Annual Report 2024

beyond gravity

Together ahead. RUAG

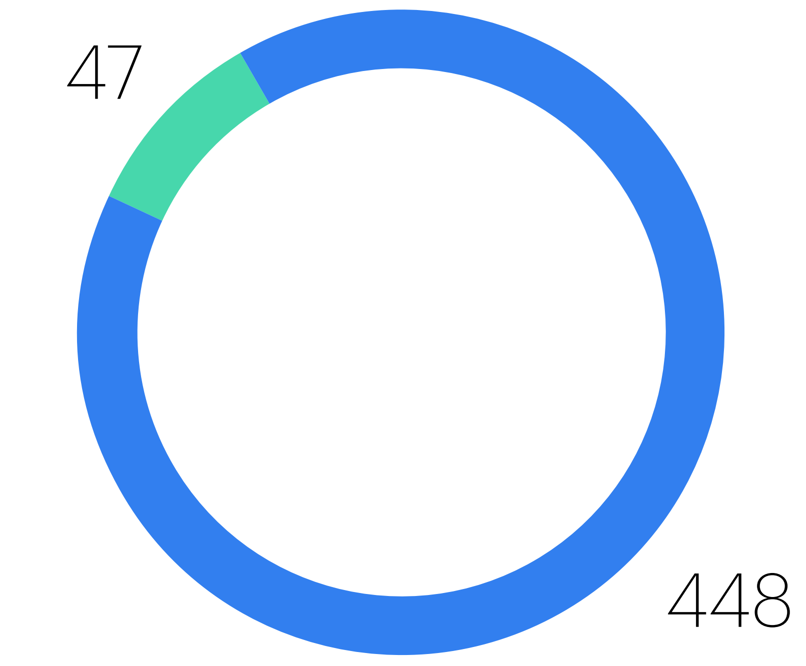
1.0

RUAG International.

A challenging financial year 2024.

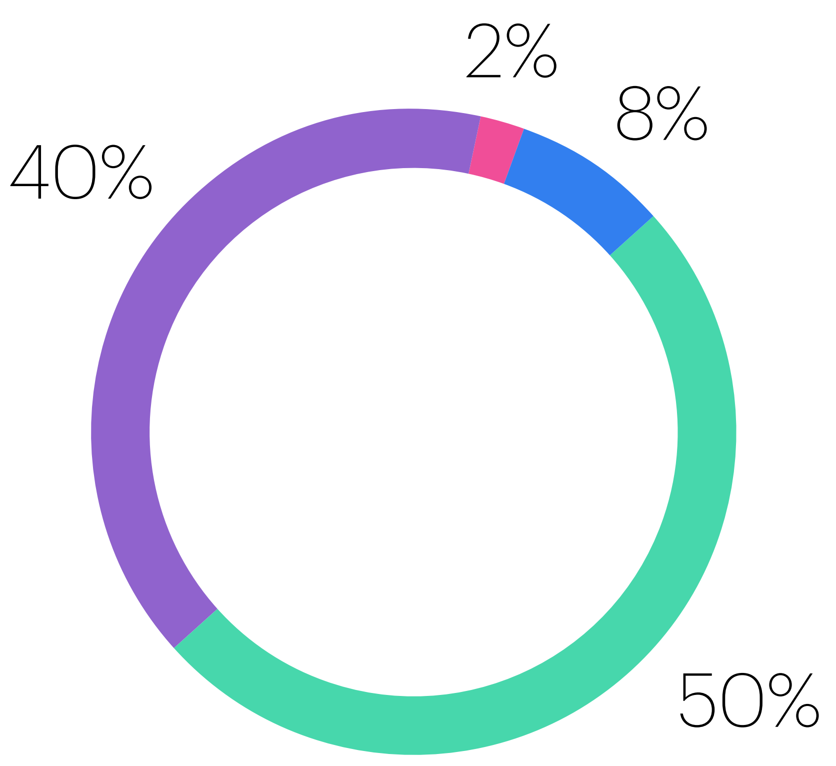
For RUAG International, the 2024 financial year was characterized by a consistent focus on the space business. With the completion of the final divestments of non-space assets, the company is focusing on its position as a key global supplier to the space industry. RUAG International generated net sales of CHF 494.9 million (previous year CHF 620 million). EBIT of RUAG International amounted to CHF 19.9 million (previous year CHF 28.1 million). However, this result includes portfolio effects of CHF 102.2 million from the sale of business units. The operating result was impacted in particular by the ramp-up of the new production facilities and necessary product improvements based on new findings from ongoing missions in the Launchers division. The transformation of Beyond Gravity's business processes and digital infrastructure also incurred additional costs. The order backlog of over CHF 860 million highlights the company's strong market position. The space market is experiencing above-average growth, driven by the commercial 'New Space' business, which offers long-term opportunities.

Overview of key figures in CHF millions	2024	2023	in %
Net sales	**495**	620	-20.2%
EBITDA	**37**	32	+15.6%
EBIT	**20**	28	-28.6%
Net profit (loss)	**-2**	1	-300.0%
Cash flow from operating activities	**27**	-24	
Free Cash Flow	**114**	89	+29.0%
Net financial position	**420**	457	-8.1%
Order intake	**623**	651	-4.4%
Order backlog	**862**	770	+11.9%
Self-financed research and development expenses	**13**	11	+17.3%
Headcount (FTE) as at 31.12.	**1,813**	1,989	-8.8%



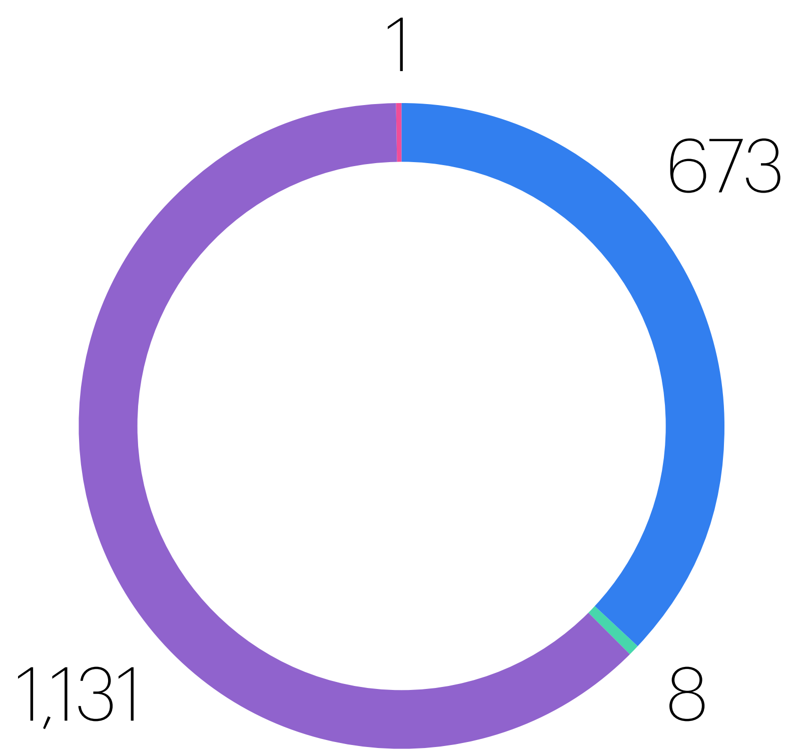
2024 net sales by segment in CHF millions

- Space
- Aerostructures



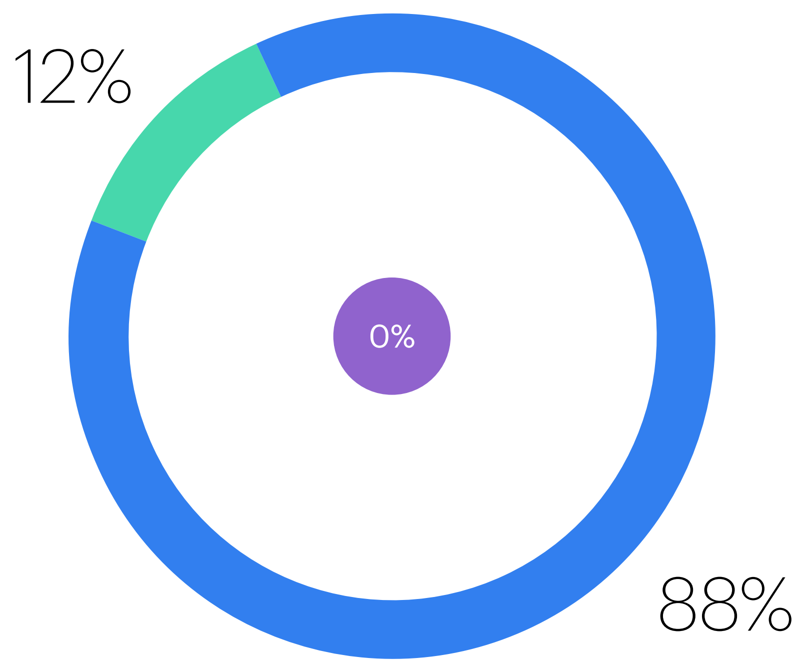
2024 net sales by market

- Switzerland
- Europe
- North America
- Asia / Pacific



2024 headcount in Switzerland and abroad

- FTE Switzerland
- Apprentices in Switzerland
- FTE abroad
- Apprentices abroad



2024 net sales by application in %

- Civil
- Military
- DDPS

Our year in orbit.

January

Pilatus acquires RUAG Aerostructures in Emmen

RUAG Aerostructures Switzerland and Pilatus Aircraft Ltd have agreed on the sale of the production infrastructure and the transfer of all employees. The business unit based in Emmen has been producing parts and components for Pilatus aircraft since the early 1990s. These include PC-21 fuselage and the tailplane for the PC-12.

January

Successful maiden flight of the Vulcan Centaur

After years of preparation and meticulous planning, our strategic partner United Launch Alliance (ULA) successfully sent the new Vulcan launch vehicle into orbit. Beyond Gravity USA developed four critical components for this launch: the payload fairing and mount, the heat shield and the interstage adapter.

April

New production plant in Decatur

Beyond Gravity opens a new production facility in Decatur, USA, for launch vehicle structures for the American market, laying the foundation for the next chapter of expansion and innovation. The new plant will double Beyond Gravity's production capacity for payload fairings in the USA, in particular to meet the orders of its core customer United Launch Alliance (ULA).

July

Successful first flight of Ariane 6

The European Space Agency's (ESA) Ariane 6 launch vehicle successfully lifts off from the Kourou spaceport on its first flight into space. On board are core components developed by Beyond Gravity. These include the payload fairing, which was manufactured in a state-of-the-art, semi-automated process at the Emmen site in Switzerland, and the extreme temperature insulation for the rocket engines, which was manufactured in Vienna.

August

Opening of the new production plant in Linköping

After two years of construction, Beyond Gravity opened the new, state-of-the-art production plant in Linköping, Sweden – an important milestone for the entire company. The plant is equipped with the latest technology for the manufacture of satellite dispenser systems, to meet the requirements of increased production volumes in view of the growth in large satellite constellations. Among other things, the plant manufactures the dispenser modules for all satellites of Amazon's Kuiper constellation, with the first module being handed over to the customer at the end of April.

Our year in orbit.

Major order from MDA Space

Beyond Gravity's Satellites division has been awarded a major contract by the Canadian company MDA Space, one of the world's largest satellite manufacturers, to supply on-board computers with integrated navigation receivers. These will be used in various satellite constellations, including Telesat's Lightspeed constellation with 198 satellites.

• September

• September

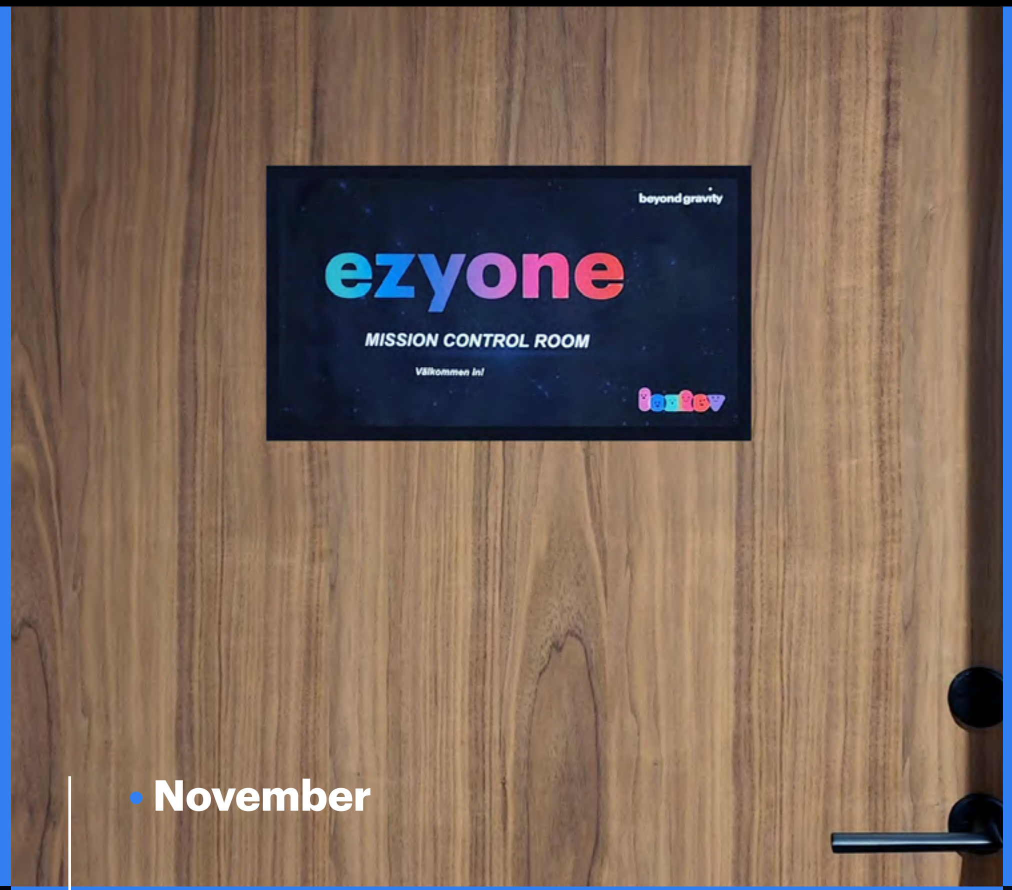
Strategic development and digital transformation

Iván González Vallejo takes on the role of Chief Transformation & Strategy Officer at Beyond Gravity and becomes a member of the Executive Board. His extensive experience in strategic development and the implementation of complex transformation projects is crucial for optimizing operations and further developing Beyond Gravity's business.

HERA planetary protection mission on its way to the asteroid Dimorphos

The European Space Agency's (ESA) HERA satellite mission has been successfully launched as part of the world's first attempt to divert an asteroid. HERA will examine the target asteroid Dimorphos in detail after the impact of NASA's DART mission in 2022. Beyond Gravity has designed essential components of the satellite, such as its central structure, the solar wings and their unfolding mechanism.

• October



• November

Successful introduction of the "EZYone" transformation program in Portugal

With the first implementation of "EZYone" at the Lisbon site, Beyond Gravity is investing in its digital future. This modern digital core enables seamless connections between sites, business units and functions and forms the basis on which Beyond Gravity can offer its customers, suppliers and employees significant added value and innovations.

ZEISS SMT acquires the Lithography division

The semiconductor division of ZEISS, with around 7,500 employees and seven locations worldwide, is acquiring Beyond Gravity's Lithography division, with more than 200 employees in Germany and Switzerland. The new owner offers the ideal platform to further strengthen the technology leadership of the division. This step will enable Beyond Gravity to focus entirely on its space activities.

• December

Demanding market environment and business challenges.

Dear shareholder,
Dear customers,
Dear Sir or Madam,

The year 2024 was a turning point for RUAG International, full of challenges and promising developments. With the sale of our Lithography division to ZEISS SMT and the remaining RUAG Aerostructures site in Emmen to Pilatus Flugzeugwerke AG, we have taken important steps in the reporting year in line with the strategy of our owner, the Swiss Confederation. The successful divestments allow us to focus entirely on our core competence as an innovative supplier to the global space industry.

Dynamics and opportunities in the new space age

The space market has been undergoing an unprecedented transformation for several years. What was once the exclusive domain of government organizations is rapidly developing into a dynamic ecosystem of commercial players who have initiated a new era of space exploration and utilization. The market is developing at an above-average rate compared to other industries, with growth rates between 15 and 20 percent.

The space segment of RUAG International with its Beyond Gravity brand has positioned itself optimally as an agile and innovative partner. We are concentrating on strategic customer partnerships, profitable projects and future-oriented business areas, particularly in the New Space sector. We place particular emphasis on quality, adherence to delivery dates, and the intelligent use of resources in an increasingly competitive environment. In concrete terms, this means consistently continuing the transformation of our business processes and digital infrastructure, optimizing and expanding our global production capacities and developing technological innovations that enable the next steps in space travel.

In addition, Beyond Gravity operates in an environment where technological challenges and the high complexity of large space missions always carry risks. Ensuring robust processes, the highest quality standards and continuous innovation is critical to proactively managing these risks and ensuring the success of our missions.

Challenging market environment and business challenges

In the face of inflation and geopolitical tensions, the space industry has demonstrated resilience and dynamism in the reporting year. Our teams delivered outstanding achievements in 2024, with significant contributions to major space missions that highlight our technological expertise.

The sales of business units in 2024 and 2023 limit the comparability of the key figures in this annual report with the previous year. As a result of the divestments, the number of employees at RUAG International fell from 1,989 to 1,813 as of the end of 2024 compared to the previous year.

Net sales, 88% of which came from civil activities, amounted to CHF 494.9 million (previous year CHF 620 million). EBIT amounted to CHF 19.9 million (previous year CHF 28.1 million). However, this result includes portfolio effects of CHF 102.2 million from the sale of business units.

The operating result was impacted in particular by the ramp-up of the new production facilities and necessary product improvements based on new findings from ongoing missions in the Launchers division. The transformation of Beyond Gravity's business processes and digital infrastructure also incurred additional costs.

Free cash flow amounted to CHF 114.3 million (previous year: CHF 88.5 million). This includes cash inflows from divestments of CHF 130.7 million. Excluding the proceeds from divestments, operating free cash flow amounted to CHF -16.4 million (previous year CHF -79.9 million). This was mainly due to the high level of investment required for the expansion of the space business. The order backlog amounted to CHF 860 million as of 31 December 2024 and highlights the company's strong market position.

Attractive follow-up solutions for the aerostructures business

At the end of 2023, Mubea successfully completed the acquisition of the aerostructures division of RUAG International in Germany and Hungary. At the beginning of 2024, we were also able to find a new owner for the last remaining business unit of RUAG Aerostructures at the Emmen site. Pilatus Flugzeugwerke AG – a longstanding partner and customer – will gradually take on all of the approximately 230 employees and all the machinery of RUAG Aerostructures Switzerland Ltd by the end of 2025.
We have thus succeeded in finding attractive follow-up solutions for all Aerostructures divisions. These are in line with the strategic objectives of our owner, offer employees promising prospects for the future and ensure continuity for our customers (see page 13).

Two legal proceedings are currently underway regarding the aerostructures business: General Atomics is suing RUAG Deutschland GmbH in connection with the acquisition of RUAG Aerospace Services GmbH, while RUAG Aerostructures Switzerland Ltd is involved in arbitration proceedings. RUAG International looks forward to the further course of the two proceedings with confidence.

Sale of lithography and focus on space business

With the sale of the Lithography division to Carl ZEISS Semiconductor Manufacturing Technology (SMT) announced in September 2024, Beyond Gravity has taken a significant strategic step. After a smooth transition phase, the change of ownership was successfully completed at the beginning of December 2024. Until the very end, the employees showed a high level of commitment to achieving the annual targets.

ZEISS SMT, with around 7,500 employees and seven sites worldwide, is continuing the business at the sites in Zurich (Switzerland) and Coswig (Germany). For the more than 200 employees, this means stability and new development opportunities with a leading provider of production technologies for the semiconductor industry (see page 33).

André Wall
CEO Beyond Gravity

"The space market has undergone an unprecedented transformation in recent years. What was once the exclusive domain of government organizations is rapidly evolving into a dynamic ecosystem of commercial players that have ushered in a new era of space exploration and exploitation."

Exciting new orders and milestones

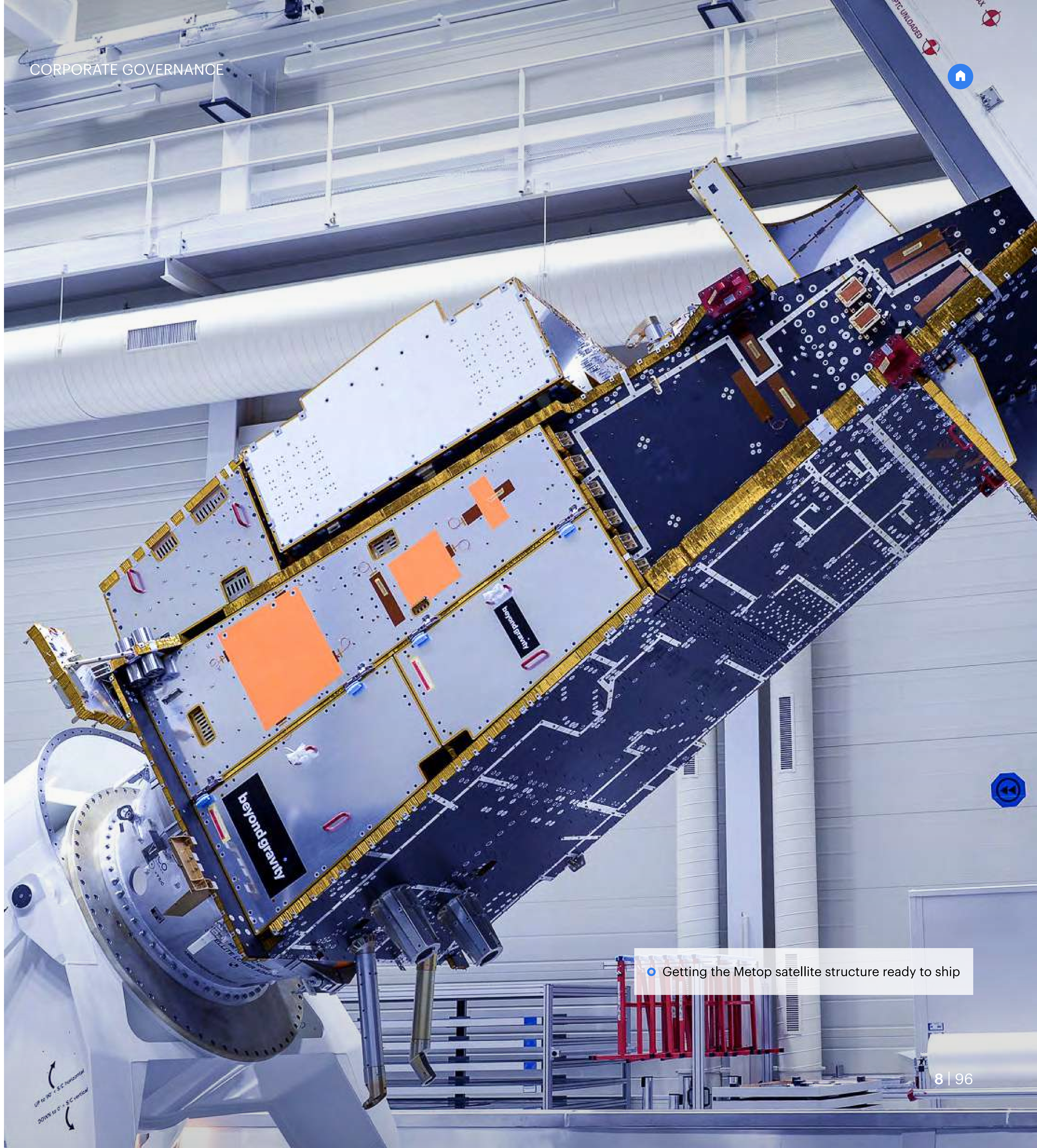
In the reporting year, the division once again demonstrated its strong market position and further filled its order book. One example of this is the major order won by the Satellites division in September 2024 from the Canadian satellite manufacturer MDA Space for the delivery of on-board computers with integrated navigation receivers. The order is the result of cross-site collaboration between three teams and positions us well for follow-up orders. It combines high-performance components with high reliability, short delivery times and an attractive price. MDA is planning to use our computers in various satellite constellations, including the 198 satellites in the Lightspeed constellation of Telesat (see page 28).

In the Launchers division, we reached important milestones for various rocket programs in 2024. The two new launch vehicles Vulcan Centaur (USA) and Ariane 6 (Europe) had their successful maiden flights in the reporting year. By providing key products, Beyond Gravity plays a significant role in both launch technologies. These projects will ensure a significant order volume for the coming years and underpin our position as a leading global supplier to the space industry. The same applies to the satellite dispenser systems that we are developing and manufacturing for Amazon's Kuiper constellation. When complete, the constellation will comprise 3,236 satellites and help provide affordable Internet access in under-served regions worldwide (see page 22).

Expansion of production capacities and improved efficiency in the future

In order to provide the production capacities needed for the orders for the Kuiper constellation, we opened two new production plants in the reporting year. After several years of planning and construction, the facilities in Decatur (USA) and Linköping (Sweden) were successfully opened in the summer and fall, respectively. They are equipped with the latest technology for manufacturing payload fairings and satellite dispenser systems in a partially automated series production process. The facilities are currently in the start-up phase. The goal is to reach full production output in the first half of 2025. This will enable us to create the infrastructure we need to meet the growing global demand for space technologies, particularly in the commercial sector.

Alongside the expansion of our production capacities, we are also pressing ahead with the transformation of our business processes and our digital infrastructure with the ‘EZYone’ project. What sounds like a technical merger is actually a leap in efficiency: we are creating a common digital core for Beyond Gravity that intelligently connects our global locations and enables leaner, faster production processes and more efficient resource allocation. After the launch in Lisbon in December 2024, our corporate services in Switzerland and the two sites in Sweden follow in the first quarter of 2025 (see page 43).



Getting the Metop satellite structure ready to ship

Innovation & Digital Hub in Lisbon: launch pad for innovation

The Beyond Gravity Innovation & Digital Hub in Portugal opened in 2023. In October 2024, our colleagues moved into the new, permanent offices in the Entrecampos district of Lisbon. The hub brings together key functions including engineering, IT, finance and supply chain. With more than 100 employees by the end of 2024 and a planned expansion to up to 200 employees by the end of 2025, Beyond Gravity is establishing itself as the largest space company based in Portugal.

Personnel offensive to strengthen the business

With the opening of the new production facilities and the site in Portugal, we significantly strengthened our staff in the reporting year. We also invested in further improvements of the work environment at all of our 13 sites. With the new employer brand rolled out in May, based on the motto 'Challenge the Impossible', we have created the basis for continuing to attract and retain the right talent for Beyond Gravity in the future. In addition, we have further developed our performance management and introduced a new curriculum for managers (see page 36).

Sustainable into space

Environmental, social and governance (ESG) principles are becoming increasingly important in the space sector, from climate change and space debris management to launch vehicle reusability and cybersecurity. ESG criteria are also increasingly becoming a decisive factor in project tenders. We recognize this trend and see social responsibility not only as an obligation, but also as a driver of innovation and new business opportunities. We plan to significantly reduce CO2 emissions from our own operations by 2026. To achieve this goal, Beyond Gravity published its first Sustainability Report and Decarbonization-Roadmap last year (see page 40).

Change in the management team

Iván González Vallejo has been strengthening our Executive Board as the new Chief Transformation & Strategy Officer since September 2024. In this role, he is responsible, among other things, for implementing the transformation of our business processes and digital infrastructure. To do so, he will draw on his extensive experience in the strategic development and implementation of complex transformation projects. He takes over this role from Caroline Schmitt, who left the company at the end of May. Following the acquisition of our Lithography division by Carl ZEISS SMT, Dr. Oliver Kunz took over the management of Carl Zeiss SMT Switzerland AG at the beginning of December and thus resigned from the Beyond Gravity Executive Board.

As of the end of the year, the Executive Board consists of André Wall (CEO), Oliver Grassmann (EVP Satellites Division), Paul Horstink (EVP Launchers Division), Angelo Quabba (CFO), Laura-Katrin Seitz (Chief People Officer) and Iván González Vallejo (Chief Transformation & Strategy Officer).

Parliamentary decision on privatization

After the Swiss Federal Council reiterated its goal in November 2023 of privatizing Beyond Gravity by the end of 2025, the Swiss National Council Security Policy Committee launched a motion in May 2024 to keep the company in federal ownership. The National Council adopted the motion during the autumn session. At the beginning of November, the Swiss Security Policy Committee of the Council of States also decided to support the motion. As a result, the privatization process was suspended. During the winter session, a further motion was introduced in the Council of States. This motion maintained the privatization but included additional conditions.

After the Council of States also approved the motion for a complete halt to privatization in the spring session of 2025, it is clear that the privatization of Beyond Gravity can no longer be pursued. The Federal Council will now define the new framework, create a legal basis for federal ownership and determine which administrative body will be responsible for Beyond Gravity in the future. Meanwhile, our daily work remains unaffected: We continue to fulfill our obligations to our customers and strengthen our business based on our strategy. We are also consequently continuing the transformation that is taking place at various levels.

Ready for the next economic orbit

The space market will continue to grow strongly in the coming years, both in the institutional and private sectors. Increasing commercialization and the demand for technological innovation will drive this development, while increasing efficiency requirements will shape the competition.

Our precision-engineered products have made a significant contribution to the advancement of space travel in 2024 and will continue to do so in the future. We owe this success to the dedication of our employees and the trust that our owner, customers and suppliers place in us. Their partnership is the gravitational force that keeps our vision in orbit – we are deeply grateful and look forward to continuing our journey together.

Dr. Remo Lütolf
Chairman of the Board of Directors,
RUAG International Holding

André Wall
CEO RUAG International
Holding and Beyond Gravity

Beyond Gravity Management Report 2024.

With the successful sale of the Lithography division to ZEISS SMT and a clear focus on the space business, Beyond Gravity has set the course for the future in 2024. However, due to operational challenges in the Launchers division and additional costs for the “EZYone” transformation program, the operating result is clearly negative. Nevertheless, the company is well positioned to profitably take advantage of opportunities in the dynamic space market. This is underscored by the well-filled order book and the strong performance of the Satellites division.

Strong growth in the space market

Despite last year's high inflation and geopolitical tensions, the space industry has proven that it can continue to grow at an above-average rate even in turbulent times. In 2023, the global space economy reached a volume of USD 570 billion, which corresponds to a growth rate of 7.4% compared to the previous year. The commercial sector contributed significantly to this with USD 445 billion (78% of the total volume). Government spending also increased by 11%, underlining the strategic importance of space. The market environment for Beyond Gravity developed positively overall, particularly in view of the increasing demand for rocket launches, the expansion of satellite infrastructure and the sustained investments by commercial players.

By 2035, the space economy is expected to grow to USD 1.8 trillion, driven by a projected annual growth rate of 9%, which is significantly higher than global GDP. The main drivers are falling costs for rocket launches (down 90% in the last 20 years), private investment and the growing demand for space-based technologies such as communication, navigation and Earth observation (see page 15).

Beyond Gravity: Solid foundations for long-term success

With its leading expertise in many product areas, the trust of its customers built up over many decades, its innovation strength and the transformation programs it has initiated, Beyond Gravity is ideally positioned to successfully exploit the opportunities in this dynamic market environment. One impressive example of this is the delivery of key components for the successful first flights of the new European launch vehicle Ariane 6 and the American Vulcan Centaur manufactured by ULA. In addition, the company supported major space missions such as the HERA planetary protection mission by providing key satellite components.

Net sales of RUAG International's Space segment increased by 11.6 % from CHF 383.4 million to CHF 448 million in the year under review. Adjusted for exchange rate effects, the increase amounted to 16%. Excluding the Lithography division, which was sold on December 1, 2024, net sales of the remaining Launchers and Satellites divisions amounted to CHF 359 million (previous year: CHF 315 million).

Earnings before interest and taxes (EBIT) decreased from CHF 0.1 million to CHF -8.4 million. However, this result includes portfolio effects from the sale of business units. Adjusted for these effects, the EBIT of the Satellites and Launchers divisions amounted to CHF -112 million (previous year: CHF -14 million), reflecting a significant decrease compared to the previous year.

Results were primarily impacted by operational challenges in the Launchers division. These resulted from the ongoing transition to series production in the new production facilities and from product improvements initiated in response to new findings from ongoing missions. These factors led to temporary efficiency losses, additional costs and delivery delays. Additional costs for the ongoing transformation program “EZYone”, low margins in some product areas and increasing regulatory requirements – for example for the implementation of the adjustments associated with the Cybersecurity Maturity Model Certification (CMMC) – also had a negative impact on the result.

At the same time, new orders from major commercial space providers such as MDA Space ensured a robust order intake. This led to an increase in the order backlog of CHF 122.9 million to a total of CHF 851.5 million at the end of December 2024.

Satellites division: Basis for sustainable profitability established

Beyond Gravity combines all activities in the satellite sector and the associated data business in the Satellites division. The focus is on selected components and systems for satellites, including satellite structures, on-board computers, navigation receivers and other electronics, thermal protection and various mechanisms from alignment systems to slip rings.

In addition to outstanding engineering, the division's core competencies include production and project management. In these areas, Beyond Gravity has established itself as a leading supplier in both the commercial and institutional markets. The company is a market leader in product areas such as navigation receivers, on-board computers and thermal insulation.

During the reporting period, the division achieved a turnaround towards sustainable profitability, not least thanks to a targeted review and streamlining of the project portfolio and by increasing the profitability of individual projects. The bulging order book is particularly encouraging. During the reporting period, it benefited significantly from a major order won in August from the Canadian aerospace company MDA Space to supply on-board computers for several satellite constellations.

The division also invested heavily in research and development and pushed ahead with the standardization and industrialization of production. Around 800 employees work at the sites in Nyon and Zurich (Switzerland), Gothenburg (Sweden), Vienna (Austria), Titusville (USA) and Tampere (Finland). Since 2023, the division has been headed by Oliver Grassmann (see page 28).

Launchers division: Capacity expansion, series production and full order books

The Launchers division brings together all of Beyond Gravity activities related to the design and manufacturing of composite structures for launch vehicles. Core products include payload fairings, interstage and payload adapters, as well as satellite dispensers and separation systems. For many years, leading space companies such as Amazon, ArianeGroup, United Launch Alliance and other partners in Europe, the USA, Asia and Australia have relied on the quality of Beyond Gravity's products for their launch vehicles.

In April and August 2024, after several years of construction, Beyond Gravity opened two new, state-of-the-art production facilities in Decatur (USA) and Linköping (Sweden). The facilities are equipped with innovative technology for the manufacture of payload fairings (Decatur) and satellite dispenser systems (Linköping) and double the production capacities at both sites. Thanks to partially automated manufacturing processes designed for series production, Beyond Gravity can meet the increasing demands of its customers in terms of volume and speed even more efficiently. The facilities are currently in the start-up phase, and production is expected to reach full capacity by mid-2025.

The Launchers division faced operational challenges in the year under review and delivered a significantly negative operating result. The ramp-up of the new production facilities in Sweden and the USA, the transition to series production and necessary product improvements based on new findings from ongoing missions weighed on the result. At the same time, these steps have provided valuable insights that are being directly incorporated into the further development of the products. Supply chain challenges also arose in connection with the series production of dispenser systems for the Kuiper satellite project. The division has taken appropriate measures to actively manage the associated risks, to ensure continuity of production and to manufacture the affected components internally in the future. It is encouraging that the division was able to win a significant development and production order for payload fairings from a new commercial customer during the reporting period, which further increased the order backlog.

The division also invested in innovations, such as in the area of reusable payload fairings, and pushed ahead with the standardization and industrialization of its processes. The division employs a total of 740 people in Emmen and Zurich (Switzerland), Linköping (Sweden) and Decatur (USA). Paul Horstink has been head of the division since 2022 (see page 22).

Lithography division: Strong results and new prospects with ZEISS SMT

The Lithography division, with over 200 employees at its two sites in Zurich (Switzerland) and Coswig (Germany), manufactures high-precision apertures, actuators, and measuring and testing instruments for nanometer-precise semiconductor manufacturing. These mechanisms for controlling optical systems are used in machines for manufacturing microchips and form the basis for countless high-tech applications.

In the 2024 financial year until sale, the Lithography division closed with solid results in new orders, operating sales and EBIT. In the reporting year, it manufactured a high-precision instrument for measuring mirrors and optics for microchip production that accelerates the manufacturing processes compared to previous measuring machines. In addition, cleanroom capacity was doubled to achieve production increases. Dr. Oliver Kunz has headed up the division since 2022.

In September 2024, Beyond Gravity and ZEISS Semiconductor Manufacturing Technology (SMT) agreed on the acquisition of the Lithography division and all its employees in Germany and Switzerland. After a short transition phase, the change of ownership was successfully completed at the beginning of December. The German part of the business in Coswig has been integrated into Carl Zeiss SMT GmbH, while the Swiss part in Zurich has been transferred to Carl Zeiss SMT Switzerland AG as a subsidiary. The new owner offers exciting development opportunities for employees and the ideal environment to consolidate the division's technological leadership. Going forward, Beyond Gravity will therefore focus entirely on its space activities (see page 33).

Transformation: A new approach to efficiency and integration

The “EZYone” initiative, launched in 2023 to transform Beyond Gravity's business processes and digital infrastructure, aims to harmonize business processes worldwide across all locations, create a unified digital core and consolidate all central IT systems. This will enable more efficient management of product lifecycles, resources and production processes. It also allows the company to make optimal use of the strengths that arise from the intelligent interaction of its global locations.

After a program reset in May 2024, the revision of the roll-out plan and the securing of additional investments, the new system was successfully implemented at the Lisbon site at the beginning of November 2024. Implementation in the Corporate Services division in Switzerland and at the two Swedish sites will follow in the first quarter of 2025 (see page 43).

People & Culture: Attracting talent, strengthening culture

In the reporting year, Beyond Gravity reached key milestones in the area of People & Culture. Highlights include the targeted recruitment of talent for the growing sites, the introduction of a new employer brand based on the slogan 'Challenge the Impossible', the further development of performance assessment management, and a new program to develop leadership skills. In addition, the company has invested in further improving the work environment at numerous sites, most recently at our Digital & Innovation Hub in Lisbon (see page 36).

Outlook: Seizing opportunities, securing growth

The growing demand for rocket launches, the expansion of satellite infrastructure and the continued investments of commercial players are creating a promising market environment for Beyond Gravity. With the sale of the Lithography division, the company is concentrating on its strategic role as a key supplier to the global space industry. The focus is on expanding profitable projects, innovative business areas in the context of the 'New Space Economy' and strengthening long-term customer partnerships.

Beyond Gravity will continue to consistently pursue the path of transformation and invest in its attractiveness as an employer to attract and retain talent in the long term. The successful commissioning of the new production facilities and the realization of the associated production potential will create the basis for making the best possible use of opportunities in the dynamic space market. With the highest standards of quality and on-time delivery, the company remains focused on sustainable growth.

Figures at a glance

Sales: CHF 448 million (previous year CHF 383.4 million) **EBIT:** CHF -8.4 million (previous year CHF 0.1 million)
Staff (FTE): 1,540 (previous year 1,619)
Locations: Switzerland, Sweden, USA, Austria, Germany, Finland, Portugal
Customers: Airbus Defence & Space, Amazon, ArianeGroup, Avio, Ball Aerospace, ESA, Maxar, Mitsubishi, NASA, Rocket Lab, Thales Alenia Space, United Launch Alliance, Zeiss SMT

RUAG Aerostructures Management Report 2024.

RUAG Aerostructures Switzerland Ltd is a leading supplier of customized solutions for the production and assembly of complex components for civil and military aviation. As part of the divestment portfolio of RUAG International, RUAG Aerostructures Switzerland Ltd reached an important milestone in the implementation of the strategy defined by its owner, the Swiss Confederation, with the sale of the company to Pilatus Flugzeugwerke AG at the beginning of 2024.

RUAG Aerostructures Switzerland Ltd ended the 2024 financial year with a positive result. Production and the resulting sales showed good margins and EBIT was positively influenced by the early reductions of framework agreements and further savings within the organization. In addition, balanced cash management led to a good, stable free cash flow result. It should be noted that the sale of business units limits the comparability of the key figures in this annual report with the previous year.

Sales in 2024 totaled CHF 47.6 million (previous year CHF 239.8 million). EBIT rose significantly from CHF –17.2 million in the previous year to CHF 17.6 million. Compared to the previous year, the reliability and punctuality of suppliers was further improved by smooth production. In addition, the optimized supply chain organization, including the reintegration of the entire logistics, led to a significant improvement in the availability of the required production materials. In this context, the purchase quantities were also determined in close coordination with customers as part of the strategic alignment. This meant that all customer orders could be produced and delivered as agreed. In addition to these factors, the asset deal with Pilatus also had a positive impact on the overall result.

Focus 2024: Transition from RUAG Aerostructures to Pilatus

The contract for the sale of RUAG Aerostructures Switzerland Ltd to Pilatus Flugzeugwerke AG was signed in January 2024. This enabled Pilatus to take over the entire production of RUAG Aerostructures Switzerland at the Emmen site with around 130 employees as of May 1, 2024, in an initial step.

RUAG Aerostructures Switzerland will remain in existence as a company for the time being in order to fulfill the remaining non-Pilatus customer commitments, but will not accept any new orders. In order to fulfill these commitments, RUAG Aerostructures Switzerland and Pilatus are working hand in hand to ensure that all orders can be completed on time, to the desired quality and within budget. The remaining 100 employees will be transferred to Pilatus in stages as the non-Pilatus programs are completed.

With another business partner, RUAG Aerostructures Switzerland has agreed that it will produce additional parts for winglet shipsets for a third-party customer until the end of March. At the same time, RUAG Aerostructures is supporting its partner in ramping up production.

Outlook

The focus for 2025 remains on the transition to Pilatus and the completion of the various non-Pilatus programs, which will be completed by the end of March 2025.

This will enable RUAG Aerostructures to hand over all production areas to Pilatus by the end of June. By the end of September, the warehouse will be cleared and the last materials and tools will be sent back to the customers. Once all physical assets have been cleared, RUAG Aerostructures will be transferred to the Group as a legal entity for the final ramp-down steps, so that the last remaining employees can be transferred to Pilatus on January 1, 2026.

Pilatus intends to expand its own production at the Emmen site in the medium to long term and create further jobs.

Figures at a glance

Sales: CHF 47.6 million (previous year CHF 239.8 million) **EBIT:** CHF 17.6 million (previous year CHF -17.2 million)
Staff (FTE): 100 (previous year 226)
Countries: Switzerland
Customers: Airbus, Boeing, GE, Pilatus, Saab

2.0

Beyond Gravity.

Entering a new era of space exploration.

In the dynamic era of the New Space Economy, characterized by rapid technological innovation, falling mission costs and an increasing commercialization of space, Beyond Gravity has successfully established itself as a strategic technology partner to the global space industry.

With more than 50 years' experience in developing and manufacturing high-precision components for major rocket and satellite programs, we have been involved in hundreds of space missions and support our customers around the world to make the impossible possible.

Dynamic transformation of a future market

The global space industry is currently undergoing an unprecedented transformation and growth phase. What was once the exclusive domain of government space agencies is developing into a dynamic, innovation-driven economic sector. Private companies are showing that commercial players are not only competitive, but can often act faster, more flexibly and more cost-effectively than government organizations.

The term "New Space Economy" describes this fundamental change. It combines technological breakthroughs, entrepreneurial agility and creativity, massive cost reductions and an unprecedented commercialization of space in a newly emerging industrial ecosystem. The space industry is more than an economic sector – it is a driver of scientific and technological progress, global cooperation and our understanding of human potential.

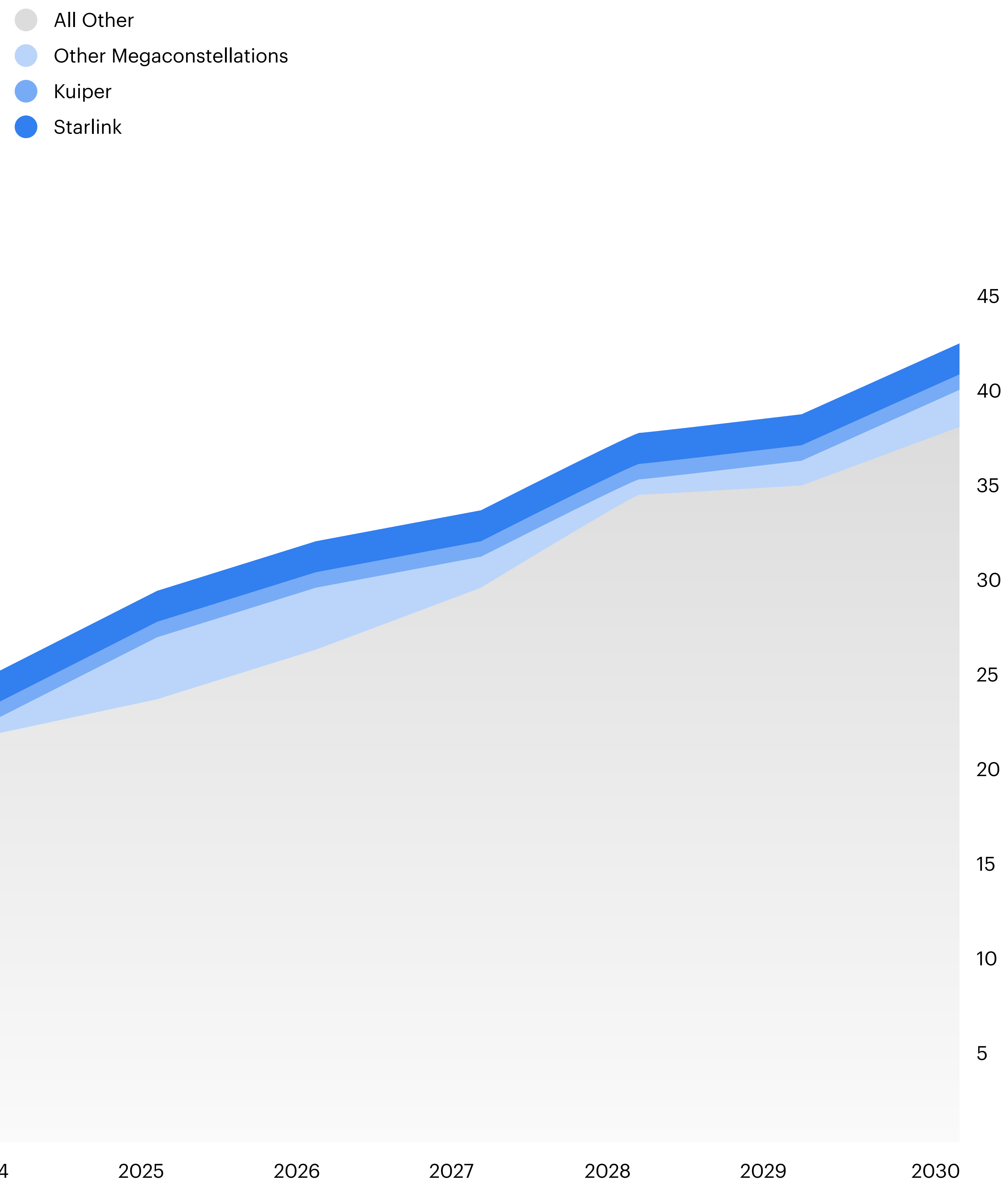
The United States dominates this market with a unique mix of government funding, technology innovation, venture capital and entrepreneurial risk-taking. The Asia-Pacific region is showing the fastest growth, with countries such as China, India and Japan investing heavily in national space programs and commercial applications. Meanwhile, European countries are positioning themselves as pioneers in highly specialized technologies for complex scientific missions.

Growth driver technology

The space market is at a turning point in its development, which brings with it both unprecedented opportunities and complex challenges. Current market analyses predict an impressive development of the global space market. From a volume of around USD 570 billion in 2023, it is expected to increase to USD 1.8 trillion by 2035, with an annual growth rate of 9%. The increasing commercialization is particularly evident from the fact that private companies now generate around 80 percent of economic activity in the space sector.

The market for satellites is booming. By 2030, more than 25,000 satellites are expected to be stationed in space. This expansion is primarily driven by the increasing importance of global communication networks, scientific earth observation missions and highly specialized research projects. The massive decline in manufacturing costs due to increasing industrialization, automation and standardization is contributing significantly to this development. Satellite constellations, in particular, are revolutionizing the global communications infrastructure with the aim of enabling global Internet coverage from outer space. This, in turn, opens up new economic prospects for regions that have been under-served until now.

Satellite & Spacecraft Market Value Forecast.
CHF Billion

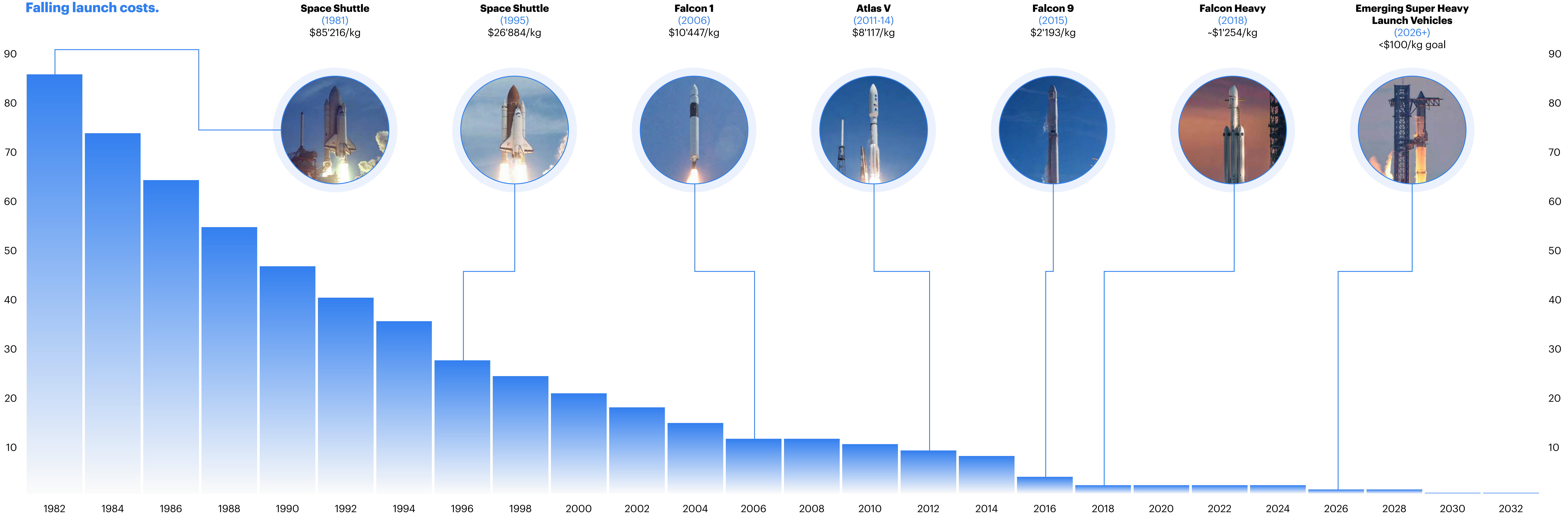


Source: Beyond Gravity, Oliver Wyman

At the same time, the market for rocket technologies is showing a similarly impressive growth curve. The reduction in launch costs is increasing exponentially, allowing a wider range of players to access space and opening up new business models. From an original USD 85,200 per kilogram of payload, costs have now fallen to below USD 1,500 – and continue to fall. Reusable rocket stages massively reduce costs. In addition, technologies such as 3D printing are enabling a completely new dimension in component manufacturing, which can now be carried out faster, more precisely and more cost-effectively.

The coming years will be shaped by several key technological innovations. Artificial intelligence will increasingly revolutionize mission planning and satellite control. Autonomous satellite systems that can independently optimize routes and react to unexpected situations will transform the efficiency and precision of space missions. Materials science, among other things, will also enable new breakthroughs. Ultra-light, highly resilient composite materials, new types of solar cell technology, miniaturization and self-repairing materials will improve the durability and resilience of space infrastructure.

Falling launch costs.



Source: Beyond Gravity, Oliver Wyman, Gunter's Space Page

New business models and societal potential

These developments are continuously expanding the commercial possibilities for using space. The market offers enormous growth opportunities for companies that combine flexibility, innovation and technological excellence. New interdisciplinary business models are emerging that go far beyond traditional models.

These include, among other things, the mining of raw materials, technologies for the removal, recycling or repurposing of space debris, and in-orbit services such as the refueling or repair of spacecraft to extend their lifespan or functionality. They also enable the production of goods in space that can be manufactured more easily, reliably, and cost-effectively under space conditions, or that enable goods to be manufactured at all. A particularly dynamic development is also emerging in the area of space tourism.

This is opening up downstream societal capabilities, such as new labor market prospects, global connectivity through satellite communication, which promotes economic development, or scientific breakthroughs.

At the same time, the legal framework must keep pace with the technological developments, and international regulations for space activities must be renegotiated. Key issues here include property and usage rights in space, environmental standards for space missions, and security in space.

Precision technology for the New Space Economy.

Beyond Gravity is actively shaping the future of space travel. Our mission is to advance the exploration and sustainable use of space through precision technology. With a market share of over 60% in payload fairings for launch vehicles and more than 700 successful space missions, we are already the leading Tier 1 supplier in our core areas of expertise.

Key partner to the global space industry

Beyond Gravity develops and produces mission-critical components for the most important space programs worldwide. As the exclusive supplier of structures for the European Ariane and Vega, the American Atlas, Vulcan and SLS, and the Japanese H3 and Kairos programs, we are actively shaping the development of the next generation of launch vehicles (see page 22).

We are also a market leader in selected satellite products. Our technologies enable precise weather and climate forecasts, improve global communication and positioning, and provide crucial data for environmental protection and disaster management. More than 800 satellites in space use Beyond Gravity technology (see page 28).

We also advance scientific research in space through partnerships with NASA, ESA and private space companies. Our instruments and systems are part of groundbreaking missions, such as the James Webb Space Telescope or the HERA mission to explore the possibilities of asteroid defense. We also promote the transfer of knowledge and the development of future-oriented space technologies by working with research institutions and universities such as ETH Zurich and the German Aerospace Center (DLR).

Future-oriented strategy for responsible growth

Our corporate strategy includes specific development goals in the context of the New Space Economy. We are investing in the expansion of commercial product lines for future-oriented market segments. These include, for example, high-performance on-board computers, precise navigation receiver systems, innovative satellite structures and dispensers for global satellite constellations. This expansion in the commercial sector is being driven forward in parallel with the strengthening of our institutional business with key players such as ESA, NASA and the Japanese space agency JAXA, enabling us to pursue a balanced portfolio strategy.

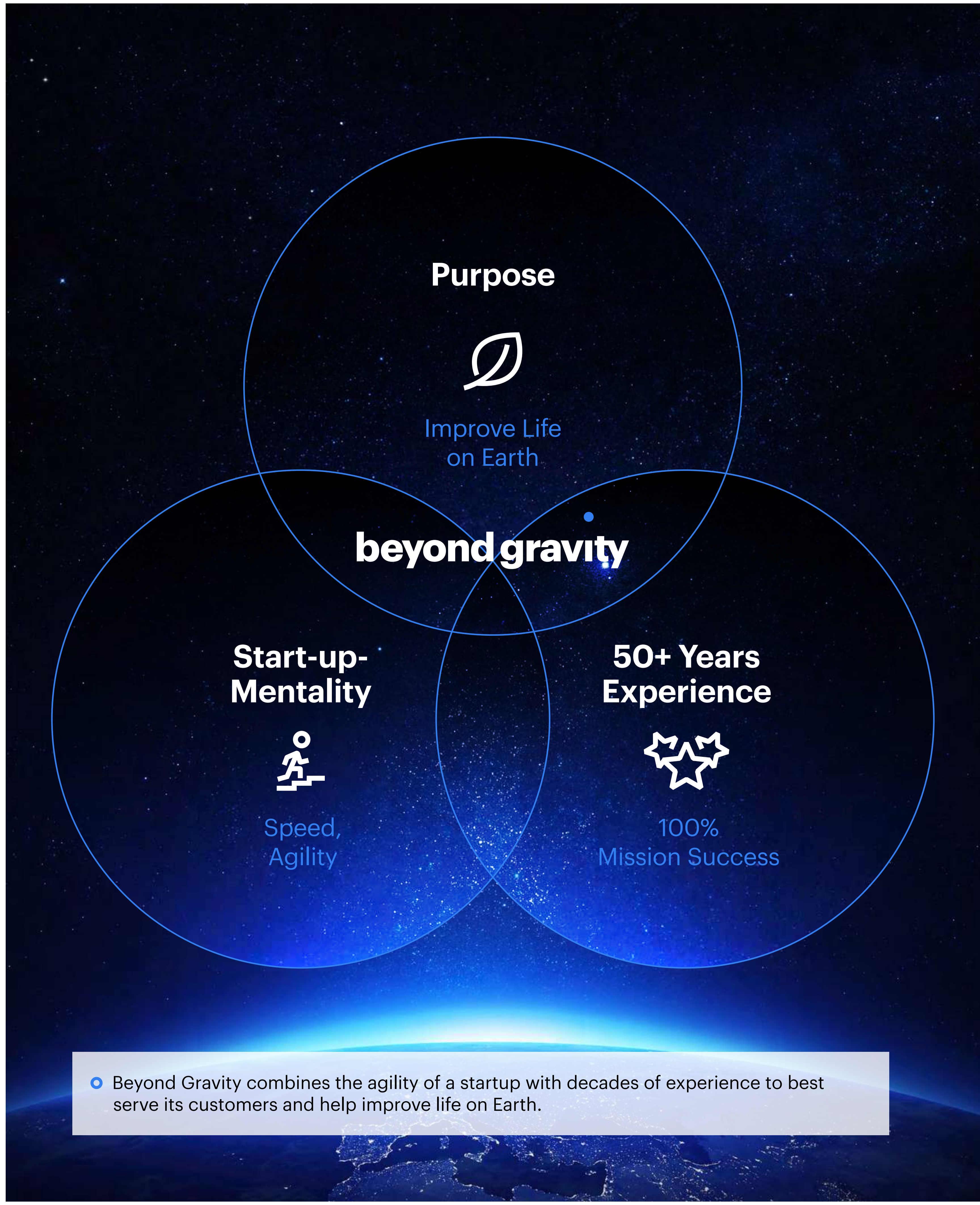
A particular growth focus is the US market, where Beyond Gravity is systematically expanding its market position through strategic investments and partnerships. By 2026, we will double our production capacities in the US. At the same time, we are intensifying our engagement in the dynamic growth markets of Asia, particularly in Japan and South Korea, where we are strengthening our presence through partnerships.

The consistent digitalization and industrialization of our production and development processes form the foundation of our growth strategy. In combination with targeted investments in research and development, we are creating the conditions for efficiency, quality and innovation. This transformation enables our global locations to work together efficiently, allowing us to respond more flexibly to market requirements while maintaining the highest quality standards (see page 43).

Sustainability is an integral part of our corporate strategy. We are committed to sustainable space travel – from human rights, health and safety, to the development of reusable components and the systematic reduction of our environmental footprint. We are striving to significantly reduce emissions from our operational activities by 2026 (see page 40).

Our success is based on the expertise of our 1,800 highly qualified employees, who deliver outstanding performance in development, production and engineering every single day. As an attractive employer, we invest in the continuous training of our professionals and promote an innovative, diverse corporate culture (see page 36).

Our business development follows a controlled risk approach based on long-term strategic partnerships with our customers. This balance of innovation and stability makes Beyond Gravity a reliable partner in the dynamically developing New Space Economy.



Beyond Gravity combines the agility of a startup with decades of experience to best serve its customers and help improve life on Earth.

Beyond Gravity in Numbers.

13 Sites in
6 Countries

More than **50**
years of experience

Around **1800**
Employees

1270 Successful
separations with our
separation systems

42 Nationalities
employed

Over **400**
launches with our
payload fairings

R&D spending **12.7 M**
CHF in 2024

Net sales of CHF **359 M**
in the Launchers and
Satellites divisions in 2024

More than **800**
satellites in space
use our technology

Indispensable for the world's rocket programs.

The global market for launch vehicles is growing steadily. Private companies, bold start-ups and technological revolutionaries are driving the New Space movement, making space more accessible and exciting than ever.

Companies like SpaceX and United Launch Alliance (ULA) are planning extensive rate increases to meet the growing demand for rocket launches. By 2030, 25,000 satellites are expected to be launched into orbit, and many launch slots have already been reserved. Beyond Gravity Launchers specializes in the development and manufacture of composite structures and launch systems and is involved in almost all of these reserved launch slots and missions.

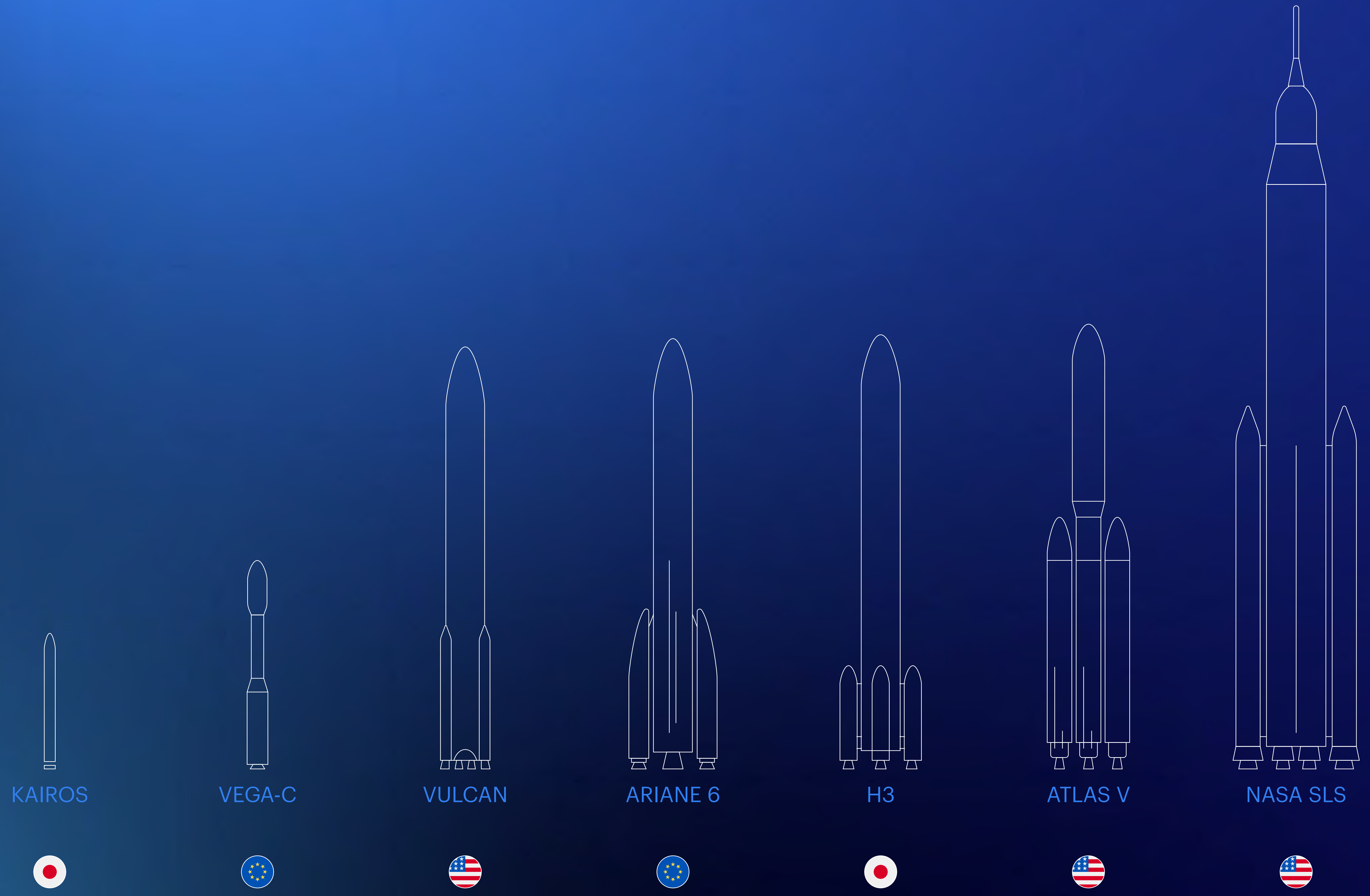
Trusted partner for the New Space era

Beyond Gravity's Launchers division is actively contributing to the major success stories of the international space industry. Our separation systems, payload fairings, interstage and payload adapters, and dispensers have been the global space industry's first choice for decades.

As a partner to the world's leading space companies, we supply payload fairings for the most important rocket programs, including ULA's Atlas and Vulcan rockets, ESA's and ArianeGroup's Ariane rocket family, and Avio's Vega rockets. We have further strengthened our global presence by successfully expanding into Asia. In close cooperation with Mitsubishi Heavy Industries and the Japanese space agency JAXA, we are realizing major projects with the H3 rocket, which flies with a payload fairing produced in Emmen, Switzerland.

Working with industry pioneers like Amazon and giants like NASA shows that the Launchers division is at the forefront with its innovative products. Through our role in the world's most important rocket programs, we are actively shaping the future of space travel.

Getting Missions into space with Beyond Gravity.



• Symbolic representation, size ratios do not correspond to reality.

Every Ariane rocket launched into space since its maiden flight in 1979 has been protected by one of our payload fairings. And many American and Japanese launch vehicles also rely on our many years of experience and world-class technology.

Final touches to our payload fairing

Key role in major milestones in 2024

The Launchers division was involved in significant milestones in space travel in 2024 and made a considerable contribution to the success of the missions with the development and production of payload structures and separation systems.

One of the highlights was the eagerly awaited first flight of ULA's Vulcan rocket, which set new standards for heavy-lift space transportation and carried three of our products on board. Likewise, our products were an integral part of the maiden flight of the European Ariane 6 launch vehicle, which is considered the flagship for future space projects.

Our payload fairing was also part of the successful Vega-C return-to-flight mission, which represented an important step in restoring confidence in the European space program. The last flight of the predecessor model of the Vega rocket was another special moment, with our payload fairings once again contributing to the mission.

A particularly memorable event was the launch of the Atlas V rocket in June 2024, which carried the manned Starliner mission to the International Space Station (ISS). Beyond Gravity supplied the interstage adapter for this flight, connecting the booster stage to the upper stage of the Atlas V rocket, and was thus part of a manned mission for the first time.

All of these successes highlight the important role of Beyond Gravity in the space industry's most significant launches worldwide.

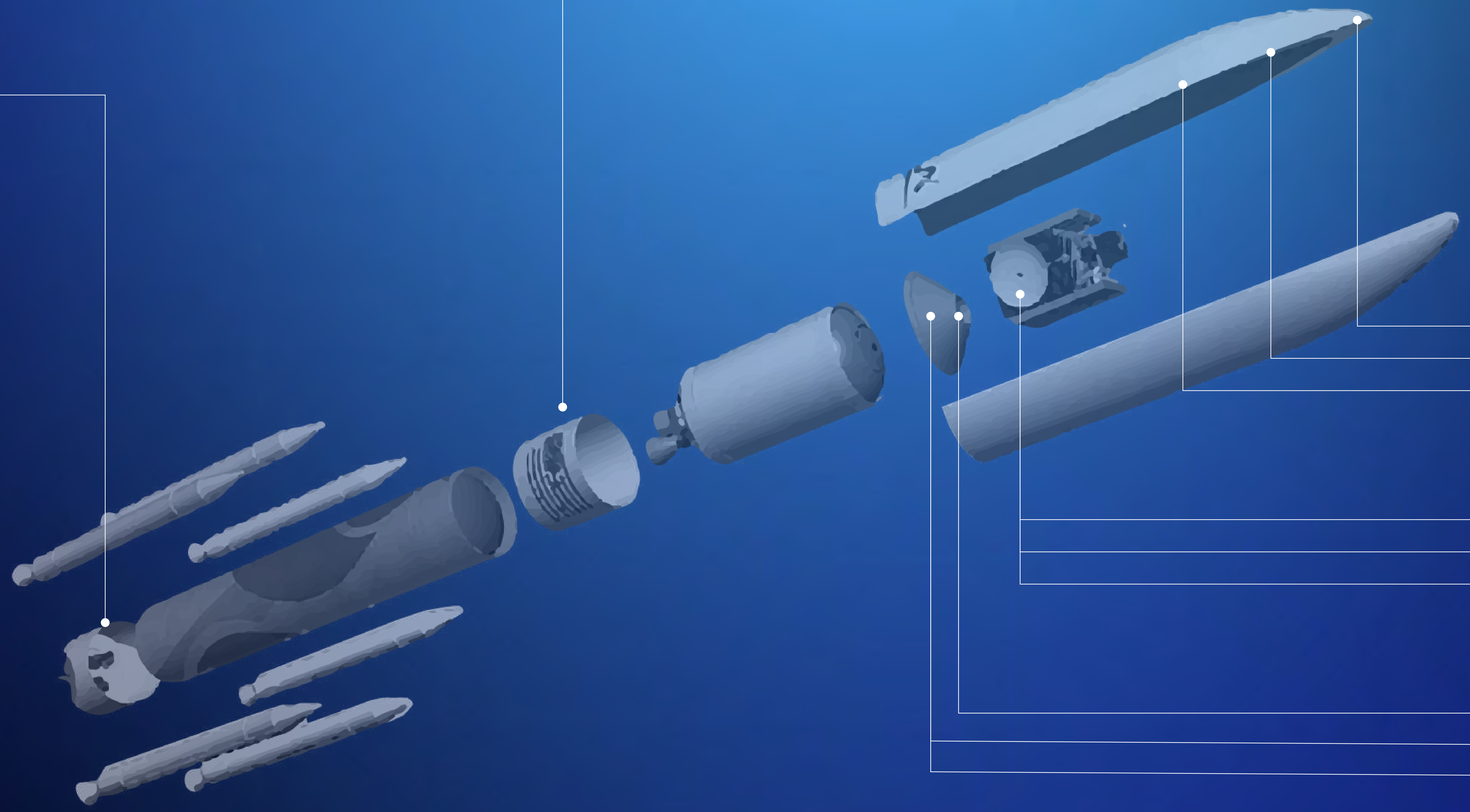
"Being part of the Starliner mission project team that contributed to its successful launch is not only a privilege, but a testament to our dedication, collaboration and vision. Together, we have turned dreams into reality and milestones into memories."

Pablo Kreis
Program & Senior Project Manager
Exploitation Beyond Gravity Launchers

Product Portfolio.

First Stage
- Interstage Adapter

Liquid Fuel Engine
- Heat Shield



Fairing
- Acoustic Insulation
- Payload Bay
- Nose Cone

Payload separation
- Separation Mechanism
- Payload Dispenser
- Electrical/Data Interface

Payload adapters
- Payload Attachment Fitting
- Separation Nuts
- Vibration Isolation

Beyond Gravity Capabilities Fairings · Interstage · Heat Shields · Adapters · Dispensers & Separation

The start of series production

Beyond Gravity is the world leader in the manufacture of satellite dispensers. The cylindrical carbon fiber structures produced in Sweden enable a wide range of small satellites to be attached and launched into space with pinpoint precision. Since 2024, we have been relying on intelligent and automated manufacturing processes to produce these dispensers and to meet the needs of our customer to an even higher degree. With the opening of the new production facility in Linköping, Sweden, in August 2024, we were able to more than double our production capacity for satellite dispensers.

We need this capacity in particular for Amazon's ambitious Kuiper satellite constellation project, for which two dispensers are produced and delivered per week. The first module left our factory in April 2024. The first flight of our dispensers is planned for 2025.

In addition to supplying the dispenser systems for the 3,236 satellites in the Kuiper constellation, Beyond Gravity was also awarded the contract to supply a total of 38 shipsets to ULA for its Vulcan launch vehicles, which will launch Amazon's Kuiper constellation into space. The shipsets consist of three composite structures – the payload fairing, heat shield and interstage adapter – which are manufactured at our site in Decatur, USA. To meet the increasing demand, we opened an additional production hall there in April 2024, after several years of construction, used exclusively for the production of the shipsets for the Vulcan rocket.

With the opening of our two new production facilities, we are getting ready for the future to meet the demands of the new space market.

Kuiper Project

The Kuiper project is an Amazon initiative that aims to provide fast and affordable broadband Internet to remote and under-served regions around the world. The ambitious technical implementation is based on a network of thousands of satellites in low-earth orbit that work seamlessly with a global system of ground antennas, fiber optic networks and Internet hubs.

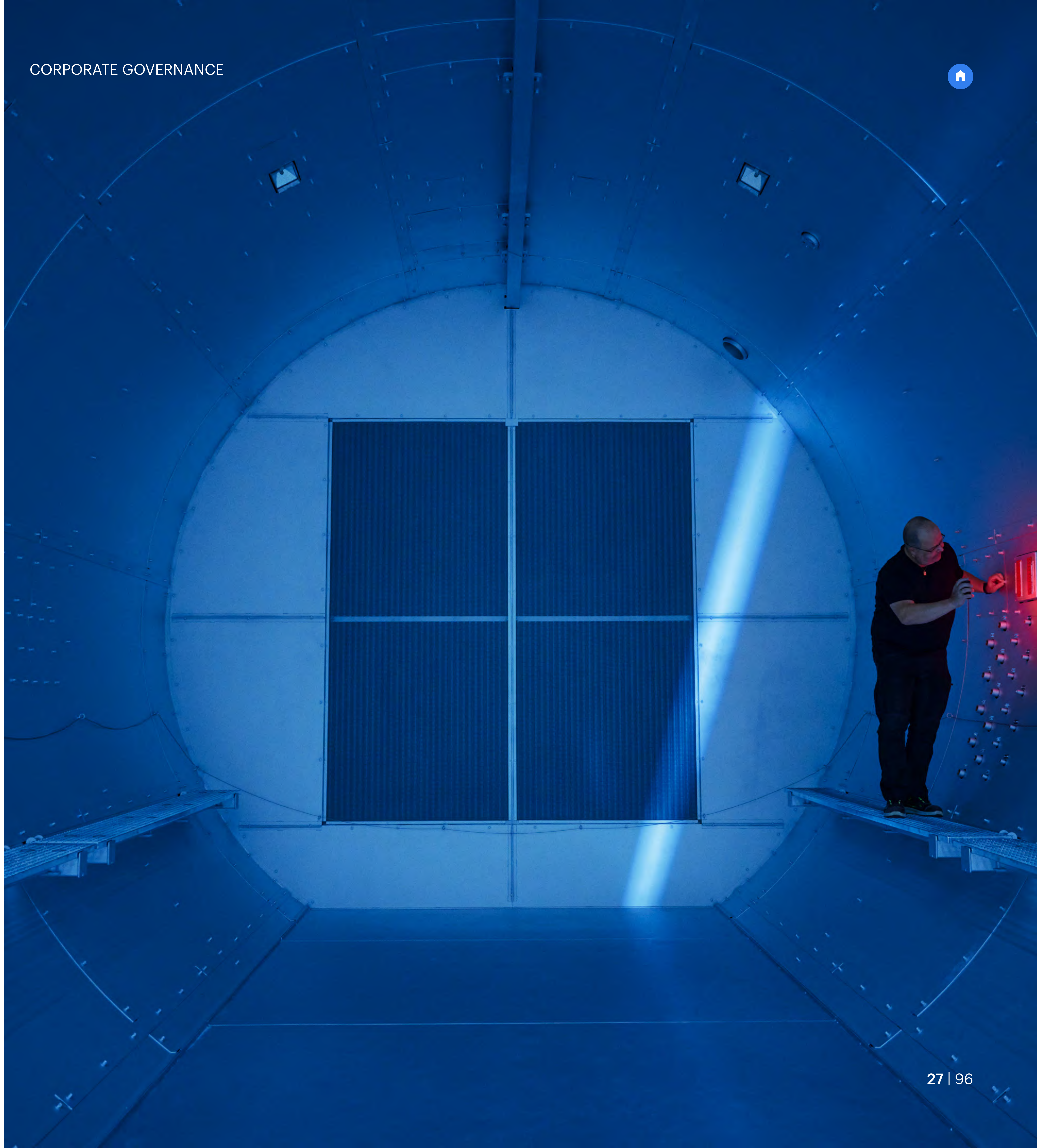
The road to the New Space era

With decades of experience in space travel, Beyond Gravity has proven that we have mastered the art of constantly reinventing ourselves in a dynamic market environment. We understand the specific needs of the industry's new, agile players as well as the requirements of traditional space companies. Young companies in the industry benefit from our customized products and our flexibility, which are specifically geared to the rapid innovation cycles and cost-efficient approaches of these new players. With innovative technologies such as lightweight payload fairings and modular structures, we deliver solutions that help New Space start-ups turn their visions into reality.

At the same time, Beyond Gravity remains an important partner for traditional space organizations. The Launchers division is proof that we can bridge the gap between classic precision and modern agility – an advantage that makes us indispensable as a partner in both worlds. With a clear vision and a commitment to providing the best solutions for each customer, Beyond Gravity has not only arrived in the New Space market, but is actively shaping it.

Paul Horstink
EVP Launchers

"I couldn't imagine a better time to be part of Beyond Gravity. We combine experience and innovation in a unique way and are a reliable partner, actively shaping the future of space travel. The space industry is undergoing a revolution, and we are right in the middle of it – it's the most exciting time to be in this business!"



Our satellite technologies move the world.

The space market, and in particular the market for satellites, is booming. The number of satellites launched into orbit each year is constantly increasing, making this sector one of the most dynamic and promising in the space industry.

In the midst of this exciting development, the Satellites division of Beyond Gravity is positioning itself as a reliable partner for commercial and institutional customers who demand the highest standards of precision, reliability, industrial capacities and innovation. With decades of experience in the development and manufacture of satellite components and systems, we now serve a wide range of applications, from Earth observation to telecommunications and scientific research.

Global network of world-class partners and customers

The Satellites division has positioned itself as a supplier to a broad market, delivering to various satellite manufacturers worldwide. This deliberate diversification is reflected in our impressive customer portfolio, which includes leading satellite manufacturers from all major space nations. From the dynamic markets of North America and the technologically advanced Europe to the emerging space powers in the Middle East and Asia, our expertise is in demand worldwide.

Our partners include the pioneers of commercial space travel in North America, such as MDA Space, Maxar and Northrop Grumman. In Europe, we work closely with industry leaders such as Airbus, OHB and Thales Alenia Space. We are particularly proud of the trust that the most important institutional space organizations place in us – above all ESA, NASA and the Japanese space agency JAXA.

Satellite constellations: Paving the way for the next generation

The large satellite fleets being driven forward by governments, institutions and private companies worldwide are significantly shaping the future of space travel – and Beyond Gravity is actively involved in this development. Leading space companies rely on our products, not only because of our technological expertise, but also because of our proven abilities in the industrialized and automated production of standardized products.

One example of this is the Eutelsat OneWeb constellation with over 600 internet satellites, which relies on a wide range of our products. Likewise, the future Canadian Telesat Lightspeed constellation with almost 200 satellites relies on products from the Satellites division: we will start delivering state-of-the-art constellation on-board computers (cOBC) via our customer MDA Space in 2025. These highly reliable yet very cost-effective computer units, which have been optimized for series production, combine satellite control and precise satellite positioning for navigation systems with our antennas.

Vibration test of our APPMAX mechanism in Vienna

Key technologies for pioneering space missions

The year 2024 marked a milestone in European space travel with the maiden flight of Ariane 6 in July. The Satellites division contributed significantly to the success of this new European launch vehicle: our advanced thermal insulation protects both the upper and lower stages, particularly in the critical area of the restartable Vinci engine. We also supplied a cardan mechanism that serves as a load-transferring joint to align the engine during thrust vector control of the rocket's upper stage. Weighing just ten kilograms, the special mechanism has to transfer an impressive 15 tonnes of thrust force.

The European Copernicus mission took another important step forward with the launch of the Sentinel-1C and Sentinel-2C environmental satellites in September and December 2024. While Sentinel-2C is controlled by our on-board computer and its position in space is precisely determined by our navigation receiver, Sentinel-1C has our multilayer thermal insulation to protect it from extreme space temperatures, in addition to the navigation receiver. In general, we equip the Sentinel satellites with various technologies depending on the specific mission – from satellite computers, remote interface units and high-precision mechanisms for solar wing alignment to control electronics and our slip rings.

Another highlight of the year was the launch of NASA's Europa Clipper Jupiter probe in October 2024. Beyond Gravity played a central role in preparing for the mission: our integration trolley developed in Vienna allowed NASA engineers to precisely rotate the space probe during the work and process it from all sides. A specially developed container from Beyond Gravity was used for the critical transport from the production site in California to the spaceport in Florida – a mobile clean room equipped with customized damping and air conditioning technology to optimally protect the sensitive space probe.

ESA's asteroid defense mission, HERA, was also launched in October 2024. This mission follows on from the historic success of NASA's DART mission, which demonstrated for the first time in 2022 that the course of an asteroid can be successfully deflected. Starting in 2026, HERA will investigate the impact location on the asteroid Dimorphos. For this mission, the Satellites division delivered the complete solar wings for a satellite which was, for the first time, developed and manufactured in Zurich. In addition, the satellite structure and important electronic components come from our company.

Our expertise in solar panel pointing mechanisms is in demand worldwide. As the only European supplier, we cover the entire spectrum – from microsatellites to the largest telecommunications and Earth observation satellites. In 2024, our Zurich site delivered more than 60 of these high-precision mechanisms, which are used, among other things, in the HERA mission and the Copernicus Sentinel satellites. A key component of these mechanisms is the slip rings from our plant in Nyon. As Europe's leading supplier of slip rings for institutional and commercial space applications, we have been supplying more than 30 customers in the field of air, sea and land defense for years.

Another highlight of our year was NASA's Lunar Gateway project – the first planned space station in lunar orbit. In Vienna, we developed the world's largest control mechanism for electric satellite engines, which will be used in the space station's propulsion module. Together with our technology partner TTTech in Vienna, we are also supplying the ‘central nervous system’ of the space station, namely the network electronics for highly reliable high-speed data communication

Doubling of production space

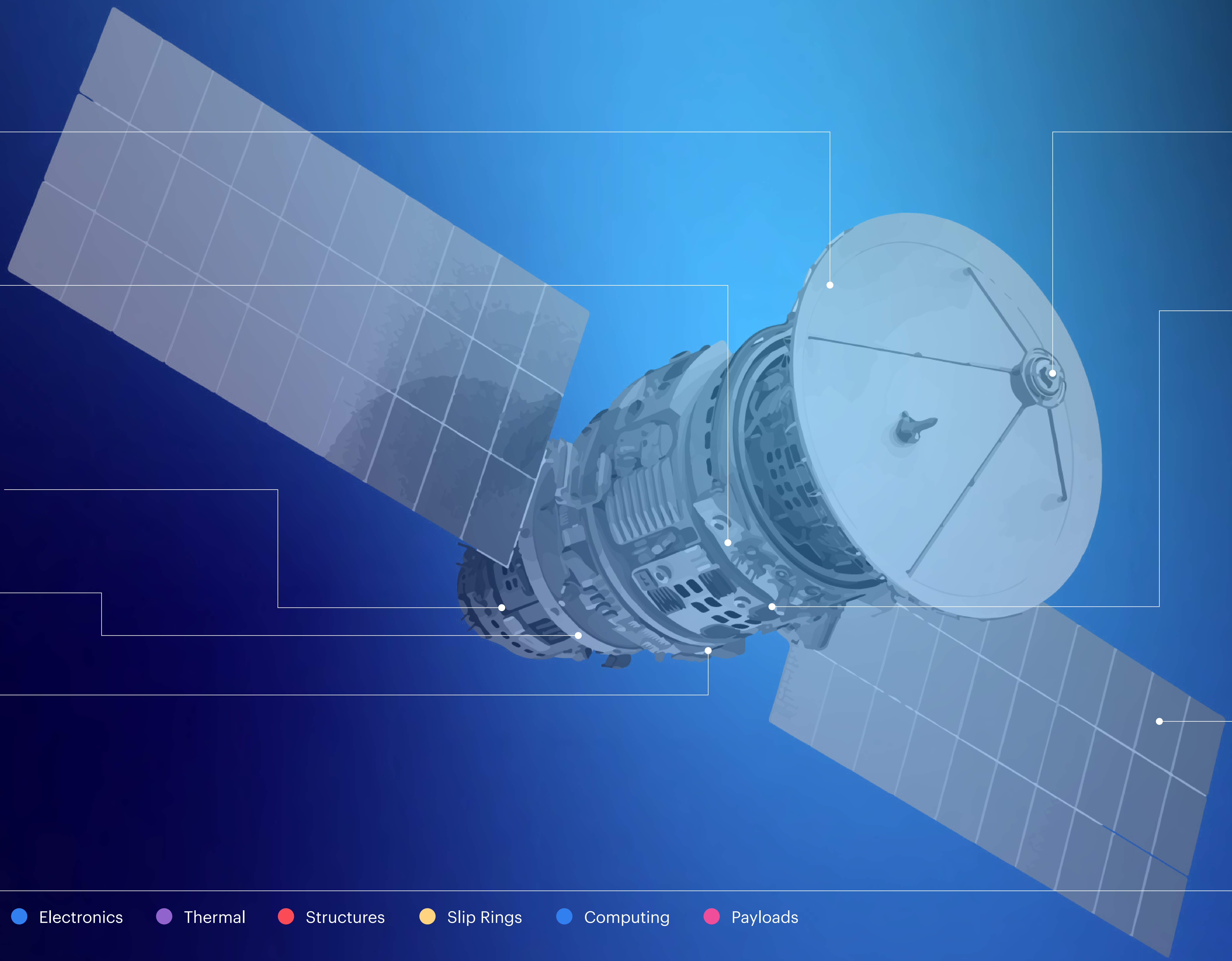
A significant step towards the future was taken in April 2024 with the expansion of our production capacity in Vienna. The doubling of our cleanroom space marks a strategic milestone in the manufacturing of our high-precision control mechanisms for electric satellite engines. This expansion will enable an increase in production capacity from one to two units per year to ten units per year in the future – a direct response to the strong market demand reflected in over 100 orders for our APPMAX mechanisms (Advanced Electric Propulsion Pointing Mechanisms).

The APPMAX family perfectly embodies our philosophy of offering cost-effective and scalable solutions for a wide range of requirements. From compact mechanisms the size of a shoebox to large imposing systems, our portfolio covers the entire range of modern satellite technology. This versatility makes us the preferred partner for a wide range of satellite platforms and applications.

Lina Drotz
Project Manager

"2024 has been a remarkable year for us. Thanks to the hard work, collaboration and dedication of our team we delivered more than 20 constellation on-board computers in record time to our delighted customers."

Product Portfolio.



Communications
- Antenna
- Low Noise Amplifier
- Pointing Mechanism

Computing
- Command & Data Handling
- Remote Terminal Unit
- Onboard Processing

Chemical / electric Propulsion & Attitude Control
- Thruster Pointing

Positioning sensors
- Spaceborne GNSS Receiver

Satellite bus
- Panel / Cylinder / Cone Structures
- Struts
- Dispenser Interface

Payloads
- Telecom
- Radio Occulation
- Positioning, Navigation & Timinge
- Pointing Mechanisms

Thermal Control
- Multi-Layer Insulation

Power
- Solar Array Mechanisms
- Power Control & Distribution Unit

Multi-purpose components
- Drive Electronics
- Slip Rings

Beyond Gravity Capabilities Mechanism Electronics Thermal Structures Slip Rings Computing Payloads

Pioneering the next generation of space travel

With our involvement in these pioneering missions and forward-looking projects in 2024, the Satellites division is impressively demonstrating that our innovative products are indispensable components of many space projects worldwide.

Strategic investments in our production capacities, the continuous development of our product families and the successful qualification of new technologies create the basis for further growth. With our unique combination of technological expertise, global footprint and industrialized manufacturing, we are ideally positioned to actively shape the future of space travel. As an indispensable partner for commercial and institutional customers, we will continue to set standards in quality, innovation and efficiency in the future – and thus make a significant contribution to the sustainable development of the global space industry.

Our solar wing for ESA's HERA mission

Entry into the data business with space situational awareness

With the introduction of a new Space Situational Awareness (SSA) solution in 2024, the Satellites division expanded its portfolio of expertise with data services in space. This new service is based on more than six years of systematic data collection and offers unique precision and insights into the movements of more than 10,000 active satellites.

The concrete added value for institutional and commercial customers: in a matter of seconds, they receive precise information about which satellites are located where in orbit and what their technical footprint is. This type of overview of the dense network of satellites in low-earth orbits enables a new dimension of space-based situational awareness.

≥ 10'000

Active Satellites in Space

Space know-how for terrestrial applications.

Something that has to work perfectly in space at minus 270 degrees Celsius and under extreme radiation will also be successful on Earth.

The development and commercialization of space technologies is much more than a scientific or economic endeavor – it is a catalyst for innovations that sustainably improve our everyday lives and help solve societal challenges. What was originally developed for the extreme conditions of space is now finding its way into earthly applications in a variety of ways.

From space to Earth: technology transfer with added value

A remarkable example of such a successful technology transfer has been demonstrated by the Lithography division of Beyond Gravity in the semiconductor industry over the last few years. The division's work in developing modern components for chip manufacturing has not only shaped our technical capabilities, but has also brought our company to the forefront of technological excellence and unwavering quality commitment, beyond the field of space travel.

Building on our decades of expertise in developing mechanisms for aligning space engines and antennas, which have to function reliably and precisely even under the extreme conditions of space, Beyond Gravity has further developed complex mechatronic systems specifically for the world's most advanced chip manufacturing machines.

"The groundbreaking work of our team is remarkable and exemplary throughout Europe for the application of cutting-edge space technology in terrestrial and commercially successful product lines beyond space."

Dr. Oliver Kunz
EVP Lithography


Our lithography clean room in Zurich-Seebach

The Lithography division develops and produces high-precision mechatronic components for modern semiconductor manufacturing. The product portfolio includes specialized apertures, actuators, and innovative measurement and inspection systems that enable nanometer-precise manufacturing processes at the limits of what is physically possible. These specialized mechanisms for controlling optical systems, which have their origins in space technology, are key components for the production of the latest generation of microchips and are therefore essential for numerous applications in our high-tech world – from smartphones to high-performance computers and artificial intelligence.

Successful commercialization of investments in space

This development is an impressive demonstration of how investments in space technology generate value beyond the original space applications. Beyond Gravity has succeeded in transferring this expertise into commercial series products for the semiconductor industry. This successful technology transfer was also supported by the fact that the requirements of the semiconductor industry are similar to or even exceed those of space travel in many aspects: highest precision at the nanometer scale, uncompromising quality and reliability, and operation under demanding environmental conditions such as vacuum and extreme temperature fluctuations. Decades of experience with these stringent requirements in the aerospace industry provided the perfect foundation for entering the semiconductor industry.

Space technology as a terrestrial driver of innovation

Beyond Gravity is one of the few European companies to have set a prime example of how cutting-edge space technology can be applied in commercially successful product lines for a key industry of our time. Such a spin-off of space technologies not only accelerates technological development in terrestrial industries, but also creates new markets and jobs. This underlines the important role of the space industry as a driver of innovation for sustainable economic and social development.

Talents for the future in space.

Our success in space travel depends not only on groundbreaking technologies and innovative solutions, but above all on the people who make them possible.

We are not only space-, technology- and customer-driven, but are also focused on our employees: they are at the center of everything we do. Attracting, supporting and retaining talent is essential to take advantage of the many opportunities in the booming space industry. Together, we are shaping the future – on Earth and in space.

In 2024, our People & Culture team carried out significant initiatives to further strengthen our corporate culture and position Beyond Gravity as an attractive employer. With a clear focus on diversity, development and performance, we have reached important milestones, including the strengthening of the Employee Resource Groups, a new employer brand and the further development of our performance management. These measures are part of our long-term strategy to create an inspiring and inclusive work environment in which all employees can realize their full potential.

Strong together: Diversity and inclusion at Beyond Gravity

At Beyond Gravity, our employees are our top priority. Our corporate value "Together" reflects our conviction that we can achieve great things by working together and respecting each other. Diversity, equity, inclusion and belonging (DEIB) are firmly anchored in our corporate culture – because innovation and progress can only flourish in an environment in which every voice is heard and valued.

Lisa Eggler
VP Total Rewards

"At Beyond Gravity, we value fairness and equality in all aspects of our business operations. We believe that cultivating a culture of equality and inclusion is essential for attracting new talent and creating a positive work environment. This, in turn, fosters sustainable growth and success."

Quality control of our computers in Gothenburg

Non-discrimination survey

In the summer of 2024, we conducted a non-discrimination survey to better understand our employees' perceptions and experiences of discrimination. The results have given us important insights and highlighted where we need to take action as an organization.

With concrete measures – from improved reporting systems to regular DEIB training and stronger support for those concerned – we want to make our work environment even more inclusive. Our goal is to create a corporate culture that enables all employees to fully realize their potential, regardless of gender, age, origin or other characteristics.

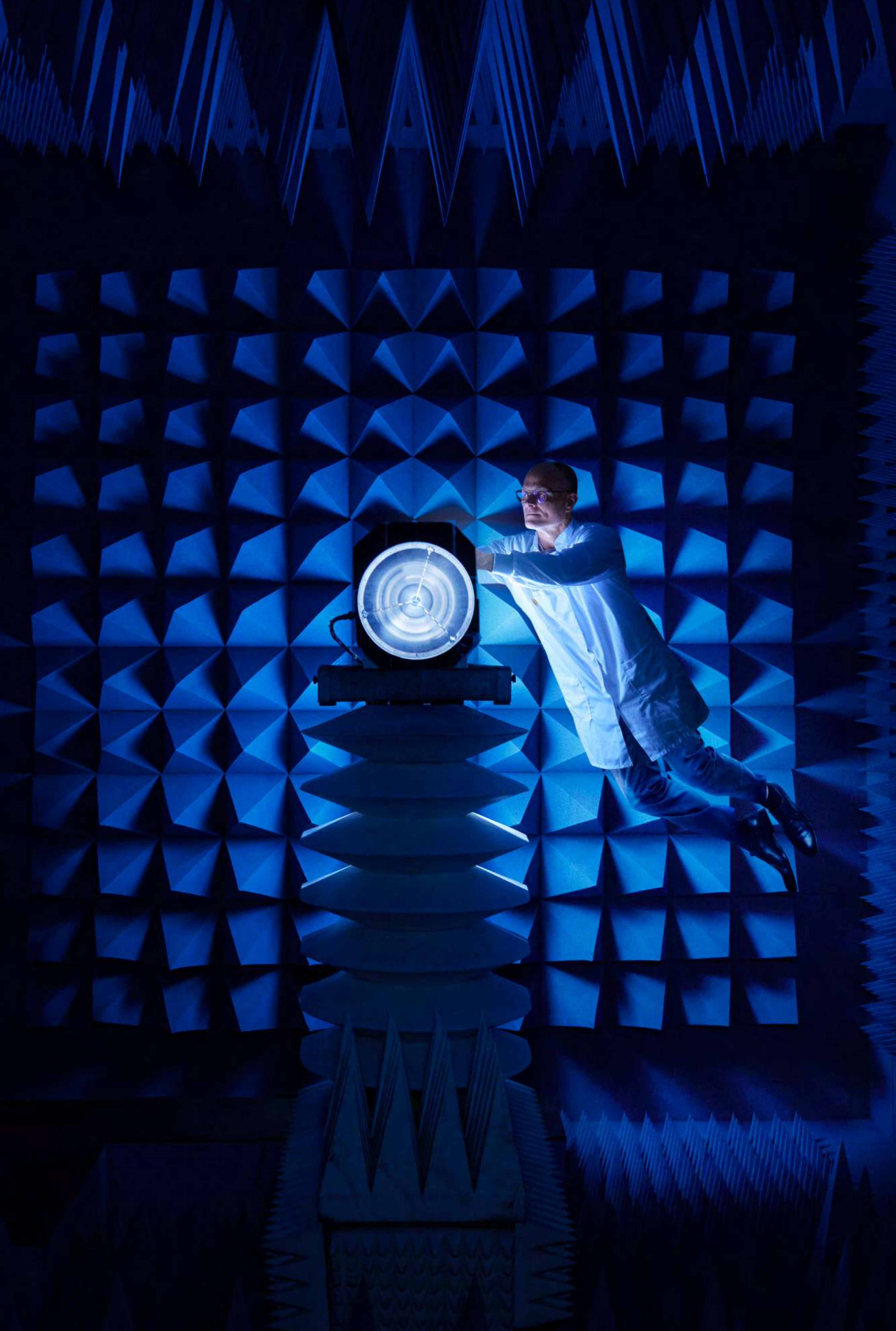
By building on these findings, we are not only contributing to better collaboration, but also shaping a future in which Beyond Gravity continues to be a place where everyone feels welcome and can grow together.

Beyond Colors & Genders

As part of our commitment to social responsibility and in line with our environmental, social and governance (ESG) goals, we launched several Employee Ressource Groups in 2024 to promote DEIB within our organization. These include, among others:

- Beyond Colors: the goal is to create a supportive and inclusive environment for LGBTQI+ employees in which they feel valued and respected.
- Beyond Genders: focuses on promoting gender equality and empowering women
- in all roles and at all levels of the organization.

The visibility and effectiveness of our DEIB initiatives are crucial for fostering an inclusive workplace culture. By making these initiatives highly visible and actively engaging our employees, we ensure that everyone is aware of our commitment to diversity and inclusion. This visibility not only helps create a supportive environment, but also sets a benchmark for other organizations to follow.



Challenge the Impossible

In 2024, Beyond Gravity reached another milestone: the development and introduction of our new employer brand. At the heart of this brand is our claim to "Challenge the Impossible". This embodies what we stand for – the daily pursuit of making the impossible possible and our contribution to improving life on earth.

Inspiration for the design of the brand was provided by an employee survey conducted in the summer of 2023, in which a wealth of feedback made clear what connects us: the motivation to achieve great things together and to be part of an exciting journey in an ever-changing industry. The new brand reflects our ambitions and strengthens our shared goal of pushing boundaries and actively shaping the future.

The accompanying campaign encapsulates this vision: floating employees symbolize our extraordinary talents, who not only stand out, but also defy gravity and convention. What we do really is rocket science! A good example of this is our contribution to the transmission of the first images from the James Webb telescope – a moment that would not have been possible without Beyond Gravity and our antenna technology, which sends the images back to Earth.

But our brand goes beyond images and claims. It creates identification and offers tools for a modern, motivating work environment.

Laura-Katrin Seitz
Chief People Officer

"Our new employer brand is more than just a slogan – it embodies our daily quest to push boundaries and make the seemingly impossible possible. It not only inspires new talent, but also strengthens our identification with Beyond Gravity."

Mission: Sustainability.

Whether it's about climate change mitigation, the removal of space debris, sustainable propulsion systems, or concepts for reusable launch vehicles, Environmental, Social and Governance principles (ESG) have become increasingly important across the entire space industry.

In recognition of this, Beyond Gravity has embraced the principles of ESG as a driving force for innovation, transformation, and the exploration of new business opportunities.

The role of the space industry in sustainability

The contribution of space-based technologies and space-derived information to monitoring, forecasting and mitigating environmental change plays an important role in sustainability and the fight against climate change. Satellite monitoring systems provide unprecedented insight into climate patterns, deforestation, ocean health and atmospheric changes. Advanced Earth observation satellites help measure critical indicators such as sea level rise, ice sheet dynamics, greenhouse gas emissions, and temperature variations, generating essential data to inform climate research and mitigation efforts. Moreover, space-based technologies support renewable energy deployment, agricultural optimization, disaster response, and resource management, demonstrating how the space industry is actively engaged in developing innovative solutions to our planet's most pressing environmental challenges.

However, the space industry itself faces significant sustainability challenges. Rocket launches generate substantial carbon emissions. Space debris has become a critical environmental concern. And the manufacturing of space technologies involves high energy consumption and complex supply chains that have a significant environmental footprint.

Driven by the vision to advance progress and contribute to the well-being of humanity, we embrace our responsibility and implement more sustainable business practices and design principles that prioritize reusability, reduced material waste, and lower-emission manufacturing processes. This commitment reflects our conviction that sustainability is not only a moral imperative, but also an opportunity for growth and innovation.

Our decarbonization roadmap

One of Beyond Gravity's most important initiatives is our decarbonization roadmap, which outlines our strategy to reduce the emissions from our own operations by 2026. This roadmap represents a systematic approach to reducing the environmental footprint of our activities while promoting sustainable practices throughout our value chain.

Navigating our way to a more sustainable future

By leveraging our market position and collaborating with like-minded partners and customers, Beyond Gravity aims to inspire industry-wide change. The roadmap reflects our commitment to measurable outcomes and our dedication to supporting the space industry in its journey towards a more sustainable future.

Decarbonizing electricity.

Switching to renewable energy sources, either through on-site generation or the procurement of green energy.

Green heating solutions.

Replacing fossil fuel energy sources, such as gas heating, with renewable energy equivalents, such as heat pumps.

Maximizing energy efficiency.

Optimizing building infrastructure, systems and equipment to foster energy conservation.

Neutralizing residual emissions.

Supporting projects that mitigate GHG emissions or remove carbon from the atmosphere.

Find out more here

Our first ESG report: A milestone in transparency

Beyond Gravity's first ESG report, published in summer 2024, provides a detailed overview of the company's 2023 sustainability initiatives. The report underscores our dedication to transparency and accountability while serving as a foundation for future progress. It reflects our belief in systematic sustainability management as an important way forward – for humanity and the planet.

Find out more here

Our key ESG achievements in 2023

01. Advancing human rights compliance
We took significant steps to address human rights risks across our supply chain. Hundreds of suppliers were assessed for potential violations, and a new supplier monitoring system was introduced. This tool enables us to gather and evaluate detailed ESG-related data from our suppliers, ensuring compliance and accountability.
02. Improving energy efficiency
A thorough assessment of energy efficiency was conducted across all our locations. These evaluations identified areas for improvement, providing a clear foundation for future energy-saving initiatives.
03. Strengths and opportunities
The company's performance in areas such as health and safety, compliance, risk management, and cybersecurity is strong. However, we identified the need to intensify our efforts related to environmental sustainability and diversity to ensure balanced progress across all ESG dimensions.

Looking Ahead

Sustainability is not just a corporate responsibility; it is a key driver of our success. In addressing global challenges, fostering innovation, and building partnerships, we are positioning ourselves at the forefront of the sustainable transformation of the space industry.

Integrating ESG into our core strategy enables us to innovate, develop new products and services, and create opportunities for growth in a rapidly evolving industry.

With a clear vision, measurable goals, and a commitment to continuous improvement, we are advancing space exploration while preserving our planet for future generations.

Our contributions to environmental understanding

Some of our ongoing projects exemplify Beyond Gravity's dedication to advancing environmental sustainability and understanding. Highlights include:

Climate monitoring satellites: Beyond Gravity is actively involved in NASA's **PACE climate satellite** and the **Copernicus Earth Observation Program**, both of which provide critical data for climate monitoring and analysis.

Weather forecasting initiatives: Contributions to the **Arctic Weather Satellite** and the **MetOp program** enhance global weather forecasting capabilities, supporting better decision-making in climate-sensitive sectors.

Asteroid deflection and space debris management: Beyond Gravity plays a pivotal role in ESA's **HERA mission**, which is designed to protect Earth from potential asteroid collisions. Additionally, Beyond Gravity is at the forefront of space debris removal efforts through its involvement **in Astroscale's ELSA-m** mission.

Earth observation and Biomass research: Beyond Gravity's contributions to ESA's **EarthCARE** and Biomass missions support critical research into climate dynamics and the state of our forests.

"Sustainability does not stop at the Earth's surface. As a space company, we are committed to creating innovations that protect both our planet and outer space – for current and future generations."

David Hierzer
Director ESG

Ready for Space 4.0: our business & digital transformation.

Beyond Gravity looks back on decades of success in the space industry. But the sector is undergoing a fundamental transformation: the increasingly commercialized market demands shorter delivery times, higher production volumes and lower costs. To meet these demands, we launched the "EZYone" transformation program in 2023.

This is how we are positioning ourselves for the future and striving for operational excellence. In a dynamic and highly competitive industry, we are consistently adopting a digital approach to ensure sustainable success.

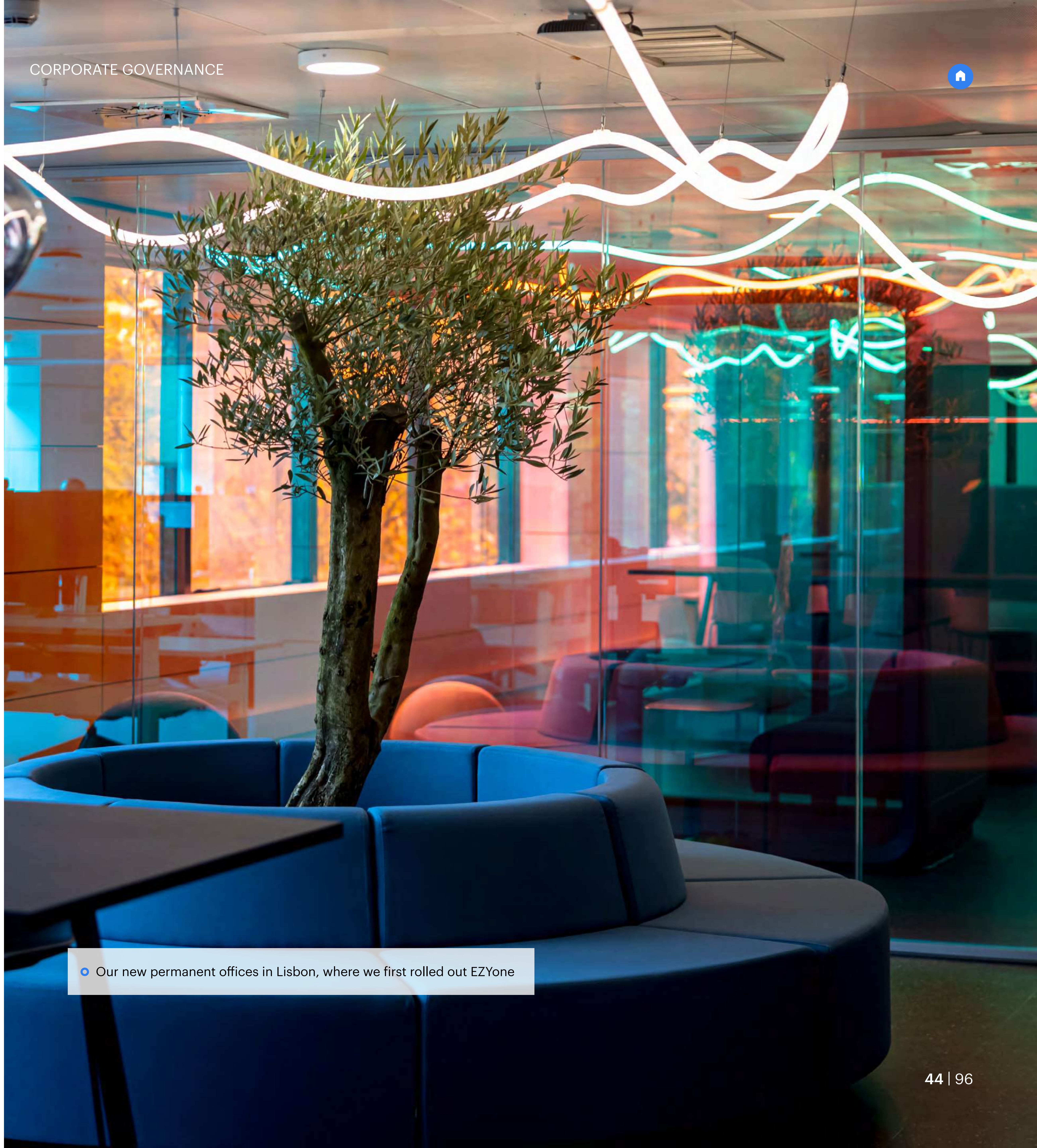
Our digital evolution: challenges and opportunities

Having grown historically from a variety of locations and organizations, Beyond Gravity brings in-depth expertise in various fields. But this diversity has also been reflected in our digital landscape and processes: a complex mix of outdated systems hinders efficiency and transparency.

A fragmented IT infrastructure brings challenges such as a lack of data reliability, limited customer transparency and complicated data exchange procedures. With “EZYone”, we want to overcome these hurdles and create a modern and unified digital core that allows seamless connections between locations, business units, and functions. To do this, we are introducing standardized systems at all our locations, enabling integrated global collaboration.

Erika Hult
Director Electronics
Engineering

"Creating a unified system landscape across Beyond Gravity is key to reducing costs and fostering seamless global collaboration. However, achieving this vision requires long-term commitment – the Go Live is just the beginning of an ongoing journey of continuous improvement."



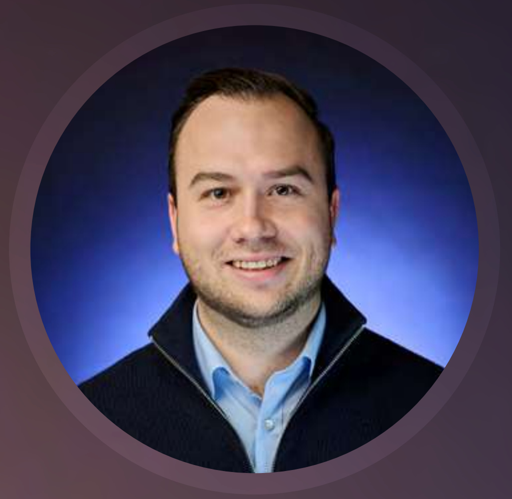
Our new permanent offices in Lisbon, where we first rolled out EZYone

EZYone – Transforming Beyond Gravity's business processes and digital infrastructure

The name of the program speaks for itself: the goal is to make things “easier”. Beyond Gravity has grown together from different companies and locations. Until now they have been working with different processes and IT systems that are not connected to each other. Such a system diversity within a company is an obstacle to effective and efficient collaboration on a global level. Beyond Gravity has therefore initiated the “EZYone” program to consolidate all of the company's important business processes and IT systems and create a common digital core.

Digitalization as the key to AI

With the “EZYone” transformation program, Beyond Gravity is laying the foundation for the use of modern technologies such as artificial intelligence. Digitalization enables applications that optimize processes, increase transparency, and support data-driven decisions.



Lukas Gnilka
Project Manager
Digitalization & Innovation

"We launched the 'AI Talk Series' in 2024 to introduce our employees to AI-supported systems such as Copilot, ChatGPT, and others. The overwhelming interest confirms the potential that AI offers for making our daily work more efficient. We look forward to using AI not only in administrative processes, but also increasingly in development and production in the future."

Processes and systems for global efficiency

In 2024, we reached a significant milestone with the implementation of our new Enterprise Resource Planning (ERP) system in Portugal. This is the first operational deployment of our advanced platform, which centralizes and streamlines core business processes such as finance, supply chains, and procurement. The system's automation capabilities, including real-time analytics and data processing, reduce manual effort and improve accuracy in workflows such as invoice management.

The implementation in Portugal serves as the first step towards broader global implementation. In early 2025, the system was introduced in our “Corporate Services”, after which it will be implemented at our two sites in Sweden before being rolled out in other countries.

Alongside the implementation of the ERP system, Beyond Gravity is also realizing its initiatives for the Manufacturing Execution System (MES) and the Product Lifecycle Management (PLM). While MES makes production processes more efficient by digitalizing and optimizing manufacturing, PLM ensures seamless management of a product's entire lifecycle – from the initial idea to development and phase-out. These measures strengthen operational excellence while promoting innovation across the entire company.

Digital excellence for tomorrow's space travel

We are pursuing the vision of establishing ourselves as a leading “digital first” company. By integrating technologies such as artificial intelligence, generative design, intelligent automation, and other innovations, we want to lay the foundation for the new era in the space industry. And with a modern digital infrastructure, Beyond Gravity will not only become more efficient, but also more agile – ready to consistently seize the opportunities of the space revolution.

3.0

Financial Statements.

Overview of key figures

(in CHF m)

	2024	2023
Order intake	**622.7**	651.1
Order backlog	**862.0**	770.2
Net sales	**494.9**	620.0
Operating income	**437.0**	631.6
Cost of materials and purchased service	**(169.4)**	(244.3)
Personnel expenses	**(244.6)**	(303.6)
Other operating income	**122.9**	77.3
Other operating expenses	**(108.7)**	(129.4)
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	**37.1**	31.6
EBITDA in % of net sales	**7.5%**	5.1%
Earnings before interest and taxes (EBIT)	**19.9**	28.1
EBIT in % of net sales	**4.0%**	4.5%
Net profit (loss)	**(1.6)**	0.5
Net profit (loss) in % of net sales	**(0.3%)**	0.1%
Cash flow from operating activities	**26.7**	(23.7)
Cash flow from investing activities	**87.6**	112.2
Free cash flow	**114.3**	88.5
Cash flow from financing activities	**(151.4)**	(198.9)
Equity attributable to the RUAG International shareholder	**342.7**	490.8
Equity in % of total assets	**37.9%**	53.0%
Return on equity [1]	**(0.4%)**	0.1%
Depreciation, amortisation and impairment	**17.2**	3.4
Research and development expenses [2]	**12.7**	10.9
in % of net sales	**2.6%**	1.8%

	2024	2023
Net sales per employee (in CHF thousands)	**245**	206
Added value per employee (in CHF thousands)	**113**	118
Employees (FTE) as at 31 December incl. apprentices	**1 813**	1 989
Number of employees (average FTE for year, incl. apprentices)	**2 018**	3 012
Number of registered shares (nominal CHF 100)	**2 179 000**	2 179 000
Earnings (loss) per registered share	**(0.73)**	0.24
Paid dividend per registered share [3]	**—**	68.84
Distribution ratio	**—**	28 702.3%
Book value per registered share in CHF	**157**	225

[1] Net profit (loss) as a percentage of average equity.

[2] Includes the self-financed research and development expenses that were incurred during the year under review at the company's own risk and recognized as expenses.

[3] The Board of Directors proposes no dividend for the year 2024.

Five-year overview[1]

(in CHF m)

	2024	2023	2022	2021	2020
Order intake	**622.7**	651.1	1043.2	1424.3	1214.2
Order backlog	**862.0**	770.2	1013.1	1190.8	1168.5
Net sales	**494.9**	620.0	944.7	1239.9	1181.3
Earnings before interest and taxes (EBIT)	**19.9**	28.1	177.9	70.2	(223.8)
EBIT in % of net sales	**4.0%**	4.5%	18.8%	5.7%	(18.9%)
Net profit (loss)	**(1.6)**	0.5	154.3	58.3	(218.7)
Net profit (loss) in % of net sales	**(0.3%)**	0.1%	16.3%	4.7%	(18.5%)
Cash flow from operating activities	**26.7**	(23.7)	(64.1)	84.8	18.8
Cash flow from investing activities	**87.6**	112.2	535.7	(76.6)	(74.1)
Free cash flow	**114.3**	88.5	471.6	8.2	(55.3)
Cash flow from financing activities	**(151.4)**	(198.9)	(2.9)	(59.7)	(23.8)
Equity attributable to the RUAG International shareholder	**342.7**	490.8	686.4	502.5	462.7
Equity in % of total assets	**37.9%**	53.0%	62.1%	44.9%	36.9%
Return on equity[2]	**(0.4%)**	0.1%	26.0%	12.1%	(38.4%)
Research and development expenses[3]	**12.7**	10.9	18.1	27.6	26.9
in % of net sales	**2.6%**	1.8%	1.9%	2.2%	2.3%
Employees (FTE) as at 31 December incl. apprentices	**1 813**	1989	2963	6145	6299
Number of employees (average FTE for year, incl. apprentices)	**2 018**	3012	4801	6206	6476

[1] On 8 June 2022, BGRB Holding Ltd distributed its stake in RUAG MRO Holding Ltd to the Swiss Confederation. RUAG International Holding Ltd was then merged into BGRB Holding Ltd on 8 June 2022, after distribution of the dividend in kind, with retroactive effect from 1 January 2022. The merged company was renamed RUAG International Holding Ltd at the same time. The content of the consolidated financial statements presented in the comparative periods 2020–2022 corresponds to that of the previous RUAG International Group, although BGRB Holding Ltd is the legal surviving company.

As at the end of April 2020, the business activities of RUAG MRO Switzerland were transferred to RUAG MRO Holding Ltd under the umbrella of BGRB Holding Ltd with retroactive effect from 1 January 2020 as a result of the RUAG split (unbundling). The MRO Switzerland business segment formed a separate sister group as of 1 January 2020 and has since no longer been included in the consolidated financial statements of RUAG International Holding Ltd. The comparative period 2020 has not been restated.

[2] Net profit as a percentage of average equity. For the calculation in 2020, the unbundling effect on equity as at 31 December 2019 was taken into account.

[3] Includes the self-financed research and development expenses that were incurred during the year under review at the company's own risk and recognized as expenses.

Consolidated financial statements of RUAG International

Consolidated income statement, 1 January to 31 December

(in CHF m)

	Note	2024	2023
Net sales	6	**494.9**	620.0
Own work capitalised		**1.8**	2.9
Changes in inventories and work in progress		**(59.6)**	8.8
Operating income		**437.0**	631.6
Cost of materials and purchased services		**(169.4)**	(244.3)
Personnel expenses	7	**(244.6)**	(303.6)
Other operating income	8	**122.9**	77.3
Other operating expenses	8	**(108.7)**	(129.4)
Earnings before interest, taxes, depreciation and amortisation (EBITDA)		**37.1**	31.6
Depreciation and impairment of property, plant and equipment	17	**(15.5)**	(3.2)
Amortisation and impairment of intangible assets	18	**(1.7)**	(0.2)
Earnings before interest and taxes (EBIT)		**19.9**	28.1
Financial income	10	**5.3**	9.2
Financial expenses	10	**(6.8)**	(8.3)
Earnings before tax		**18.5**	29.0
Income taxes	11	**(20.1)**	(28.5)
Net profit (loss)		**(1.6)**	0.5

The notes to the consolidated financial statements on pages 52 to 77 form an integral part of the consolidated financial statements.

Consolidated balance sheet as at 31 December

(in CHF m)

Active	Note	2024	2023
Cash and cash equivalents	12	**420.6**	457.0
Current financial assets	13	**0.2**	6.0
Trade receivables	14	**99.1**	54.1
Prepayments to suppliers	14	**5.3**	5.0
Other current receivables	14	**13.7**	8.4
Tax assets		**25.1**	2.4
Prepaid expenses and accrued income		**23.4**	7.7
Inventories and work in progress	15, 16	**193.1**	260.6
Current assets		**780.4**	801.3
Property, plant and equipment	17	**103.0**	111.0
Intangible assets	18	**18.8**	12.4
Non-current financial assets	13	**0.2**	0.4
Deferred tax assets	11	**2.8**	0.5
Non-current assets		**124.7**	124.3
Total assets		**905.0**	925.6

Passive	Note	2024	2023
Current financial liabilities	19	**1.4**	0.2
Trade accounts payable from deliveries and services	20	**25.8**	27.2
Prepayments from customers	20	**260.6**	193.5
Other current liabilities	21	**15.4**	11.9
Tax liabilities		**53.1**	11.3
Deferred income and accrued expenses	23	**107.8**	103.8
Current provisions	24	**17.8**	20.3
Current liabilities		**481.9**	368.2
Non-current financial liabilities	19	**0.4**	0.1
Other non-current financial liabilities	22	**0.2**	0.2
Employee benefit obligations	25	**22.9**	23.3
Non-current provisions	24	**52.5**	35.0
Deferred tax liabilities	11	**4.5**	8.0
Non-current liabilities		**80.4**	66.6
Share capital	26	**217.9**	217.9
Capital reserves		**228.0**	378.0
Retained earnings		**7.3**	8.9
Offsetting of goodwill		**(62.8)**	(62.8)
Other reserves		**(6.9)**	(6.4)
Foreign currency translation adjustments		**(40.9)**	(44.8)
Total equity		**342.7**	490.8
Total liabilities and equity		**905.0**	925.6

The notes to the consolidated financial statements on pages 52 to 77 form an integral part of the consolidated financial statements.

Consolidated statement of cash flows, 1 January to 31 December

(in CHF m)

	Note	2024	2023
Net profit (loss)		(1.6)	0.5
Depreciation, amortisation and impairment	17, 18	17.2	3.4
Change in non-current provisions and deferred taxes		14.1	9.1
Use of non-current provisions		(2.9)	(4.6)
Other non-cash changes [1]		11.6	2.0
Change in net working capital		89.5	34.4
Gain on disposal of non-current assets incl. investments		(102.7)	(67.6)
Financial income	10	(5.3)	(9.3)
Financial expenses	10	6.8	8.3
Cash flow from operating activities [2]		26.7	(23.7)
Capital expenditures for movable plant and equipment	17	(21.1)	(23.5)
Capital expenditures for immovable property, plant and equipment	17	(15.4)	(24.2)
Capital expenditures for intangible assets	18	(8.6)	(7.6)
Disposal of plant and equipment		113.6	0.2
Disposals of property, plant and equipment		18.0	102.7
Disposal of intangible assets		1.2	0.0
Disposal of investments less cash and cash equivalents disposed of	4	—	64.5
Cash flow from investing activities		87.6	112.2
Free Cash Flow		114.3	88.5

	Note	2024	2023
Decrease in financial assets		(0.0)	0.1
Lease instalments paid under finance leases		—	(0.0)
Financial income received		5.3	9.3
Financial expenses paid		(6.8)	(8.3)
Dividends paid to shareholders		(150.0)	(200.0)
Cash flow from financing activities		(151.4)	(198.9)
Change in cash and cash equivalents before foreign currency translation adjustments		(37.2)	(110.4)
Cash and cash equivalents at beginning of period		457.0	570.3
Foreign currency translation adjustments in respect of cash and cash equivalents		0.7	(2.8)
Cash and cash equivalents at end of period		420.6	457.0

[1] Excludes current financial assets, current financial liabilities and other non-current liabilities.

[2] Including income taxes of CHF 3.4 million paid in the year under review (previous year: CHF 21.6 million).

The notes to the consolidated financial statements on pages 52 to 77 form an integral part of the consolidated financial statements.

Consolidated statement of changes in equity

(in CHF m)

	Share Capital	Capital Reserves	Retained Earnings	Offsetting of Goodwill	Other Reserves	Foreign Currency Translation Adjustments	Total equity
Balance as at 1 January 2023	217.9	578.0	8.4	(62.8)	(9.3)	(45.8)	686.4
Net profit	—	—	0.5	—	—	—	0.5
Recognized in profit or loss due to disposal [1]	—	—	—	—	—	3.4	3.4
Change in fair value of cash flow hedges	—	—	—	—	2.4	—	2.4
Gains and losses from cash flow hedges transferred to profit or loss	—	—	—	—	0.4	—	0.4
Foreign currency translation adjustments of foreign subsidiaries	—	—	—	—	—	(2.4)	(2.4)
Dividends paid	—	(200.0)	—	—	—	—	(200.0)
Balance as at 31 December 2023	217.9	378.0	8.9	(62.8)	(6.4)	(44.8)	490.8
Balance as at 1 January 2024	**217.9**	**378.0**	**8.9**	**(62.8)**	**(6.4)**	**(44.8)**	**490.8**
Net loss	**—**	**—**	**(1.6)**	**—**	**—**	**—**	**(1.6)**
Change in fair value of cash flow hedges and losses	**—**	**—**	**—**	**—**	**(1.0)**	**—**	**(1.0)**
Gains and losses from cash flow hedges transferred to profit or loss	**—**	**—**	**—**	**—**	**0.5**	**—**	**0.5**
Foreign currency translation adjustments of foreign subsidiaries	**—**	**—**	**—**	**—**	**—**	**3.9**	**3.9**
Dividends paid	**—**	**(150.0)**	**—**	**—**	**—**	**—**	**(150.0)**
Balance as at 31 December 2024	**217.9**	**228.0**	**7.3**	**(62.8)**	**(6.9)**	**(40.9)**	**342.7**

In the year under review, a dividend of CHF 150 million (previous year: CHF 200 million) was paid to the shareholder of RUAG International Holding Ltd. This corresponds to a dividend per share of CHF 68.84 (previous year CHF 91.79).

The notes to the consolidated financial statements on pages 52 to 77 form an integral part of the consolidated financial statements.

[1] The cumulative translation differences were derecognized from equity and form part of the gain on disposal.

Notes to the consolidated financial statements of RUAG International

1.0 General information: Business activities and relationship with the Swiss Confederation

RUAG International Holding Ltd is a public limited company headquartered in Bern and wholly owned by the Swiss Confederation. RUAG International Holding Ltd and its subsidiaries (hereinafter referred to as RUAG International) is a technology group specializing in aerospace. RUAG International is bound by the owner's strategy of the Swiss Federal Council.

Relationship with the Swiss Confederation
The Swiss Confederation is the sole shareholder of RUAG International Holding Ltd. Under the terms of the Federal Act on State-Owned Defense Companies, any disposal of the capital or voting majority of the Swiss Confederation to third parties requires the approval of the Federal Assembly. As sole shareholder, the Confederation exercises control over all decisions taken at the General Meeting, including the election and remuneration of members of the Board of Directors and dividend resolutions. Details of transactions with the Swiss Confederation are given in Note 31.

2.0 Summary of significant accounting policies

In 2020, an unbundling process took place in which RUAG was split into two sister groups, RUAG International and RUAG MRO Holding Ltd. Since then, BGRB Holding Ltd has been the parent company of the two sister groups.

In 2022, BGRB Holding Ltd distributed its stake in RUAG MRO Holding Ltd to the Swiss Confederation. RUAG International Holding Ltd was then merged into BGRB Holding Ltd, after distribution of the dividend in kind, with retroactive effect from 1 January 2022. The merged company was simultaneously renamed RUAG International Ltd.

2.1 Basis of preparation
RUAG International's consolidated financial statements have been prepared in accordance with the guidelines of the Swiss GAAP FER Accounting and Reporting Recommendations. In addition, certain provisions of Swiss GAAP FER 31 "Additional recommendation for listed companies" have also been applied. These provisions contain recommendations regarding income tax, financial liabilities and segment reporting. Furthermore, the provisions of Swiss company law have been complied with. The reporting period covers 12 months and corresponds to the calendar year.

The consolidated financial statements are presented in Swiss francs (CHF). The balance sheet is structured according to maturities.

Current assets include assets that
- are realised within 12 months after the balance sheet date, or
- are sold, consumed as part of operational activities, or that
- are held for trading purposes, as well as
- cash and cash equivalents.

All other assets are non-current assets.

Current liabilities include liabilities
- that are to be settled within 12 months after the balance sheet date or for which
- a cash outflow is probable within the scope of operational activities, or
- that are held for trading purposes.

All other liabilities are non-current liabilities.

The income statement is prepared using the total cost method.

Items are measured at historical cost unless a recommendation requires a different valuation basis for a line item.

Preparation of the consolidated financial statements in accordance with the Swiss GAAP FER recommendations to some extent requires the use of estimates and assumptions. These have an impact on the recognized assets and liabilities, the application of accounting policies, the disclosure of contingent assets and liabilities on the balance sheet date and the reporting of income and expenses during the reporting period. Even though these estimates and assumptions are based on management's latest knowledge of current developments and events, the actual results may differ. Exceptionally complex areas, or areas where more extensive use of estimates and assumptions is necessary or where assumptions and estimates have a material impact on the consolidated financial statements, are presented in Note 3.

Unless otherwise indicated, all amounts are in millions of Swiss francs. Please note that the use of rounded figures and percentages may result in differences due to commercial rounding.

2.2 Explanation of key figures not defined in Swiss GAAP FER

The operating income sub-total shown separately on the income statement includes all operating income, own work capitalized including changes in inventories and work in progress.

EBITDA corresponds to earnings before interest, taxes (EBIT), depreciation and impairment of property, plant and equipment, and amortization and impairment of intangible assets and is reported separately in the income statement.

Free cash flow comprises the cash flow from operating activities and the cash flow from investing activities and is shown separately in the statement of cash flows.

These three figures are key performance indicators for RUAG International and are therefore shown separately.

2.3 Principles and scope of consolidation

RUAG International's annual consolidated financial statements include subsidiaries where RUAG International Holding Ltd is effectively able to control the financial and operating policies. For control to exist, the investor must have the power to dispose of and influence variable returns as well as a combination of these two elements. This is usually the case if RUAG International directly or indirectly holds the majority of the voting rights or the potential voting rights of the entity. The assets, liabilities, equity, income and expenses of fully consolidated subsidiary companies are included in their entirety in the consolidated financial statements. Non-controlling interests in equity and net profit are stated separately. Subsidiaries and associates are consolidated with effect from the date of their acquisition, and eliminated from the consolidated financial statements in the event of a loss of control. Changes to investments in subsidiary companies are recognized as equity transactions insofar as these subsidiary companies were previously controlled and continue to be controlled. All intra-Group receivables, liabilities, expenses and income, as well as unrealized inter-company profits, are fully eliminated on consolidation.

The consolidated financial statements are based on the individual financial statements of the Group companies prepared in accordance with uniform principles. All subsidiaries included in the consolidated financial statements have a reporting date of 31 December.

Investments where RUAG International does not exercise significant influence (direct or indirect share of votes of less than 20 %) are stated at historical cost less any valuation allowances and reported under "Non-current financial assets".

An overview of all significant subsidiaries and minority interests can be found in Note 35.

The most important consolidation and accounting principles were applied unchanged from the previous year.

2.4 Foreign currency translation

The consolidated financial statements of RUAG International are presented in Swiss francs (CHF), the functional currency of RUAG International Holding Ltd.

Transactions in foreign currencies are translated into the functional currency of the Group companies at the exchange rate prevailing at the transaction date. Foreign currency receivables and liabilities (monetary items) are translated at the exchange rate on the balance sheet date. Non-monetary items that are measured either at fair value or at historical cost in a foreign currency are translated into the functional currency at the exchange rate at the time of the fair value measurement or at the exchange rate at the transaction date. Any resulting exchange differences are recognized in profit or loss. An exception to this are exchange differences arising from effective cash flow hedges or net investments in foreign subsidiaries, which are recognized directly in equity.

The assets and liabilities of subsidiaries whose functional currency is not the Swiss franc are translated into Swiss francs on consolidation at the exchange rate applicable on the balance sheet date. The income statement, cash flow statements and other items are translated at the average exchange rate for the reporting period. Exchange differences arising from the conversion of the annual statements of subsidiaries are recognized directly in consolidated equity and reported separately as cumulative translation differences. When a foreign subsidiary is sold, the cumulative translation differences previously recognized in equity are transferred to the income statement as a component of the gain or loss on disposals.

Differences arising in the reporting period on translation of equity and non-current intra-Group financial transactions related to net investments in foreign subsidiaries, as well as retained earnings and other equity items, are recognized in the cumulative translation adjustments in equity.

In these consolidated financial statements, the main currencies were translated at the following exchange rates in the reporting years:

Exchange rates

Währung		Unit	Annual Average 2024	End-of-year rate 2024	Annual Average 2023	End-of-year rate 2023	Annual Average 2022	End-of-year rate 2022
Euro	EURO	1	0.93	0.94	0.97	0.93	1.01	0.99
Swedish krona	SEK	100	8.11	8.20	8.48	8.35	9.47	8.86
US dollar	USD	1	0.89	0.90	0.90	0.84	0.95	0.92
Hungarian forint	HUF	100	0.23	0.23	0.25	0.24	0.26	0.25

2.5 Cash and cash equivalents

Cash and cash equivalents comprise cash and balances in postal checking and demand deposit accounts with financial institutions. They also include term deposits with financial institutions and short-term money market investments with a residual maturity of no more than three months as at the balance sheet date. This definition is also used for the cash flow statement. Cash and cash equivalents are recognized at amortized cost.

2.6 Current financial assets

Current financial assets include term deposits with financial institutions and short-term money market investments that are held for trading or are due within one year.

2.7 Receivables and prepayments

Receivables and prepayments are recognized at amortized cost less valuation allowances for doubtful receivables. The valuation allowances are estimated on the basis of an analysis of the actual risk of loss of the receivables outstanding on the balance sheet date. The valuation allowances consist of individual valuation allowances for specifically identified items for which there are objective indications that the outstanding amount will not be received in full, and global valuation allowances. The global valuation allowances are based on past experience. Receivables and prepayments deemed to be irrecoverable are recognized as “Other operating expenses” in the income statement.

2.8 Inventories and work in progress

Inventories and work in progress are recognized at the lower of cost and net realizable value. Discounts received are treated as a reduction in acquisition costs. Cost comprises all costs of purchase and conversion, including pro rata production overheads. All recognizable risks of loss from work in progress are taken into account through economically appropriate valuation allowances. Inventories are recognized using the weighted average cost method or standard costs. The standard costs determined are regularly monitored and adjusted to the latest conditions in the event of major deviations. Valuation allowances are recognized for hard-to-sell or slow-moving inventories. Inventories that cannot be sold are written off in full.

Long-term construction and service contracts are valued according to the percentage of completion method. When the conditions are satisfied, work in progress and revenue are recognized by reference to the stage of completion. Long-term construction or service contracts are contracts for which the order processing extends over a longer period of time, calculated from the time the order is placed to the time at which the order is essentially completed.

The percentage of completion is calculated as the ratio of the contract costs incurred to the total estimated contract costs (cost-to-cost method). Losses from long-term construction and service contracts are recognized immediately in full, in the financial year in which the losses are identified. Order costs and pro rata profits from long-term construction and service contracts measured using the percentage-of-completion method are recognized in the item “Work in progress (percentage of completion)” as part of inventories and work in progress. They are recognized at cost plus a pro rata profit in accordance with the percentage of completion achieved.

In the Space business segment, the percentage of completion is largely determined using the milestone method. Here, project milestones are defined on the basis of individual customer contracts, upon reaching these milestones, services performed are invoiced to the customer and revenue and income are realized on a pro rata basis.

If the outcome of long-term construction and service contracts cannot be estimated reliably, sales are only recognized to the extent of contract costs incurred that are likely to be recoverable (recoverable cost method). Contract costs are recognized when they are incurred, unless they create an asset that is linked to the future fulfilment of the contract. An expected loss on a contract is recognized immediately in profit or loss.

Semi-finished products and work in progress are recognized in the item “Inventories and work in progress”.

Revenue from services rendered is recognized in the income statement on the basis of the stage of completion as at the balance sheet date.

2.9 Property, plant and equipment

Property, plant and equipment are recognized at cost less accumulated depreciation and impairment. Repair and maintenance costs are recognized as expenses. Major renovations and other value-enhancing costs are capitalized and depreciated over their estimated useful life. The carrying amount of the replaced parts is derecognized. Depreciation is calculated using the straight-line method, with the exception of land, which is not depreciated and is recognized at cost.

The estimated useful lives for the main categories of property, plant and equipment are as follows:

Class	Useful life in years
Plant and equipment	5 to 12
Fixtures and fittings	10
Information technology	3 to 5
Motor vehicles	5 to 10
Buildings (operating properties)	20 to 60

The useful lives are reviewed at least once a year on the balance sheet date and adjusted where necessary.

2.10 Government grants
Government grants related to assets are recognized in the balance sheet as deferred income at fair value (gross consideration). Government grants are subsequently recognized as other income in profit or loss over the useful life of the assets.

2.11 Leases
Leased assets where the benefits and risk arising from ownership are essentially transferred to RUAG International are recognized at the lower of the fair value/market value of the leased asset and the present value of the future lease payments at the inception of the lease. Correspondingly, the estimated net present value of future, non-cancellable lease payments is carried under liabilities from finance leases. Assets under finance leases are amortized on a straight-line basis over the shorter of their estimated useful life or the duration of the lease. All other lease transactions are classified as operating leases.

2.12 Intangible assets and goodwill
Intangible assets have a finite useful life and are recognized at cost less accumulated amortization and impairment losses. Intangible assets acquired separately in business combinations are recognized at fair value at the acquisition date less any necessary impairment losses.

Scheduled depreciation is recognized using the straight-line method with the following estimated useful lives:

Class	Useful life in years
Patents and developments	5 to 15
Trademarks and prototypes	3 to 8
ERP systems	3 to 5
Licences and rights	1 to 10
Order backlog and customer relationships	1 to 10

The useful lives are reviewed at least once a year on the balance sheet date and adjusted where necessary.

Business combinations are recognized using the acquisition method. The cost is recognized at the fair value of the consideration on the transaction date. Identifiable assets acquired and liabilities and contingent liabilities assumed are recognized in the balance sheet at their fair value at the acquisition date, irrespective of the extent of any non-controlling interest. Transaction costs are recognized as an expense in the income statement. The acquisition costs that exceed the net assets recognized at fair value (goodwill) are offset against equity at the time of acquisition. If the purchase price includes contingent considerations, these are estimated and recognized as best as possible at the time of acquisition. If there are deviations in the subsequent definitive purchase price calculation, the effect is recognized in the income statement and reported as “Other operating expenses or income”. The effects of a theoretical capitalization of goodwill (acquisition cost, residual value, useful life, amortization) and any potential impairment are presented in the notes. A negative difference is recognized directly in the income statement after a further review. When a company is sold, the goodwill previously recognized in equity is derecognized and recognized in the income statement as part of the gain or loss on disposals.

2.13 Research and development expenses
Research expenses are not capitalized but expensed as incurred. RUAG International reviews the capitalization of development costs on a case-by-case basis. Development costs are only recognized as intangible assets if an intangible asset is identifiable, the entity believes it can demonstrate the technical feasibility and ability to complete and use the asset, the asset is expected to generate future economic benefits and the cost of the asset can be reliably determined. Capitalized development costs are measured at cost less accumulated amortization and accumulated impairment losses.

2.14 Impairment of assets, in particular property, plant and equipment and intangible assets
The recoverable amount of property, plant and equipment, intangible assets and the goodwill recognized and disclosed in the notes is always reviewed whenever changes in circumstances or events indicate that the carrying amount may be overestimated. Where there is an indication of a possible overestimate, the Group measures the fair value on the basis of expected future cash flows from use and eventual sale, minus any cost of disposal. Where the carrying amount exceeds the higher of fair value less costs to sell and value in use, an impairment loss equivalent to the difference is recorded (this does not apply to goodwill). As goodwill is offset against equity at the time of acquisition, any impairment of the goodwill is not charged to the income statement, but is only disclosed in the notes. The impairment assessment is based on the smallest group of assets for which independent cash generating units are identifiable. The estimation of future discounted cash flows is based on the forecasts and assumptions of management. Accordingly, the actual cash flows generated may differ from these estimates.

2.15 Financial liabilities
Financial liabilities are recognized at nominal value.

2.16 Trade payables and prepayments
Trade payables and prepayments are recognized at nominal value.

2.17 Accrued expenses and deferred income
Accrued expenses and deferred income include expenses for the reporting period for which no supplier invoices have yet been received. Income received in advance for other periods and bonus accruals are also recognized here. The valuation is carried out at nominal value.

2.18 Provisions
Provisions are recognized where:
- RUAG International has a present legal or constructive obligation due to a past event;
- it is likely that an outflow of resources embodying economic benefits will be required to settle the liability, and
- a reliable estimate can be made of the amount of the liability.

Provisions are discounted if the discounting effect is material.

Provisions for restructuring Costs in connection with restructuring are recognized as an expense if management has adopted a plan and a constructive liability has arisen as a result and the amount of the liability can be estimated reliably. Costs for staff reduction plans are recognized as an expense at the time of management's decision if a probable obligation has arisen and its amount can be reliably estimated.

Provisions for contract losses Losses from long-term construction and service contracts are recognized immediately in full in the financial year in which the losses are identified.

Provisions for warranties Provisions for warranties are recognized based on the revenue subject to warranty and the services rendered in the past.

Provisions for leave and overtime entitlements Employees' entitlements to leave and overtime entitlements are calculated as at the balance sheet date and recognized on an accrual basis.

2.19 Employee benefit obligations
RUAG International has pension plans for employees in accordance with the relevant national legislation. The majority of these are financially independent institutions and foundations. They are generally financed by employee and employer contributions.

The economic impact of the pension plans is assessed annually. Any over- and underfunding is determined on the basis of the annual financial statements of the corresponding pension funds, which are based on Swiss GAAP FER 26 (Swiss plans) or recognized country-specific methods (foreign plans).

An economic benefit is capitalized if this is permitted and where the intention is:
- to use the excess to reduce employer contributions,
- to reimburse the employer in accordance with local legislation or
- to use it in another way that would economically benefit the employer outside of the benefits in line with the regulations.

An economic liability is recognized if the conditions for the creation of a provision in accordance with Swiss GAAP FER 23 are met. This is recognized under employee benefit obligations.

Changes to an economic benefit or liability are recognized in the income statement in the same way as the contributions incurred for the period. All effects on income from foreign pension plans are recognized as part of personnel expenses in the operating result.

2.20 Other long-term employee benefits
Other long-term employee benefits include long-service awards for employees who have been with the company for several years. These are calculated using the projected unit credit method and are included in the item "Provisions for loyalty bonuses and anniversary bonuses".

2.21 Current and deferred income taxes
Income taxes include all current and deferred taxes which are related to profit. They are recognized in profit or loss, except to the extent that they are associated with a business combination or with an item recognized directly in equity. Non-income taxes such as taxes on real estate and capital are recognized under "Other operating expenses".

Current income taxes comprise the taxes expected to be payable in respect of the taxable result, calculated using the tax rates applicable or announced on the balance sheet date, as well as all adjustments to the tax liability with regard to previous periods.

Deferred taxes are recognized in respect of temporary differences between the carrying amounts of assets and liabilities for consolidation purposes and the amounts used for tax purposes. Deferred taxes are not recognized for:
- temporary differences arising on initial recognition of assets and liabilities in connection with transactions that affect neither the consolidated nor taxable profit or loss, and
- temporary differences in connection with stakes in subsidiaries if the Group is able to control the timing of the reversal of these differences and it is probable that they will not be reversed in the foreseeable future.

Deferred taxes are measured taking into account when and how the assets concerned are expected to be realized or settled. In this regard, the tax rates used are those that apply or have been announced on the balance sheet date. Deferred taxes are included in non-current assets (deferred income tax assets) or non-current liabilities (deferred income tax liabilities). They are netted if it is legally permissible to offset current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same tax authority. Deferred tax assets for unused tax losses and deductible temporary differences are recognized to the extent that it is likely that there will be future profits against which they can be used. The tax rates are based on the actual and expected tax rates to apply at the legal entities in question.

2.22 Equity

Share capital The share capital corresponds to the nominal capital of all registered shares issued.

Capital reserves This item consists of the additional paid-in capital in excess of the nominal value (less transaction costs) and any grants or contributions from shareholders in their capacity as shareholders.

Retained earnings Retained earnings essentially comprise the accumulated profits of subsidiaries that have not been distributed to shareholders. The distribution of profits is subject to the respective local legal restrictions.

Offsetting of goodwill This item consists of goodwill from acquisitions offset directly against equity at the time of acquisition.

Other reserves Other reserves essentially comprise the effective portion of the cumulative net changes in the fair values of hedging instruments used to hedge cash flows.

Translation differences This item consists of the difference arising from the translation into Swiss francs of assets, liabilities, income and expenses of subsidiaries whose functional currency is not the Swiss franc.

2.23 Revenue recognition

Net revenue comprises the fair value of the consideration received from the sale of goods and the provision of services by RUAG International in its ordinary business activities. The amount is reported after deduction of value-added taxes, price reductions, rebates and discounts. RUAG International recognizes its revenue when the amounts can be reliably measured, future cash flows are probable and the specific criteria described below have been met.

Long-term contracts Net revenue for the period comprises “invoiced revenue” plus the “change in percentage of completion (PoC)”. “Invoiced revenue” includes amounts accrued or invoiced for services already rendered in the period, while the “change in percentage of completion (PoC)” includes the services already rendered for ongoing construction and service orders measured using this method.

Rendering of services Revenue from the rendering of services is measured either on the basis of time and material or as a fixed-price contract.

Revenue from fixed-price contracts is measured using the percentage-of-completion method if both the costs to be incurred until completion of the contract and the stage of completion can be reliably determined at the balance sheet date and the costs attributable to the contract can be reliably measured. The percentage of completion is calculated as the ratio of the contract costs incurred to the total estimated contract costs (cost-to-cost method) or using the milestone method (Space business segment). If the proceeds of a construction contract cannot be reliably measured, revenue is recognized only to the extent of the potentially recoverable costs incurred by the contract recognized as an expense in the relevant period. Contributions from third parties from contract development are recognized as revenue and assigned to the period in which the corresponding development costs are incurred.

Sale of goods Revenue from the sale of goods is recognized at the time of delivery or performance, i.e. when the significant risks and rewards are transferred to the buyer.

Other income Other income, such as rental and interest income, is recognized on a time-proportionate basis. Dividend income is recognized when the legal claim to payment has arisen.

2.24 Segment information
The determination of the reportable operating segments is based on the management approach. Accordingly, external segment reporting is based on the Group's internal organizational and management structure and internal financial reporting to the chief operating decision-maker of RUAG International, the Chief Executive Officer. Reporting is broken down according to the Space and Aerostructures segments. In addition, the reporting includes the "Other segments" area, under which central services such as real estate management (Zurich Seebach site), IT and RUAG International's corporate units, are summarized.

Unrealized gains or losses may arise from the offsetting of services or sales of assets between the individual segments. These are eliminated and reported in the segment information in the "Elimination" column. Net assets comprise trade receivables, advance payments to suppliers, other current receivables, tax receivables, prepaid expenses and accrued income, inventories and work in progress, property, plant and equipment and intangible assets less trade payables, advance payments from customers, other current liabilities, tax liabilities, deferred income and current and noncurrent provisions. Segment investments include additions to property, plant and equipment and other intangible assets.

Space business segment With a broad international customer base, Beyond Gravity (formerly RUAG Space) is the leading international supplier of space products in Europe with strong growth in the USA. With 12 production sites in six countries, the segment specializes in high-performance products for use on board satellites and other spacecraft as well as launch vehicles. The expertise is divided into three divisions: Payload fairings and separation systems for launch vehicles (Launchers division), mechanical and electronic applications and payload solutions (Satellites division) and actuator production for semiconductor lithography production (Lithography division). These divisions represent the most important sources of revenue. On December 1, 2024, the Lithography division was transferred to ZEISS SMT.

Aerostructures business segment RUAG Aerostructures is a globally active tier 1 supplier manufacturing aircraft for civil and military customers. Its activities focus on the development, manufacture and final assembly of complete fuselage sections, wing and control components as well as sophisticated assemblies and components for civil and military aircraft. It also provides services in the field of surface treatment. Among other things, it is responsible for the complete global supply chains of fuselage sections for Airbus. The main source of revenue is the sale of aerostructures and complex assemblies and components. The segment also provides services in the field of surface treatment. Among other things, it is responsible for the complete global fuselage section supply chains for Airbus. The main sources of earnings are the sale of aerostructures and of complex assemblies and components. At the end of April 2024, RUAG Aerostructures Switzerland and Pilatus Flugzeugwerke AG agreed on the sale of all machinery and the transfer of all employees as part of an asset deal.

2.25 Transactions with related parties
In the reporting period, services were procured from the RUAG MRO Holding Ltd Group, for example in the form of renting business premises, and services were provided on a smaller scale.

2.26 Derivative financial and hedging instruments
Derivative financial instruments are measured at fair value. The way in which the gain or loss is measured depends on whether the instrument is used to hedge a specific risk and whether the conditions for hedge accounting are met. The objective of hedge accounting is to ensure the change in value of the hedged item and the hedging instrument is recognized in the income statement at the same time.

When concluding a hedging transaction, the Group documents the relationship between hedging instruments and hedged items as well as the purpose and strategy of the hedge. This process also includes the association of all hedging derivatives with specific assets and liabilities or firm commitments and forecast transactions. The Group documents the extent to which the derivatives used for hedging offset the change in the fair value of the hedged item, both at the beginning and during the term of the hedge. When the contract is concluded, a derivative instrument that qualifies for hedge accounting is either designated as

- a hedge of the change in the fair value of a recognized asset or liability (fair value hedge), or as
- a hedge on cash flows from a forecast transaction or firm commitment (cash flow hedge), or as
- a hedge of a net investment in a foreign subsidiary.

Changes in the fair value of foreign exchange hedging instruments that serve to hedge cash flows from a forecast transaction or firm commitment and provide an effective hedge are recognized as cash flow hedges. They are measured at fair value and the effective portion of the change in fair value of the foreign exchange hedging instrument is recognized in equity and reported under "Other reserves". The ineffective portion is recognized in the income statement under "Other operating expenses". Upon occurrence of the underlying transaction, the relevant hedging instrument is transferred from equity to the income statement.

RUAG International currently only has hedges on cash flows from forecast transactions or firm commitments (cash flow hedges).

3.0 Significant judgements and sources of estimation uncertainty in the application of accounting policies

The preparation of the consolidated financial statements is dependent on assumptions and estimates in connection with the accounting policies, which are subject to a certain degree of management judgement. When applying accounting policies in the consolidated financial statements, certain forward-looking estimates and assumptions must be made that can have a material impact on the amount and presentation of assets and liabilities, income and expenses and the related disclosures. The estimates and assumptions underlying the accounting and valuation are based on empirical values and other factors that are considered appropriate under the given circumstances. The following items contain significant estimates and assumptions:

Inventories and work in progress The current value of inventories and work in progress is reassessed periodically. This involves classifying the individual items in terms of inventory sales ratios and valuing them accordingly. The carrying amounts of inventories and work in progress as well as the level of valuation allowances are explained in Note 15 “Inventories and work in progress”.

Long-term construction and service contracts Estimates with a material impact are used as a basis for the measurement of long-term construction and service contracts using the percentage of completion method. Although estimates such as the percentage of completion and estimated contract costs for projects are determined to the best of management’s knowledge of current events and possible future measures, the actual results achieved may deviate from these estimates. See the explanations in Note 16 “Percentage of Completion (PoC)” and Note 24 “Provisions”.

Property, plant and equipment and intangible assets Property, plant and equipment and intangible assets are tested annually for signs of impairment. If there are indications that these assets are overvalued, an estimate is made of the future cash flows expected to result from the utilization of these assets or their possible disposal. Actual cash flows may differ from the discounted future cash flows based on these estimates. Factors such as changes in the planned use of buildings, machinery and equipment, the closure of sites, technical obsolescence or lower-than-forecast sales of products whose rights have been capitalized can shorten the useful life or result in a reduction in value. The carrying amounts of property, plant and equipment and intangible assets are shown in Note 17 “Property, plant and equipment” and Note 18 “Intangible assets”.

Provisions The Group companies are exposed to various risks in the course of their ordinary business activities. These are assessed on an ongoing basis and corresponding provisions are measured on the basis of the information available and the cash outflow that can realistically be expected. For example, provisions for warranties are measured on the basis of past experience and provisions for legal disputes on the basis of a legal assessment. The carrying amounts of such provisions are shown in Note 24 “Provisions”.

Deferred income taxes The recognition of deferred income tax assets is based on management judgement. Deferred income tax assets on tax loss carryforwards are only capitalized if it is probable that they can be utilized. Their use depends on the possibility of generating future taxable profits that can be offset against existing loss carryforwards. To assess the probability of future use, estimates of various factors such as the future earnings situation are necessary. If the actual values deviate from the estimates, this can lead to a change in the assessment of the recoverability of the deferred income tax assets. The carrying amounts of current and deferred tax assets and liabilities are shown in the consolidated balance sheet and in Note 11 “Income taxes”.

4.0 Newly established companies, mergers, disposals of subsidiaries and business units, acquisitions

Newly established companies No new companies were founded in the year under review.

Disposal of assets and transfer of employees

RUAG Aerostructures Switzerland As of April 30, 2024, RUAG Aerostructures Switzerland and Pilatus Flugzeugwerke AG have agreed on the sale of all machines and the transfer of all employees as part of an asset deal. The transfer of employees will take place in several stages. RUAG Aerostructures Switzerland Ltd will continue to exist as a company for the time being and will fulfill its existing obligations to non-Pilatus customers.

Lithography division As of December 1, 2024, ZEISS SMT acquired the Lithography division as part of an asset deal, including all employees and assets of the two production sites in Zurich (Switzerland) and Coswig (Germany).

Disposals of subsidiaries and business units

RUAG Aerospace Structures GmbH and RUAG Aerostructures Hungary Zrt. On 31 December 2023, the companies RUAG Aerospace Structures GmbH and RUAG Aerostructures Hungary Zrt. were sold to the Mubea Group. The two companies sold generated revenue of CHF 202.6 million and EBIT of CHF 1.3 million as of 31 December 2023.

Disposals of subsidiaries and business units in the year under review and in the previous year had the following effects on net sales and EBIT of RUAG International:

Net sales and EBIT of discontinued operations (in CHF m)

	2024	2023
Net sales	–	202.6
EBIT	–	1.3

The disposals of assets and liabilities associated with the sales made in the year under review and in the previous year and the corresponding cash inflows/outflows are summarized in the following table:

Spin-off assets and liabilities (in CHF m)

	2024	2023
Current assets	–	98.6
Non-current assets	–	19.4
Current and non-current liabilities	–	(36.6)
Total spin-off assets and liabilities	–	81.4

5.0 Segment information

(in CHF m)

	Space		Aerostructures		Other segments		Total segments		Eliminations		Group total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Order intake – third parties	**605.5**	407.8	**15.3**	240.8	**1.9**	2.5	**622.7**	651.1	**—**	—	**622.7**	651.1
Order backlog – third parties	**851.5**	728.6	**10.5**	41.6	**—**	—	**862.0**	770.2	**—**	—	**862.0**	770.2
Net sales with third parties	**441.3**	379.8	**47.1**	235.7	**6.5**	4.5	**494.9**	620.0			**494.9**	620.0
Net sales with other segments	**6.7**	3.6	**0.5**	4.1	**59.4**	42.1	**66.6**	49.8	**(66.6)**	(49.8)	**—**	—
Total net sales	**448.0**	383.4	**47.6**	239.8	**65.9**	46.6	**561.5**	669.8	**(66.6)**	(49.8)	**494.9**	620.0
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	**5.7**	10.5	**18.5**	(26.9)	**12.8**	48.0	**37.1**	31.6	**—**	—	**37.1**	31.6
Depreciation, amortisation and impairment	**(14.1)**	(10.4)	**(0.8)**	9.8	**(2.2)**	(2.8)	**(17.2)**	(3.4)	**—**	—	**(17.2)**	(3.4)
Earnings before interest and taxes (EBIT)	**(8.4)**	0.1	**17.6**	(17.2)	**10.7**	45.2	**19.9**	28.1	**—**	—	**19.9**	28.1
Net operating assets by region	**(64.8)**	71.1	**16.6**	22.9	**(3.5)**	(35.2)	**(51.6)**	62.8	**0.0**	—	**(51.6)**	58.7
Net operating assets Switzerland	**(5.3)**	30.7	**16.6**	22.9	**5.1**	(23.8)	**16.4**	33.8	**2.3**	0.6	**18.7**	29.2
Net operating assets Rest of Europe	**60.3**	40.5	**—**	—	**(8.4)**	(11.4)	**51.9**	29.1	**(3.2)**	(0.2)	**48.7**	29.2
Net operating assets Rest of world	**(119.8)**	(0.1)	**—**	—	**(0.1)**	(0.0)	**(119.9)**	(0.1)	**0.9**	(0.4)	**(119.0)**	0.3
Property, plant and equipment and intangible assets	**98.6**	90.3	**—**	13.2	**23.2**	19.9	**121.7**	123.4	**—**	—	**121.7**	123.4
Property, plant and equipment and intangible assets Switzerland	**15.4**	28.6	**—**	13.2	**22.4**	19.9	**37.8**	61.7	**—**	—	**37.8**	61.7
Property, plant and equipment and intangible assets Rest of Europe	**39.3**	27.5	**—**	—	**0.8**	—	**40.1**	27.5	**—**	—	**40.1**	27.5
Property, plant and equipment and intangible assets Rest of world	**43.8**	34.2	**—**	—	**—**	—	**43.8**	34.2	**—**	—	**43.8**	34.2
Capital expenditures for property, plant and equipment and intangible assets	**(34.3)**	(34.3)	**(0.2)**	(8.0)	**(10.6)**	(13.0)	**(45.1)**	(55.2)	**—**	—	**(45.1)**	(55.2)
Disposal of property, plant and equipment and intangible assets	**88.0**	0.1	**31.0**	0.0	**13.7**	102.9	**132.7**	102.9	**—**	—	**132.7**	102.9

Products and services of the individual business segments are described in Note 2.24, “Segment information”.

6.0 Net sales

(in CHF m)

	2024	2023
Invoiced sales	**494.2**	599.3
Change in contracts under the percentage of completion (PoC) method	**0.7**	20.6
Total net sales	**494.9**	620.0
Analysis of invoiced sales		
Third parties	**493.7**	599.1
DDPS	**0.5**	0.2
Invoiced sales by customer group	**494.2**	599.3
Civil	**434.2**	577.7
Defence	**60.0**	21.7
Invoiced sales by type of use	**494.2**	599.3
Switzerland	**37.9**	26.8
Rest of Europe	**247.9**	418.0
Middle East	**3.7**	0.6
North America	**198.8**	144.7
South America	**3.0**	5.3
Asia / Pacific	**2.9**	3.9
Invoiced sales by region	**494.2**	599.3

Revenue in the “Rest of Europe” region mainly relates to Germany, France, Italy, the UK, Sweden, the Netherlands and Hungary.

7.0 Personnel expenses

(in CHF m)

	2024	2023
Salaries and wages	**(164.2)**	(217.3)
Expense of benefit plans	**(13.1)**	(15.5)
Other social security expenses	**(23.5)**	(33.6)
Contract personnel	**(25.2)**	(26.0)
Other personnel expenses	**(18.6)**	(11.3)
Total personnel expenses	**(244.6)**	(303.6)

Personnel expenses in the reporting year were lower than in the previous year, primarily due to the divestments of RUAG Aerospace Structures GmbH and RUAG Aerostructures Hungary Zrt.

8.0 Other operating income/expenses

(in CHF m)

	2024	2023
Other operating income	**122.9**	77.3
Total other operating income	**122.9**	77.3
Premises costs	**(27.8)**	(24.3)
Maintenance and repairs of property, plant and equipment	**(15.5)**	(18.8)
Cost of energy and waste disposal	**(1.6)**	(6.5)
Insurance and duties	**(2.8)**	(3.3)
Administration and IT costs	**(46.2)**	(45.7)
Advertising costs	**(1.2)**	(1.8)
Other operating expenses	**(13.6)**	(29.0)
Total other operating expenses	**(108.7)**	(129.4)

The “Other operating income” of CHF 122.9 million in the reporting year includes revenues from the sale of buildings and machinery and is above the previous year’s level. Furthermore, this position includes exchange gains of CHF 8.0 million net (previous year CHF -9.0 million). These are mainly the cumulative effects of forward exchange contracts entered into to hedge transactions in connection with operating activities (hedging of future sales as well as purchases of goods and services in the respective currencies).

“Premises costs” are above the previous year’s level. The rental costs in connection with the expansion of the Decatur and Linköping sites in the year under review resulted in an increase of just under CHF 6.4 million compared to the previous year. This increase was partially offset by the divestments made in the previous year.

The items “Maintenance and repairs of property, plant and equipment”, “Cost of energy and waste disposal”, “Insurance and duties”, “Administrative and IT costs” and “Advertising costs” fell by a total of CHF 8.8 million compared to the previous year. This is mainly due to the sales of investments during the previous year.

Various adjustments and reassessments of provisions are included in the position “Other operating expenses”.

9.0 Research and development expenses

(in CHF m)

	2024	2023
Total research and development expenses	**12.7**	10.9

All in-house work, work assigned to third parties and services required from third parties performed at the company’s own risk and recognized as an expense during the reporting year are included and disclosed under Research and development expenses.

10.0 Financial income/financial expenses

(in CHF m)

	2024	2023
Interest income	**5.3**	9.2
Total financial income	**5.3**	9.2
Interest expense	**(6.8)**	(8.3)
Total financial expenses	**(6.8)**	(8.3)

11.0 Income taxes

(in CHF m)

	2024	2023
Income tax expense/income of the reporting period	**(25.1)**	(28.0)
Adjustments to current income taxes from prior periods	**(0.1)**	(1.1)
Current income tax expense	**(25.3)**	(29.1)
Deferred income tax income (expense)	**5.2**	0.6
Income tax expense in profit or loss	**(20.1)**	(28.5)

Deferred tax assets and liabilities changed as follows:

(in CHF m)

	2024	2023
Total deferred taxes at 1 January	**(7.4)**	(6.3)
Changes recognised in profit or loss	**5.2**	0.6
Changes in equity with no impact on profit or loss	**0.6**	(1.2)
Changes in the scope of consolidation	**—**	(0.6)
Foreign currency translation adjustments	**(0.2)**	0.0
Total deferred taxes at 31 December	**(1.8)**	(7.4)
of which deferred tax assets	**2.7**	0.5
of which deferred tax liabilities	**(4.5)**	(8.0)

Deferred taxes are calculated on the basis of the expected country-specific tax rates (ranging from 13% to 30%) applicable at the individual companies for the relevant expected country-specific tax assets and liabilities. The tax rates used to calculate the deferred tax items do not differ materially from the respective income tax rates. Deferred tax assets for unused tax loss carryforwards are only recognized if it is probable that they will be offset against future taxable profits.

The tax loss carryforwards are due to expire as follows: (in CHF m)

	2024	2023
Expiring within 1 year	0.3	—
Expiring in 1 to 5 years	56.5	50.3
Expiring in more than 5 years	306.5	208.4
Total tax loss carryforwards	363.3	258.8
Potential tax effect of tax loss carryforwards	68.9	60.6
therein recognised as deferred tax assets	0.2	0.6
therein not recognised	68.7	59.9

Global minimum taxation

The global minimum tax rules provide for an additional tax to be paid on the difference between the effective GloBE (Global Anti Base Erosion) tax rate per country and the minimum rate of 15%. The legislation introducing the global minimum taxation came into force on January 1, 2024. RUAG International has performed a Group-wide assessment of the global minimum taxation. RUAG International does not expect to pay any additional income taxes under the global minimum taxation and does not voluntarily recognize deferred tax assets/liabilities.

12.0 Cash and cash equivalents

(in CHF m)

	2024	2023
Cash on hand	0.0	0.0
Demand deposits with financial institutions	182.0	121.5
Money market investments	238.6	335.5
Total cash and cash equivalents	420.6	457.0

Währungen der flüssigen Mittel

(in CHF m)

	2024	2023
CHF	278.6	191.2
EUR	85.6	206.2
USD	55.3	48.1
SEK	1.1	9.8
GBP	0.0	0.7
Other	0.0	1.0
Total cash and cash equivalents	420.6	457.0

13.0 Financial assets

Current financial assets

(in CHF m)

	2024	2023
Derivative financial instruments	0.2	6.0
Total current financial assets	0.2	6.0

Current financial assets primarily include the positive replacement values of the open foreign currency hedging transactions (see also the information on financial instruments in Note 33, “Risk management process, financial risk management and capital management”).

Non-current financial assets

(in CHF m)

	2024	2023
Other non-current financial assets	0.2	0.4
Total non-current financial assets	0.2	0.4

Currencies of current and non-current financial assets

(in CHF m)

	2024	2023
EUR	0.2	1.1
USD	—	5.1
SEK	0.2	0.2
Total financial assets	0.4	6.4

The carrying amounts of the non-current financial assets are a reasonable approximation of their fair value.

14.0 Trade receivables, other current receivables and prepayments

(in CHF m)

	2024	2023
Trade receivables	102.8	57.9
Valuation allowances	(3.7)	(3.8)
Total trade receivables	99.1	54.1
Prepayments to suppliers	5.3	5.0
Total prepayments to supplier	5.3	5.0
Current receivables from government bodies	5.8	3.5
Other current receivables	8.0	5.0
Total other current receivables	13.7	8.4
Total trade receivables, other current receivables and prepayments	118.1	67.5

Maturity profile of trade receivables, other current receivables and prepayments

(in CHF m)

	2024	2023
Not past due	82.6	52.6
Past due 1–30 days	19.5	10.8
Past due 31–60 days	6.7	0.8
Past due 61–90 days	1.7	0.1
Past due 91–180 days	0.9	1.8
Past due over 180 days	6.7	1.4
Total trade receivables, other current receivables and prepayments	118.1	67.5

Currencies of trade receivables, other current Current financial assets receivables and prepayments

(in CHF m)

	2024	2023
CHF	20.9	14.1
EUR	40.0	36.1
USD	35.4	14.9
SEK	21.9	2.0
GBP	0.0	0.2
Other	—	0.3
Total trade receivables, other current receivables and prepayments	118.1	67.5

Valuation allowances for doubtful receivables comprise specific valuation allowances for specifically identified items where there is a high risk of non-payment and global valuation allowances based on historical experience.

The allowance for receivables changed as follows:

Valuation allowances for doubtful receivables

(in CHF m)

	2024	2023
Balance at 1 January	(3.8)	(2.0)
Disposals from the scope of consolidation	—	0.5
Increase in allowance	(0.4)	(2.7)
Utilisation of allowance	0.2	0.1
Reversal of allowance	0.3	0.0
Currency differences	0.1	0.2
Carrying amount at 31 December	(3.6)	(3.8)

Allowances for doubtful receivables are recorded in an allowance account. No valuation allowances were required for financial instruments in categories other than receivables at the end of the reporting period. Receivables judged to be unrecoverable are written off as realized losses.

15.0 Inventories and work in progress

(in CHF m)

	2024	2023
Raw materials and supplies	**89.8**	93.8
Work in progress at cost of conversion	**14.9**	18.2
Work in progress (percentage of completion) [1]	**97.9**	160.3
Semi-finished goods	**8.5**	11.4
Finished goods	**0.9**	1.3
Valuation allowances	**(18.9)**	(24.4)
Total inventories and work in progress	**193.1**	260.6

[1] The key figures for work in progress, which is measured using the percentage of completion method, are explained in further detail below.

In the reporting period, a total of CHF 131.3 million (previous year: CHF 200.3 million) in raw materials and supplies, semifinished and finished goods, and work in progress was charged to cost of materials.

In the reporting year, inventories and work in progress had to be written down to net realizable value with an effect on income of CHF 0.7 million (previous year CHF 1.3 million). Impairment losses and reversals of impairment losses on inventories are recognized in cost of materials.

16.0 Percentage of Completion (PoC)

(in CHF m)

	2024	2023
Cumulative results at the end of the reporting period		
Aggregated contract sales at the end of the reporting period	**1 473.1**	1606.2
Aggregated contract costs at the end of the reporting period	**(1 181.0)**	(1192.1)
Realised margin at the end of the reporting period	**292.1**	414.1
Cumulative carrying amounts of ongoing projects at the end of the reporting period		
Gross amount due from customers for contract work	**97.9**	160.3
Gross amount due to customers for contract work	**(64.3)**	(56.0)
Net position	**33.6**	104.3
Advances received from customers relating to PoC contracts	**19.3**	14.7

The above table shows the aggregated sales and costs – on a cumulative basis across several periods – for the long-term construction and service contracts not yet concluded at the end of the reporting period. Projects concluded as at the end of the reporting period are not included here.

The “Gross amount due from customers for contract work” relates to long-term construction and service contracts for which the realizable order sales exceed the sales already invoiced. Long-term construction and service contracts for which the sales already invoiced exceed the realizable order sales are recognized under “Gross amount due to customers for contract work” (see Note 23 “Deferred income and accrued expenses”). In the year under review, sales totaling CHF 271.9 million (previous year: CHF 302.7 million) were recognized from long-term construction and service contracts.

As of the balance sheet date, RUAG International had received advances for ongoing contract work that had not yet been invoiced totaling CHF 19.3 million (previous year: CHF 14.7 million). These advances are recognized under “Advances received from customers”.

17.0 Property, plant and equipment

At cost

(in CHF m)

	Plant and equipment	Other[1]	Land	Buildings	Assets under construction	Property, plant and equipment
As at 1 January 2023	156.4	99.9	24.4	93.7	14.5	388.8
Eliminations from the scope of consolidation	(34.3)	(6.0)	—	(2.2)	(3.2)	(45.7)[2]
Additions	13.2	11.9	—	1.6	22.3	48.9
Disposals	(3.2)	(3.6)	(21.3)	(60.8)	(0.5)	(89.4)[4]
Reclassifications	6.3	3.1	—	0.1	(9.4)	(0.0)
Foreign currency translation adjustments	(6.2)	(2.3)	(0.0)	(1.1)	(1.3)	(10.9)
As at 31 December 2023	132.2	103.0	3.1	31.3	22.3	291.8

Accumulated depreciation and impairment losses

(in CHF m)

	Plant and equipment	Other[1]	Land	Buildings	Assets under construction	Property, plant and equipment
As at 1 January 2023	118.9	77.8	0.0	63.6	0.0	260.5
Eliminations from the scope of consolidation	(22.3)	(3.6)	—	(1.3)	—	(27.2)[2]
Depreciation	5.8	5.9	0.0	2.8	—	14.6
Impairment	0.6	0.0	—	—	—	0.7
Reversal of impairment	(9.9)	(1.1)	—	(1.1)	—	(12.0)[3]
Disposals	(2.8)	(3.5)	—	(43.6)	—	(49.9)
Reclassifications	0.0	0.1	—	0.0	(0.0)	0.0
Foreign currency translation adjustments	(3.4)	(1.7)	(0.0)	(0.7)	—	(5.8)
As at 31 December 2023	86.9	74.0	0.0	19.8	—	180.8

[1] Fixtures and fittings, information technology and vehicles

[2] The divestments of RUAG Aerospace Structures GmbH and RUAG Aerostructures Hungary Zrt. led to the disposals in the scope of consolidation in the previous year.

[3] The recovery of the market situation in the aviation industry in the Aerostructures segment resulted in a reversal of impairment losses on property, plant and equipment in the previous year.

[4] In the year under review, RUAG Aerostructures Schweiz AG in Emmen sold its entire machine park to Pilatus Flugzeugwerke AG. Also, the Lithography division was acquired by ZEISS SMT in the year under review. Additional sales of land and buildings in Switzerland led to disposals in the reporting year and the previous year.

At cost

(in CHF m)

	Plant and equipment	Other[1]	Land	Buildings	Assets under construction	Property, plant and equipment
As at 1 January 2024	**132.2**	**103.0**	**3.1**	**31.3**	**22.3**	**291.8**
Additions	**14.3**	**6.8**	**—**	**1.0**	**14.4**	**36.5**
Disposals	**(18.7)**	**(31.6)**	**(3.1)**	**(12.4)**	**(1.0)**	**(66.8)[4]**
Reclassifications	**21.0**	**10.9**	**—**	**0.8**	**(32.8)**	**–**
Foreign currency translation adjustments	**2.0**	**0.8**	**0.0**	**0.4**	**0.2**	**3.4**
As at 31 December 2024	**150.8**	**89.9**	**0.0**	**21.1**	**3.1**	**265.0**

Accumulated depreciation and impairment losses

(in CHF m)

	Plant and equipment	Other[1]	Land	Buildings	Assets under construction	Property, plant and equipment
As at 1 January 2024	**86.9**	**74.0**	**0.0**	**19.8**	**—**	**180.8**
Depreciation	**6.3**	**7.6**	**0.0**	**1.5**	**—**	**15.5**
Disposals	**(8.3)**	**(19.1)**	**(0.0)**	**(7.5)**	**—**	**(35.0)[4]**
Reclassifications	**0.3**	**(1.3)**	**—**	**0.7**	**0.3**	**—**
Foreign currency translation adjustments	**0.6**	**0.4**	**(0.0)**	**0.3**	**(0.6)**	**0.7**
As at 31 December 2024	**85.8**	**61.7**	**0.0**	**14.8**	**(0.3)**	**162.0**

Net carrying amounts

(in CHF m)

As at 1 January 2023	37.4	22.1	24.4	30.0	14.4	128.3
As at 31 December 2023	45.3	29.0	3.1	11.5	22.3	111.0
As at 31 December 2024	**65.0**	**28.2**	**—**	**6.3**	**3.5**	**103.0**

The total amount of property, plant and equipment pledged as collateral is listed in Note 30 "Assets pledged as collateral".

18.0 Intangible Assets

At cost

(in CHF m)

	Patents and developments	Licences and rights	Order backlog and customer lists/relationships	ERP systems	Intangible assets in progress	Intangible Assets
As at 1 January 2023	—	7.0	103.0	3.9	5.2	119.1
Eliminations from the scope of consolidation	—	(2.4)	—	—	—	(2.4) [1]
Additions	—	0.4	—	—	7.2	7.6 [2]
Disposals	—	(0.1)	—	—	—	(0.1)
Reclassifications	1.9	—	—	—	(1.9)	—
Foreign currency translation adjustments	(0.1)	(0.4)	(0.8)	(0.1)	(0.2)	(1.7)
As at 31 December 2023	1.8	4.6	102.2	3.8	10.2	122.6

Accumulated amortisation and impairment losses

(in CHF m)

	Patents and developments	Licences and rights	Order backlog and customer lists/relationships	ERP systems	Intangible assets in progress	Intangible Assets
As at 1 January 2023	—	5.5	103.0	3.8	1.0	113.4
Eliminations from the scope of consolidation	—	(2.0)	—	—	—	(2.0) [1]
Depreciation	—	0.6	—	0.1	—	0.7
Reversal of impairment	—	(0.4)	—	—	—	(0.4) [4]
Disposals	—	(0.1)	—	—	—	(0.1)
Foreign currency translation adjustments	—	(0.4)	(0.8)	(0.1)	—	(1.3)
As at 31 December 2023	—	3.2	102.0	3.8	1.0	110.2

[1] The divestments of RUAG Aerospace Structures GmbH and RUAG Aerostructures Hungary Zrt. led to disposals in the scope of consolidation in the reporting year.

[2] The additions in the reporting year are mainly due to the introduction of various Group-wide IT projects and the "Constellation On Board Computer" project at Beyond Gravity in Austria.

[3] The disposals in the reporting year are mainly attributable to various intangible assets at Corporate Services due to non-utilization and in the Aerostructures segment.

[4] As part of an impairment test and the existence of net realizable values in the Aerostructures segment, impairment losses on intangible assets were reversed in the reporting year.

At cost

(in CHF m)

	Patents and developments	Licences and rights	Order backlog and customer lists/relationships	ERP systems	Intangible assets in progress	Intangible Assets
As at 1 January 2024	1.8	4.6	102.2	3.8	10.2	122.6
Additions	—	0.0	—	—	8.6	8.6 [2]
Disposals	—	(0.1)	—	(0.8)	—	(0.9) [3]
Reclassifications	—	—	—	4.6	(4.6)	—
Foreign currency translation adjustments	0.0	0.0	(0.1)	0.0	(0.1)	(0.2)
As at 31 December 2024	1.9	3.5	102.0	7.5	14.1	129.0

Accumulated amortisation and impairment losses

(in CHF m)

	Patents and developments	Licences and rights	Order backlog and customer lists/relationships	ERP systems	Intangible assets in progress	Intangible Assets
As at 1 January 2024	—	3.2	102.2	3.8	1.0	110.2
Depreciation	0.4	0.4	—	0.9	—	1.7
Disposals	—	(0.6)	—	(0.8)	—	(1.5) [3]
Foreign currency translation adjustments	0.0	0.0	(0.1)	(0.0)	—	(0.2)
As at 31 December 2024	0.4	3.0	102.0	3.8	1.0	110.3

Net carrying amounts

(in CHF m)

am 1. Januar 2023	—	1.5	(0.0)	0.1	4.1	5.7
am 31. Dezember 2023	1.8	1.4	(0.0)	—	9.2	12.4
am 31. Dezember 2024	1.5	0.5	—	3.7	13.1	18.8

Scheduled amortization and extraordinary impairment of intangible assets are reported in the consolidated income statement under "Amortization and impairment of intangible assets".

Goodwill The goodwill from acquisitions is offset directly against the equity at the time of acquisition. The theoretical capitalization, based on a useful life of five years, would have the following impact on the consolidated financial statements:

Theoretical movement schedule for goodwill

At cost

(in CHF m)

	Space	Total
As at 1 January 2023	59.5	59.5
Foreign currency translation adjustments	(0.4)	(0.4)
As at 31 December 2023	59.1	59.1

Accumulated amortisation

(in CHF m)

	Space	Total
As at 1 January 2023	59.5	59.5
Foreign currency translation adjustments	(0.4)	(0.4)
As at 31 December 2023	59.1	59.1

At cost

(in CHF m)

	Space	Total
As at 1 January 2024	**59.1**	**59.1**
Foreign currency translation adjustments	**(0.1)**	**(0.1)**
As at 31 December 2024	**59.0**	**59.0**

Accumulated amortisation

(in CHF m)

	Space	Total
As at 1 January 2024	**59.1**	**59.1**
Foreign currency translation adjustments	**(0.1)**	**(0.1)**
As at 31 December 2024	**59.0**	**59.0**

Theoretical net book value

(in CHF m)

As at 1 January 2023	—	—
As at 31 December 2023	—	—
As at 31 December 2024	**—**	**—**

The capitalization and amortization of goodwill over five years would have no impact on the consolidated income statement and consolidated balance sheet (equity), as it has been fully amortized.

19.0 Financial liabilities

Current financial liabilities

(in CHF m)

	2024	2023
Financial liabilities towards third parties [1]	1.4	0.2
Total current financial liabilities	1.4	0.2

[1] This item primarily includes the negative replacement values of foreign currency forward transactions.

Non-current financial liabilities

(in CHF m)

	2024	2023
Financial liabilities towards third parties	0.4	0.1
Total non-current financial liabilities	0.4	0.1

The carrying amounts of the non-current financial liabilities are a reasonable approximation of their fair value. The average rate of interest on non-current financial liabilities in the year under review was 0 % (previous year: 0 %).

Maturity structure of current and non-current financial liabilities

(in CHF m)

	2024	2023
Up to 1 year	1.4	0.2
Up to 2 years	0.4	0.1
Up to 3 years	—	0.0
Total financial liabilities	1.8	0.4

Currencies of financial liabilities

(in CHF m)

	2024	2023
CHF	0.4	0.0
EUR	0.1	0.3
USD	1.0	0.0
SEK	0.3	0.0
Other	—	0.0
Total financial liabilities	1.8	0.4

20.0 Trade accounts payable and prepayments

(in CHF m)

	2024	2023
Trade accounts payable	25.8	27.2
Total trade accounts payable	25.8	27.2
Prepayments from customers	260.6	193.5
Total prepayments from customers	260.6	193.5
Total trade accounts payable and prepayments	286.4	220.7

Currencies of trade accounts payable and prepayments

(in CHF m)

	2024	2023
CHF	13.8	17.3
EUR	38.0	57.8
USD	201.4	130.5
SEK	31.5	13.8
GBP	0.5	0.1
Other	1.3	1.2
Total trade accounts payable and prepayments	286.4	220.7

21.0 Other current liabilities

(in CHF m)

	2024	2023
Due to third parties	**14.2**	10.8
Due to government bodies	**1.2**	1.1
Total other current liabilities	**15.4**	11.9

22.0 Other non-current financial liabilities

(in CHF m)

	2024	2023
Due to third parties	**0.2**	0.2
Total other non-current financial liabilities	**0.2**	0.2

23.0 Deferred income and accrued expenses

(in CHF m)

	2024	2023
Deferred income and accrued expenses for PoC orders	**64.3**	56.0
Income relating to future periods	**0.8**	0.6
Outstanding trade accounts payable	**14.7**	22.8
Personnel-related accrued expenses	**4.8**	7.2
Other deferred income and accrued expenses	**23.0**	17.2
Total deferred income and accrued expenses	**107.8**	103.8

24.0 Provisions

(in CHF m)

	Restructuring	Contract losses	Warranties	Holiday and overtime	Loyalty bonuses and anniversary benefits	Other	Total
Balance at 1 January 2023	3.6	6.0	1.2	11.4	3.6	32.8	58.6
Eliminations from the scope of consolidation	—	—	(0.5)	(2.3)	(0.6)	(1.4)	(4.8)
Additions	—	3.9	0.1	8.3	0.3	12.3	24.8
Release of unused provisions	(0.5)	(0.3)	(0.0)	—	(0.0)	(3.9)	(4.7)
Use of provisions	(2.9)	(3.5)	—	(7.5)	(0.4)	(2.7)	(17.0)
Foreign currency translation adjustments	(0.1)	(0.1)	(0.0)	(0.5)	(0.1)	(0.8)	(1.7)
Balance at 31 December 2023	0.1	5.9	0.6	9.4	2.7	36.4	55.2
Current provisions	0.1	3.6	0.2	9.4	—	6.9	20.3
Non-current provision	—	2.3	0.4	—	2.7	29.5	35.0

	Restructuring	Contract losses	Warranties	Holiday and overtime	Loyalty bonuses and anniversary benefits	Other	Total
Balance at 1 January 2024	**0.1**	**5.9**	**0.6**	**9.4**	**2.7**	**36.4**	**55.2**
Additions	**—**	**21.0**	**—**	**4.8**	**10.7**	**8.6**	**45.2**
Release of unused provisions	**—**	**(0.1)**	**(0.2)**	**(2.7)**	**(0.3)**	**(17.4)**	**(20.6)**
Use of provisions	**(0.1)**	**(3.5)**	**(0.5)**	**(3.2)**	**(0.3)**	**(2.4)**	**(9.9)**
Foreign currency translation adjustments	**(0.0)**	**0.3**	**—**	**0.0**	**0.0**	**0.2**	**0.5**
Balance at 31 December 2024	**—**	**23.6**	**—**	**8.4**	**12.9**	**25.4**	**70.3**
Current provisions	**—**	**4.1**	**—**	**8.4**	**—**	**5.4**	**17.8**
Non-current provision	**—**	**19.6**	**—**	**—**	**12.9**	**20.0**	**52.5**

In the reporting year, the following significant events led to changes in the respective provision categories:

Provisions for restructuring The restructuring of the Space segment initiated at the end of 2020 was completed in 2023 and most of the provisions recognized were utilized. The remaining restructuring provision was fully utilized during the reporting year.

Provisions for contract losses Provisions totaling CHF 21.0 million were recognized Group-wide for contract-related losses in the course of ordinary business activities. In addition, CHF 3.5 million in provisions for contract losses were utilized in the reporting year.

Other provisions In the reporting year, CHF 7.1 million in other provisions was recognized for potential legal cases, contractual risks and warranties. Group-wide provisions of CHF 11.4 million were reversed for potential legal cases and contractual risks. In connection with restoration obligations for old sites, provisions amounting to CHF 5.1 million were reversed. Defense costs have been recognized for the two legal proceedings related to the sale of RUAG Aerospace Services GmbH and the arbitration proceeding involving RUAG Aerostructures Switzerland Ltd. No provisions were recognized for the amounts in dispute (as the probability of occurrence in both cases is estimated to be less than 50%).

In the previous year, CHF 8.1 million in other provisions was recognized for potential legal cases, contractual risks and warranties. A provision of CHF 1.2 million was recognized for contractual liabilities in connection with the early termination of rental agreements. In connection with restoration obligations for new sites, provisions amounting to CHF 1.1 million were recognized. In addition, other provisions totaling CHF 2.0 million were recognized across the Group for restoration obligations and for other identified risks in connection with ordinary business activities.

25.0 Employee benefit obligations

The RUAG International Group maintains various employee benefit plans. The main employee benefit plans are in Switzerland and Sweden, the plan in Switzerland being administered by a legally autonomous organization.

Employee benefit plan in Switzerland All RUAG International employees in Switzerland have been insured against the risks of old age, death and disability with the Livica Sammelstiftung (collective foundation). Livica Sammelstiftung is a fully autonomous employee benefit fund set up in line with the Swiss defined contribution system. It has the legal status of a foundation. In addition to the compulsory benefits, the employee benefit fund also provides benefits over and above the compulsory minimum under the Swiss Federal Act on Occupational Retirement, Survivors' and Disability Pension Schemes (BVG). The affiliation of a company is based on the pension fund regulations on the basis of a written affiliation agreement, which must be brought to the attention of the supervisory authority. In principle, the affiliated company shall form its own pension fund within the foundation. Livica Sammelstiftung is registered with and regulated by the Bern supervisory authority for occupational retirement schemes and foundations. Livica Sammelstiftung is subject to the provisions of the BVG. Under those provisions, the management body of the employee benefit fund is also responsible for ensuring that, in the event of a deficit, restructuring measures are decided and implemented so as to restore the funding level of future employee benefits to 100% within a reasonable period. These measures include making additional contributions to rehabilitate the fund. Key decisions concerning the benefits offered by the individual pension funds are taken by the pension fund committees, which is made up in equal numbers of employee and employer representatives.

Employee benefit plan in Sweden The existing ITP plan was renegotiated with effect from 1 January 2007, and became a defined contribution plan (ITP 1) from that point onwards. However, all staff born before 1979 are still insured under the ITP 2 defined benefit plan. Alongside a final salary retirement pension, the plan also includes surviving dependents and disability pension cover provided by Alecta.

In addition to the pension obligations, the Group provides other long-term employee benefits comprising loyalty bonuses and anniversary benefits (see Note 24, "Provisions").

The following table shows the economic benefit as well as the economic liability at the end of the reporting period and of that of the previous year and the corresponding change in the pension expenses:

(in CHF m)

	2024		2023	2024				2023
	Surplus/deficit in accordance with FER 26	Group's economic share	Group's economic share	Foreign currency translation adjustments	Veränderungen zum Vorjahr bzw. Aufwand der Berichtsperiode	Year-on-year changes/expenses for reporting period	Contributions accrued for the period	Expense of benefit plans in personnel expenses
Benefit plans without surplus/deficit	–	–	–	–	–	(8.8)	–	–
Benefit plans without plan assets	–	22.9	23.3	0.4	(0.0)	(4.3)	(13.1)	(15.5)
Total	–	22.9	23.3	0.4	(0.0)	(13.1)	(13.1)	(15.5)

The benefit plans without surplus /deficit include the Livica Sammelstiftung defined benefit plan in Switzerland. The recognized economic liabilities for benefit plans without plan assets, i.e. unfunded plans, amount to CHF 22.9 million (previous year: CHF 23.3 million) and mainly relate to the pension plans in Sweden.

The following table shows the summary of the pension expenses for the reporting period and the previous year:

(in CHF m)

	2024			2023		
	Switzerland	Abroad	Total	Switzerland	Abroad	Total
Contributions to benefit and contribution plans at expense of Group companies	(8.8)	(4.3)	(13.1)	(9.4)	(4.1)	(13.5)
Contributions to benefit and contribution plans from employer contribution reserves	–	–	–	–	–	–
Total contributions	(8.8)	(4.3)	(13.1)	(9.4)	(4.1)	(13.5)
+/– change in ECR from portfolio performance, impairment etc.	–	–	–	–	–	–
Contributions and change in employer contribution reserves	(8.8)	(4.3)	(13.1)	(9.4)	(4.1)	(13.5)
Decrease/increase in economic liability of Group from benefit and contribution plans without surplus/deficit	–	–	–	–	–	–
Decrease/increase in economic liability of Group (plans without plan assets)	–	(0.0)	(0.0)	–	(2.0)	(2.0)
Total change in economic impact from surpluses/deficits	–	(0.0)	(0.0)	–	(2.0)	(2.0)

The change in recognized economic liabilities from benefit plans and paid-in employer contributions for the reporting year amount to CHF –13.1 million (previous year: CHF –15.5 million). These are fully included in personnel expenses in the reporting year, as was the case in the previous year.

26.0 Share capital

The share capital comprises a total of 2,179,000 fully paid-up shares with a par value of CHF 100 each. There is no conditional share capital. All shares in RUAG International Holding Ltd are owned by the Swiss Confederation.

27.0 Contingent liabilities towards third parties

(in CHF m)

	2024	2023
Group guarantees	33.4	32.3
Total contingent liabilities towards third parties	33.4	32.3

Group guarantees are primarily performance and bid guarantees from operational towards customers.

28.0 Additional contingent liabilities not stated on the balance sheet

(in CHF m)

	2024	2023
Warranty agreements	–	0.5
Other liabilities not stated on the balance sheet	0.4	0.4
Total additional contingent not stated on the balance sheet	0.4	0.9

29.0 Future minimum commitments from leasing transactions

Operating leases

(in CHF m)

	2024	2023
Within 1 year	19.6	19.7
Later than 1 year, within 5 years	69.5	73.5
After 5 years	59.8	78.9
Total	148.9	172.1

These comprise off-balance sheet obligations under operating leases (including rental agreements).

30.0 Assets pledged as collateral

(in CHF m)

	2024	2023
Cash and cash equivalents	0.0	0.0
Total assets pledged as collateral	0.0	0.0

31.0 Related party transactions

(in CHF m)

	2024	2023
Receivables from related parties	0.0	0.0
Liabilities to related parties	(0.5)	(0.5)
Current liabilities to pension funds	–	(0.3)

The receivables from and liabilities to related parties in the reporting year and in the previous year are attributable in full to the RUAG MRO Holding Ltd Group.

Invoiced sales with the DDPS totaled CHF 0.5 million (previous year CHF 0.2 million) (see also Note 6 “Net sales”). In addition, revenue of CHF 1.1 million (previous year CHF 0.9 million) was generated with RUAG MRO Holding Ltd. In return, materials and services totaling CHF 5.8 million (previous year CHF 11.9 million) were purchased. There were no loans between Group companies and members of the Board of Directors.

In the previous year, the current liabilities to pension funds relate to savings and risk contributions for the month of December 2023.

32.0 Remuneration of key management personnel

The total remuneration of the non-executive members of the Board of Directors for the year under review was CHF 488,000 (previous year CHF 489,000).[1] The number of members on the Board of Directors including the Chairman was five in the year under review (previous year five).

The total remuneration of the CEO and the Executive Committee for the year under review was CHF 3,742,000 (previous year CHF 3,850,000).[1,2] The total remuneration of the CEO for the year under review was CHF 812,000 (previous year CHF 890,000.[1] The number of members of the Executive Committee including the CEO in the year under review was 6 (previous year 7).[3]

For the members of the Group Executive Board, the performance-based component in 2024 ranged from 17% (previous year: 33%) to a maximum of 33% (previous year: 39%) of the annual cash compensation.

Overview of remuneration paid to members of the Board of Directors and the Executive Committee:

(in CHF thousands)

	Total		Highest Total remuneration [4]	
	2024	2023	2024	2023
Board of Directors remuneration				
Cash compensation	479	480	176	176
Employer contributions to pension fund	10	9	—	—
Total remuneration paid to members of the Board of Directors	488	489	176	176
Basic salary of Executive Committee				
Cash compensation	2563	2427	524	524
Benefits in kind	78	76	11	11
Employer contributions to pension fund	322	316	72	72
Performance-based component Executive Committee				
Cash compensation	652	859	174	205
Employer contributions to pension fund	127	125	32	32
Other long-term employee benefits	—	—	—	—
Total remuneration to members of the Executive Committee	3742	3804	812	843
of which cash compensation	3216	3287	698	729
of which benefits in kind	78	76	11	11
of which employer contributions to pension fund	449	441	103	104
of which other long-term employee benefits	—	—	—	—
Ratio of performance-based compensation to fixed cash compensation	25%	35%	33%	39%
Total remuneration to members of the Board of Directors and Executive Committee	4231	4292		
of which short-term employee benefits [5]	3772	3843		
of which employer contributions to pension fund	459	450		
of which other long-term employee benefits	—	—		

[1] The total remuneration amounts are exclusive of employer social security contributions.

[2] Financial year 2024 includes members Caroline Schmitt (who left on 31 October 2024) and Oliver Kunz (who left on 30 November 2024) and the new member of the Executive Committee Iván González (joined on 1 September 2024).

[3] In financial year 2024, the number refers to the members as of 31 December 2024.

[4] The highest total remuneration in the Board of Directors in 2024 refers to the position of Chairman of the Board of Directors. The highest total remuneration in 2024 in the Executive Committee refers to the CEO.

[5] Includes the positions cash compensation and benefits in kind.

33.0 Risk management process, financial risk management and capital management

Risk management process

RUAG International has a risk management system which records strategic and potentially dangerous risks as well as operational risks and focuses on relevant topics from the perspective of the Group and the business segments. Risks are identified, assessed and monitored in the individual business segments using a structured, bottom-up risk assessment. In order to prevent or reduce the individual risks, the appropriate measures are defined and implemented. At Group level, the aggregate risks relevant for the Group are monitored and managed by the executive management. The Board of Directors deals intensively with strategic and potentially dangerous risks twice a year or as required.

The risks identified are assessed in terms of probability of occurrence and impact, and are entered on the Group's risk map. This risk map is periodically discussed with the executive management, the Audit Committee and the entire Board of Directors. Depending on the way responsibilities are defined, the executive management or business segment management are responsible for the ongoing monitoring, control and management of risks. As part of this, management is supported by the Risk Management Team at Group level in training sessions or moderating workshops.

Financial risk management

RUAG International is exposed to various financial risks as a result of its business activities. The most significant financial risks arise from changes in exchange rates, interest rates and commodity prices. A further risk is the ability to secure adequate liquidity.

Financial risk management is a central function and is performed at Group level by the Corporate Treasury department, in compliance with the directives issued by the Board of Directors. Corporate Treasury identifies, evaluates and hedges financial risks in close cooperation with the operating units.

a. **Market risks**
RUAG International is exposed to market risks that largely relate to changes in exchange and interest rates and would therefore impact the value of the financial instruments held or the income/ expenses associated with these. The Group monitors these risks continuously. It employs a number of derivative financial instruments to manage the volatility associated with these risks. The Group's objective is to reduce – where appropriate – fluctuations in earnings and cash flows associated with changes in interest rates, exchange rates and the value of financial assets.

In compliance with Group policy, RUAG International employs derivative financial instruments (e.g. foreign currency forward transactions) to manage risk. RUAG International avoids any financial transaction in which the risk cannot be gauged at the time the transaction is concluded. The Group does not sell any assets that it does not own or does not know that it will own. RUAG International sells only existing assets and hedges only existing transactions and (in the case of forward hedges) forecasted transactions that can be expected to materialize on the basis of past experience.

Exchange rate risk The consolidated financial statements are presented in Swiss francs (CHF). The Group is mainly subject to changes in the exchange rates of the euro, US dollar and Swedish krona. In the case of transaction risk, it faces the risk of fluctuations in the value of foreign currencies between the date of a contractual agreement and the actual date of payment. Accordingly, RUAG International employs different contracts to compensate for exchange rate-induced changes in asset values, firm commitments and forecasted transactions. RUAG International also employs forward transactions and currency options to hedge certain cash flows anticipated in foreign currency.

The following foreign currency hedging transactions existed as of December 31:

Volume of contracts (in CHF m)

	2024	2023
Currency hedging contracts banks (Sale of foreign currency)	**92.9**	230.1
Currency hedging contracts banks (Purchase of foreign currency)	**(1.3)**	(11.8)

Carrying amounts (in CHF Mio.)

	2024	2023
Current financial assets	**0.2**	6.0
Non-current financial assets	**0.0**	0.1
Current financial liabilities	**(1.4)**	(0.2)
Non-current financial liabilities	**(0.4)**	(0.1)

The carrying amounts mainly contain the positive and negative replacement values from foreign currency forward transactions that are recognised at fair value.

Hedge accounting RUAG International carries out foreign currency forward transactions to hedge future transactions in relation to its operational business (hedging future revenues or purchases of goods and services in the corresponding currencies); these hedging transactions have been designated for hedge accounting. The hedging reserve under shareholders' equity (other reserves) included the following as of 31 December: (in CHF m)

	2024	2023
Other reserves	**(0.3)**	(0.6)

RUAG International provides certain foreign Group companies with loans in foreign currencies. These loans are not hedged. As repayment is neither planned nor likely in the foreseeable future, these items are quasi-equity loans. Therefore, the foreign currency gains/losses are recognized directly in equity. Cumulative foreign currency losses for these loans booked to equity as of 31 December 2024 amounted to CHF 41.6 million (previous year: CHF 48.7 million).

34.0 Events after the reporting period

The Board of Directors of RUAG International Holding Ltd approved the consolidated financial statements for publication on 12 March 2025.

No material events have taken place since the end of the reporting period that would have an impact on the carrying values of the assets or liabilities as of 31 December 2024.

The right to approve the consolidated financial statements rests with the annual shareholders' meeting.

35.0 Consolidated companies and non-controlling interests (as at 31 December 2024)

Company	Head office	Country		Equity capital (100"%)	Sharehold-ing 2024	Sharehold-ing 2023	Consoli-dation method
RUAG International Holding AG [1]	Bern	Switzerland	CHF	217 900 000			Full
Consolidated entities							
Beyond Gravity Switzerland Ltd ll	Emmen	Switzerland	CHF	112 200 000	100.0%	100.0%	Full
Beyond Gravity Services Ltd	Bern	Switzerland	CHF	100 000	100.0%	100.0%	Full
Beyond Gravity Slip Rings Ltd	Nyon	Switzerland	CHF	100 000	100.0%	100.0%	Full
Beyond Gravity USA Holding Inc.	Huntsville, AL	USA	USD	0.1	100.0%	100.0%	Full
Beyond Gravity USA Inc.	Huntsville, AL	USA	USD	25 000	100.0%	100.0%	Full
Beyond Gravity Germany GmbH	Coswig	Germany	EUR	26 000	100.0%	100.0%	Full
Beyond Gravity Holding Sweden AB	Gothenburg	Sweden	SEK	100 000	100.0%	100.0%	Full
Beyond Gravity Sweden AB	Gothenburg	Sweden	SEK	15 000 000	100.0%	100.0%	Full
Beyond Gravity Finland Oy	Tampere	Finland	EUR	2 500	100.0%	100.0%	Full
Beyond Gravity Austria GmbH	Vienna	Austria	EUR	1 500 000	100.0%	100.0%	Full
Beyond Gravity Advanced Systems Inc. [2]	Huntsville, AL	USA	USD	1 500	100.0%	100.0%	
RUAG Deutschland GmbH	Gilching	Germany	EUR	1 000 000	100.0%	100.0%	Full
RUAG Aerostructures Switzerland Ltd	Emmen	Switzerland	CHF	100 000	100.0%	100.0%	Full
Beyond Gravity Portugal, UNIPESSOAL LDA	Lisbon	Portugal	EUR	50000	100.0%	0%	Full
Minority interests							
Arianespace Participation	Evry	France	EUR	3 937 983	3.5%	3.5%	[2]
Switzerland Innovation Park Biel/Bienne Ltd	Biel/Bienne	Switzerland	CHF	2 202 700	4.5%	4.5%	[2]

[1] RUAG International Holding Ltd, Bahnhofplatz 10b, CH-3011 Bern.

[2] Non-material investments are valued at cost minus a valuation allowance.

Report of the statutory auditor on the consolidated financial statements

EY
Shape the future with confidence

Ernst & Young Ltd
Schanzenstrasse 4a
P.O. Box
CH-3001 Berne

Phone: +41 58 286 61 11
www.ey.com/en_ch

To the General Meeting of
RUAG International Holding Ltd, Berne

Berne, 12 March 2025

Report of the statutory auditor

Report on the audit of the consolidated financial statements

Opinion
We have audited the consolidated financial statements of RUAG International Holding Ltd and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2024, the consolidated income statement, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements (pages 49 to 78) give a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Swiss GAAP FER and comply with Swiss law.

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 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, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

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

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

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

EY
Shape the future with confidence

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 Swiss GAAP FER 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 and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

EY
Shape the future with confidence

Report on other legal and regulatory requirements

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

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

Ernst & Young Ltd

EY Martin Mattes
(Qualified Signature)
Licensed audit expert
(Auditor in charge)

EY Cristina Zimmermann
(Qualified Signature)
Licensed audit expert

Financial statements of RUAG International Holding Ltd

Income statement for 1 January to 31 December

(in CHF m)

	Note	2024	2023
Income from investments	2.4	22.2	8.4
Income from services		11.4	3.2
Reversal of impairment loss on financial assets	2.5	—	23.9
Total operating income		33.5	35.5
Investment expenses	2.4	(1.1)	(10.3)
Personnel expenses		(0.1)	(0.1)
Other operating expenses	2.6	(10.5)	(27.3)
Total operating expenses		(11.6)	(37.6)
Operating profit/loss		21.9	(2.1)
Financial income			
Interest income		16.3	29.4
Currency gains		10.7	(14.0)
Financial expenses			
Interest expense		(11.6)	(13.4)
Currency losses		—	—
Pre-tax profit (loss)		37.3	(0.1)
Income taxes		(2.6)	(0.2)
Net profit (loss)		34.7	(0.3)

The notes to the financial statements on pages 81 to 83 form an integral part of the financial statements.

Balance sheet as at 31 December

(in CHF m)

Active	Note	2024	2023
Cash and cash equivalents		383.3	427.4
Current financial assets			
Due to third parties		0.1	4.1
Due to companies in which the entity holds an investment		25.4	18.4
Other current receivables			
Due to third parties		4.3	2.9
Due to companies in which the entity holds an investment		42.2	6.9
Prepaid expenses and accrued income			
Due to third parties		0.1	0.6
Due to companies in which the entity holds an investment		0.6	0.3
Total current assets		455.9	460.6
in % of total assets		48.4%	47.1%
Financial assets			
Due to companies in which the entity holds an investment[1]		—	186.3
Investments	2.1	486.7	331.7
Intangible assets		0.0	0.0
Total non-current assets		486.7	518.0
in % of total assets		51.6%	52.9%
Total assets		942.6	978.6

Passive	Note	2024	2023
Current interest-bearing liabilities			
Due to third parties		0.0	0.0
Due to companies in which the entity holds an investment		426.0	334.3
Other current interest-bearing liabilities			
Due to third parties		0.3	0.0
Due to companies in which the entity holds an investment		6.4	5.7
Other current liabilities			
Due to third parties		3.5	0.3
Due to companies in which the entity holds an investment		0.1	2.4
Current provisions		—	0.6
Deferred income and accrued expenses			
Due to third parties		0.2	1.1
Due to companies in which the entity holds an investment		1.3	7.7
Total current liabilities		437.9	352.1
Non-current provisions		5.6	12.1
Total non-current liabilities		5.6	12.1
Total liabilities		443.5	364.2
in % of total assets		47.4%	37.2%
Share capital	2.3	217.9	217.9
Legal capital reserve		228.0	378.0
Net profit brought forward		18.6	18.7
Net profit (loss)		34.7	(0.3)
Total equity		499.1	614.4
in % of total assets		52.6%	62.8%
Total liabilities and equity		942.6	978.6

[1] Of which subordinated CHF 97.5 million in the previous year.

The notes to the financial statements on pages 81 to 83 form an integral part of the financial statements.

Notes to the financial statements of RUAG International Holding Ltd

1.0 Principles

1.1 General
The key applied accounting principles that are not stipulated by law are described below. Here it must be noted that in order to ensure its long-term success, the company has made use of the option to create and release hidden reserves.

1.2 Financial assets
The financial assets include long-term loans. Loans provided in foreign currencies are valued using the closing rates on the balance-sheet-date; in this regard, unrealised losses are recognised, while unrealised profits are not (imparity principle).

1.3 Investments
Investments are measured at cost minus the required impairment. The carrying amounts are reviewed on an annual basis with regard to their value and, if necessary, written down. The valuations are checked in accordance with the individual valuation principle.

1.4 Foreign currency forward transactions
Positive and negative replacement values of foreign currency forward transactions which are subject to hedge accounting are not measured during their life because the net principle is applied. The contract volumes and replacement values of current transactions are listed in the notes under section 2.2.

1.5 Foreign currency valuation
Current assets and liabilities in foreign currencies are valued using the closing rates on the balance-sheet-date. Profits or losses are recognised on a "realised" basis. For non-current assets and liabilities, the imparity principle applies; any unrealised foreign exchange losses are treated as an expense, while unrealised profits are not recognised in the income statement.

1.6 Non-preparation of statement of cash flows and additional details in the notes
As RUAG International Holding Ltd prepares its consolidated financial statements in line with recognised accounting standards (Swiss GAAP FER), in accordance with the statutory provisions it has not provided details in the notes to the financial statements concerning interest-bearing liabilities and audit fees, and has not prepared a statement of cash flows.

2.0 Information on balance sheet and income statement items

2.1 Investments
a. Direct investments

(in CHF m)

Company	Head office	Country	Share of capital and voting rights 2024 in %	Share of capital and voting rights 2023 in %		Capital
Beyond Gravity Services AG	Bern	Switzerland	**100**	100	CHF	100 000
RUAG Aerostructures Switzerland Ltd	Emmen	Switzerland	**100**	100	CHF	100 000
RUAG Deutschland GmbH	Gilching	Germany	**100**	100	EUR	1 000 000
Switzerland Innovation Park Biel/Bienne AG	Biel/Bienne	Switzerland	**4.5**	4.5	CHF	2 202 700

b. Material indirect investments

(in CHF m)

Company	Head office	Country	Share of capital and voting rights 2024 in %	Share of capital and voting rights 2023 in %		Capital
Beyond Gravity Schweiz AG	Emmen	Switzerland	**100**	100	CHF	112 200 000
Beyond Gravity Slip Rings AG	Nyon	Switzerland	**100**	100	CHF	100 000
Beyond Gravity Holding Sweden AB	Gothenburg	Sweden	**100**	100	SEK	100 000
Beyond Gravity Sweden AB	Gothenburg	Sweden	**100**	100	SEK	15 000 000
Beyond Gravity USA Inc.	Huntsville	USA	**100**	100	USD	25 000
Beyond Gravity Austria GmbH	Vienna	Austria	**100**	100	EUR	1 500 000
Beyond Gravity Portugal, UNIPESSOAL LDA	Lisbon	Portugal	**100**	0	EUR	50 000

In the reporting year, RUAG International Holding transferred all shares in Beyond Gravity entities to Beyond Gravity Services AG through a contribution in kind.

2.2 Foreign currency forward transactions

(in CHF m)

	2024	2023
Volume of foreign currency hedging contracts with banks	**92.9**	230.1
Volume of foreign currency hedging contracts with banks	**(1.3)**	(11.8)
Volume of foreign currency hedging contracts with Group companies	**—**	—
Volume of foreign currency hedging contracts with Group companies	**(57.7)**	(79.0)
Positive replacement value banks	**0.2**	6.2
Negative replacement value banks	**(1.8)**	(0.4)
Positive replacement value Group companies	**1.4**	0.1
Negative replacement value Group companies	**(0.1)**	(1.8)
Total replacement values	**(0.3)**	4.1

The contract volumes represent the volume of open foreign currency forward transactions as at year-end.

The replacement value s only contain the positive and negative replacement values from open foreign currency forward transactions as at year-end that are recognized at fair value.

2.3 Share capital

The share capital of CHF 217.9 million comprises 2.179 million registered shares, each with a nominal value of CHF 100.

2.4 Investment income/expenses

Investment income includes the ordinary dividend distributions from Beyond Gravity Holding Sweden AB and Beyond Gravity USA Holding Inc. Investment income/ expenses includes the results from the sale of divestments.

2.5 Impairment losses and reversals of impairment losses on financial assets

Financial assets are reviewed annually for impairment, if events or circumstances give reason to suspect that the book value may no longer be recoverable. When recoverability is restored, impairment losses can be reversed up to the acquisition value.

2.6 Other operating expenses

(in CHF m)

	2024	2023
Advertising costs	**(0.9)**	(0.9)
Administration costs	**(4.9)**	(21.6)
Management fees (top management costs)	**(4.7)**	(4.8)
Total other operating expenses	**(10.5)**	(27.3)

3.0 Further information

3.1 Full-time positions

As in the previous year, the annual average number of full-time positions did not exceed 10 in the year under review.

3.2 Collateral provided for third-party liabilities

(in CHF m)

	2024	2023
Group guarantees	**94.8**	96.7
Total contingent liabilities	**94.8**	96.7

Guarantee liabilities are primarily performance and advance payment guarantees issued as part of operational business, as well as guarantees to secure bank credit limits vis-à-vis the subsidiaries.

3.3 Events after the reporting period

There were no significant events after the balance sheet date that have an impact on the book values of the reported assets or liabilities or that would have to be disclosed here.

Proposal by the Board of Directors for the appropriation of available earnings

(in CHF m)

	2024
Retained earnings at the beginning of the financial year	18.6
Net loss for the year	34.7
Balance sheet profit at the disposal of the Annual General Meeting	53.2

The Board of Directors proposes the following appropriation of earnings at the Annual General Meeting:

(in CHF m)

	2024
Dividend	–
Allocation to general legal retained earnings	–
Balance to be brought forward	53.2

The Board of Directors proposes no dividend for the year 2024.

Report of the statutory auditor on the financial statements of RUAG International Holding Ltd

EY
Shape the future with confidence

Ernst & Young Ltd
Schanzenstrasse 4a
P.O. Box
CH-3001 Berne

Phone: +41 58 286 61 11
www.ey.com/en_ch

To the General Meeting of
RUAG International Holding Ltd, Berne

Berne, 12 March 2025

Report of the statutory auditor

Report on the audit of the financial statements

Opinion
We have audited the financial statements of RUAG International Holding Ltd (the Company), which comprise the balance sheet as at 31 December 2024, 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 accompanying financial statements (pages 80 to 84) comply with Swiss law and the Company's articles of incorporation.

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

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

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

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

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

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

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

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

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

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

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.

Ernst & Young Ltd

Martin Mattes (Qualified Signature)	Cristina Zimmermann (Qualified Signature)
Licensed audit expert (Auditor in charge)	Licensed audit expert

4.0

Corporate Governance.

Commitment to openness and transparency.

RUAG International follows clear rules. Good corporate governance ensures the sustainable development and success of the company. Management and control are based on the corporate governance guidelines of SIX Swiss Exchange.

Board of Directors

The duties of the Board of Directors of RUAG International Holding Ltd are governed by the Swiss Code of Obligations, the owner's strategy of the Swiss Federal Council, the Articles of Association and the Regulations Governing Organization and Operations. The Board of Directors of RUAG International Holding Ltd currently consists of five members (20 % women), none of whom exercises an executive function within the company or has done so in the three financial years preceding the reporting period. In addition, the members of the Board of Directors have no material business relationship with the Group. In the reporting year, Andreas S. Spreiter replaced Kaspar Kelterborn as a member of the Board of Directors and took over from him as Chairman of the Audit Committee.

Election and term of office

The Board of Directors of RUAG International Holding Ltd and its Chairman are elected by the Annual General Meeting (AGM). In accordance with the Articles of Association, the Board of Directors consists of a maximum of seven individuals. The majority of the Board's members must be Swiss nationals who are resident in Switzerland. They are elected annually and individually, and may be re-elected. RUAG International does not specify an age limit for members of the Board of Directors, nor does it limit their term of office. The members of the Board of Directors are proposed by the Swiss Confederation (sole shareholder) and elected unanimously. The following section provides information on the composition of the Board of Directors as of 31 December 2024, the individual members' functions within RUAG International, their nationality and the year in which they were first elected to the Board. Information is also provided on their year of birth, other activities and interests, on significant mandates at major companies, organizations and foundations, on permanent functions in major interest groups, and on public offices and political mandates held as of 31 December 2024.

Vested interests

In accordance with the Nomination & Compensation Committee (NCC) Charter of 2023, the NCC is responsible for approving external ancillary activities of the members of the Board of Directors and the CEO. Twice a year, the NCC submits an updated list of all ancillary activities of all members of the Board of Directors and the Executive Board to the Board of Directors for information. Corresponding mandates are included on the agenda of both the NCC and the Board of Directors and discussed individually. The Board of Directors' vested interests are regularly disclosed. The Board of Directors is sensitized to ensuring that such vested interests are compatible with the mandate for RUAG International, both in terms of time and content. This is already taken into account when filling positions. Should a conflict of interest nevertheless arise unexpectedly, the member concerned would step aside. New mandates or commitments are also discussed in advance with the Chairman of the Board of Directors. At its meeting on 21 August 2024, the Board of Directors was made aware of the issue of conflicts of interests during an internal training session. Relevant legal bases such as Art. 717a of the Swiss Code of Obligations (CO), possible types of conflicts of interest and the internal disclosure process were discussed. On the same basis, training courses were held for management and a questionnaire and confirmation letter on the subject of conflicts of interest were completed. The Group's "Conflicts of Interest" policy on dealing with vested interests was issued in 2019 and last revised in July 2024. This is reminded in all training courses.

Dr. Remo Lütolf (b. 1956, Swiss), Chairman of the Board of Directors since 26 April 2018, Member since 2014, elected until the 2025 Annual General Meeting.

Education: Dipl. El. Ing. ETH, Dr. sc. techn. ETH Zurich; Executive MBA IMD Lausanne.
Professional background: Chairman of the Executive Board of ABB Switzerland (2013–2018); Head of the global business unit for power electronics and medium voltage drives, ABB Group (2003–2012); Head of the regional division for automation products, ABB North Asia/China (2005–2008); Head of the local business unit for power electronics, ABB Switzerland (1999– 2002); Various management positions in the Building Control and Energy Management divisions, Landis & Gyr Zug (1987–1998).
Committees: Member of the Audit Committee and the Nomination & Compensation Committee.
Significant mandates: Chairman of the Board of Directors of ewl Energie Wasser Luzern Holding AG, Chairman of the Board of Directors of Erdgas Zentralschweiz AG, Chairman of the Board of Directors of Libattion AG; Member of the Board of Directors of MTE Meter Test Equipment AG, Member of the University Council, University of Applied Sciences and Arts Northwestern Switzerland.

Rainer G. Schulz (b. 1965, Swiss), Vice Chairman since 1 October 2023, Member since 2020, elected until the 2025 Annual General Meeting.

Education: Engineering studies with specialization in production technology.
Professional background: : Interim Chairman of the Board Röchling SE (2021/22); CEO REHAU Group (until 2018); Head of Production/ Purchasing, BMW Rolls Royce AeroEngines (until 2001); Head of Production Logistics, Scheidt & Bachmann GmbH (until 1994).
Committees: Member of the Nomination & Compensation Committee.
Significant mandates: Member of the Board of Directors and Chairman of the Audit Committee of Bühler Holding AG, Member of the Board of Directors of Hoerbiger Holding AG, Member of the Advisory Board of Röchling SE & Co KG.

Déborah Carlson-Burkart (b. 1969, Swiss), Member since 2021, elected until the 2025 Annual General Meeting.

Education: Certified Board Member, INSEAD (FR); LL.M., Duke University (USA); Admitted to the bar, Zurich (CH); Lic. iur./Master of Law, Faculty of Law, University of Zurich (CH).
Professional background: Self-employed lawyer and Board member since 2015; Head Legal Rothschild Trust Group and Member of the Executive Board of Rothschild Trust (Switzerland) AG and Managing Director of Rothschild Trust Italy srl. in Milan (IT) until 2015; Head Legal of Alstom (Switzerland) AG, Member of the Executive Board, until 2011; Head International Legal, MicroStrategy Inc. Washington, DC (USA), until 2005.
Committees: Chair of the Nomination & Compensation Committee.
Significant mandates: Visiting lecturer University of St. Gallen HSG. Of-Counsel Wernli lawyers; Member of the Board of Directors of Visana Group; Member of the Board of Directors of Alstom Network Switzerland AG; Member of the Board of Directors N26 Bank Group.

Andreas S. Spreiter (b. 1968, Swiss/British), Member since 2024, elected until the 2025 Annual General Meeting.

Education: Swiss Federal Diploma in Operations and Production Engineering, ETH Zurich.
Professional background: Group Chief Financial Officer of Forbo International SA, Switzerland (2013-2017); Group Chief Financial Officer of Landis+Gyr AG, Switzerland (2002-2012); various senior management positions in finance and controlling at Siemens Metering AG and Landis+Gyr (Europe) AG (1993-2002).
Committees: Chairman of the Audit Committee.
Significant mandates: Member of the Board of Directors and Chairman of the Audit, Finance and Risk Committee of Landis+Gyr Group AG; Operating Director and Chairman of the Audit and Risk Committee of Ammega Group (Alpha ABMD Holdco B.V.); former member of the Board of Directors and Chairman of the Audit Committee of Reichle & De-Massari Holding AG.

Jürg Oleas (b. 1957, Swiss), Member since 2011, elected until the 2025 Annual General Meeting.

Education: Master's in Mechanical Engineering from ETH Zurich.
Professional background: Until 2001 various professional positions at ABB and then briefly at Alstom, from 2001 management position at GEA Group AG and from 2004 to 2019 CEO of GEA Group AG.
Committees: Member of the Audit Committee.
Significant mandates: Chairman of the Board of Directors HOCHDORF Holding AG; Member of the Board of Directors Holcim Ltd. (Member of Audit Committee and Nomination, Compensation and Governance Committee).

Internal organization and tasks

The Board of Directors holds ultimate responsibility for the business strategy and overall management of the Group. Subject to the authority of the Annual General Meeting, it possesses supreme decision-making powers.

The main tasks of the Board of Directors under the terms of the Swiss Code of Obligations and Articles of Association of RUAG International Holding Ltd are:

- The strategic orientation and management of the Group in accordance with the owner's strategy of the Swiss Federal Council
- The structuring of the accounting system, financial controlling and financial planning
- The appointment and dismissal of the CEO, other members of the Group Executive Board and other senior executives
- Supreme oversight of business activities
- Production of the annual report, preparation of the AGM and implementation of resolutions passed by the latter.

Decisions are taken by the full Board of Directors. To assist it in the preparation and implementation of its resolutions, the Board is assisted by two committees: an Audit Committee and a Nomination & Compensation Committee.

In the year 2024, the Board of Directors held six ordinary meetings and a one-day strategy meeting. One meeting took place online, five took place at RUAG International sites. In addition, there were five circular resolutions and ten extraordinary meetings, of which eight were held online and two at RUAG International sites. The members of the Board of Directors also discussed matters regularly by telephone. The agenda for meetings of the Board of Directors is set by the Chairman. Any member of the Board of Directors may request that an item be included on the agenda. The members are provided with documentation prior to each meeting to enable them to prepare for the items to be discussed.

The Board of Directors maintains an exchange of ideas with the company's operational managers. The CEO and CFO regularly attend the meetings as guests, other executives do so depending on the agenda.

In individual cases, members of the Board of Directors took part in meetings by telephone. There were no excused absences at ordinary BoD meetings and eight excused absences were recorded at extraordinary BoD meetings.

Committees

The Board of Directors has an Audit Committee and a Nomination & Compensation Committee, each of which has its own Chair. The committees meet regularly and prepare business for the full Board of Directors, draft related proposals and implement resolutions of the Board of Directors as required. The agenda of each committee's meetings is set by its Chair. The members of the committees are provided with documentation prior to the meetings to enable them to prepare for the items on the agenda. Individual charters have been defined for both the Audit Committee and the Nomination & Compensation Committee, which define the tasks within the two committees.

Audit Committee

The Audit Committee (AC) is composed of three members of the Board of Directors, none of whom exercises an executive function. The members are experienced in financial and accounting matters. The Audit Committee meets regularly and is convened by the Chair as often as business requires. Usually the meetings are attended by the CFO, Head of Internal Audit, General Counsel and representatives of the statutory auditor.

The main task of the Audit Committee is to ensure a comprehensive and efficient audit strategy for RUAG International Holding Ltd and the Group. The duties of the Audit Committee include:

- Assessing processes in the risk and control environment (internal control system)
- Monitoring financial reporting
- Assessing the internal and external auditors
- Defining and approving the focal points of the audits
- Accepting the audit report and any recommendations of the statutory auditor prior to submission of the annual financial statements (individual and consolidated) to the full Board of Directors for approval
- Submitting a proposal to the full Board of Directors as to which external auditor should be recommended to the AGM for appointment; assessing the performance, fees and independence of the external auditor and examining the compatibility of audit activities with any consultancy mandates
- Regularly examining the Compliance Management System

The Audit Committee regulates, supervises and commissions Internal Audit. It provides the full Board of Directors with a regular report on its activities and immediately informs the Board of any important matters.

Nomination & Compensation Committee

The Nomination & Compensation Committee (NCC) is composed of three members of the Board of Directors, none of whom exercises an executive function. The NCC meets regularly and is convened by the Chair as often as business requires. The meetings are usually attended by the CPO and General Counsel.

The main task of the NCC is to propose the outlines of human resource policies and planning to the full Board of Directors and to present proposals on the selection and compensation of Group Executive Board members. This also includes preparing necessary decisions for the full Board of Directors in the areas of leadership development, compensation system and policies, target setting, pension fund matters, social partnership and HSSE.

Finally, the NCC is tasked with proposing the compensation of members of the Board of Directors in conformity with the guidelines set forth by the Swiss Confederation.

Information and control instruments
The RUAG International Management Information System (MIS) is structured as follows: The separate financial statements (balance sheet, income statement and statement of cash flows) of the individual subsidiariesand business segments are compiled on a monthly, quarterly, semi-annual and annual basis. These figures are consolidated for each business segment and for the Group as a whole and presented in comparison with the budget. The budget, which represents the first year of a rolling three-year plan, is examined in the form of a feasibility forecast based on monthly results. The CEO submits a monthly written report on budget compliance to the Board of Directors.

Compliance & Governance Organization
At Group level, the Compliance & Governance function is responsible, among other things, for ensuring that RUAG International's internal rules are anchored by a comprehensive compliance management system. The business units are fully involved in data protection, trade compliance, risk management, commercial compliance and Environmental, Social and Governance (ESG).

The Vice President Compliance reports only on a disciplinary basis to the General Counsel. He regularly reports technically to the Board of Directors, either during Board meetings or through the Audit Committee. The shareholder is regularly informed in summary form about compliance issues, in particular during quarterly reports and discussions.

Whistle-blower system
RUAG International strives for an open corporate culture based on shared values and characterized by respect, mutual appreciation of individual contributions to joint success, and open communication. However, the company also has an independent reporting office, which offers employees and third parties a way to report any abuses – anonymously if desired, by e-mail, telephone or using an online tool. The tool, operated by an external company, is used to help prevent, detect and remedy any irregularities. Incoming reports are seen and processed by employees in the Compliance department.

Code of Conduct for Business Partners
The Code of Conduct for Business Partners has been integrated into RUAG International's standard contracts. Just as RUAG International is committed to conducting its business in accordance with ethical principles, applicable law and in a socially responsible and sustainable manner, it expects the same of its customers, suppliers, service providers and their supply chains. The Code of Conduct for business partners must be signed if they do not have their own equivalent compliance programs.

Rejecting corruption
By systematically implementing the "Anti-Corruption" directive, which forms part of every RUAG International employment contract, the company is affirming its commitment to being a fair competitor and refraining from seeking unfair advantage by providing financial or other incentives to third parties. RUAG International likewise does not accept financial or other incentives in expectation of or as a reward for granting an unfair advantage.

Behavior that violates the "Anti-Corruption" directive or other internal rules is consistently sanctioned and corrective measures are implemented.

Group Executive Board
The following section provides information on the names, year of birth, function and date of joining, as well as the external mandates of each member of the Executive Board.

André Wall (b.1964, German), Chairman of the Executive Board, CEO of RUAG International, joined 2020; CEO Beyond Gravity, joined 2022. External mandates: Owner AW Aviation GmbH & Co. KG, Founder Social Return GmbH.

Oliver Grassmann (b. 1974, German), Member of the Executive Board, Executive Vice President Division Satellites Beyond Gravity since October 2023, joined 2022.

Paul Horstink (b. 1970, Dutch), Member of the Executive Board, Executive Vice President Launchers Division Beyond Gravity, joined 2022.

Angelo Quabba (b. 1965, Swiss/Italian), member of the Executive Board, CFO RUAG International, joined 2020. External mandates: Chairman of the Board of Directors of Gubemo AG.

Laura-Katrin Seitz (b. 1967, Swiss/German), Member of the Executive Board, Chief People Officer Beyond Gravity, joined 2023.

Iván González Vallejo (b. 1984, Spanish), Member of the Executive Board, Chief Transformation & Strategy Officer Beyond Gravity, joined September 2024.

Departures

Dr. Oliver Kunz (b. 1970, German), Member of the Executive Board, Executive Vice President Lithography Division Beyond Gravity, departed November 2024.

Caroline Schmitt (b. 1977, Swedish), Member of the Executive Board, Chief Transformation & Strategy Officer Beyond Gravity, departed May 2024.

The Board of Directors of Beyond Gravity

Management organization
The Board of Directors has appointed an Executive Board under the chairmanship of the CEO. The CEO and the Executive Board are responsible for the overall management of RUAG International and for all matters not delegated to another governing body of the company by law, the Articles of Association or the Regulations Governing Organization and Operations. The powers and duties of the Group Executive Board and CEO are set out in detail in the Organizational Regulations and in the job description of the CEO.

The members of the Executive Board report to the CEO.

CEO
The CEO manages RUAG International. He submits the RUAG International strategy, long- and medium-term objectives, and management guidelines to the full Board of Directors for their approval.

At the proposal of the CEO, the Board of Directors decides on the three-year corporate plan, annual budget, individual projects, business segment and consolidated financial statements and Executive Board-level human resource issues.

The CEO regularly submits reports to the Board of Directors on business performance, anticipated business matters and risks, as well as changes at the next management level.

The members of the Board of Directors may request and review further information on operations as provided by the law, the Articles of Association and the Regulations Governing Organization and Operations.

The CEO regularly assesses whether the Articles of Association and the regulations and other guidelines issued by the Board of Directors require amendment, and applies for such amendments to be made.

Management contracts
No management contracts have been concluded by RUAG International Holding Ltd and its subsidiaries with any third parties on Executive Board level.

RUAG International management structure as of 31 December 2024

Board of Directors
Dr. Remo Lütolf (Chairman), Rainer G. Schulz (Vice-Chairman),
Deborah Carlson-Burkart, Andreas S. Spreiter, Jürg Oleas

Audit Committee
Andreas S. Spreiter (President)
Dr. Remo Lütolf
Jürg Oleas

Nomination & Compensation Committee
Déborah Carlson-Burkart (Chairwoman)
Dr. Remo Lütolf
Rainer C. Schulz

Internal Audit

CEO RUAG International
André Wall

CFO RUAG International
Angelo Quabba

CEO Beyond Gravity
André Wall

Launchers
Paul Horstink

Satellites
Oliver Grassmann

Lithography
Dr. Oliver Kunz
(until 30.11.2024)

Transformation & Strategy
Iván González Vallejo

Finance, Legal & Compliance
Angelo Quabba

People & Culture
Laura-Katrin Seitz

RUAG Aerostructures

Switzerland
Simon Hächler

- Executive Board RUAG International Holding AG
- Beyond Gravity Executive Board

Compensation, profit-sharing and loans

Compensation report
The following details correspond to the guidelines of SIX Swiss Exchange concerning the compensation policy and compensation paid to members of the Board of Directors and Group Executive Board, taking the transparency provisions of the Swiss Code of Obligations (Art. 663b and Art. 663c) into account. Compensation paid in accordance with these provisions of the Swiss Code of Obligations is listed in the financial statements of RUAG International in Note 32 "Compensation of key management personnel", with further details provided.

Compensation policy
RUAG International's HR policy includes the principle that employee performance and company success are the main factors that determine compensation. The policy is aimed at implementing simple, clearly structured compensation systems that ensure fair pay and are transparent for employees. RUAG International bases its compensation level on the market compensation in the relevant market environment and reviews it regularly. Individual compensation is based on job requirements, employees' competences and performance, and the company's economic success. Where possible, RUAG International makes use of success and performance-based compensation systems. These principles also apply in setting the compensation policy for the Group Executive Board, which is determined by the Board of Directors at the request of the NCC. RUAG International also prepares an annual report for submission to the Swiss Federal Department of Finance (EFD), the Swiss Federal Council and the Finance Delegation of the Federal Assembly.

Board of Directors
The members of the Board of Directors receive compensation for their work that is determined annually by the AGM in accordance with the guidelines set forth by the Swiss Confederation (including upper limits for compensation). The criteria for determining compensation paid to the Board of Directors is based on the responsibility accorded to its members, the complexity of the task, the specialist and personal demands placed on the individual and the expected average time required to fulfil the task.

Compensation consists of the following:
- Fixed fee
- Other benefits

Each member of the Board of Directors receives a fixed fee as part of his or her basic compensation. Other benefits comprise lump-sum allowances for expenses.

No compensation was paid to former Board members.

Further details of compensation paid in the reporting year can be found in the financial statements in Note 32 "Compensation of key management personnel".

Group Executive Board
The composition and amount of compensation are based on the industry and labor market environment and are regularly reviewed. To this end, publicly available information on companies of a similar size from Swiss industry and, where applicable, the results of surveys and external studies are taken into account. Overall compensation for the CEO and for members of the Group Executive Board is subject to an upper limit approved by the Annual General Meeting.

Compensation consists of the following:
- Fixed basic salary
- Performance based component
- Employer contributions to pension funds
- Fringe benefits

The fixed basic salary is determined primarily by the task, responsibility, qualifications and experience of the Board members, as well as the market environment. The performance-based component depends on the extent to which individual performance objectives are reached and on the company's financial success. It consists of a one-year Short Term Incentive Plan (STI). Targets are determined with reference to the extent to which personal performance objectives are reached, and to the company's financial success.

As part of the objective-setting process, measurable goals are set at the beginning of each year by the Board of Directors and the CEO for the members of the Group Executive Board. At the end of the financial year, the extent to which these objectives have been met is assessed.

Short Term Incentive Plan (STI)
The financial success of RUAG International overall and of the individual business segments is measured based on four financial value drivers:
- Net sales
- Operating result (EBIT)
- Order intake
- Free Cash Flow

The target figures are set for one year. The targets are weighted according to strategic priorities. A lower and an upper threshold are defined for each of the four value drivers. If the lower threshold is not reached for the criterion concerned, the related portion of the performance-based component is omitted. However, exceeding the upper threshold does not lead to a further increase in the amount of the performance-based component. Target achievement is weighted for the members of the Group Executive Board as follows: 20% for personal targets and 80% for financial targets. In the case of the heads of the three divisions, the financial targets are based half on the results of their division and half on the results of Beyond Gravity. Target achievement of the CFO, CPO and the Chief Transformation & Strategy Officer is based entirely on the results of Beyond Gravity. In the case of the CEO, the financial targets of RUAG International apply.

For the members of the Group Executive Board, the performance-based component in 2024 ranged from 17% (previous year: 33%) to a maximum of 33% (previous year: 39%) of the annual cash compensation.

With regard to a successful sale or privatization of the Beyond Gravity business segment in accordance with the owner's strategy, a long-term retention- and performance plan was created for all permanent employees and managers, including the Executive Board. The amount of any payments depends on a successful sale and the increase in value of the business segment until the sale.

Other benefits
Other benefits comprise employers' contributions paid to social security funds and for mandatory and extra-mandatory employee benefits. Members of the Executive Board are subject to the same expense regulations as all other RUAG International employees. The flat-rate expense allowance for members of the Executive Board and all management staff in Switzerland was abolished in 2022 – except for the CEO and CFO. An additional regulation applies governing flat-rate compensation for entertainment and minor expenses. Both regulations have been approved by the responsible cantonal tax office. A company car or a mobility allowance is provided to each member of the Group Executive Board. No compensation was paid to former Group Executive Board members. Further details of compensation paid in the reporting year can be found in the financial statements in Note 32 "Compensation of key management personnel".

In the 2024 reporting year, two members of the Executive Board left the company. Further information can be found in the financial statements, Note 32, "Compensation of key management personnel".

Shares and options: No shares and/or options are allocated to members of the Group Executive Board or Board of Directors.

Additional fees: During the 2024 financial year, the members of the Board of Directors received no appreciable fees or other compensation for additional services rendered to RUAG International Holding Ltd or any of its subsidiaries.

RUAG International and its subsidiaries have not provided any securities, loans, advances or credits to the members of the Group Executive Board or Board of Directors and related parties, nor waived any amounts receivable from them.

Capital structure
The share capital of RUAG International Holding Ltd amounts to CHF 217.9 million, comprising 2,179,000 fully paid-up registered shares, each with a par value of CHF 100. As at 31 December 2024, RUAG International Holding Ltd did not have any conditional or authorized capital, nor had it issued participation or dividend right certificates. The registered shares of RUAG International Holding Ltd are not listed.

Changes in capital
Due to the merger of BGRB Holding Ltd with RUAG International Holding Ltd in 2022, the share capital changed from CHF 340 million to CHF 217.9 million. This corresponds to the share capital of the former BGRB Holding Ltd, which was renamed RUAG International Holding Ltd during the reporting period. No other changes in capital were resolved.

Shares, share register
At the AGM of RUAG International Holding Ltd, each registered share carries one vote. The voting right may only be exercised provided that the shareholder is recorded in the RUAG International Holding Ltd share register as a shareholder with voting rights. The registered shares carry full entitlement to dividends.

In place of shares, the company may issue certificates. It may also elect to issue neither shares nor certificates. In this case, the shareholder is entitled at any time to demand issuance of a statement of shares held.

The Board of Directors keeps a register of shareholders.

Shareholder structure

Shareholder
The Swiss Confederation holds 100% of the shares and thus all voting rights in RUAG International Holding Ltd. The Federal Finance Administration (FFA) represents the shareholder interests of the Swiss Confederation.

Owner's strategy of the Swiss Federal Council
In its owner's strategy, the Swiss Federal Council lays down strategic objectives for its shareholding, specifically strategic focal points, human resource policy and financial objectives, cooperation and investments and reporting to the Swiss Federal Council.

The new owner's strategy of the Swiss Federal Council entered into force on 29 November 2023 and establishes the transparent, binding framework which enables RUAG International Holding Ltd and its subsidiaries to fulfil their duties on a commercial basis while taking account of broader interests. The owner's strategy is enshrined in the Articles of Association of RUAG International Holding Ltd.

Cross-shareholdings
RUAG International has not entered into any cross shareholdings with other companies, either in terms of capital or votes.

Participation rights of shareholders

Voting right
At the AGM of RUAG International Holding Ltd, each registered share carries one vote. A shareholder may be represented by another shareholder only by written proxy.

Statutory quorums
The following resolutions are subject to decision by qualified majority in accordance with the Swiss Code of Obligations (Art. 704):
- Amendment of the company's objects
- Introduction of shares with preferential voting rights
- Restriction on the transferability of registered shares
- Authorized or contingent capital increase
- Capital increase funded by equity capital, against contributions in kind or to fund acquisitions in kind and the granting of special privileges
- Restriction or cancellation of subscription rights
- Relocation of the company's registered office
- Dissolution of the company or liquidation

Convening the AGM
The AGM is convened and its agenda set as governed by law and by the Articles of Association.

Change in control and defensive measures

Obligatory offer for sale
The Articles of Association contain no provisions concerning opting-out (Art. 125 paras. 3 – 4 of the Financial Market Infrastructure Act – FinMIA) or opting-up (Art. 135 para. 1 FinMIA).

Change of control clauses
Any disposal of the capital or voting majority of the Swiss Confederation in RUAG International Holding Ltd to third parties requires the approval of the Federal Assembly (by simple federal decree, not subject to referendum, Art. 3 para. 3 of the Federal Act on Federal Armaments Companies).

With regard to a change of control or the privatization of the Space segment (Beyond Gravity), a long-term retention- and performance plan was created for all permanent employees, including the Executive Board (see chapter Compensation, profit-sharing and loans). There is no corresponding plan for the Board of Directors.

Pension fund
The pension fund of RUAG International with the Livica collective foundation had a cover ratio of over 100% as of 31 December 2024, as in the previous year.

Statutory auditor

Duration of mandate of lead auditor
At the Annual General Meeting of 22 May 2024, Ernst & Young AG Bern was elected as RUAG International's statutory auditor for one year. Martin Mattes acts as lead auditor and is responsible for the audit mandate.

Audit fees and additional expenses
Ernst & Young provided RUAG International with services in the amount of CHF 0.6 million (previous year: CHF 0.7 million) during the 2024 financial year related to the audit of the financial statements of RUAG International Holding Ltd and its subsidiaries and of RUAG International's consolidated financial statements. In addition, Ernst & Young AG provided RUAG International with audit-related services, tax advice and due diligence services in 2024 in the amount of CHF 0.0 million (previous year: CHF 0.0 million).

Supervisory and control instruments
The Audit Committee of the Board of Directors assesses the performance, fees and independence of the statutory auditor each year and submits a proposal to the Board of Directors as to which external auditor should be recommended to the AGM for appointment. On 22 May 2024, the AGM appointed Ernst & Young AG as the statutory auditor. The Audit Committee annually reviews the scope of external auditing, the auditing plans and the relevant processes, and discusses the audit results with the external auditor in each case.

Information policy
RUAG International pursues an open information policy in relation to the public and to the financial markets. The published figures extend beyond the statutory requirements in terms of transparency. Quarterly discussions are held between the shareholder and the Board of Directors.

Fees paid to the auditors (in CHF thousands)

	2024	2023
Audit fees	**628**	650
Tax advice	**—**	—
Due diligence services	**—**	—
All other services	**—**	—
Total fees	**628**	650

Agenda

End of financial year	31.12.2024
AGM	22.05.2025

The Annual Report containing the financial statements for the year ended 31 December 2024 is sent to the shareholder together with an invitation to the AGM.

RUAG International Holding AG, Bahnhofplatz 10b, 3011 Bern, Switzerland,
info@ruag.com, www.ruag.com

beyond gravity

Together ahead. RUAG

www.beyondgravity.com