Annual Report **2021**

gategroup

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TIMO VÄTTÖ

Chairman of the Board

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I WANT TO SINCERELY THANK ALL OUR GATEGROUP EMPLOYEES, WHO SHOWED EXCEPTIONAL FOCUS AND DEDICATION DURING A TIME OF GREAT CHALLENGES.

Dear stakeholders of gategroup,

The year 2021 was characterized by uncertainty related to the continuing impacts of the COVID-19 pandemic. The aviation industry, and gategroup as an integral part of that industry ecosystem were naturally not immune to the external factors. However, the team at gategroup has relentlessly continued its journey on our chosen path. We are pleased with the strength of our strategy and progress made, both in our aviation related activities and also in new adjacent markets.

When it comes to overall market trends and needs, we again witnessed how gategroup's strong foundation enables us to serve our customers, innovate with them and to succeed. The foundation is built on long-term relationships and our industry leadership, all driven by our committed global team. We continue to be well positioned for strong and profitable growth. We remain optimistic about the long-term success of airline industry and are excited about the adjacent opportunities.

On behalf of the Board of Directors, I want to sincerely thank all our gategroup employees, who showed exceptional focus and dedication during a time of great challenges. I also want to thank our valued customers for their trust in us, as well as our suppliers, strategic partners, governmental agencies and financial community for their collaboration and support. Together, we proved that gategroup's assets are as compelling in times of market turmoil as they are in times of prosperity.

2021 was also a year of leadership evolution and change. Our Board was strengthened and in September, Christoph Schmitz, who had served as gategroup's Chief Financial Officer since 2015, was appointed as our new Chief Executive Officer. His leadership since assuming this new role has affirmed our confidence in Christoph and his team to guide gategroup toward its future success both in and beyond the aviation sector.

Finally, I would like to thank our shareholders and all members of our Board of Directors. Their vision was essential as we followed our strategy and took decisive action in uncertain times. Our shareholders' commitment and continued engagement played an invaluable role in our on-going transformation and growth.

Thank you for continuing the journey together toward what we are confident will be an exciting future for the company. We are, as always, grateful for your support of and belief in gategroup.

Sincerely yours,

Timo Vättö
Chairman of the Board

CHRISTOPH SCHMITZ

Chief Executive Officer

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GATEGROUP'S EMPLOYEES DEDICATED THEMSELVES TO OUR EVOLVING MISSION AND PROVIDED THE TALENT, EXPERTISE AND INSIGHTS NECESSARY TO DRIVE INNOVATION AND EXPANSION.

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

It is true that every crisis bears opportunity, but it is also true that implementing transformational changes while under pressure requires courage, persistence, loyal and trusting partners, a long-term vision, and a can-do attitude.

The global impact of the COVID-19 pandemic continued to be inescapable throughout 2021. At gategroup, we recognized early on that despite the immediate constraints, there was nothing holding us back from creating and implementing a blueprint for a more resilient, diversified and faster growing business.

We began the year firmly established as the global market leader in airline catering. Airlines operating around the world counted on gategroup as a strategic ally in jointly navigating the crisis and maintaining high operational standards against the backdrop of a continued slowdown of the industry, low staffing levels and the looming recovery. During that phase gategroup continued to closely work with its customers and did not abandon any customer, leave any country, or shut any of its operating units . In this context, the crisis has also shown the value of long-term partnerships. We have jointly weathered the storm and together will emerge stronger.

I would like to thank our customers for their loyalty, our employees for their continued support and tireless efforts, our suppliers that have shown a high level of flexibly, our lenders that have continued to finance our recovery, the various government bodies for their COVID-19 crisis support measures, and finally our shareholders who have stood by us unwaveringly.

It was because of this support and our strong belief in the coming recovery of the airline industry that gave us the courage and motivation to push forward. Despite the challenges and uncertainty, we laid the foundation for the recovery of our aviation catering business and in parallel built on our core competencies to drive expansion into our adjacent markets.

While we have no doubt that the airline catering and retail business will soon recover to pre-crisis levels, we see a clear material opportunity to develop the adjacent food services business.

Standing on the four strategic pillars of Ready-to-eat Meals & Ingredients, Catering Solutions, Platform-Driven Food Experiences, and Packaging, the food services business has demonstrated great potential, generating close to 10% of the group's revenue in 2021. It is our clear objective to use gategroup's DNA of culinary and service excellence to grow this new segment to reach at least 25% of the group's revenue in the coming years.

Finally, I want to make particular note of our ongoing work in support of sustainable and climate-friendly operations and practices. It's not enough to offer statements about our commitment to serving as caretakers of the planet. Environmental practice must be quantified and measured, not merely presented as a message point. With that in mind, in 2021 gategroup determined that it would undergo an audit and benchmarking as a precursor to establishing and making public its sustainability milestones and its timeline for hitting those performance targets. We look forward to providing updates on this process as the year progresses, and we will of course continue to participate in volunteer and philanthropic activities that enhance the quality of life in the communities in which we do business.

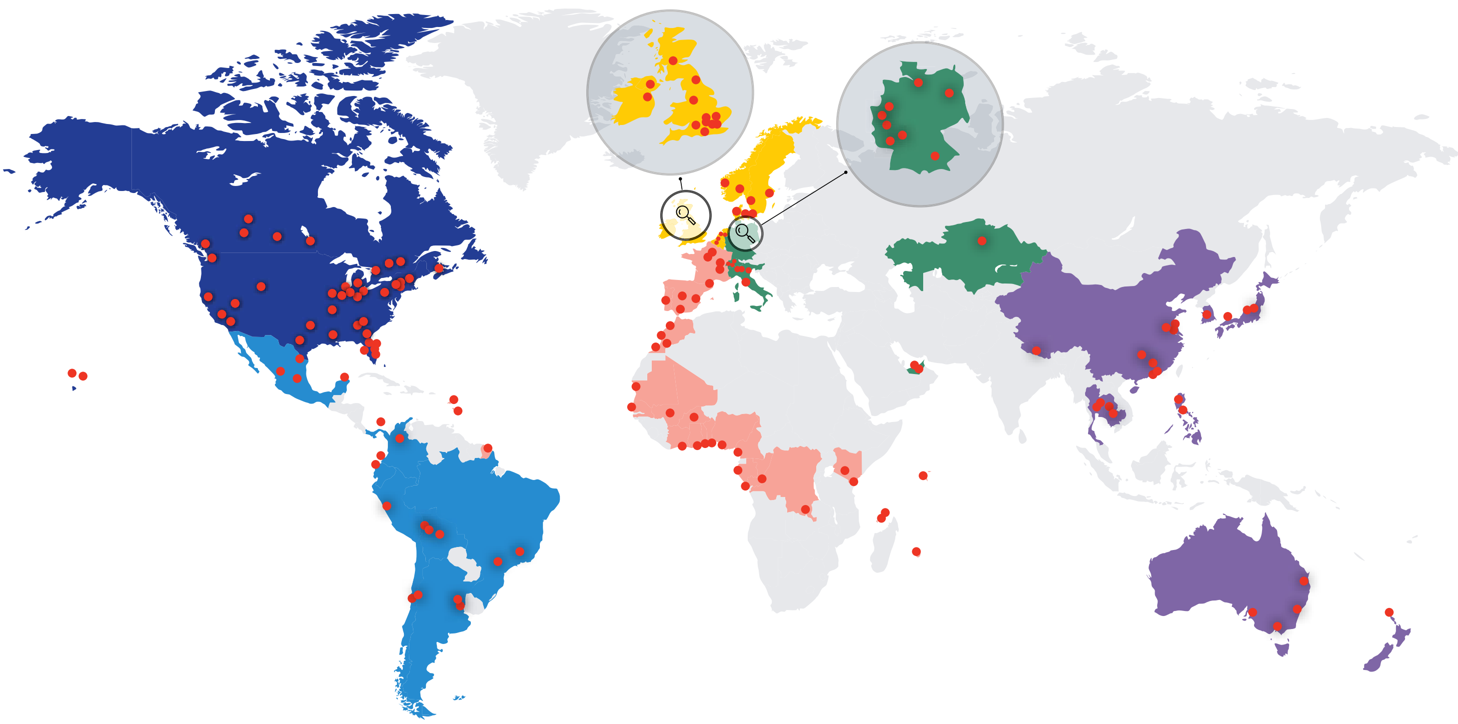
In closing, I want to thank each of you, our stakeholders, for the invaluable role you play in gategroup's continued success and for being a part of these exciting new moves we are making toward long-term prosperity and growth. We are grateful every day for your commitment and collaboration.

Sincerely yours,

Christoph Schmitz
Chief Executive Officer

2021 IN PICTURES

gategroup



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

- gategroup locations

- Headquarter, Zurich, Switzerland

ca. 300
MILLION PASSENGERS SERVED ANNUALLY

300+
GLOBAL CUSTOMERS

2500+
HIGHLOADERS OPERATED

2bn chf
REVENUE

20
AIRLINE RETAIL CUSTOMERS SERVED

ca. 2 million
FLIGHTS CATERED ANNUALLY

35k+
EMPLOYEES

60+
COUNTRIES

200+
OPERATING UNITS IN 60+ COUNTRIES/TERRITORIES

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OUR BUSINESS:
AVIATION

gategroup is more than just the world leader in airline catering. As part a diversified and customer-centric global food company, gategroup brings its broad experience and skills together in the segments of Aviation and Food Services.

ON-BOARD CATERING

Through our brands Gate Gourmet and Servair, gategroup provides industry-leading airline catering solutions and provisioning services. With dedicated teams of talented chefs working in close partnership with our customers, we create menus designed to exceed passenger expectations across all cabins. To ensure exceptional quality and reliability, we have dedicated operational excellence teams who are dedicated to delivering standardized, consistent catering services wherever we operate.

ON-BOARD RETAIL

gateretail is the world's leading inflight retailer, enhancing the passenger experience through our omni-channel, award winning retail programs for our airline partners. We deliver new revenue streams through interactive, digital, point-of sale systems which can include pre-selection, pre-order execution and advertising campaigns. All are designed to be environmentally friendly, cost-effective, self-service options which pave the way for airlines to move away from printed materials and offer customers a compelling, personalized experience while simultaneously providing the carrier with instant, transparent EPOS backend data.

AIRPORT LOUNGES

Lounge Services aims to assist customers define tailor-made lounge service concepts underlining their unique brands, creating an environment of true hospitality for the business or leisure traveler through recruitment and training of selected lounge teams, food & beverage concept creation, lounge management, lounge design, technical planning and much more. With 80+ lounges serving millions of customers annually, gategroup's lounges have won distinctive awards for our First and Business-Class lounges at International Airports.

EQUIPMENT

gategroup's deSter brand provides the specialized equipment our customers require, delivering complete premium and main cabin concepts bespoke designed to provide the ultimate passenger experience. By co-developing service models and equipment designs in close collaboration with our customers, we always find the perfect balance between operational aspects, brand values and price in a market where even the smallest detail can make a world of difference.

OUR BUSINESS: FOOD SERVICE

During the COVID-19 pandemic, we used the opportunity presented to further expand our offering beyond aviation. Working with our regional leaders, we identified and grew the most promising areas for new development. These initiatives were based on our existing asset base, capabilities and know-how to grow and diversify the business as well as generate additional cash.

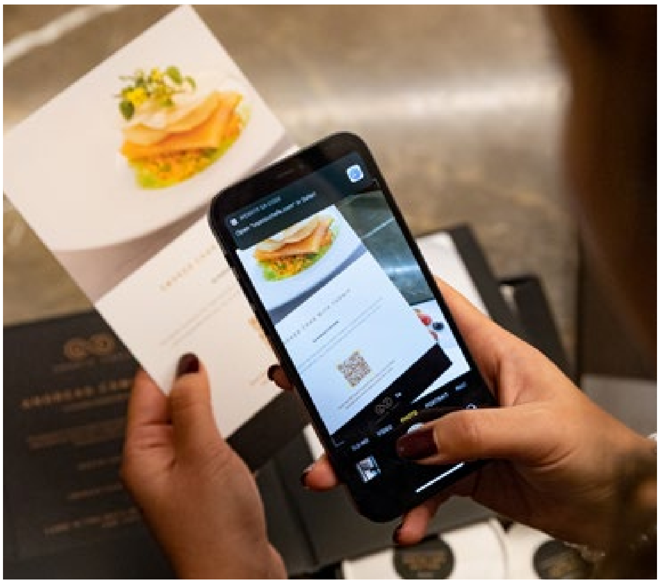
The Food Service strategy is based on four pillars of Ready-to-Meals and Ingredients, Catering Solutions, Platform Driven Food Experiences, and Packaging Solutions, selected because of their efficient use of assets and know-how, competitive advantage, and ability to deploy and scale sizable markets with growth potential and limited correlation with aviation.

READY-TO-EAT MEALS & INGREDIENTS

A growing part of gategroup's offering, our chefs produce ready-to-eat/heat meals and/or components for supermarkets, hotels, QSR's and others across the Group's global footprint. By drawing on development expertise and advanced food production technologies, we are able to bring superior offerings tailored by our experts for the tastes and requirements of local markets.

CATERING SOLUTIONS

gategroup produces meals and/or components for catering solution providers, leveraging its 200+ production units and proven, superior food-safety experience and practices. By building on our experience and agile production capacity, gategroup is able to deliver scaled catering solutions suitable for all levels of consumer need. gategroup also operates own catering spaces.



PLATFORM-DRIVEN FOOD EXPERIENCE

Increasingly popular and catalyzed by the COVID-19 pandemic, platform-driven "direct-to-consumer" (DTC) food has become an important part of the culinary ecosystem. Through our strong relationships with chefs and well-established culinary brands, we deliver meal experiences to end consumers via online channels such as aggregators, subscription models and/or virtual canteens. Our activities are as diverse as bringing European high-street brands to the Asian delivery market and creating luxury food boxes from world-renowned chefs.

PACKAGING

Packaging solutions (deSter) creates, designs, and produces market leading food packaging concepts for customers in the Food Service industry. The solutions are unique and its holistic approach to product development aims to contribute towards achieving a circular economy. By creating products from the bottom up, deSter's teams are able to place an intensive focus on reusable and recyclable products, and the use of recycled resources alongside the development of products made from renewable and compostable resources.

CORE COMPETENCIES

2021

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WE'VE DEVELOPED OUR CORE COMPETENCIES TO SUPPORT OUR QUEST FOR CUSTOMER-CENTRIC EXCELLENCE.

How can we continually enhance our capacity to deliver a superior customer experience?

Every new product, service or solution we introduce and every operations upgrade we undertake must provide a clear, actionable and measurable answer to that question. Every joint initiative with vendors and strategic partners must serve that mission.

We've developed our core competencies to support our quest for customer-centric excellence. This, in turn, supports the quality of our workplace by giving employees a clear understanding of their contributions to gategroup's success and the professional development goals they can pursue to advance in our organization.

This is our holistic approach to building value that meets the expectations of our customers, our investors and every member our team.

CULINARY LEADERSHIP

LOGISTICS & SUPPLY CHAIN

OPERATIONAL EXCELLENCE

TECHNOLOGY

CULINARY LEADERSHIP

2021

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WE HAVE BUILT AN ENVIRONMENT THAT ENCOURAGES DIVERSITY AND INCLUSIVITY IN OUR KITCHENS AND GIVES OUR CHEFS ACCESS TO A GLOBAL CULINARY NETWORK.

Innovation requires sharply honed business instincts - but it can also have counterintuitive elements. Logic might hold that when the COVID-19 pandemic grounded commercial air travel, it would also put the brakes on gategroup's culinary development. In reality, just the opposite occurred. We found opportunity in that downtime and explored new approaches to cuisine, new market openings that aligned with our abilities and, in the process, new strategies for diversification that would support our long-term growth objectives.

As a result, chefs' roles at gategroup evolved and took on an increasingly important role not just in our kitchens, but also in our business development.

For example, our chefs played a central role in advancing gategroup's sustainable food sourcing and production practices. During 2021, gategroup's embrace of inclusionary sustainability was evident as we increased sourcing of seasonal and local ingredients, reduced waste and focused on nutritional value. In addition to enhancing the appeal of the meals we produce, each of these factors also strengthened the value we provide to customers and the P&L performance we deliver for investors.

We equipped our chefs with all the tools they needed to bring these goals to fruition. During 2021, our chefs refined their knowledge of how to use big data to track trends and inform their menu development. Data mining and analysis became a mandatory part of our culinary process, as is required to optimize value and financial performance in today's business landscape.

The human factor is equally important: We have built an environment that encourages diversity and inclusivity in our kitchens and gives our chefs access to a global culinary network. It is a point of pride at gategroup that we collaborate with the best and most innovative chefs in the world and foster a sense of real community within that network.

Another performance metric in which gategroup invests is quality assurance and consistency. In the sectors we serve, culinary innovation is only as good as its replicability. With that in mind, our 2021 areas of focus and investment also included processes for standardizing innovation so that we deliver it consistently in every meal we prepare. Here, too, technology plays a supporting role. By making use of the cloud, we enable chefs on different continents to collaborate remotely on creation of exceptional menus and meals. This use of cloud collaboration began during 2021 and is expected to come into full force during 2022.

Each of these strategies serves the ultimate goal of understanding gategroup's customers and creating menus that support their business objectives. As we look back on the culinary investments we made during the pandemic "downtime," we see benefits that gategroup is already realizing and that have the potential to increase performance and value over the long term.

OPERATIONAL EXCELLENCE

2021

In 2021, gategroup found itself embarking on a new path: one that would allow the company to remain true to its mission and vision but, at the same time, evolving in its scope and in the diversity of sectors it serves. To navigate this transformation, we relied on the operational excellence that allowed us to move forward confidently and to demonstrate the dexterity necessary to succeed at new challenges.

This fundamental strength was evident in our completion and integration of acquisitions transacted during the year, most notably the acquisition of LSG's European business, which we concluded in December 2020. The transition involved aligning operations processes and procedures and extracting the best in class from each organization to build the strongest and most advanced foundation to enable long-term leadership in aviation catering.

Our skill in merger and acquisition integration extends to the cultural aspects of bringing teams together to work productively and to feel united in purpose. Management at gategroup worked closely with incoming management from LSG Europe, which in turn was working with the company's union and employees at all levels.

As a team, we ensured that the best and most productive operating processes and practices from both organizations came together to optimize gategroup as a business, as a solutions provider and as an employer. Moreover, we achieved this integration ahead of our internal timetable and achieved results that exceeded our projections.

Another aspect of our operations that contributed to this success is our commitment to a decentralized management model that supports the preservation of local teams' identity and characteristics. We provide support rather than control from the top and afford each region the autonomy to run that area of the business provided that they conform to gategroup standards. Our experience has shown that this approach optimizes efficiency and encourages initiative across the organization.

Scaling was, of course, a significant pandemic challenge across many sectors, and gategroup's experience was no exception. We saw our markets shrink by 95% over 15 days in 2020, and the recovery in 2021 did not proceed as rapidly or smoothly as anyone had hoped. This resulted in workforce reductions and limitations in our capacity to invest in our people as we would have liked.

However, as part of the 2025 strategy that we developed during 2021, we are looking at ways to build a more entrepreneurial culture that taps into employees' career passions and ambitions to everyone's benefit. We feel a commitment to everyone who worked with us through many months of streamlined operations to continue delivering innovation and culinary excellence, and we are exploring opportunities for growth across diversified segments and in service to new customers.

This supports our operations strengths because the new industry segments that we have targeted for expansion are grounded in gategroup's core culinary competencies. As a result, our expansion plans do not require extensive investment in retraining or developing new employee skills. In terms of human resources and operating capabilities, we are already proven providers of the efficient daily delivery of high volumes of food to a large number of locations.

For example, some of our kitchens or units employ more than 1,000 people. In some cases, those workplaces qualify as the largest restaurant kitchens in the cities in which we operate. Our ability to produce a large number of meals under the tight scheduling conditions required by our airline customers converts to a competitive strength when operating in other customer segments that need a high volume of ready-to-eat meals.

Thus, from an operations perspective, all of gategroup's diversification plans are firmly grounded in our current capabilities, which we can amplify further through strategic acquisitions that broaden our industry and geographic footprints. We can pursue those plans confidently because we have already demonstrated the dexterity necessary to adapt to external challenges and emerge with viable new plans for exploiting our full potential.

The pandemic was a learning experience for every company, for better or worse. During 2021, we dedicated ourselves to emerging from it with a solid blueprint for making the most of our operating strengths. The lessons we learned from adopting that approach were to expand our thinking about gategroup's capabilities and to more precisely identify all the areas in which our strengths present long-term opportunities for growth and profitability.

LOGISTICS & SUPPLY CHAIN

2021

Any company with ambitious growth plans needs consistent performance in its logistics, procurement and supply chain management. Throughout 2021, gategroup dedicated resources to the development of our central trading procurement house in Luxembourg. Our team there is responsible for maintaining the depth and breadth of our supplier network throughout Europe and beyond. With their support, we maintain the infrastructure necessary to absorb further growth in in-flight catering and integrate new expansion into the retail sector.

In recent years, gategroup has been subject to the same financial challenges and supply chain disruptions that tested enterprises around the globe. Our centralization initiatives augmented gategroup's organizational muscle and gave our procurement specialists greater latitude in sourcing from geographically diverse vendors. This not only minimizes disruptions to our supply chain but also gives us another tool to use in managing costs and reducing the impact of rising prices.

These competitive advantages extend beyond our ability to deliver the quality and volume of meals needed by our customers. Our procurement team is also instrumental in managing many of gategroup's indirect costs: operating expenses, office and mobile technology, kitchen equipment, our transport fleet and all the other components of our global organization. Their work complemented the strategies we implemented, such as sale and leaseback projects, to optimize the value we extracted from our assets.

As the COVID-19 pandemic continued, access to supplies became more constrained and scarcity of certain commodities became commonplace. But these same challenges also created opportunities to verify the quality of our processes and systems and their capacity to support our risk management objectives.

We look forward to continued market recovery but also recognize that the future will always present new tests of our ability to anticipate and respond to new disruptions. We are confident that our investments in logistics, procurement and supply chain management during 2021 and our continued emphasis on developing these key areas strengthen gategroup's ability to maintain uninterrupted operations. This, in turn, supports our 2021 goal of enhancing the company's position as a reliable partner to regional, national and global leaders in the sectors we serve.

INNOVATIVE TECHNOLOGY

2021

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AMONG OUR PRIORITIES IN ENSURING THAT OUR TECHNOLOGY SOLUTIONS CAN SCALE QUICKLY AND SEAMLESSLY IN RESPONSE TO EVOLVING CUSTOMER NEEDS.

IT is the backbone of gategroup's ability to create customized solutions across our existing and emerging lines of business. Off-the-shelf implementations rarely have the capacity to be tailored to individual requirements, so we have developed the internal IT capabilities necessary to meet our performance, security and remote-access standards in customer-facing technologies.

Among our priorities in ensuring that our technology solutions can scale quickly and seamlessly in response to evolving customer needs. Our in-house team is prepared to upgrade and deploy solutions rapidly, a process that encompasses ensuring full interoperability with existing customer systems and point-to-point connectivity to their tools. In keeping with our commitment to partnership with customers, we provide user-friendly tools for managing these implementations.

We continually invest in technological advances and innovations to preserve this competitive strength and maintain our value proposition. This is a key area of focus for gategroup not only within the IT department, but also at the executive and board levels. One product of this emphasis in 2021 was development of upgrades to our ERP services and increased capacity for remote interaction.

Looking to the future, we are assessing the potential of artificial intelligence to automate internal and customer-facing processes. These may comprise anything from streamlining accounts payable and accounts receivable management to mining data that can inform end-customer interactions — for example, by tracking frequent flyers' food preferences.

Each of these is a component of the extent to which our IT team balances technological expertise with understanding of our business objectives and our customers' needs and expectations. Our goal is to ensure that every gategroup solution and tool optimizes our operations and enables us to deliver services of a consistently high caliber across our organization.

DRIVING GROWTH

2021

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AT GATEGROUP, OUR PRIORITIES HAVE ALWAYS BEEN EASILY IDENTIFIABLE BY THE INVESTMENTS WE MAKE IN KEY AREAS SUCH AS CULINARY, RETAIL AND TECHNOLOGY.

Like many companies, we were compelled to take a fresh look at those priorities during 2021 and consider how our core competencies equipped us to thrive in the new business landscape. Rather than attempt to resurrect our company as it was prior to the COVID-19 pandemic, we were energized by the idea of harnessing those core competencies to reinvigorate gategroup and its position in its traditional and emerging sectors.

Our culinary team played a leading role in this evolution by developing new ways to meet industry standards of sustainability, from the use of seasonal and locally produced foods to focus on nutritional value and emphasis on reducing waste. These strategies simultaneously enhance the value our customers derive from our meals and establish new cost-reduction mechanisms for the business, which makes sustainability a driver of multiple successes at gategroup. Our advances in menu standardization delivered additional operating efficiencies and cost management advantages that carry through across all regions and business lines.

We recognized that data-driven efficiency would be a key driver of our ability to grow and expand in pursuit of these objectives. At gategroup, we've always relied on best-in-class technology as the backbone of our operational standardization, efficiency and ability to deliver innovative solutions. Data plays an equally invaluable role in identifying opportunities to engage in greener practices and implement ideas that promote sustainability.

The parallels continue as we consider our traditional objective of providing the best and most innovative catering available to the aviation industry. The culinary expertise that we developed in service to that sector provided a built-in platform for diversification into retail and other food services.

This aspect of gategroup's core competencies afforded us a natural bridge for immediate diversification into a sector that would depend on and value our existing know-how. We saw potential for that expansion to proceed through a mix of organic growth and selective cultivation of joint ventures or mergers and acquisitions. From a strategic perspective, we recognized that the qualities that equipped us to branch into new areas of food services also made us attractive as a potential partner to companies that shared our commitment to industry leadership.

With production units that adhere to the highest standards of culinary quality and efficiency, we saw a broad spectrum of opportunities in the large-scale manufacture of everything from high-end meals to simple yet excellent foods prepared on a reasonable budget.

It quickly became apparent that this redefinition of our product portfolio created a highly attractive business proposition for the big brands in food service who were already familiar with gategroup's culinary quality. These brands are always searching for solutions that allow them to sell products that combine competitive pricing with a high caliber of on-the-go meals.

In effect, the COVID-19 pandemic ultimately afforded us a fresh perspective on our business and the full scope of its potential. We continue to invest in building our business by providing outstanding services to the aviation sector, but we see in our future the opportunity to match our leadership there with market share gains across diversified lines of business. This is our strategy for ensuring that gategroup, rather than simply recovering from the downturn in business sparked by the pandemic, capitalizes on our experiences and converts them into a launchpad for long-term innovation, expansion and profitability.

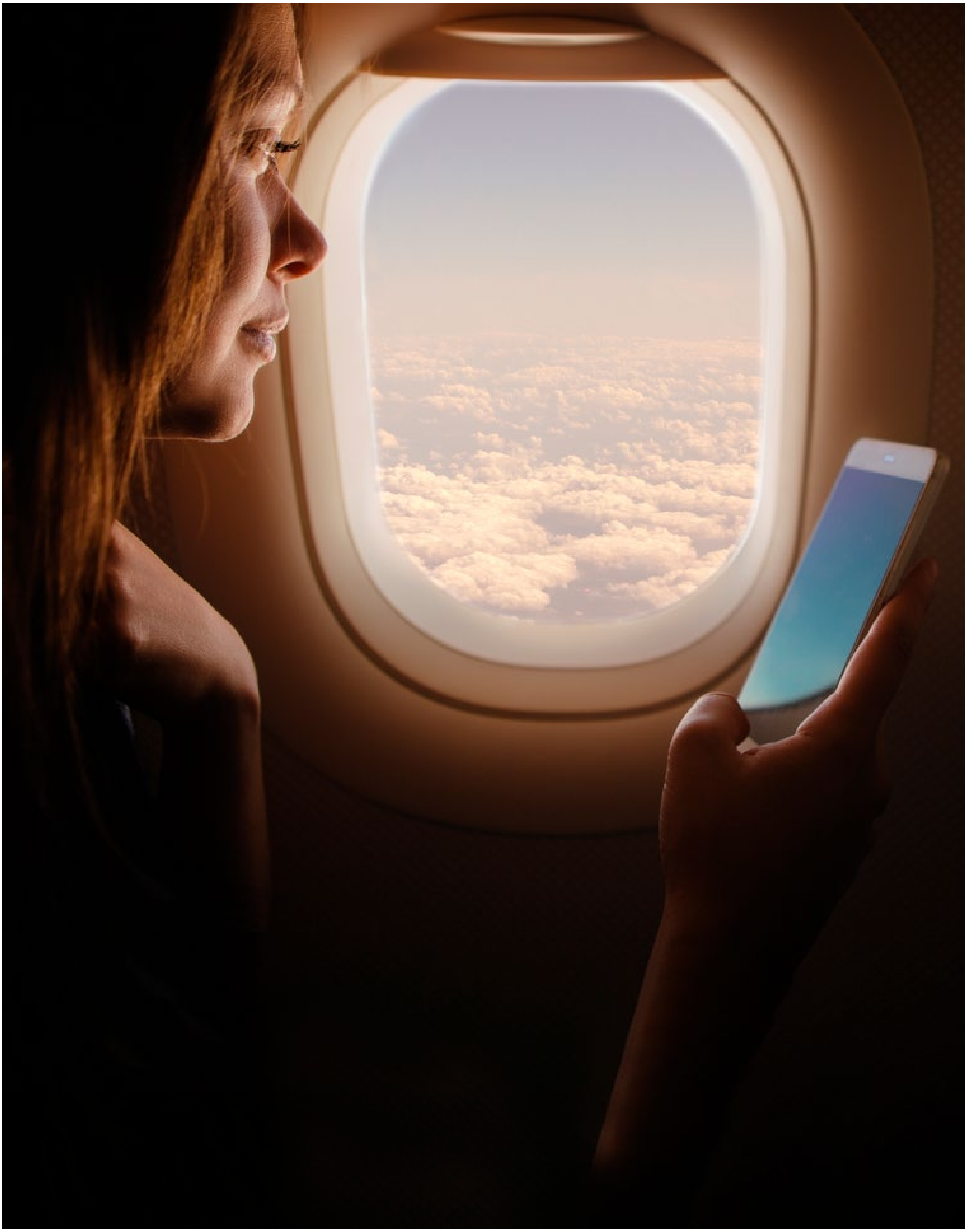
The reduced passenger demand for flights at the height of the pandemic also afforded us the time and resources we needed to conduct test runs of our future paths. We operated a broad scope of food service pilots throughout 2021 that achieved varied degrees of success. Lessons learned in each scenario gave us a better grounding in the markets we had targeted for expansion and allowed us to test out hypotheses about how our skills would align with existing and upcoming needs in those segments.

At the same time, the global economic impact of the pandemic drove us to identify and eliminate any unnecessary expenses incurred at gategroup and to emerge a leaner, more efficient organization that delivers much more competitive direct and indirect costs. We took these measures in tandem with unavoidable reductions in staff. But at the same time, we took care to preserve and protect our relationships with the key people in our organization who set us apart from our competitors and are essential to fulfilling our long-term profit potential.

These measures were not undertaken lightly. They are key components of our strategy for rebuilding and continuing to move forward. We navigated these decisions in close collaboration with our investors, whose enduring support and confidence in gategroup assure us of having the financial strength necessary to implement our growth strategies and take advantage of market developments.

We continue to believe in gategroup's capacity for increasing leadership in the aviation sector and for accelerated market share in the sectors we have begun to enter. And we move forward from 2021 having learned that in addition to excelling at culinary innovation and quality, we are also adept at responding to unexpected shifts in the business and external events that can have an impact on our operations.

Today, we define gategroup as a company that can diversify as much as it chooses within the parameters of the services we offer. Our skill in adapting to change is as great as our creativity in developing distinctive solutions for our customers. This is our formula for delivering optimal value to the markets we serve, the communities in which we operate, the team members who play an intrinsic role in our success and the investors who share our vision of gategroup's mission and future.



SOCIAL RESPONSABILITY

2021

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FOR GATEGROUP, CORPORATE SOCIAL RESPONSIBILITY |IS A MATTER OF PRINCIPLE AND PURPOSE. BUT IT'S ALSO A COMMERCIAL IMPERATIVE.

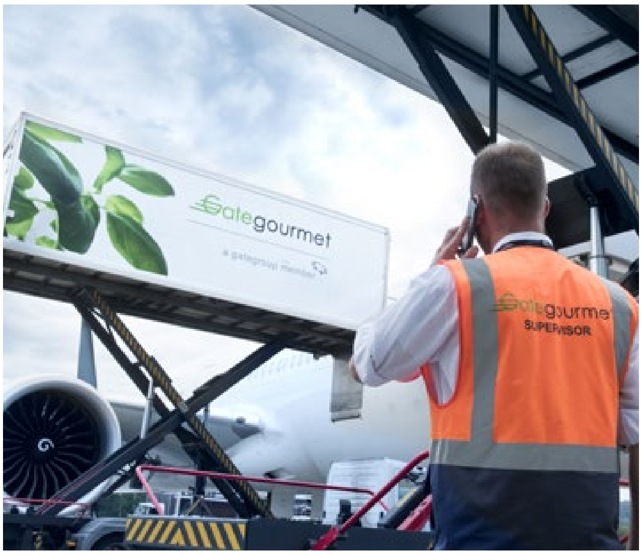
For gategroup, corporate social responsibility is a matter of principle and purpose. But it's also a commercial imperative.

We continually seek opportunities to strengthen our alignment with industry-leading environment, social and governance standards as well as diversity, equity and inclusion practices. These core values are integral to achieving our mission. As a company immersed in the pursuit of innovation, we recognize this as the path to becoming our best as a service provider, employer and global citizen.

Our progress toward fulfilling these responsibilities also aligns with our customers' expectations and priorities. The industries we serve are actively engaged in transitioning from prominent sources of carbon emissions to proponents and practitioners of carbon-neutral operations.

As partners in this transformation, we have an obligation to take bold action in efforts to reduce waste, adopt the use of materials that minimize environmental damage and promote climate-friendly practice in our products and our operations.

A spirit of innovation sets our services apart, and we are proud to be applying that same spirit to a new generation of advances that will distinguish gategroup as an advocate for the health of our planet and the well-being of all who call it home.



EMPLOYER OF CHOICE

The COVID-19 pandemic had a profound impact on the global workforce, and gategroup's experience was no exception. As we embark on implementation of our strategy for diversification and a return to growth, we have prioritized attracting and retaining the top talent needed to meet our performance objectives.

Diversity, equity and inclusion are key components of our vision for becoming an employer of choice across all the markets in which we operate. That principle must be translated to practice: we recognize the need achieve meaningful, sustained diversity results at the managerial and executive levels.

Honoring that commitment will enable us to offer more promising career paths to a greater percentage of our employees. But it will also support stronger business performance by opening channels of communication to a wider variety of perspectives and experiences and encouraging all employees to actively participate and share in our success.

Equally important, this approach to diversity, equity and inclusion aligns with the values and requirement of the sectors we serve and so is integral to our dedication to customer-centricity.

Today, we are a company whose leadership is invested in executing this cultural shift. Each member of our executive team is working to augment our existing levels of empowerment and trust and to introduce further innovation in the opportunities we offer for continued learning and professional development.

But executing this strategy requires input and insight from people throughout the organization. For that reason, we have hosted a series of focus groups in which we solicit input on the evolution of our purpose and values.

Our outreach also included increased use of town halls and distribution of information through newsletters, all designed to encourage a sense of being part of the transformation we are undergoing. In addition, we are in the process of defining a compelling employee value proposition that takes a more progressive approach to thinking about how gategroup can give back to everyone on our staff.

Employees' response to our initial steps in this process have been positive and encouraging, and we look forward to collaborating with the entire team on the roll-out of initiatives intended to optimize employee satisfaction and engagement.

A GOOD GLOBAL CITIZEN

Geographically, gategroup is headquartered in Zurich. But we live and operate in an intercultural world, and we strive to be a truly global rather than Swiss company. This is evident in the way our decentralized organization creates local opportunities both within our staff and among our vendors and community partners. We actively seek joint ventures at the local level, and we rely on our team to strengthen our organization by broadening its global outlook to include perspectives from Africa, Latin America, North America and the Asia-Pacific region as well as Europe.

Our interculturalism is an asset that contributes to our success in quickly and comfortably integrating new teams following mergers and acquisitions. But it also provides us with insights into needs in the communities in which we do business. We are committed to being good neighbors in those communities and to supporting global efforts to build a better world.

To that end, during 2021 gategroup supported a variety of charitable initiatives, and our employees engaged in volunteer activities in collaboration with local and global programs. Highlights of our contributions to the well-being of people and our planet include:

Providing South American indigenous peoples with new employment skills

Since 2019, gategroup has been the exclusive partner of El Fogon, a culinary development program in Ecuador run by the Swiss NGO Cuisine sans Frontières (Kitchens without Borders). Deforestation and depletion of the natural environment has pushed more young indigenous people to seek work in cities, where their training and education options are limited. Our twelve-month training program provides 20 students per class with the chance to earn a state-recognized diploma, gain internship experience and find work in our industry.

Supporting Project Isaiah

The US-based all-volunteer nonprofit Project Isaiah delivers more than 350,000 boxed meals each week in 11 cities. It works with domestic violence and homeless shelters, community food banks, senior housing facilities, and organizations helping youth and disabled people no longer have the resources to deliver the support their constituencies need. When the COVID-19 pandemic began, we entered into a partnership with Project Isaiah, and we remain committed to continuing to provide grassroots level support to those in need.

Hiring programs for Afghan refugees

We launched focused hiring programs in 2021 to aid Afghan refugees who resettled in the United States. Working in partnership with community centers, government agencies and Chambers of Commerce, our local recruiters sponsored onsite and offsite job fairs, posted jobs with government agencies that aid refugees, and hosted live Q&A sessions on social media to raise awareness of gategroup and career opportunities here. These efforts resulted in 92 hires over a three-month period.

SUSTAINABILITY PRACTICE AND GOALS

What does it mean to be committed to working toward a greener planet? At gategroup, we recognize that to maximize our impact in combating climate change, we must formalize our approach to evaluating and improving our current sustainability practices.

In 2021, we determined that it would be in the best interest of our business and our planet to conduct a comprehensive sustainability evaluation that will serve as the framework for our ESG strategy and roadmap. This will also strengthen the value we deliver to customers by enabling us to clearly demonstrate our work in support of shared environmental goals.

Given the nature of our work, we have created a preliminary list of areas in which we can have the greatest and most positive impact on sustainability within our company, in our customers' operations and in the communities where we do business. Our targets include working to:

- Reduce packaging waste
- Decrease consumption of single-use plastics
- Increase reliance on renewable energy sources at our facilities and in our operations
- Research strategies for building and running more climate-friendly kitchens
- Increase use of locally-grown and locally-produced foods

Evaluations conducted during 2022 may reveal additional opportunities to be added to this list and will help us to establish a timetable for reaching specific green targets and milestones. This work will also aid us in establishing the metrics and benchmarks we need to approach sustainability methodically and scientifically to optimize the outcomes we have the potential to achieve.

We look forward to using the results of this initiative to become a stronger and more prominent partner in the global community's work toward fulfilling the United Nations Sustainability Development Goals.

EXECUTIVE MANAGEMENT BOARD

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

Federico Germani joined gategroup in October 2017, and currently serves as Chief Commercial Officer. 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

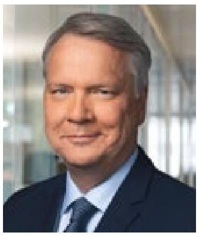
Urs Schwendinger was appointed Chief Financial Officer of gategroup in November 2021 and is a Member of the Executive Management Board. Mr. Schwendinger brings over 18 years of airline catering experience with him. Before his appointment to Group CFO, he held a variety of senior financial roles within 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

BOARD OF DIRECTORS



TIMO VÄTTÖ

CHAIRMAN OF THE BOARD

Timo Vättö has 30 years of experience in financial services industry, strategy, financing, M&A and corporate governance. In 2008, he founded Cundo Management AG, a provider of corporate advisory services. He serves as Vice Chairman of Aktia Bank plc. and as a Director at Evalueserve Holdings AG, IHAG Holding AG and Rettig Group Ltd. From 2009-2019, he was a Director/Chairman at Altisource Portfolio Solutions SA. Previously, he worked with Citigroup in various positions in corporate and investment banking for almost 20 years. Mr. Vättö holds a master's degree in science (economics and business administration) from the University of Tampere in Finland.

BERNIE HAN

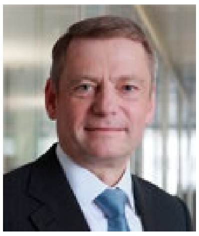
MEMBER OF THE BOARD

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.

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.



UWE KRUEGER

MEMBER OF THE BOARD

Dr. Uwe Krueger joined Temasek in January 2018, and is currently Head, Industrials, Business Services, Energy & Resources, and Head, Europe, Middle East & Africa. 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.

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.

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.

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.

CHRISTOPH SCHMITZ

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.

THOMAS WEYER

MEMBER OF THE BOARD

Thomas Weyer served as Chief Financial Officer of Munich Airport GmbH from 2011-2021. 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.

FINANCIAL REPORT

2021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CONSOLIDATED FINANCIAL STATEMENTS

Financial Report 2021

Consolidated Financial Statements

Consolidated Income Statement

in CHF m	Notes	2021	2020
Total revenue	6	**2,097.0**	**1,552.5**
Materials and service expenses		(686.1)	(513.8)
Personnel expenses	7	(1,021.2)	(973.3)
Other operating expenses, net	8	(366.0)	(450.7)
Impairment charges	16, 17, 18, 19	–	(121.9)
Depreciation and amortization	16, 18, 19	(203.4)	(204.3)
Other gains and (losses), net	9	(1.2)	(49.7)
Total operating expenses		**(2,277.9)**	**(2,313.7)**
Operating loss		**(180.9)**	**(761.2)**
Financial income	10	1.5	3.3
Financial expenses	10	(124.9)	(91.7)
Share of result of associates and joint ventures	11	(6.1)	(9.6)
Loss before tax		**(310.4)**	**(859.2)**
Income tax expenses	21	(14.9)	(18.6)
Loss for the year		**(325.3)**	**(877.8)**
thereof attributable to shareholders of the Company		(323.9)	(857.7)
thereof attributable to non-controlling interests		(1.4)	(20.1)

Consolidated Statement of Comprehensive Income

in CHF m	Notes	2021	2020
Loss for the year		**(325.3)**	**(877.8)**
Items that will not be reclassified to profit or loss			
Remeasurement gains / (losses) on defined benefit plans, net of taxes	21, 22	124.2	(22.3)
Items that may be reclassified subsequently to profit or loss			
Currency translation differences arising during the year, net of taxes		26.9	(32.8)
Other comprehensive income		**151.1**	**(55.1)**
Total comprehensive income		**(174.2)**	**(932.9)**
thereof attributable to shareholders of the Company		(171.9)	(905.2)
thereof attributable to non-controlling interests		(2.3)	(27.7)

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

Consolidated Balance Sheet

in CHF m	Notes	December 31, 2021	December 31, 2020
Cash and cash equivalents	12	246.6	302.9
Trade receivables	13	275.1	139.1
Other current receivables and prepayments	14	173.2	167.3
Inventories	15	162.6	145.4
Current income tax assets		14.0	18.5
Assets held for sale	17	–	0.6
Total current assets		**871.5**	**773.8**
Property, plant and equipment	16, 19	914.1	1,026.3
Intangible assets	18	1,128.2	1,191.1
Investments in associates and joint ventures	11	27.1	31.5
Financial assets at fair value through profit or loss	20	27.0	29.2
Other non-current receivables		129.2	110.5
Deferred income tax assets	21	24.4	35.3
Total non-current assets		**2,250.0**	**2,423.9**
Total assets		**3,121.5**	**3,197.7**
Short-term debt	23	62.9	862.7
Trade and other payables	24	365.9	297.8
Current income tax liabilities		27.2	41.1
Short-term provisions	25	112.5	164.1
Other current liabilities	26	627.1	689.9
Total current liabilities		**1,195.6**	**2,055.6**
Long-term debt	23	1,887.1	853.5
Deferred income tax liabilities	21	42.7	50.2
Defined benefit liabilities	22	481.6	629.4
Long-term provisions	25	156.8	190.0
Other non-current liabilities	26	109.6	18.5
Total non-current liabilities		**2,677.8**	**1,741.6**
Total liabilities		**3,873.4**	**3,797.2**
Equity attributable to shareholders of the Company		(833.2)	(684.7)
Non-controlling interests		81.3	85.2
Total equity		**(751.9)**	**(599.5)**
Total liabilities and equity		**3,121.5**	**3,197.7**

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

Consolidated Statement of Changes in Equity

in CHF m	Attributable to shareholders of the Company						
	Share capital	Treasury shares	Retained earnings and other reserves	Currency translation	Total	Non-controlling interests	Total equity
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 27)	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)**
At January 1, 2020	**135.5**	**(4.1)**	**94.8**	**(5.4)**	**220.8**	**121.0**	**341.8**
Loss for the year	–	–	(857.7)	–	(857.7)	(20.1)	(877.8)
Other comprehensive income	–	–	(22.3)	(25.2)	(47.5)	(7.6)	(55.1)
Total comprehensive income	**–**	**–**	**(880.0)**	**(25.2)**	**(905.2)**	**(27.7)**	**(932.9)**
Effect of hyperinflation accounting	–	–	1.6	–	1.6	–	1.6
Capital increase in non-controlling interests	–	–	–	–	–	0.3	0.3
Change in ownership of subsidiaries without loss of control	–	–	(1.8)	(0.1)	(1.9)	(4.9)	(6.8)
Change in non-controlling interests	–	–	–	–	–	(0.3)	(0.3)
Dividends paid to non-controlling interests	–	–	–	–	–	(3.2)	(3.2)
At December 31, 2020	**135.5**	**(4.1)**	**(785.4)**	**(30.7)**	**(684.7)**	**85.2**	**(599.5)**

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

Consolidated Cash Flow Statement

in CHF m	Notes	2021	2020
Loss before tax		**(310.4)**	**(859.2)**
Adjustments for:			
Finance result	*10*	123.4	88.4
Share-based payments	*28*	(0.2)	3.6
Share of result of associates and joint ventures	*11*	6.1	9.6
Depreciation and amortization	*16, 18, 19*	203.4	204.3
Impairment charges	*16, 17, 18, 19*	–	121.9
Other (gains) and losses, net	*9*	1.2	49.7
Cash flow before working capital and provision changes		23.5	(381.7)
Changes in working capital		(34.7)	128.4
Changes in provisions and defined benefit plans		(100.4)	20.1
Cash used in operations		(111.6)	(233.2)
Interest paid		(50.8)	(50.7)
Interest received		1.0	1.2
Income taxes paid, net		(6.9)	(25.3)
Cash flow from operating activities		**(168.3)**	**(308.0)**
Acquisition of subsidiaries, net of cash acquired	*30*	(100.0)	234.5
Purchase of property, plant and equipment	*16*	(22.0)	(26.8)
Purchase of intangible assets	*18*	(4.1)	(11.8)
Disposal of subsidiaries, net of cash disposed	*31*	–	(3.6)
Proceeds from sale of non-current assets		10.4	0.8
Proceeds from sale of investments		–	0.7
Other investing activities		(1.7)	0.1
Dividends from associates and joint ventures	*32*	–	1.3
Cash flow from investing activities		**(117.4)**	**195.2**
Proceeds from debt		473.2	513.8
Repayments of debt		(265.9)	(247.1)
Capital increase	*27*	24.6	–
Dividends paid to non-controlling interests		(1.4)	(3.2)
Cash flow from financing activities		**230.5**	**263.5**
Change in cash and cash equivalents		**(55.2)**	**150.7**
Movement in cash and cash equivalents			
At start of the year		302.7	166.8
Change in cash and cash equivalents		(55.2)	150.7
Effects of exchange rate changes		(2.8)	(14.8)
At end of the year	*12*	**244.7**	**302.7**

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, 2021, 98.9% 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 Senior Management.

These consolidated financial statements were authorized for issue by the Board of Directors of the Company (the "Board") on April 21, 2022.

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 – COVID-19
On March 11, 2020, the World Health Organization declared COVID-19 a pandemic. Governmental organizations have taken various actions to combat the spread of COVID-19, including imposing stay-at-home orders and closing "non-essential" businesses and their operations for a certain period of time. In 2021, the pandemic continued and brought numerous new virus variants to light.

The Group mainly operates inflight catering businesses, which are significantly adversely impacted by the COVID-19-related concerns, event cancellations, and business and government-imposed restrictions. These concerns and restrictions have led to a significant decrease in passenger travel and resulted in sharply reduced customer traffic and revenues across our businesses. Consequently, the Group's revenue declined during 2021 and 2020 compared with the same period in 2019 by approximately 58% and 69% respectively.

To mitigate the negative financial consequences of the COVID-19 pandemic, the Group most recently has taken the following measures:

– A restructuring plan became effective on March 29, 2021. Under this plan, the shareholders committed to make CHF 500.0m available to the business. During the year, CHF 25.0m (Note 27) was injected in the form of a share capital increase and a further CHF 240.0m (Note 23) was provided in the form of additional cash. The convertible loans will mature on March 31, 2027, and will accrue non-cash (profit in kind) interest at a rate of 12.5% per annum. The loans are guaranteed by each borrower and guarantor under the Senior Facilities Agreement ("SFA") but are fully subordinated to the claims of both the lenders under the SFA and holders of the Bonds issued by gategroup Finance (Luxembourg) S.A. and guaranteed by the Company. Taking into account the existing debt as at January 1, 2021, of CHF 60.3m as well as capitalized interest of CHF 1.5m, which are part of the total committed amount of CHF 500.0m, there remained CHF 173.2m undrawn on December 31, 2021.

- Other key features of the restructuring plan were the replacement of the previous Interim Liquidity Facility and the extension of the maturities under the SFA, being the EUR 250.0m Term Loan and EUR 415.0m Revolving Credit Facility ("RCF") until October 20, 2026, and the CHF 350.0m 3.0% Bonds until February 28, 2027 (Note 23).
- A number of countries operated wage subsidy programmes, comprising both grants and loans, for companies that had to shut their operations and furlough staff. These were conditional on employees continuing to be on furlough and the Group continuing to pay their salaries. The Group received CHF 246.0m (2020: CHF 219.7m) under these programmes, presented as part of the Group's personnel expenses (Note 7).
- Furthermore, the Group has applied to other government support programmes in various countries during the year that are unconditional. Under these the Group received government grants of CHF 37.0m (2020: CHF 5.8m) that are included in other operating expenses (Note 8).
- The Group also entered into bank loans where the Group benefits from below-market interest rates and guarantees by the respective governments (Note 23).

Notwithstanding the restructuring plan and governmental support that has been received there is still uncertainty over how the COVID-19 pandemic will impact the Group's future business.

Considering the undrawn commitments of the shareholders, the current financial projections indicate 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 2021, but they have not had a material impact on the consolidated financial statements of the Group:

Standard	Effective date
COVID-19-Related Rent Concessions (Amendment to IFRS 16)	June 1, 2020
Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	January 1, 2021

Published Standards, Interpretations, and Amendments not yet applied

No other 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 2022 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 in 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 not 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	2021 Closing rate	2021 Annual average rate	2020 Closing rate	2020 Annual average rate
1 Australian Dollar	0.66	0.68	0.68	0.65
1 Euro	1.04	1.08	1.08	1.07
1 GB Pound	1.23	1.26	1.21	1.21
1 Swedish Krona	0.10	0.11	0.11	0.10
1 US Dollar	0.91	0.91	0.89	0.94
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 2020 and 2021, 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, 2021. 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 used 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 196.6 basis points from 385.9 as at December 31, 2020, to 582.5 as at December 31, 2021 (2020: increase by 102.5 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. Other grants are recognized in profit or loss as other operating income (Note 8). In this case, the grant is recognized when it becomes receivable.

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 accrued income" 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.

Share-based Compensation

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 2021 and 2020, 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			
	2021		2020		2021		2020	
Movement against all currencies	5%	(5%)	5%	(5%)	5%	(5%)	5%	(5%)
Australian Dollar	(0.4)	0.4	1.2	(1.2)	2.3	(2.3)	0.6	(0.6)
Canadian Dollar	(1.8)	1.8	(1.5)	1.5	–	–	–	–
Euro	4.5	(4.5)	(6.0)	6.0	5.2	(5.2)	9.8	(9.8)
Hong Kong Dollar	1.9	(1.9)	1.8	(1.8)	–	–	–	–
US Dollar	(11.0)	11.0	(7.9)	7.9	(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, 2021 and 2020, 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 20).

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, 2021, 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 4.3m lower/CHF 2.0m higher (2020: CHF 4.3m lower/CHF 0.8m higher with interest rate increase of 100 basis points/decrease of 20 basis points). At December 31, 2021 and 2020, 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, 2021, constitute 34.4% (2020: 36.1%) of the total gross trade receivable amount and individually they accounted for between 5.2% and 9.8% (2020: 4.5% and 10.0%) 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, 2021, the Group has unused committed funds with the shareholders totalling 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.

2021 in CHF m	**1–3 months**	**3 months- 1 year**	**1–5 years**	**More than 5 years**	**Contractual Value**	**Carrying Value**
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**	**1333.3**	**1,177.5**	**3,330.9**	**2,795.9**

2020 in CHF m						
Debt	84.3	786.9	695.3	217.9	**1,784.5**	1,716.2
- thereof lease liabilities	*23.2*	*58.9*	*262.4*	*163.1*	**507.5**	*442.7*
Other non-current liabilities	–	–	12.3	8.0	**20.3**	18.5
Trade and other payables	192.2	52.3	–	–	**244.4**	244.5
Other current liabilities	188.4	410.1	–	–	**598.5**	568.4
Balance at December 31	**464.8**	**1,249.3**	**707.6**	**225.9**	**2,647.7**	**2,547.6**

At the end of the reporting period, the Group had drawn CHF 433.4m (2020: CHF 453.2m) of the 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 23). The RCF and the Term Loan contain a covenant with respect to liquidity. The Company has remained in compliance with its covenants.

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 20). Financial liabilities are generally recognized at amortized cost, which approximates fair value. The fixed rate five-year senior Bonds accounted for at amortized cost (Note 23) of CHF 346.4m (2020: CHF 348.3m) are quoted in an active market (Level 1 measurement) with a fair value of CHF 303.8m (2020: CHF 298.9m).

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, 30
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 30
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 25
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 21
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 18
Retirement 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 22
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 20
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 19

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 and certain central activities). During the current year the composition of the reportable segments has been changed to present the CEE region separately due to its size. As a result, the prior year segment reporting presented below has been restated to be consistent with the new structure.

5.1 Reportable Segment Information

January - December, 2021 in CHF m	**NWE**	**SEA**	**CEE**	**NA**	**Emerging Markets**	**All other segments**	**Elimina-tions**	**Total**
External revenue	290.6	491.8	478.7	464.0	195.8	176.1	–	2,097.0
Intersegment revenue	6.4	5.0	14.1	0.5	–	29.1	(55.1)	–
Total revenue	**297.0**	**496.8**	**492.8**	**464.5**	**195.8**	**205.2**	**(55.1)**	**2,097.0**
EBITDA	**(19.4)**	**(1.4)**	**14.2**	**112.5**	**(27.0)**	**(18.4)**	**–**	**60.5**
Total segment assets	324.8	771.4	695.1	455.9	443.3	431.0	–	3,121.5
Total segment liabilities	(580.8)	(529.4)	(523.5)	(439.7)	(441.3)	(1,358.7)	–	(3,873.4)
Additions to non-current assets[i]	5.1	10.7	3.7	65.1	9.3	6.6	–	100.5
January - December, 2020 in CHF m								
External revenue	282.8	392.3	133.8	402.7	218.9	122.0	–	1,552.5
Intersegment revenue	7.6	6.1	7.4	0.1	0.4	20.9	(42.5)	–
Total revenue	**290.4**	**398.4**	**141.2**	**402.8**	**219.3**	**142.9**	**(42.5)**	**1,552.5**
EBITDA	**(58.9)**	**(79.3)**	**(26.1)**	**2.0**	**(78.0)**	**(16.4)**	**–**	**(256.7)**
Total segment assets	367.2	720.1	690.6	475.2	488.3	456.3	–	3,197.7
Total segment liabilities	(616.9)	(425.8)	(756.6)	(528.2)	(403.7)	(1,066.0)	–	(3,797.2)
Additions to non-current assets[i]	7.7	9.6	4.9	13.8	5.4	11.8	–	53.2

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

EBITDA is defined as earnings before interest, tax, depreciation, amortization and management fees. EBITDA excludes share-based payments, restructuring costs, transaction-related costs, operating taxes (non-income taxes) and other gains and losses, net. The Executive Management Board ("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	**2021**	**2020**
EBITDA	60.5	(256.7)
Share-based payments (Notes 7, 28)	0.2	(3.6)
Restructuring costs (Notes 7, 8)	(20.2)	(107.5)
Transaction-related costs	(1.8)	(5.0)
Operating taxes (non-income taxes)	(15.2)	(12.3)
Depreciation (Notes 16, 19)	(169.8)	(167.3)
Amortization (Note 18)	(33.6)	(37.0)
Impairment charges, net of reversals (Notes 16, 17, 18, 19)	–	(121.9)
Other gains and (losses), net (Note 9)	(1.2)	(49.7)
Management fees, net	0.2	(0.2)
Operating loss	**(180.9)**	**(761.2)**

5.3 Entity-wide Disclosures

Geographic Information

Revenue by country

in CHF m	2021	2020
United States	465.9	367.6
Germany	384.7	55.7
France	376.9	301.8
Switzerland[I]	199.4	150.4
Other countries	670.1	677.0
Total[II]	**2,097.0**	**1,552.5**

[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 2021 or 2020.

Non-current assets by country

in CHF m	2021	2020
France	402.2	450.2
Germany	343.4	383.8
United States	306.6	282.6
Switzerland[I]	240.7	265.3
Other countries	749.4	835.5
Total non-current assets[II]	**2,042.3**	**2,217.4**

[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, 2021 or 2020.

Major Customers

Two major customers accounted for 13% and 12% of 2021's total revenue respectively (2020: 14% and 8% respectively). Their revenues are attributable across all reportable segments.

6 Revenue

in CHF m	2021	2020
Catering and other	1,543.3	1,199.7
Retail on board	203.2	152.4
Equipment	128.4	71.5
Food service	222.1	128.9
Total	**2,097.0**	**1,552.5**

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	2021	2020
Deferred revenue (Note 26)	(5.9)	(2.8)
Total contract liabilities	**(5.9)**	**(2.8)**

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 and accrued income" (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	2021	2020
Balance at January 1	**84.7**	**93.7**
Additions	0.4	14.0
Reclassifications	(1.1)	(3.2)
Amortization charge for the year	(13.8)	(17.4)
Exchange differences	(2.8)	(2.4)
Balance at December 31	**67.4**	**84.7**

7 Personnel Expenses

in CHF m	2021	2020
Wages and salaries	(958.7)	(814.0)
Social security costs	(126.9)	(105.0)
Pension defined benefit plan expense (Note 22)	(23.4)	(4.8)
Pension defined contribution plan expense	(26.0)	(22.4)
Share-based payments (Note 28)	0.2	(3.6)
Restructuring costs	(10.4)	(103.7)
Other personnel costs and benefits	(122.0)	(139.5)
Government grant income	246.0	219.7
Total	**(1,021.2)**	**(973.3)**

8 Other Operating Expenses, Net

in CHF m	2021	2020
Utility and other property costs	(127.6)	(108.2)
Operating fees and deductions	(48.7)	(36.7)
Lease related expense (Note 19)	(10.0)	(10.4)
Maintenance costs	(56.3)	(44.6)
Audit, consulting and legal fees	(60.7)	(44.0)
IT and communication costs	(73.6)	(54.9)
Administrative and operative costs	(38.0)	(31.7)
Transport and travel costs	(11.8)	(6.2)
Restructuring costs	(9.8)	(3.8)
Provision for impairment of receivables	(8.0)	(90.9)
Insurance costs	(11.6)	(15.2)
Outsourced service costs	(16.2)	(7.3)
Other operating taxes	(17.4)	(14.8)
Onerous contract provision release (Note 25)	63.0	6.6
Other operating costs	(16.7)	(22.2)
Other operating income	77.4	33.6
Total	**(366.0)**	**(450.7)**

Other operating income includes government grants received in various jurisdictions amounting to CHF 37.0m (2020: CHF 5.8m).

9 Other Gains and Losses, Net

in CHF m	2021	2020
Gain on sale of assets	1.9	0.5
Loss on sale of assets	(3.1)	(10.2)
Loss on sale of investments in associates and joint ventures	–	(0.1)
Loss on disposal of subsidiaries	–	(30.0)
Fair value adjustments	–	(9.9)
Total	**(1.2)**	**(49.7)**

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	2021	2020
Interest income	1.0	1.1
Other finance income	0.5	2.2
Total financial income	**1.5**	**3.3**
Interest expense	(81.6)	(52.4)
Interest on lease liabilities (Note 19)	(19.8)	(18.4)
Net interest on defined benefit plans (Note 22)	(6.6)	(4.8)
Foreign exchange (losses)/gains, net	(7.5)	1.2
Other finance costs	(9.4)	(17.3)
Total financial expenses	**(124.9)**	**(91.7)**
Total	**(123.4)**	**(88.4)**

"Other finance costs" include fair value adjustments to financial assets at fair value through profit or loss (Note 20) in the amount of CHF 0.6m (2020: CHF 9.3m) as well as bank charges and finance related fees.

"Foreign exchange (losses)/gains, net" include net monetary gains from hyperinflation accounting in the Argentinian subsidiary of CHF 4.9m (2020: CHF 1.2m).

11 Investments in Associates and Joint Ventures

2021 in CHF m	Associates	Joint ventures	Total
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)**

2020 in CHF m			
Aggregated carrying amount	**30.9**	**0.6**	**31.5**
Share of result of associates and joint ventures	(9.2)	(0.4)	(9.6)
Share of other comprehensive income	(1.5)	–	(1.5)
Share of total comprehensive income	**(10.7)**	**(0.4)**	**(11.1)**

The unrecognized share of losses of associates and joint ventures is CHF 2.3m as of December 31, 2021 (2020: CHF 5.9m).

12 Cash and Cash Equivalents

in CHF m	2021	2020
Cash and bank balances	238.3	295.0
Short-term bank deposits	8.3	7.9
Balance at December 31	**246.6**	**302.9**

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

in CHF m	2021	2020
Cash and bank balances	238.3	295.0
Short-term bank deposits	8.3	7.9
Bank overdrafts (Note 23)	(1.9)	(0.2)
Balance at December 31	**244.7**	**302.7**

13 Trade Receivables

in CHF m	2021	2020
Trade receivables	422.4	308.6
Trade receivables due from related parties	5.7	4.5
	428.1	**313.1**
Provision for impairment of receivables	(153.0)	(174.0)
Balance at December 31	**275.1**	**139.1**

The impaired receivables mainly relate to customers who were experiencing difficult financial circumstances and the majority of these amounts are more than two months overdue. 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, 2021 and 2020, is represented by the carrying amounts in the balance sheet.

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

in CHF m	2021	2020
Not overdue	286.2	121.4
Less than 1 month overdue	24.8	25.3
1 to 2 months overdue	10.1	9.5
Over 2 months overdue	107.0	156.9
Balance at December 31	**428.1**	**313.1**

Movements on the provision for impairment of trade receivables are as follows:

in CHF m	2021	2020
Balance at January 1	**(174.0)**	**(78.4)**
Provision for receivables impairment	(38.1)	(88.1)
Receivables written off during the year as uncollectible	14.5	3.4
Unused amounts reversed	39.8	9.5
Acquisition of subsidiaries	–	(28.7)
Disposal of subsidiaries	–	5.7
Exchange differences	4.8	2.6
Balance at December 31	**(153.0)**	**(174.0)**

Provisions have been recognized against receivables to reflect the increased 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	2021	2020
Other receivables	30.2	39.6
Other receivables due from related parties	2.2	2.2
Prepaid taxes other than income tax	40.0	38.8
Other prepayments and accrued income	100.8	86.7
Balance at December 31	**173.2**	**167.3**

15 Inventories

in CHF m	2021	2020
Raw materials	109.0	112.9
Catering supplies	37.2	28.4
Work in progress	5.3	4.0
Finished goods	28.8	18.0
Provision for obsolescence	(17.7)	(17.9)
Balance at December 31	**162.6**	**145.4**

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	2021	2020
Owned assets	533.5	604.4
Right-of-use assets (Note 19)	380.6	421.9
Total property, plant and equipment	**914.1**	**1,026.3**

Owned Assets

2021 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, 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	(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**

2020 in CHF m						
Net book value						
Balance at January 1, 2020	**161.1**	**108.8**	**41.8**	**126.0**	**105.7**	**543.4**
Additions[1]	0.8	4.6	8.0	9.6	5.2	28.2
Reclassifications	0.5	6.6	(25.2)	4.8	10.8	(2.5)
Acquisition of subsidiaries (Note 30)	78.4	4.5	1.4	37.9	31.0	153.2
Disposal of subsidiaries (Note 31)	–	–	–	(0.2)	(1.0)	(1.2)
Disposals	–	–	–	(0.6)	(0.3)	(0.9)
Depreciation charge for the year	(11.4)	(20.6)	–	(31.7)	(21.8)	(85.5)
Impairment	–	(1.5)	–	(0.7)	–	(2.2)
Exchange differences	(5.6)	(9.0)	(1.9)	(6.7)	(4.9)	(28.1)
Balance at December 31, 2020	**223.8**	**93.4**	**24.1**	**138.4**	**124.7**	**604.4**
Net book value						
Cost	310.4	275.4	24.1	353.7	311.2	1,274.8
Accumulated depreciation	(86.6)	(182.0)	–	(215.3)	(186.5)	(670.4)
Balance at December 31, 2020	**223.8**	**93.4**	**24.1**	**138.4**	**124.7**	**604.4**

[1] Thereof CHF 22.0m (2020: CHF 26.8m) paid at December 31

The carrying amount of land recorded under land and buildings at December 31, 2021, is CHF 25.4m (2020: CHF 30.5m). Within property, plant and equipment, no assets are pledged for mortgages (2020: CHF 4.4m).

17 Assets Held for Sale

in CHF m	2021	2020
Non-current assets held for sale	–	0.6
Balance at December 31	**–**	**0.6**

The amounts shown above represent the lower of carrying value and fair value less costs to sell. In 2020, impairments of CHF 0.2m were recognized on assets held for sale and CHF 2.5m were disposed due to subsidiaries disposals (Note 31).

18 Intangible Assets

2021 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, 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	(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**

2020 in CHF m							
Net book value							
Balance at January 1, 2020	**688.0**	**3.8**	**170.5**	**217.3**	**33.3**	**1.3**	**1,114.2**
Additions	–	5.4	–	–	6.4	–	11.8
Reclassifications	–	(7.3)	–	–	8.3	–	1.0
Acquisition of subsidiaries (Note 30)	189.1	–	–	44.8	0.1	0.2	234.2
Amortization charge for the year	–	–	(3.0)	(19.8)	(14.1)	(0.1)	(37.0)
Impairment	(100.4)	–	–	(17.0)	–	–	(117.4)
Exchange differences	(14.5)	(0.1)	(0.4)	(0.4)	(0.3)	–	(15.7)
Balance at December 31, 2020	**762.2**	**1.8**	**167.1**	**224.9**	**33.7**	**1.4**	**1,191.1**
Net book value							
Cost	1,065.6	1.8	219.8	349.0	133.3	7.0	1,776.5
Accumulated amortization	(303.4)	–	(52.7)	(124.1)	(99.6)	(5.6)	(585.4)
Balance at December 31, 2020	**762.2**	**1.8**	**167.1**	**224.9**	**33.7**	**1.4**	**1,191.1**

Within capitalized software is internally developed software of CHF 23.4m (2020: CHF 29.4m). The 2021 additions to internally developed software amount to CHF 3.3m (2020: CHF 5.3m).

In 2020, CHF 1.0m was reclassified from property, plant and equipment to intangible assets.

Impairment Tests for Goodwill and Intellectual Property

Following the LSG business combination of the previous year, the structure of the CGUs was changed with the regions NWE and CEE being created. 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):

2021 in CHF m	**Goodwill**	**Intellectual property**	**Revenue growth rate**	**Discount rate pre-tax**	**Terminal Growth Rate**
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**			

2020 in CHF m					
EME	281.0	56.1	4.2% - 74.7%	6.4%	0.7%
SEA	153.4	–	4.1% - 73.1%	7.2%	2.4%
NA	73.5	30.4	6.6% - 35.2%	7.5%	1.9%
Latin America	16.9	7.0	11.0% - 53.4%	14.0%	3.9%
Asia Pacific	48.3	9.6	8.3% - 65.4%	7.4%	2.1%
LSG Europe	189.1	–	n/a	n/a	n/a
Balance at December 31, 2020	**762.2**	**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 2021 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 not lead to an impairment in any CGU. In addition, a 0.5% decrease in growth rate would also not lead to impairments in any CGU.

19 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:

2021 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, 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**

2020 in CHF m					
Net book value					
Balance at January 1, 2020	**461.8**	**0.1**	**14.0**	**13.0**	**488.9**
Additions	10.4	–	0.9	1.9	13.2
Acquisition of subsidiaries (Note 30)	52.6	–	0.6	0.4	53.6
Disposal of subsidiaries (Note 31)	(7.4)	–	–	–	(7.4)
Depreciation charge for the year	(71.1)	(0.1)	(5.6)	(5.0)	(81.8)
Impairment	(2.1)	–	–	–	(2.1)
Modifications	(17.2)	–	1.1	(0.5)	(16.6)
Exchange differences	(25.0)	–	(0.6)	(0.3)	(25.9)
Balance at December 31, 2020	**402.0**	**–**	**10.4**	**9.5**	**421.9**
Net book value					
Cost	523.0	0.1	22.7	20.6	566.4
Accumulated depreciation	(121.0)	(0.1)	(12.3)	(11.1)	(144.5)
Balance at December 31, 2020	**402.0**	**–**	**10.4**	**9.5**	**421.9**

Lease Liabilities

in CHF m	**2021**	**2020**
Balance at January 1	**(442.7)**	**(493.5)**
Cash flows	83.9	84.4
New Leases	(53.2)	(13.2)
Acquisition of subsidiaries	–	(53.8)
Disposal of subsidiaries	–	7.6
Interest (Note 10)	(19.8)	(18.4)
Lease modifications	17.1	17.6
Exchange differences	3.5	26.6
Balance at December 31	**(411.2)**	**(442.7)**

The maturity analysis of the lease liabilities is disclosed in Note 3.1.

Lease Expenses

The Group has total cash outflows for leases of CHF 96.5m in 2021 (2020: CHF 95.4m) of which CHF 64.1m is attributable to lease principal payments (2020: CHF 66.3m). The amounts recognized in the income statement are as follows:

in CHF m	2021	2020
Depreciation expense of right-of-use asset	(77.1)	(81.8)
Interest on lease liabilities (Note 10)	(19.8)	(18.4)
Variable lease payments not included in the measurement of lease liabilities	(1.7)	(1.1)
Expenses relating to short-term leases	(10.2)	(8.4)
Expenses relating to leases of low-value assets, excl. short-term leases of low-value assets	(0.8)	(1.3)
Other lease expense	(0.3)	(0.1)
Other lease income	3.0	0.5
Total amounts recognized in profit and loss	**(106.9)**	**(110.6)**

20 Financial Assets at Fair Value through Profit or Loss

2021 in CHF m	Bonds	Other	Total
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
2020 in CHF m			
Balance at January 1, 2020	**37.1**	**2.5**	**39.6**
Fair value adjustments	(7.2)	(2.1)	(9.3)
Exchange differences	(1.1)	–	(1.1)
Balance at December 31, 2020	**28.8**	**0.4**	**29.2**
Analysis of financial assets			
Non-current	28.8	0.4	29.2

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. 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 is being amortized over its estimated useful life of 30 years. The Bonds and Warrants are 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, 2021, inputs used for the valuation include Korean risk-free rates of 2.3% (2020: 1.2%), a country risk premium of 0.6% (2020: 0.6%), a credit risk premium of 7.5% (2020: 7.5%) based on a comparable company basket and a volatility of 22.5% (2020: 30.0%). Further, non-publicly available information was used in internal assessments to determine illiquidity discounts and input factors.

21 Taxes

Taxes Recognized in the Income Statement

in CHF m	2021	2020
Current income tax charge	(16.1)	(7.7)
Deferred tax income / (charge)	1.2	(10.9)
Total	**(14.9)**	**(18.6)**

Reconciliation of tax expense

in CHF m	2021	2020
Loss before tax	(310.4)	(859.2)
Tax at Swiss tax rate	**57.1**	**169.7**

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Deviations from Swiss tax rate	7.1	55.3
Unrecognized deferred tax assets	(73.2)	(188.5)
Deferred taxes related to other periods	(1.3)	0.5
Change in deferred tax due to tax rate change	12.6	(1.4)
Non-deductible expenses	(23.3)	(48.1)
Income not subject to tax	15.4	3.1
Current taxes related to other periods or other countries	(7.1)	(3.6)
Others[I]	(2.2)	(5.6)
Total tax expense	**(14.9)**	**(18.6)**
Weighted average effective tax rate	(4.8%)	(2.2%)

[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% (2020: 19.8%) 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	2021	2020
Deferred income tax assets	24.4	35.3
Deferred income tax liabilities	(42.7)	(50.2)
Balance at December 31	**(18.3)**	**(14.9)**

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, 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)**
Balance at January 1, 2020	**(91.8)**	**(71.9)**	**(1.2)**	**155.6**	**19.4**	**10.1**
Deferred tax credit/(charge) in the income statement	7.7	8.2	2.6	(45.7)	16.3	(10.9)
Acquisition of subsidiaries (Note 30)	(10.9)	–	–	9.7	–	(1.2)
Deferred tax charge in other comprehensive income	–	–	–	(7.8)	–	(7.8)
Exchange differences	3.9	0.4	(1.2)	(7.8)	(0.4)	(5.1)
Balance at December 31, 2020	**(91.1)**	**(63.3)**	**0.2**	**104.0**	**35.3**	**(14.9)**

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

CHF 6.8m of the deferred tax charge (2020: CHF 7.8m) 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	
	2021	**2020**	**2021**	**2020**	**2021**	**2020**
Temporary differences						
Property, plant and equipment	8.1	4.1	(91.3)	(95.2)	(83.2)	(91.1)
Intangible assets	8.4	9.1	(94.3)	(72.4)	(85.9)	(63.3)
Other assets	12.3	38.7	(30.4)	(38.5)	(18.1)	0.2
Retirement benefit obligations, other liabilities, provisions and accruals	163.3	166.5	(28.9)	(62.5)	134.4	104.0
Tax losses	34.5	35.3	–	–	34.5	35.3
	226.6	**253.7**	**(244.9)**	**(268.6)**	**(18.3)**	**(14.9)**
Offset of deferred tax assets and liabilities	(202.2)	(218.4)	202.2	218.4	–	–
Deferred tax assets/(liabilities)	**24.4**	**35.3**	**(42.7)**	**(50.2)**	**(18.3)**	**(14.9)**

Deferred Taxes Not Recognized

Composition of deferred tax assets not recognized

in CHF m	2021	2020
Property, plant and equipment	8.9	9.6
Intangible assets	1.7	1.1
Other assets	9.1	65.4
Retirement benefit obligations, other liabilities, provisions and accruals	137.8	191.9
Tax losses	435.9	326.5
Deferred tax assets not recognized at 31 December	**593.4**	**594.5**

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	2021	2020
Less than one year	121.8	–
More than one year and less than five years	355.6	175.7
More than five years	360.8	319.8
No expiry	1,112.1	919.3
Total	**1,950.3**	**1,414.8**

The countries with significant unrecognized tax loss carry forwards include Switzerland (CHF 825.7m), Luxembourg (CHF 452.3m), Germany (CHF 176.2m), France (CHF 73.1m), and Belgium (CHF 62.0m). There are no significant unrecognized tax credits.

22 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 92.0% (2020: 91.4%) 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 on the pension-related balance sheet amounts at December 31, 2021 and 2020, is shown below:

2021 in CHF m	**Germany**	**Switzerland**	**UK**	**US**	**Other**	**Total**
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)**

2020 in CHF m						
Present value of funded obligations	(893.4)	(299.3)	(174.9)	(217.6)	(148.9)	(1,734.1)
Fair value of plan assets	466.2	280.5	222.6	118.7	78.1	1,166.1
Funded status	**(427.2)**	**(18.8)**	**47.7**	**(98.9)**	**(70.8)**	**(568.0)**
Present value of unfunded obligations	(2.9)	–	–	(3.6)	(7.2)	(13.7)
Irrecoverable surplus (effect of asset ceiling)	–	–	(47.7)	–	–	(47.7)
Net defined benefit asset/(liability) at December 31	**(430.1)**	**(18.8)**	**–**	**(102.5)**	**(78.0)**	**(629.4)**

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 depend on the individual's pensionable salary in the relevant year. Employee 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 converted into annuities based on the applicable German GAAP (BilMoG) interest rate at the time and a fixed 1% pension indexation. 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 joining 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 with a fixed 3.5% interest rate.

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 somewhat 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.

The following are the principal changes made to the Swiss retirement benefit arrangements in the periods covered by these consolidated financial statements:

– In 2021, no material changes were made to the Swiss retirement benefit arrangements.
– In 2020, a gain on curtailment of CHF 7.8m resulted from staff redundancy and restructuring. Some amendments to disability benefits for certain groups under the Swiss Main Plan were adopted with effect from January 1, 2021. These amendments were based on a decision taken by the Board of Trustees. These changes were classified as past service cost events with immediate recognition in "Personnel expenses" in the period ended December 31, 2020.
– The acquisition of LSG Europe led to an additional net liability of CHF 1.8m at December 2, 2020, in Switzerland. The combined liabilities are disclosed under "Acquisition of subsidiaries".

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 must be 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.

The following updates were implemented in the periods covered by these consolidated financial statements:

– In 2021, no material changes were made to the UK retirement benefit arrangements.
– At the end of 2020, a plan amendment was adopted for the UK Pension Plans following the High Court ruling published on November 20, 2020, requiring pension schemes to revisit individual transfer payments made since May 17, 1990, with respect to Guaranteed Minimum Pensions ("GMP") equalisation. The estimated increase in the plans' defined benefit obligation has been classified as a past service cost event and resulted in an additional cost of CHF 0.05m, which was immediately recognized in "Personnel expenses" in the period ended December 31, 2020.

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 whereas the funding rate required to be used for most other defined benefit plan sponsors is linked to a 25-year average of high grade corporate bond yields. Thus, the higher 8.85% funding rate has significant consequences. It results in decreased minimum funding requirements in the near term, but also sets a higher earnings target for plan investment returns. In 2023, the funding shortfall will be re-determined by replacing the 8.85% funding rate with this average corporate bond yield funding rate. The revised shortfall will be amortized with a fifteen-year rolling amortization schedule. As a result, based on current conditions, plan minimum required contributions are expected to increase beginning with the July 1, 2023 Plan Year. 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.

In 2021, the following were the main changes reflected:
- A curtailment gain of CHF 2.9m has been recognized as a result of restructuring activities in France.

In 2020, the following events were recognized, with other changes having a negligible impact on a group level:
- A gain on curtailment arose from various staff redundancy and restructuring programs, mainly in the French Servair plan (CHF 6.0m) and the Mexican plans (CHF 0.3m), while in Kenya the restructuring resulted in an overall curtailment loss of CHF 0.3m.
- The staff transfer following the agreement between the Group and DO&CO on the Liberia facilities resulted in a net curtailment gain of CHF 0.3m.
- In France a cost of CHF 2.4m was recorded for inclusion of a pre-existing agreement first identified this year. This was recognized as a past service cost and included in "Personnel expenses" in the period ended December 31, 2020.
- The Group sold its Indian subsidiary, Sky Gourmet, on March 31, 2020. This led to a CHF 1.0m decrease in net liability and is disclosed under "Disposal of subsidiaries".
- The acquisition of LSG Europe led to a further net liability increase of CHF 1.0m in Belgium at December 2, 2020. The liability is disclosed under "Acquisition of subsidiaries"

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

in CHF m	2021	2020
Service costs		
Current service cost (net of employee contributions)	(26.5)	(16.2)
Curtailment and past service cost	3.1	11.4
Personnel expenses - defined benefit costs (Note 7)	**(23.4)**	**(4.8)**
Net interest on defined benefit schemes (Note 10)	(6.6)	(4.8)
Net pension expense	**(30.0)**	**(9.6)**

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

in CHF m	2021	2020
Remeasurement gains/(losses)		
Actuarial gain arising from changes in demographic assumptions	7.5	2.3
Actuarial gain/(loss) arising from changes in financial assumptions	93.7	(57.2)
Actuarial gain/(loss) arising from changes in liability experience	14.9	(5.1)
Return on pension assets (excluding amounts in net interest on defined benefit schemes)	37.2	41.6
Change in effect of the asset ceiling (excluding amounts in net interest on defined benefit schemes)	(22.3)	3.9
Total remeasurements recognized in the statement of other comprehensive income	**131.0**	**(14.5)**

Remeasurement gains in 2021 from financial assumptions are 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 is 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. In 2020, remeasurement losses on financial assumptions were driven by decreases in discount rates in the majority of countries, principally in the UK and the US, as well as the reduction in the RPI/CPI gap for the UK plans. These losses were to some extent offset by the higher than expected asset gains for all funded plans (notably in UK, US, and Switzerland).

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

in CHF m	**2021**	**2020**
Balance at January 1	**(629.4)**	**(206.6)**
Acquisition of subsidiaries (Note 30)	–	(437.0)
Disposal of subsidiaries (Note 31)	–	1.0
Pension costs recognized in the income statement	(30.0)	(9.6)
Remeasurement gains/(losses) recognized in the statement of other comprehensive income	131.0	(14.5)
Actual employer contributions	34.0	25.2
Exchange differences	12.8	12.1
Balance at December 31	**(481.6)**	**(629.4)**

Being:		
Retirement benefit assets at December 31	–	–
Retirement benefit liabilities at December 31	(481.6)	(629.4)

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

in CHF m	**2021**	**2020**
Balance at January 1	**(1,747.8)**	**(830.6)**
Acquisition of subsidiaries	–	(913.6)
Disposal of subsidiaries	–	1.0
Current service cost	(26.5)	(16.2)
Curtailment and past service cost	3.1	11.4
Settlement	–	9.6
Interest cost on the defined benefit obligations	(16.6)	(13.3)
Actuarial gain arising from changes in demographic assumptions	7.5	2.3
Actuarial gain/(loss) arising from changes in financial assumptions	93.7	(57.2)
Actuarial gain/(loss) arising from changes in liability experience	14.9	(5.1)
Actual benefit payments	58.2	41.1
Actual employee contributions	(5.6)	(4.7)
Exchange differences	27.7	27.5
Balance at December 31	**(1,591.4)**	**(1,747.8)**

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

in CHF m	**2021**	**2020**
Balance at January 1	**1,166.1**	**677.5**
Acquisition of subsidiaries	–	476.6
Interest income on plan assets	10.8	9.6
Actual return on assets (excluding interest income on plan assets)	37.2	41.6
Actual benefit payments	(58.2)	(41.1)
Actual employer contributions	34.0	25.2
Actual employee contributions	5.6	4.7
Settlement	–	(9.6)
Exchange differences	(14.4)	(18.4)
Balance at December 31	**1,181.1**	**1,166.1**

Benefits paid under the pension plans include CHF 17.7m paid from employer assets in 2021 (2020: CHF 7.4m). The Group expects to contribute CHF 29.9m to its defined benefit pension plans in 2022.

The following table shows the change in the irrecoverable surplus:

in CHF m	2021	2020
Irrecoverable surplus at January 1	**(47.7)**	**(53.5)**
Interest cost on irrecoverable surplus	(0.8)	(1.1)
Change in irrecoverable surplus in excess of interest (asset ceiling)	(22.3)	3.9
Exchange differences	(0.5)	3.0
Irrecoverable surplus at December 31	**(71.3)**	**(47.7)**

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 now fully applied for all three plans.

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

in CHF m	2021	2020
Securities quoted in an active market		
Equities	230.1	224.6
Bonds:		
Government - nominal	105.7	3.0
Government - index-linked	28.5	27.3
Corporate	155.8	101.4
Real estate	8.6	5.9
Cash and cash equivalents	320.8	502.5
Other marketable securities	132.7	105.1
Total quoted securities	**982.2**	**969.8**
Unquoted securities		
Equities	–	0.1
Bonds:		
Asset-backed securities	20.8	18.1
Insurance contracts	66.4	73.7
Real estate	77.2	71.6
Other	34.5	32.8
Total other securities	**198.9**	**196.3**
Total	**1,181.1**	**1,166.1**

The present value of defined benefit obligations by category of members at December 31, 2021 and 2020, is shown below.

in CHF m	2021	2020
Active	(629.7)	(759.2)
Vested	(334.5)	(343.0)
Retired	(627.2)	(645.6)
Balance at December 31	**(1,591.4)**	**(1,747.8)**
Present value of funded obligations at December 31	(1,577.8)	(1,734.1)
Present value of unfunded obligations at December 31	(13.6)	(13.7)

The principal actuarial assumptions used for the defined benefit obligations at December 31, 2021 and 2020 and the following year's pension expense are as follows:

2021	Germany	Switzerland	UK	US	All plans
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%
2020					
Discount rate (weighted average)	0.8%	0.1%	1.5%	2.4%	0.9%
Rate of compensation increase (weighted average)	2.5%	2.0%	n/a	n/a	2.4%
Inflation rate (weighted average)	n/a	1.0%	2.9%	n/a	1.7%
Pension index rate (weighted average)	1.0%	0.0%	2.9%	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	2021	2020
Male - retiring at age 65 on the balance sheet date	21.0	20.9
Female - retiring at age 65 on the balance sheet date	23.7	23.7
Male - retiring at age 65, 15 years after the balance sheet date	22.7	22.5
Female - retiring at age 65, 15 years after the balance sheet date	25.2	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.

2021	Germany	Switzerland	UK	US	Other	Total
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)	–	–	(3.7)	(8.9)
Rate of compensation -0.5% pa	1.5	3.3	–	–	3.9	8.7
Pension indexation +0.5% pa	(0.2)	(15.8)	(6.4)	–	(6.1)	(28.5)
Pension indexation -0.5% pa (minimum 0.0%)	0.2	–	7.4	–	3.5	11.1
Life expectancy at age 65 + 1 year	(24.4)	(8.0)	(8.2)	(7.0)	(0.4)	(48.0)
2020						
in CHF m						
Discount rate +0.5% pa	82.3	22.5	15.3	12.4	10.9	143.4
Discount rate -0.5% pa	(97.0)	(25.6)	(17.5)	(13.6)	(12.4)	(166.1)
Rate of compensation +0.5% pa	(1.7)	(3.7)	–	–	(5.0)	(10.4)
Rate of compensation -0.5% pa	1.7	3.4	–	–	5.1	10.2
Pension indexation +0.5% pa	(0.2)	(16.8)	(7.8)	–	(7.2)	(32.0)
Pension indexation -0.5% pa (minimum 0.0%)	0.2	–	9.2	–	4.2	13.6
Life expectancy at age 65 + 1 year	(29.5)	(8.6)	(8.5)	(7.5)	(0.3)	(54.4)

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, 2021 and 2020, are:

2021	Germany	Switzerland	UK	US	Other	Average
Years						
Weighted duration of the defined benefit obligations	18.0	15.1	18.9	11.2	14.3	16.4
2020						
Years						
Weighted duration of the defined benefit obligations	19.5	15.7	18.6	11.8	15.1	17.4

23 Short-term and Long-term Debt

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

in CHF m	2021	2020
Short-term debt		
Debt	9.9	788.2
Lease liabilities (Note 19)	53.0	74.5
Total short-term debt	**62.9**	**862.7**
Long-term debt		
Debt	1,528.9	485.3
Lease liabilities (Note 19)	358.2	368.2
Total long-term debt	**1,887.1**	**853.5**

The carrying amounts of short-term and long-term debt are as follows:

2021 in CHF m	Bonds	Term Loan	Revolving credit facility	Related party loans	Other[I]	Total
Balance at January 1, 2021	**348.3**	**269.3**	**453.2**	**60.3**	**142.4**	**1,273.5**
Cash flows from financing activities[II]	–	–	(3.5)	240.0	46.4	282.9
Capitalized interest		5.3	7.8	1.5	6.5	21.1
Change in bank overdrafts	–	–	–	–	1.7	1.7
Capitalized transaction costs	(2.6)	(2.0)	(3.4)	(3.5)	–	(11.5)
Amortization of transaction costs	0.7	0.6	0.9	0.4	–	2.6
Exchange differences	–	(10.7)	(21.6)	–	0.8	(31.5)
Balance at December 31, 2021	**346.4**	**262.5**	**433.4**	**298.7**	**197.8**	**1,538.8**
Analysis of total short-term and long-term debt						
Non-current	346.4	262.5	433.4	298.7	187.9	1,528.9
Current	–	–	–	–	9.9	9.9
2020 in CHF m						
Balance at January 1, 2020	**347.3**	**269.3**	**211.0**	**–**	**23.0**	**850.6**
Cash flows from financing activities	–	–	230.4	60.3	125.9	416.6
Change in bank overdrafts	–	–	–	–	(4.5)	(4.5)
Amortization of transaction costs	1.0	0.9	1.2	–	–	3.1
Exchange differences	–	(0.9)	10.6	–	(2.0)	7.7
Balance at December 31, 2020	**348.3**	**269.3**	**453.2**	**60.3**	**142.4**	**1,273.5**
Analysis of total short-term and long-term debt						
Non-current	348.3	–	–	–	137.0	485.3
Current	–	269.3	453.2	60.3	5.4	788.2

[I] Includes bank overdrafts which are considered cash and cash equivalents in the cash flow statement (Note 12)
[II] Principal bridging items to the Consolidated Cash Flow Statement are in Leases (Note 19) and capitalized transaction costs

The carrying amounts of the Group's borrowings are denominated in the following currencies:

in CHF m	2021	2020
Swiss Francs	722.9	473.9
Euro	771.3	812.1
Swedish Kronar	126.4	137.5
US Dollar	218.5	165.3
Other currencies	110.9	127.4
Balance at December 31	**1,950.0**	**1,716.2**

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, matures on October 20, 2026. As at December 31, 2021 the total outstanding balance of CHF 435.8m comprised drawings of CHF 428.4m together with capitalized PIK interest.

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 2021, the interest rate for the Term Loan was 3.9% (2020: 2.9% - 3.9%) and for the RCF between 3.5% and 5.5% (2020: 2.5% - 3.9%). 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

A subordinated convertible facility of CHF 475.0m has been 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. CHF 301.8m had been drawn as of December 31, 2021 (Note 32.3). The facility is guaranteed by each borrower and guarantor under the SFA but is fully subordinated to the claims of both the lenders under the SFA and holders of the Bonds.

The proceeds of the new money injection in April 2021 were used, in part, to replace the CHF 200.0m Interim Liquidity Facility Agreement previously made available to the Company by its ultimate shareholders, RRJ Capital and Temasek.

Other

Other consists principally of the following:

- There are 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 89.6m provided in the USA 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, 2021, other debt includes bank overdrafts of CHF 1.9m (2020: CHF 0.2m).

Guarantees

As at December 31, 2021, the Group has guarantees outstanding in favor of associates amounting to CHF 4.4m (2020: CHF 7.4m).

24 Trade and Other Payables

in CHF m	2021	2020
Trade payables	210.8	133.3
Other amounts due to third parties	70.6	114.8
Other current payables due to related parties (Note 32)	22.2	0.4
Sales taxes due	62.3	49.3
Balance at December 31	**365.9**	**297.8**

25 Short-term and Long-term Provisions

in CHF m	Employee benefits	Share-based payments	Restruc-turing	Legal and tax	Onerous contracts	Property and other	Total
Balance at January 1, 2021	**28.4**	**32.2**	**71.6**	**80.7**	**77.7**	**63.5**	**354.1**
Additions	48.7	–	28.0	33.3	–	15.1	125.1
Utilized	(10.0)	(8.5)	(77.2)	(0.3)	(63.0)	(4.4)	(163.4)
Unused reversed	(3.2)	(0.2)	(7.8)	(27.1)	–	(5.4)	(43.7)
Unwind of discount	–	–	–	0.1	4.5	1.4	6.0
Reclassifications	–	–	16.2	–	–	(16.2)	–
Exchange differences	(2.9)	–	(0.4)	(3.2)	(0.6)	(1.7)	(8.8)
Balance at December 31, 2021	**61.0**	**23.5**	**30.4**	**83.5**	**18.6**	**52.3**	**269.3**
Analysis of total provisions							
Non-current	58.8	–	3.0	49.7	2.0	43.3	156.8
Current	2.2	23.5	27.4	33.8	16.6	9.0	112.5

Employee Benefits

In addition to the defined benefit plans as described in Note 22, 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 2021, a provision in the amount of CHF 37.4m was created for uncertain employee claims, while at the same time a long-term receivable in the same amount has been recognized due to an indemnification from the former owner.

Share-based Payments

The provision is principally for a cash settled share-based plan for senior management (Note 28).

Restructuring

The restructuring charges during the year and the provisions remaining at the end of the year relate principally to the 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 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.

26 Other Current and Non-current Liabilities

in CHF m	2021	2020
Current		
Accrued payroll and related costs	233.9	178.8
Deferred revenue (Note 6)	5.9	2.8
Accrued rent and other property costs	8.5	10.5
Accrued insurance costs	24.2	28.1
Uninvoiced deliveries of inventory	82.3	40.9
Accrued volume rebates	72.1	56.1
Other accrued expenses	127.5	97.6
Other current liabilities	72.7	275.1
Total current	**627.1**	**689.9**
Non-current		
Other non-current liabilities	109.6	18.5
Total non-current	**109.6**	**18.5**
Total other current and non-current liabilities	**736.7**	**708.4**

Other Liabilities

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. As at December 31, 2021, following renegotiation, a financial liability at fair value through profit or loss of CHF 167.1m (2020: CHF 265.8m) has been recognized, for the net present value of the expected payments relating to the option arrangements. For the amount paid in 2021 as a result of the renegotiation, refer to Note 30. Following the renegotiation, CHF 95.9m (2020: CHF 0.0m) has been presented as long-term and CHF 71.2m as short-term (2020: CHF 265.8m).The expected payments were discounted using the discount rate applicable to the liability, which was determined to be 3.4% (2020: 2.6%).

27 Equity

27.1 Issued Share Capital

As at December 31, 2021, the share capital of the Company is CHF 180,557,383.75 (2020: CHF 135,418,036.25) and is divided into 144,445,907 (2020: 108,334,429) 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 (Note 2.1). During 2021, transaction costs of CHF 0.4m were incurred related to the capital increase.

27.2 Conditional Share Capital.

As at December 31, 2021, 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 (2020: 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 (2020: 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 (2020: 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.

27.3 Authorized Share Capital

The Company had no authorized share capital at December 31, 2021 or December 31, 2020.

27.4 Treasury Shares

As at December 31, 2021, there are 2,028,197 (2020: 2,028,197) treasury shares determined as being held by the Group.

27.5 Dividend

No dividends were distributed in 2021 and 2020.

28 Share-based Payments

The following table shows the share-based payment income / (expense) recognized in the consolidated income statement:

in CHF m	2021	2020
Total share-based payments (Note 7)	**0.2**	**(3.6)**

There were no share-based payment grants during 2021 or 2020.

There remained however the following share-based payment plans from prior periods:

- The Investment and Shareholders' Agreement, established for a number of Senior Managers in the Group who agreed to re-invest a portion of a Phantom Unit Long Term Incentive Plan prior vesting in shares of gategroup Holding AG. This arrangement was for a period of five years with the possibility to extend. The exit scenarios include a put option for the Managers, exercisable on June 1, 2022, at the initial value of their investment, on a Manager's termination of employment and a call option exercisable by the Company under certain defined conditions. Also on a realization event, if this is prior to the put option date, the Managers have the right to sell and the Company has the right to buy at the higher of the initial value of their investment and the share price from a transaction.
- The Junior Management Plan which was a cash-settled share-based payment arrangement that vested during 2021. There were no performance conditions and where employment terminated prior to the vesting date there could be a pro-rata payment to a good leaver. The terms of this plan included a service condition and therefore expense was recognized through the income statement over the service period.

As at December 31, 2021, the share-based payments provision amounted to CHF23.5m (2020: CHF 32.2m) (Note 25), of which CHF 21.6m (2020: CHF 21.7m) was related to the Investment and Shareholders' Agreement.

29 Commitments and Contingent Liabilities

29.1 Capital Commitments

As at December 31, 2021, 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 3.4m (2020: CHF 4.0m).

29.2 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 25.

30 Business Combinations

30.1 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 has been 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 has been made to the non-controlling shareholders of SIA Ocean Indien SAS.

30.2 Business Combinations 2020

Acquisition of LSG Europe

The Group purchased 100% of the European operations of LSG Group from Deutsche Lufthansa AG ("Lufthansa") on December 2, 2020.

The transaction comprised LSG's inflight catering operations in Germany, Switzerland, the Netherlands, Belgium, Italy and Spain as well as the global equipment business trading under the SPIRIANT brand. It also included the European convenience food operations trading under the Evertaste brand, the Ringeltaube retail outlets as well as European train catering and lounge operations.

In 2020, the accounting for the LSG Europe acquisition was provisional because the transaction closed only shortly before December 31, 2020. The identification and valuation of intangible assets, other assets and liabilities were finalized, without adjustment, in 2021. The identifiable assets acquired and liabilities assumed are set out in the table below:

in CHF m	**LSG Europe**
Cash and cash equivalents	234.6
Trade receivables	24.1
Other current receivables and prepayments	31.7
Inventories	70.5
Property, plant and equipment	206.8
Intangible assets	45.1
Investments in associates and joint ventures	2.2
Other non-current receivables	7.7
Short-term debt	(11.7)
Trade and other payables	(126.8)
Current income tax liabilities	(3.6)
Other current liabilities	(40.2)
Long-term debt	(42.2)
Deferred income tax liabilities	(1.2)
Defined benefit plans	(437.0)
Provisions	(143.8)
Other long-term liabilities	(5.1)
Fair value of net assets acquired	**(188.9)**
Goodwill on acquisition	189.1
Non-controlling interests	(0.1)
Total cash consideration transferred	**0.1**
Cash and cash equivalents	234.6
Cash inflow on acquisition	**234.5**

Receivables were stated at fair value. It was expected that all receivables could be collected. The non-controlling interest recognized at the acquisition date was measured at fair value and amounted to CHF 0.1m.

Goodwill related to the acquisition arose because the consideration paid for the combination effectively included amounts in relation to expected synergies, revenue growth, future market development and the assembled workforce of the business acquired. These benefits are not separable from goodwill. None of the goodwill recognized is expected to be deductible for tax purposes.

The inclusion of LSG Europe's operations in the consolidated financial statements from the beginning of the financial year to the initial consolidation on December 2, 2020, would have generated approximately additional revenues of CHF 395.7m and a net loss of CHF 162.4m. From initial recognition to December 31, 2020, the LSG Europe operations contributed revenues of CHF 34.1m and a net loss of CHF 14.3m.

Acquisition-related costs amounted to CHF 21.9m and were not included in the consideration transferred. They have been recognized as an expense in "Other operating income and expenses, net" in the consolidated income statement. As part of the acquisition, short-term financing facilities provided by the previous owner to the European LSG operations in the amount of CHF 86.6m were replaced by the Group. The cash outflow for these loan replacements is presented under "Repayments of debt" in the Consolidated Cash Flow Statement.

31 Disposal of Subsidiaries

31.1 Disposals 2021

The Group did not make any significant disposals during 2021.

31.2 Disposals 2020

The Group:
- disposed of its 100% shareholding in Gate Gourmet Pakistan (Private) Ltd. The consideration amounted to CHF 0.0m, whereas the net assets disposed of were CHF 0.1m, including cash and cash equivalents of CHF 0.0m. The net loss of CHF 2.5m was recognized in the income statement and is included in "Other gains and losses, net" (Note 9).
- disposed of its 100% shareholdings in Gate Gourmet India Private Ltd., Skygourmet Catering Private Ltd. and New India Glass Works (Calcutta) Pvt Ltd. (India). The transaction included a payment of CHF 2.5m to the purchaser, whereas the net assets disposed of were CHF 8.9m, including cash and cash equivalents of CHF 1.1m. The net loss of CHF 26.4m was recognized in the income statement and is included in "Other gains and losses, net" (Note 9).

in CHF m	GG Pakistan	India	Total
Cash and cash equivalents	–	1.1	1.1
Trade receivables	–	7.3	7.3
Other current receivables and prepayments	0.2	1.9	2.1
Inventories	–	0.1	0.1
Assets held for sale	–	2.5	2.5
Long-term receivables	–	3.5	3.5
Property, plant and equipment	0.2	8.4	8.6
Trade payables	–	(1.7)	(1.7)
Other current liabilities	(0.1)	(7.1)	(7.2)
Long-term provisions	–	(0.5)	(0.5)
Defined benefit plans	–	(1.0)	(1.0)
Other long term-liabilities	(0.2)	(5.6)	(5.8)
Net assets disposed	**0.1**	**8.9**	**9.0**
Consideration paid	–	(2.5)	(2.5)
Net assets disposed	(0.1)	(8.9)	(9.0)
Currency translation loss reclassified	(2.4)	(15.0)	(17.4)
Loss from disposal of subsidiary	**(2.5)**	**(26.4)**	**(28.9)**
Cashflow:			
Consideration paid in cash and cash equivalents	–	(2.5)	(2.5)
Cash and cash equivalents disposed	–	(1.1)	(1.1)
Net cash outflow from disposal of subsidiary	**–**	**(3.6)**	**(3.6)**

32 Related Party Transactions

32.1 Key Management Personnel

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

in CHF m	2021	2020
Short-term benefits	8.3	4.8
Post-employment benefits	0.6	0.6
Total key management compensation	**8.9**	**5.4**

32.2 Associated Companies and Joint Ventures

in CHF m	2021	2020
Revenue		
To associates	0.9	0.4
To joint ventures	–	0.4
Management services provided		
To associates	0.9	0.5
To joint ventures	0.2	0.7
Purchase of goods		
From associates	(1.1)	(0.9)
From joint ventures	–	(1.8)
Financial asset impairment	–	(3.4)
Guarantees	(1.3)	–
Dividends received	–	1.3
Trade and other receivables		
From associates	7.6	5.9
From joint ventures	5.0	5.2
Provision for impairment of receivables	(5.4)	(4.8)
Trade and other current payables (Note 24)		
To associates	(1.0)	(0.2)
To joint ventures	(0.1)	(0.2)

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.

32.3 Parent

As at December 31, 2021, 98.9% 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 Senior Management.

The Company entered into a senior secured CHF 200.0m Interim Liquidity Facility Agreement in November 2020, with repayment originally being due on May 25, 2021, and an interest rate of 6.5%. The lenders under the Interim Liquidity Facility were owned by the ultimate shareholders of the Group, RRJ and Temasek. In 2021, the CHF 200.0m Interim Liquidity Facility has been replaced by the proceeds of the new money injection by way of a cashless rollover. With the financial restructuring plan becoming effective on March 29, 2021, the shareholders, through their affiliates, committed to make CHF 500.0m of funding available. In 2021, CHF 25.0m of this amount were injected by way of a share capital subscription in the Company while CHF 475.0m were made available as subordinated convertible loans.

The convertible loans will mature on March 31, 2027, and accrue non-cash PIK interest at a rate of 12.5% per annum. As of December 31, 2021, CHF 301.8m of the related party loan had been drawn with accrued interest of CHF 21.1m (Note 24).

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.

32.4 Other Related Parties

in CHF m	2021	2020
Revenue	6.9	9.8
Trade and other receivables	0.7	0.4

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, Temasek or their subsidiaries. No guarantees have been received.

33 Group Companies

The principal subsidiaries of the Company as of December 31, 2021, 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 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 Aéroport de Bâle–Mulhouse SAS, St. Louis	100	EUR	337,000
	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	51	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
	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	12,166,000
	Gate Retail Onboard Mexico S.A.P.I. de C.V., Mexico City	100	MXN	6,100,000
	Prestadora de Servicios Gate Gourmet & MAASA Mexico S.A.P.I. de C.V., Mexico City	51	MXN	50,000
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
	Helios Market, Product & Production Development B.V., Amsterdam	100	EUR	1,117,294
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

34 Post Balance Sheet Events

The conflict between Russia and Ukraine has created uncertainty regarding the development of the world economy and the airline industry. The Group, however has a relatively limited direct exposure to these countries.

As at April 21, 2022, the date of approval of these consolidated financial statements by the Board, the Group has no other significant subsequent events that warrant disclosure.

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To the General Meeting of
gategroup Holding AG, Opfikon

Zurich, April 21, 2022

Statutory auditor's 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 income statement, consolidated statement of comprehensive income, consolidated balance sheet as at December 31, 2021, consolidated statement of changes in equity and 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 89) give a true and fair view of the consolidated financial position of the Group as at December 31, 2021, and 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 (ISAs) and Swiss Auditing Standards. 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 and the requirements of the Swiss audit profession, as well as the *International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (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 9% of the Group's total assets as at December 31, 2021. 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 Group's internal controls over its significant trade receivables processes. Our substantive 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 29% of the Group's total assets as at December 31, 2021. 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 18 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 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 in the annual report
The Board of Directors is responsible for the other information in the annual report. The other information comprises all 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 in the annual report 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 in the annual report 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.

Responsibility of the Board of Directors for the consolidated financial statements
The Board of Directors is responsible for the preparation of the consolidated financial statements that 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, ISAs and Swiss Auditing Standards 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 at the website of EXPERTsuisse: http://www.expertsuisse.ch/en/audit-report-for-public-companies. This description forms part of our auditor's report.

Report on other legal and regulatory requirements
In accordance with article 728a para. 1 item 3 CO and the Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of 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

GATEGROUP HOLDING AG

Financial Report 2021

Financial Statements of gategroup Holding AG

Income Statement of gategroup Holding AG

in 1,000 CHF	2021	2020
Personnel expenses	(996)	(591)
Operating expenses	(11,302)	(8,424)
Amortization	(70)	–
Total operating expenses	**(12,368)**	**(9,015)**
Operating loss	**(12,368)**	**(9,015)**
Financial income	87	–
Financial expenses	(23,341)	(2,025)
Loss before tax	**(35,622)**	**(11,040)**
Direct taxes	–	–
Loss for the year	**(35,622)**	**(11,040)**

Balance Sheet of gategroup Holding AG

in 1,000 CHF	Notes	December 31, 2021	December 31, 2020
Current assets			
Cash and cash equivalents		–	1
Other current receivables		32	205
Other current receivables from subsidiaries		227,013	54,546
Total current assets		**227,045**	**54,752**
Non-current assets			
Investments in subsidiaries		634,862	600,039
Total non-current assets		**634,862**	**600,039**
Total assets		**861,907**	**654,791**
Current liabilities			
Current interest-bearing liabilities to related parties		21,135	60,401
Other current payables to subsidiaries		5,269	5,459
Other current payables		585	331
Accruals		103	515
Total current liabilities		**27,092**	**66,706**
Non-current liabilities			
Non-current interest-bearing liabilities to related parties		301,912	–
Non-current interest-bearing liabilities to subsidiaries		–	44,560
Total non-current liabilities		**301,912**	**44,560**
Total liabilities		**329,004**	**111,266**
Share capital		180,557	135,418
Legal capital reserves:			
Reserve from capital contributions		550,696	570,835
Legal retained earnings:			
General reserve		11,766	11,766
Voluntary retained earnings:			
Earnings brought forward		(164,667)	(153,627)
Loss for the year		(35,622)	(11,040)
Treasury shares	*2.3*	(9,827)	(9,827)
Total shareholders' equity		**532,903**	**543,525**
Total liabilities and shareholders' equity		**861,907**	**654,791**

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 indicate 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, 2021	Ownership in % Dec 31, 2020
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%	43.55%
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 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%	16.57%
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%	50.00%
Alphair SAS, Tremblay-en-France	France	EUR	5,000	64.99%	50.00%
Gate Gourmet Aéroport de Bâle–Mulhouse SAS, St. Louis	France	EUR	337,000	100.00%	100.00%
Gate Gourmet Helvetia SAS, Paris	France	EUR	10,000	100.00%	100.00%
Lyon Air Traiteur, Colombier-Saugnieu	France	EUR	455,000	65.00%	50.00%
Martinique Catering, Le Lamentin	France	EUR	50,000	63.70%	49.00%
Orly Air Traiteur, Wissous	France	EUR	8,934,190	65.00%	49.16%
Panima, Mamoudzou	France	EUR	500,000	33.15%	25.50%
Paris Air Catering (PAC), Tremblay-en-France	France	EUR	100,005	65.00%	50.00%
Passerelle CDG, Tremblay-en-France	France	EUR	40,000	33.15%	25.50%
Servair Investissements Aeroportuaires (SIA), Tremblay-en-France	France	EUR	25,000,000	65.00%	50.00%
Servair SA, Tremblay-en-France	France	EUR	52,386,208	65.00%	50.00%
Société de Restauration Industrielle (SORI), Les Abymes	France	EUR	50,000	32.53%	25.02%
Société Guyanaise de Restauration Industrielle (SOGRI), Matoury	France	EUR	225,000	63.05%	48.50%
Svrls@La Reunion, Sainte Marie	France	EUR	150,000	32.63%	25.10%
Servair Gabon, Libreville	Gabon	XAF	250,000,000	35.75%	27.50%
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%	28.50%
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%	40.00%
SIA Restauration Rapide Côte d'Ivoire, Abidjan	Ivory Coast	XOF	6,119,430,000	65.00%	50.00%
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%	29.50%
SIA Kenya Holding Ltd, Nairobi	Kenya	KES	1,215,000,000	38.35%	29.50%
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%	8.67%
Gate Gourmet & MAASA Mexico S.A.P.I. de C.V., Mexico City	Mexico	MXN	12,166,000	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%
Prestadora de Servicios Gate Gourmet & MAASA Mexico S.A.P.I. de C.V., Mexico City	Mexico	MXN	50,000	51.00%	51.00%
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%
Helios Market, Product & Production Development B.V., Amsterdam	Netherlands	EUR	1,117,294	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%	32.56%
Skychef Ltd, Mahé	Seychelles	SCR	313,000	35.75%	27.50%
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	100.00%	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:

2021	Number of shares
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

2020	
Balance at January 1, 2020	**839,112**
Balance at December 31, 2020	**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 of which EUR 410.8m was drawn at December 31, 2021, together with capitalized PIK interest matures on October 20, 2026. As of December 31, 2021, the Group utilized RCF drawings of CHF 433.4m, being EUR 300.1m and SEK 1,232.9m (2020: EUR 295.0m and SEK 1,244.1m).
- 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.
- A subordinated convertible facility of CHF 475.0m has been made available to the Company by its 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. CHF 301.8m had been drawn as of December 31, 2021. The facility is guaranteed by each borrower and guarantor under the SFA but is fully subordinated to the claims of both the lenders under the SFA and holders of the Bonds. The proceeds of the new money injection in April 2021 were used, in part, to replace the CHF 200.0m Interim Liquidity Facility Agreement previously made available to the Company by its ultimate shareholders, RRJ Capital and Temasek.

Further, guarantees issued in favour of third parties amount to CHF 255.7m (2020: CHF 256.4m) thereof none (2020: none) are associates.

2.5 Employees

In 2021, the Company employed on average 7 employees (2020: 6).

2.6 Post Balance Sheet Events

The conflict between Russia and Ukraine has created uncertainty regarding the development of the world economy and the airline industry. The Company, however has a relatively limited direct exposure to these countries.

As at April 21, 2022, the date of approval of these financial statements by the Board, the Company has no other 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 on April 21, 2022, for the appropriation of available earnings

in 1,000 CHF	December 31, 2021	December 31,[1] 2020
Carried forward from previous year	(164,667)	(153,627)
Loss for the year	(35,622)	(11,040)
Balance to be carried forward	**(200,289)**	**(164,667)**

[1] Approved by the Annual General Meeting of Shareholders on June 23, 2021.

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

in 1,000 CHF	December 31, 2021	December 31, 2020
Opening balance	570,835	570,835
Adjustment to the reserve from capital contributions	(20,139)	–
Balance to be carried forward	**550,696**	**570,835**

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To the General Meeting of
gategroup Holding AG, Opfikon

Zurich, April 21, 2022

Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the financial statements of gategroup Holding AG, which comprise the income statement, balance sheet and notes (pages 96 to 102), for the year ended December 31, 2021.

Board of Directors' responsibility
The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements for the year ended December 31, 2021 comply with Swiss law and the company's articles of incorporation.

Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of 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 Licensed audit expert (Auditor in charge)	Marco Kessler Licensed audit expert

CREDITS IMPRINT

2021

EDITOR
gategroup Holding AG.

REALIZATION
NeidhartSchön AG, Zurich, Switzerland.

PHOTOGRAPHY AND ARTWORK CREDITS
Employees who contributed their photographs (page 31).
Cuisine sans Frontières (page 31).

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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.

This communication does not constitute an offer or an invitation for the sale or purchase of securities in any jurisdiction.

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