constant, profit/(loss) after tax for the year would have been CHF 4.0m lower/CHF 1.9m higher (2021: CHF 4.3m lower/CHF 2.0m higher). At December 31, 2022 and 2021, other components of equity would not have been impacted.

Credit Risk

Credit risk reflects the risk that a counterparty will default on its contractual obligations, resulting in financial loss to the Group.

It is the Group's policy that customers who trade on credit terms are subject to credit verification procedures. The assessment of the credit quality of the Group's customers is reflected in the Group's internal rating system which takes into account the financial position, past experience, ownership structure, specific market conditions and other factors. In addition, receivable balances per customer are monitored, at least monthly, on a consolidated basis. The credit exposure by customer is regularly reviewed and approved by management. In cases where management assesses the trend of the exposure to any customer as unsatisfactory or in cases where the credit quality of any customer deteriorates, the Group seeks to enforce measures to reduce the exposure and might revise the payment and credit terms. The total outstanding trade balances of the Group's five largest receivable positions at December 31, 2022, constitute 32.7% (2021: 34.4%) of the total gross trade receivable amount and individually they accounted for between 3.9% and 9.0% (2021: 5.2% and 9.8%) of the total gross trade receivables. Due to appropriate provisioning, management does not expect any additional losses from non-performance by customers.

The credit risk arising from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions is limited because the Group's risk policy stipulates that a major portion of cash and cash equivalents must be placed with broadly diversified counterparties that are assessed to have a low risk of default.

Liquidity Risk

Liquidity risk arises through a surplus of financial obligations over available financial assets due at any point in time. The Group's approach to liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Group monitors its risk to a shortage of funds by reviewing short-term and mid-term cash forecasts during the year. At December 31, 2022, the Group has unused committed funds with the shareholders totalling CHF 53.2m (2021: CHF 173.2m). The financial consequences of the COVID-19 pandemic are covered in Note 2.

The following table details the contractual maturity of the Group's financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities at the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

2022 in CHF m	**1–3 months**	**3 months– 1 year**	**1–5 years**	**More than 5 years**	**Contractual value**	**Carrying value**
Debt	35.0	51.9	2,464.9	287.6	**2,839.4**	2,185.6
- thereof lease liabilities	*17.0*	*42.3*	*244.5*	*142.1*	**445.9**	*408.1*
Other non-current liabilities	–	–	10.9	1.3	**12.2**	12.2
Trade and other payables	275.8	49.6	–	–	**325.4**	325.4
Other current liabilities	274.3	319.4	–	–	**593.7**	593.7
Balance at December 31	**585.1**	**420.9**	**2,475.8**	**288.9**	**3,770.7**	**3,116.9**

2021 in CHF m						
Debt	30.9	52.9	1,226.7	1,174.5	**2,485.0**	1,950.0
- thereof lease liabilities	*17.7*	*44.9*	*260.2*	*162.5*	**485.3**	*411.2*
Other non-current liabilities	–	–	106.6	3.0	**109.6**	109.6
Trade and other payables	256.8	17.5	–	–	**274.3**	274.3
Other current liabilities	269.3	192.7	–	–	**462.0**	462.0
Balance at December 31	**557.0**	**263.1**	**1,333.3**	**1,177.5**	**3,330.9**	**2,795.9**

At the end of the reporting period, the Group had drawn CHF 426.0m (2021: CHF 433.4m) of the Revolving Credit Facility ("RCF"). The RCF may be drawn at any time to meet short-term financing needs. It is subject to a bi-annual Compliance Certificate.

3.2 Capital Risk Management

The Group's objectives when managing capital are to safeguard its status as a going concern in order to provide returns for shareholders, benefits for other stakeholders and to maintain a capital structure focused on reducing the cost of capital. To maintain or adjust the capital structure, the Group may distribute dividends, issue new shares or adjust the level of debt. The Group's existing committed credit facilities are available to the Company and certain of its subsidiaries (Note 22). The RCF and the Term Loan contain a covenant with respect to liquidity. The Company has remained in compliance with its covenants. Additional related information on going concern can be found in Note 2.

3.3 Fair Value of Financial Assets and Financial Liabilities

Financial assets are recognized at amortized cost, which approximates fair value, or at fair value (Note 19). Financial liabilities are generally recognized at amortized cost, which approximates fair value. The fixed rate five-year senior Bonds accounted for at amortized cost of CHF 346.9m (2021: CHF 346.4m) (Note 22) are quoted in an active market (Level 1 measurement) with a fair value of CHF 234.5m (2021: CHF 303.8m).

4 Critical Accounting Estimates and Judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under foreseeable circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related final outcome. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are described in the following table.

Business combination and control assessment	Assessment of control and significant influence in connection with investments in subsidiaries, associates and joint ventures, require the exercise of judgment, including the level of Board and Management involvement. Business combinations in particular require the exercise of judgment in establishing the fair values of assets and liabilities at acquisition and recognizing the elements of the transaction with the seller.	Notes 11, 29
Contingent consideration	The valuation of contingent consideration arrangements arising from business combinations is based on the evaluation of future scenarios which require significant judgment.	Note 29
Provisions	Provisions may be recorded for matters over which there is uncertainty, therefore requiring a significant degree of assumption and estimation when determining the timing and the probable future outflow of resources.	Note 24
Taxes	Provisions for income taxes require significant judgment as these are based on transactions and calculations for which the ultimate tax determination is spread over numerous jurisdictions. Deferred tax assets are based on anticipated results for the relevant taxable entity over a period of several years into the future, including interpretations of existing tax laws and regulations.	Note 20
Impairment of assets	At least once a year goodwill and intangible assets with indefinite useful life are tested for impairment. The impairment testing is based on value in use calculations requiring estimation of future sales and appropriate discount rates.	Note 17
Defined benefit obligations	In various countries there are defined benefit plans. The calculation of the defined benefit plan liability is based on actuarial assumptions of discount rates, inflation and life expectation. Such assumptions can differ substantially from actual circumstances due to changes in market conditions and economic environment.	Note 21
Financial instruments at fair value through profit or loss	Financial instruments at fair value through profit or loss require significant judgment due to limited observable market data such as the book values and the profitability of the underlying business used in the valuation process.	Note 19
Leases	The Group has certain lease contracts that include extension and termination options. The Group applies judgment in evaluating whether it is reasonably certain an option to renew or terminate will be exercised. The Group cannot readily determine the interest rates implicit in the leases. Therefore, the IBR is applied to measure lease liabilities. The Group estimates the IBR using observable inputs (such as market interest rates) when available and uses a single discount rate curve per currency for the entire group taking into account a risk-free rate (respecting the duration of the lease agreement) and the credit spread applicable to the entire Group.	Note 18

5 Segment Information

The Group is organized and managed primarily on the basis of geographic regions. The reportable segments are NWE (Northern and Western Europe), SEA (Southern Europe and Africa), CEE (Central Europe, Eastern Europe and Middle East), NA (North America), Emerging Markets (comprising Latin America and Asia Pacific) and All other segments (comprising deSter, which provides food packaging / serviceware concepts to the aviation and food service industry, and certain central activities). During the year, some entities were transferred from CEE to NWE as well as to All other segments, the latter change being to pool purchasing activities. As a result, the composition of the reportable segments has changed and consequently the previous year has been restated accordingly.

5.1 Reportable Segment Information

January – December, 2022 in CHF m	**NWE**	**SEA**	**CEE**	**NA**	**Emerging Markets**	**All other segments**	**Elimina-tions**	**Total**
External revenue	565.6	732.7	740.9	1,037.6	390.3	407.5	–	3,874.6
Intersegment revenue	6.1	3.5	14.2	5.0	–	169.0	(197.8)	–
Total revenue	**571.7**	**736.2**	**755.1**	**1,042.6**	**390.3**	**576.5**	**(197.8)**	**3,874.6**
EBITDA	**4.5**	**45.2**	**18.1**	**0.1**	**18.4**	**13.8**	**–**	**100.1**
Total segment assets	310.1	760.6	627.4	490.7	446.6	429.6	–	3,065.0
Total segment liabilities	(471.8)	(545.0)	(346.4)	(517.2)	(478.1)	(1,503.9)	–	(3,862.4)
Additions to non-current assets[1]	9.8	20.9	14.8	16.1	6.6	15.1	–	83.3

January – December, 2021 (restated) in CHF m								
External revenue	306.0	491.8	443.5	464.0	195.8	195.9	–	2,097.0
Intersegment revenue	6.3	5.0	12.4	0.5	–	79.1	(103.3)	–
Total revenue	**312.3**	**496.8**	**455.9**	**464.5**	**195.8**	**275.0**	**(103.3)**	**2,097.0**
EBITDA	**(16.4)**	**(1.1)**	**9.1**	**112.8**	**(26.9)**	**(17.0)**	**–**	**60.5**
Total segment assets	336.0	771.4	652.5	455.9	443.3	462.4	–	3,121.5
Total segment liabilities	(588.8)	(529.1)	(505.4)	(439.4)	(441.2)	(1,369.5)	–	(3,873.4)
Additions to non-current assets[1]	5.5	10.7	3.3	65.1	9.3	6.6	–	100.5

[1] Relates to property, plant and equipment and intangible assets

EBITDA is defined as earnings before interest, tax, depreciation, amortization and management fees. EBITDA excludes long-term incentive plans, restructuring costs, transaction-related costs, operating taxes (non-income taxes) and other gains and losses, net. The EMB assesses the performance of operating segments based on EBITDA. The reconciliation to operating profit as reported in the consolidated income statement is presented below. Total segment assets and liabilities reported under All other segments include amounts in Corporate entities.

5.2 Reconciliation

Reconciliation of EBITDA to operating loss

in CHF m	**2022**	**2021**
EBITDA	100.1	60.5
Long-term incentive plans (Notes 7, 27)	(4.3)	0.2
Restructuring costs (Notes 7, 8)	(1.9)	(20.2)
Transaction-related costs	(1.8)	(1.8)
Operating taxes (non-income taxes)	(10.7)	(15.2)
Depreciation (Notes 16, 18)	(156.9)	(169.8)
Amortization (Note 17)	(30.7)	(33.6)
Impairment charges, net of reversals (Note 16)	(2.4)	–
Other gains and (losses), net (Note 9)	2.7	(1.2)
Management fees, net	1.0	0.2
Operating loss	**(104.9)**	**(180.9)**

5.3 Entity-wide Disclosures

Geographic Information

Revenue by country

in CHF m	2022	2021
United States	1,064.0	465.9
Germany	589.0	384.7
France	569.2	376.9
Switzerland[I]	304.6	199.4
Other countries	1,347.8	670.1
Total[II]	**3,874.6**	**2,097.0**

[I] Country of domicile of the Company
[II] Relates to revenue from external customers

No other country represented more than 10% of revenue from external customers in 2022 or 2021.

Non-current assets by country

in CHF m	2022	2021
France	364.8	402.2
Germany	314.9	343.4
United States	288.5	306.6
Switzerland[I]	242.2	240.7
Other countries	671.0	749.4
Total non-current assets[II]	**1,881.4**	**2,042.3**

[I] Country of domicile of the Company
[II] Relates to property, plant and equipment and intangible assets

No other country represented more than 10% of non-current assets as of December 31, 2022 or 2021.

Major Customers

Two major customers accounted for 13% and 12% of 2022's total revenue respectively (2021: 13% and 12% respectively). Their revenues are attributable across all reportable segments.

6 Revenue

in CHF m	2022	2021
Catering and other	3,007.2	1,543.3
Retail on board	254.7	203.2
Equipment	287.5	128.4
Food service	325.2	222.1
Total	**3,874.6**	**2,097.0**

Catering revenue includes revenue from on board catering and related logistic services. Other revenue includes revenue from other catering and other services, the latter including laundry, aircraft cleaning, lounge and security services and asset management. Retail on board revenue comprises the sale of food and non-food products directly to passengers. Equipment revenue includes revenue from the sale of food contact items (such as cutlery, cups, glasses and plates), and comfort items (such as headsets, blankets and amenity kits). Food service includes revenue not related to the aviation business.

Payment terms are individually agreed with the Group's customers and are tailored to the specific factors relating to each customer contract.

in CHF m	2022	2021
Deferred revenue (Note 25)	(3.6)	(5.9)
Total contract liabilities	**(3.6)**	**(5.9)**

Contract liabilities are recognized and settled continuously in the normal course of business.

From time to time the Group enters into service contracts, whereby an up-front contract payment is made to a customer. These are made as an integral part of a long-term agreement with such customers. These up-front payments are recognized in other prepayments (Note 14) and other non-current receivables. They are amortized over the life of the related contract and the amortization charge is recorded as a reduction of revenue.

Movements on the up-front contract payments are as follows:

in CHF m	2022	2021
Balance at January 1	**67.4**	**84.7**
Additions	4.2	0.4
Reclassifications	(0.1)	(1.1)
Amortization charge for the year	(10.3)	(13.8)
Exchange differences	(2.3)	(2.8)
Balance at December 31	**58.9**	**67.4**

7 Personnel Expenses

in CHF m	2022	2021
Wages and salaries	(1,388.9)	(958.7)
Social security costs	(151.4)	(126.9)
Pension defined benefit plan expense (Note 21)	(22.1)	(23.4)
Pension defined contribution plan expense	(23.8)	(26.0)
Long-term incentive plans (Note 27)	(4.3)	0.2
Restructuring costs	(0.3)	(10.4)
Other personnel costs and benefits	(182.8)	(122.0)
Government grant income	23.2	246.0
Total	**(1,750.4)**	**(1,021.2)**

8 Other Operating Expenses, Net

in CHF m	2022	2021
Utility and other property costs	(211.4)	(127.6)
Operating fees and deductions	(80.4)	(48.7)
Lease related expense (Note 18)	(14.2)	(10.0)
Maintenance costs	(96.0)	(56.3)
Audit, consulting and legal fees	(58.3)	(60.7)
IT and communication costs	(85.5)	(73.6)
Administrative and operative costs	(52.6)	(38.0)
Transport and travel costs	(22.7)	(11.8)
Restructuring costs	(1.6)	(9.8)
Allowance for expected credit losses, trade and other receivables	(21.4)	(8.0)
Insurance costs	(14.0)	(11.6)
Outsourced service costs	(14.0)	(16.2)
Other operating taxes	(14.6)	(17.4)
Onerous contract provision release (Note 24)	17.1	63.0
Other operating costs	(18.0)	(16.7)
Other operating income	103.2	77.4
Total	**(584.4)**	**(366.0)**

Other operating income includes government grants received in various jurisdictions amounting to CHF 74.4m (2021: CHF 37.0m).

9 Other Gains and Losses, Net

in CHF m	2022	2021
Gain on sale of assets	3.9	1.9
Loss on sale of assets	(0.8)	(3.1)
Loss on sale of investments in associates and joint ventures	(0.4)	–
Gain on liquidation of subsidiaries	0.1	–
Loss on liquidation of subsidiaries	(0.1)	–
Total	**2.7**	**(1.2)**

The gain/(loss) on sale of assets arose from the sale of property, plant and equipment, intangible assets and other assets.

10 Finance Result

in CHF m	2022	2021
Interest income	1.4	1.0
Other finance income	0.1	0.5
Total financial income	**1.5**	**1.5**
Interest expense	(99.6)	(81.6)
Interest on lease liabilities (Note 18)	(22.5)	(19.8)
Net interest on defined benefit plans (Note 21)	(7.2)	(6.6)
Foreign exchange gains/(losses), net	9.7	(7.5)
Other finance costs	(13.4)	(9.4)
Total financial expenses	**(133.0)**	**(124.9)**
Total	**(131.5)**	**(123.4)**

Other finance costs include fair value adjustments to financial assets at fair value through profit or loss in the amount of CHF 5.2m (2021: CHF 0.6m) (Note 19).

Foreign exchange gains/(losses), net include primarily the gain from hyperinflation accounting in the Argentinian subsidiary and foreign exchange gains/(losses) on monetary financial assets and liabilities.

11 Investments in Associates and Joint Ventures

2022 in CHF m	Associates	Joint ventures	Total
Aggregated carrying amount	**28.1**	**0.7**	**28.8**
Share of result of associates and joint ventures	0.5	0.2	0.7
Share of other comprehensive income	(1.1)	–	(1.1)
Share of total comprehensive income	**(0.6)**	**0.2**	**(0.4)**

2021 in CHF m			
Aggregated carrying amount	**26.3**	**0.8**	**27.1**
Share of result of associates and joint ventures	(6.3)	0.2	(6.1)
Share of other comprehensive income	1.0	–	1.0
Share of total comprehensive income	**(5.3)**	**0.2**	**(5.1)**

The unrecognized share of losses of associates and joint ventures is CHF 11.7m as of December 31, 2022 (2021: CHF 2.3m).

12 Cash and Cash Equivalents

in CHF m	2022	2021
Cash and bank balances	171.2	238.3
Short-term bank deposits	36.9	8.3
Balance at December 31	**208.1**	**246.6**

For the purpose of the cash flow statement, cash and cash equivalents comprise the following:

in CHF m	2022	2021
Cash and bank balances	171.2	238.3
Short-term bank deposits	36.9	8.3
Bank overdrafts (Note 22)	(4.8)	(1.9)
Balance at December 31	**203.3**	**244.7**

13 Trade Receivables

in CHF m	2022	2021
Trade receivables	520.4	422.4
Trade receivables due from related parties	7.0	5.7
	527.4	**428.1**
Allowance for expected credit losses	(147.2)	(153.0)
Balance at December 31	**380.2**	**275.1**

The impaired receivables mainly relate to customers who were experiencing difficult financial circumstances, with the majority of these amounts being more than two months overdue, together with expected future credit losses. It was assessed that a portion of these receivables is expected to be recovered. The maximum credit risk to which the Group is exposed at December 31, 2022 and 2021, is represented by the carrying amounts in the balance sheet.

The aging-analysis of the trade receivables is as follows:

in CHF m	2022	2021
Not overdue	348.7	286.2
Less than 1 month overdue	51.9	24.8
1 to 2 months overdue	17.0	10.1
Over 2 months overdue	109.8	107.0
Balance at December 31	**527.4**	**428.1**

Movements on the allowance for expected credit losses are as follows:

in CHF m	2022	2021
Balance at January 1	**(153.0)**	**(174.0)**
Additions	(18.4)	(38.1)
Receivables written off during the year as uncollectible	12.6	14.5
Unused amounts reversed	7.2	39.8
Exchange differences	4.4	4.8
Balance at December 31	**(147.2)**	**(153.0)**

Provisions have been recognized against receivables to reflect the risk of non-collectability in the aviation industry in general, together with specific amounts for customers who represent an identified additional risk. Amounts provided are generally written off when there is no expectation of further recovery. The Group does not hold any significant collaterals as security.

14 Other Current Receivables and Prepayments

in CHF m	2022	2021
Other receivables	39.2	30.2
Other receivables due from related parties	0.7	2.2
Prepaid taxes other than income tax	53.3	40.0
Other prepayments	37.3	35.9
Accrued income	83.7	64.9
Balance at December 31	**214.2**	**173.2**

15 Inventories

in CHF m	2022	2021
Raw materials	123.0	109.0
Catering supplies	46.4	37.2
Work in progress	7.0	5.3
Finished goods	39.2	28.8
Provision for obsolescence	(12.0)	(17.7)
Balance at December 31	**203.6**	**162.6**

16 Property, Plant and Equipment

Property, plant and equipment comprise owned and leased assets that do not meet the definition of investment property.

in CHF m	2022	2021
Owned assets	466.7	533.5
Right-of-use assets (Note 18)	362.7	380.6
Total property, plant and equipment	**829.4**	**914.1**

Owned Assets

2022 in CHF m	Land and buildings	Fixtures and fittings	Assets under construction	Catering and other equipment	Vehicles	Total
Net book value						
Balance at January 1, 2022	**202.3**	**85.6**	**18.3**	**111.1**	**116.2**	**533.5**
Additions[1]	1.7	6.3	13.8	17.4	1.6	40.8
Reclassifications	1.5	5.3	(13.8)	3.3	3.7	–
Disposals	(0.7)	(1.6)	(1.3)	(1.0)	–	(4.6)
Depreciation charge for the year	(13.3)	(18.1)	–	(30.4)	(26.2)	(88.0)
Impairment	(2.1)	–	–	(0.3)	–	(2.4)
Exchange differences	(8.2)	(0.7)	(0.3)	(2.9)	(0.5)	(12.6)
Balance at December 31, 2022	**181.2**	**76.8**	**16.7**	**97.2**	**94.8**	**466.7**
Net book value						
Cost	284.3	287.5	16.7	352.0	318.0	1,258.5
Accumulated depreciation and impairment	(103.1)	(210.7)	–	(254.8)	(223.2)	(791.8)
Balance at December 31, 2022	**181.2**	**76.8**	**16.7**	**97.2**	**94.8**	**466.7**

2021 in CHF m						
Net book value						
Balance at January 1, 2021	**223.8**	**93.4**	**24.1**	**138.4**	**124.7**	**604.4**
Additions[1]	4.6	8.3	5.6	9.9	14.6	43.0
Reclassifications	(0.4)	5.2	(10.3)	2.3	2.8	(0.4)
Disposals	(5.6)	(1.5)	(0.9)	(1.1)	(1.8)	(10.9)
Depreciation charge for the year	(13.2)	(19.5)	–	(36.4)	(23.6)	(92.7)
Exchange differences	(6.9)	(0.3)	(0.2)	(2.0)	(0.5)	(9.9)
Balance at December 31, 2021	**202.3**	**85.6**	**18.3**	**111.1**	**116.2**	**533.5**
Net book value						
Cost	298.8	286.5	18.3	348.2	319.5	1,271.3
Accumulated depreciation and impairment	(96.5)	(200.9)	–	(237.1)	(203.3)	(737.8)
Balance at December 31, 2021	**202.3**	**85.6**	**18.3**	**111.1**	**116.2**	**533.5**

[1] Thereof CHF 39.8m (2021: CHF 22.0m) paid at December 31

The carrying amount of land recorded under land and buildings at December 31, 2022, is CHF 23.8m (2021: CHF 25.4m). Within property, plant and equipment, no assets are pledged for mortgages (2021: none).

17 Intangible Assets

2022 in CHF m	**Goodwill**	**Intangible assets in develop-ment**	**Intellectual property**	**Customer relation-ships**	**Capitalized software**	**Other**	**Total**
Net book value							
Balance at January 1, 2022	**739.7**	**0.8**	**161.7**	**199.1**	**25.8**	**1.1**	**1,128.2**
Additions	–	–	–	–	2.7	0.2	2.9
Reclassifications	–	–	–	–	(0.6)	0.6	–
Amortization charge for the year	–	–	(2.8)	(15.8)	(12.0)	(0.1)	(30.7)
Exchange differences	(36.1)	–	(2.8)	(9.3)	(0.1)	(0.1)	(48.4)
Balance at December 31, 2022	**703.6**	**0.8**	**156.1**	**174.0**	**15.8**	**1.7**	**1,052.0**
Net book value							
Cost	998.8	0.8	211.8	309.2	126.6	7.8	1,655.0
Accumulated amortization and impairment	(295.2)	–	(55.7)	(135.2)	(110.8)	(6.1)	(603.0)
Balance at December 31, 2022	**703.6**	**0.8**	**156.1**	**174.0**	**15.8**	**1.7**	**1,052.0**

2021 in CHF m							
Net book value							
Balance at January 1, 2021	**762.2**	**1.8**	**167.1**	**224.9**	**33.7**	**1.4**	**1,191.1**
Additions	–	0.8	–	–	3.3	–	4.1
Reclassifications	–	(1.8)	–	–	1.8	–	–
Amortization charge for the year	–	–	(3.0)	(17.5)	(12.8)	(0.3)	(33.6)
Exchange differences	(22.5)	–	(2.4)	(8.3)	(0.2)	–	(33.4)
Balance at December 31, 2021	**739.7**	**0.8**	**161.7**	**199.1**	**25.8**	**1.1**	**1,128.2**
Net book value							
Cost	1,041.5	0.8	216.7	333.7	125.6	6.8	1,725.1
Accumulated amortization and impairment	(301.8)	–	(55.0)	(134.6)	(99.8)	(5.7)	(596.9)
Balance at December 31, 2021	**739.7**	**0.8**	**161.7**	**199.1**	**25.8**	**1.1**	**1,128.2**

Within capitalized software is internally developed software of CHF 15.3m (2021: CHF 23.4m). The 2022 additions to internally developed software amount to CHF 2.7m (2021: CHF 3.3m).

Impairment Tests for Goodwill and Intellectual Property

Following the internal reorganization of the purchasing activities, the structure of the CGUs was changed with the regions CEE and NWE. Detailed information can be found in Note 5. For the purpose of impairment testing, goodwill and intellectual property with indefinite useful lives were allocated to the groups of CGUs NWE, SEA, CEE, NA, Latin America, Asia Pacific and deSter, these being expected to benefit from the synergies of the relevant business combinations. The groups of CGUs reflect the Group's operating segments, being the level at which management monitored goodwill and intellectual property.

The recoverable amounts of the groups of CGUs are based on value in use calculations. The value in use of the CGUs was calculated using the discounted cash flow method. These calculations use the expected cash flows based on the financial budget approved by the Board, included as the first year of a five-year business plan together with a discount rate, which represents the weighted average cost of capital ("WACC").

The carrying values of indefinite life intangibles are allocated to the following CGUs (including key assumptions):

2022 in CHF m	**Goodwill**	**Intellectual property**	**Revenue growth rate**	**Discount rate pre-tax**	**Terminal growth rate**
CEE	178.9	25.1	5.3%–35.3%	9.7%	2.0%
NWE	107.5	19.0	6.7%–24.1%	9.9%	2.3%
SEA	165.4	-	4.9%–14.0%	12.3%	2.6%
NA	76.6	34.6	5.7%–22.8%	11.0%	3.8%
Emerging Markets – Latin America	17.9	7.1	-2.5%–25.8%	31.0%	17.3%
Emerging Markets – Asia Pacific	49.0	5.9	5.5%–68.1%	11.1%	3.1%
Other – deSter	108.3	11.4	5.3%–23.2%	10.4%	2.4%
Balance at December 31, 2022	**703.6**	**103.1**			

2021 in CHF m					
CEE	199.0	31.5	3.0%–91.5%	8.4%	0.0%
NWE	117.0	19.0	1.2%–77.4%	8.2%	0.1%
SEA	172.7	-	3.3%–36.2%	10.3%	0.6%
NA	75.7	29.6	8.2%–109.4%	10.0%	1.9%
Emerging Markets – Latin America	17.3	6.9	4.7%–72.5%	17.4%	6.0%
Emerging Markets – Asia Pacific	48.3	5.6	4.7%–174.5%	9.7%	1.3%
Other – deSter	109.7	10.5	9.9%–90.5%	8.6%	0.6%
Balance at December 31, 2021	**739.7**	**103.1**			

The terminal value beyond the business plan period was calculated by extrapolating the year five cash flows at constant exchange rates using an eternal growth rate, which does not exceed the long-term average growth rate for the respective markets in which the CGUs operate. Revenue growth rates are based on industry research with respect to volume growth, adjusted for impacts from inflation and market-related price changes expected by management. Management determined projected margins based on past performance and its expectations of market developments. The discount rates reflect specific risk and market characteristics relating to the relevant CGUs.

For all CGUs in 2022 there was no impairment of goodwill or intellectual property. The recoverable amounts exceed the carrying values. The key sensitivities in the impairment test are the discount rate, revenue growth as well as the terminal growth rate. The Group has carried out a sensitivity analysis, which takes into account changes in one assumption at a time, with the other assumptions remaining unchanged from the original calculation. This indicates that a 1.0% increase in the WACC would lead to an impairment of CHF 43.6m in CEE, with no impairment in any other CGU. In addition, a 1.0% decrease in terminal growth rate would also lead to an impairment of CHF 24.6m in CEE, with no impairments in any other CGU.

18 Leases

Right-of-use Assets

The Group has lease contracts for land and buildings, vehicles and other equipment used in its operations. Carrying amounts of right-of-use assets recognized and the movements during the year are as follows:

2022 in CHF m	**Land and buildings**	**Fixtures and fittings in rented buildings**	**Catering and other equipment**	**Vehicles**	**Total**
Net book value					
Balance at January 1, 2022	**367.8**	**0.1**	**4.7**	**8.0**	**380.6**
Additions	29.8	–	2.0	7.8	39.6
Depreciation charge for the year	(62.1)	–	(2.6)	(4.2)	(68.9)
Modifications	21.3	–	–	(0.2)	21.1
Exchange differences	(9.0)	–	(0.1)	(0.6)	(9.7)
Balance at December 31, 2022	**347.8**	**0.1**	**4.0**	**10.8**	**362.7**
Net book value					
Cost	523.9	0.1	14.0	22.9	560.9
Accumulated depreciation	(176.1)	–	(10.0)	(12.1)	(198.2)
Balance at December 31, 2022	**347.8**	**0.1**	**4.0**	**10.8**	**362.7**

2021 in CHF m					
Net book value					
Balance at January 1, 2021	**402.0**	**–**	**10.4**	**9.5**	**421.9**
Additions	50.4	0.1	1.0	1.9	53.4
Depreciation charge for the year	(67.4)	–	(5.5)	(4.2)	(77.1)
Modifications	(13.9)	–	(1.1)	1.1	(13.9)
Exchange differences	(3.3)	–	(0.1)	(0.3)	(3.7)
Balance at December 31, 2021	**367.8**	**0.1**	**4.7**	**8.0**	**380.6**
Net book value					
Cost	518.4	0.1	20.1	20.7	559.3
Accumulated depreciation	(150.6)	–	(15.4)	(12.7)	(178.7)
Balance at December 31, 2021	**367.8**	**0.1**	**4.7**	**8.0**	**380.6**

Lease Expenses

The Group has total cash outflows for leases of CHF 97.1m in 2022 (2021: CHF 96.5m) of which CHF 60.3m is attributable to lease principal payments (2021: CHF 64.1m) (Note 22). The amounts recognized in the income statement are as follows:

in CHF m	**2022**	**2021**
Depreciation expense of right-of-use asset	(68.9)	(77.1)
Interest on lease liabilities (Note 10)	(22.5)	(19.8)
Variable lease payments not included in the measurement of lease liabilities	(3.2)	(1.7)
Expenses relating to short-term leases	(11.1)	(10.2)
Expenses relating to leases of low-value assets, excl. short-term leases of low-value assets	(0.8)	(0.8)
Other lease expense	(0.2)	(0.3)
Other lease income	1.1	3.0
Total amounts recognized in profit and loss	**(105.6)**	**(106.9)**

19 Financial Assets at Fair Value through Profit or Loss

2022 in CHF m	Bonds	Other	Total
Balance at January 1, 2022	**26.6**	**0.4**	**27.0**
Fair value adjustments	(5.2)	–	(5.2)
Exchange differences	(1.1)	–	(1.1)
Balance at December 31, 2022	**20.3**	**0.4**	**20.7**
Analysis of financial assets			
Non-current	20.3	0.4	20.7

2021 in CHF m			
Balance at January 1, 2021	**28.8**	**0.4**	**29.2**
Fair value adjustments	(0.6)	–	(0.6)
Exchange differences	(1.6)	–	(1.6)
Balance at December 31, 2021	**26.6**	**0.4**	**27.0**
Analysis of financial assets			
Non-current	26.6	0.4	27.0

During 2017, the Group signed various agreements to expand its partnerships into the Korean and other Asian markets. As part of these agreements, the Group acquired zero-coupon bonds with attached warrants ('Bonds and Warrants'), issued by Kumho & Company Inc., in the amount of KRW 160 billion with maturities from 1 to 20 years. As at December 31, 2022 KRW 104 billion (2021: KRW 104 billion) remains outstanding. The attached warrants allow conversion of the Bonds to equity of Kumho & Company Inc. under certain conditions. The Bonds and Warrants have been designated as a financial asset at fair value through profit or loss.

The Bonds and Warrants were initially recognized at fair value of CHF 70.1m with the CHF 72.4m difference to the total cash outflow being recognized as an intangible asset in relation to the market access and customer relationship gained through these agreements. The customer relationship will be amortized over its estimated useful life of 30 years. The Bonds and Warrants will be measured at fair value through profit or loss.

The Bonds and Warrants are not traded in an active market and therefore have been categorized as Level 3 in the fair value hierarchy mainly due to their embedded warrants. The valuation is derived from valuation techniques that consider the characteristics of the components of the hybrid instrument, combining a discounted cash flow model for the debt component and a binomial option pricing model for the attached warrants. Main inputs into the valuation methodology include observable factors such as interest rates, credit risk spreads and country risk spreads, volatility as well as unobservable inputs such as book values of the underlying assets and profitability of the underlying business adjusted for future uncertainty.

As at December 31, 2022, inputs used for the valuation include Korean risk-free rates of 2.4% (2021: 2.3%), a country risk premium of 1.3% (2021: 0.6%), a credit risk premium of 7.1% (2021: 7.5%) based on a comparable company basket and a volatility of 22.5% (2021: 22.5%). Further, non-publicly available information was used in internal assessments to determine illiquidity discounts and input factors.

20 Taxes

Taxes Recognized in the Income Statement

in CHF m	2022	2021
Current income tax charge	(10.5)	(16.1)
Deferred tax income	0.3	1.2
Total	**(10.2)**	**(14.9)**

Reconciliation of tax expense

in CHF m	2022	2021
Loss before tax	(235.7)	(310.4)
Tax at Swiss tax rate	**43.3**	**57.1**

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Deviations from Swiss tax rate	(0.8)	7.1
Unrecognized deferred tax assets	(43.3)	(73.2)
Deferred taxes related to other periods	(0.2)	(1.3)
Change in deferred tax due to tax rate change	(1.8)	12.6
Non-deductible expenses	(16.5)	(23.3)
Income not subject to tax	6.2	15.4
Current taxes related to other periods or other countries	4.5	(7.1)
Others[i]	(1.6)	(2.2)
Total tax expense	**(10.2)**	**(14.9)**

[i] Others include predominantly foreign exchange adjustments and tax risk provisions

The above table shows the expected tax expense at the Swiss tax rate of 18.4% (2021: 18.4%) applied to the Group loss before tax and the reconciliation to the actual income tax expense.

Deferred Taxes Recognized on the Balance Sheet

in CHF m	2022	2021
Deferred income tax assets	9.4	24.4
Deferred income tax liabilities	(36.9)	(42.7)
Balance at December 31	**(27.5)**	**(18.3)**

Movements in deferred taxes

in CHF m	Property, plant and equipment	Intangible assets	Other assets	Liabilities[1]	Tax losses carry forwards	Total
Balance at January 1, 2022	**(83.2)**	**(85.9)**	**(18.1)**	**134.4**	**34.5**	**(18.3)**
Deferred tax credit/(charge) in the income statement	(0.1)	24.9	(16.3)	(16.5)	8.3	0.3
Deferred tax charge in other comprehensive income	–	–	–	(15.5)	–	(15.5)
Exchange differences	0.8	2.9	0.8	1.0	0.5	6.0
Balance at December 31, 2022	**(82.5)**	**(58.1)**	**(33.6)**	**103.4**	**43.3**	**(27.5)**
Balance at January 1, 2021	**(91.1)**	**(63.3)**	**0.2**	**104.0**	**35.3**	**(14.9)**
Deferred tax credit/(charge) in the income statement	7.8	(25.3)	(16.1)	34.6	0.2	1.2
Deferred tax charge in other comprehensive income	–	–	–	(6.8)	–	(6.8)
Exchange differences	0.1	2.7	(2.2)	2.6	(1.0)	2.2
Balance at December 31, 2021	**(83.2)**	**(85.9)**	**(18.1)**	**134.4**	**34.5**	**(18.3)**

[1] Includes retirement benefit liabilities, provisions, accruals and other liabilities

CHF 15.5m of the deferred tax charge (2021: CHF 6.8m) in the statement of other comprehensive income relate to actuarial gains and losses on defined benefit schemes.

Composition of deferred tax assets and liabilities

in CHF m	Assets December 31		Liabilities December 31		Net December 31	
	2022	2021	2022	2021	2022	2021
Temporary differences						
Property, plant and equipment	3.5	8.1	(86.0)	(91.3)	(82.5)	(83.2)
Intangible assets	7.0	8.4	(65.1)	(94.3)	(58.1)	(85.9)
Other assets	9.4	12.3	(43.0)	(30.4)	(33.6)	(18.1)
Retirement benefit obligations, other liabilities, provisions and accruals	121.8	163.3	(18.4)	(28.9)	103.4	134.4
Tax losses	43.3	34.5	–	–	43.3	34.5
	185.0	**226.6**	**(212.5)**	**(244.9)**	**(27.5)**	**(18.3)**
Offset of deferred tax assets and liabilities	(175.6)	(202.2)	175.6	202.2	–	–
Deferred tax assets/(liabilities)	**9.4**	**24.4**	**(36.9)**	**(42.7)**	**(27.5)**	**(18.3)**

Deferred Taxes Not Recognized

Composition of deferred tax assets not recognized

in CHF m	2022	2021
Property, plant and equipment	4.9	8.9
Intangible assets	2.0	1.7
Other assets	7.2	9.1
Retirement benefit obligations, other liabilities, provisions and accruals	76.0	137.8
Tax losses	445.2	435.9
Deferred tax assets not recognized at 31 December	**535.3**	**593.4**

The Group does not regard any retained earnings of foreign subsidiaries as permanently invested and does not expect any material additional tax payables beyond the recognized deferred tax liabilities on unremitted earnings of the Group.

Tax loss carry forwards and tax credits which are not recognized are summarized by year of expiry as follows:

in CHF m	2022	2021
Less than one year	162.9	121.8
More than one year and less than five years	375.2	355.6
More than five years	397.4	360.8
No expiry	1,113.5	1,112.1
Total	**2,049.0**	**1,950.3**

The countries with significant unrecognized tax loss carry forwards include Switzerland CHF 816.1m (2021: CHF 825.7m), Luxembourg CHF 341.4m (2021: CHF 452.3m), Germany CHF 258.7m (2021: CHF 176.2m), France CHF 94.9m (2021: CHF 73.1m) and United States CHF 56.5m (2021: CHF 26.3m). There are no significant unrecognized tax credits.

21 Defined Benefit Plans

The Group provides defined benefit retirement schemes through a variety of arrangements comprised principally of stand-alone plans that cover a substantial portion of employees in accordance with local regulations and practices. The most significant plans in terms of the benefits accrued to date by participants are cash balance and final salary plans, and around 92.3% (2021: 92.0%) of the present value of obligations accrued to date come from defined benefit plans in Germany, Switzerland, the United Kingdom (UK) and the United States (US). A breakdown of the pension-related balance sheet amounts at December 31, 2022 and 2021, is shown below:

2022 in CHF m	**Germany**	**Switzerland**	**UK**	**US**	**Other**	**Total**
Present value of funded obligations	(507.6)	(233.6)	(96.6)	(163.7)	(83.8)	(1,085.3)
Fair value of plan assets	325.6	266.4	147.9	102.5	47.1	889.5
Funded status	**(182.0)**	**32.8**	**51.3**	**(61.2)**	**(36.7)**	**(195.8)**
Present value of unfunded obligations	(1.6)			(2.9)	(7.4)	(11.9)
Irrecoverable surplus (effect of asset ceiling)		(33.1)	(51.3)			(84.4)
Net defined benefit asset/(liability) at December 31	**(183.6)**	**(0.3)**	**–**	**(64.1)**	**(44.1)**	**(292.1)**
Fair value of reimbursement rights at December 31	**21.6**	**–**	**–**	**–**	**–**	**21.6**

2021 in CHF m						
Present value of funded obligations	(776.0)	(293.9)	(170.4)	(211.0)	(126.5)	(1,577.8)
Fair value of plan assets	451.5	284.2	241.7	133.8	69.9	1,181.1
Funded status	**(324.5)**	**(9.7)**	**71.3**	**(77.2)**	**(56.6)**	**(396.7)**
Present value of unfunded obligations	(2.5)	–	–	(3.5)	(7.6)	(13.6)
Irrecoverable surplus (effect of asset ceiling)	–	–	(71.3)	–	–	(71.3)
Net defined benefit asset/(liability) at December 31	**(327.0)**	**(9.7)**	**–**	**(80.7)**	**(64.2)**	**(481.6)**

Germany

The primary German pension plan is similar to a defined contribution scheme in nature, providing old-age and risk benefits depending on contributions paid and a variable return based on the performance of the fund. Employer contributions of 1% of the contribution basis are mandatory, further contributions are voluntary. Due to a guaranteed minimum return of 0% on contributions, defined benefit accounting is required. When members retire from this plan, accrued balances are by default converted into annuities based on the applicable German GAAP (BilMoG) interest rate at the time and a fixed 1% pension indexation. Additionally, members can partially opt for lump sums or instalments instead of annuities. Due to grandfathering, a large portion of the liability is still based in defined benefit plans, which are closed to new entrants and cover vested entitlements of members who joined the former career-average plan until January 1, 2016. Some employees hired before 2016 are also eligible for benefits based on a cash-balance plan which had a fixed 3.5% interest rate. The fixed 3.5% interest rate was reduced in 2021 to 0.25% (maximum allowed guaranteed interest rate for the German life insurance industry).

The majority of liabilities are funded through plan assets from contractual trust arrangements. There are no legal minimum funding requirements. The plans are exposed to interest rate and longevity risk as well as investment risks, in particular the risk that the assets do not achieve the guaranteed investment return. Because of the plan design and a fixed 1% indexation being applicable to most pensions in payment, the impact of inflation is limited.

Switzerland

The Group operates a significant company-sponsored pension plan, which provides contribution-based cash balance retirement and risk benefits to employees, so as to meet its obligations under Switzerland's mandatory company-provided pension requirements. The pension plan is established within a foundation that is a legal entity separate from the Group. The Board of Trustees of the foundation is composed equally of employee and employer representatives, who are empowered to decide on such fundamental aspects as the level and structure of the benefits and the fund's investment strategy.

There are a number of guarantees provided within the pension plan which expose them to risks of underfunding and may require the Group to help provide refinancing. Since Swiss pension law stipulates a minimum rate for conversion of pension savings into an annuity at retirement and guarantees a minimum interest on retirement assets, the pension plan is exposed beside the interest risk, in particular to the risk of changes in the life expectancy for pensioners and to the risk that the assets do not achieve the investment returns assumed. In addition, the existing pension plan holds a significant proportion of equity shares, which are expected to outperform corporate bonds in the long term, but which give exposure to volatility and risk in the short term.

Generally, there is no opportunity for the Group to recover a surplus because under Swiss pension law any surplus that develops technically belongs to a pension plan and therefore the members. A reduction in future contributions is possible only at the discretion of the Board of Trustees of each pension plan and therefore there is a minimum funding requirement for the Group equal to the employer contributions set out in the pension plan rules. As the contributions are set out in the plan rules, the funding arrangements have limited impact on the future cash flow requirements of the Group (except in the case of underfunding).

The funds are invested in a diverse portfolio of asset classes including equities, bonds, property, and private equity but do not currently use any more explicit asset-liability matching strategy instruments such as annuity purchase products or longevity swaps.

UK

All of the UK plans are final salary, providing benefits to members in the form of a guaranteed level of pension payable for life and they are currently closed to future accrual of benefits. Future benefit accruals are provided through defined contribution plans. The pensions in the defined benefit plans receive inflation-related increases in deferment and once in payment. The benefit payments are from trustee-administered funds. Plan assets held in trusts are governed by local regulations and practice, as is the nature of the relationship between the Group and the Trustees, and the latter's composition. Responsibility for governance of the plans, including investment decisions and contribution schedules, lies jointly with the Group and the Board of Trustees. The Board of Trustees is composed of representatives of the Group and plan participants in accordance with the plan's regulations and UK pension law.

Through the UK defined benefit pension plans the Group is exposed to a number of risks. Besides the significant proportion of equity holdings, which give exposure to volatility and investment risk in the short term, the UK plans are exposed to interest rate risk, changes in life expectancy and to changes in inflation rate as the majority of the plans' obligations are to provide inflation-linked benefits (although, in most cases, caps on the level of inflationary increases are in place to protect the plans against extreme inflation).

Given that the plans are closed, as they mature the Group intends to reduce the level of investment risk by investing more in assets that better match the changing profile of the liabilities.

The use of any surplus in the pension plans is governed by the plan rules and may not be in the control of the Group, leading in some cases to restrictions on the level of balance sheet asset that may be recognized.

US

The Group operates defined benefit pension plans in the US to provide benefits to members in the form of a guaranteed level of pension payable for life and all plans are currently closed to new entrants and future accrual of benefits. Future pension benefit accruals are provided in defined contribution plans. Pensions from the defined benefit plans generally do not receive inflationary increases once in payment. The majority of benefit payments are from a trustee administered fund; however, there is also a small unfunded non-qualified plan where the Group meets the benefit payment obligation as it becomes due. Plan assets held in trusts are governed by Internal Revenue Service ("IRS") regulations. Responsibility for governance of the plans, including investment decisions and contribution schedules, is also governed by IRS regulations and lies with the Group.

Significant risks that the Group is exposed to through its funded defined benefit pension are, besides the risk of changes in bond yields and life expectancy, asset volatility and investment risk since it holds a significant proportion of equity shares. As the plan matures and the funded status improves, through cash contributions and anticipated excess equity returns, the Group intends to reduce the level of investment risk by investing more in fixed income assets that better match the liabilities.

The funded defined benefit pension plan is governed by special minimum required funding rules as set forth in IRS regulations for certain airlines and caterers of airlines who sponsor a tax-qualified defined benefit pension plan ("Airline Relief"). Under Airline Relief, a fixed 8.85% rate is used to discount funding liabilities. This unfunded liability is amortized over a closed 17-year period from July 1, 2006 and the 8.85% unfunded liability will be fully amortized on June 30, 2023. For most other defined benefit plan sponsors, the funding rate is linked to a 2-year average of high-grade corporate bond yields, but no less than 95% nor more than 105% of the 25-year average, where the 25-year average is subject to a 5% floor. This unfunded liability is amortized over a fifteen-year rolling amortization schedule. Thus, the higher 8.85% Airline Relief funding rate and initial 17-year amortization period results in lower liabilities and generally lower minimum funding requirements. However, it also sets a higher earnings target for plan investment returns and the closed nature of the amortization period may contribute to increased contribution volatility over time. Beginning with the July 1, 2023 Plan year, the funding shortfall will be re-determined by replacing the 8.85% funding rate with this average corporate bond yield funding rate noted above. For instance, if the new funding rate applied for the July 1, 2022 Plan Year, this rate would be 5.34%. The revised shortfall on July 1, 2023 will be amortized over a fifteen-year rolling amortization schedule. Voluntary funding in excess of the current minimum required level is periodically assessed as a potential strategy to mitigate this future funding volatility.

Other Plans

The Group sponsors defined benefit plans in other countries where it operates. No individual countries other than those described above are considered material.

The following events were recognized in the periods covered by these consolidated financial statements, with other changes having a negligible impact on a group level:

- In 2022, the closure of a company and a site in France have resulted in a curtailment gain of CHF 2.2m.
- In 2021, a curtailment gain of CHF 2.9m has been recognized as a result of restructuring activities in France.

The Group recognized total defined benefit costs related to post-employement defined benefit plans as follows:

in CHF m	2022	2021
Service costs		
Current service cost	(24.2)	(26.5)
Curtailment and past service cost	2.1	3.1
Personnel expenses – defined benefit costs (Note 7)	**(22.1)**	**(23.4)**
Net interest on defined benefit schemes (Note 10)	(7.2)	(6.6)
Net pension expense	**(29.3)**	**(30.0)**

The remeasurement components recognized in the statement of other comprehensive income for the Group's post-employment defined benefit plans comprise the following:

in CHF m	2022	2021
Remeasurement gains		
Actuarial (loss)/gain arising from changes in demographic assumptions	(2.1)	7.5
Actuarial gain arising from changes in financial assumptions	455.5	93.7
Actuarial (loss)/gain arising from changes in liability experience	(11.7)	14.9
Return on pension assets (excluding amounts in net interest on defined benefit schemes)	(202.3)	37.2
Change in effect of the asset ceiling (excluding amounts in net interest on defined benefit schemes)	(18.0)	(22.3)
Total remeasurements recognized in the statement of other comprehensive income	**221.4**	**131.0**

Remeasurement gains in 2022 from financial assumptions are driven predominantly by increases in discount rates in all countries, with the largest effect coming from Germany. These gains were to some extent offset by unfavourable asset performance (mainly in the UK, Germany, the US, and Switzerland), the experience losses in Switzerland and Germany and the losses due to demographic assumption changes, mainly in the UK and US. The asset ceiling applying to plans in Switzerland and UK led to additional losses. In 2021, remeasurement gains from financial assumptions were driven by increases in discount rates in almost all countries, with the largest effects coming from Germany, US, and UK. These were compounded by significant asset gains for the Group's major plans in Switzerland, the UK, and the US and by gains due to the changes of demographic assumptions. The latter was mainly due to the adoption of the new BVG2020 tables in Switzerland. Additionally, there was an experience gain in Germany. This gain was partially offset by experience losses in Switzerland and US and by the asset ceiling effects in the UK.

The movements in the net defined benefit pension liability recognized within the consolidated balance sheet are as follows:

in CHF m	2022	2021
Balance at January 1	**(481.6)**	**(629.4)**
Pension costs recognized in the income statement	(29.3)	(30.0)
Remeasurement gains recognized in the statement of other comprehensive income	221.4	131.0
Actual employer contributions (incl. reimbursements to employer, excl. reimbursement rights)	(15.0)	34.0
Other changes	(0.3)	–
Exchange differences	12.7	12.8
Balance at December 31	**(292.1)**	**(481.6)**
Being:		
Retirement benefit assets at December 31	–	–
Retirement benefit liabilities at December 31	(292.1)	(481.6)

The net employer contribution amount under the defined benefit plans in 2022 includes CHF 43.7m of refunds received for the benefit payments that the Group paid on behalf of the Contractual Trust Arrangements ("CTAs") between 2020 and first half of 2022 in Germany. Thereof CHF 34.5m were refunded to the pensioners' entities ("Rentnergesellschaften").

The Group has a reimbursement right of CHF 21.6m in Germany at 31 December 2022 (2021: none). This relates to the refund made to the Rentnergesellschaften, which can be used to pay the future retirement benefits for the members within those entities. There are no other reimbursement rights for the Group.

The following table shows the change in the present value of defined benefit obligations:

in CHF m	2022	2021
Balance at January 1	**(1,591.4)**	**(1,747.8)**
Current service cost	(24.2)	(26.5)
Curtailment and past service cost	2.1	3.1
Interest cost on the defined benefit obligations	(20.6)	(16.6)
Actuarial (loss)/gain arising from changes in demographic assumptions	(2.1)	7.5
Actuarial gain arising from changes in financial assumptions	455.5	93.7
Actuarial (loss)/gain arising from changes in liability experience	(11.7)	14.9
Actual benefit payments	56.6	58.2
Actual employee contributions	(6.7)	(5.6)
Other changes	(1.5)	–
Exchange differences	46.8	27.7
Balance at December 31	**(1,097.2)**	**(1,591.4)**

The following table shows the change in the fair value of plan assets:

in CHF m	2022	2021
Balance at January 1	**1,181.1**	**1,166.1**
Interest income on plan assets	14.7	10.8
Actual return on assets (excluding interest income on plan assets)	(202.3)	37.2
Actual benefit payments	(56.6)	(58.2)
Actual employer contributions (incl. reimbursements to employer, excl. reimbursement rights)	(15.0)	34.0
Actual employee contributions	6.7	5.6
Other changes	1.2	–
Exchange differences	(40.3)	(14.4)
Balance at December 31	**889.5**	**1,181.1**

Benefits paid under the pension plans include CHF 17.0m paid from employer assets in 2022 (2021: CHF 17.7m). The Group expects to contribute CHF 36.7m to its defined benefit pension plans in 2023.

The following table shows the change in the irrecoverable surplus:

in CHF m	2022	2021
Irrecoverable surplus at January 1	**(71.3)**	**(47.7)**
Interest cost on irrecoverable surplus	(1.3)	(0.8)
Change in irrecoverable surplus in excess of interest (asset ceiling)	(18.0)	(22.3)
Exchange differences	6.2	(0.5)
Irrecoverable surplus at December 31	**(84.4)**	**(71.3)**

Where applicable, the economic benefit available (used in the irrecoverable surplus calculation) as at December 31 is based on the present value of potential reductions in future contributions, which is partially offset by the liability in respect of a minimum funding requirement. For the UK plans, as the Group cannot gain economic benefit from future contributions, the present value of potential reduction in future contributions have been reduced to zero, with the consequence that the asset ceiling is fully applied for all three plans. In 2022, asset ceiling restriction has been also applied for the Swiss Main pension plan, as there is no economic benefit available since the company's service cost is now less than the expected employer contributions as a result of the increase in the discount rate.

Pension plan assets do not contain shares of the Company. The major categories of plan assets are as follows:

in CHF m	2022	2021
Securities quoted in an active market		
Equities	211.1	230.1
Bonds:		
Government – nominal	129.9	105.7
Government – index-linked	34.7	28.5
Corporate	198.7	155.8
Real estate	5.6	8.6
Cash and cash equivalents	47.1	320.8
Other marketable securities	93.1	132.7
Total quoted securities	**720.2**	**982.2**
Unquoted securities		
Asset-backed securities	25.5	20.8
Insurance contracts	45.5	66.4
Real estate	76.4	77.2
Other	21.9	34.5
Total other securities	**169.3**	**198.9**
Total	**889.5**	**1,181.1**

The present value of defined benefit obligations by category of members at December 31, 2022 and 2021, is shown below.

in CHF m	2022	2021
Active	(428.6)	(629.7)
Vested	(189.9)	(334.5)
Retired	(478.7)	(627.2)
Balance at December 31	**(1,097.2)**	**(1,591.4)**
Present value of funded obligations at December 31	(1,085.3)	(1,577.8)
Present value of unfunded obligations at December 31	(11.9)	(13.6)

The principal actuarial assumptions used for the defined benefit obligations at December 31, 2022 and 2021 and the following year's pension expense are as follows:

2022	Germany	Switzerland	UK	US	All plans
Discount rate (weighted average)	3.7%	2.2%	5.0%	5.3%	3.8%
Rate of compensation increase (weighted average)	2.5%	2.2%	n/a	n/a	2.5%
Inflation rate (weighted average)	n/a	1.3%	3.2%	n/a	1.9%
Pension index rate (weighted average)	1.0%	0.0%	3.1%	n/a	0.9%
2021					
Discount rate (weighted average)	1.2%	0.2%	1.9%	2.8%	1.3%
Rate of compensation increase (weighted average)	2.5%	2.0%	n/a	n/a	2.3%
Inflation rate (weighted average)	n/a	1.0%	3.2%	n/a	1.8%
Pension index rate (weighted average)	1.0%	0.0%	3.1%	n/a	1.0%

Mortality rates have been set in accordance with current best practice in the respective countries. Future longevity improvements have been considered and included where appropriate. The average life expectancy in years of a pensioner retiring at age 65 on the balance sheet date and 15 years after the balance sheet date are as follows:

Years	2022	2021
Male – retiring at age 65 on the balance sheet date	21.3	21.0
Female – retiring at age 65 on the balance sheet date	23.9	23.7
Male – retiring at age 65, 15 years after the balance sheet date	22.9	22.7
Female – retiring at age 65, 15 years after the balance sheet date	25.4	25.2

A feature all plans have in common is that the discount rate has a significant impact on the present value of obligations. The other assumptions have varying impacts on the different plans in the respective countries. In the breakdown presented below, the varying impact on the balance sheet from changes in the key assumptions is shown for the various countries.

2022	**Germany**	**Switzerland**	**UK**	**US**	**Other**	**Total**
in CHF m						
Discount rate +0.5% pa	33.3	14.5	6.2	7.2	4.3	65.5
Discount rate -0.5% pa	(37.5)	(16.2)	(6.9)	(7.8)	(4.8)	(73.2)
Rate of compensation +0.5% pa	n/a	(2.7)	n/a	n/a	(2.7)	(5.4)
Rate of compensation -0.5% pa	n/a	2.6	n/a	n/a	2.6	5.2
Pension indexation +0.5% pa	(0.1)	(13.5)	(2.5)	n/a	(2.4)	(18.5)
Pension indexation -0.5% pa (minimum 0.0%)	0.1	n/a	3.3	n/a	n/a	3.4
Life expectancy at age 65 + 1 year	(11.9)	(5.0)	(3.5)	(4.6)	(0.7)	(25.7)
2021						
in CHF m						
Discount rate +0.5% pa	65.9	21.3	15.0	11.4	9.0	122.6
Discount rate -0.5% pa	(75.9)	(24.2)	(17.2)	(12.5)	(10.1)	(139.9)
Rate of compensation +0.5% pa	(1.5)	(3.7)	n/a	n/a	(3.7)	(8.9)
Rate of compensation -0.5% pa	1.5	3.3	n/a	n/a	3.9	8.7
Pension indexation +0.5% pa	(0.2)	(15.8)	(6.4)	n/a	(6.1)	(28.5)
Pension indexation -0.5% pa (minimum 0.0%)	0.2	n/a	7.4	n/a	3.5	11.1
Life expectancy at age 65 + 1 year	(24.4)	(8.0)	(8.2)	(7.0)	(0.4)	(48.0)

The sensitivity analyses above are based on a change in a significant assumption, keeping all other assumptions constant. Interdependencies were not taken into account. Therefore, the sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation from one another. The duration of the defined benefit obligations at December 31, 2022 and 2021, are:

2022	**Germany**	**Switzerland**	**UK**	**US**	**Other**	**Average**
Years						
Weighted duration of the defined benefit obligations	14.1	13.1	14.0	9.3	10.7	12.9
2021						
Years						
Weighted duration of the defined benefit obligations	18.0	15.1	18.9	11.2	14.3	16.4

22 Short-term and Long-term Debt

Short-term and long-term debt comprise various debt instruments:

in CHF m	**2022**	**2021**
Short-term debt		
Bank overdraft	4.8	1.9
Other loans	11.3	8.0
Lease liabilities	55.9	53.0
Total short-term debt	**72.0**	**62.9**
Long-term debt		
Bonds	346.9	346.4
Term Loan	259.8	262.5
Revolving credit facility	426.0	433.4
Related party loan	419.3	298.7
Other loans	225.9	187.9
Lease liabilities	352.2	358.2
Total long-term debt	**2,030.1**	**1,887.1**

The terms and conditions of outstanding loans are as follows:

in CHF m	Currency	Nominal interest rate	Year of maturity	Carrying amount 2022	Carrying amount 2021
Bonds	CHF	3.0%	2027	**346.9**	346.4
Term Loan	EUR	3.9%-5.7%	2026	**259.8**	262.5
Revolving credit facility	EUR	3.5%-5.2%	2026	**305.5**	309.8
Revolving credit facility	SEK	3.5%-5.8%	2026	**120.5**	123.6
Related party loan	CHF	12.5%	2027	**419.3**	298.7
Other loans					
– France: Government guaranteed bank loans	EUR	2.6%-3.0%	2025–26	**85.0**	68.5
– US: Unsecured government loan	USD	4.0%-10.0%	2030–31	**85.2**	81.6
– Other	various			**71.8**	47.7
Lease liabilities	various	0%-28.3%	2022–48	**408.1**	411.2
Balance at December 31				**2,102.1**	**1,950.0**

Bonds

The Group has issued a CHF 350.0m fixed rate senior bond ("Bonds") which matures on February 28, 2027. The Bonds, with a coupon of 3.0% p.a., were issued by gategroup Finance (Luxembourg) S.A. and are guaranteed by its parent company, gategroup Holding AG. The Bonds are listed on the SIX Swiss Exchange.

Term Loan

The EUR 250.0m Term Loan together with capitalized Profit In Kind ("PIK") interest matures on October 20, 2026.

Revolving Credit Facility

The RCF, being a facility of EUR 415.0m together with capitalized PIK interest, matures on October 20, 2026.

The borrowings under the Bonds, the Term Loan and the RCF all rank pari passu. The Term Loan and RCF are guaranteed by the Company and certain of its subsidiaries. The facilities, except for the Bonds which are fixed at 3.0%, bear interest at floating rates (EURIBOR or LIBOR equivalents) plus a spread. The spreads of the Term Loan and RCF are determined from a margin grid depending on the leverage ratio. In 2022, the interest rate for the Term Loan was between 3.9% and 5.7% (2021: 3.9%) and for the RCF between 3.5% and 5.8% (2021: 3.5%-5.5%). The financial covenants for the Term Loan and the RCF are a minimum liquidity requirement. The Company has remained in compliance with its covenants.

Related Party Loan

In 2021, a subordinated convertible facility of CHF 475.0m was made available to the Company by the shareholders, through their affiliates, with maturity on March 31, 2027. PIK interest accrues on the amounts drawn at a rate of 12.5% per annum. At December 31, 2022, a total of CHF 421.8m (2021: CHF 301.8m) had been drawn (Note 30.3). The facility is guaranteed by each borrower and guarantor under the Senior Facilities Agreement ("SFA") but is fully subordinated to the claims of both the lenders under the SFA and holders of the Bonds.

Other

Other consists principally of the following:

- There are EUR 86.0m (2021: EUR 66.0m) of facilities in France arranged under a COVID-19 support program. The loans were provided equally by two banks and are guaranteed, for an additional fee, by the French state. The facilities are due for repayment in installments during 2025 and 2026, and a market interest rate has been negotiated with the financing parties.
- There are USD 92.3m (2021: USD 89.6m) provided in the US under the Payroll Support Program of the Coronavirus Aid, Relief, and Economic Security Act. This loan is unsecured, had an initial duration of 10 years and a fellow subsidiary is a guarantor. This loan bears interest at increasing rates from 4.0% in the first five years up to 10.0% in the final year.

As at December 31, 2022, other debt includes bank overdrafts of CHF 4.8m (2021: CHF 1.9m).

Guarantees

As at December 31, 2022, the Group has guarantees outstanding in favor of associates amounting to CHF 7.1m (2021: CHF 4.4m).

Reconciliation of movements of liabilities and equity to cash flows arising from financing activities:

2022 in CHF m	Bonds	Term Loan	Revolving credit facility	Related party loan	Other loans	Lease liabilities	Equity	Total
Balance at January 1, 2022	**346.4**	**262.5**	**433.4**	**298.7**	**197.8**	**411.2**	**(751.9)**	**1,198.1**
Proceeds from debt	–	–	8.6	120.0	52.4	–	–	181.0
Repayments of debt and principal amount of lease liabilities	–	–	–	–	(14.7)	(60.3)	–	(75.0)
Dividends paid to non-controlling interests	–	–	–	–	–	–	(5.5)	(5.5)
Changes from financing cash flows	**–**	**–**	**8.6**	**120.0**	**37.7**	**(60.3)**	**(5.5)**	**100.5**
Exchange differences	**–**	**(12.7)**	**(30.5)**	**–**	**(3.9)**	**(8.9)**	**6.7**	**(49.3)**
Change in bank overdraft	–	–	–	–	2.9	–	–	2.9
Amortization of transaction costs	0.5	0.4	0.7	0.6	–	–	–	2.2
Capitalized interest expense and other changes	–	9.6	13.8	–	7.5	–	–	30.9
New leases	–	–	–	–	–	46.9	–	46.9
Lease modifications	–	–	–	–	–	19.2	–	19.2
Total liability-related other changes	**0.5**	**10.0**	**14.5**	**0.6**	**10.4**	**66.1**	**–**	**102.1**
Total equity-related other changes	**–**	**–**	**–**	**–**	**–**	**–**	**(46.7)**	**(46.7)**
Balance at December 31, 2022	**346.9**	**259.8**	**426.0**	**419.3**	**242.0**	**408.1**	**(797.4)**	**1,304.7**

2021 in CHF m	Bonds	Term Loan	Revolving credit facility	Related party loan	Other loans	Lease liabilities	Equity	Total
Balance at January 1, 2021	**348.3**	**269.3**	**453.2**	**60.3**	**142.4**	**442.7**	**(599.5)**	**1,116.7**
Proceeds from debt	–	–	74.7	341.3	57.2	–	–	473.2
Repayments of debt and principal amount of lease liabilities	(2.6)	(2.0)	(81.6)	(104.8)	(10.8)	(64.1)	–	(265.9)
Capital increase	–	–	–	–	–	–	24.6	24.6
Dividends paid to non-controlling interests	–	–	–	–	–	–	(1.4)	(1.4)
Changes from financing cash flows	**(2.6)**	**(2.0)**	**(6.9)**	**236.5**	**46.4**	**(64.1)**	**23.2**	**230.5**
Exchange differences	**–**	**(10.7)**	**(21.6)**	**–**	**0.8**	**(3.5)**	**26.9**	**(8.1)**
Change in bank overdraft	–	–	–	–	1.7	–	–	1.7
Amortization of transaction costs	0.7	0.6	0.9	0.4	–	–	–	2.6
Capitalized interest expense and other changes	–	5.3	7.8	1.5	6.5	–	–	21.1
New leases	–	–	–	–	–	53.2	–	53.2
Lease modifications	–	–	–	–	–	(17.1)	–	(17.1)
Total liability-related other changes	**0.7**	**5.9**	**8.7**	**1.9**	**8.2**	**36.1**	**–**	**61.5**
Total equity-related other changes	**–**	**–**	**–**	**–**	**–**	**–**	**(202.5)**	**(202.5)**
Balance at December 31, 2021	**346.4**	**262.5**	**433.4**	**298.7**	**197.8**	**411.2**	**(751.9)**	**1,198.1**

23 Trade and Other Payables

in CHF m	2022	2021
Trade payables	256.8	210.8
Other amounts due to third parties	76.9	70.6
Other current payables due to related parties (Note 30)	0.3	22.2
Sales taxes due	59.5	62.3
Balance at December 31	**393.5**	**365.9**

24 Short-term and Long-term Provisions

in CHF m	Employee benefits	Long-term incentive plans	Restruc-turing	Legal and tax	Onerous contracts	Property and other	Total
Balance at January 1, 2022	**61.0**	**23.5**	**30.4**	**83.5**	**18.6**	**52.3**	**269.3**
Additions	31.2	4.9	9.4	12.2	–	5.2	62.9
Utilized	(21.1)	(22.6)	(15.8)	(0.3)	(17.1)	(1.8)	(78.7)
Unused reversed	(35.2)	(0.6)	(7.5)	(16.2)	–	(7.8)	(67.3)
Unwind of discount / Change in discount rate	(7.3)	–	–	0.1	1.0	1.0	(5.2)
Exchange differences	(3.0)	–	(1.0)	(2.9)	(0.6)	(2.8)	(10.3)
Balance at December 31, 2022	**25.6**	**5.2**	**15.5**	**76.4**	**1.9**	**46.1**	**170.7**
Analysis of total provisions							
Non-current	24.0	3.9	0.6	39.9	–	38.5	106.9
Current	1.6	1.3	14.9	36.5	1.9	7.6	63.8

Employee Benefits

In addition to the defined benefit plans as described in Note 21, the Group provides other benefits to employees in certain countries. These include long-term service leave or payments in lieu and post-employment benefits. The expected costs of the long-term benefits are accrued over the period of employment, using a methodology similar to that for defined benefit plans.

In 2022, a provision in the amount of CHF 6.9m (2021: CHF 37.4m) was included for uncertain employee claims. As at December 31, 2021, a receivable in the same amount had been recognized due to an indemnification from the former owner of the business. During the year 2022 a settlement with the former owner was reached, which is the principal reason for the reduction in provision.

Long-term Incentive Plans

The provision is for cash settled long-term incentive plans for senior management (Note 27).

Restructuring

The restructuring charges during the year mainly relate to businesses in Germany and France and the provisions remaining at the end of the year relate principally to businesses in Germany and Italy.

Legal and Tax

The Group has recorded provisions for a number of legal and tax issues. In the ordinary course of business, the Group continues to be involved in a number of legal actions and claims, including non-income tax-related issues in NWE and Latin America and various legal matters in SEA. The timing of settlement and / or the amount of cash outflows is uncertain.

Onerous Contracts

The Group has recorded provisions for ongoing activities where the unavoidable costs of meeting obligations under customer supply or lease contracts exceed the economic benefits expected to be received.

Property and Other

Provisions have been recorded principally for property-related issues and a range of other, individually immaterial, items.

25 Other Current and Non-current Liabilities

in CHF m	2022	2021
Current		
Accrued payroll and related costs	225.1	233.9
Deferred revenue (Note 6)	3.6	5.9
Accrued rent and other property costs	8.8	8.5
Accrued insurance costs	24.9	24.2
Uninvoiced deliveries of inventory	100.6	82.3
Accrued volume rebates	74.1	72.1
Other accrued expenses	152.6	127.5
Other current liabilities	157.7	72.7
Total current	**747.4**	**627.1**
Non-current		
Other non-current liabilities	86.9	109.6
Total non-current	**86.9**	**109.6**
Total other current and non-current liabilities	**834.3**	**736.7**

Other Liabilities – Servair

As of January 1, 2017, the Group obtained control over Servair by acquiring 50.0% minus 1 share. In 2019, the Group acquired 2 shares to give an ownership of 50.0% plus 1 share. The acquisition arrangements included various put and call options. For the amount paid in 2021 as a result of the renegotiation, refer to Note 29.

As at December 31, 2022, a financial liability at fair value through profit or loss of CHF 156.4m (2021: CHF 167.1m) has been recognized for the net present value of the expected payments relating to the option arrangements. This has been presented as short-term (2021: CHF 95.9m as long-term and CHF 71.2m as short-term).

The expected payments were discounted using the discount rate applicable to the liability, which was determined to be 7.4% (2021: 3.4%).

Other Liabilities – Evertaste Limited, UK

In May 2022, the Group entered into a put/call option agreement with a non-controlling shareholder to purchase shares in Evertaste Limited, UK (a consolidated company of the Group). The agreement gave the Group a call option on the remaining 15% of the shares of Evertaste Limited, UK, while the non-controlling shareholder has at the same time a put option to sell the shares to the Group. The put option can be exercised until 2027 at the latest and the call option until 2028.

For the presumed future purchase price of the shares, a liability of CHF 2.0m was created at initial recognition, which was charged to equity in the same amount. The liability is discounted and periodically reassessed and amounts to CHF 2.0m at the end of December 2022.

26 Equity

26.1 Issued Share Capital

As at December 31, 2022, the share capital of the Company is CHF 180,557,383.75 (2021: CHF 180,557,383.75) and is divided into 144,445,907 (2021:144,445,907) fully paid-in registered shares with a nominal value of CHF 1.25 each. Each share has the right to one vote. On April 23, 2021, the Company issued 36,111,478 ordinary shares with a nominal value of CHF 1.25 of which 20,000,000 shares (CHF 25,000,000) were paid in cash and 16,111,478 shares (CHF 20,139,348) by the conversion of freely disposable equity. During 2021, transaction costs of CHF 0.4m were incurred related to the capital increase.

26.2 Conditional Share Capital.

As at December 31, 2022, the Company has conditional share capital which allows an increase in the aggregate maximum amount of CHF 30,324,153.75 or 24,259,323 shares (2021: CHF 30,324,153.75 or 24,259,323 shares). The conditional share capital includes an amount of up to CHF 7,581,038.75 or 6,064,831 shares (2021: CHF 7,581,038.75 or 6,064,831 shares) which are reserved for employee equity participation plans and an amount of up to CHF 22,743,115.00 or 18,194,492 shares (2021: CHF 22,743,115.00 or 18,194,492 shares) which are reserved for conversion and/or option rights granted in connection with other financing instruments.

26.3 Authorized Share Capital

The Company had no authorized share capital at December 31, 2022, or December 31, 2021.

26.4 Treasury Shares

As at December 31, 2022, there are 2,028,197 (2021: 2,028,197) treasury shares determined as being held by the Group.

26.5 Dividend

No dividends were distributed in 2022 and 2021.

27 Long-term Incentive Plans

The following table shows the long-term incentive plans (expense) / income recognized in the consolidated income statement:

in CHF m	**2022**	**2021**
Long-term incentive plans (Note 7)	**(4.3)**	**0.2**

During 2022 three long-term incentive plans were introduced:
- A plan (the "EMB Plan") which allows members of the EMB and other members of the leadership to partake in up to 5% of the equity value or exit payout, the latter being in the case of a realization event;
- A cash-based plan implemented together with the EMB Plan; and
- A plan (the "Broader Plan") intended for a wider group of management.

The key factors for these plans are summarized as:
- They are all cash-settled;
- For each three grants are recognized as commencing in 2022, with additional grants being intended in both 2023 and 2024;
- These grants vest in annual instalments in each of 2023 to 2027, unless accelerated by a realization event;
- They all contain both a service condition of on-going employment and performance conditions of an EBITDA margin and Operating cash flow;
- For the EMB Plan and Broader Plan a third of each grant's value is linked to meeting the service condition. For all the plans any additional payments will depend on also meeting the performance conditions; and
- Cash payment is due in the year of scheduled vesting or on a realization event if earlier, except for the EMB Plan. For the latter payment will be split between 2027 and 2028, in the absence of a realization event and be based upon the Group's enterprise value at the preceding year end.

During 2022 final payments were made for the long-term incentive plans that had existed at the end of 2021. As at December 31, 2022, the provision for long-term incentive plans amounted to CHF 5.2m (2021: CHF 23.5m) (Note 24).

28 Commitments and Contingent Liabilities

28.1 Capital Commitments

As at December 31, 2022, capital expenditure for property, plant and equipment contracted for at the balance sheet date but not recognized in the consolidated financial statements amounted to CHF 2.7m (2021: CHF 3.4m).

28.2 Contingent Liabilities

The Group has contingent liabilities arising in the ordinary course of business, principally in respect of legal claims, tax risks, guarantees, customer relationships, pledges, letters of credit and treasury relationships and transactions. It is not anticipated that any material liabilities will arise from such contingent liabilities other than those provided for in Note 24.

29 Business Combinations

29.1 Business Combinations 2022

The Group did not make any acquisitions during 2022.

29.2 Business Combinations 2021

Acquisition of remaining shares in Servair

As at January 1, 2017, the Group obtained control over Servair by acquiring 50.0% minus 1 share. In 2019, the Group acquired 2 shares to give an ownership of 50.0% plus 1 share. The acquisition arrangements included various put and call options. In the course of 2020 the put option to sell the remaining shares was exercised by the seller and the closing conditions were renegotiated. As a result, on May 31, 2021, additional shares were acquired for a consideration of CHF 88.9m. For the remaining shares, a financial liability at fair value through profit or loss of CHF 167.1m was recognized as at December 31, 2021, for the net present value of the expected payment.

Acquisition of remaining shares in SIA Ocean Indien SAS, France

In 2021, the non-controlling shareholders of SIA Ocean Indien SAS, France, decided to fully exercise their exit right and transfer their entire shareholding of 49% to the Group for a consideration of CHF 11.3m. During 2021 a cash payment of CHF 11.1m was made to the non-controlling shareholders of SIA Ocean Indien SAS.

30 Related Party Transactions

30.1 Key Management Personnel

The key management personnel are defined as the Board and the EMB. Key management compensation consists of:

in CHF m	2022	2021
Short-term benefits	7.2	8.3
Post-employment benefits	0.6	0.6
Long-term incentive plan	2.9	–
Total key management compensation	**10.7**	**8.9**

30.2 Associated Companies and Joint Ventures

in CHF m	2022	2021
Revenue		
To associates	0.8	0.9
Management services provided		
To associates	1.3	1.0
To joint ventures	0.1	0.3
Purchase of goods		
From associates	(3.0)	(1.1)
Other costs		
For associates	–	(0.1)
For joint ventures	(0.3)	(0.1)
Guarantees	–	(1.3)
Dividends received	0.1	–
Trade and other receivables		
From associates	7.8	7.6
From joint ventures	1.4	5.0
Allowance for expected credit losses	(2.3)	(5.4)
Trade and other current payables (Note 23)		
To associates	(0.2)	(1.0)
To joint ventures	(0.1)	(0.1)

Management services include certain administrative activities that the Group performed for associated companies and joint ventures. The respective charges reflect an appropriate allocation of cost incurred.

30.3 Parent

As at December 31, 2022, 98.6% of the shares outstanding of the Company are held by Saffron Asset Holding Limited, Hong Kong, which is owned by RRJ Capital Master Fund III, Cayman Islands and Temasek Holdings (Private) Limited, Singapore. The remaining shares are held by the Company.

In 2021, a subordinated convertible facility of CHF 475.0m was made available to the Company by the shareholders, through their affiliates, with maturity on March 31, 2027. PIK interest accrues on the amounts drawn at a rate of 12.5% per annum. In 2022, a total of CHF 421.8m (2021: CHF 301.8m) of the related party loan had been drawn (Note 22) with accrued interest of CHF 74.8m (2021: CHF 21.1m).

No trade and other receivables from the parent companies have been identified and no material sale or purchase of goods between the Company and its parent companies have been identified.

30.4 Other Related Parties

in CHF m	2022	2021
Revenue	30.5	6.9
Trade and other receivables	3.5	0.7

The Group provides catering services to RRJ Capital and Temasek subsidiaries in the airline sector. In general, the Group does not receive any services or goods from RRJ Capital and Temasek subsidiaries. No guarantees have been received.

31 Group Companies

The principal subsidiaries of the Company as of December 31, 2022, were the following:

Country	**Company**	**Equity interest (in %)**[1]	**Currency**	**Share capital**
Argentina	Gate Gourmet Argentina S.r.L., Buenos Aires	100	ARS	5,750,000
Australia	Gate Gourmet Cairns Pty Ltd, Mascot, NSW	100	AUD	3,104,002
	Gate Gourmet (Holdings) Pty Ltd, Mascot, NSW	100	AUD	39,299,111
	Gate Gourmet Rail Pty Ltd, Mascot, NSW	100	AUD	2
	Gate Gourmet Services Pty Ltd, Mascot, NSW	100	AUD	44,330,100
	Pourshins Australia Pty Ltd, Alexandria, NSW	100	AUD	2
Belgium	deSter BVBA, Hoogstraten	100	EUR	22,600,000
	Gate Gourmet Belgium NV, Zaventem	100	EUR	62,400
Bolivia	Gate Gourmet Catering Bolivia S.A., Cochabamba	51	BOB	22,000
Brazil	Gate Gourmet Ltda, São Paulo	100	BRL	107,331,839
Burkina Faso	Servair Burkina Faso, Ouagadougou	87	XOF	10,000,000
Cambodia	Cambodia Air Catering Services Ltd, Phnom Penh	75	USD	500,000
Canada	Gate Gourmet Canada Inc., Toronto	100	CAD	17,500,000
	Pourshins Canada Inc., Toronto	100	CAD	300,000
Chile	Gate Gourmet Catering Chile Ltda, Santiago	100	CLP	1,968,062,000
China	Gate Gourmet Hong Kong Ltd, Hong Kong	100	HKD	281,657,350
	gategroup Solutions Hong Kong Ltd, Hong Kong	100	HKD	1
	gategroup Trading Hong Kong Ltd, Hong Kong	100	USD	162
Colombia	Gate Gourmet Colombia S.A.S, Bogotá	75	COP	831,229,870
D.R. Congo	Fondeg Catering Congo, Kinshasa	33	CDF	93,000,000
Denmark	Gate Gourmet Denmark ApS, Tårnby	100	DKK	401,200
	Gate Gourmet Northern Europe ApS, Tårnby	100	DKK	52,401,000
Ecuador	Gate Gourmet del Ecuador Cia Ltda, Quito	60	USD	2,278,400
Finland	Evertaste Oy, Vantaa	100	EUR	603,450
France	ACNA, Le Mesnil-Amelot	100	EUR	37,500
	Alphair SAS, Tremblay-en-France	100	EUR	5,000
	Gate Gourmet Helvetia SAS, Paris	100	EUR	10,000
	Lyon Air Traiteur, Colombier-Saugnieu	100	EUR	455,000
	Martinique Catering, Le Lamentin	98	EUR	50,000
	Orly Air Traiteur, Wissous	100	EUR	8,934,190
	Panima, Mamoudzou	100	EUR	500,000
	Paris Air Catering (PAC), Tremblay-en-France	100	EUR	100,005
	Passerelle CDG, Tremblay-en-France	100	EUR	40,000
	Servair Investissements Aeroportuaires (SIA), Tremblay-en-France	100	EUR	25,000,000
	Servair SA, Tremblay-en-France	100	EUR	52,386,208
	Sheltair CDG, Tremblay-en-France	51	EUR	1
	Société de Restauration Industrielle (SORI), Les Abymes	50	EUR	50,000
	Société Guyanaise de Restauration Industrielle (SOGRI), Matoury	97	EUR	225,000
	Svrls@La Reunion, Sainte Marie	50	EUR	150,000
Gabon	Servair Gabon, Libreville	55	XAF	250,000,000
Germany	deSter GmbH, Neu-Isenburg	100	EUR	1,023,000
	Evertaste GmbH, Alzey	100	EUR	26,000
	Gate Gourmet GmbH Deutschland, Neu-Isenburg	100	EUR	7,670,000
	Gate Gourmet GmbH Holding Deutschland, Neu-Isenburg	100	EUR	51,129

	Gate Gourmet GmbH Ost, Neu-Isenburg	100	EUR	26,000
	Gate Gourmet Lounge GmbH, Neu-Isenburg	100	EUR	25,000
	Gate Gourmet Objekt und Verwaltungs GmbH, Neu-Isenburg	100	EUR	25,000
	Ringeltaube Airport Markt GmbH, Neu-Isenburg	100	EUR	512,000
	SkylogistiX GmbH, Neu-Isenburg	51	EUR	25,000
Ghana	Servair Ghana, Accra	57	GHS	2,109,000
Ireland	Gate Gourmet Ireland Ltd, Dublin	100	EUR	4,500,000
Italy	Gate Gourmet Italia S.p.A., Fiumicino	100	EUR	2,317,636
	Gate Gourmet Italia S.r.L., Milan	51	EUR	4,795,937
Ivory Coast	Servair Abidjan, Abidjan	80	XOF	1,364,000,000
	SIA Restauration Rapide Côte d'Ivoire, Abidjan	100	XOF	6,119,430,000
Japan	Gate Gourmet Japan YK, Chiba-ken	100	JPY	80,000,000
Kenya	NAS Airport Services Ltd, Nairobi	59	KES	16,000,000
	SIA Kenya Holding Ltd, Nairobi	59	KES	1,215,000,000
Luxembourg	Gate Gourmet Luxembourg IV S.à r.l., Luxembourg	100	EUR	2,707,500
	gategroup Finance (Luxembourg) S.A., Luxembourg	100	EUR	31,000
	gategroup Financial Services S.à r.l., Luxembourg	100	EUR	42,783,100
	Supply Chain S.à r.l., Contern	100	EUR	12,500
Macau	Macau Catering Services Co Ltd, Taipa	17	MOP	16,000,000
Mexico	Gate Gourmet & MAASA Mexico S.A.P.I. de C.V., Mexico City	51	MXN	23,054,158
	Gate Retail Onboard Mexico S.A.P.I. de C.V., Mexico City	100	MXN	6,100,000
Netherlands	deSter Holding B.V., Amsterdam	100	EUR	3,359,990
	Gate Gourmet Amsterdam B.V., Schiphol	100	EUR	2,291,590
	Gate Gourmet Holding Netherlands B.V., Schiphol	100	EUR	9,792,135
New Zealand	Gate Gourmet New Zealand Ltd, Auckland	100	NZD	4,000,100
Norway	Gate Gourmet Norway AS, Oslo	100	NOK	9,045,150
Peru	Gate Gourmet Peru S.r.L., Lima	100	PEN	1,599,558
Senegal	Dakar Catering, Dakar	65	XOF	750,000,000
Seychelles	Skychef Ltd, Mahé	55	SCR	313,000
Singapore	Gate Gourmet Singapore Pte Ltd, Singapore	100	SGD	19,602,977
	gategroup Investments Singapore Pte Ltd, Singapore	100	USD	144,778,348
South Korea	Gate Gourmet Korea Co. Ltd, Incheon	60	KRW	133,330,000,000
Spain	Gate Gourmet Spain S.L., Madrid	100	EUR	3,005,061
Sweden	Gate Gourmet Sweden AB, Stockholm	100	SEK	100,000
	Inflight Service Europe AB, Stockholm	100	SEK	1,000,000
	Inflight Service Global AB, Stockholm	100	SEK	100,000
Switzerland	First Catering AG, Bassersdorf	60	CHF	100,000
	Gate Gourmet Switzerland GmbH, Kloten	100	CHF	2,000,000
	Kulinary Holding AG, Zurich	100	CHF	100,000
Thailand	deSter Co. Ltd, Prachinburi	100	THB	135,000,000
United Kingdom	Fernley (Heathrow) Ltd, Middlesex	100	GBP	85,100
	Gate Gourmet Holdings UK Ltd, Middlesex	100	GBP	96,230,003
	Gate Gourmet London Ltd, Middlesex	100	GBP	20,000,002
	gategroup Guarantee Ltd, London	100	CHF	992,622
	Pourshins Ltd, Middlesex	100	GBP	854,350
	Supplair UK Ltd, Middlesex	100	GBP	3
United States of America	deSter Corporation, Atlanta, GA	100	USD	2,000
	deSter North America Inc., Wilmington, DE	100	USD	10
	Gate Gourmet Inc., Wilmington, DE	100	USD	1,000
	Gate Serve llc, Wilmington, DE	100	USD	1
	gategroup U.S. Finance Inc., Wilmington, DE	100	USD	1,000
	gategroup U.S. Holding Inc., Wilmington, DE	100	USD	1
	gateretail North America Inc., Reston, VA	100	USD	1
	Pourshins Inc., Reston, VA	100	USD	1,000

(1) Rounded to the nearest whole number

32 Post Balance Sheet Events

As at March 10, 2023, the date of approval of these consolidated financial statements by the Board, the Group has no significant subsequent events that warrant disclosure.

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To the General Meeting of
gategroup Holding AG, Opfikon

Zurich, March 10, 2023

Report of the statutory auditor

Report on the audit of the consolidated financial statements

Opinion
We have audited the consolidated financial statements of gategroup Holding AG and its subsidiaries (the Group), which comprise the consolidated balance sheet as at December 31, 2022, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements (pages 42 to 87) give a true and fair view of the consolidated financial position of the Group as at December 31, 2022 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and comply with Swiss law.

Basis for opinion
We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISA) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report. We are independent of the Group in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession, as well as those of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the “Auditor's responsibilities for the audit of the consolidated financial statements” section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the consolidated financial statements.

Recoverability of trade receivables

Area of focus	Trade receivables represent 12% of the Group’s total assets as at December 31, 2022. When assessing the recoverability of trade receivables, judgment is applied to the ability to collect. Due to the significance of the carrying values for trade receivables and the judgment involved, this matter is considered significant to our audit. Refer to Notes 2.10 and 13 to the consolidated financial statements for the Group’s disclosure on trade receivables.
Our audit response	We assessed the design of the Group’s internal controls over its trade receivables processes. Our audit procedures included an analysis of trade receivables based on their aging, also considering COVID-19 and industry related implications including those related to expected credit losses. Furthermore, we reviewed subsequent cash receipts and performed data analytics, such as correlation and relationship analysis between revenue, trade receivables and cash receipts as well as a review of credit notes and potential reversals. In addition, we performed inquiries of key personnel regarding trade receivable valuation. Our audit procedures did not lead to any reservations concerning recoverability of trade receivables.

Valuation of goodwill and indefinite life intellectual property

Area of focus	Goodwill and intellectual property represent 28% of the Group’s total assets as at December 31, 2022. As stated in Note 2.17 to the consolidated financial statements, the carrying value of goodwill and indefinite life intellectual property is tested at least annually for impairment. The Group’s annual impairment test determined that there was no impairment. Key assumptions concerning the impairment test are disclosed in Note 17 to the consolidated financial statements. In determining the fair value of Cash Generating Units as defined by Management, the Group must apply judgment in estimating – amongst other factors – cash flow projections based on the financial plan as well as the discount rate. Due to the significance of the carrying values for goodwill and indefinite life intellectual property and the judgment involved in performing the impairment tests, this matter was considered significant to our audit.
Our audit response	We assessed the design of the Group’s internal controls over its annual impairment tests and key assumptions applied and evaluated Group Management’s definition of Cash Generating Units. We involved valuation specialists to assist in examining the Group’s valuation model and analyzing the underlying key assumptions, including long-term

growth and discount rates. We assessed future revenues and margins, the historical accuracy of the Group's financial plans and considered its ability to produce accurate long-term forecasts. We evaluated the sensitivity in the valuation resulting from changes to the key assumptions applied and compared these assumptions to corroborating information, including expected inflation rates and market growth. Our audit procedures did not lead to any reservations concerning the valuation of goodwill and indefinite life intellectual property.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the consolidated financial statements

The Board of Directors is responsible for the preparation of the consolidated financial statements, which give a true and fair view in accordance with IFRS and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, ISA and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located on EXPERTsuisse's website at: https://www.expertsuisse.ch/en/audit-report. This description forms an integral part of our report.

Report on other legal and regulatory requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

Ernst & Young Ltd

Simon Zogg
Licensed audit expert
(Auditor in charge)

Marco Kessler
Licensed audit expert

Financial report 2022
gategroup holding AG

Financial Statements of gategroup Holding AG

Income Statement of gategroup Holding AG

in 1,000 CHF	**2022**	**2021**
Personnel expenses	(1,509)	(996)
Operating expenses	(13,054)	(11,302)
Amortization	(70)	(70)
Total operating expenses	**(14,633)**	**(12,368)**
Operating loss	**(14,633)**	**(12,368)**
Financial income	23,981	87
Financial expenses	(53,805)	(23,341)
Loss before tax	**(44,457)**	**(35,622)**
Direct taxes	–	–
Loss for the year	**(44,457)**	**(35,622)**

Balance Sheet of gategroup Holding AG

in 1,000 CHF	Notes	December 31, 2022	December 31, 2021
Other current receivables		25	32
Other current receivables from subsidiaries		45,425	227,013
Total current assets		**45,450**	**227,045**
Investments in subsidiaries		634,792	634,862
Non-current loans to subsidiaries		319,000	–
Total non-current assets		**953,792**	**634,862**
Total assets		**999,242**	**861,907**
Current accrued interest to related parties		–	21,135
Other current payables		1,062	585
Other current payables to subsidiaries		29,361	5,269
Accruals		5,041	103
Total current liabilities		**35,464**	**27,092**
Non-current interest-bearing liabilities to related parties		421,912	301,912
Non-current accrued interest to related parties		74,823	–
Total non-current liabilities		**496,735**	**301,912**
Total liabilities		**532,199**	**329,004**
Share capital		180,557	180,557
Legal capital reserves:			
Reserve from capital contributions		550,696	550,696
Legal retained earnings:			
General reserve		11,766	11,766
Voluntary retained earnings:			
Earnings brought forward		(200,289)	(164,667)
Loss for the year		(44,457)	(35,622)
Treasury shares	*2.3*	(31,230)	(9,827)
Total shareholders' equity		**467,043**	**532,903**
Total liabilities and shareholders' equity		**999,242**	**861,907**

Notes to the Financial Statements of gategroup Holding AG

1 General Information

The financial statements of gategroup Holding AG, Opfikon (the "Company"), are prepared in accordance with the provisions on accounting and financial reporting (Art. 957 to Art. 963b) of the Swiss Code of Obligations ("CO").

2 Disclosures Required by Swiss Company Law

2.1 Accounting Policies

Valuation Principles
Financial assets, including investments and non-current loans to subsidiaries, are recognized at cost less appropriate write downs. Investments are in general subject to individual valuation.

Treasury Shares
Own shares (treasury shares) are recognized at cost. Any gains or losses upon disposal are recognized through profit and loss. Own shares directly held by the Company are deducted from equity. A reserve for treasury shares is recognized for own shares held by subsidiaries.

Going Concern
Considering the undrawn commitments of the shareholders, the current financial projections demonstrate that there are anticipated to be adequate resources available to allow the Company to continue in operational existence for at least twelve months from the date of the authorization of these financial statements. As such, these financial statements have been prepared on a going concern basis.

2.2 Significant Investments

Company name	Domicile	Currency	Share capital (local currency)	Ownership in % Dec 31, 2022	Ownership in % Dec 31, 2021
Direct investments					
gategroup Finance (Luxembourg) S.A., Luxembourg	Luxembourg	EUR	31,000	100.00%	100.00%
gategroup Financial Services S.à r.l., Luxembourg	Luxembourg	EUR	42,783,100	100.00%	100.00%
gategroup Guarantee Ltd, London	UK	CHF	992,622	100.00%	100.00%
gategroup Investments Singapore Pte Ltd, Singapore	Singapore	USD	144,778,348	100.00%	100.00%
Substantial indirect investments					
Gate Gourmet Argentina S.r.L., Buenos Aires	Argentina	ARS	5,750,000	100.00%	100.00%
Gate Gourmet Cairns Pty Ltd, Mascot, NSW	Australia	AUD	3,104,002	100.00%	100.00%
Gate Gourmet (Holdings) Pty Ltd, Mascot, NSW	Australia	AUD	39,299,111	100.00%	100.00%
Gate Gourmet Rail Pty Ltd, Mascot, NSW	Australia	AUD	2	100.00%	100.00%
Gate Gourmet Services Pty Ltd, Mascot, NSW	Australia	AUD	44,330,100	100.00%	100.00%
Pourshins Australia Pty Ltd, Alexandria, NSW	Australia	AUD	2	100.00%	100.00%
deSter BVBA, Hoogstraten	Belgium	EUR	22,600,000	100.00%	100.00%
Gate Gourmet Belgium NV, Zaventem	Belgium	EUR	62,400	100.00%	100.00%
Gate Gourmet Catering Bolivia S.A., Cochabamba	Bolivia	BOB	22,000	51.00%	51.00%
Gate Gourmet Ltda, São Paulo	Brazil	BRL	107,331,839	100.00%	100.00%
Servair Burkina Faso, Ouagadougou	Burkina Faso	XOF	10,000,000	56.62%	56.62%
Cambodia Air Catering Services Ltd, Phnom Penh	Cambodia	USD	500,000	75.00%	75.00%
Gate Gourmet Canada Inc., Toronto	Canada	CAD	17,500,000	100.00%	100.00%
Pourshins Canada Inc., Toronto	Canada	CAD	300,000	100.00%	100.00%
Gate Gourmet Catering Chile Ltda, Santiago	Chile	CLP	1,968,062,000	100.00%	100.00%
Gate Gourmet Hong Kong Ltd, Hong Kong	China	HKD	281,657,350	100.00%	100.00%
gategroup Solutions Hong Kong Ltd, Hong Kong	China	HKD	1	100.00%	100.00%
gategroup Trading Hong Kong Ltd, Hong Kong	China	USD	162	100.00%	100.00%
Gate Gourmet Colombia S.A.S, Bogotá	Colombia	COP	831,229,870	75.00%	75.00%
Fondeg Catering Congo, Kinshasa	D.R. Congo	CDF	93,000,000	21.55%	21.55%
Gate Gourmet Denmark ApS, Tårnby	Denmark	DKK	401,200	100.00%	100.00%
Gate Gourmet Northern Europe ApS, Tårnby	Denmark	DKK	52,401,000	100.00%	100.00%
Gate Gourmet del Ecuador Cia Ltda, Quito	Ecuador	USD	2,278,400	60.00%	60.00%
Evertaste Oy, Vantaa	Finland	EUR	603,450	100.00%	100.00%
ACNA, Le Mesnil-Amelot	France	EUR	37,500	65.00%	65.00%
Alphair SAS, Tremblay-en-France	France	EUR	5,000	64.99%	64.99%
Gate Gourmet Helvetia SAS, Paris	France	EUR	10,000	100.00%	100.00%
Lyon Air Traiteur, Colombier-Saugnieu	France	EUR	455,000	65.00%	65.00%
Martinique Catering, Le Lamentin	France	EUR	50,000	63.70%	63.70%
Orly Air Traiteur, Wissous	France	EUR	8,934,190	65.00%	65.00%
Panima, Mamoudzou	France	EUR	500,000	65.00%	65.00%
Paris Air Catering (PAC), Tremblay-en-France	France	EUR	100,005	65.00%	65.00%
Passerelle CDG, Tremblay-en-France	France	EUR	40,000	65.00%	33.15%
Servair Investissements Aeroportuaires (SIA), Tremblay-en-France	France	EUR	25,000,000	65.00%	65.00%
Servair SA, Tremblay-en-France	France	EUR	52,386,208	65.00%	65.00%
Sheltair CDG, Tremblay-en-France	France	EUR	1	33.15%	–
Société de Restauration Industrielle (SORI), Les Abymes	France	EUR	50,000	32.53%	32.53%
Société Guyanaise de Restauration Industrielle (SOGRI), Matoury	France	EUR	225,000	63.05%	63.05%
Svrls@La Reunion, Sainte Marie	France	EUR	150,000	32.63%	32.63%
Servair Gabon, Libreville	Gabon	XAF	250,000,000	35.75%	35.75%
deSter GmbH, Neu-Isenburg	Germany	EUR	1,023,000	100.00%	100.00%
Evertaste GmbH, Alzey	Germany	EUR	26,000	100.00%	100.00%
Gate Gourmet GmbH Deutschland, Neu-Isenburg	Germany	EUR	7,670,000	100.00%	100.00%
Gate Gourmet GmbH Holding Deutschland, Neu-Isenburg	Germany	EUR	51,129	64.00%	64.00%

Gate Gourmet GmbH Ost, Neu-Isenburg	Germany	EUR	26,000	100.00%	100.00%
Gate Gourmet Lounge GmbH, Neu-Isenburg	Germany	EUR	25,000	100.00%	100.00%
Gate Gourmet Objekt und Verwaltungs GmbH, Neu-Isenburg	Germany	EUR	25,000	100.00%	100.00%
Ringeltaube Airport Markt GmbH, Neu-Isenburg	Germany	EUR	512,000	100.00%	100.00%
SkylogistiX GmbH, Neu-Isenburg	Germany	EUR	25,000	51.00%	51.00%
Servair Ghana, Accra	Ghana	GHS	2,109,000	37.05%	37.05%
Gate Gourmet Ireland Ltd, Dublin	Ireland	EUR	4,500,000	100.00%	100.00%
Gate Gourmet Italia S.p.A., Fiumicino	Italy	EUR	2,317,636	100.00%	100.00%
Gate Gourmet Italia S.r.L., Milan	Italy	EUR	4,795,937	51.00%	51.00%
Servair Abidjan, Abidjan	Ivory Coast	XOF	1,364,000,000	52.00%	52.00%
SIA Restauration Rapide Côte d'Ivoire, Abidjan	Ivory Coast	XOF	6,119,430,000	65.00%	65.00%
Gate Gourmet Japan YK, Chiba-ken	Japan	JPY	80,000,000	100.00%	100.00%
NAS Airport Services Ltd, Nairobi	Kenya	KES	16,000,000	38.35%	38.35%
SIA Kenya Holding Ltd, Nairobi	Kenya	KES	1,215,000,000	38.35%	38.35%
Gate Gourmet Luxembourg IV S.à r.l., Luxembourg	Luxembourg	EUR	2,707,500	100.00%	100.00%
Supply Chain S.à r.l., Contern	Luxembourg	EUR	12,500	100.00%	100.00%
Macau Catering Services Co Ltd, Taipa	Macau	MOP	16,000,000	11.27%	11.27%
Gate Gourmet & MAASA Mexico S.A.P.I. de C.V., Mexico City	Mexico	MXN	23,054,158	51.00%	51.00%
Gate Retail Onboard Mexico S.A.P.I. de C.V., Mexico City	Mexico	MXN	6,100,000	75.46%	75.46%
deSter Holding B.V., Amsterdam	Netherlands	EUR	3,359,990	100.00%	100.00%
Gate Gourmet Amsterdam B.V., Schiphol	Netherlands	EUR	2,291,590	100.00%	100.00%
Gate Gourmet Holding Netherlands B.V., Schiphol	Netherlands	EUR	9,792,135	100.00%	100.00%
Gate Gourmet New Zealand Ltd, Auckland	New Zealand	NZD	4,000,100	100.00%	100.00%
Gate Gourmet Norway AS, Oslo	Norway	NOK	9,045,150	100.00%	100.00%
Gate Gourmet Peru S.r.L., Lima	Peru	PEN	1,599,558	100.00%	100.00%
Dakar Catering, Dakar	Senegal	XOF	750,000,000	42.33%	42.33%
Skychef Ltd, Mahé	Seychelles	SCR	313,000	35.75%	35.75%
Gate Gourmet Singapore Pte Ltd, Singapore	Singapore	SGD	19,602,977	100.00%	100.00%
Gate Gourmet Korea Co. Ltd, Incheon	South Korea	KRW	133,330,000,000	60.00%	60.00%
Gate Gourmet Spain S.L., Madrid	Spain	EUR	3,005,061	100.00%	100.00%
Gate Gourmet Sweden AB, Stockholm	Sweden	SEK	100,000	100.00%	100.00%
Inflight Service Europe AB, Stockholm	Sweden	SEK	1,000,000	100.00%	100.00%
Inflight Service Global AB, Stockholm	Sweden	SEK	100,000	100.00%	100.00%
First Catering AG, Bassersdorf	Switzerland	CHF	100,000	60.00%	60.00%
Gate Gourmet Switzerland GmbH, Kloten	Switzerland	CHF	2,000,000	100.00%	100.00%
Kulinary Holding AG, Zurich	Switzerland	CHF	100,000	60.00%	60.00%
deSter Co. Ltd, Prachinburi	Thailand	THB	135,000,000	100.00%	100.00%
Fernley (Heathrow) Ltd, Middlesex	UK	GBP	85,100	100.00%	100.00%
Gate Gourmet Holdings UK Ltd, Middlesex	UK	GBP	96,230,003	100.00%	100.00%
Gate Gourmet London Ltd, Middlesex	UK	GBP	20,000,002	100.00%	100.00%
Pourshins Ltd, Middlesex	UK	GBP	854,350	100.00%	100.00%
Supplair UK Ltd, Middlesex	UK	GBP	3	85.00%	100.00%
deSter Corporation, Atlanta, GA	USA	USD	2,000	100.00%	100.00%
deSter North America Inc., Wilmington, DE	USA	USD	10	100.00%	100.00%
Gate Gourmet Inc., Wilmington, DE	USA	USD	1,000	100.00%	100.00%
Gate Serve llc, Wilmington, DE	USA	USD	1	100.00%	100.00%
gategroup U.S. Finance Inc., Wilmington, DE	USA	USD	1,000	100.00%	100.00%
gategroup U.S. Holding Inc., Wilmington, DE	USA	USD	1	100.00%	100.00%
gateretail North America Inc., Reston, VA	USA	USD	1	100.00%	100.00%
Pourshins Inc., Reston, VA	USA	USD	1,000	100.00%	100.00%

2.3 Treasury Shares

Treasury shares held by gategroup Holding AG or by companies in which gategroup Holding AG holds a majority interest:

2022	**Number of shares**
Balance at January 1, 2022	**839,112**
Purchases	1,189,085
Balance at December 31, 2022	**2,028,197**
Number of treasury shares held by gategroup Holding AG	2,028,197

2021	
Balance at January 1, 2021	**839,112**
Balance at December 31, 2021	**839,112**
Number of treasury shares held by gategroup Holding AG	839,112

2.4 Guarantees and Financing

In relation to the existing financing:

- The Group has issued a CHF 350.0m fixed rate senior bond ("Bonds") which matures on February 28, 2027. The Bonds, with a coupon of 3.0% p.a., were issued by gategroup Finance (Luxembourg) S.A. and are guaranteed by its parent company, gategroup Holding AG. The Bonds are listed on the SIX Swiss Exchange.
- The EUR 250.0m Term Loan together with capitalized Profit In Kind ("PIK") interest matures on October 20, 2026.
- The Revolving Credit Facility ("RCF"), being a facility of EUR 415.0m together with capitalized PIK interest, matures on October 20, 2026.
- The borrowings under the Bonds, the Term Loan and the RCF all rank pari passu. The Term Loan and RCF are guaranteed by the Company and certain other Group companies.
- In 2021, a subordinated convertible facility of CHF 475.0m was made available to the Company by the shareholders, through their affiliates, with maturity on March 31, 2027. PIK interest accrues on the amounts drawn at a rate of 12.5% per annum. At December 31, 2022, a total of CHF 421.8m (2021: CHF 301.8m) had been drawn. The facility is guaranteed by each borrower and guarantor under the Senior Facilities Agreement ("SFA") but is fully subordinated to the claims of both the lenders under the SFA and holders of the Bonds.

Further, guarantees issued in favour of third parties amount to CHF 245.9m (2021: CHF 255.7m) thereof none (2021: none) for associates.

2.5 Employees

In 2022, the Company employed on average 8 employees (2021: 7).

2.6 Post Balance Sheet Events

As at March 10, 2023, the date of approval of these financial statements by the Board, the Company has no significant subsequent events that warrant disclosure.

Appropriation of Available Earnings and Reserve from Capital Contributions

Proposal of the Board of Directors to the Annual General Meeting of Shareholders, for the appropriation of available earnings

in 1,000 CHF	December 31, 2022	December 31,[1] 2021
Carried forward from previous year	(200,289)	(164,667)
Loss for the year	(44,457)	(35,622)
Balance to be carried forward	**(244,746)**	**(200,289)**

[1] Approved by the Annual General Meeting of Shareholders on April 21, 2022

Proposal of the Board of Directors for the appropriation of reserve from capital contributions

in 1,000 CHF	December 31, 2022	December 31, 2021
Opening balance	550,696	570,835
Adjustment to the reserve from capital contributions	–	(20,139)
Balance to be carried forward	**550,696**	**550,696**

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To the General Meeting of
gategroup Holding AG, Opfikon

Zurich, March 10, 2023

Report of the statutory auditor

Report on the audit of the financial statements

Opinion
We have audited the financial statements of gategroup Holding AG (the Company), which comprise the balance sheet as at December 31, 2022 and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 94 to 99) comply with Swiss law and the Company's articles of incorporation.

Basis for opinion
We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information
The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements, the consolidated financial statements and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the financial statements
The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on EXPERTsuisse's website at: https://www.expertsuisse.ch/en/audit-report. This description forms an integral part of our report.

Building a better
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Report on other legal and regulatory requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the financial statements according to the instructions of the Board of Directors.

We recommend that the financial statements submitted to you be approved.

Ernst & Young Ltd

Simon Zogg	Marco Kessler
Licensed audit expert	Licensed audit expert
(Auditor in charge)	

Credits imprint
2022

EDITOR
gategroup Holding AG.

REALIZATION
NeidhartSchön AG, Zurich, Switzerland.

PHOTOGRAPHY AND ARTWORK CREDITS
Employees who contributed their photographs (page 32).
Sustainable Development Goals (page 28, 34.
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The Group assumes no responsibility to publicly update or revise any of these forward-looking statements or to adapt them whether to reflect new information, future events, developments or circumstances or otherwise. It should be noted that past performance is not a guide to future performance. Forward-looking statements are not profit forecasts.

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