



Top: Raw material before processing on a milling machine in the production area of our facility in Romania

Bottom left: Office space at our VAT facility in Arad, Romania

Bottom right: Employees in the VAT R&D lab in Switzerland – testing different types of control algorithms for the 61.3 Fast Butterfly Control Valve, which is the quickest butterfly valve in our portfolio with 45ms actuation time

Financial Statements



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Consolidated financial statements for the financial year from January 1 to December 31, 2025

Consolidated income statement

January 1 to December 31 In CHF thousand	Note	2025	2024
Net sales	2.1, 2.2	1,073,516	942,200
Raw materials and consumables used		-374,192	-341,791
Changes in inventories of finished goods and work in progress		-17,382	25,668
Personnel expenses	4.1	-262,274	-245,049
Other income	2.3	20,789	10,823
Other expenses	2.4	-118,880	-98,185
Earnings before interest, taxes, depreciation and amortization (EBITDA)¹		321,577	293,666
Depreciation, amortization and impairment		-48,768	-43,487
Earnings before interest and taxes (EBIT)¹		272,810	250,179
Finance income	5.1	1,384	9,480
Finance costs	5.1	-16,879	-7,069
Earnings before income taxes		257,315	252,590
Income tax expenses	6.1	-43,034	-40,791
Net income attributable to owners of the Company		214,280	211,799
Earnings per share (in CHF)			
Basic earnings per share	5.4	7.15	7.06
Diluted earnings per share	5.4	7.14	7.06

¹ Interest includes other items as reported in the financial results.

Consolidated statement of comprehensive income

January 1 to December 31 In CHF thousand	Note	2025	2024
Net income attributable to owners of the Company		214,280	211,799
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit obligations	4.3	10,794	-16,583
Related tax	6.1	-1,544	2,371
Subtotal		9,250	-14,212
Items that are or may be subsequently reclassified to profit or loss:			
Changes in the fair value of hedging reserves		15,130	-23,768
Related tax	6.1	-2,269	3,482
Currency translation adjustments		-7,753	11,481
Subtotal		5,107	-8,806
Other comprehensive income for the period (net of tax)		14,357	-23,017
Total comprehensive income for the period attributable to owners of the Company		228,638	188,782

The above consolidated income statement and consolidated statement of comprehensive income should be read in conjunction with the accompanying notes, which can be found in the VAT Annual Report page 114 et seq.

Consolidated balance sheet

In CHF thousand	Note	Dec 31, 2025	Dec 31, 2024
Assets			
Cash and cash equivalents		140,940	158,121
Trade and other receivables	3.1	125,765	141,056
Other investments, including derivatives	5.5	10,193	3,028
Prepaid expenses and accrued income		5,953	5,604
Inventories	3.2	190,021	247,596
Current tax assets		2,847	1,996
Current assets		475,720	557,402
Property, plant and equipment	3.3	334,973	273,180
Investment properties		1,552	1,582
Intangible assets and goodwill	3.4	437,127	448,358
Other receivables	3.1	1,156	1,066
Other investments		5,299	3,942
Deferred tax assets	6.1	7,052	9,216
Non-current assets		787,158	737,344
Total assets		1,262,878	1,294,746

In CHF thousand	Note	Dec 31, 2025	Dec 31, 2024
Liabilities			
Trade and other payables	3.5	68,019	111,853
Loans and borrowings	5.3	203,626	2,440
Provisions	3.7	1,485	2,075
Derivative financial instruments	5.2	1,844	19,882
Accrued expenses and deferred income	3.6	47,810	59,250
Current tax liabilities		39,231	31,131
Current liabilities		362,014	226,630
Loans and borrowings	5.3	44,656	239,346
Other non-current liabilities		3,745	2,181
Deferred tax liabilities	6.1	38,107	40,898
Defined benefit obligations	4.3	21,187	31,814
Non-current liabilities		107,695	314,240
Total liabilities		469,709	540,870
Equity			
Share capital	5.4	3,000	3,000
Share premium		344	344
Reserves		-11,269	-16,376
Treasury shares	5.4	-12,712	-9,863
Retained earnings ¹		813,806	776,771
Total equity attributable to owners of the Company		793,169	753,877
Total liabilities and equity		1,262,878	1,294,746

¹ Includes remeasurements of DBO and other reserves.

The above consolidated balance sheet should be read in conjunction with the accompanying notes, which can be found in the VAT Annual Report page 114 et seq.

Consolidated statement of changes in equity

In CHF thousand	Share capital	Share premium	Hedging reserves	Translation reserves	Treasury shares	Retained earnings	Total equity
Equity as of Jan 1, 2025	3,000	344	-10,033	-6,343	-9,863	776,771	753,877
Net income attributable to owners of the Company						214,280	214,280
Total other comprehensive income for the period attributable to owners of the Company			12,860	-7,753		9,250	14,357
Treasury shares acquired					-5,421		-5,421
Dividend payment						-187,364	-187,364
Share-based payments (net of tax)					2,571	868	3,439
Equity as of Dec 31, 2025	3,000	344	2,827	-14,096	-12,712	813,806	793,169

In CHF thousand	Share capital	Share premium	Hedging reserves	Translation reserves	Treasury shares	Retained earnings	Total equity
Equity as of Jan 1, 2024	3,000	344	10,254	-17,824	-6,795	768,183	757,161
Net income attributable to owners of the Company						211,799	211,799
Total other comprehensive income for the period attributable to owners of the Company			-20,287	11,481		-14,212	-23,017
Treasury shares acquired					-7,019		-7,019
Dividend payment						-187,415	-187,415
Share-based payments (net of tax)					3,951	-1,584	2,367
Equity as of Dec 31, 2024	3,000	344	-10,033	-6,343	-9,863	776,771	753,877

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes, which can be found in the VAT Annual Report page 114 et seq.

Consolidated statement of cash flows

January 1 to December 31 In CHF thousand	Note	2025	2024
Net income attributable to owners of the Company		214,280	211,799
Adjustments for:			
Depreciation, amortization and impairment		48,768	43,487
(Profit)/loss from disposal of property, plant and equipment		-28	-32
Change in defined benefit obligations		167	-1,707
Net impact from foreign exchange		4,944	8,885
Income tax expenses	6.1	43,034	40,791
Net finance costs	5.1	15,495	-2,411
Other non-cash-effective adjustments		3,198	2,241
Change in trade and other receivables		3,010	-29,571
Change in prepaid expenses and accrued income		-588	-1,238
Change in inventories		48,421	-49,866
Change in trade and other payables		-35,652	28,441
Change in accrued expenses and deferred income		-8,884	21,307
Change in provisions		109	794
Cash generated from operations		336,274	272,920
Income taxes paid		-37,103	-32,278
Cash flow from operating activities		299,172	240,642
Purchases of property, plant and equipment		-58,207	-46,646
Proceeds from sale of property, plant and equipment		28	44
Purchases of intangible assets and development expenditure		-10,098	-9,022
Interest received		850	1,272
Loans granted		-2,378	-3,042
Loans repaid		1,022	0
Cash flow from investing activities		-68,784	-57,394
Proceeds from borrowings	5.3	195,000	140,000
Repayments of borrowings	5.3	-225,000	-110,000
Repayments of lease liabilities	5.3	-3,971	-2,756
Purchase of treasury shares		-5,421	-7,019
Dividend paid	5.4	-187,364	-187,415
Interest paid		-4,461	-4,469
Other finance expenses paid		-677	-842
Cash flow from financing activities		-231,894	-172,500
Net increase/(decrease) in cash and cash equivalents		-1,506	10,747
Cash and cash equivalents at beginning of period		158,121	144,108
Effect of movements in exchange rates on cash held		-15,675	3,267
Cash and cash equivalents at end of period		140,940	158,121

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes, which can be found in the VAT Annual Report page 114 et seq.

Notes to the consolidated financial statements

1. General information and accounting policies

General information

VAT Group AG (“the Company”) is a limited liability company incorporated in accordance with Swiss law. The registered office of the Company is Rütistrasse 4, CH-9469 Haag, Switzerland.

The consolidated financial statements as at and for the year ended December 31, 2025, comprise VAT Group AG and all companies under its control (together referred to as “VAT” or “the Group”).

These consolidated financial statements were authorized for issue by the Group’s Board of Directors on March 2, 2026.

Basis of accounting

The consolidated financial statements of the Group have been prepared based on IFRS Accounting Standards. The presentation currency is Swiss Francs, which is the Company’s functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

These consolidated financial statements have been prepared on the historical cost basis, except for items that are required to be accounted for at fair value (e.g. derivative financial instruments) and the defined benefit liability which is measured at the present value of the defined benefit obligation less the fair value of plan assets.

Details of the Group’s material accounting policies that are relevant for the understanding of these consolidated financial statements are included in the corresponding notes.

Changes in accounting policies

The accounting policies applied in these financial statements are the same as those applied in the Group’s consolidated financial statements for the previous financial year.

There were no new IFRS Accounting Standards amendments or interpretations that became effective in 2025 that had a material impact on the Company’s consolidated financial statements.

Use of judgments and estimates

In preparing these consolidated financial statements, management has made judgments, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from estimates. Estimates and underlying assumptions are reviewed frequently. Revisions to estimates are recognized prospectively. Important estimates and assumptions with the related uncertainties were primarily made in the following areas:

- a) intangible assets and goodwill, see note 3.4,
- b) property, plant and equipment, see note 3.3,
- c) income taxes, see note 6.1,
- d) post-employment benefits, see note 4.3.

2. Operating performance

2.1 Segment information

Background

The segment information is presented as provided to the Board of Directors and the Group Executive Committee in their role as Chief Operating Decision Maker (CODM).

Basis of segmentation

The Group reports in two segments: Valves and the Global Service segment:

- **Valves:** The Valves segment is a global developer, manufacturer and supplier of vacuum valves for the semiconductor, displays, photovoltaics and vacuum coating industries as well as for the industrial and research sector.
- **Global Service:** Global Service provides local expert support to customers and offers genuine spare parts, repairs and upgrades.

Corporate and eliminations

Inter-company transactions, balances, income and expenses between segments are eliminated and reported in the column "Corporate and eliminations". In addition, this column contains figures relating to the cross functions Corporate Research, Corporate Quality, Corporate Finance, HR, and IT.

While net sales in the segment Valves only arise from sales of goods, net sales in the Global Service segment come from sales of services and sales of goods.

The segment information provided to the CODM is measured in a manner consistent with that of the financial statements. Interest income and expenditure are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the Group. Therefore, a profit measure based on EBITDA is reported by segment. Sales between segments are carried out at arm's length and are eliminated on consolidation. Segment assets are measured in the same way as in the financial statements and allocated based on the operations of the segment and the physical location of the asset.

Information about reportable segments

January 1 to December 31, 2025 In CHF thousand	Valves	Global Service	Total segments	Corporate and eliminations	Total
Net sales	874,670	198,846	1,073,516		1,073,516
Inter-segment sales	77,155		77,155	-77,155	0
Segment net sales	951,825	198,846	1,150,671	-77,155	1,073,516
Segment EBITDA	284,356	90,729	375,085	-53,508	321,577

January 1 to December 31, 2024 In CHF thousand	Valves	Global Service	Total segments	Corporate and eliminations	Total
Net sales	774,675	167,525	942,200		942,200
Inter-segment sales	68,087		68,087	-68,087	0
Segment net sales	842,763	167,525	1,010,288	-68,087	942,200
Segment EBITDA	266,273	63,571	329,844	-36,177	293,666

As of December 31, 2025 In CHF thousand	Valves	Global Service	Total segments	Corporate and eliminations	Total
Segment assets	951,448	124,207	1,075,656	1,552	1,077,207
Segment liabilities	31,711	279	31,990	0	31,990
Segment net operating assets	919,737	123,929	1,043,666	1,552	1,045,218
Of which net trade working capital	236,863	35,707	272,569	0	272,569

As of December 31, 2024 In CHF thousand	Valves	Global Service	Total segments	Corporate and eliminations	Total
Segment assets	973,319	127,335	1,100,654	1,582	1,102,236
Segment liabilities	71,840	285	72,125	312	72,437
Segment net operating assets	901,478	127,050	1,028,529	1,270	1,029,799
Of which net trade working capital	278,777	33,889	312,666	-312	312,354

Net operating assets by reportable segment include trade receivables, inventories, property, plant and equipment, investment properties, intangible assets and goodwill as well as trade payables. Intangible assets and goodwill are allocated to the segments based on quotas defined as a result of the purchase price allocation.

Reconciliation of segment results to income statement and balance sheet

Income statement

January 1 to December 31 In CHF thousand	2025	2024
Segment EBITDA	375,085	329,844
Corporate and eliminations	-53,508	-36,177
Depreciation, amortization and impairment	-48,768	-43,487
Finance costs net	-15,495	2,411
Earnings before income taxes	257,315	252,590

Assets

As of December 31 In CHF thousand	2025	2024
Segment assets	1,075,656	1,100,654
Corporate and eliminations	1,552	1,582
Cash and cash equivalents	140,940	158,121
Other assets ¹	44,731	34,389
Assets	1,262,878	1,294,746

1 The main positions included in other assets are other receivables, other investments, deferred tax assets and prepaid expenses and accrued income.

Liabilities

As of December 31 In CHF thousand	2025	2024
Segment liabilities ¹	31,990	72,125
Corporate and eliminations	0	312
Loans and borrowings	248,282	241,786
Other liabilities and provisions	189,438	226,646
Liabilities	469,709	540,870

1 Only trade payables are allocated to segments.

Geographic information

Net sales

January 1 to December 31 In CHF thousand	2025	2024
Switzerland	4,971	3,494
Europe excl. Switzerland	119,107	127,128
USA	161,254	172,868
Japan	89,609	74,079
Korea	92,747	72,143
Singapore	144,598	111,087
China	348,157	281,136
Asia excl. Japan, Korea, Singapore and China	103,783	92,605
Other	9,290	7,660
Total	1,073,516	942,200

No other individual country represented more than 10% of net sales in 2025 and 2024.

Non-current assets

As of December 31 In CHF thousand	2025	2024
Switzerland	602,689	589,882
Europe excl. Switzerland	54,059	13,384
USA	4,281	5,495
Malaysia	106,305	109,002
Asia excl. Malaysia	6,318	5,357
Total	773,651	723,120

Non-current assets by location include property, plant and equipment, investment properties, intangible assets and goodwill. No other individual country represented more than 10% of non-current assets in 2025 and 2024.

Major customers

Revenues from three customers of the Group's Valves and Global Service segments represented approximately 16%, 14% and 13%, respectively of the Group's total revenues (prior year: three customers represented approximately 19%, 14% and 12%, respectively).

2.2 Revenue

In the following table, net sales from contracts with customers, as well as order intake, are disclosed by region and reportable segments.

Order intake and net sales by segment and region

January 1 to December 31, 2025			
In CHF thousand			
	Valves	Global Service	Total
Order intake	821,034	211,957	1,032,992
Net sales by region			
Asia	649,435	129,460	778,895
Americas	116,592	47,075	163,667
EMEA	108,643	22,311	130,954
Net sales	874,670	198,846	1,073,516

January 1 to December 31, 2024			
In CHF thousand			
	Valves	Global Service	Total
Order intake	858,135	175,144	1,033,280
Net sales by region			
Asia	534,488	96,562	631,050
Americas	120,855	53,716	174,571
EMEA	119,333	17,247	136,580
Net sales	774,675	167,525	942,200

Accounting policies

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognizes revenue when it transfers control over a good or service to a customer. Customers obtain control of the goods dependent on standard trade terms (Incoterms) or when services are rendered. The Group uses different Incoterms, generally CIF, FCA and DDP. Contracts include only standard warranty clauses and do not provide for separate purchase of warranty. Payment conditions are short term and therefore do not contain significant financing components.

2.3 Other income

January 1 to December 31		
In CHF thousand		
	2025	2024
Net foreign exchange gains on operating and investing activities	10,179	0
Work performed by the entity and capitalized	9,797	8,070
Rental income from investment properties	135	71
Change in provision for impairment on trade receivables	0	0
Gains from sale of fixed assets	28	38
Other income	651	2,644
Total other income	20,789	10,823

2.4 Other expenses

January 1 to December 31 In CHF thousand	2025	2024
Marketing and advertising	2,023	1,574
Distribution	11,214	9,819
Office rent	1,213	681
Administrative expenses	34,295	27,616
Travel expenses	6,365	5,852
Repair and maintenance	26,914	23,804
Energy and supplies	21,973	16,907
Insurance, duties and other charges	3,521	3,452
Net foreign exchange losses on operating and investing activities	0	4,780
Research and development expenses ¹	8,383	1,490
Other operating expenses	2,979	2,211
Total other expenses	118,880	98,185

¹ Includes third-party expenses and material consumption (prior year: only third-party expenses).

3. Operating assets and liabilities

3.1 Trade and other receivables

As of December 31 In CHF thousand	2025	2024
Trade receivables - gross	114,322	131,843
Less allowance for expected credit losses	-787	-323
Trade receivables - net	113,535	131,519
Recoverable value added tax and withholding tax	9,288	8,635
Deposits	1,237	1,151
Receivables from social security	1,776	692
Other	1,086	125
Total trade and other receivables	126,922	142,123
Thereof:		
Current trade and other receivables	125,765	141,056
Non-current other receivables	1'156	1'066

3.2 Inventories

As of December 31 In CHF thousand	2025	2024
Raw materials and consumables	96,347	125,794
Work in progress	9,552	14,260
Semi-finished goods	45,962	56,374
Finished goods	38,160	51,168
Total inventories	190,021	247,596

In the financial year 2025, inventories of CHF 10.6 million (previous year: CHF 5.6 million) were scrapped and recognized as expense.

Accounting policies

Inventories are measured at the lower of cost and net realizable value. Cost is determined using the weighted average cost method and standard cost method.

The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs.

3.3 Property, plant and equipment

January 1 to December 31, 2025 In CHF thousand	Land ¹	Buildings	Buildings right- of-use assets	Ma- chin- ery	Furniture/ fixtures	Other equip- ment	Other equip- ment right- of-use asset	Assets under con- struction	Total
Cost									
Balance at Jan 1, 2025	14,567	144,579	24,869	159,931	15,156	26,445	534	75,165	461,246
Additions				171	244	1,197		52,063	53,676
Movement non-cash			41,119				635		41,754
Disposals		-33	-1,432	-10	-1,038	-583	-222		-3,319
Transfer		45,574		24,307	2,632	5,844		-78,357	0
Exchange differences	-299	-2,464	-2,236	-2,705	-118	-1,139	-12	-495	-9,468
Balance at Dec 31, 2025	14,268	187,657	62,320	181,694	16,876	31,763	936	48,376	543,890
Accumulated depreciation and impairment									
Balance at Jan 1, 2025	-704	-41,408	-12,332	-105,433	-8,538	-19,353	-299		-188,067
Depreciation charge	-167	-5,644	-4,323	-12,877	-1,392	-2,694	-231		-27,328
Impairment loss		-21			-66				-87
Disposals		33	1,432	10	1,038	583	222		3,319
Transfer									0
Exchange differences	24	195	757	1,449	74	741	6		3,245
Balance at Dec 31, 2025	-847	-46,845	-14,465	-116,851	-8,884	-20,723	-302		-208,917
Net book value on Dec 31, 2025	13,422	140,811	47,855	64,843	7,993	11,041	633	48,376	334,973

¹ Includes long-leased land with a carrying amount of CHF 7.4 million.

January 1 to December 31, 2024 In CHF thousand	Land ²	Buildings	Buildings right- of-use assets	Machi- nery	Furniture/ fixtures	Other equip- ment	Other equip- ment right- of-use asset	Assets under con- struction	Total
Cost									
Balance at Jan 1, 2024	13,753	96,427	18,565	128,262	14,341	23,311	440	101,415	396,515
Additions		3,141		9,606	90	389		31,824	45,051
Movement non-cash			6,535				224		6,760
Disposals			-547	-31	-18	-124	-130		-851
Transfer		40,456		17,588	683	2,205		-60,932	0
Exchange differences	814	4,555	316	4,506	60	663		2,858	13,772
Balance at Dec 31, 2024	14,567	144,579	24,869	159,931	15,156	26,445	534	75,165	461,246
Accumulated depreciation and impairment									
Balance at Jan 1, 2024	-478	-36,284	-9,595	-91,130	-7,497	-16,416	-293		-161,692
Depreciation charge	-166	-4,654	-3,047	-11,898	-1,000	-2,443	-134		-23,342
Impairment loss									0
Disposals			514	25	12	124	130		805
Transfer									0
Exchange differences	-60	-471	-203	-2,431	-52	-618	-2		-3,838
Balance at Dec 31, 2024	-704	-41,408	-12,332	-105,433	-8,538	-19,353	-299		-188,067
Net book value on Dec 31, 2024	13,864	103,171	12,537	54,497	6,618	7,092	235	75,165	273,180

2 Includes long-leased land with a carrying amount of CHF 7.8 million.

Commitments for future capital expenditures

Firm contractual commitments for future capital investment in property, plant and equipment as of December 31, 2025, aggregate to CHF 31.0 million (prior year: CHF 53.9 million).

Accounting policies

Property, plant and equipment are measured at historic or manufacturing costs less accumulated depreciation and any accumulated impairment losses. Depreciation of property, plant and equipment is calculated using the straight-line method based on the following useful lives:

Category	Useful life (in years)
Long-leased land	60
Buildings	20-40
Machinery	5-8
Furniture/fixtures	3-8
Other equipment	3-12

Land is not depreciated, except long-leased land.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Property, plant and equipment are assessed for impairment when there is a triggering event that provides evidence that an asset may be impaired. To assess whether any impairment exists, estimates of expected future cash flows are used. Actual outcomes could vary significantly from such estimates. Factors such as changes in discount rates, the planned use of buildings, machinery or equipment or closure of facilities, the presence of competition, technical obsolescence and lower than anticipated product sales could lead to shorter useful lives or impairments.

Leases – as a lessee

Leases mainly consist of warehouses, factory facilities and offices. In addition, the Group leases vehicles and IT equipment. Lease payments are determined in corresponding contracts.

The Group recognizes a right-of-use asset at the lease commencement date. Some property leases contain extension options exercisable by the Group. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

During the period ending December 31, 2025, the Group recognized CHF 4.6 million (prior year: CHF 3.2 million) in depreciation charges and CHF 1.1 million (prior year: CHF 0.2 million) in interest costs from these leases.

In 2025, expenses related to short-term leases as well as leases of low-value assets amount to CHF 1.2 million (prior year: CHF 0.7 million). Total cash outflows for leases amount to CHF 4.0 million (prior year: CHF 2.8 million).

Accounting policies

Right-of-use assets are initially measured at cost and subsequently depreciated using the straight-line method.

3.4 Intangible assets and goodwill

January 1 to December 31, 2025 In CHF thousand	Goodwill	Software	Acquired technology and customer relationships	Brands and trademarks	Other intangible assets	Development costs in progress	Total
Cost							
Balance at Jan 1, 2025	183,923	12,336	270,491	120,900	18,600	30,869	637,119
Additions		40				10,058	10,098
Disposals		-47			-287		-334
Transfer		133			17,003	-17,136	0
Exchange differences		-42			-6		-48
Balance at Dec 31, 2025	183,923	12,421	270,491	120,900	35,310	23,791	646,835
Accumulated amortization and impairment							
Balance at Jan 1, 2025	0	-9,458	-168,316	0	-10,987	0	-188,761
Amortization charge		-1,091	-15,652		-4,293		-21,036
Impairment loss		0			-287		-287
Disposals		47	0		287		334
Exchange differences		35			6		41
Balance at Dec 31, 2025	0	-10,468	-183,968	0	-15,274	0	-209,709
Net book value on Dec 31, 2025	183,923	1,953	86,523	120,900	20,036	23,791	437,127

January 1 to December 31, 2024 In CHF thousand	Goodwill	Software	Acquired technology and customer relationships	Brands and trademarks	Other intangible assets	Development costs in progress	Total
Cost							
Balance at Jan 1, 2024	183,923	11,975	270,491	120,900	17,864	23,179	628,332
Additions		54				8,968	9,022
Disposals		-291	0		0		-291
Transfer		545			735	-1,280	0
Exchange differences		53			1	2	55
Balance at Dec 31, 2024	183,923	12,336	270,491	120,900	18,600	30,869	637,119
Accumulated amortization and impairment							
Balance at Jan 1, 2024	0	-8,598	-152,664	0	-7,647	0	-168,909
Amortization charge		-1,078	-15,652		-3,338		-20,068
Impairment loss		-36			0		-36
Disposals		291	0		0		291
Exchange differences		-37			-1		-39
Balance at Dec 31, 2024	0	-9,458	-168,316	0	-10,987	0	-188,761
Net book value on Dec 31, 2024	183,923	2,878	102,175	120,900	7,613	30,869	448,358

Commitments for future capital expenditures

Firm contractual commitments for future capital investment in intangible assets as of December 31, 2025, aggregate to CHF 0.2 million (prior year: CHF 0.2 million).

Research and development costs

In 2025, research and development expenses amounting to CHF 74.8 million (previous year: CHF 61.1 million) were included in the items “Raw materials and consumables used”, “Personnel expenses”, “Other expenses” and “Depreciation, amortization and impairment”. For 210 development projects, the capitalization criteria according to IAS 38.57 were met and expenses of CHF 9.8 million (previous year: CHF 8.1 million) were capitalized.

Impairment testing for goodwill and intangible assets with indefinite useful lives

The intangible assets and goodwill to be tested were allocated to and measured on cash-generating units (CGUs) at the segment levels as follows:

As of December 31 In CHF thousand	Valves	Global Service	2025	Valves	Global Service	2024
			Total			Total
Goodwill	148,181	35,742	183,923	148,181	35,742	183,923
Brand and trademarks	94,618	26,282	120,900	94,618	26,282	120,900
Total carrying amount	242,799	62,024	304,823	242,799	62,024	304,823

Goodwill and intangible assets with indefinite useful lives have been allocated to the CGUs by using the relative fair value approach based on the financial performance of those CGUs as well as management’s best estimate. The allocation corresponds to the lowest level at which those assets are monitored by management.

Recoverable amounts used in the impairment testing are based on the value in use and on the latest forecasts approved by management, discounting the future cash flows to be generated from the continuing use. The forecast period used for future cash flows covers the years 2026 to 2028. The discount rates used are based on the weighted average cost of capital (WACC) derived from peer groups adjusted to specific risks of the businesses concerned and the countries in which they operate. The capital costs were determined using the Capital Asset Pricing Model (CAPM). The annual impairment tests carried out supported the carrying amounts, therefore, no need for impairment was identified.

The key assumptions used in the estimation of fair value in use were as follows:

As of December 31, 2025	Valves	Global Service
Discount rate (WACC) before tax	12.8%	12.8%
Terminal value growth rate	1.8%	1.8%

As of December 31, 2024	Valves	Global Service
Discount rate (WACC) before tax	14.4%	14.4%
Terminal value growth rate	1.5%	1.5%

A reasonably possible change in any of the above key assumptions would not cause the recoverable amount to be less than the carrying amount.

Accounting policies

Goodwill and intangible assets

Goodwill arising on the acquisition of subsidiaries and intangible assets with indefinite useful lives, such as brands and trademarks, are measured at cost less accumulated impairment losses. The Group considers that it is appropriate that the acquired brands and trademark have an indefinite useful life as VAT-branded products are globally known and have a strong market position. They have a history of strong revenue and cash flow performance, and VAT has the intent and ability to support the brand with spending to maintain its value for the foreseeable future.

Intangible assets, including technology and customer relationships that are acquired by the Group and have finite useful lives, are measured at cost less accumulated amortization and any accumulated impairment losses.

Amortization is calculated using the straight-line method over the estimated useful lives and is generally recognized in the consolidated income statement.

The estimated useful lives are as follows:

Category	Useful life (in years)
Acquired technology and customer relationships	13.5-20
Brand and trademarks	indefinite
Software	3-5
Other intangible assets	3-5

The capitalization of internally generated intangible assets is subject to the following development categories: development of own software applications or product-related development activities. Development costs that are directly attributable to the design and testing of identifiable and unique products controlled by the Group are recognized as intangible assets when the criteria are met. Directly attributable costs capitalized as part of the developed product include employee costs, third-party material and advisory expenses.

Impairment of non-financial assets

An impairment loss is recognized if the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the value in use of the asset and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Research and development costs

The majority of the expenses are incurred in relation to basic research, product management and R & D support/overheads, and these are charged directly to the income statement. Expenses directly related to development costs for new products are capitalized and amortized over a period of five years if these concern major development projects.

Cloud computing arrangements

Cloud-based software arrangements are generally service contracts under which VAT does not receive a software asset but is provided a right to access the supplier's application software. Fees to obtain access to the software as well as up-front implementation costs incurred to configure or customize the software are recognized as operating expenses when the services are received, unless they relate to the development of additional software code and meet the definition of, and the recognition criteria for, an intangible asset that the Company controls.

3.5 Trade and other payables

As of December 31 In CHF thousand	2025	2024
Trade payables	31,990	72,437
Value added tax and other tax payables	4,763	4,381
Employee benefit liabilities	2,580	12,529
Prepayments received from customers	28,430	22,380
Other liabilities	257	126
Total trade and other payables	68,019	111,853

The carrying amounts of the Group's trade and other payables are denominated in the following currencies:

As of December 31 In CHF thousand	2025	2024
Swiss Franc	7,222	34,713
Euro	10,339	15,380
US Dollar	9,642	27,879
Malaysian Ringgit	7,838	15,765
Romanian Leu	3,194	2,664
Chinese Yuan	26,710	11,224
Other currencies	3,073	4,228
Total trade and other payables	68,019	111,853

3.6 Accrued expenses and deferred income

As of December 31 In CHF thousand	2025	2024
Accrued expenses - personnel related	25,595	26,961
Accrued expenses - other	22,025	32,095
Deferred income	190	194
Total accrued expenses and deferred income	47,810	59,250

3.7 Provisions

January 1 to December 31, 2025			
In CHF thousand			
	Warranties	Other provisions	Total provisions
Balance at Jan 1, 2025	2,075	1,860	3,935
Additions	1,485	686	2,171
Used	-1,420		-1,420
Unused amount released	-655		-655
Unwind of discount		12	12
Exchange differences	0	-12	-12
Balance at Dec 31, 2025	1,485	2,547	4,032
Thereof:			
Current provisions	1,485		1,485
Non-current provisions ¹		2,547	2,547

¹ Non-current provisions are included in other non-current liabilities.

Warranties

Warranty provisions cover the risk of expenses in regard to product liability claims that are expected to occur before the warranty period expires. Warranty provisions are calculated on the basis of effective warranty cases and past experience and are used as payments are made. The warranty provisions are subject to a degree of uncertainty with regard to timing and the amount to be paid.

Other provisions

Other provisions mainly consist of a restoration liability for a rented warehouse and provisions for onerous contracts. The provisions are subject to a degree of uncertainty with regard to timing and the amount to be paid.

4. Employees

4.1 Employee FTE and personnel expenses

As of December 31		
In CHF thousand		
	2025	2024
Wages and salaries	210,891	200,021
Share-based payment	3,304	2,332
Social security costs	20,260	20,645
Pension costs - defined contribution plans	3,337	1,068
Pension costs - defined benefit plans	12,690	9,828
Other personnel expenses	11,792	11,154
Total personnel expenses	262,274	245,049
Number of employees (FTE)	3,250	3,203

4.2 Share-based payments

At December 31, 2025, the Group had the following share-based payment arrangements:

Board member share compensation (equity-settled share-based payment)

Members of the Board receive 30% of the total compensation in restricted shares. The restricted shares are subject to a three-year blocking period during which they cannot be transferred, sold, pledged or otherwise disposed of. The members of the Board received 1,209 shares (prior period: 859 shares) with a fair value of CHF 356.60 per share for the period 2024/25. For the period 2025/26, the Group allocated 871 shares (prior period: 904 shares).

Long-term incentive plan – LTIP (equity-settled share-based payment)

Long-term incentive plans (LTIP) are in place for the Group's management. So-called Performance Share Units (PSUs) were allocated to the management. One PSU represents a conditional right to receive a certain number of underlying shares free of charge pursuant to the vesting period of three years and performance conditions. The number of shares allocated to each PSU ranges between zero and two shares. The allocation is dependent upon achievement of the performance targets of VAT compared to a predefined peer group on the equally weighted metrics of relative sales growth, relative Total Shareholder Return (TSR) and relative Return on Invested Capital (ROIC). This LTIP is specifically designed for rewarding the performance of VAT relative to a selected peer group of companies. The inputs used in the measurement of the fair values at grant date were as follows:

	Share price at grant date	TSR fair value at grant date	Sales growth fair value at grant date	ROIC fair value at grant date	Volatility	Risk-free rate	Dividend yield
Long-term incentive plan 2023	CHF 252.80	CHF 176.39	CHF 189.26	CHF 189.26	38.8%	1.6%	2.9%
Long-term incentive plan 2024	CHF 421.50	CHF 295.43	CHF 318.35	CHF 318.35	39.0%	0.7%	1.7%
Long-term incentive plan 2025	CHF 342.80	CHF 233.99	CHF 249.99	CHF 249.99	38.7%	0.3%	2.6%

The Group's management received 5,760 shares with a fair value of CHF 294.30 per share in 2025 from the LTIP 2022 (prior period: 11,880 shares with a fair value of CHF 481.00 per share from the LTIP 2021). For the LTIP 2025, the VAT Group granted 11,100 PSUs to the Group's management. As of December 31, 2025, the number of outstanding PSUs under the plan are 24,483 (prior year: 17,636).

Accounting policies

The grant date fair value of the equity-settled share-based payment arrangement granted to management (LTIP) is recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

4.3 Post-employment benefits

The present value of the defined benefit obligations depend on a number of factors that are determined on an actuarial basis using a number of assumptions. Any changes in these assumptions will impact the carrying amount of the defined benefit liabilities. The assumptions used in determining the net cost for pensions include the discount rate. The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group

considers the 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 obligations.

Throughout the world, the Group maintains defined contribution plans for its employees under which the relevant contributions are expensed as they accrue.

There are two defined benefit plans in place: all employees in France are covered by a non-funded defined benefit plan and all Swiss entities have a funded contributory defined benefit pension plan covering their employees with the following amounts recognized in the balance sheet and income statement:

Balance sheet

As of December 31 In CHF thousand	2025	2024
France	8	8
Switzerland	21,179	31,806
Net defined benefit liability in the balance sheet	21,187	31,814

Income statement

January 1 to December 31 In CHF thousand	2025	2024
France	0	-5
Switzerland	12,690	9,834
Pension costs - defined benefit plans	12,690	9,828

Swiss pension plan

The Swiss pension plan is governed by the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (BVG), which stipulates that pension plans are to be managed by independent, legally autonomous units. The assets of the pension plan are held within a separate foundation and cannot revert to the employer. Pension plans are overseen by a regulator as well as by a state supervisory body.

The Swiss Group entities are affiliated to a semi-autonomous foundation. The Board of Trustees, which consists of employee and employer representatives in parity ratio, governs the semi-autonomous foundation. All governing and administration bodies have an obligation to act in the interests of the plan participants. They are also responsible for the investment strategy. When defining the investment strategy, they take into account the foundation's objectives, benefit obligations and risk capacity.

Plan participants, their spouse and children are insured against the financial consequences of old age, disability and death. Their benefits are defined in pension plan rules compliant with the BVG, which specifies the minimum benefits that are to be provided. Retirement benefits are based on the accumulated retirement capital, which can either be drawn as a lifelong annuity or as a lump sum payment. The annuity is calculated by multiplying the retirement capital with the currently applicable conversion rate. The accumulated retirement capital is made up of the yearly contributions towards the old-age risk by both employer and employee and the interest thereon until retirement. Contributions towards the old-age risk are based on the rules defined by the Board of Trustees of the semi-autonomous foundation. Minimum contributions and interest are defined by the BVG and the Swiss Parliament. In 2025, the minimum interest was 1.25% (prior year: 1.25%).

Some demographic risks are safeguarded through a life insurance Company (disability and death). There is a risk that the insurance coverage is only temporary in nature (e.g. cancellation by the life insurance firm), and that the inherent risks of the plan may lead to variable insurance premiums over time.

All other actuarial risks are borne by the foundation. These risks consist of demographic risks (primarily life expectancy) and financial risks (primarily the discount rate, future increases in salaries and the return on plan assets) and are regularly assessed by the Board of Trustees. In case of an underfunding, various measures can be taken such as adjusting the pension commitment by altering the conversion rates or increasing current contributions. The BVG prescribes how employees and employer have to jointly fund potential restructurings. A sharing of the funding gap between employer and employee (risk sharing) is taken into account. The restructuring contributions for the employer must, at a minimum, be equal to the sum of employee contributions. Under the formal regulatory framework of the pension plan, the employer has no legal obligation to pay additional contributions to eliminate more than 60% of a funding deficit or of a structural funding shortfall. In the case of the actuarial valuation, the legal obligation is regarded as the upper limit of the employer's share of the costs of future benefits within the meaning of IAS 19.87(c).

The amounts recognized in the balance sheet are determined as follows:

As of December 31 In CHF thousand	2025	2024
Present value of defined benefit obligation	309,690	283,334
Fair value of plan assets	288,511	251,528
Net defined benefit liability	21,179	31,806

The movement in the defined benefit obligation and the plan assets over the period is as follows:

January 1 to December 31 In CHF thousand	2025	2024
Opening defined benefit obligation	283,334	243,767
Service costs	12,353	9,514
Plan participants contributions	11,751	10,755
Interest expense	2,657	3,574
Remeasurement (gains)/losses	5,195	19,432
Benefits paid through pension assets	-5,600	-3,708
Closing defined benefit obligation	309,690	283,334

January 1 to December 31 In CHF thousand	2025	2024
Opening fair value of plan assets	251,528	226,884
Interest income	2,474	3,477
Return on plan assets (excl. amounts in net interest)	15,989	2,849
Plan participants contributions	11,751	10,755
Employer contributions	12,707	11,583
Benefits received/(paid) through pension assets net	-5,600	-3,708
Administration expense	-338	-312
Closing fair value of plan assets	288,511	251,528

As of the reporting date, the present value of the defined benefit obligation was comprised of:

As of December 31 In CHF thousand	2025	2024
Defined benefit obligation for active employees	253,859	228,932
Defined benefit obligation for pensioners	55,831	54,402
Total defined benefit obligation	309,690	283,334

The defined benefit cost for the period is as follows:

January 1 to December 31 In CHF thousand	2025	2024
Current service costs	12,353	9,514
Interest expense on defined benefit obligation	2,657	3,574
Interest income on plan assets	-2,474	-3,477
Administration expense	338	312
Total defined benefit cost/(income) recognized in income statement	12,874	9,923
Thereof:		
Employee benefit expenses	12,691	9,826
Finance (income)/expenses	183	97
Actuarial (gain)/loss arising from financial assumptions	-7,818	15,467
Actuarial (gain)/loss arising from experience adjustment	13,013	3,965
Return on plan assets (excl. amounts included in net interest)	-15,989	-2,849
Total defined benefit cost/(income) recognized in OCI	-10,794	16,583

The major asset categories are as follows:

As of December 31 In CHF thousand	2025	2024
Equity instruments (quoted market prices)	106,585	80,557
Debt instruments (quoted market prices)	69,781	67,195
Real estate (quoted market prices)	66,438	56,210
Alternative investments (quoted market prices) and others	37,421	28,753
Cash	8,286	18,813
Total	288,511	251,528

The significant actuarial assumptions were as follows:

As of December 31	2025	2024
Discount rate	1.17%	0.97%
Salary growth rate	1.25%	1.25%
Pension growth rate	0.00%	0.00%

Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience in Switzerland. These assumptions translate into an average life expectancy in years for a pensioner retiring at age 65:

As of December 31	2025	2024
Retiring at the end of the reporting period:		
Male	23.07	22.95
Female	24.81	24.70
Retiring 20 years after the end of the reporting period:		
Male	25.27	25.17
Female	26.76	26.67

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	Impact on defined benefit obligation 2025		Impact on defined benefit obligation 2024	
	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
Discount rate (+/- 0.25%)	-8,057	8,131	-7,090	7,264
Salary growth rate (+/- 0.25%)	1,432	-704	1,336	-656
Life expectancy at age 65 (+/- 1 year)	5,419	-5,580	5,629	-5,812

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognized within the balance sheet.

Expected contributions to defined benefit plans for the year ending December 31, 2026, amount to CHF 13.5 million.

The weighted average duration of the defined benefit obligation is 13.8 years (prior year: 14.2 years).

Accounting policies

Defined benefit plans

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 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 to the terms of the related pension obligation. Concerning the Swiss pension plan, the formal regulations include the rules of the pension fund as well as the relevant laws, ordinances and directives concerning occupational benefit plans, in particular the provisions contained therein referring to funding and measures to be taken to eliminate pension fund deficits. Risk-sharing features are considered in the formal rules when determining financial assumptions, which will limit the employer's share of the cost of future benefits and also include employees in the obligations to pay possible additional contributions in case of underfunding. Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses and the return on plan assets (excluding interest) are charged or credited to equity in other comprehensive income in the period in which they arise. In the income statement, the net interest effect is recognized within "Finance income and costs." Other expenses related to defined benefit plans are recognized within "Employee benefit expenses."

Defined contribution plans

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

4.4 Related-party transactions

The following transactions were carried out with related parties:

January 1 to December 31 In CHF thousand	2025	2024
Contribution to Swiss pension plan	-12,707	-11,583
Administration charge to Swiss pension plan	196	196

Business transactions with related parties are based on arm's-length conditions.

Key management personnel includes members of the Board of Directors and Group Executive Committee (GEC) of VAT Group AG. The compensation paid or payable to key management personnel for employee services is shown below:

January 1 to December 31 In CHF thousand	2025	2024
Short-term employee benefits	-3,671	-3,343
Post-employment benefits	-546	-533
Share-based payments	-1,294	-967
Total	-5,511	-4,843

Year-end balances arising from transactions with related parties include:

January 1 to December 31 In CHF thousand	2025	2024
Other payables due to Swiss autonomous employee benefit plan	369	5,697
Accrued expenses and deferred income due to governing bodies	291	242
Post-employment benefit obligation (Swiss autonomous employee benefit plan)	21,179	31,806

Shares held by the Board of Directors and the Group Executive Committee are disclosed in note 4.3 to the statutory financial statements of VAT Group AG.

5. Capital and financial risk management

5.1 Finance income and costs

January 1 to December 31 In CHF thousand	2025	2024
Interest income	841	1,281
Net foreign exchange gains on financing activities		7,097
Other finance income	543	1,102
Finance income	1,384	9,480
Interest expenses	-3,536	-5,774
Net foreign exchange losses on financing activities	-12,214	
Other finance expenses	-1,129	-1,295
Finance costs	-16,879	-7,069
Total finance result	-15,495	2,411

Accounting policies

Interest income or expense is recognized using the effective interest method.

5.2 Fair value estimation

The following table shows the fair values of financial assets and financial liabilities measured at fair value including their levels in the fair value hierarchy.

As of December 31 In CHF thousand	Measurement principle	Contract value		Fair value	
		2025	2024	2025	2024
Derivatives held for hedging (USD)	Level 2 ²	187,379	0	5,232	0
Derivatives held for hedging (JPY)	Level 2 ²	52,526	40,600	3,788	934
Derivatives held for hedging (KRW)	Level 2 ²	21,110	25,060	742	2,061
Derivatives held for hedging (CNY)	Level 2 ²	7,659	0	388	0
Derivative assets		268,674	65,660	10,150	2,995
Equity shares	Level 1¹	0	0	43	33
Of which:					
Current assets		268,674	65,660	10,193	3,028
Derivatives held for hedging (USD)	Level 2 ²	119,038	380,372	-1,158	-18,344
Derivatives held for hedging (JPY)	Level 2 ²	0	13,527	0	-211
Derivatives held for hedging (KRW)	Level 2 ²	4,324	0	-61	0
Derivatives held for hedging (CNY)	Level 2 ²	31,809	38,270	-625	-1,326
Derivative liabilities		155,171	432,169	-1,844	-19,882
Contingent considerations⁴	Level 3³	0	300	0	-300
Of which:					
Current liabilities		155,171	432,169	-1,844	-19,882
Non-current liabilities		0	300	0	-300

1 Level 1: The fair values of equity shares are based on quoted market prices in active markets.

2 Level 2: The fair values of the derivatives held by the VAT Group are based on market/broker quotes. Similar contracts are traded in an active market and quotes reflect the actual transactions in similar instruments. If all significant inputs required for the valuation of an instrument are observable, the instrument is included in Level 2.

3 Level 3: Fair values measured using unobservable inputs are categorized within Level 3 of the fair value hierarchy. This applies particularly to contingent considerations in business combinations.

4 Contingent considerations are disclosed in other non-current liabilities.

The Group recorded foreign exchange contracts (derivative financial assets/liabilities) at fair value, which are Level 2 financial instruments. There were no transfers in either direction between Level 1 and Level 2 in 2025 and 2024. Contingent considerations are Level 3 financial instruments and linked to the fulfillment of certain parameters related to earn-out clauses. The calculation of the contingent considerations is based on current achievements and the assumption that the target revenue will be reached. The contingent considerations were reduced by CHF 0.3 million to CHF 0.0 million via finance income in 2025 (prior year: the contingent considerations were reduced by CHF 1.1 million). This reduction was caused by a change of expectation in the timing of the respective revenue.

Forward foreign exchange contracts

The hedged highly probable forecast transactions denominated in foreign currency are expected to occur at various dates during the next 12 months.

Hedge accounting

The VAT Group uses cash flow hedges to reduce and manage the economic impact of its main currency risks. As of December 31, 2025, and December 31, 2024, the Group held currency forwards and non-deliverable forwards as hedging instruments. The forward contracts were denominated in the same currency as the highly probable future transactions; therefore the hedge ratio on all hedges conducted by the VAT Group was 1:1 as of December 31, 2025. The hedging reserves included net unrealized gains of CHF 2.8 million, net of tax, on derivatives designated as cash flow hedges (prior year: unrealized losses of CHF 10.0 million). Net gains of CHF 27.0 million (prior year: net losses of CHF 9.6 million) were reclassified to earnings in 2025. The maturity of derivatives classified as a cash flow hedge was up to 12 months.

Accounting policies

The measurement of derivatives in the Group's balance sheet is based on internal valuations or on the valuation of the respective financial institution. VAT applies hedge accounting in accordance with IFRS 9 to hedge balance sheet items and future cash flows, thus reducing income statement volatility. Changes in the value of instruments designated as fair value hedges are recorded together with the change in fair value of the underlying item directly in the income statement, net. The effective portion of instruments designated as cash flow hedges is recognized in other comprehensive income. The ineffective portion of such instruments is recorded in the financial result, net.

5.3 Loans and borrowings

The terms and conditions of outstanding loans are as follows:

As of December 31, 2025 In CHF thousand	Currency	Nominal interest rate ¹	Year of maturity	Carrying amount
Revolving loan facility	CHF	SARON + 0.85%	2027	0
Term loan facility	CHF	SARON + 0.90%	2026	199,600
Lease liability				48,682
Total loans and borrowings				248,282
Of which:				
Current				203,626
Non-current				44,656

¹ Margin applicable at year end.

As of December 31, 2024 In CHF thousand	Currency	Nominal interest rate ¹	Year of maturity	Carrying amount
Revolving loan facility	CHF	SARON + 0.85%	2027	29,404
Term loan facility	CHF	SARON + 0.90%	2026	199,934
Lease liability				12,448
Total loans and borrowings				241,786
Of which:				
Current				2,440
Non-current				239,346

¹ Margin applicable at year end.

VAT Group AG maintains a syndicated revolving loan facility of CHF 250.0 million, maturing on December 21, 2027, which includes an uncommitted extension option of two times one year. The outstanding loan as of December 31, 2025, amounts to CHF 0.0 million (prior year: CHF 30.0 million). The movement of the outstanding loan in the financial year 2025 was driven by the raising of CHF 195 million (prior year: CHF 140 million) and the repayment of CHF 225.0 million (prior year: CHF 110 million).

Additionally, as of December 31, 2025, VAT Group AG maintains a syndicated term loan facility of CHF 200.0 million, maturing on May 30, 2026. The outstanding loan as of December 31, 2025 and 2024 amounts to CHF 200.0 million. There was no movement in the outstanding loan in the 2025 and 2024 financial years. The term loan was prematurely repaid on January 22, 2026, in the course of entering an incremental facility agreement in the amount of CHF 125.0 million. The incremental facility agreement is subject to the same conditions as the revolving loan facility agreement mentioned above, except for the margins charged by the bank syndicate.

The facilities are subject to the financial covenant “total net debt/EBITDA” ratio, which is tested semi-annually and with which the Group complied with for the financial year 2025 and 2024.

The carrying amount as of December 31, 2025, includes financing costs of CHF 0.4 million (prior year: CHF 0.7 million), which will be recognized in profit and loss over the remaining duration of the facilities.

Reconciliation of movements of liabilities to cash flows from financing activities

As of December 31 In CHF thousand	2025		Cash-effective adjustment		Non-cash-effective adjustment		2024
		Addition	Repayment	Transaction costs	Addition ¹	Foreign exchange	
Loans and borrowings	248,282	195,000	-228,971	0	42,007	-1,540	241,786
Total liabilities from financing activities	248,282	195,000	-228,971	0	42,007	-1,540	241,786

¹ Includes changes of lease liabilities and amortization of finance costs

As of December 31 In CHF thousand	2024		Cash-effective adjustment		Non-cash-effective adjustment		2023
		Addition	Repayment	Transaction costs	Addition ¹	Foreign exchange	
Loans and borrowings	241,786	140,000	-112,756	0	7,123	113	207,306
Total liabilities from financing activities	241,786	140,000	-112,756	0	7,123	113	207,306

¹ Includes changes in lease liabilities and amortization of finance costs.

5.4 Equity

Share capital

As of December 31, 2025 and 2024, the total authorized and issued number of ordinary shares comprised 30,000,000 shares with a nominal value of CHF 0.10 each. A conditional capital increase of up to 1,500,000 shares, which is included in the Articles of Association of VAT Group AG, was not drawn as of December 31, 2025 and 2024.

A capital band between CHF 2,850,000 (lower limit) and CHF 3,300,000 (upper limit) was approved at the General Meeting 2023 and added to the Articles of Association of VAT Group AG. The Board of Directors is authorized within the capital band to increase or reduce the share capital once or several times and in any amounts until May 16, 2026, or until the capital band expires earlier, or to acquire or sell shares directly or indirectly. The capital band was not utilized as of December 31, 2025.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Treasury shares

VAT Group AG purchased its own shares held as treasury shares at a weighted average purchase price of CHF 384.36 (prior year CHF 410.76) pursuant to the share-based payment plans as shown in note 4.2. As of December 31, 2025, the Group held 33,074 of its own shares (prior year: 24,011).

Dividends

The Board of Directors proposed a dividend of CHF 6.25 per share from accumulated gains for the financial year 2024 (for the financial year 2023: CHF 6.25). The dividends for the financial years 2024 and 2023 were approved and paid out in May 2025 and May 2024 respectively.

In CHF thousand	2025	2024
Dividends paid	187,364	187,415

The proposed 2025 dividend per share amounts to CHF 7.00 and will be paid out in May 2026 subject to approval at the Annual General Meeting.

Earnings per share

In CHF thousand	2025	2024
Basic earnings per share (in CHF)	7.15	7.06
Net profit	214,280	211,799
Weighted average number of shares outstanding (in thousands of units)	29,974	29,980

Diluted earnings per share are calculated by dividing net income attributable to owners of the Company by the weighted average number of shares adjusted for all potentially dilutive shares. Dilutive shares arise from the share-based payments as shown in note 4.2.

In CHF thousand	2025	2024
Diluted earnings per share (in CHF)	7.14	7.06
Net profit	214,280	211,799
Weighted average number of shares outstanding (in thousands of units)	29,995	29,997

5.5 Financial instruments

Categories of financial instruments

The following table discloses the carrying amounts of all financial instruments for each category:

As of December 31 In CHF thousand	2025	2024
Financial assets measured at amortized cost		
Cash and cash equivalents	140,940	158,121
Trade and other receivables	115,516	132,440
Accrued income	44	529
Long-term loans	5,299	3,942
Total financial assets recorded at amortized cost	261,799	295,033
Financial assets measured at fair value		
Equity shares	43	33
Forward exchange contracts	10,150	2,995
Total financial assets measured at fair value	10,193	3,028
Financial liabilities recorded at amortized cost		
Trade and other payables	32,246	72,563
Accrued expenses	22,025	32,095
Other non-current liabilities	39	21
Loans and borrowings	199,600	229,338
Lease liability	48,682	12,448
Total financial liabilities recorded at amortized cost	302,592	346,465
Financial liabilities measured at fair value		
Forward exchange contracts	1,844	19,882
Other non-current liabilities		300
Total financial liabilities measured at fair value	1'844	20'182

The carrying amounts of financial assets and liabilities not measured at fair value are a reasonable approximation of their fair values.

Accounting policies

Recognition and measurement

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. Loss rates are based on actual credit loss experience over the past years and current and future conditions. Current and future conditions are reflected in the development of the country risk premium of the Group's sales region. The allowance matrix is reviewed periodically to determine an adequate impairment provision. Losses on trade and other receivables are not material. Individual impairment provisions are recorded for accounts where collection cannot be expected.

5.6 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk. The Group's overall 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 uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by management under policies approved by the Board of Directors. Management identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Market risk

Foreign exchange risk The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD, EUR, JPY, KRW, CNY, MYR and RON. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations.

Management has set up a policy to require Group companies to manage their foreign exchange risk against their functional currency. The Group hedges its foreign exchange risk exposure from future cash flows in USD, JPY, KRW and CNY. To manage its foreign exchange risk arising from future commercial transactions and recognized assets and liabilities, the Group uses forward contracts. Foreign exchange risk arises when future commercial transactions or recognized assets or liabilities are denominated in a currency that is not the entity's functional currency.

The Group has certain investments in foreign operations, the net assets of which are exposed to foreign currency translation risk. The risk is monitored periodically. The foreign exchange exposure of these investments is currently not material for the Group and is not hedged.

The carrying amounts of the Group's main foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

As of December 31, 2025 In CHF thousand	Assets	Liabilities	Net exposure
USD/CHF	410,007	272,794	137,214
EUR/CHF	46,175	29,071	17,105
JPY/CHF	41,231	13,818	27,413
KRW/CHF	11,430	2,095	9,335
CNY/CHF	28,203	20,676	7,528
MYR/CHF	4,775	14,037	-9,262
RON/CHF	27,020	65,202	-38,182

As of December 31, 2024 In CHF thousand	Assets	Liabilities	Net exposure
USD/CHF	511,879	387,497	124,383
EUR/CHF	42,259	28,489	13,770
JPY/CHF	49,137	23,594	25,544
KRW/CHF	12,191	2,189	10,001
CNY/CHF	22,655	4,649	18,006
MYR/CHF	2,209	21,303	-19,093
RON/CHF	16,517	19,471	-2,954

The management's assessment for a reasonably possible change in the foreign exchange rates could be a 5% shift in the major currencies against the Swiss franc with all the other variables held constant. In case of net financial assets/liabilities, as of December 31, 2025 and 2024, the cumulated impact on net financial assets/liabilities would be as follows:

As of December 31 In CHF thousand	2025	2024
USD/CHF	5,715	5,224
EUR/CHF	712	578
JPY/CHF	1,142	1,073
KRW/CHF	389	420
CNY/CHF	314	756
MYR/CHF	386	802
RON/CHF	1,590	124

An increase in major currency rates would have a positive impact for USD, EUR, JPY, KRW and CNY and a negative impact for MYR and RON (prior year: positive impact for USD, EUR, JPY, KRW and CNY / negative impact for MYR and RON). A decrease would have an equal negative / positive (prior year: negative / positive) impact on profit or loss and equity.

Interest rate risk The interest rate risk includes an interest-related cash flow risk and an interest-related risk of a change in market value. The interest-bearing financial assets and liabilities held by the Group mainly relate to cash and cash equivalents and borrowings.

Cash flow sensitivity analysis for variable-rate instruments As in the prior year, a reasonably possible change of 50 basis points in interest rates at the reporting date would not have increased (decreased) profit or loss by a material amount. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers. The carrying amounts of financial assets presented in the table in the previous note represent their maximum credit exposure.

Credit risk is managed on Group level, except for credit risk relating to accounts receivable balances. Each local entity is responsible for managing and analyzing the credit risk for each of its new clients before standard payment and delivery terms and conditions are offered. Credit risk arises from cash and cash equivalents, derivative financial assets and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. For banks and financial institutions, only independently rated counterparties with a minimum rating of "A" are accepted. If customers are independently

rated, these ratings are used. If there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. The expected loss rates are based on the payment profiles of sales over a period and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. No collateral is required.

Further information about trade receivables and the allowance for expected credit losses of trade receivables is provided in note 3.1.

With respect to trade receivables, the Group has three main customers representing 43% (prior year: three main customers representing 45%) of the Group's total revenues. This concentration of credit risk is considered low due to the strong market position of these customers. Country risk is mitigated by the broad geographic spread of the Group's customer base.

Liquidity risk

Cash flow forecasting is performed by the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs.

Surplus cash held by the operating entities above the balance required for working capital management is transferred to Group treasury. Group treasury utilizes surplus cash for repayment of loans as per the above-mentioned forecasts.

The table below analyses the Group's non-derivative financial liabilities and derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. Derivative financial liabilities are included in the analysis if their contractual maturities are essential for an understanding of the timing of the cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows.

At December 31, 2025 In CHF thousand	Carrying amount	Total	Contractual cash flows				
			Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables	32,246	-32,246	-30,665	-1,581			
Accrued expenses	22,025	-22,025	-8,359	-13,666			
Other non-current liabilities	39	-39			-39		
Loans and borrowings	199,600	-200,650	-200,650				
Lease liabilities	48,682	-64,468	-1,341	-4,128	-5,254	-11,929	-41,817
Non-derivative financial liabilities	302,592	-319,428	-241,014	-19,375	-5,293	-11,929	-41,817
Forward exchange contracts used for hedging:							
- Outflow	1,844	-157,015	-37,410	-119,606			
- Inflow		155,171	36,771	118,400			
Derivative financial liabilities	1,844	-1,844	-638	-1,206			

At December 31, 2024 In CHF thousand	Contractual cash flows						
	Carrying amount	Total	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables	72,563	-72,563	-51,489	-21,074			
Accrued expenses	32,095	-32,095	-24,131	-7,964			
Other non-current liabilities	321	-321			-321		
Loans and borrowings	229,338	-231,993	-31,993		-200,000		
Lease liabilities	12,448	-13,086	-633	-1,927	-2,427	-5,524	-2,574
Non-derivative financial liabilities	346,765	-350,057	-108,245	-30,965	-202,748	-5,524	-2,574
Forward exchange contracts used for hedging:							
- Outflow	19,882	-452,051	-161,419	-290,631			
- Inflow		432,169	152,138	280,030			
Derivative financial liabilities	19,882	-19,882	-9,281	-10,601			

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Capital is measured based on the Group's consolidated financial statements and monitored closely on an ongoing basis. The target of the management for the period under review was to maintain a strong capital basis. This goal was achieved by the positive operating results of the Group.

The equity ratio was as follows:

As of December 31 In CHF thousand	2025	2024
Total equity	793,169	753,877
Total liabilities and equity	1,262,878	1,294,746
Equity ratio	62.81%	58.23%

6. Other disclosures

6.1 Income tax

Income tax expenses

This note provides an analysis of the Group's income tax expenses, shows what amounts are recognized directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Group's tax position.

January 1 to December 31 In CHF thousand	2025	2024
Current tax:		
Current tax on earnings for the period	45,641	45,466
Adjustments in respect of prior periods	-44	-353
Total current tax expense	45,597	45,113
Change in deferred tax	-2,563	-4,322
Total deferred tax expense	-2,563	-4,322
Income tax expense	43,034	40,791

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

January 1 to December 31 In CHF thousand	2025	2024
Earnings before income taxes	257,315	252,590
Tax at the average Group tax rate of 17.12% (previous year: 14.84%)^{1,2}	44,040	37,480
Effect of tax rates in foreign jurisdictions ¹	209	-388
Effect in change of tax rate	19	79
Expenses not deductible for tax purposes	809	253
Income not subject to tax	-2,563	-79
Effect of prior year items	-44	-353
Withholding taxes included in the tax expenses	1,204	760
Current tax expense related to global minimum top-up tax	1,159	4,695
Other tax effects	-1,799	-1,655
Total tax expenses recorded in consolidated income statement	43,034	40,791
Effective tax rate	16.7%	16.1%

1 The applicable tax rate is determined using the average statutory tax rate applicable to the Group, calculated on a weighted average basis ignoring algebraic signs. Therefore, the effect of tax rates in foreign jurisdictions is disclosed.

2 The increase in the average Group tax rate from 14.84% in 2024 to 17.12% in 2025 is mainly due to the expiry of the reduced Swiss tax reform (STAF) transitional tax rate for one Swiss Group entity, which was replaced by the statutory tax rate of 14.3% in 2025.

The Group's effective tax rate increased to 16.7% in 2025 (2024: 16.1%). This is mainly due to a higher share of profits earned in foreign jurisdictions with higher statutory tax rates.

The following deferred taxes and income taxes were (charged)/credited to other comprehensive income during the period:

January 1 to December 31 In CHF thousand	2025			2024		
	Before tax	Tax (expense)/ benefit	Net of tax	Before tax	Tax (expense)/ benefit	Net of tax
Remeasurements of defined benefit obligations	10,794	-1,544	9,250	-16,583	2,371	-14,212
Changes in the fair value of hedging reserves	15,130	-2,269	12,860	-23,768	3,482	-20,287

The following income taxes were (charged)/credited to equity during the period:

January 1 to December 31 In CHF thousand	2025			2024		
	Before tax	Tax (expense)/ benefit	Net of tax	Before tax	Tax (expense)/ benefit	Net of tax
Share-based payments	3,200	238	3,439	2,204	163	2,367

Deferred tax balances

The deferred tax assets and liabilities were as follows:

As of December 31 In CHF thousand	2025			2024		
	Deferred tax assets	Deferred tax liabilities	Net closing balance	Deferred tax assets	Deferred tax liabilities	Net closing balance
Other current assets	993	-1,077	-85	216	-337	-121
Inventories	4,088	-4,600	-512	6,540	-6,312	228
Property, plant and equipment	303	-9,571	-9,268	350	-4,724	-4,373
Investment properties		-27	-27		-29	-29
Intangible assets	4	-29,658	-29,655	14	-31,899	-31,885
Current loans and borrowings	342		342	102		102
Other current liabilities	2,532	-48	2,485	2,721	-54	2,667
Provisions		-2,591	-2,591		-2,263	-2,263
Non-current loans and borrowings	5,585		5,585	51		51
Other non-current liabilities	667		667	571	0	571
Defined benefit obligations	3,031		3,031	4,550		4,550
Non-refundable withholding taxes on future distributions		-1,027	-1,027		-1,181	-1,181
Total deferred tax assets/(liabilities) before set-off	17,544	-48,599	-31,055	15,114	-46,797	-31,683
Set-off of balances within the same tax jurisdiction	-10,492	10,492	0	-5,899	5,899	0
Net deferred tax assets/(liabilities)	7,052	-38,107	-31,055	9,216	-40,898	-31,683

The movement in deferred tax balances is as follows:

In CHF thousand	2025	2024
Net tax liabilities as of January 1	-31,683	-38,516
Recognized in income statement	2,563	4,322
Recognized in OCI	-1,544	2,371
Exchange differences	-392	140
Net tax liabilities as of December 31	-31,055	-31,683

For some Group companies, dividend payments are subject to a withholding tax which cannot be fully recovered in Switzerland. Deferred tax liabilities in the amount of the non-recoverable withholding tax credits are recorded in profit and loss. The balance of these deferred tax liabilities was CHF 1.0 million (prior year: CHF 1.2 million).

Tax losses

The Group has no tax loss carry-forwards as at December 31, 2025 and 2024.

There are temporary differences with respect to investments in subsidiaries of CHF 7.3 million (prior year: CHF 7.0 million), for which no deferred tax liabilities were recognized. The Group is able to control the timing of the reversal and it is not intended to reverse the temporary difference in the foreseeable future.

Global minimum tax

The Group is subject to the OECD Pillar Two model rules to prevent Base Erosion and Profit Shifting (BEPS). Pillar Two legislation has been enacted and is in effect in Switzerland, the jurisdiction in which the company is incorporated, as of 1 January 2024. Other jurisdictions in which the Group operates have also implemented the legislation starting from either 1 January 2024 or 1 January 2025. Under Pillar Two, the Group is required to pay a top-up tax for the difference between its GloBE (Global Anti-Base Erosion) effective tax rate per jurisdiction and the 15% minimum rate. The Group has applied the temporary mandatory exemption from recognition and disclosure of deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023, and accounts for the impact of the top-up tax as a current tax when it is incurred.

All of the Group's entities have a statutory tax rate that exceeds 15% except for the group entities operating in Switzerland.

In 2025, the Group recognized a current tax expense of CHF 1.2 million related to the top-up tax, applicable to its operations in Switzerland, where the statutory tax rate is 14.3%.

The Group is continually evaluating its exposure to the Pillar Two legislation in the Group's other jurisdictions to ensure thorough preparation and compliance.

Accounting policies

Current and deferred income tax

The amount of current income tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current income tax also includes any tax arising from dividends.

Deferred income tax is recognized in respect of temporary differences between the carrying amount of assets and liabilities for financial purposes and the amounts used for taxation purposes.

Deferred tax assets are recognized for unused tax losses and deductible temporary differences to the extent that it is probable that future taxable profit will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves. Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax assets are recognized on deductible temporary differences arising from investments in subsidiaries only to the extent that it is probable that the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilized.

Deferred tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Current and deferred tax assets and liabilities are netted whenever they relate to the same taxing authority and taxable entity.

6.2 Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuations where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement, except when deferred in other comprehensive income as qualifying hedges.

For consolidation purposes, the results and financial position of all Group entities that have a functional currency different from the presentation currency are translated into the presentation currency. Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet. Income and expenses for each income statement are translated at yearly average exchange rates which are reasonable approximations of the spot rates. All resulting exchange differences are recognized in other comprehensive income.

Foreign exchange gains and losses that relate to borrowings, cash and cash equivalents are presented in the income statement within "Finance income/(expenses)". All other foreign exchange gains and losses are presented in the income statement within "Other income/(expenses)".

The following table summarizes the principal exchange rates used for translation purposes:

	Average exchange rates in CHF		Closing exchange rates in CHF	
	Jan 1–Dec 31, 2025	Jan 1–Dec 31, 2024	Dec 31, 2025	Dec 31, 2024
1 Chinese Yuan	0.12	0.12	0.11	0.13
1 Euro	0.94	0.95	0.93	0.94
100 Japanese Yen	0.56	0.58	0.51	0.58
100 Korean Won	0.06	0.06	0.05	0.06
1 Malaysian Ringgit	0.19	0.19	0.20	0.20
1 US Dollar	0.83	0.88	0.79	0.90

6.3 Contingencies and commitments

As at the date of the financial statements, the Group had no contingent assets or liabilities. As of December 31, 2025, assets in the amount of CHF 0.4 million were pledged (prior year: assets in the amount of CHF 0.3 million were pledged).

6.4 List of subsidiaries

The subsidiaries of the Company as of December 31, 2025 and 2024, are as follows:

Country	Company	Function	Currency	Capital in thousands	Share 2025	Share 2024
China	VAT Vacuum Valves (Shanghai) Company Ltd., Shanghai	D	CNY	1,618	100%	100%
	VAT Vacuum Valves (Beijing) Company Ltd., Beijing	D	USD	800	100%	100%
France	VAT S.A.R.L, Grenoble	D	EUR	50	100%	100%
Germany	VAT Deutschland GmbH, Burkau	D	EUR	26	100%	100%
Japan	VAT Japan Ltd., Tokyo	D	JPY	96,470	100%	100%
Korea	VAT Korea Ltd., Haseong City	D	KRW	300,000	100%	100%
Malaysia	VAT Manufacturing Malaysia Sdn. Bhd., Penang	P	MYR	100,000	100%	100%
	VAT Management Malaysia Sdn. Bhd., Penang	S	MYR	0	100%	n/a
Netherlands	VAT Netherlands B.V., Utrecht	D	EUR	0	100%	100%
Romania	VAT Romania S.R.L., Arad	P	RON	7,821	100%	100%
Singapore	VAT Singapore Pte. Ltd., Singapore	D	SGD	500	100%	100%
Switzerland	VAT Vakuumentile AG, Sennwald	D/P	CHF	100	100%	100%
	Comvat AG, Sennwald	D/P	CHF	275	100%	100%
	VAT Holding AG, Sennwald	H	CHF	300	100%	100%
Taiwan	VAT Taiwan Co. Ltd., Hsin-Chu City	D	TWD	12,000	100%	100%
United Kingdom	VAT Vacuum Products Ltd., Warwickshire	D	GBP	1	100%	100%
USA	VAT Inc., Delaware	D	USD	0	100%	100%

D: Distribution, H: Holding, P: Production, S: Global Business Service

6.5 Subsequent events

The Company has evaluated subsequent events through March 2, 2026, which is the date when the consolidated financial statements were approved.

6.6 Accounting standards issued but not yet effective

A number of new accounting standards and amendments to accounting standards are effective for annual periods beginning after January 1, 2025, and earlier application is permitted; however, the Group has not applied the new or amended accounting standards early in preparing these consolidated financial statements.

In 2024, IFRS 18 Presentation and Disclosure in Financial Statements was issued, which replaces IAS 1. IFRS 18 will apply for annual reporting periods beginning on or after January 1, 2027. The Group is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Group's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as "other".

Other new accounting standards and amendments are not expected to have a material effect on the Group's consolidated financial statements.

Statutory Auditor's Report

To the General Meeting of VAT Group AG, Sennwald

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of VAT Group AG and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2025, the consolidated income statement, consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and comply with Swiss law.

Basis for Opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISA) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession that are relevant to audits of the financial statements of public interest entities, as well as those of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), as applicable to audits of financial statements of public interest entities. We have also 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

Revenue Recognition

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.

Revenue Recognition

Key Audit Matter

Revenue is an important metric considered by external and internal stakeholders. Revenues recognized for the year ended 31 December 2025 amounted to CHF 1'074m (2024: CHF 942m) and are primarily related to the sale of vacuum valves and service support.

Revenue is a key performance indicator and therefore in the focus of internal and external stakeholders. VAT Group recognizes revenues related to the sale of goods when risks, rewards and control are transferred to the counterparty. In general, contractual agreements with customers define when risks and rewards are transferred, as specific terms and conditions are mentioned in the contracts or order confirmations. There is a risk that revenue may be recognized in the wrong accounting period.

There is an additional risk that revenues may be deliberately over- or understated as a result of management override resulting from the pressure management may feel to achieve planned results.

Our response

When performing the audit, we had a focus on the appropriate recognition of revenue transactions, in accordance with the Group's accounting policies.

We performed testing of the key controls around revenue recognition, which included performing walkthroughs and testing of internal controls.

Furthermore, our procedures included detailed cut-off testing of revenue transactions with reference to shipping documentation to either side of the balance sheet date. Moreover, we obtained trade debtors confirmations and if required performed alternative procedures, such as subsequent cash-receipts or traced our samples taken to invoices and delivery notes.

In addition to the procedures described above, we considered the risk of management override by testing the monthly key control of matching sales subledger to the general ledger. Together with this control we checked whether any other persons than accounting staff have performed journal entries in the revenue accounts and if user access rights in the general ledger are appropriately allocated.

Moreover, we assessed the Group's disclosures relating to revenue recognition.

For further information on revenue recognition refer to the following:

- Note 2.2 "Summary of material accounting policies"

Other Information

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

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

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

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

Board of Directors' Responsibilities for the Consolidated Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with Swiss law, ISA and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

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

KPMG AG

Simon Niklaus
Licensed Audit Expert
Auditor in Charge

Simon Hörler
Licensed Audit Expert

St. Gallen, 2 March 2026

Statutory financial statements of VAT Group AG for the financial year from January 1 to December 31, 2025

Income statement

January 1 to December 31 In CHF thousand	Note	2025	2024
Dividend income		235,000	285,000
Interest income		3,506	4,974
Other financial income	3.1	0	2,168
Total income		238,506	292,143
Interest expenses		-2,457	-5,537
Other financial expenses		-871	-1,070
Personnel expenses		-1,703	-1,399
Other operating expenses	3.2	-2,287	-1,626
Total expenses		-7,318	-9,632
Direct tax		-558	-545
Gain for the period		230,630	281,965

Balance sheet

As of December 31 In CHF thousand	Note	2025	2024
Assets			
Cash and cash equivalents		336	241
Other receivables due from third parties		112	48
Prepaid expenses and accrued income	3.3	1,430	5,030
Current assets		1,878	5,320
Financial assets	3.4	200	397
Loans granted to companies in which the entity holds an investment		243,550	230,019
Investments in subsidiaries	3.5	868,724	868,724
Non-current assets		1,112,473	1,099,140
Total assets		1,114,351	1,104,459
Liabilities			
Other payables		90	75
Short-term provisions	3.6	5,118	5,312
Accrued expenses and deferred income	3.7	1,775	2,835
Short-term interest bearing liabilities	3.4	200,000	0
Current liabilities		206,983	8,222
Long-term provisions	3.8	1,159	0
Long-term interest-bearing liabilities due to third parties	3.4	0	230,000
Non-current liabilities		1,159	230,000
Total liabilities		208,142	238,222
Equity	3.9		
Share capital		3,000	3,000
Legal capital reserves:			
– Reserves from capital contributions		344	344
– Other capital reserves		3,238	3,682
Accumulated gains:			
– Profit brought forward		681,710	587,108
– Gain for the period		230,630	281,965
Treasury shares	3.10	-12,712	-9,863
Total equity attributable to owners of the Company		906,209	866,237
Total liabilities and equity		1,114,351	1,104,459

Notes to the statutory financial statements of VAT Group AG

1. General information

VAT Group AG (“the Company”) is the parent Company of the VAT Group. VAT Group AG was incorporated in Switzerland on February 25, 2016. The registered office of the Company is Rütistrasse 4, CH-9469 Haag, Switzerland. VAT Group AG has been listed on the SIX Swiss Exchange since April 14, 2016.

2. Basis of preparation

2.1 General

These financial statements were prepared according to the provisions of the Swiss Law on Accounting and Financial Reporting (32nd title of the Swiss Code of Obligations). Where not prescribed by law, the significant accounting and valuation principles applied are described below.

2.2 Investments in subsidiaries

Investments are valued and accounted for separately at the respective acquisition costs. If there are concrete indications that an investment is overvalued, an impairment loss is recognized.

3. Information on income statement and balance sheet items

3.1 Other financial income

Other financial income for the year 2024 mainly consists of gains from the disposal of treasury shares. In 2025 losses from the disposal of treasury shares in the amount of CHF 0.4m are recognized in other capital reserves, thereby aligning the accounting policy to the tax treatment.

3.2 Other operating expenses

January 1 to December 31 In CHF thousand	2025	2024
Insurance, duties and other charges	216	184
Rental expenses	5	5
Travel expenses	53	53
Consulting and audit fees	760	417
Administration expenses	1,253	968
Total other operating expenses	2,287	1,626

3.3 Prepaid expenses and accrued income

As of December 31 In CHF thousand	2025	2024
Prepaid expenses and accrued income to third parties	271	335
Prepaid expenses and accrued income to companies in which the entity holds an investment	1,159	4,695
Total prepaid expenses and accrued income	1,430	5,030

The indirect investments are shown in note 6.4 of the consolidated financial statements of VAT Group.

3.4 Interest-bearing liabilities

As of December 31 In CHF thousand	2025	2024
Short-term interest-bearing liabilities due to third parties	200,000	0
Long-term interest-bearing liabilities due to third parties	0	230,000
Total long-term interest-bearing liabilities	200,000	230,000

The terms and conditions of outstanding loans due to third parties are as follows:

As of December 31, 2025 In CHF thousand	Currency	Nominal interest rate ¹	Year of maturity	Carrying amount
Revolving loan facility	CHF	SARON + 0.85%	2027	0
Term loan facility	CHF	SARON + 0.90%	2026	200,000
Total loans and borrowings at Dec 31, 2025				200,000
Thereof:				
Current				200,000
Non-current				0

¹ Margin applicable at year end.

As of December 31, 2024 In CHF thousand	Currency	Nominal interest rate ¹	Year of maturity	Carrying amount
Revolving loan facility	CHF	SARON + 0.85%	2027	30,000
Term loan facility ²	CHF	SARON + 0.90%	2026	200,000
Total loans and borrowings at Dec 31, 2024				230,000
Thereof:				
Current				0
Non-current				230,000

¹ Margin applicable at year end.

² The extension option was exercised prolonging the maturing date to May 30, 2026.

Financing expenses in connection with the revolving loan facility and the term loan have been capitalized. As at December 31, 2025, CHF 0.2 million (prior year: CHF 0.3 million) are recognized within "Prepaid expenses and accrued income". CHF 0.2 million (prior year: CHF 0.4 million) are disclosed as "Financial assets".

3.5 Significant investments in subsidiaries

VAT Group AG holds the following investment as of December 31:

Country	Company	Currency	Capital in thousands		Share in capital and voting rights	
			2025	2024	2025	2024
Switzerland	VAT Holding AG	CHF	300	300	100%	100%

The indirect investments are shown in note 6.4 of the consolidated financial statements of VAT Group.

3.6 Short-term provisions

Short-term provisions for the year 2025 and 2024 consist of provision for income taxes.

3.7 Accrued expenses and deferred income

As of December 31 In CHF thousand	2025	2024
Accrued expenses and deferred income due to third parties	1,071	2,283
Accrued expenses and deferred income due to governing bodies	704	552
Total accrued expenses	1,775	2,835

3.8 Long-term provisions

Long-term provisions for the year 2025 consist of provisions for income taxes.

3.9 Equity

As of December 31, 2025 and 2024, the share capital amounts to CHF 3.0 million and consists of 30,000,000 registered shares at a par value of CHF 0.10 each.

The legal capital reserves consist of the premium from contributions in kind. From a fiscal point of view, any distributions made from reserves from capital contributions are treated the same as a repayment of share capital.

A conditional capital increase of up to 1,500,000 shares, which is included in the Articles of Association of VAT Group AG, was not drawn as of December 31, 2025 and 2024.

A capital band between CHF 2,850,000 (lower limit) and CHF 3,300,000 (upper limit) was approved at the General Meeting 2023 and added to the Articles of Association of VAT Group AG. The Board of Directors is authorized within the capital band to increase or reduce the share capital once or several times and in any amounts until May 16, 2026, or until the capital band expires earlier, or to acquire or sell shares directly or indirectly. The capital band was not utilized as of December 31, 2025.

3.10 Treasury shares

	January 1 to December 31, 2025		January 1 to December 31, 2024	
	Number of shares	Average price	Number of shares	Average price
Treasury shares as at January 1	24,011	CHF 410.76	20,394	CHF 333.19
Purchase of treasury shares	16,032	CHF 338.12	16,356	CHF 429.13
Share-based payments	-6,969	CHF 368.91	-12,739	CHF 310.16
Treasury shares as at December 31	33,074	CHF 384.36	24,011	CHF 410.76

On December 31, 2025, VAT Group AG held 33,074 treasury shares with an acquisition price of CHF 12.7 million.

4. Other information

4.1 Full-time equivalents

VAT Group AG does not have any employees.

4.2 Collateral for third-party liabilities

Collateral provided for liabilities of third parties amounts to CHF 1.6 million (prior year: CHF 1.6 million). These are guarantees issued on behalf of subsidiaries.

4.3 Shares held by the Board of Directors and the Group Executive Committee

As of December 31, the members of the Board of Directors and the Group Executive Committee held the shares listed in the following table:

As of December 31	2025	2024
Board of Directors		
Martin Komischke, Chairman	3,064	2,671
Urs Leinhäuser	5,215	5,039
Petra Denk	204	81
Hermann Gerlinger	1,816	1,684
Daniel Lippuner	1,257	1,112
Thomas Piliszczuk	110	0
Karl Schlegel (until April 29, 2025)	n/a	38,630
Libo Zhang	1,144	1,012
Clara-Ann Gordon (since April 29, 2025)	0	n/a
Michael Allison (since April 29, 2025)	5,109	n/a
Group Executive Committee		
Urs Gantner, CEO	6,609	6,159
Fabian Chiozza, CFO	885	430
Thomas Berden, COO	1,400	1,000
Finn Felsberg, EVP Semiconductor Solutions Group (until August 29, 2025)	n/a	0

As of December 31, 2025 and 2024, none of the members of the Board of Directors or the Group Executive Committee held conversion rights or options, and no loans or credits were outstanding between the parties and the Company.

4.4 Shares granted to the Board of Directors

Members of the Board of Directors receive 30% of the total compensation in restricted shares. The members of the Board received 1,209 shares with a fair value of CHF 356.60 per share for the period 2024/2025 (prior period: 859 shares, amounting to CHF 0.4 million). As of December 31, 2025, VAT Group AG allocated 871 shares (prior year: 904 shares) amounting to CHF 0.3 million (prior year: CHF 0.3 million) to its Board of Directors, which will be transferred in financial year 2026.

4.5 Significant events after the balance sheet date

There are no significant events after the balance sheet date which could impact the book value of the assets or liabilities or which should be disclosed here.

Proposed appropriation of available earnings

Proposal for the appropriation of available earnings by the Board of Directors to the General Meeting:

Appropriation of available earnings as proposed by the Board of Directors

In CHF thousand	2025
Balance brought forward	681,710
Gain for the period	230,630
Total accumulated gains	912,340

The Board of Directors proposes to the General Meeting the following appropriation of available earnings:

In CHF thousand	2025
Dividend payment	-210,000
Total accumulated gains to be carried forward	702,340

The Board of Directors proposes to the General Meeting to pay a dividend of CHF 210.0 million from accumulated gains.

The number of shares with dividend rights will change if the number of shares held by VAT Group AG changes. The Board of Directors may therefore adapt the total amount of the proposed dividend to the number of shares with dividend rights at the General Meeting.



Statutory Auditor's Report

To the General Meeting of VAT Group AG, Sennwald

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of VAT Group AG (the Company), which comprise the balance sheet as at 31 December 2025, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements comply with Swiss law and the Company's articles of incorporation.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession that are relevant to audits of the financial statements of public interest entities. We have also 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 financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Other Information

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

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

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

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

Board of Directors' Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

Based on our audit in accordance with Art. 728a para. 1 item 2 CO, we confirm that the proposal of the Board of Directors complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

KPMG AG

Simon Niklaus
Licensed Audit Expert
Auditor in Charge

Simon Hörler
Licensed Audit Expert

St. Gallen, 2 March 2026

