

# Annual Report

2025

beyond gravity

Together  
ahead. **RUAG**

# 1.0

# **RUAG International.**

- 1.1 Financial Year at a Glance
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This annual report of RUAG International Holding Ltd, including the financial report audited by Ernst & Young, has been translated from German to English. This translation contains the same information and conveys the same meaning as the German annual and financial report. In the event of any inconsistency between the German version of the annual and financial report and its English version, the German version shall prevail. The unrestricted auditors' reports of Ernst & Young on the financial statements of RUAG International Holding Ltd and the individual financial statements are attached to the German version only.

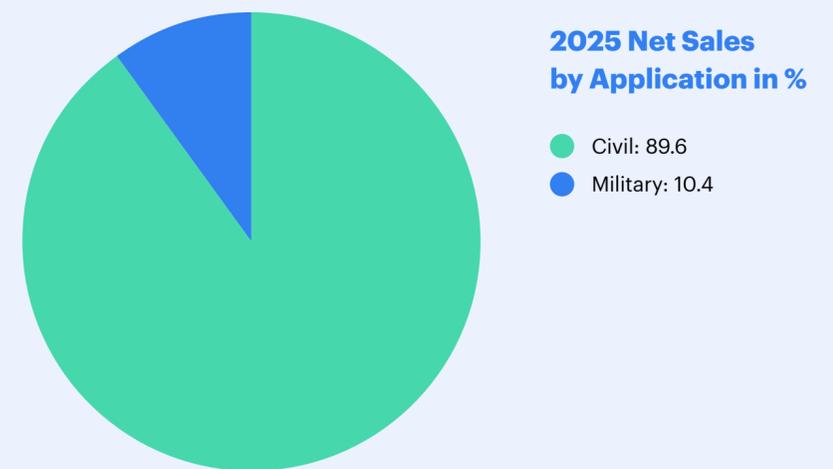
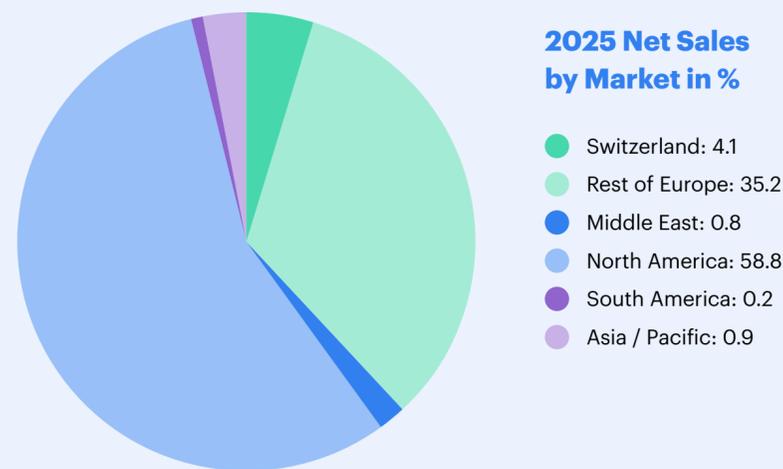
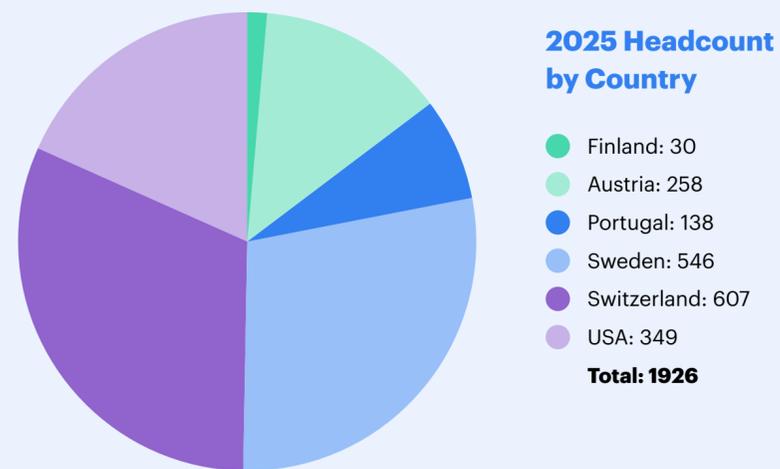
Certain amounts and percentages presented in this report have been rounded to the nearest whole number or decimal place. As a result, minor differences may occur between individual line items and the totals shown. Such differences are due solely to rounding and do not affect the overall accuracy of the financial statements.



# Financial Year at a Glance.

RUAG International's 2025 financial year was marked by operational challenges and key strategic decisions. Having largely completed the sale of its non-space business areas, RUAG International has significantly reduced its company size. While this reduces the company's risk-bearing capacity, it also sharpens the strategic focus on the space business. Financial obligations arose from discontinued operations. Appropriate provisions were made for these and other potential risks. In the space sector, the Satellites division delivered profitable growth once again. The Launchers division achieved important milestones, but delays in product improvements in Decatur and slower-than-planned capacity expansion in Decatur and Linköping significantly impacted it. Investments in transformation and digitalization (EZYone) proceeded according to plan. These investments affect the financial result in 2025 and 2026 but will strengthen efficiency, scalability, and competitiveness in the medium term. Following the parliamentary decision in spring 2025, Beyond Gravity will remain under the ownership of the Swiss Confederation and undergo a strategic realignment. In 2026, the focus will be on consistent risk reduction and further industrialization, stabilization, and digital transformation – with the aim of improving earnings sustainably from 2027 onward.

Overview of key figures in CHF millions	2025	2024	in %
Net sales	412.0	494.9	-16.7%
EBITDA	-96.8	37.1	-361.1%
EBIT	-114.3	19.9	-674.2%
Net profit (loss)	-119.0	-1.6	-7'414.2%
Cash flow from operating activities	-74.8	26.7	-380.3%
Free Cash Flow	-105.9	114.3	-192.6%
Net financial position	311.0	420.2	-26.0%
Order intake	410.4	622.7	-34.1%
Order backlog	810.5	862.0	-6.0%
Self-financed research and development expenses	15.8	12.7	+24.4%
Headcount (FTE) as at 31.12.	1'926	1'813	+6.3%





# 2025 Highlights.



• January

### Successful Maiden Flight of Blue Origin's New Glenn

Blue Origin's 98-meter-tall New Glenn, one of the largest launch vehicles on the market, has successfully launched from Cape Canaveral on its maiden space flight. On board are core components developed by Beyond Gravity, including our APPMAX2 alignment mechanism and the Payload Adapter System, which connects the payload to the rocket and ensures its precise and safe release into orbit.



• April

### First Satellites from the Amazon Leo Constellation Reach Orbit

After three years of tireless effort by our teams, the first 27 operational satellites in Amazon's Leo constellation (formerly Kuiper) were successfully launched into orbit. Beyond Gravity contributed to this mission with, among other components, its innovative dispenser system for deploying satellites in space. By the end of 2025, a total of 180 satellites had been deployed in seven flights, with Beyond Gravity already having supplied 15 dispensers to Amazon.



• April

### Introduction of the "EZYone" Transformation Program in Sweden

With the introduction of "EZYone" at its locations in Sweden, Beyond Gravity has reached another milestone on the path to transforming its business processes and digital infrastructure. This modern digital core enables us to increase global efficiency and forms the basis for innovation and scalability. Prior to this, the rollout had already taken place in Lisbon and at Corporate Services in Switzerland. Introduction at other units in Switzerland and at our locations in the US, Austria, and Finland is planned for 2026.



• June

### Start of Production for Relativity Space's Terran R

Following an intensive development phase and successful testing, our team in Emmen has reached an important milestone in transitioning to the production phase of the first payload fairing for Relativity Space's Terran R rocket. With a diameter of 5.4 meters and a length of 20 meters, this remarkable structure accounts for almost one third of the rocket's total height. It will launch into space for the first time in 2026.



• July

### DDPS Assumes Ownership Control of Beyond Gravity

In March 2025, the Swiss Parliament decided that Beyond Gravity should remain wholly owned by the federal government. The Federal Council then transferred owner control and responsibility for the drafting of a consultation document for the new legal basis for federal participation to the Federal Department of Defence, Civil Protection and Sport (DDPS).



# 2025 Highlights.

## Launch of the First 2nd-Generation MetOp Weather Satellite

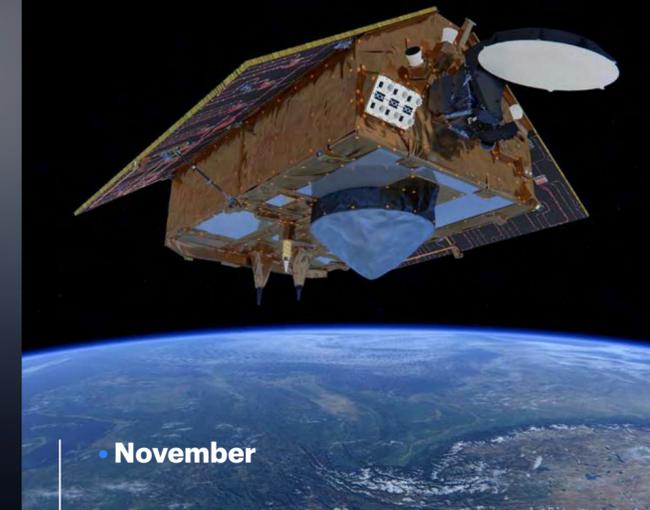
An Ariane 6 launch vehicle with a payload fairing from Beyond Gravity carried the first of six 2nd-generation MetOp weather satellites into space. Beyond Gravity developed the six-meter-tall primary structure, the radio occultation instrument, and various electronic components for this satellite. Our market-leading radio occultation instrument for measuring atmospheric temperature and humidity enables more accurate weather forecasting and climate monitoring.



• September

## Premiere on Japan's H3 Rocket

For the first time, a payload fairing from Beyond Gravity was used on the new Japanese H3 launch vehicle, developed by the space agency JAXA and Mitsubishi Heavy Industries. It protected the HTV-X supply spacecraft on its maiden flight to the International Space Station (ISS). Beyond Gravity has been commissioned as the exclusive supplier of payload fairings for the five planned HTV-X missions.



• November

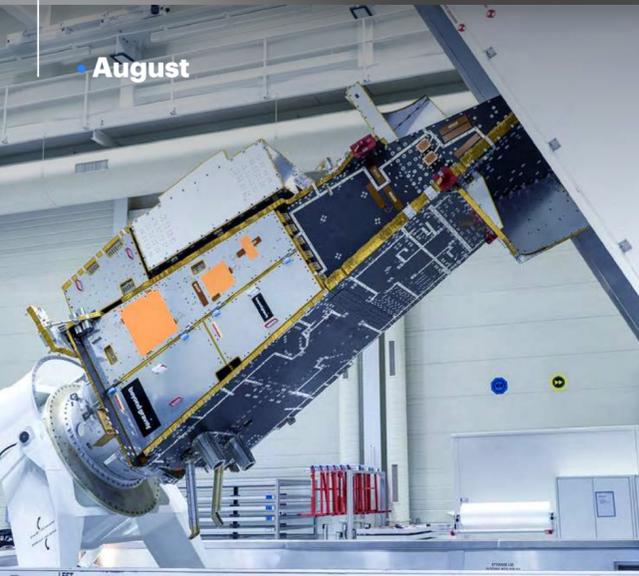
## Swiss Federal Council Designates Daniel Frutig-Meier as Chairman of the Board of Directors

The Swiss Federal Council appointed Daniel Frutig-Meier as the new Chairman of the Board of Directors of RUAG International, the parent company of Beyond Gravity. He joined the Board of Directors as a regular member in January 2026 and will take up his position as Chairman of the Board of Directors after the 2026 Annual General Meeting. He succeeds Rainer G. Schulz, who is not standing for re-election.

• December



• August



## Major Order for the Delivery of Propulsion Pointing Mechanisms

SWISSto12's small geostationary HummingSat telecommunications satellites will use Beyond Gravity's APPMAX3 propulsion pointing mechanisms, in the form of a multi-axis robotic arm, to control their engines. This will enable the satellites to be precisely positioned and maintained in their orbit at an altitude of 35,786 kilometers above the Earth's surface.

• October



## Additional Sentinel Earth Observation Satellites Stationed in Space

As part of the European Earth observation program "Copernicus," two additional Sentinel satellites were launched into orbit for the radar-based monitoring of land masses and sea levels. The exact position of the satellites is determined with millimeter precision using our navigation receivers, which is crucial to performing accurate measurements of the Earth's surface. Beyond Gravity also contributed structural and payload components, antennae, and thermal insulation.



# Operational Challenges and Strategic Decisions for the Future.

Dear shareholder,  
Dear Sir or Madam,

The 2025 financial year was marked by operational challenges and important strategic decisions. With the successful transfer of the aircraft structural components business in Switzerland to Pilatus, RUAG International largely completed the divestment of its non-space-related business areas. The resulting significant reduction in the size of the company has led to a reduced risk-bearing capacity, while at the same time creating a clear strategic focus. Financial obligations arose from discontinued operations. The annual financial statements include appropriate provisions for these and other potential risks.

The Beyond Gravity space segment, which will remain owned by the Swiss Confederation following the final parliamentary decision in spring 2025, is currently undergoing a strategic realignment. In operational terms, the Satellites division once again performed well during the reporting year, delivering profitable growth. The Launchers division overcame key technological challenges and achieved important milestones in 2025, including the successful deployment of our products in new launch systems such as Vulcan, Ariane, and the dispenser program for Amazon. However, the division's operating result was significantly impacted. This was due to delays in completing necessary product developments in Decatur as a result of findings from missions in 2023 and 2024. In addition, ramping up additional capacity at the Decatur and Linköping sites took longer than planned.

At the same time, investments in the implementation of the global transformation and digitalization strategy proceeded according to plan. These investments weigh on earnings in 2025 and 2026, but in combination with the expansion of production capacities they will strengthen the company's future viability, efficiency, scalability, and competitiveness in the medium term.

**Globally Relevant Tier 1 Partner in a Growing, Demanding Market**

The global space industry continued to show strong momentum. In 2025, it achieved a volume of around USD 626 billion, exceeding the previous year's record high. Of this figure, USD 236 billion can be attributed to the direct space market – i.e. traditional upstream sectors such as rockets, satellites, and infrastructure. In addition, USD 329 billion was generated by applications enabled by space travel, such as navigation, telecommunications, and Earth observation.

In recent years, the space industry has evolved from a government-dominated sector into a diversified global economic ecosystem. Commercial activities now account for around 78% of global value creation and have become established as the most important growth driver. In 2025, the US reaffirmed its ambitions through long-term programs, the promotion of commercial activities, and an increased focus on security and defense interests. Europe also strengthened its commitment by increasing ESA budgets, adopting a long-term strategic perspective through 2040, and launching political initiatives to bolster European launch systems.

With its Beyond Gravity brand, RUAG International's space segment has positioned itself as an agile and innovative partner within this environment. With an addressable market share of over 60% in payload fairings for launch vehicles and more than 800 satellites in space using Beyond Gravity technologies, the company is one of the leading Tier 1 suppliers in its core areas of expertise. Here the company focuses on strategic customer partnerships, attractive projects, and promising business areas in both the commercial and institutional sectors. The range of services extends from the implementation of modular designs in industrialized series production to the development of tailored solutions for unique space missions.

**Order Successes and Operational Milestones**

Beyond Gravity's market position is based on a solid order book, long-standing customer relationships, and the high level of expertise of its employees. A prime example of this is the major order won by the Satellites division in September 2025 from Swiss satellite manufacturer SWISSto12 for the supply of APPMAX3 alignment mechanisms for the HummingSat telecommunications satellites. Beyond Gravity is also developing and producing the structure for the satellites of ESA's LISA mission. This major scientific project, comparable in its technological complexity to the James Webb Space Telescope, expands Europe's capabilities in basic research in the field of gravitational waves.

Despite significant operational challenges, important milestones were also achieved in the Launchers division in 2025. In addition to the successful deployment of our products for the Vulcan and Ariane launch systems, the first 27 satellites from Amazon's LEO constellation were successfully launched into orbit in April. Among other components, Beyond Gravity supplied the dispenser system for deploying the satellites; by the end of 2025, a total of 180 satellites had been deployed in seven flights, and 15 dispensers had been handed over to Amazon. In Emmen, the transition from the development and verification phase to the series production of the first payload fairing for Relativity Space's Terran R rocket took place. Back in January, Blue Origin's New Glenn launch vehicle completed its successful maiden flight with components from Beyond Gravity on board. And in October, our payload fairing was used for the first time on the Japanese H3 rocket from JAXA and Mitsubishi Heavy Industries – a significant step in the strategic expansion of our presence in the growing Asian market.

These and other programs secure Beyond Gravity a substantial order volume for the coming years and underscore its position as a globally established supplier to the space industry.

◦ André Wall, CEO RUAG International Holding and Beyond Gravity



### Investments in Efficiency and Active Risk Management

With the completion of the divestment of its non-space segments, RUAG International has significantly reduced its size. This goes hand-in-hand with reduced risk-bearing capacity. At the same time, despite strong growth, the space business remains a challenging and risky market in which opportunities and risks must be carefully weighed. Declining launch costs and falling end-customer prices per satellite are increasing competitive and margin pressure along the entire value chain, placing high demands on industrial efficiency and scalability. To meet these requirements, Beyond Gravity has made targeted investments in standardization, industrial efficiency, technological transformation, and scalable production and process structures in recent years. These investments will have a short-term impact on earnings and cash flow, but will strengthen the company's profitability and competitiveness in the medium term.

### Financial Development

By the end of 2025, RUAG International's workforce increased from 1,813 to 1,926 employees compared to the previous year.

Net sales fell in 2025 from CHF 494.9 million in the previous year to CHF 412.0 million. After adjusting for divestment effects, sales amounted to CHF 402.4 million (previous year adjusted CHF 358.9 million), representing growth of +12% compared with the previous year.

Earnings before interest and taxes (EBIT) amounted to CHF -114.3 million (previous year: CHF 19.9 million). Operating cash flow amounted to CHF -74.8 million (previous year: CHF 26.7 million), while free cash flow amounted to CHF -105.9 million (previous year: CHF 114.3 million).

The net financial position remained positive at CHF 311 million at the end of 2025, but declined significantly (previous year: CHF 420.2 million).

The order backlog as of December 31, 2025, amounts to CHF 810.5 million (previous year: CHF 862 million).

### Earnings Impact from Launchers and One-time Effects

The negative earnings trend is mainly attributable to high engineering and qualification costs in Decatur. These were related to delays in product improvements due to findings from missions in previous years.

In Linköping, the transition from development to series production for the dispenser systems of Amazon's LEO satellite constellation proved to be significantly more demanding than anticipated. Although production ramp-up proved to be challenging, output increased significantly in the fourth quarter and key qualification issues were resolved.

In contrast, the Satellites division performed well in 2025 and had a stabilizing effect on the overall Group result. Through more targeted project selection, greater standardization, and disciplined implementation, we were able to further improve the profitability of our projects.

Furthermore, discontinued operations resulted in financial obligations totaling CHF 26.5 million, which have a one-off negative impact on the 2025 annual results. In addition, provisions of CHF 39.6 million were set aside in view of further potential risks. What's more, transformation and digitalization costs incurred as part of the "EZYone" program and negative exchange rate effects also impacted earnings.

The aforementioned decline in operating cash flow and net financial position reflects the operational burdens and continued high investments in transformation and capacity expansion.



○ Rainer G. Schulz, Chairman of the Board of Directors RUAG International Holding



### **Transformation: Basis for Efficiency and Scalability**

The digitization and industrialization of Beyond Gravity's processes as part of the "EZYone" transformation program is a key lever by which to sustainably improve efficiency, transparency, and scalability. Through the consistent advancement of our development, production, and support processes, we are establishing an integrated operational basis that simplifies global collaboration between our locations and enables us to respond to market requirements more quickly, precisely, and in a more standardized manner. As part of the "Value Creation Roadmap", "EZYone" is designed as a comprehensive business transformation that connects people, processes, systems, and locations (cf. page 27).

Following the program launch in Lisbon in 2024 and the rollout for corporate services in Switzerland in early 2025, the new systems were introduced at the Swedish locations in June. The subsequent challenging stabilization phase required considerable resources. The gradual rollout at additional locations in Switzerland, the US, Austria, and Finland is planned for 2026. The transformation program remained a significant cost driver in 2025 and will continue to incur further expenses in 2026. However, it establishes structural conditions for the improved transparency, operational efficiency, and scalability of the company.

In addition, Beyond Gravity made targeted investments in implementing the CMMC (Cybersecurity Maturity Model Certification) requirements in the US defense sector with a view to securing long-term access to the US market from a regulatory perspective.

### **Targeted Development of Employer Appeal and Culture**

During the reporting year, Beyond Gravity conducted a company-wide employee survey. The results serve as a roadmap for further improvement measures. In addition, we made targeted investments in Beyond Gravity's appeal as an employer, including the expansion of our management development program and the introduction of a new career path for engineers. We have also placed great emphasis on cross-team and cross-location collaboration and on promoting a corporate culture that combines diversity, innovative strength, and a focus on performance (cf. page 25).

### **Commitment to Sustainable Space Travel**

Sustainability and environmental and social responsibility are integral parts of Beyond Gravity's corporate strategy. They are systematically embedded within our business processes. We are committed to responsible and sustainable space travel, including adherence to high standards in the areas of human rights, health and safety, the development of reusable components, and the consistent reduction of our environmental footprint.

As part of its decarbonization roadmap, Beyond Gravity has implemented most of the defined measures for reducing emissions, with the remainder to be completed in 2026. As the potential for further emissions reductions within our own operations is diminishing, the next phase involves examining options for CO<sub>2</sub> removal and developing a more comprehensive sustainability strategy that also takes into account Scope 3 emissions along our value chain. We view sustainability not merely as an obligation, but also as an opportunity to promote our efficiency and competitiveness and to tap into new markets (cf. page 29).

### **New Owner Perspective and Strategic Position**

With the Swiss Parliament's final decision in spring 2025 to keep Beyond Gravity under the ownership of the Swiss Confederation, the company's strategic position has changed. In the future, Beyond Gravity will be more closely linked to the Confederation's space and security policy objectives. This includes, among other things, playing a more central role as a leading industrial partner and in terms of meeting the future needs of the Swiss Armed Forces in space, for example in the areas of situational awareness or space-based communication systems. In July 2025, the Federal Council transferred ownership control and the drafting of a consultation document for the new legal basis for federal participation to the Federal Department of Defence, Civil Protection, and Sport (DDPS).



**André Wall**  
CEO Beyond Gravity

«In space travel, we push the technological boundaries for our customers every day. Although the further development of our products, expansion of our production capacity, and modernization of our digital landscape affected our results in 2025, I am proud of our teams' accomplishments. They reached important milestones and laid the foundation for sustainable profitability and competitiveness.»



**Changes to the Board of Directors**

On May 20, 2025, Rainer G. Schulz took over as Chairman of the Board of Directors from Remo Lütolf, who left the company after reaching the age limit applicable to Confederation-affiliated companies. Déborah Carlson-Burkart was appointed Vice Chair. Rainer G. Schulz will not stand for re-election at the Annual General Meeting in spring 2026. At the extraordinary General Meeting on 19 December 2025, the sole shareholder elected Daniel Frutig-Meier as a regular member of the Board of Directors as of 1 January 2026, and plans to elect him as Chairman of the Board of Directors at the 2026 Annual General Meeting. Board members Jürg Oleas and Andreas S. Spreiter have announced that they will not stand for re-election in 2026. The Board of Directors is in the process of finalizing the nomination of qualified candidates to succeed them.

**Organizational Restructuring of Beyond Gravity**

As of January 1, 2026, Beyond Gravity has adapted and streamlined its organization to reflect its new size and strategic orientation. By merging the Satellites and Launchers divisions into one integrated business organization, synergies will in the future be exploited even more consistently, structures and processes will be further simplified, and the company's strengths will be pooled in a more targeted manner. At the same time, the Executive Board has been reduced from six to three members. As of January 1, 2026, it consists of André Wall (CEO), Angelo Quabba (CFO), and Oliver Grassmann, who takes on the newly created role of Chief Operating Officer (COO).

The CEO of RUAG International and Beyond Gravity, André Wall, announced in June 2025 that he would be leaving the company in mid-2026. The search for a successor is underway and will help ensure a timely succession.

**Outlook: Stabilization in 2026, Sustainable Improvement in 2027**

The market environment within the global space industry continues to develop dynamically in view of the rising demand for rocket launches, the expansion of satellite infrastructure, and increasing investment by commercial players. With a global organization, highly qualified employees, and a solid order book, Beyond Gravity is positioning itself to make a significant contribution to safe, efficient, and sustainable access to space in the coming years.

The focus of the 2026 fiscal year will be on the consistent reduction of risks. At the same time, we are driving forward the industrialization of the Linköping site with the aim of returning it to profitability. In 2026, we will also continue to invest in consolidating the expanded production sites and in digital transformation. We expect a sustained improvement in earnings from 2027 onward.

Our priorities for 2026 are simultaneously focused on products and programs that make a clear contribution to sustainable profitability. The focus here is on the further development and targeted expansion of our commercial product lines. These include high-performance onboard computers, precise navigation receivers, innovative satellite and payload structures, and dispenser solutions for global satellite constellations. At the same time, Beyond Gravity is taking the strategic step of transforming itself from a specialized supplier to an integrated system provider. This includes expanding our space data services, gradually expanding into the downstream business, and possibly developing our own satellite platform.

**Trust and Commitment as the Foundation of Our Success**

We would like to express our gratitude to our employees, who, with their high level of commitment and professionalism, have contributed significantly to the stability and further development of our company within a challenging environment. We would also like to thank our owner, our customers, and our suppliers for their trust and constructive cooperation – they form the reliable foundation for the further development of Beyond Gravity.

Kind regards,  
**RUAG International Holding Ltd**

**Rainer G. Schulz**

Chairman of the Board of Directors,  
RUAG International Holding

**André Wall**

CEO, RUAG International Holding  
und Beyond Gravity

**Key Figures at a Glance**

- Sales:** CHF 412.0 million (previous year: CHF 494.9 million)
- EBIT:** CHF -114.3 million (previous year: CHF 19.9 million)
- Employees (FTE):** 1,926 (previous year 1,813)
- Locations:** Switzerland, Sweden, USA, Austria, Finland, Portugal
- Customers:** NASA, ESA, Airbus, United Launch Alliance, ArianeGroup, Amazon, SpaceX, Northrop Grumman, OneWeb, Boeing, Lockheed Martin, Blue Origin, Thales Alenia Space, RocketLab, Leo Stella, BAE, Maxar, OHB, Avio, Mitsubishi, MDA Space, Leidos Dynetics, Loft Orbital, Relativity Space

# 2.0

# Beyond Gravity.

- 2.1 Dynamics and Structural Change in the Global Space Market
- 2.2 Strategic Positioning in the New Space Economy
- 2.3 Precision and Scaling for the Next Generation of Launch Vehicles
- 2.4 Innovations for the Next Generation of Satellites
- 2.5 Together Into Space
- 2.6 Operational Excellence and Integrated Transformation
- 2.7 Driving Sustainability in Space



# Dynamics and Structural Change in the Global Space Market.

The global space industry continues to enjoy strong momentum. In 2025, it reached a volume of around USD 626 billion, thus exceeding the previous year's record high. Of this figure, the direct space market accounts for USD 236 billion, i.e. traditional upstream sectors such as rockets, satellites, and infrastructure, while USD 329 billion can be attributed to applications enabled by space flight, such as navigation, telecommunications, and Earth observation.

## Increasing Launch Frequencies and Record Activity in Orbit

In recent years, the space industry has evolved from a government-dominated sector into a diversified global economic ecosystem. Commercial activities now account for around 78% of global value creation and have become established as the most important growth driver of the space industry. The United States continues to dominate this sector, driven by a dynamic private start-up landscape and the expansion of commercial satellite constellations. This development is supported by government space budgets totaling USD 137 billion, of which USD 74 billion is allocated for defense purposes. The Asia-Pacific region – led by China, India, and Japan – continues to show the strongest growth. These countries significantly increased their launch frequency in 2025, further intensifying the global competitive landscape.

2025 was a record year for orbital launches: in the first six months alone, 149 launches took place worldwide – an average of one every 28 hours. Over the course of the year, space industry players launched a total of 4,409 satellites. Between January and April, they put more than 1,200 satellites into orbit – around 50% more than in the same period the previous year. The main drivers were large satellite constellations. In particular, SpaceX's Starlink, Amazon Leo, and Chinese systems such as Guowang contributed to the high level of launch activity.

## Increases in Technological Efficiency Drive Market Volume

The number of active satellites orbiting Earth has multiplied in just a few years: at the end of 2024, there were 11,539 active satellites in space – more than three times as many as in 2020. At the same time, launch costs continue to fall, supported by reusable rocket stages and industrial scaling. Commercial providers have enabled a massive decline in costs per kilogram of payload, thus opening up access to orbit to a wider range of players. Reusable launch technologies, 3D printing processes, and continuing industrialization are also enabling lower unit costs per satellite and shorter development times. This is leading to the rapid expansion of infrastructure in orbit. Decreasing launch and production costs are providing strong impetus for further market expansion. Analysts expect the global space economy to exceed the USD 1 trillion mark by the early 2030s at the latest.



**Market Drivers and Future Trends**

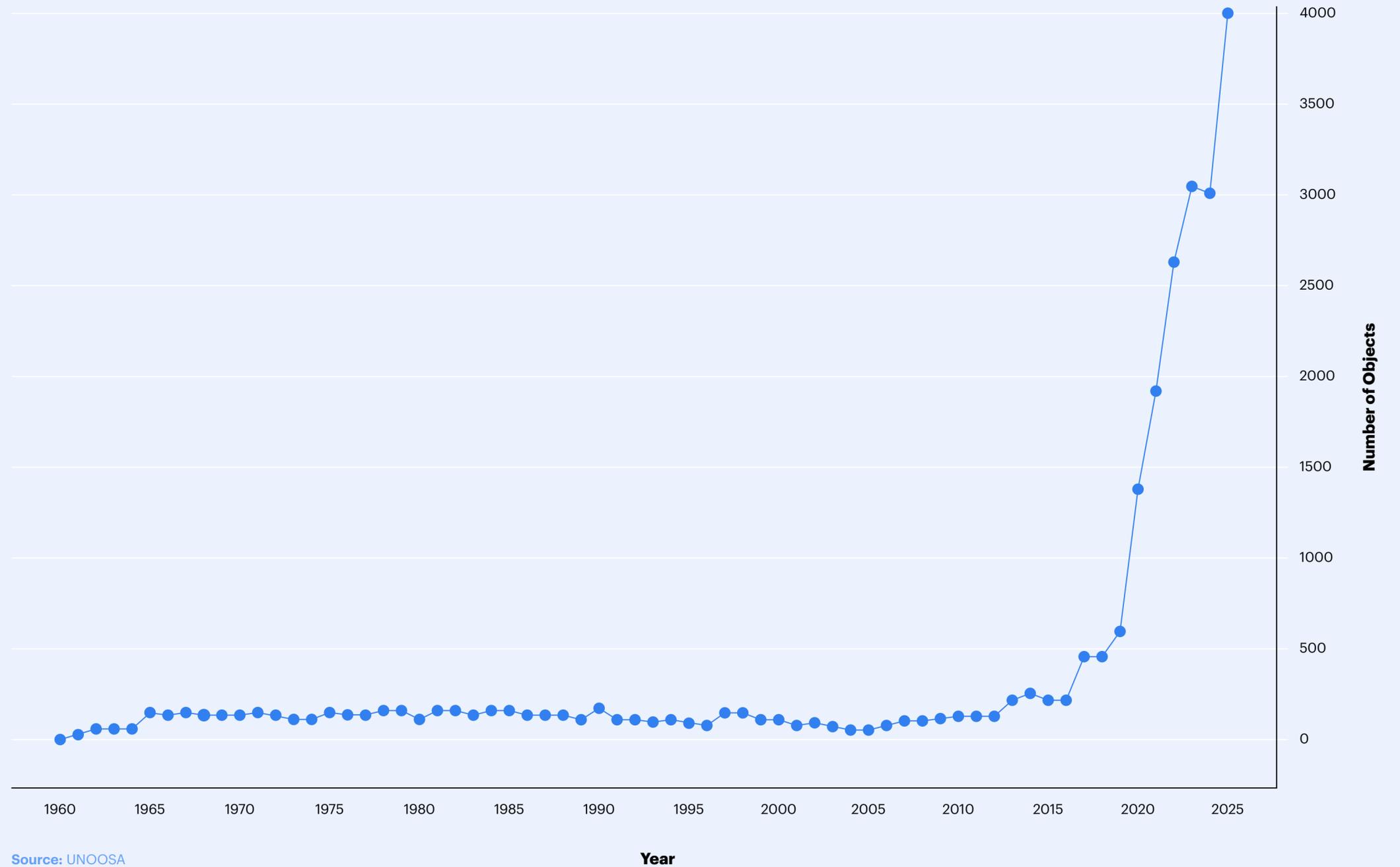
While traditional communication and navigation services are experiencing strong growth, momentum is increasingly shifting toward new strategic areas of application. According to market observers, 2025 marks a turning point: security and defense-related applications are increasingly defining the market, as more and more countries classify space infrastructure as a critical resource. Programs such as IRIS<sup>2</sup> in Europe and the Golden Dome system in the US illustrate this trend.

In addition, advancing industrialization is resulting in the establishment of business areas that extend beyond traditional space applications. These include:

- Earth observation for climate, agriculture, and disaster management applications – a market with strong growth potential.
- In-orbit services such as satellite maintenance, refueling, and lifetime extension.
- Technologies for the management and monitoring of space debris.
- Commercial space stations, with the first modules scheduled to launch in 2027.
- Space tourism, a sector in which market volume is expected to grow to around USD 3 billion by 2030.

International negotiations concerning space debris, safety standards, frequency rights, property issues, and a ban on weapons in space are making little progress in the face of growing geopolitical tensions and economic rivalries. Because the existing legal framework is largely based on older treaties and many current, economically relevant issues are not regulated in a binding manner, market players find themselves operating within an environment of increased regulatory uncertainty when making investment and business decisions.

**Annual Number of Objects Launched into Space**



Source: UNOOSA



# Strategic Positioning in the New Space Economy.

At Beyond Gravity, we are driving the space revolution forward with a combination of start-up mentality and decades of experience. As a trusted partner, we support our customers in breaking new ground and shaping the future of space travel. With our products for launch vehicles and satellites, we offer innovative solutions for the global space industry.

Beyond Gravity currently supports over 100 customers worldwide in more than 400 projects, helping them to push technological boundaries. Our range of services extends from the implementation of modular designs in industrialized series production to the development of tailored solutions for unique space missions. With an addressable market share of over 60% in payload fairings for launch vehicles and more than 800 satellites in space using our technologies, Beyond Gravity is one of the leading Tier 1 suppliers in its core areas of expertise.

From Earth observation to navigation, telecommunications and scientific space exploration, our Satellites division develops key satellite components for missions conducted by ESA, NASA, and commercial clients (cf. page 21). Our Launchers division manufactures payload fairings and other structures for the next generation of European, American, and Japanese rockets, including ULA's Atlas and Vulcan, Ariane by ArianeGroup, Vega by Avio, and Mitsubishi's H3 (cf. page 17).

Beyond Gravity collaborates closely with research institutions and universities at its international locations, such as ETH Zurich and the German Aerospace Center (DLR). These collaborations strengthen the transfer of knowledge between research and industry and form a central basis for the development of groundbreaking space technologies.

**Focus on Profitable Growth**

Beyond Gravity pursues a strategy aimed at sustainable and profitable growth in the New Space Economy. The focus is on the further development and targeted expansion of our commercial product lines. These include high-performance on-board computers, precise navigation receivers, innovative satellite and payload structures, as well as dispenser solutions for global satellite constellations. At the same time, Beyond Gravity is making the strategic transition from being a specialized supplier to becoming an integrated system provider. This includes expanding our space data services, gradually expanding into the downstream business, and developing our own satellite platform. (cf. page 14).

Our strategic expansion in the commercial sector goes hand in hand with the targeted strengthening of the institutional business, particularly with long-standing key partners such as ESA, NASA, and the Japanese space agency JAXA. By striking a balance between institutional missions and commercial growth, Beyond Gravity is establishing a robust and resilient portfolio.

**Diversified Market Presence**

One focus of our strategy is expanding our presence in Europe and the United States. Through strategic collaborations and the expansion of regional customer relationships, we are strengthening our position and expanding our access to attractive market segments that promise long-term relevance. In the US, the world's largest and most dynamic space market, Beyond Gravity has expanded its market presence in recent years through targeted partnerships and investments in production capacities. At the same time, we are strengthening our commitment within the rapidly developing Asian growth markets, especially in Japan.

**Strong Operational Foundation**

The digitalization and industrialization of Beyond Gravity's processes is a key driver of efficiency and scalability. Through the continuous optimization of our development, production, and support processes, we are establishing an efficient operational foundation that fosters collaboration between our locations and allows us to respond more swiftly and precisely to market

demands. Through targeted investment in research and development, we are also securing our long-term innovation capacity and competitiveness, while strengthening our expertise to efficiently implement both large-scale series projects and complex individual missions (cf. page 27).

**Commitment to Sustainable Space Travel**

Sustainability as well as environmental and social responsibility are integral parts of our strategy and are systematically embedded within our business processes. Beyond Gravity is committed to responsible and sustainable space travel along the entire value chain. This includes adherence to high standards in the areas of human rights, health and safety, the development of recyclable components, and the consistent reduction of our environmental footprint. Our goal is to significantly reduce emissions from our operations by 2026, thus contributing to the sustainable transformation of the space industry. We view sustainability not merely as an obligation, but also as an opportunity to increase efficiency, promote competitiveness, and tap into new markets (cf. page 29).

**Diversity, Innovation, and Performance Orientation**

With around 1,900 employees, our staff form the foundation of our business success. Their technical expertise, innovative strength, and ability to get things done are crucial to the quality of Beyond Gravity's products and solutions. As an attractive employer, we invest in the further development of our skilled workers, promote cross-team and cross-location collaboration, and foster a corporate culture that combines diversity, innovation, and a focus on performance (cf. page 25).

Our business development follows a controlled risk approach that focuses on long-term, trust-based partnerships with institutional and commercial customers. This combination of stability, innovative strength, and strategic growth establishes Beyond Gravity as a reliable partner in the rapidly growing and increasingly strategic New Space Economy.



# Scalable Serial Production

Speed, Agility



# Improve Life on Earth

Purpose



# 60 Years Experience

100% Mission Success





# Precision and Scaling for the Next Generation of Launch Vehicles.

The market for rocket technologies is growing dynamically. Falling launch costs and reusable rocket stages are fundamentally changing the sector's industrial logic. The cost per kilogram of payload has plummeted from approximately USD 85,200 in the 1980s to less than USD 1,500 today. Accordingly, 2025 was a record year for orbital launches, with growing demands for efficiency, scalability, and industrial expertise.

The Launchers division, with around 900 employees distributed across four production sites in three countries, brings together all of Beyond Gravity's activities in the development and manufacture of composite structures for launch vehicles. The business unit plays an essential role in the company's value creation.

For many years, leading aerospace companies such as Amazon, ArianeGroup, United Launch Alliance (ULA), Avio, and Mitsubishi Heavy Industries, as well as other partners in Europe, the US, Asia, and Australia, rely on the quality of Beyond Gravity's products.

With our technologically advanced payload fairings, adapter and separation systems, dispenser solutions, interstage adapters, and thermal protection structures, we enable safe and precise launches for launch systems worldwide (see infographic). Our products are used in institutional, commercial, and security-related missions and form the interface between the launch vehicle and the payload.

2025 was marked by a high degree of program diversity, parallel support for established and new launch systems, and the further industrialization of our production capacities.



• Beyond Gravity exhibition booth at international space fairs

**Technology Partner for Next-Generation Launch Vehicles**

The global launch vehicle landscape is undergoing a period of renewal characterized by commercial systems and new heavy-lift launchers. Amidst this upheaval, Beyond Gravity was involved in some of the most symbolic launches of 2025. Our broad international presence illustrates how we are actively shaping the next era of space transportation with our reliable high-performance systems.

In January, Blue Origin's New Glenn rocket successfully completed its maiden flight. Beyond Gravity participated in this groundbreaking mission with hardware from its Launchers division, thus supporting the certification of the 98-meter-tall, reusable heavy-duty launch vehicle. At the same time, this launch marked Beyond Gravity's entry into a new launcher ecosystem and represents an important step toward more sustainable spaceflight. With the second mission of the New Glenn rocket in November 2025, Beyond Gravity made a contribution to the exploration of Mars. Our payload adapter system, developed in Linköping, securely connected the two NASA spacecraft of the ESCAPEDE mission to study the planet's magnetosphere to the launch vehicle.

The second launch of Ariane 6 in March was also the first commercial mission for the new European launch system. As a long-standing and reliable partner of ArianeGroup, Beyond Gravity contributed technologies from Sweden, Austria, and Switzerland: from the payload adapter from Linköping to the gimbal mechanism for controlling the upper stage from Vienna, and the payload fairing from Emmen. This marked the 263rd flight of an Ariane rocket since 1979, whereby the payload has always been protected by fairings produced by Beyond Gravity. This mission once again underscored the value of European cooperation across national borders – both within our company and beyond.

With its maiden flight as part of the US Space Force's National Security Space Launch (NSSL) missions, ULA's Vulcan rocket confirmed in August its operational readiness for US military space transport. Beyond Gravity supplied four key components from its plant in Decatur, Alabama: the payload fairing, the payload and interstage adapters, and the heat shield. The systems performed their functions under the most demanding conditions and made a decisive contribution to the success of the mission.

In October 2025, Beyond Gravity components were, for the first time, used on the Japanese H3 rocket developed by JAXA and Mitsubishi Heavy Industries. We supplied the payload fairing and support structure for the first HTV-X supply mission to the International Space Station (ISS). Our selection as the exclusive supplier for the five HTV-X missions underscores our technological expertise and growing presence in the Asian growth market.



**Stefan Hofmann**  
VP Launchers  
Structures Switzerland

«Our launch system components impressively demonstrate how we are setting new standards through industrialized manufacturing and precision engineering. We are proud to be paving the way for the next generation of space flight, with innovative technology and great dedication.»



### Industrialized Solutions for Global Satellite Constellations

As part of the 2025 orbital launch of the Amazon Leo Constellation (formerly Kuiper), Beyond Gravity demonstrated the intersection of industrial performance and technological precision, as well as the reliability and flexibility of our solutions within large constellation programs.

In April 2025, an Atlas V rocket successfully launched the first 27 Kuiper satellites into orbit – protected by our payload fairing and deployed using our dispenser system. The mission resulted from close collaboration between our Decatur, Emmen, and Linköping sites, and highlights Beyond Gravity's ability to reliably execute complex industrial series programs.

Another technology milestone was reached with the first deployment of our dispenser system on a Falcon-9 rocket from SpaceX. For the Leo program, the system demonstrated its ability to adapt to a new launch vehicle. All satellites were deployed according to plan – important proof of the flexibility and platform independence of our solutions.

By the end of 2025, a total of 180 Leo satellites had been placed into orbit in seven flights, all using Beyond Gravity's dispenser system.

### Ready for the Future

Despite challenging market and program environments and operational challenges, Beyond Gravity demonstrated its technological capability and industrial resilience in the launcher business in 2025. Supporting several new launch systems simultaneously, ramping up series programs, and expanding international partnerships formed the basis for sustainable growth.

With a clear strategic focus, a globally positioned organization, and highly qualified teams, Beyond Gravity is well positioned to continue making a significant contribution to granting safe, efficient, and increasingly sustainable access to space in the years to come.

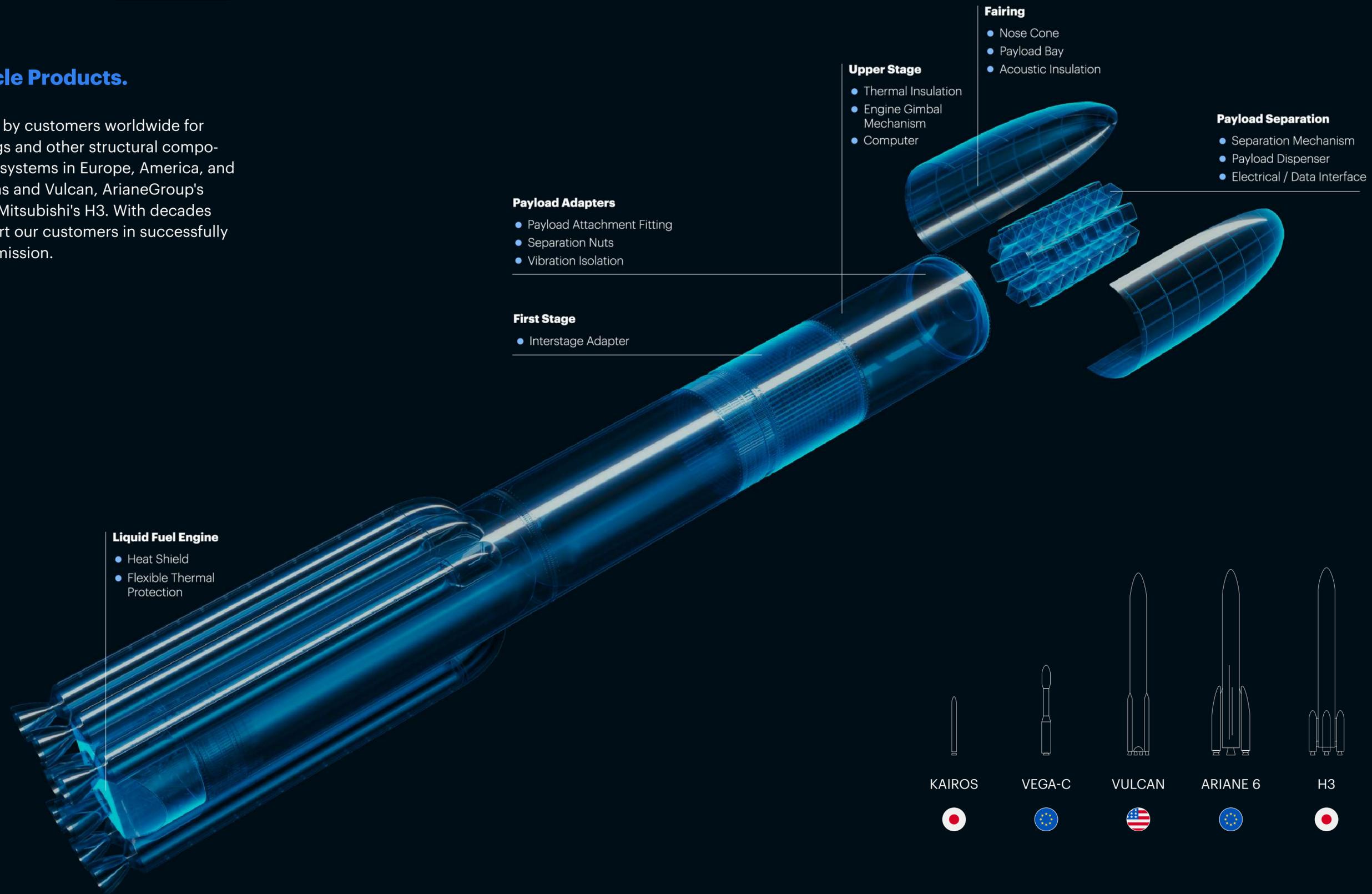


• Production of an Ariane 5 payload fairing in Emmen



## Our Launch Vehicle Products.

Beyond Gravity is valued by customers worldwide for supplying payload fairings and other structural components for leading launch systems in Europe, America, and Asia, including ULA's Atlas and Vulcan, ArianeGroup's Ariane, Avio's Vega, and Mitsubishi's H3. With decades of experience, we support our customers in successfully launching mission after mission.





# Innovations for the Next Generation of Satellites.

Driven by a number of major New Space players with huge satellite fleets, the number of satellites in orbit is rising dramatically, while prices fall rapidly. At the same time, space continues to gain strategic importance for national security. In this rapidly changing market environment, Beyond Gravity has further expanded its strong position as a Tier 1 supplier with standardized, modular products, and as a partner for complex institutional missions.

Beyond Gravity bundles all its activities in the satellite sector within its Satellites division, which comprises around 850 employees at seven production sites in five countries.

## **Broad Product Portfolio**

The division has a broad product portfolio that covers almost all key satellite components – with the exception of propulsion systems (see infographic). These include satellite structures and mechanisms, high-performance electronics such as on-board computers and navigation receivers, as well as antennas and system components for satellite thermal management.

One example of Beyond Gravity's industrial strength is the company's production of constellation on-board computers featuring integrated navigation receivers and antennas for MDA Space. Among other applications, these systems are set to be used in the more than 250 satellites in the Canadian Telesat Lightspeed constellation. Thanks to optimized manufacturing processes, Beyond Gravity produces one of these highly reliable computers per day at its Gothenburg site. The first models were delivered in fall 2025.

In the area of mechanical systems, Beyond Gravity has significantly expanded its capacities at its Zurich site. Production capacity of alignment mechanisms for satellite solar wings within the SEPTA 36 and SEPTA 42 product families increased fivefold in the reporting year and now enables the manufacture of up to 200 units per year. At the same time, the portfolio of slip rings has been streamlined at the Nyon site and reduced to a few standardized products that cover a wide range of requirements. Based on established standards, new variants for very high currents are now being developed to meet the growing energy demands of large satellites – for instance, for in-orbit data center applications.

Beyond Gravity is experiencing high demand for the mechanisms from the standardized APPMAX product family manufactured at its Vienna site, which are used to control electric satellite propulsion systems and are in high demand both in Europe and the US. In September 2025, the company received a significant order for three-axis APPMAX mechanisms in the form of a robotic arm for geostationary telecommunications satellites from Swiss manufacturer SWISSto12.

One outstanding example of the modularity of Beyond Gravity's product offering is the flexible FoX electronics platform. Depending on mission requirements, it can integrate various applications – from navigation and computing to the control of scientific instruments. The platform follows a modular design principle and can be configured quickly, purposefully, and according to requirements – making it particularly attractive for complex or highly varied satellite missions.

#### **A Proven Partner to Institutional Customers**

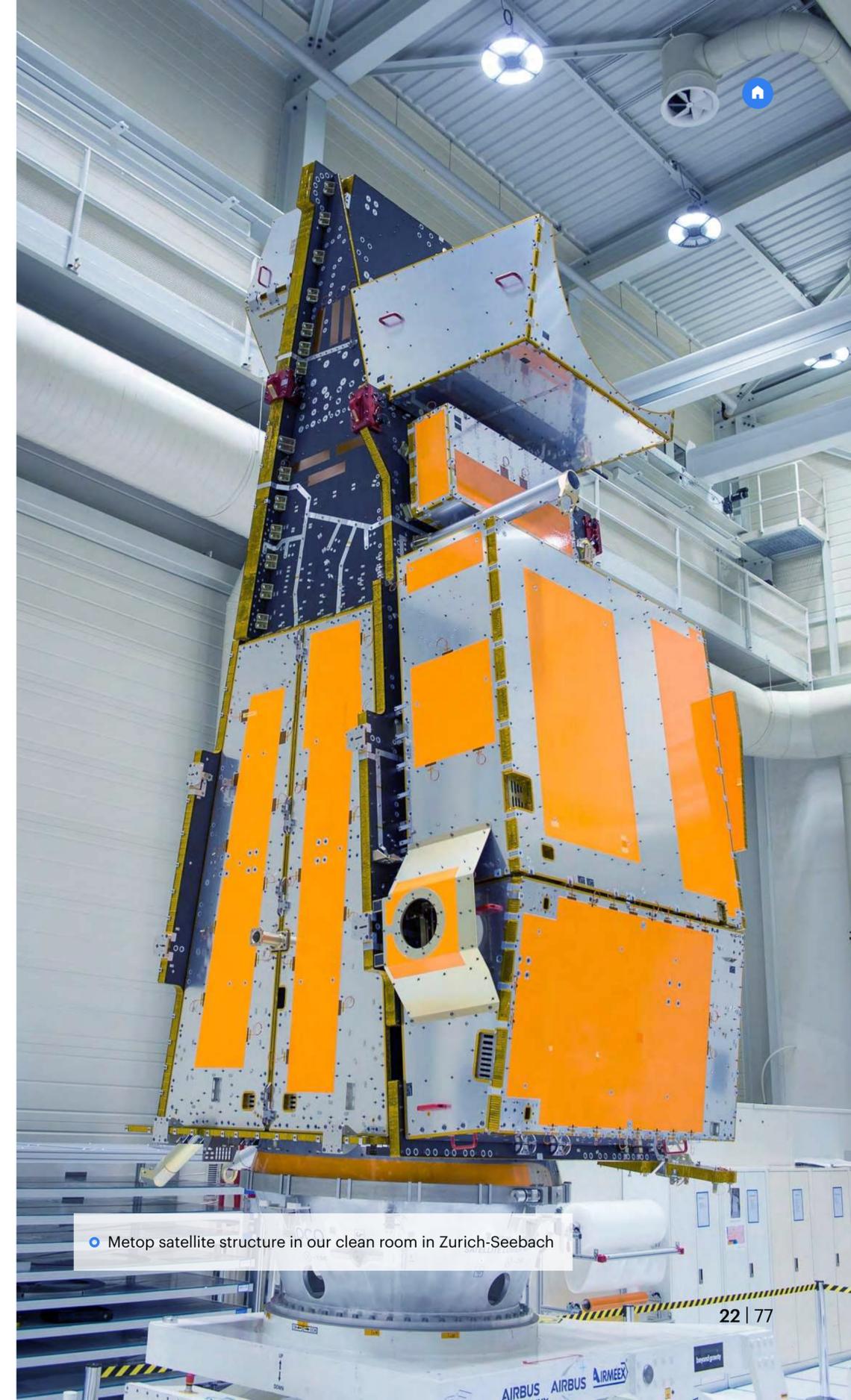
At the same time, Beyond Gravity remains an important partner for numerous missions undertaken by institutional customers. For example, the Satellites division is developing and producing the highly complex structure for the satellites of the European Space Agency's (ESA) LISA mission. This major scientific project, which, in terms of the technological challenges faced, can be most readily compared to the James Webb

Space Telescope, will measure extremely long-wave gravitational waves, such as those generated by the merger of supermassive black holes. LISA will significantly expand Europe's capabilities in the area of fundamental astrophysical research.

Since the program began in 2006, Beyond Gravity has been supplying its market-leading radio occultation weather data instrument for all European Metop weather satellites. By measuring atmospheric temperature and humidity, this instrument enables more accurate weather forecasting and improved climate monitoring. In August 2025, the first of a total of six second-generation Metop satellites was launched into space. In addition to the radio occultation instrument, which will provide data for European weather forecasting until at least 2050, the Satellites division also developed and built the satellites' six-meter-high primary structure and various other components.

Beyond Gravity also remains an important technology partner of the European Copernicus Earth observation program. In November 2025, two additional Sentinel satellites were launched into orbit for the radar-based observation of land masses and sea levels. The precise positioning of the satellites within the millimeter range is made possible by Beyond Gravity's navigation receivers – an essential prerequisite to achieving the measurement accuracy required for the missions.

Furthermore, Beyond Gravity is an important payload partner for ESA's Celeste satellite constellation (formerly LEO-PNT). By adding additional satellites in low Earth orbit, the program aims to make the existing Galileo and GPS services more accurate, resilient, and robust – particularly against interference signals and other threats to navigation infrastructure. Here, Beyond Gravity combines its expertise in the areas of high-precision navigation receivers, digital processing of broadband signals, antennas, accurate time measurement, and highly reliable on-board electronics development and production to contribute to the resilience of global navigation.



• Metop satellite structure in our clean room in Zurich-Seebach

**Expansion of the Innovative Space Data Service**

Based on existing capabilities, and in collaboration with the Swiss Armed Forces and leading Swiss universities, Beyond Gravity has begun to develop space data services. This has resulted in the development of an initial demonstrator for Space Situational Awareness (SSA). SSA refers to the ability to monitor and predict the location, behavior, and potential risks to satellites in Earth orbit. Unlike other providers, Beyond Gravity's SSA solution delivers not only information on satellite orbits but also technical footprint data on a satellite's onboard technology and instruments. Our service provides technical insight into more than 10,000 active satellites, based on six years of data collection from various sources. The data is hosted in Switzerland and is offered as "software-as-a-service". This product is the first step in a strategy by which Beyond Gravity aims to establish itself in the data business, in an area with a natural competitive advantage.

Beyond Gravity is thus not only expanding its product portfolio, but is also specifically addressing the growing demand for reliable space information. Interested customers include commercial and institutional users such as disaster relief organizations, security services, and government agencies. For example, our data enables faster situation assessment following natural disasters.

In a next step, Beyond Gravity is evaluating the integration of its weather data instrument for radio occultation into specially designed satellites with a view to providing important weather data to meteorological institutions worldwide as part of a commercial service. If market development is successful, Beyond Gravity will consider establishing its own constellation of up to eight satellites designed for this purpose. This would represent our first foray into the downstream business and would expand our service portfolio along the entire value chain.

**Flexible Satellite Platform for Mission-ready Solutions**

In light of the increasing strategic importance of space with regard to security policy and the dynamically growing market for orbital infrastructure, Beyond Gravity is strategically developing its satellite activities. The Satellites division is expanding its capabilities as a specialized supplier of individual components with a view to becoming a comprehensive system provider, offering customers integrated solutions from a single source.

The aim of this initiative at the Zurich site is to offer turnkey, medium-sized satellites in the 150-250 kilogram weight class for use in low Earth orbits at altitudes of up to 1,000 kilometers – in particular for optical and electromagnetic Earth observation applications, secure communications, and other commercial and government-oriented missions. Beyond Gravity is thus deliberately positioning itself in a market niche that is currently covered by neither established providers nor start-ups.

At the heart of this expansion of the product portfolio is a standardized satellite platform with a uniform payload bay. This architecture enables the flexible integration of various payloads: from our PNT (positioning, navigation, timing) system and electronic signal intelligence solutions to our radio occultation and reflectometry instruments for improved weather data. In addition, third-party instruments, such as cameras, can be easily and efficiently integrated. Following the successful preliminary design review in early 2025, the structural and thermal model for the platform is currently being built and tested.

By combining a standardized, modular satellite and electronics platform, a broad product portfolio of proprietary payloads, and the ability to flexibly integrate additional instruments, the Satellites division is creating a powerful, scalable solution that enables extremely short production times from order to launch. Beyond Gravity is thus expanding its role as a provider of robust space solutions.



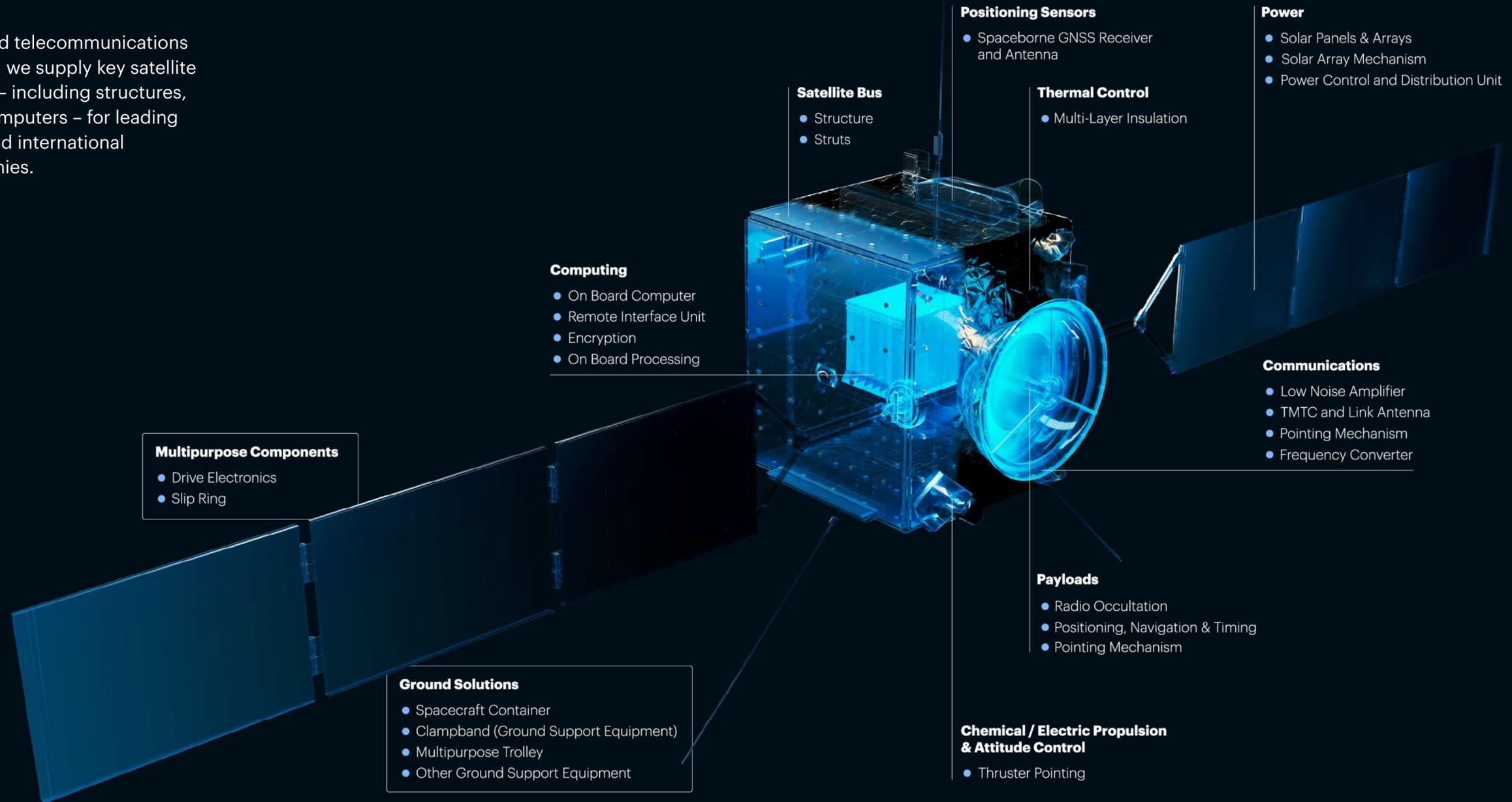
**Oliver Grassmann**  
Chief Operating Officer

«With our six decades of experience in space technology, we are poised to achieve further growth for Beyond Gravity within the dynamic data market. We have developed a unique data solution that offers our customers outstanding added value by providing unparalleled insight into the capabilities of satellites.»



## Our Satellite Products.

From Earth observation and telecommunications to deep space exploration, we supply key satellite components and systems – including structures, antennas, and onboard computers – for leading missions by ESA, NASA, and international commercial space companies.





# Together Into Space.

Our success in space flight is inextricably linked to the people who make our technologies, missions, and innovations possible. Our employees are at the heart of everything we do. It is only with their commitment, expertise, and passion that we can harness the immense potential of the global space industry and shape the future of our company in a sustainable way.

During the reporting year, Beyond Gravity launched and further developed initiatives in the area of human resources that both strengthen the company and promote individual development opportunities. As an attractive employer, we deploy targeted investment in the further development of our skilled workers, promote cross-team and cross-location collaboration, and focus on establishing a corporate culture that combines diversity, innovation, and performance orientation.

#### **Targeted Promotion of Professional Development**

With our newly established career path for engineers, Beyond Gravity is creating clear and transparent development prospects and strengthening the appeal of technical professions within the company. The new model creates a structured, company-wide framework for the development of technical experts that promotes professional excellence, technical leadership, and individual specialization. In doing so, we are underscoring the strategic importance of technical expertise for the future of the company.

The career path defines clear roles, requirements, and development steps and consequently forms the basis for transparent performance reviews and development discussions. The aim is to provide employees with guidance and prospects, regardless of whether they aspire to management roles or wish to make an impact primarily through their specialist knowledge and technical responsibility. The model thus strengthens those talents who make an impact through their expertise, problem-solving skills, and technical leadership, and allows personal ambitions to be effectively tied in with our corporate strategy.

At the same time, the career path helps to secure key competencies and technical expertise in the long term. It creates fair and comparable development opportunities, increases the visibility of technical leadership skills, and supports the retention of skilled workers in a highly competitive labor market. With this step, Beyond Gravity is laying a solid foundation for the continued development and retention of expertise that is crucial to our success in the space sector.

**Strengthening a Modern Leadership Culture**

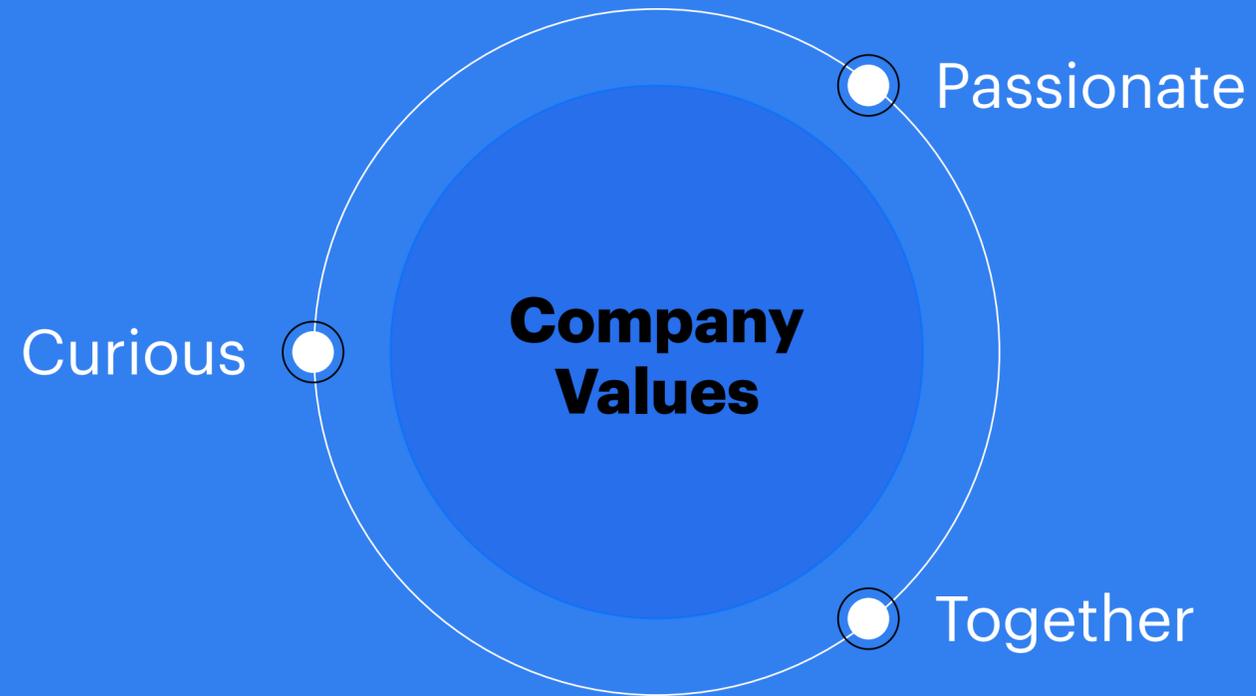
Another key point of focus for 2025 was the further development of the leadership culture at Beyond Gravity. With a company-wide, continuous leadership development program consisting of a series of workshops, we have promoted a common understanding of effective, modern leadership.

The modular program incorporates central topics such as clear and effective communication, constructive feedback, conflict resolution, and the building of trust. In addition, practical leadership requirements such as knowledge management, time and resource planning, and decision-making are addressed.

The program supports managers in increasing their impact, strengthening the performance of their teams, and actively shaping the transformation of the company. The workshops were held at all locations worldwide and promote the continuous sharing of good leadership practices.

**Global Employee Survey: The Basis for Continuous Development**

In 2025, Beyond Gravity conducted a company-wide employee survey to gain a comprehensive picture of how our employees experience their work, their environment, and collaboration within the company. Based on these findings, we defined company-wide priorities and initiated concrete measures to achieve targeted improvements and ensure ongoing dialogue with our employees.



**Vera Märk**  
Director Talent Practices

«Our engineers desire to grow and make an effective contribution. With the new career path, we are offering precisely these prospects – while at the same time laying the foundation for our skilled workers to keep pace with technological developments, drive innovation, and thereby secure the future growth of Beyond Gravity.»



# Operational Excellence and Integrated Transformation.

Beyond Gravity is built on dedicated teams and a strong technological foundation. To meet the increasing demands of our customers for quality, delivery speed, and flexibility, we have developed the Value Creation Roadmap (VCR). This initiative integrates our efforts to enhance efficiency, innovation, and operational excellence, ensuring sustainable growth and long-term resilience.

The VCR is designed as an integrated transformation connecting people, processes, systems, and sites. The goal is to ensure that strategic objectives, digital tools, and day-to-day operations interlock and reinforce each other seamlessly.

## Our VCR is Built Around the Following Four Pillars:

### 1. Smart Operations & Delivery

We are driving efficiency, value creation and standardization through our EZYone transformation program (see box).

### 2. Portfolio Strategy & Growth

To ensure a focused and value-driven project pipeline, we evaluate ongoing projects and make strategic decisions about future innovation initiatives.

### 3. Integrated Supply Chain

We are establishing an integrated supply chain to strengthen global procurement, enhance efficiency and consistency, and improve the way we identify, engage with, and collaborate with suppliers.

### 4. Optimizing Key Expenses

We are exploring opportunities to improve efficiency across our company, including IT, indirect procurement, and support functions.



Through its EZYone business transformation program, Beyond Gravity is investing in its digital future to provide significant added value to customers, suppliers, and employees. The program includes systems for Enterprise Resource Planning (ERP), Manufacturing Execution (MES), and Product Lifecycle Management (PLM). This modern digital infrastructure enables seamless connections between sites, business units, and functions, providing the foundation for applications that optimize processes, increase transparency, and support data-driven decisions.

### Driving Smarter Operations and Supply Chain Excellence

Our transformation is not just about technology – it's about changing how we work, think, and manage processes every day. Smart Operations & Delivery (SO&D) is the operating model that brings EZYone to life through clear standards, efficient processes, and shared work approaches. It includes five workstreams: Engineering, Operations, Project Management, Procurement & Supply Chain, and Quality. SO&D helps us use our tools more effectively, operate more efficiently, and create value through better collaboration, shaping the way we work across processes, teams, and tools.

As regards Procurement & Supply Chain, we aim to build a smarter, more efficient, and more resilient ecosystem by leveraging the size and strength of our group. This requires bringing the right people together and ensuring strong leadership.

### Rockets & Boosters

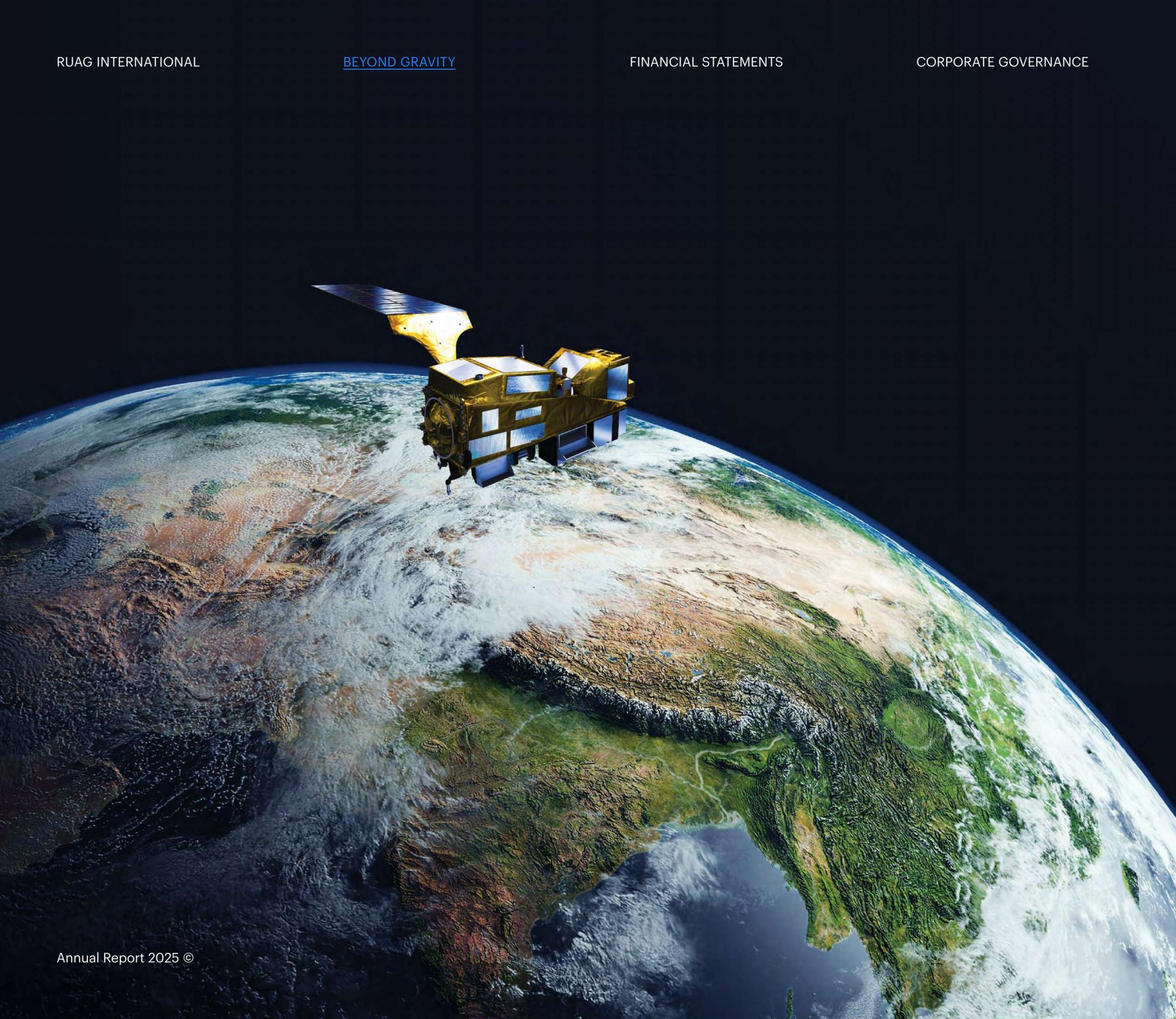
SO&D connects the promise of EZYone with practical, daily business and the way we operate. It helps us scale what works, eliminate what doesn't, and focus on what matters. To bring this vision to life and drive our transformation forward, we have assembled teams of talented colleagues from across the organization for each of the five workstreams – the so-called Rockets & Boosters.

Our Rockets and Boosters drive our ambition forward by helping us align on how we work, identify and adopt new best practices, and ensure these improvements become part of our everyday work. They will focus on mapping current processes across the five streams, detailing future "to-be" processes, and developing an action plan to address the gaps between the two.



**Cristina Lorenzetti**  
VP Digitization &  
Industrialization

«The space industry demands the highest levels of precision, efficiency, and safety. Whether it's design, manufacturing, or operations, there's no room for errors. That's why EZYone is so important – it integrates digital processes, shortens development and production cycles, improves teamwork across locations, and reduces redundancies.»



# Driving Sustainability in Space .

Environmental, social and governance considerations have become a key strategic priority for Beyond Gravity. Our clearly defined sustainability strategy has established a strong foundation for our next steps on the path to greater sustainability.

Beyond Gravity has integrated environmental, social and governance (ESG) principles into its business activities, recognizing their importance for innovation, transformation and value creation. Space-based technologies are crucial for monitoring climate change and enabling sustainable solutions on Earth. The space industry, however, faces sustainability challenges of its own, including launch emissions, energy-intensive manufacturing and space debris. Beyond Gravity is addressing these challenges through sustainable design initiatives and targeted measures to continuously reduce CO<sub>2</sub>-emissions in its own operations over the coming years.



## Our Key ESG Achievements in 2025

### 1. Decarbonization Roadmap

We are nearing completion of our decarbonization roadmap, as we have implemented most of the defined emission-reduction measures in Scope 1 and 2. As the potential for further direct reductions from our own operations decreases, we are preparing for the next phase.

This includes evaluating carbon-removal options and developing a strategy that also addresses our Scope 3 emissions – namely indirect emissions along our value chain, such as those from purchased materials, logistics, and supplier activities.

### 2. Improving Energy Efficiency

Energy audits were conducted at both our two Swedish locations and our site in Zurich-Seebach to assess the energy efficiency potential and inform energy management decisions.

By optimizing energy consumption, we can reduce CO2 emissions and simultaneously lower our energy costs. The most significant drivers in this regard are technical improvements, office space optimizations, and a gradual transition towards sustainable facilities, including the installation of solar panels or the insulation of building shells.

### 3. Evaluation of Our Working Conditions

As part of our efforts to improve the working environment, we conducted a company-wide employee survey in 2025 (see also page 26).



**Sunniva Bitschnau**  
Senior Global  
Sustainability Manager

«Sustainability is strategically central to Beyond Gravity. In 2025, we have largely implemented our Scope 1 and 2 targets, conducted energy efficiency audits, and further strengthened health and safety measures. Next, we will focus on our Scope 3 emissions and additional opportunities for CO2 removal.»



Learn more about Sustainability at Beyond Gravity and download our Sustainability Report



# 3.0

# Financial Statements.

- 3.1 Key figures
- 3.2 Consolidated financial statements of RUAG International
- 3.3 Notes to the consolidated financial statements of RUAG International
- 3.4 Financial statements of RUAG International Holding Ltd
- 3.5 Notes to the financial statements of RUAG International Holding Ltd

This annual report of RUAG International Holding Ltd, including the financial report audited by Ernst & Young, has been translated from German to English. This translation contains the same information and conveys the same meaning as the German annual and financial report. In the event of any inconsistency between the German version of the annual and financial report and its English version, the German version shall prevail. The unrestricted auditors' reports of Ernst & Young on the financial statements of RUAG International Holding Ltd and the individual financial statements are attached to the German version only.

Certain amounts and percentages presented in this report have been rounded to the nearest whole number or decimal place. As a result, minor differences may occur between individual line items and the totals shown. Such differences are due solely to rounding and do not affect the overall accuracy of the financial statements.

**Overview of key figures**

(in CHF m)

	2025	2024
Order intake	410.4	622.7
Order backlog	810.5	862.0
Net sales	412.0	494.9
Operating income	450.8	437.0
Cost of materials and purchased service	(171.6)	(169.4)
Personnel expenses	(220.7)	(244.6)
Other operating income	18.7	122.9
Other operating expenses	(174.0)	(108.7)
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	(96.8)	37.1
EBITDA in % of net sales	(23.5%)	7.5%
Earnings before interest and taxes (EBIT)	(114.3)	19.9
EBIT in % of net sales	(27.7%)	4.0%
Net loss	(119.0)	(1.6)
Net loss in % of net sales	(28.9%)	(0.3%)
Cash flow from operating activities	(74.8)	26.7
Cash flow from investing activities	(31.1)	87.6
Free cash flow	(105.9)	114.3
Cash flow from financing activities	(1.2)	(151.4)
Equity attributable to the RUAG International shareholder	240.1	342.7
Equity in % of total assets	29.8%	37.9%
Return on equity <sup>1</sup>	(40.8%)	(0.4%)
Depreciation, amortisation and impairment	17.5	17.2
Research and development expenses <sup>2</sup>	15.8	12.7
in % of net sales	3.8%	2.6%

	2025	2024
Net sales per employee (in CHF thousands)	219	245
Added value per employee (in CHF thousands)	139	113
Employees (FTE) as at 31 December incl. apprentices	1 926	1 813
Number of employees (average FTE for year) incl. apprentices	1 878	2 018
Number of registered shares (nominal CHF 100)	2 179 000	2 179 000
Loss per registered share	(54.61)	(0.73)
Paid dividend per registered share <sup>3</sup>	—	—
Distribution ratio	—	—
Book value per registered share in CHF	110	157

<sup>1</sup> Net loss as a percentage of average equity.<sup>2</sup> 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.<sup>3</sup> The Board of Directors proposes no dividend for the year 2025.

**Five-year overview <sup>1</sup>**

(in CHF m)

	2025	2024	2023	2022	2021
Order intake	410.4	622.7	651.1	1043.2	1424.3
Order backlog	810.5	862.0	770.2	1013.1	1190.8
Net sales	412.0	494.9	620.0	944.7	1239.9
Earnings before interest and taxes (EBIT)	(114.3)	19.9	28.1	177.9	70.2
EBIT in % of net sales	(27.7%)	4.0%	4.5%	18.8%	5.7%
Net loss (profit)	(119.0)	(1.6)	0.5	154.3	58.3
Net loss (profit) in % of net sales	(28.9%)	(0.3%)	0.1%	16.3%	4.7%
Cash flow from operating activities	(74.8)	26.7	(23.7)	(64.1)	84.8
Cash flow from investing activities	(31.1)	87.6	112.2	535.7	(76.6)
Free cash flow	(105.9)	114.3	88.5	471.6	8.2
Cash flow from financing activities	(1.2)	(151.4)	(198.9)	(2.9)	(59.7)
Equity attributable to the RUAG International shareholder	240.1	342.7	490.8	686.4	502.5
Equity in % of total assets	29.8%	37.9%	53.0%	62.1%	44.9%
Return on equity <sup>2</sup>	(40.8%)	(0.4%)	0.1%	26.0%	12.1%
Research and development expenses <sup>3</sup>	15.8	12.7	10.9	18.1	27.6
in % of net sales	3.8%	2.6%	1.8%	1.9%	2.2%
Employees (FTE) as at 31 December incl. apprentices	1 926	1 813	1 989	2 963	6 145
Number of employees (average FTE for year, incl. apprentices)	1 878	2 018	3 012	4 801	6 206

<sup>1</sup> 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.

<sup>2</sup> Net loss as a percentage of average equity.

<sup>3</sup> 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 income statement, 1 January to 31 December**

(in CHF m)

	Anhang	2025	2024
Net sales	6	412.0	494.9
Own work capitalised		0.5	1.8
Changes in inventories and work in progress		38.3	(59.6)
<b>Operating income</b>		<b>450.8</b>	437.0
Cost of materials and purchased services		(171.6)	(169.4)
Personnel expenses	7	(220.7)	(244.6)
Other operating income	8	18.7	122.9
Other operating expenses	8	(174.0)	(108.7)
<b>Earnings before interest, taxes, depreciation and amortisation (EBITDA)</b>		<b>(96.8)</b>	37.1
Depreciation and impairment of property, plant and equipment	17	(14.6)	(15.5)
Amortisation and impairment of intangible assets	18	(2.9)	(1.7)
<b>Earnings before interest and taxes (EBIT)</b>		<b>(114.3)</b>	19.9
Financial income	10	1.7	5.3
Financial expenses	10	(2.8)	(6.8)
<b>(Loss)/Earnings before tax</b>		<b>(115.5)</b>	18.5
Income taxes	11	(3.5)	(20.1)
<b>Net loss</b>		<b>(119.0)</b>	(1.6)

The notes to the consolidated financial statements on pages 37 to 61 form an integral part of the consolidated financial statements.

**Consolidated balance sheet as at 31 December**

(in CHF m)

Active	Note	2025	2024
Cash and cash equivalents	12	311.1	420.6
Current financial assets	13	1.0	0.2
Trade receivables	14	67.9	99.1
Prepayments to suppliers	14	8.8	5.3
Other current receivables	14	18.1	13.7
Tax assets		4.8	25.1
Inventories and work in progress	15, 16	238.4	193.1
Prepaid expenses and accrued income		22.3	23.4
<b>Current assets</b>		<b>672.4</b>	<b>780.4</b>
Property, plant and equipment	17	106.5	103.0
Non-current financial assets	13	0.3	0.2
Deferred tax assets	11	1.5	2.8
Intangible assets	18	24.7	18.8
<b>Non-current assets</b>		<b>133.0</b>	<b>124.7</b>
<b>Total assets</b>		<b>805.4</b>	<b>905.0</b>

Passive	Note	2025	2024
Current financial liabilities	19	2.9	1.4
Trade accounts payable from deliveries and services	20	22.5	25.8
Prepayments from customers	20	245.0	260.6
Other current liabilities	21	13.3	15.4
Tax liabilities		33.4	53.1
Deferred income and accrued expenses	23	99.7	107.8
Current provisions	24	93.8	17.8
<b>Current liabilities</b>		<b>510.4</b>	<b>481.9</b>
Non-current financial liabilities	19	0.3	0.4
Other non-current financial liabilities	22	0.1	0.2
Employee benefit obligations	25	22.7	22.9
Non-current provisions	24	27.1	52.5
Deferred tax liabilities	11	4.7	4.5
<b>Non-current liabilities</b>		<b>54.8</b>	<b>80.4</b>
Share capital	26	217.9	217.9
Capital reserves		228.0	228.0
Retained earnings		(111.7)	7.3
Offsetting of goodwill		(62.8)	(62.8)
Other reserves		(4.9)	(6.9)
Foreign currency translation adjustments		(26.5)	(40.9)
<b>Total equity</b>		<b>240.1</b>	<b>342.7</b>
<b>Total liabilities and equity</b>		<b>805.4</b>	<b>905.0</b>

The notes to the consolidated financial statements on pages 37 to 61 form an integral part of the consolidated financial statements.

**Consolidated statement of cash flows, 1 January to 31 December**

(in CHF m)

	Anhang	2025	2024
Net loss		(119.0)	(1.6)
Depreciation, amortisation and impairment	17, 18	17.5	17.2
Change in non-current provisions and deferred taxes		10.9	14.1
Use of non-current provisions		(11.5)	(2.9)
Other non-cash changes <sup>1</sup>		3.6	11.6
Change in net working capital		22.4	89.5
Gain on disposal of non-current assets		0.2	(102.7)
Financial income	10	(1.6)	(5.3)
Financial expenses	10	2.8	6.8
Cash flow from operating activities <sup>2</sup>		(74.8)	26.7
Capital expenditures for movable plant and equipment	17	(13.4)	(21.1)
Capital expenditures for immovable property, plant and equipment	17	(9.4)	(15.4)
Capital expenditures for intangible assets	18	(8.7)	(8.6)
Disposal of plant and equipment		0.4	113.6
Disposals of property, plant and equipment		—	18.0
Disposal of intangible assets		0.0	1.2
Cash flow from investing activities		(31.1)	87.6
Free Cash Flow		(105.9)	114.3

	Anhang	2025	2024
Decrease in financial assets		(0.0)	(0.0)
Financial income received		1.6	5.3
Financial expenses paid		(2.8)	(6.8)
Dividends paid to shareholders		—	(150.0)
Cash flow from financing activities		(1.2)	(151.4)
Change in cash and cash equivalents before foreign currency translation adjustments		(107.1)	(37.2)
Cash and cash equivalents at beginning of period		420.6	457.0
Foreign currency translation adjustments in respect of cash and cash equivalents		(2.4)	0.7
Cash and cash equivalents at end of period		311.1	420.6

<sup>1</sup> Excludes current financial assets, current financial liabilities and other non-current liabilities.

<sup>2</sup> Including income taxes of CHF 0.7 million paid in the year under review (previous year: CHF 3.4 million).

The notes to the consolidated financial statements on pages 37 to 61 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 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	—	—	—	—	(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
<b>Balance as at 1 January 2025</b>	<b>217.9</b>	<b>228.0</b>	<b>7.3</b>	<b>(62.8)</b>	<b>(6.9)</b>	<b>(40.9)</b>	<b>342.7</b>
Net loss	—	—	(119.0)	—	—	—	(119.0)
Change in fair value of cash flow hedges and losses	—	—	—	—	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	—	—	—	—	—	14.4	14.4
Dividends paid	—	—	—	—	—	—	—
Balance as at 31 December 2025	217.9	228.0	(111.7)	(62.8)	(4.9)	(26.5)	240.1

In the year under review, no dividend (previous year: CHF 150 million) was paid to the shareholder of RUAG International Holding Ltd.

The notes to the consolidated financial statements on pages 37 to 61 form an integral part of the consolidated financial statements.



# 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

Currency	Unit		Annual Average 2025	End-of-year rate 2025	Annual Average 2024	End-of-year rate 2024	Annual Average 2023	End-of-year rate 2023
Euro	EUR	1	0.94	0.93	0.93	0.94	0.97	0.93
Swedish krona	SEK	100	8.46	8.59	8.11	8.20	8.48	8.35
US dollar	USD	1	0.83	0.79	0.89	0.90	0.90	0.84

**2.5 Cash and cash equivalents**

Cash and cash equivalents comprise 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 either calculated as the ratio of the contract costs incurred to the total estimated contract costs (cost-to-cost method) or with the milestones method. The milestones method defines project-specific milestones according to individual customer contracts. Once these milestones are achieved, services are billed to the customer, and the corresponding portion of revenue and profit is recognized. 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 offset directly against equity 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 recognition 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 Ltd in liquidation 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 Disposals of subsidiaries and business units, acquisitions

#### Disposal of assets and transfer of employees

**RUAG Aerostructures Switzerland Ltd in liquidation** As of April 30, 2024, RUAG Aerostructures Switzerland Ltd in liquidation 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 took place in several stages. During the year under review, the final step in the complete transfer of all employees was successfully concluded, and the liquidation of the company was initiated.

**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).



## 5.0 Segment information

(in CHF m)

	Space		Aerostructures		Other Segments		Total Segments		Eliminations		Group total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Order intake – third parties	407.6	605.5	(0.9)	15.3	3.7	1.9	410.4	622.7	—	—	410.4	622.7
Order backlog – third parties	810.5	851.5	—	10.5	—	—	810.5	862.0	—	—	810.5	862.0
Net sales with third parties	398.8	441.3	9.6	47.1	3.7	6.5	412.0	494.9			412.0	494.9
Net sales with other segments	6.5	6.7	0.0	0.5	67.0	59.4	73.5	66.6	(73.5)	(66.6)	—	—
Total net sales	405.2	448.0	9.6	47.6	70.7	65.9	485.6	561.5	(73.5)	(66.6)	412.0	494.9
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	(65.5)	5.7	(32.8)	18.5	1.1	12.8	(97.2)	37.1	0.4	—	(96.8)	37.1
Depreciation, amortisation and impairment	(14.0)	(14.1)	—	(0.8)	(3.5)	(2.2)	(17.5)	(17.2)	—	—	(17.5)	(17.2)
Earnings before interest and taxes (EBIT)	(79.5)	(8.4)	(32.8)	17.6	(2.4)	10.7	(114.7)	19.9	0.4	—	(114.3)	19.9
Net operating assets by region	(22.4)	(64.8)	(28.5)	16.6	7.6	(3.5)	(43.2)	(51.6)	—	0.0	(43.2)	(51.6)
Net operating assets Switzerland	4.4	(5.3)	(28.5)	16.6	14.1	5.1	(10.0)	16.4	—	2.3	(10.0)	18.7
Net operating assets Rest of Europe	75.1	60.3	—	—	(6.5)	(8.4)	68.6	51.9	—	(3.2)	68.6	48.7
Net operating assets Rest of world	(101.9)	(119.8)	—	—	(0.0)	(0.1)	(101.9)	(119.9)	—	0.9	(101.9)	(119.0)
Property, plant and equipment and intangible assets	101.9	98.6	—	—	29.3	23.2	131.2	121.7	—	—	131.2	121.7
Property, plant and equipment and intangible assets Switzerland	17.5	15.4	—	—	28.4	22.4	45.9	37.8	—	—	45.9	37.8
Property, plant and equipment and intangible assets Rest of Europe	47.0	39.3	—	—	0.8	0.8	47.8	40.1	—	—	47.8	40.1
Property, plant and equipment and intangible assets Rest of world	37.5	43.8	—	—	—	—	37.5	43.8	—	—	37.5	43.8
Capital expenditures for property, plant and equipment and intangible assets	(21.4)	(34.3)	—	(0.2)	(10.1)	(10.6)	(31.5)	(45.1)	—	—	(31.5)	(45.1)
Disposal of property, plant and equipment and intangible assets	—	88.0	—	31.0	0.4	13.7	0.4	132.7	—	—	0.4	132.7

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

Information on sales and customers can be found in Note 6, “Net sales”.

**6.0 Net sales**

(in CHF m)

	2025	2024
Invoiced sales	391.4	494.2
Change in contracts under the percentage of completion (PoC) method	20.6	0.7
<b>Total net sales</b>	<b>412.0</b>	<b>494.9</b>
<b>Analysis of invoiced sales</b>		
Third parties	391.4	493.7
DDPS	—	0.5
<b>Invoiced sales by customer group</b>	<b>391.4</b>	<b>494.2</b>
Civil	350.5	434.2
Defence	40.9	60.0
<b>Invoiced sales by type of use</b>	<b>391.4</b>	<b>494.2</b>
Switzerland	16.1	37.9
Rest of Europe	137.6	247.9
Middle East	3.2	3.7
North America	230.2	198.8
South America	0.7	3.0
Asia / Pacific	3.7	2.9
<b>Invoiced sales by region</b>	<b>391.4</b>	<b>494.2</b>

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

**7.0 Personnel expenses**

(in CHF m)

	2025	2024
Salaries and wages	(156.5)	(164.2)
Expense of benefit plans	(9.9)	(13.1)
Other social security expenses	(24.8)	(23.5)
Contract personnel	(22.6)	(25.2)
Other personnel expenses	(6.9)	(18.6)
<b>Total personnel expenses</b>	<b>(220.7)</b>	<b>(244.6)</b>

Personnel expenses decreased in the reporting year compared to the previous year, primarily due to the transfer of employees of RUAG Aerostructures Switzerland Ltd in liquidation and of the Lithography division in the previous year.

**8.0 Other operating income/expenses**

(in CHF m)

	2025	2024
Other operating income	18.7	122.9
<b>Total other operating income</b>	<b>18.7</b>	<b>122.9</b>
Premises costs	(25.2)	(27.8)
Maintenance and repairs of property, plant and equipment	(12.8)	(15.5)
Cost of energy and waste disposal	(2.2)	(1.6)
Insurance and duties	(1.7)	(2.8)
Administration and IT costs	(49.3)	(46.2)
Advertising costs	(0.8)	(1.2)
Other operating expenses	(82.0)	(13.6)
<b>Total other operating expenses</b>	<b>(174.0)</b>	<b>(108.7)</b>



The “Other operating income” of CHF 18.9 million in the reporting year mainly comprises adjustments to provisions for contract losses. In the previous year, the reported income mainly resulted from the sale of buildings and machinery.

“Premises costs” are below the previous year’s level. Rental costs associated with the assets and employees of RUAG Aerostructures Switzerland Ltd in liquidation and the Lithography Division transferred in the previous year led to a reduction of just under CHF 2.8 million compared with 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 3.1 million compared to the previous year. This is mainly due to the sale of assets in the previous year.

Various adjustments and reassessments of provisions are included in the position “Other operating expenses”. The increase compared to the previous year is due to the recognition of provisions in total of CHF 66.1 million for legal cases in the Aerostructures and Space business units. Furthermore, this item includes net exchange rate losses of CHF -6.0 million (previous year: exchange rate gains of CHF 8.0 million). These losses are primarily due to the cumulative effects of forward exchange contracts concluded to hedge transactions related to operating activities (hedging of future sales and purchases of goods and services in the corresponding currencies).

## 9.0 Research and development expenses

(in CHF m)

	2025	2024
Total research and development expenses	15.8	12.7

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)

	2025	2024
Interest income	1.6	5.3
Total financial income	1.6	5.3
Interest expense	(2.8)	(6.8)
Total financial expenses	(2.8)	(6.8)

## 11.0 Income taxes

(in CHF m)

	2025	2024
Income tax expense/income of the reporting period	(2.4)	(25.1)
Adjustments to current income taxes from prior periods	(0.1)	(0.1)
Current income tax expense	(2.6)	(25.3)
Deferred income tax income (expense)	(1.0)	5.2
Income tax expense in profit or loss	(3.5)	(20.1)

## Deferred tax assets and liabilities changed as follows:

(in CHF m)

	2025	2024
Total deferred taxes at 1 January	(1.8)	(7.4)
Changes recognised in profit or loss	(1.0)	5.2
Changes in equity with no impact on profit or loss	(0.4)	0.6
Foreign currency translation adjustments	(0.0)	(0.2)
Total deferred taxes at 31 December	(3.2)	(1.8)
of which deferred tax assets	1.5	2.7
of which deferred tax liabilities	(4.7)	(4.5)



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)

	2025	2024
Expiring within 1 year	1.6	0.3
Expiring in 1 to 5 years	57.2	56.5
Expiring in more than 5 years	518.5	306.5
Total tax loss carryforwards	577.2	363.3
Potential tax effect of tax loss carryforwards	110.5	68.9
therein recognised as deferred tax assets	—	0.2
therein not recognised	110.5	68.7

### 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)

	2025	2024
Demand deposits with financial institutions	270.7	182.0
Money market investments	40.4	238.6
Total cash and cash equivalents	311.1	420.6

### Currencies of cash and cash equivalents

(in CHF m)

	2025	2024
CHF	245.0	278.6
EUR	31.9	85.6
USD	18.6	55.3
SEK	15.7	1.1
GBP	—	0.0
Other	0.0	0.0
Total cash and cash equivalents	311.1	420.6

### 13.0 Financial assets

#### Current financial assets

(in CHF m)

	2025	2024
Derivative financial instruments	1.0	0.2
Total current financial assets	1.0	0.2

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)

	2025	2024
Other non-current financial assets	0.3	0.2
Total non-current financial assets	0.3	0.2

#### Currencies of current and non-current financial assets

(in CHF m)

	2025	2024
EUR	0.6	0.2
USD	0.3	—
SEK	0.4	0.2
Total financial assets	1.3	0.4

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)

	2025	2024
Trade receivables	70.3	102.8
Valuation allowances	(2.4)	(3.7)
Total trade receivables	67.9	99.1
Prepayments to suppliers	8.8	5.3
Current receivables from government bodies	5.2	5.8
Other current receivables	12.9	8.0
Total other current receivables	18.1	13.7
Total trade receivables, other current receivables and prepayments	94.7	118.1

**Maturity profile of trade receivables, other current receivables and prepayments**

(in CHF m)

	2025	2024
Not past due	71.0	82.6
Past due 1–30 days	8.6	19.5
Past due 31–60 days	1.4	6.7
Past due 61–90 days	0.5	1.7
Past due 91–180 days	9.5	0.9
Past due over 180 days	3.7	6.7
Total trade receivables, other current receivables and prepayments	94.7	118.1

**Currencies of trade receivables, other current receivables and prepayments**

(in CHF m)

	2025	2024
CHF	11.0	20.9
EUR	38.7	40.0
USD	21.0	35.4
SEK	24.0	21.9
GBP	0.1	0.0
Total trade receivables, other current receivables and prepayments	94.7	118.1

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)

	2025	2024
Balance at 1 January	(3.6)	(3.8)
Increase in allowance	(0.5)	(0.4)
Utilisation of allowance	1.4	0.2
Reversal of allowance	0.3	0.3
Currency differences	0.0	0.1
Carrying amount at 31 December	(2.4)	(3.6)

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)

	2025	2024
Raw materials and supplies	106.2	89.8
Work in progress at cost of conversion	10.9	14.9
Work in progress (percentage of completion) <sup>1</sup>	121.3	97.9
Semi-finished goods	0.5	8.5
Finished goods	6.8	0.9
Valuation allowances	(7.2)	(18.9)
Total inventories and work in progress	238.4	193.1

<sup>1</sup> The key figures for work in progress, which is measured using the percentage of completion method, are explained in Note 16.

In the reporting period, a total of CHF 141.8 million (previous year: CHF 131.3 million) in raw materials and supplies, semifinished and finished goods, and work in progress was charged to cost of materials.

Impairment losses and reversals of impairment losses on inventories are recognized in cost of materials.

**16.0 Percentage of Completion (PoC)**

(in CHF m)

	2025	2024
Cumulative results at the end of the reporting period		
Aggregated contract sales at the end of the reporting period	1 639.7	1 473.1
Aggregated contract costs at the end of the reporting period	(1 285.2)	(1 181.0)
Realised margin at the end of the reporting period	354.6	292.1
Cumulative carrying amounts of ongoing projects at the end of the reporting period		
Gross amount due from customers for contract work	121.3	97.9
Gross amount due to customers for contract work	(58.0)	(64.3)
Net position	63.4	33.6
Advances received from customers relating to PoC contracts	31.7	19.3

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 193.2 million (previous year: CHF 271.9 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 31.7 million (previous year: CHF 19.3 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 <sup>1</sup>	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) <sup>2</sup>
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 <sup>1</sup>	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) <sup>2</sup>
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

<sup>1</sup> Fixtures and fittings, information technology and vehicles.<sup>2</sup> In the previous year, RUAG Aerostructures Switzerland Ltd in liquidation in Emmen sold its entire machine park to Pilatus Flugzeugwerke AG. Also, the Lithography division was acquired by ZEISS SMT in the previous year. 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 <sup>1</sup>	Land	Buildings	Assets under construction	Property, plant and equipment
As at 1 January 2025	150.8	89.9	0.0	21.1	3.1	265.0
Additions	10.3	3.0	—	0.3	9.1	22.6
Disposals	(0.2)	(2.7)	—	—	—	(3.0)
Reclassifications	4.9	2.1	—	0.4	(7.4)	—
Foreign currency translation adjustments	(4.4)	(1.3)	—	(0.6)	(0.1)	(6.4)
As at 31 December 2025	161.4	90.9	0.0	21.2	4.6	278.2

**Accumulated depreciation and impairment losses**

(in CHF m)

	Plant and equipment	Other <sup>1</sup>	Land	Buildings	Assets under construction	Property, plant and equipment
As at 1 January 2025	85.8	61.7	0.0	14.8	(0.3)	162.0
Depreciation	7.0	6.3	—	1.3	—	14.6
Disposals	(0.2)	(2.3)	—	—	—	(2.5)
Foreign currency translation adjustments	(1.3)	(0.6)	—	(0.6)	—	(2.4)
As at 31 December 2025	91.3	65.1	0.0	15.5	(0.3)	171.7

**Net carrying amounts**

(in CHF m)

As at 1 January 2024	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
As at 31 December 2025	70.1	25.7	—	5.7	5.0	106.5

**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 2024	1.8	4.6	102.2	3.8	10.2	122.6
Additions	—	0.0	—	—	8.6	8.6 <sup>1</sup>
Disposals	—	(0.1)	—	(0.8)	—	(0.9) <sup>2</sup>
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) <sup>2</sup>
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

<sup>1</sup> The additions and the reclassification from intangible assets in progress in the reporting year are mainly attributable to the introduction of the company-wide IT transformation project. The additions in the previous year are primarily due to the "Constellation On Board Computer" project at Beyond Gravity in Austria.

<sup>2</sup> The disposals in the previous year are mainly attributable to various intangible assets at Corporate Services due to non-utilization as well as in the Aerostructures segment.

**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 2025	1.9	3.5	102.0	7.5	14.1	129.0
Additions	—	—	—	—	8.7	8.7 <sup>1</sup>
Disposals	—	(0.1)	—	—	—	(0.1)
Reclassifications	—	—	—	16.9	(16.9)	— <sup>1</sup>
Foreign currency translation adjustments	(0.0)	(0.0)	0.5	0.3	—	0.8
As at 31 December 2025	1.9	3.4	102.5	24.8	6.0	138.4

**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 2025	0.4	3.0	102.0	3.8	1.0	110.3
Depreciation	0.4	0.3	—	2.2	—	2.9
Disposals	—	(0.1)	—	—	—	(0.1)
Foreign currency translation adjustments	(0.0)	(0.0)	0.5	0.2	—	0.6
As at 31 December 2025	0.7	3.2	102.5	6.2	1.0	113.7

**Net carrying amounts**

(in CHF m)

As at 1 January 2024	1.8	1.4	(0.0)	—	9.2	12.4
As at 31 December 2024	1.5	0.5	(0.0)	3.7	13.1	18.8
As at 31 December 2025	1.1	0.1	—	18.6	4.9	24.7

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 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

**At cost**

(in CHF m)

	Space	Total
As at 1 January 2025	59.0	59.0
Foreign currency translation adjustments	0.2	0.2
As at 31 December 2025	59.2	59.2

**Accumulated amortisation**

(in CHF m)

	Space	Total
As at 1 January 2025	59.0	59.0
Foreign currency translation adjustments	0.2	0.2
As at 31 December 2025	59.2	59.2

**Theoretical net book value**

(in CHF m)

As at 1 January 2024	—	—
As at 31 December 2024	—	—
As at 31 December 2025	—	—

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)

	2025	2024
Financial liabilities towards third parties <sup>1</sup>	2.9	1.4
Total current financial liabilities	2.9	1.4

<sup>1</sup> This item primarily includes the negative replacement values of foreign currency forward transactions.

**Non-current financial liabilities**

(in CHF m)

	2025	2024
Financial liabilities towards third parties	0.3	0.4
Total non-current financial liabilities	0.3	0.4

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)

	2025	2024
Up to 1 year	2.9	1.4
Up to 2 years	0.3	0.4
Total financial liabilities	3.2	1.8

**Currencies of financial liabilities**

(in CHF m)

	2025	2024
CHF	—	0.4
EUR	—	0.1
USD	0.2	1.0
SEK	3.0	0.3
Total financial liabilities	3.2	1.8

**20.0 Trade accounts payable and prepayments**

(in CHF m)

	2025	2024
Trade accounts payable	22.5	25.8
Total trade accounts payable	22.5	25.8
Prepayments from customers	245.0	260.6
Total prepayments from customers	245.0	260.6
Total trade accounts payable and prepayments	267.5	286.4

**Currencies of trade accounts payable and prepayments**

(in CHF m)

	2025	2024
CHF	13.7	13.8
EUR	47.3	38.0
USD	156.5	201.4
SEK	50.0	31.5
GBP	0.1	0.5
Other	—	1.3
Total trade accounts payable and prepayments	267.5	286.4

**21.0 Other current liabilities**

(in CHF m)

	2025	2024
Due to third parties	13.2	14.2
Due to government bodies	0.0	1.2
Total other current liabilities	13.3	15.4

**22.0 Other non-current financial liabilities**

(in CHF m)

	2025	2024
Due to third parties	0.1	0.2
Total other non-current financial liabilities	0.1	0.2

**23.0 Deferred income and accrued expenses**

(in CHF m)

	2025	2024
Deferred income and accrued expenses for PoC orders	58.0	64.3
Income relating to future periods	0.0	0.8
Outstanding trade accounts payable	14.0	14.7
Personnel-related accrued expenses	6.7	4.8
Other deferred income and accrued expenses	21.0	23.0
<b>Total deferred income and accrued expenses</b>	<b>99.7</b>	<b>107.8</b>

**24.0 Provisions**

(in CHF m)

	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
<b>Balance at 31 December 2024</b>	<b>—</b>	<b>23.6</b>	<b>—</b>	<b>8.4</b>	<b>12.9</b>	<b>25.4</b>	<b>70.3</b>
Current provisions	—	4.1	—	8.4	—	5.4	17.8
Non-current provision	—	19.6	—	—	12.9	20.0	52.5

	Restructuring	Contract losses	Warranties	Holiday and overtime	Loyalty bonuses and anniversary benefits	Other	Total
<b>Balance at 1 January 2025</b>	<b>—</b>	<b>23.6</b>	<b>—</b>	<b>8.4</b>	<b>12.9</b>	<b>25.4</b>	<b>70.3</b>
Additions	0.1	1.6	—	10.9	2.5	71.7	86.7
Release of unused provisions	—	(2.3)	—	(7.2)	(0.7)	(6.2)	(16.4)
Use of provisions	(0.1)	(7.7)	—	(2.9)	(0.4)	(4.5)	(15.6)
Foreign currency translation adjustments	—	(1.9)	—	0.0	(0.1)	(2.1)	(4.1)
<b>Balance at 31 December 2025</b>	<b>—</b>	<b>13.3</b>	<b>—</b>	<b>9.2</b>	<b>14.1</b>	<b>84.3</b>	<b>120.9</b>
Current provisions	—	2.1	—	9.2	12.0	70.6	93.8
Non-current provision	—	11.2	—	—	2.1	13.8	27.1



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

**Provisions for contract losses** Provisions totaling CHF 1.6 million were recognized Group-wide for contract-related losses in the course of ordinary business activities. In addition, CHF 10.0 million in provisions for contract losses were utilized or reversed in the reporting year. The reversal of the provision related to the Space segment.

**Other provisions** In the reporting year, CHF 66.6 million in other provisions were recognized for potential legal cases, contractual risks and warranties. Group-wide provisions of CHF 2.2 million were reversed for potential legal cases and contractual risks. This development is mainly influenced by the recognition of provisions in the amount of CHF 26.5 million for a legal case in the Aerostructures segment and CHF 39.6 million in the Space segment.

In the previous year, CHF 7.1 million in other provisions was recognized for potential legal cases, contractual risks and warranties, and provisions amounting to CHF 11.4 million were reversed. In connection with restoration obligations for old sites, provisions amounting to CHF 5.1 million were reversed in the previous year.

## 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)

	2025		2024		2025		2024	
	Surplus/deficit in accordance with FER 26	Group's economic share	Group's economic share	Foreign currency translation adjustments	Year-on-year changes/expenses for reporting period	Contributions accrued for the period	Expense of benefit plans in personnel expenses	Expense of benefit plans in personnel expenses
Benefit plans without surplus/deficit	—	—	—	—	(6.6)	—	(6.6)	—
Benefit plans without plan assets	—	22.7	22.9	(1.1)	(3.3)	—	(3.3)	(13.1)
Total	—	22.7	22.9	(1.1)	(9.9)	—	(9.9)	(13.1)

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 22.7 million (previous year: CHF 22.9 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)

	2025			2025		
	Switzerland	Abroad	Total	Switzerland	Abroad	Total
Contributions to benefit and contribution plans at expense of Group companies	(6.6)	(3.3)	(9.9)	(8.8)	(4.3)	(13.1)
Contributions to benefit and contribution plans from employer contribution reserves	—	—	—	—	—	—
Total contributions	(6.6)	(3.3)	(9.9)	(8.8)	(4.3)	(13.1)
+/- change in ECR from portfolio performance, impairment etc.	—	—	—	—	—	—
Contributions and change in employer contribution reserves	(6.6)	(3.3)	(9.9)	(8.8)	(4.3)	(13.1)
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)
Total change in economic impact from surpluses/deficits	—	—	—	—	(0.0)	(0.0)
Total expense of benefit and contribution plans for period	(6.6)	(3.3)	(9.9)	(8.8)	(4.3)	(13.1)

The change in recognized economic liabilities from benefit plans and paid-in employer contributions for the reporting year amount to CHF -9.9 million (previous year: CHF -13.1 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)

	2025	2024
Group guarantees	31.4	33.4
Total contingent liabilities towards third parties	31.4	33.4

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)

	2025	2024
Warranty agreements	—	—
Other liabilities not stated on the balance sheet	0.4	0.4
Total additional contingent not stated on the balance sheet	0.4	0.4

**29.0 Future minimum commitments from leasing transactions****Operating leases**

(in CHF m)

	2025	2024
Within 1 year	22.7	19.6
Later than 1 year, within 5 years	69.8	69.5
After 5 years	58.3	59.8
Total	150.9	148.9

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

**30.0 Assets pledged as collateral**

(in CHF m)

	2025	2024
Cash and cash equivalents	—	0.0
Total assets pledged as collateral	—	0.0

**31.0 Related party transactions**

(in CHF m)

	2025	2024
Receivables from related parties	0.0	0.0
Liabilities to related parties	(0.3)	(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.

No sales were generated with the DDPS in the reporting year. In the previous year, invoiced sales totaled CHF 0.5 million (see also Note 6 "Net sales"). In the reporting year, revenue of CHF 0.8 million (previous year: CHF 1.1 million) was generated with RUAG MRO Holding Ltd. In return, materials and services totaling CHF 6.1 million (previous year: CHF 5.8 million) were purchased. There were no loans between Group companies and members of the Board of Directors.

In the reporting year, the current liabilities to pension funds relate to savings and risk contributions for the month of December 2025.

**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 443,000 (previous year: CHF 488,000).<sup>1</sup> The number of members on the Board of Directors including the Chairman was 4 in the year under review (previous year 5).

The total remuneration of the CEO and the Executive Committee for the year under review was CHF 3,181,000 (previous year: CHF 3,742,000).<sup>1,2</sup> The total remuneration of the CEO for the year under review was CHF 777,000 (previous year: CHF 812,000).<sup>1</sup> The number of members of the Executive Committee including the CEO in the year under review was 5 (previous year 6).<sup>3</sup>



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

(in CHF thousands)

	Total		Highest Total remuneration <sup>4</sup>	
	2025	2024	2025	2024
Board of Directors remuneration				
Cash compensation	427	479	164	176
Employer contributions to pension fund	16	10	12	—
<b>Total remuneration paid to members of the Board of Directors</b>	<b>443</b>	<b>488</b>	<b>176</b>	<b>176</b>
Basic salary of Executive Committee				
Cash compensation	2 172	2 563	524	524
Benefits in kind	62	78	11	11
Employer contributions to pension fund	278	322	72	72
Performance-based component Executive Committee				
Cash compensation	560	652	139	174
Employer contributions to pension fund	110	127	32	32
<b>Total remuneration to members of the Executive Committee</b>	<b>3 181</b>	<b>3 742</b>	<b>777</b>	<b>812</b>
of which cash compensation	2 732	3 216	663	698
of which benefits in kind	62	78	11	11
of which employer contributions to pension fund	387	449	104	103
<b>Ratio of performance-based compensation to fixed cash compensation</b>	<b>26%</b>	<b>25%</b>	<b>26%</b>	<b>33%</b>
Total remuneration to members of the Board of Directors and Executive Committee	3 624	4 231		
of which short-term employee benefits <sup>5</sup>	3 221	3 772		
of which employer contributions to pension fund	403	459		

<sup>1</sup> The total remuneration amounts are exclusive of employer social security contributions.

<sup>2</sup> Financial year 2025 includes member Paul Horstink (who left on 31 October 2025).

<sup>3</sup> In financial year 2025, the number refers to the members as of 31 December 2025. Daniel Frutig-Meier was elected as the fifth member of the Board of Directors on December 19, 2025, with effect from January 1, 2026.

<sup>4</sup> The highest total remuneration in the Board of Directors in 2025 refers to the position of Chairman of the Board of Directors. The highest total remuneration in 2025 in the Executive Committee refers to the CEO.

<sup>5</sup> 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)

	2025	2024
Currency hedging contracts banks (Sale of foreign currency)	169.0	92.9
Currency hedging contracts banks (Purchase of foreign currency)	(61.3)	(1.3)

**Carrying amounts**

(in CHF m)

	2025	2024
Current financial assets	1.0	0.2
Non-current financial assets	0.3	0.0
Current financial liabilities	(2.9)	(1.4)
Non-current financial liabilities	(0.3)	(0.4)

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)

	2025	2024
Other reserves	2.1	0.3

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 2025 as well as in the previous year amounted to CHF 41.6 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 26 February 2026.

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 2025.

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 2025)

Company	Head office	Office		Equity capital (100%)	Sharehold- ing 2025	Sharehold- ing 2024	Consoli- dation method
RUAG International Holding AG <sup>1</sup>	Bern	Switzerland	CHF	217 900 000			Full
Consolidated entities							
Beyond Gravity Schweiz AG	Emmen	Switzerland	CHF	112 200 000	100.0%	100.0%	Full
Beyond Gravity Services AG	Bern	Switzerland	CHF	100 000	100.0%	100.0%	Full
Beyond Gravity Slip Rings AG	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	Wien	Austria	EUR	1 500 000	100.0%	100.0%	Full
Beyond Gravity Advanced Systems Inc. <sup>2</sup>	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 in liquidation	Emmen	Switzerland	CHF	100 000	100.0%	100.0%	Full
Beyond Gravity Portugal, UNIPESSOAL LDA	Lisbon	Portugal	EUR	50 000	100.0%	100.0%	Full
Minority interests							
Arianespace Participation	Evry	France	EUR	3 937 983	—	3.5%	<sup>2</sup>
Switzerland Innovation Park Biel/Bienne AG	Biel/Bienne	Switzerland	CHF	2 202 700	4.5%	4.5%	<sup>2</sup>

<sup>1</sup> RUAG International Holding Ltd, Bahnhofplatz 10b, CH-3011 Bern.

<sup>2</sup> Non-material investments are valued at cost minus a valuation allowance.



## Financial statements of RUAG International Holding Ltd

### Income statement for 1 January to 31 December

(in CHF m)

	Note	2025	2024
Income from investments	2.4	–	22.2
Income from services		0.0	11.4
Total operating income		0.0	33.5
Investment expenses	2.4	(0.1)	(1.1)
Personnel expenses		(0.1)	(0.1)
Other operating expenses	2.5	(4.5)	(10.5)
Value adjustments on financial assets	2.6	(56.1)	–
Value adjustments on equity investments	2.6	(16.6)	–
Total operating expenses		(77.4)	(11.6)
Operating profit/loss		(77.4)	21.9
Financial income			
Interest income		6.0	16.3
Currency gains		–	10.7
Financial expenses			
Interest expense		(5.3)	(11.6)
Currency losses		(0.9)	–
Pre-tax loss (profit)		(77.5)	37.3
Income taxes		(0.4)	(2.6)
Net loss (profit)		(77.9)	34.7

The notes to the financial statements on pages 64 to 66 form an integral part of the financial statements.

**Balance sheet as at 31 December**

(in CHF m)

Active	Note	2025	2024
Cash and cash equivalents		271.1	383.3
Current financial assets			
Due to third parties		0.4	0.1
Due to companies in which the entity holds an investment		22.1	25.4
Other current receivables			
Due to third parties		2.8	4.3
Due to companies in which the entity holds an investment <sup>1</sup>		50.4	42.2
Prepaid expenses and accrued income			
Due to third parties		0.1	0.1
Due to companies in which the entity holds an investment		0.6	0.6
<b>Total current assets</b>		<b>347.4</b>	<b>455.9</b>
in % of total assets		<b>40.1%</b>	<b>48.4%</b>
Investments	2.1	519.2	486.7
Intangible assets		0.0	0.0
<b>Total non-current assets</b>		<b>519.2</b>	<b>486.7</b>
in % der Bilanzsumme		<b>59.9%</b>	<b>51.6%</b>
<b>Total assets</b>		<b>866.5</b>	<b>942.6</b>

Passive	Note	2025	2024
Current interest-bearing liabilities			
Due to third parties		0.0	0.0
Due to companies in which the entity holds an investment		422.0	426.0
Other current interest-bearing liabilities			
Due to third parties		3.1	0.3
Due to companies in which the entity holds an investment		5.9	6.4
Other current liabilities			
Due to third parties		3.1	3.5
Due to companies in which the entity holds an investment		5.4	0.1
Deferred income and accrued expenses			
Due to third parties		0.2	0.2
Due to companies in which the entity holds an investment		0.1	1.3
<b>Total current liabilities</b>		<b>439.7</b>	<b>437.9</b>
Non-current provisions		5.6	5.6
<b>Total non-current liabilities</b>		<b>5.6</b>	<b>5.6</b>
<b>Total liabilities</b>		<b>445.3</b>	<b>443.5</b>
in % of total assets		<b>51.4%</b>	<b>47.4%</b>
Share capital	2.3	217.9	217.9
Legal capital reserve		228.0	228.0
Net profit brought forward		53.2	18.6
Net loss (profit)		(77.9)	34.7
<b>Total equity</b>		<b>421.2</b>	<b>499.1</b>
in % of total assets		<b>48.6%</b>	<b>52.6%</b>
<b>Total liabilities and equity</b>		<b>866.5</b>	<b>942.6</b>

<sup>1</sup> Of which subordinated CHF 3.5 million.

The notes to the financial statements on pages 64 to 66 form an integral part of the financial statements.



# Notes to the financial statements of RUAG International Holding AG

## 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 2025 in %	Share of capital and voting rights 2024 in %		Capital
Beyond Gravity Services AG	Bern	Switzerland	100	100	CHF	100 000
RUAG Aerostructures Switzerland Ltd in liquidation	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 2025 in %	Share of capital and voting rights 2024 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 Germany GmbH	Coswig	Germany	100	100	EUR	26 000
Beyond Gravity Portugal, UNIPessoal LDA	Lisbon	Portugal	100	100	EUR	50 000
Beyond Gravity Finland Oy	Tampere	Finland	100	100	EUR	2 500

In the reporting year, the stake in Beyond Gravity Germany GmbH was transferred to Beyond Gravity Services AG. In the previous year, RUAG International Holding transferred shares in Beyond Gravity entities to Beyond Gravity Services AG through a contribution in kind.

**2.2 Foreign currency forward transactions**

(in CHF m)

	2025	2024
Volume of foreign currency hedging contracts with banks	169.0	92.9
Volume of foreign currency hedging contracts with banks	(61.3)	(1.3)
Volume of foreign currency hedging contracts with Group companies	(21.5)	(57.7)
Positive replacement value banks	1.2	0.2
Negative replacement value banks	(3.2)	(1.8)
Positive replacement value Group companies	0.1	1.4
Negative replacement value Group companies	(0.8)	(0.1)
Total replacement values	(2.7)	(0.3)

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

The replacement values 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 in the previous year included the ordinary dividend distributions from Beyond Gravity Holding Sweden AB and Beyond Gravity Switzerland AG. Investment income/ expenses includes the results from the sale of divestments.

**2.5 Other operating expenses**

(in CHF m)

	2025	2024
Advertising costs	—	(0.9)
Administration costs	(2.0)	(4.9)
Management fees (top management costs)	(2.5)	(4.7)
Total other operating expenses	(4.5)	(10.5)

**2.6 Impairment adjustments on investments / financial assets**

Investments and financial assets are reviewed annually for impairment, if events or circumstances give reason to suspect that the book value may no longer be recoverable. In the reporting year, a value adjustment was made on an outstanding loan to Beyond Gravity US Inc. in the amount of CHF 56.1 million. In addition, the investment in RUAG Aerostructures Switzerland Ltd in liquidation was written off in full in the amount of CHF 11.3 million. Furthermore, a restructuring loan to RUAG Aerostructures Switzerland Ltd in liquidation was fully value adjusted in the amount of CHF 5.3 million.



### 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)

	2025	2024
Group guarantees	101.9	94.8
Total contingent liabilities	101.9	94.8

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)

	2025
Profit carryforward	53.2
Net loss for the year	(77.9)
Balance sheet profit at the disposal of the Annual General Meeting	(24.7)

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

(in CHF m)

	2025
Dividend	—
Allocation to general legal retained earnings	—
Balance to be brought forward	(24.7)

The Board of Directors proposes no dividend for the year 2025.

4.0

# **Corporate Governance.**



# Clear Principles for Responsible Corporate Governance.

RUAG International is committed to modern and transparent corporate governance. Reliable structures and clear responsibilities form the basis for sustainable corporate development and long-term success. Management and control processes 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 four members (25% 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.

On 20 May 2025, Rainer G. Schulz took over as Chairman of the Board of Directors, replacing Remo Lütolf, who left the company after reaching the age limit applicable to companies affiliated with the federal government. Déborah Carlson-Burkart was appointed Vice Chair of the Board of Directors. Rainer G. Schulz will not stand for re-election at the Annual General Meeting in spring 2026. At the extraordinary General Meeting on 19 December 2025, the sole shareholder elected Daniel Frutig-Meier as a regular member of the Board of Directors as of 1 January 2026, and plans to elect him as Chairman of the Board of Directors at the 2026 Annual General Meeting. Board members Jürg Oleas and Andreas S. Spreiter have also announced that they will not stand for re-election at the 2026 Annual General Meeting. The Board of Directors is in the process of finalizing the nomination of qualified candidates to succeed them.

## 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. 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 2025, 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 2025.

## Vested interests

In accordance with the Nomination & Compensation Committee (NCC) Charter of 2025, 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. The Group's "Conflicts of Interest" policy on dealing with vested interests was issued in 2019 and last revised in July 2024. This policy is reiterated in regular training sessions.

**Rainer G. Schulz** (b. 1965, Swiss)

Chairman of the Board of Directors since 20 May 2025, Member since 2020, elected until the 2026 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 Audit Committee and of the Nomination & Compensation Committee.

**Significant mandates:** Member of the Board of Directors 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)

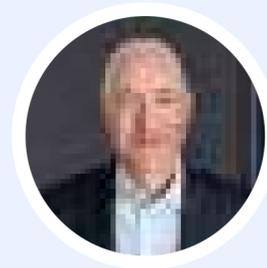
Vice Chair since 20 May 2025, Member since 2021, elected until the 2026 Annual General Meeting.

**Education:** Faculty of Law (Lic. iur./ Master of Law), University of Zurich (CH), Admitted to the bar, Zurich (CH), LL.M., Duke University (USA), Certified Board Member, INSEAD (FR).

**Professional background:** Self-employed lawyer and Board member since 2015; Head Legal/Managing Director Rothschild Trust Group, Member of the Executive Board of Rothschild Trust Group 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 Legal (International), Strategy Inc. Washington, DC (USA), until 2005.

**Committees:** Chair of the Nomination & Compensation Committee.

**Significant mandates:** Visiting lecturer University of St. Gallen HSG. Of-Counsel Eversheds Sutherland; Member of the Board of Directors/ Head NCC: Visana Group; N26 Bank Group and R&S Group.

**Andreas S. Spreiter** (b. 1968, Swiss/British)

Member since 2024, elected until the 2026 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:** Chair 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.) until 31 December 2025; 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 2026 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 and the Nomination & Compensation Committee.

**Significant mandates:** Head of NGC and Member of the Board of Directors of Amrize Ltd.

**Dr. Remo Lütolf** (b. 1956, Swiss)

Chairman of the Board of Directors from 26 April 2018 until 20 May 2025, Member from 2014–2025, stepped down at 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.

**Daniel Frutig-Meier**  
(b. 1962, Swiss)

The sole shareholder elected Daniel Frutig-Meier as a regular member of the Board of Directors as of 1 January 2026, and plans to elect him as Chairman of the Board of Directors at the 2026 Annual General Meeting.

**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 2025, 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 six circular resolutions and 26 extraordinary meetings, of which all were held online. 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 17 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, VP Group Accounting & Reporting 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 Legal Counsel (the latter as clerk or NCC secretary).

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 Health, Safety, Security & Environment (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 subsidiaries and 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 sustainability.

The Compliance Officer reports only on a disciplinary basis to the General Counsel. She 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 & Governance function.

**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 November 2020; CEO Beyond Gravity, joined May 2022. External mandates: Founder Social Return GmbH.

**Oliver Grassmann** (b. 1974, Swiss/German), Member of the Executive Board, Executive Vice President Division Satellites Beyond Gravity since October 2023, joined April 2021.

**Angelo Quabba** (b. 1965, Swiss/Italian), Member of the Executive Board, CFO RUAG International, joined November 2020, CFO Beyond Gravity, joined November 2020.

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

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

**Departures**

**Paul Horstink** (b. 1970, Dutch), Member of the Executive Board, Executive Vice President Launchers Division Beyond Gravity, departed October 2025.

Following Paul Horstink's departure, **Stefan Hofmann** (1980, CH), Vice President Launchers Switzerland, took over some of the tasks of the Executive Vice President Division Launchers Beyond Gravity a.i. until the end of 2025.

Beyond Gravity will realign itself with a simplified and leaner organizational structure as of 1 January 2026. Following the completion of the divestment of non-space-related business units and Parliament's decision against privatization, the Satellites and Launchers divisions will be merged into an integrated business organization. At the same time, the Executive Board will be reduced from six to three members and, as of 1 January 2026, will consist of André Wall (CEO), Angelo Quabba (CFO), and Oliver Grassmann, who will assume the role of Chief Operating Officer (COO).

The CEO of RUAG International and Beyond Gravity, André Wall, announced in June 2025 that he would be leaving the company in mid-2026. The succession planning process has been initiated and will help ensure a timely succession.

**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.

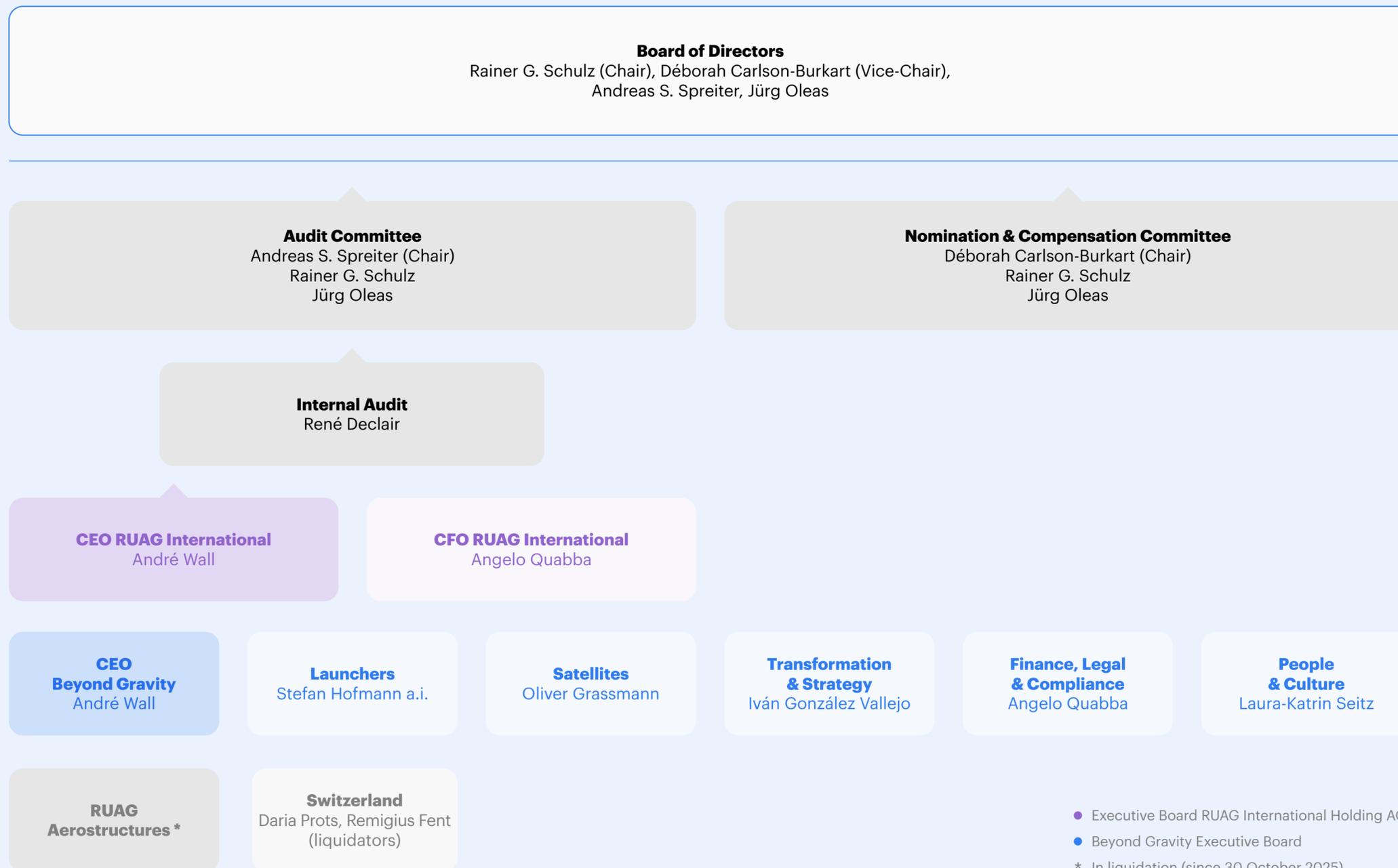
**CEO**

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.



**RUAG International Management Structure as of 31 December 2025**



- Executive Board RUAG International Holding AG
- Beyond Gravity Executive Board
- \* In liquidation (since 30 October 2025)



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.

#### **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 two 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 2025 ranged from 19% (previous year: 17%) to a maximum of 35% (previous year: 33%) of the annual cash compensation.

#### **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 2025 reporting year, one member 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 2025 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 2025, 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.

#### **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 Department of Defence, Civil Protection and Sport (DDPS) 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 current 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).

### Pension fund

The pension fund of RUAG International with the Livica collective foundation had a cover ratio of over 100% as of 31 December 2025, as in the previous year.

## Statutory Auditor

### Duration of mandate of lead auditor

At the Annual General Meeting of 20 May 2025, 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 0.7 million (previous year: CHF 0.6 million) during the 2025 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 2025 in the amount of CHF 0.1 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 20 May 2025, 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)

	2025	2024
Audit fees	658	628
Tax advice	—	—
Due diligence services	—	—
All other services	57	—
Total fees	715	628

**Agenda**

End of financial year	31.12.2025
Annual General Meeting	20.04.2026

The Annual Report containing the financial statements for the year ended 31 December 2025 is sent to the shareholder together with an invitation to the AGM.

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[www.beyondgravity.com](http://www.beyondgravity.com)