

FINANCIAL REPORT

PHOENIX MECANO GROUP
CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2025

ASSETS

in 1 000 EUR	Note	2025	2024
CURRENT ASSETS			
Cash and cash equivalents	3	89 917	107 315
Securities		665	896
Trade receivables	4	124 796	136 716
Income tax receivables		5 375	1 831
Derivative financial instruments	13	427	28
Other short-term receivables	5	12 188	14 863
Short-term financial receivables	6	6 762	2 596
Inventories	7	151 553	158 688
Deferred charges and prepaid expenses		4 816	4 472
Total current assets		396 499	427 405
NON-CURRENT ASSETS			
Tangible assets	8	181 183	175 015
Intangible assets	9	6 352	7 001
Investments in associated companies	10	705	809
Other financial assets	11	931	931
Deferred tax assets	17	10 446	12 641
Total non-current assets		199 617	196 397
Total assets		596 116	623 802

EQUITY AND LIABILITIES

in 1 000 EUR	Note	2025	2024
LIABILITIES			
Trade payables		107 611	125 727
Short-term financial liabilities	12	89 835	25 564
Derivative financial instruments	13	0	465
Short-term provisions	14	28 926	26 381
Short-term pension obligations	15	356	308
Income tax liabilities		5 622	16 347
Other short-term liabilities	16	24 462	26 721
Short-term deferred income		2 269	1 504
Short-term liabilities		259 081	223 017
Long-term financial liabilities	12	49 511	95 424
Long-term provisions	14	3 244	3 673
Long-term pension obligations	15	4 337	4 604
Long-term deferred income		5 411	6 537
Deferred tax liabilities	17	691	817
Long-term liabilities		63 194	111 055
Total liabilities		322 275	334 072
EQUITY			
Share capital	18	852	852
Treasury shares	19	-19 953	-11 543
Retained earnings		394 235	381 997
Offset goodwill		-97 331	-97 331
Translation differences		-17 440	1 794
Equity attributable to shareholders of the parent company		260 363	275 769
Minority interest	20	13 478	13 961
Total equity		273 841	289 730
Total equity and liabilities		596 116	623 802

CONSOLIDATED STATEMENT OF INCOME 2025

in 1 000 EUR	Note	2025	2024
Net revenue	28	747 340	770 773
Changes in inventories		661	2 960
Own work capitalised		1 545	1 369
Other operating income	29	13 263	20 325
Cost of materials	30	-365 524	-392 768
Personnel expenses	31	-229 573	-224 395
Depreciation on tangible assets		-20 243	-19 944
Amortisation of intangible assets		-3 154	-3 313
Impairment losses and reversal of impairment losses on tangible and intangible assets		0	-534
Other operating expenses	32	-96 731	-103 002
Operating result		47 584	51 471
Result from associated companies	10	-47	-87
Financial income	33	5 014	8 058
Financial expenses	34	-7 466	-8 974
Financial result		-2 499	-1 003
Result before tax		45 085	50 468
Income tax	35	-13 295	-13 897
Result of the period		31 790	36 571
of which			
Shareholders of the parent company		30 260	34 554
Minority shareholders		1 530	2 017
EARNINGS PER SHARE			
Earnings per share – undiluted (in EUR)	36	32.71	36.56
Earnings per share – diluted (in EUR)	36	32.61	36.48

CONSOLIDATED STATEMENT OF CASH FLOW 2025

in 1 000 EUR	Note	2025	2024
Result of the period		31 790	36 571
Income tax	35	13 295	13 897
Result before tax		45 085	50 468
Depreciation on tangible assets	8	20 243	19 944
Amortisation of intangible assets	9	3 154	3 313
Losses/(gains) on the disposal of tangible and intangible assets	29, 32	-120	-71
Impairment losses/(reversal of impairment losses) on tangible and intangible assets	8, 9	0	534
Losses and value adjustments on inventories	7	2 379	4 779
Loss/(gain) from associated companies	10	47	87
Loss/(gain) on the disposal of Group companies	29, 32, 40	0	489
Expenses from employee participation plan	31	810	390
Other non-cash expenses/(income)	6	-7 539	847
Increase/(decrease) in long-term provisions and pension obligations		-647	880
Net interest expense/(income)	33, 34	1 938	597
Interest paid		-4 073	-3 052
Income tax paid		-26 182	-16 602
Operating cash flow before changes in working capital		35 095	62 603
(Increase)/decrease in inventories		-816	-10 392
(Increase)/decrease in trade receivables		1 730	-11 952
(Increase)/decrease in other receivables, deferred charges and prepaid expenses		1 375	-6 117
(Decrease)/increase in trade payables		-8 369	20 624
(Decrease)/increase in short-term provisions and pension obligations		4 089	5 011
(Decrease)/increase in other liabilities and deferred income		35	-3 748
Cash flow from operating activities		33 139	56 029

in 1 000 EUR	Note	2025	2024
CAPITAL EXPENDITURE			
Tangible assets	8	-36 896	-35 284
Intangible assets	9	-2 739	-1 445
Addition from asset deal	39	0	-1 410
DISINVESTMENTS			
Tangible assets	8, 29, 32	876	648
Intangible assets	9, 29, 32	8	6
Other financial assets/securities/investments in associated companies/short-term financial receivables		970	404
Interest received		2 052	2 331
Dividends received	10	21	683
Cash used in investing activities		-35 708	-34 067
Dividends paid (including minority interest)		-19 315	-29 318
Purchase of treasury shares	19	-8 410	-9 330
Issue of financial liabilities	12	26 952	42 404
Repayment of financial liabilities	12	-7 141	-52 035
Cash flow from financing activities		-7 914	-48 279
Translation differences in cash and cash equivalents		-6 915	2 958
Change in cash and cash equivalents		-17 398	-23 359
Cash and cash equivalents as at 1 January	3	107 315	130 674
Cash and cash equivalents as at 31 December	3	89 917	107 315
Change in cash and cash equivalents		-17 398	-23 359

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 2024 AND 2025

	Note	Share capital	Treasury shares	Retained earnings	Offset goodwill	Translation differences	Equity attributable to shareholders of the parent company	Minority interest	Total equity
in 1 000 EUR									
As at 31 December 2023		852	-2213	374 371	-97 565	-4 349	271 096	13 618	284 714
Result of the period				34 554			34 554	2 017	36 571
Dividends paid				-28 976			-28 976	-342	-29 318
Translation differences						6 143	6 143	560	6 703
Change in treasury shares	19		-9 330				-9 330		-9 330
Change in minority interest	20			1 658	234		1 892	-1 892	0
Employee participation plan				390			390		390
As at 31 December 2024		852	-11 543	381 997	-97 331	1 794	275 769	13 961	289 730

Result of the period				30 260			30 260	1 530	31 790
Dividends paid				-18 835			-18 835	-480	-19 315
Translation differences						-19 234	-19 234	-1 533	-20 767
Change in treasury shares	19		-8 410				-8 410		-8 410
Employee participation plan				813			813		813
As at 31 December 2025		852	-19 953	394 235	-97 331	-17 440	260 363	13 478	273 841

CONSOLIDATED SEGMENT INFORMATION 2025

BY DIVISION

	Enclosure Systems		Industrial Components		DewertOkin Technology Group		Total segments	Reconciliation ¹		Total Group		
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
in 1 000 EUR												
Gross sales to third parties	214 732	215 034	191 129	184 622	343 016	370 519	748 877	770 175	8 463	9 320	757 340	779 495
Gross sales between divisions	1 287	1 700	320	299	4 465	6 206	6 072	8 205	-6 072	-8 205	0	0
Revenue reductions											-10 000	-8 722
Net revenue											747 340	770 773
Reversal of impairment losses/(impairment losses) on tangible and intangible assets				-534			0	-534			0	-534
Depreciation on tangible assets and amortisation of intangible assets	-7 356	-7 105	-5 920	-5 817	-8 113	-7 954	-21 389	-20 876	-2 008	-2 381	-23 397	-23 257
Operating result	28 172	28 361	8 359	6 881	18 852	23 640	55 383	58 882	-7 799	-7 411	47 584	51 471
Financial result											-2 499	-1 003
Result before tax											45 085	50 468
Income tax											-13 295	-13 897
Result of the period											31 790	36 571
Purchases of tangible and intangible assets	10 661	9 490	22 093	9 378	6 397	17 456	39 151	36 324	484	405	39 635	36 729
Segment assets	125 687	126 479	127 816	113 531	215 673	243 242	469 176	483 252	11 611	13 297	480 787	496 549
Cash and cash equivalents									89 917	107 315	89 917	107 315
Other assets									25 412	19 938	25 412	19 938
Total assets	125 687	126 479	127 816	113 531	215 673	243 242	469 176	483 252	126 940	140 550	596 116	623 802
Segment liabilities	24 499	23 819	24 511	23 116	120 569	141 380	169 579	188 315	7 038	6 553	176 617	194 868
Interest-bearing liabilities									139 346	120 988	139 346	120 988
Other liabilities									6 312	18 216	6 312	18 216
Total liabilities	24 499	23 819	24 511	23 116	120 569	141 380	169 579	188 315	152 696	145 757	322 275	334 072
Net assets	101 188	102 660	103 305	90 415	95 104	101 862	299 597	294 937	-25 756	-5 207	273 841	289 730
GROSS SALES TO THIRD PARTIES BY REGION												
Europe	165 297	168 774	150 777	145 044	37 476	38 518	353 550	352 336	8 453	9 285	362 003	361 621
North and South America	17 955	15 412	11 284	9 357	37 170	39 225	66 409	63 994	0	1	66 409	63 995
Middle and Far East	31 480	30 848	29 068	30 221	268 370	292 776	328 918	353 845	10	34	328 928	353 879
Gross sales to third parties	214 732	215 034	191 129	184 622	343 016	370 519	748 877	770 175	8 463	9 320	757 340	779 495

¹ Included under Reconciliation are individual business areas and central management and financial functions that cannot be allocated to the divisions.

CONSOLIDATED SEGMENT INFORMATION 2025

NET REVENUE

	2025	2024
in 1 000 EUR		
BY REGION		
Switzerland	24 774	26 081
Germany	202 765	208 168
UK	12 320	11 152
France	15 475	16 031
Italy	11 620	10 232
The Netherlands	15 043	13 191
Rest of Europe	80 006	76 766
North and South America	66 409	63 995
Middle and Far East	328 928	353 879
Gross sales	757 340	779 495
Revenue reductions	-10 000	-8 722
Net revenue	747 340	770 773
BY PRODUCT GROUP		
Industrial enclosures and input systems	214 732	215 034
Enclosure Systems	214 732	215 034
Automation Modules	90 620	98 202
Electrotechnical Components	50 879	46 503
Rugged Computing	0	1 409
Measuring Technology	49 630	38 508
Industrial Components	191 129	184 622
Drive technology	270 314	293 640
Mechanism technology	60 753	70 313
Smart Health	11 949	6 566
DewertOkin Technology Group	343 016	370 519
Individual business areas	8 463	9 320
Reconciliation	8 463	9 320
Gross sales	757 340	779 495
Revenue reductions	-10 000	-8 722
Net revenue	747 340	770 773

LONG-TERM ASSETS (TANGIBLE ASSETS, INTANGIBLE ASSETS AND INVESTMENTS IN ASSOCIATED COMPANIES)

	2025	2024
in 1 000 EUR		
BY REGION		
Switzerland	9 249	9 876
Germany	51 438	32 210
UK	161	132
France	262	275
Italy	146	164
The Netherlands	331	388
Rest of Europe	29 143	30 912
North and South America	5 179	6 110
Middle and Far East	92 331	102 758
Total	188 240	182 825

The Phoenix Mecano Group had no customers in 2025 or 2024 whose sales revenue accounted for more than 10% of Group sales.

PRINCIPLES OF CONSOLIDATION AND VALUATION

ACCOUNTING PRINCIPLES

Phoenix Mecano AG with its subsidiaries (the Phoenix Mecano Group) operates worldwide as a manufacturer and seller of components and system solutions for industrial customers in the electronics, electrical and mechanical engineering segments as well as of electric drives, mechanisms and control systems for adjustable ergonomic and healthcare furniture and hospital and healthcare beds. It is a leader in many of its markets. The Group's main activities are presented under Segment information. Phoenix Mecano AG has its head office in Stein am Rhein, Switzerland, and has been listed on SIX Swiss Exchange since 1988. Its address is Hofwisenstrasse 6, 8260 Stein am Rhein.

The 2025 consolidated financial statements of Phoenix Mecano AG were drawn up in accordance with Swiss GAAP FER 31 "Complementary recommendation for listed companies" and comply with Swiss law.

Where subsidiaries have a financial year that differs from the period under consideration, interim statements are drawn up and audited. Thus, the consolidated financial statements are based upon audited annual or interim financial statements as at 31 December 2025, which in turn are based on the standard accounting, valuation and organisation criteria that are applied uniformly throughout the Group.

The consolidated financial statements were drawn up in accordance with the principle of historical acquisition and manufacturing cost. As an exception to this, securities, receivables and liabilities from derivative financial instruments and contingent purchase price payments from acquisitions are measured at fair value. The consolidated statement of income was drawn up using the total cost method.

APPLICATION OF NEW ACCOUNTING STANDARDS

The Accounting and Reporting Recommendations (Swiss GAAP FER) did not change during the reporting year.

SCOPE OF CONSOLIDATION

The consolidated financial statements cover all companies over which Phoenix Mecano AG exercises direct or indirect control. Control over a company exists if Phoenix Mecano AG is exposed or has rights to variable returns from its involvement with the company and has the ability to affect those returns through its power over the company. The consolidated Group companies are combined using the full consolidation method. 100% of all assets and liabilities, as well as income and expenditure, are included in the consolidated financial statements, with the exception of items that are eliminated during consolidation. Minority interests in equity are posted separately as a sub-item under equity. The minority share in the income is shown separately in the consolidated statement of income as a part of the result of the period. Newly acquired participating interests are included in the consolidated financial statements from the date on which control was acquired, while companies disposed of during the reporting year are excluded from the date on which control was relinquished and a gain or loss on disposal is recognised in the operating result under Other operating income or Other operating expenses. The incidental costs associated with the disposal are recognised in the statement of income.

ASSOCIATED COMPANIES

Investments in associated companies, in which Phoenix Mecano has a voting share of between 20% and 50% or exerts a significant influence in some other way, as with joint ventures (50% interests, which Phoenix Mecano controls jointly with partners), are included in the consolidated financial statements in accordance with the equity method. Under the equity method, the fair value of the proportionate net assets at the acquisition date is calculated and recognised together with any goodwill under Investments in associated companies. In the subsequent reporting periods, this value is adjusted by the share of the Phoenix Mecano Group in the additional equity and result generated as well as by any dividends or impairment.

CAPITAL CONSOLIDATION

Capital consolidation at the acquisition date is based on the acquisition method. The purchase price for a company acquisition is determined based on the total of the fair value of the assets given, the liabilities incurred or assumed and the equity instruments issued by the Phoenix Mecano Group. Transaction costs associated with a company acquisition are recognised in the statement of income. In the context of acquisitions, potentially existing intangible assets such as customer base, patents, know-how or brands, which have not yet been capitalised by the acquired company, are recognised separately upon initial consolidation. The goodwill or negative goodwill arising from a company acquisition is offset directly against equity. It corresponds to the difference between the purchase price and the fair value of the net assets acquired. In the event of the sale, closure or liquidation of a part of the business, the goodwill previously offset against equity must be taken into account at the original cost when determining the gain or loss from the sale. The effects of a theoretical capitalisation and amortisation of goodwill are disclosed as a shadow statement in the notes to the consolidated financial statements.

If the Phoenix Mecano Group offers a minority shareholder a put option on the remaining minority interest, resulting in a de facto obligation to buy, this option is recognised as a purchase price liability and measured at fair value. Accordingly, no minority interest is reported in the consolidated financial statements. The same applies to purchase price payments, which are linked to the future business development of the acquired company (earn-out). Such contingent purchase price payments are measured at fair value at the acquisition date and recorded as purchase price liabilities. Subsequent adjustments to such purchase price liabilities are recognised in equity. Deferred purchase price payments are recognised in the statement of cash flow as cash flow from financing activities, provided the payment is made later than three months after the acquisition date. This time limit is also applied to deferred purchase price payments when a Group company is sold.

CURRENCY TRANSLATION

Owing to the great importance of the euro to the Group – Phoenix Mecano generates a substantial proportion of its sales in that currency – the consolidated financial statements are presented in euros.

The items contained in a Group company's annual accounts are valued on the basis of the currency of the primary economic environment in which the company operates (functional currency). Foreign currency transactions are converted into the functional currency at the exchange rates prevailing at the time of the transaction. Gains and losses resulting from the transactions themselves and from the conversion of monetary assets and liabilities in foreign currencies at the relevant closing rate are reported in the statement of income.

The results and balance sheet items of all Group companies with a functional currency other than the reporting currency, euro, are converted to euros. The assets and liabilities are converted at the closing rate for each balance sheet date, income and expenses at the average exchange rate for each statement of income. Any resulting translation differences, and any translation differences on long-term loans which are considered to be similar in nature to equity, are posted in equity as separate items. The statement of cash flow is converted at the average exchange rate.

In the event of loss of control of a Group company, the aforementioned translation differences are recognised in the financial result.

INTERCOMPANY PROFITS

Intercompany profits on inventories and non-current assets, arising from trading between companies within the Group, are eliminated so as not to affect income. Unrealised losses on transactions within the Group are also eliminated, unless the transaction indicates an impairment of the transferred asset.

SEGMENT INFORMATION

The segment information is presented in accordance with internal reporting and follows the management approach.

The Phoenix Mecano Group is divided into three divisions (operating segments). An operating segment is a component of a company which engages in business activities from which it may earn revenues and incur expenses. Its operating results are reviewed regularly by the chief operating decision maker (CODM) in order to make decisions about resources to be allocated to the segment and assess its performance. Discrete financial information is available for the segment. The three divisions are:

- **Enclosure Systems (ES):** Development, production and sale of, and trade in, industrial and electronic enclosures made of aluminium, stainless steel, plastics and glass-fibre-reinforced polyester to protect electronics in a wide range of applications (including in potentially explosive atmospheres) as well as complete human-machine interface solutions (panel PCs, industrial PCs, industrial monitors and support arm systems) and input units such as membrane keypads, short-stroke keys and touchscreens; including system integration and, in addition, toolmaking, plastic injection moulding and aluminium die casting.

- **Industrial Components (IC):** Development, production and sale of, and trade in, components, complete modules and subsystems in the following business areas: Automation Modules (linear units, electric cylinders and lifting columns, aluminium profile and tube connection systems, assembly workstation systems), Electrotechnical Components (terminal blocks, connectors, series terminals, test probes, switches, inductors) and Measuring Technology (current measuring systems, transformers, instrument transformers).

- **DewertOkin Technology Group (DOT):** Development, production and sale of, and trade in, drive, system and mechanism technology as well as system solutions for electrically adjustable comfort and healthcare furniture and ergonomic office workstation design, nursing and hospital beds, and smart-health software solutions.

In addition, individual business areas and central management and financial functions are included under "Reconciliation". Also recorded under Reconciliation are asset and liability items that are not allocated to the divisions (cash and cash equivalents, other assets and financial and other liabilities).

The gross sales of the individual divisions with third parties/associated companies and between the divisions are recognised in accordance with the management approach. Gross sales between individual divisions are invoiced on arms-length terms. They are reconciled to sales revenue (net sales) as recognised in the statement of income.

The result is allocated to the individual divisions at the level of the result before interest and tax. Segment assets include intangible assets, tangible assets, inventories, trade receivables, other short-term receivables and deferred charges and prepaid expenses of the respective business division. Segment liabilities include provisions, pension obligations, trade payables, other short-term liabilities and deferred income per business division. The remaining asset and liability items are recorded under Reconciliation. Measurement in the segment information is based on the same accounting principles as used in the consolidated financial statements prepared in accordance with Swiss GAAP FER, except for the presentation of sales.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand and bank and bank-like deposits. They also include time deposits and money market investments with a term not exceeding three months from the balance sheet date.

TRADE RECEIVABLES AND OTHER RECEIVABLES

Receivables are recognised at transaction price. Phoenix Mecano holds receivables with the aim of collecting the contractual cash flows and subsequently measures the receivables at amortised cost (usually equivalent to their nominal value), less value adjustments for bad debts. The value adjustment consists of individual value adjustments for specifically identified items, for which there is objective evidence to suggest that the outstanding amount will not be received in full, as well as flat-rate value adjustments for groups of receivables with a similar risk profile based on expected bad debt losses for the group of receivables in question. The flat-rate value adjustments are based on age structure and historical receivables payment statistics. Where there is sufficient evidence to suggest that a receivable is definitely uncollectable, the receivable is derecognised directly. Subsequent incoming payments on amounts that have been derecognised are reported in income. Accounts payable and receivable between Group companies are offset against one another, provided that the companies are consolidated.

Since the start of 2023, there has been an asset-backed securities (ABS) programme with Weinberg Capital Ltd. (special-purpose vehicle) for the purchase of receivables with a maximum volume of EUR 15 million. Under this agreement, individual subsidiaries of the Phoenix Mecano Group in Germany sell trade receivables. The receivables are securitised and placed on the capital market. The Phoenix Mecano Group continues to carry out receivables management for the sold receivables. However, almost all risks and rewards are transferred, and therefore the requirements for a true sale are met (treatment as an off-balance-sheet transaction).

INVENTORIES

Inventories are reported at acquisition or production cost, which must not exceed the net realisable value (lowest value principle). The value of the costs is determined by means of the weighted average method. The production costs include all material costs, production wages and pro rata manufacturing overheads. Appropriate value adjustments are made for inventory-related risks wherever necessary, based on corresponding analyses of turnover and coverage as well as margin analyses.

TANGIBLE ASSETS

Tangible assets are stated in the balance sheet at the acquisition or manufacturing cost, less accumulated depreciation and, where appropriate, less additional impairment losses. The straight-line method of depreciation is applied over the depreciation periods specified in the useful life categories used by the whole Group. Where components of larger assets have different useful lives, these are depreciated as separate items.

Follow-on investments are only capitalised if the Group is likely to derive future economic benefit as a result and if the costs can be reliably determined.

The useful lives of assets are estimated as follows:

Land (including usage rights)	Unlimited useful life or duration of usage rights
Buildings	35 years
Outside facilities and building installations	10–15 years
Machinery and equipment	4–15 years

LEASED ASSETS

In general, lease contracts are reported as finance leases if:

- at the signing date of the contract, the present value of the lease payments, including a possible final payment, approximates the acquisition cost or the market value of the leased asset, or
- the expected lease term does not differ substantially from the economic useful life of the leased asset, or
- the leased asset will become the property of the lessee at the end of the lease term, or
- a possible final payment at the end of the lease term is substantially below its respective current market value.

They are measured at the lower of the present value of the minimum lease payments and the fair value. The corresponding financial leasing commitments are posted as liabilities. The lease payments are divided up into interest and repayment sums in accordance with the annuity method. The leased assets are depreciated over the shorter of the estimated useful life and the lease term.

Operating lease payments are expensed directly to the statement of income on a straight-line basis over the lease term.

INTANGIBLE ASSETS

Capitalised development costs

Development services for new products, which satisfy the criteria for capitalisation specified by Swiss GAAP FER 10 (in particular there must be the prospect of a net income), are capitalised at acquisition or manufacturing cost and written off over the respective useful life, which must not exceed five years. Otherwise, research and development costs are debited directly to the statement of income.

Concessions, licences, similar rights and assets

These other intangible assets are measured at acquisition cost less accumulated depreciation and, where appropriate, additional impairment losses. The depreciation rates are determined on a straight-line basis over the estimated useful life of the asset, which must not exceed ten years, in accordance with standard Group practice.

All costs relating to Software as a Service solutions (including configuration and customisation) are recognised directly in the statement of income due to the lack of control and are not capitalised as intangible assets.

IMPAIRMENT LOSSES

Intangible and tangible assets as well as goodwill (in the shadow statement) are consistently checked for impairment if there are indications to suggest that this has taken place. The recoverable amount (the higher of the net selling price less costs to sell and the value in use) of the asset or cash-generating unit is estimated and an adjustment to the previous book value (carrying amount) is made in the statement of income in the case of intangible and tangible assets and in the shadow statement (without affecting income) in the case of goodwill, provided the book value exceeds the recoverable amount. The value in use corresponds to the present value of the expected future cash flows of the respective asset.

Previously recognised impairment losses are reversed (except on goodwill in the shadow statement) if the estimates used to calculate the recoverable amount have altered and the impairment has reduced or disappeared as a result. The increase in book value may not exceed the amount that would have resulted if no impairment loss had been reported for the asset in the preceding years.

The discount rate is determined based on the pre-tax weighted average cost of capital (WACC) of Phoenix Mecano. A differentiation is applied to individual Phoenix Mecano Group cash-generating units only if their risk profile is significantly different.

INVESTMENTS IN ASSOCIATED COMPANIES

Investments shown under this item are valued in accordance with the criteria set out above under Associated companies.

OTHER FINANCIAL ASSETS

Investments under 20% and long-term loans to associated companies and third parties contained in Other financial assets are initially recognised at acquisition cost, taking account of any reductions in value (impairment) through corresponding devaluations in the statement of income.

A key factor in deciding whether to derecognise a financial asset is the transfer of the associated risks and rewards (known as the “risks and rewards” approach).

TRADE PAYABLES AND OTHER LIABILITIES

Trade payables and other liabilities are entered at amortised cost, which generally corresponds to their nominal value.

DERIVATIVE FINANCIAL INSTRUMENTS

All derivative financial instruments are measured at fair value in accordance with Swiss GAAP FER 27 and are recognised separately in the Group balance sheet. For instruments traded in an active market, the fair value corresponds to the market value on the balance sheet date; for other instruments, it corresponds to the value determined on the basis of mathematical models. The Group hedges interest and currency risks as part of its risk policy, but these operations are not treated as derivative financial instruments held for hedging purposes. Changes in the market value of derivative financial instruments used in this way are recognised directly in the financial result as income/expense.

FINANCIAL LIABILITIES

Financial liabilities are stated at their nominal value. Any discrepancy between the disbursement amount and the repayable amount is capitalised and amortised over the term using the effective interest method and recognised in the statement of income. Purchase price liabilities from acquisitions are revalued at the balance sheet date and measured at fair value.

Short-term liabilities are those with a remaining term of less than one year.

A financial liability is derecognised when it is cancelled or when it is discharged either judicially or by the creditor.

PROVISIONS

Provisions are formed if a past event has resulted in a present legal or actual obligation and there is likely to be an outflow of funds which can be reliably determined. They also include anticipated warranty claims arising from service provision.

Other long-term employee benefits

Corresponding provisions are made for existing obligations based on statutory retirement pay in some countries, agreements providing for part-time work for older employees in Germany and service anniversaries. These provisions are determined using the projected unit credit method. Actuarial gains and losses are recognised as income/expense in the period in which they occur.

Employee participation plans

In connection with a planned partial IPO of the DewertOkin Technology Group division in China, an employee participation plan for key employees in this product area was launched at the end of 2020. The plan is tied to the performance of the employees concerned. The qualifying employees receive shares in DewertOkin Technology Group Co., Ltd. (CN). These shares are subject to a three-year lock-up period after the IPO. Differences between the issue price and the fair value of the shares at the time of allocation are charged to personnel expenses and recognised in the statement of income. Recognition takes place over the vesting period, if such a period has been agreed, otherwise immediately upon allocation. Cash settlement is not provided for.

The Chairman of the Board of Directors and the members of the management of Phoenix Mecano AG have participated in a share-based, long-term incentive (LTI) programme since 2023. At the beginning of the vesting period, each plan participant is allocated performance share units (PSUs) totalling 20% of their fixed remuneration. The PSUs are converted into freely available registered shares in Phoenix Mecano AG after the three-year vesting period. The extent of the PSUs to be converted depends on two equally weighted performance conditions: 1. the return on capital employed (ROCE) and 2. the relative total shareholder return (rTSR). The ROCE target is set by the Board of Directors at the start of the vesting period and compared with the ROCE actually achieved each year. The rTSR is measured in relation to a comparison group. For both performance conditions, the maximum degree of target achievement is limited to 150%. The market value of the PSUs is determined at the time of allocation using a Monte Carlo simulation, taking into account expected dividend payments, and is recognised in the statement of income over the vesting period. The number of PSUs is adjusted based on the change in performance.

PENSION OBLIGATIONS

The Phoenix Mecano Group has a number of pension plans worldwide. These plans are normally financed through contributions from employees and the relevant subsidiaries.

The economic impact of employee pension plans is assessed annually. Any surpluses or deficits are determined on the basis of the financial statements of the respective pension institutions, which are drawn up based on Swiss GAAP FER 26 (Swiss plans) or accepted methods in other countries (non-Swiss plans). In the case of Swiss plans, an economic benefit is recognised as an asset if it is permitted and intended to use the pension institution's surplus for the future pension expense of the company. Where freely available employer contribution reserves exist, these are also recognised as assets. An economic obligation is recognised as a liability if the conditions for establishing a provision are met. Changes to the economic benefit or economic obligation, as well as the contributions for the period, are recognised in the statement of income under Personnel expenses.

EQUITY

Equity is divided up into Phoenix Mecano AG's share capital (consisting of registered shares), treasury shares, retained earnings, offset goodwill, translation differences and minority interest.

Treasury shares are deducted from equity and posted as a separate item within equity. Gains and losses on treasury shares are posted without affecting operating income.

Dividends are posted in the consolidated financial statements in the period in which they were agreed upon by the Shareholders' General Meeting of Phoenix Mecano AG.

REVENUE RECOGNITION

Sales are measured at the amount to which Phoenix Mecano expects to be entitled. They include primarily the sale of goods and, to a limited extent, of software and services in the course of the Group's ordinary activities. Gross and net sales are recognised net of value added tax and credit notes, as well as of discounts and rebates in the case of net sales. Sales of products and services are recognised following the transfer of control to the customer (usually upon the transfer of significant risks and rewards). This is determined by the specific contract terms (e.g. Incoterms). Phoenix Mecano normally fulfils its performance obligation upon delivery. Software sales are not material.

Value adjustments on recognised receivables are not recognised as adjustments to sales, but as other operating expenses.

Interest income is recognised on an accrual basis. Dividend income from securities is recorded at the time of payment.

There are no long-term manufacturing orders which are recorded in accordance with the progress of performance.

GOVERNMENT SUBSIDIES

Government grants are recognised if there is reasonable assurance that the conditions attached to them will be met and the value can be reliably estimated.

Asset-related grants such as investment incentives are deferred and systematically reported in income in accordance with the straight-line method over the useful life of the supported asset.

Monetary performance-related government grants are recognised under Other operating income. Non-monetary performance-related grants are disclosed in the notes as they arise.

INCOME TAX

Income tax covers both current and deferred income taxes. It is reflected in the statement of income, with the exception of income taxes on transactions reported directly in equity. In such cases, the corresponding income taxes are also recognised directly in equity.

Current income taxes include expected tax owed on the taxable result, calculated according to the tax rates prevailing on the balance sheet date and adjustments to tax liabilities or credits from previous years.

Deferred taxes are calculated on temporary differences between the values in the tax accounts and the consolidated financial statements in accordance with the balance sheet liability method. No deferred taxes are taken into account for valuation differences in goodwill, investments in subsidiaries and purchase price liabilities from acquisitions if these differences are unlikely to cancel each other out in the foreseeable future. Calculation of the deferred taxes takes into account when and how the realisation or repayment of the relevant assets and liabilities is likely to take place. This calculation uses the tax rates prevailing or announced on the balance sheet date.

Future tax savings on the basis of tax losses carried forward and temporary differences are only capitalised if their realisation seems certain. For this to be the case, consistently positive results must have been achieved and be expected to continue in the foreseeable future. If there are taxable temporary differences and offsettable tax losses carried forward at the same company, the two amounts are offset against one another.

Non-reclaimable withholding taxes on distributions on the profits of foreign subsidiaries are only recorded as a liability if such distributions are budgeted.

The Phoenix Mecano Group is subject to the OECD minimum tax (Pillar Two) and applies the corresponding regulations.

STATEMENT OF CASH FLOW

Cash flow from operating activities is calculated using the indirect method. The funds consist of cash and cash equivalents.

KEY FIGURES NOT DEFINED BY SWISS GAAP FER (ALTERNATIVE PERFORMANCE INDICATORS)

The operating result corresponds to the earnings before taxes plus financial result and share in the profit/loss of associated companies.

The operating cash flow corresponds to the operating result plus depreciation on tangible assets, amortisation of intangible assets and impairment losses or reversal of impairment losses on tangible and intangible assets (see note 37).

The free cash flow comprises the cash flow from operating activities and the cash flow from investments and disinvestments in tangible and intangible assets (see note 38).

ASSUMPTIONS AND ESTIMATIONS

Accounting requires assumptions and estimations to be made which influence the amount of the accounted assets and liabilities, the amount of contingent liabilities and contingent claims as at the balance sheet date and also expenses and income from the reporting periods. The assumptions and estimations are based on historical knowledge and experience and on the information available when the balance sheet is being drawn up. They are considered accurate under the circumstances. If estimations and assumptions made by the management based on the best knowledge available at the time of balance sheet preparation differ from the actual circumstances subsequently observed, the original estimations and assumptions are adapted accordingly in the reporting year in which the circumstances altered.

The most important assumptions and estimations are set out below:

Inventories

An international supply chain within the Group (including as a result of production in cost-efficient locations and processing service in the sales companies) and the high priority accorded to short delivery times for customers require an adequate supply inventory and result in comparatively low stock turnaround figures. Some electrotechnical components can only be stored for a limited amount of time, and some inventory items are customised, leading to increased storage risks. On the basis of appropriate inventory turnover and coverage analyses, assessments of recoverability and impairment are carried out. For the book values of inventories, see note 7.

Tangible assets, intangible assets and goodwill (shadow statement)

These are tested for impairment if indicators exist. To ascertain whether impairment applies, the anticipated future cash flow generated by the use or the potential disposal of the assets in question is estimated. The latter is associated with a wide range of uncertainties, especially in the case of company property in unfavourable locations or product-specific manufacturing plants and tools as well as intangible assets. Estimates are also necessary when determining the discount rate to be applied. For the book values of tangible and intangible assets, see notes 8 and 9.

Provisions

Guarantee provisions are calculated based on estimates of potential future guarantees and on past experience. There is a higher guarantee risk for drive systems used in the hospital and care sector. For the book values of provisions, see note 14.

Income tax

Extensive estimations based on the interpretation of existing tax legislation and regulations are required to determine receivables and liabilities from current and deferred income taxes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 2025

1 CURRENCY EXCHANGE RATES

	Balance sheet		Statements of income and cash flow	
	2025	2024	2025	2024
Euro for				
1 CHF	1.074	1.063	1.067	1.050
1 GBP	1.146	1.206	1.168	1.181
1 USD	0.851	0.963	0.887	0.924
100 HUF	0.260	0.243	0.251	0.253
1 CZK	0.041	0.040	0.041	0.040
1 RON	0.196	0.201	0.198	0.201
1 TND	0.294	0.302	0.296	0.297
1 CNY	0.121	0.133	0.123	0.129
1 INR	0.010	0.011	0.010	0.011
VND 1 000	0.033	0.038	0.034	0.037

2 SCOPE OF CONSOLIDATION

In 2025 and 2024, the scope of consolidation changed as follows:

Date	Company	Change	Division
2025			
01.08.25	Bond Tact Industrial Limited	Liquidation	Reconciliation
01.07.25	Jiaxing MyHome Mechanism Co., Ltd	Merger with DewertOkin Technology Group Co., Ltd.	DewertOkin Technology Group
14.04.25	Jiaxing Made Management Ltd.	Foundation	Reconciliation
2024			
31.07.24	RK Antriebs- und Handhabungs- Technik GmbH	Sale	Industrial Components
11.07.24	RK System- & Lineartechnik GmbH	Merger with RK Rose + Krieger GmbH	Industrial Components

The following companies were fully consolidated as at 31 December 2025:

FULLY CONSOLIDATED COMPANIES

Company	Head office	Activity	Currency	Registered capital in 1000	2025 Stake in %	2024 Stake in %
Phoenix Mecano AG	Stein am Rhein, Switzerland	Finance	CHF	961	n/a	n/a
Phoenix Mecano Management AG	Kloten, Switzerland	Finance	CHF	50	100	100
Phoenix Mecano Solutions AG	Stein am Rhein, Switzerland	Production/Sales	CHF	2 000	100	100
DewertOkin AG	Stein am Rhein, Switzerland	Finance	CHF	500	89	89
ROSE Systemtechnik GmbH	Porta Westfalica, Germany	Production/Sales	EUR	1 053	100	100
Bopla Gehäuse Systeme GmbH	Bünde, Germany	Production/Sales	EUR	750	100	100
Kundisch GmbH +Co. KG	Villingen-Schwenningen, Germany	Production/Sales	EUR	300	100	100
HPC SeKure GmbH	Wessling, Germany	Sales	EUR	500	100	100
PTR HARTMANN GmbH	Werne, Germany	Production/Sales	EUR	400	100	100
REDUR GmbH & Co. KG	Niederzier, Germany	Production/Sales	EUR	300	100	100
RK Rose +Krieger GmbH	Minden, Germany	Production/Sales	EUR	496	100	100
RK Schmidt Systemtechnik GmbH	St. Wendel, Germany	Production/Sales	EUR	500	100	100
Setago.io GmbH	Nuremberg, Germany	Sales/Development	EUR	25	100	100
DewertOkin GmbH	Kirchlengern, Germany	Sales	EUR	1 000	89	89
ConnectedCare GmbH	Münster, Germany	Production/Sales	EUR	98	100	100
IFINA Beteiligungsgesellschaft mbH	Porta Westfalica, Germany	Finance	EUR	4 000	100	100
Götz Udo Hartmann GmbH	Niederzier, Germany	Finance	EUR	26	100	100
Kundisch Beteiligungs-GmbH	Villingen-Schwenningen, Germany	Finance	EUR	26	100	100
Phoenix Mecano S.à.r.l.	Fontenay-sous-Bois, Cedex, France	Sales	EUR	620	100	100
Phoenix Mecano Ltd.	Aylesbury, UK	Sales	GBP	300	100	100
DewertOkin AB	Växjö, Sweden	Sales	SEK	100	89	89
Phoenix Mecano AB	Växjö, Sweden	Sales	SEK	290	100	100
Phoenix Mecano ApS	Sønderborg, Denmark	Sales	DKK	125	100	100
Phoenix Mecano GmbH	Vienna, Austria	Sales	EUR	50	100	100
Phoenix Mecano S.r.l.	Modena, Italy	Sales	EUR	300	100	100
Sistemas Phoenix Mecano España S.A.	Zaragoza, Spain	Sales	EUR	60	90	90
Phoenix Mecano B.V.	Doetinchem, The Netherlands	Sales	EUR	1 000	100	100
PM Special Measuring Systems B.V.	Enschede, The Netherlands	Production/Sales	EUR	18	100	100
Phoenix Mecano NV	Deinze, Belgium	Sales	EUR	100	100	100
Phoenix Mecano Kecskemét Kft.	Kecskemét, Hungary	Production/Sales	EUR	40 000	100	100
DewertOkin Kft.	Kecskemét, Hungary	Production/Sales	EUR	17 000	89	89
Phoenix Mecano Plastic S.r.l.	Sibiu, Romania	Production	EUR	750	100	100
ismet transformátory s.r.o.	Běhařovice, Czech Republic	Production/Sales	CZK	200	100	100
Phoenix Mecano OOO	Moscow, Russia	Sales	RUB	21 300	100	100
Phoenix Mecano Inc.	Frederick, USA	Production/Sales	USD	13 000	100	100

FULLY CONSOLIDATED COMPANIES

Company	Head office	Activity	Currency	Registered capital in 1000	2025 Stake in %	2024 Stake in %
OKIN America Inc.	Shannon, USA	Production/Sales	USD	5 500	89	89
Orion Technologies LLC in liquidation	Orlando, USA	Production/Sales	USD	33	90	90
PTR HARTMANN, S. DE R.L. DE C.V.	Monterrey, Mexico	Sales	MXN	50	100	100
DewertOkin do Brasil Ltda.	São Paulo, Brazil	Sales	BRL	21 000	89	89
Phoenix Mecano Holding Ltda.	São Paulo, Brazil	Finance	BRL	1 062	100	100
DewertOkin Latin America S.A.	Montevideo, Uruguay	Sales	UYU	200	89	89
Phoenix Mecano S.E. Asia Pte Ltd.	Singapore	Sales	SGD	1 000	100	100
Phoenix Mecano Korea Co., Ltd. in liquidation	Busan, South Korea	Sales	KRW	370 000	100	100
Phoenix Mecano (India) Pvt. Ltd.	Pune, India	Production/Sales	INR	299 452	100	100
Phoenix Mecano Saudi Arabia LLC	Dammam, Saudi Arabia	Sales	SAR	3 000	100	100
Mecano Components (Shanghai) Co., Ltd.	Shanghai, China	Production/Sales	USD	3 925	100	100
PTR HARTMANN (Shaoguan) Co., Ltd.	Shaoguan City, China	Production/Sales	CNY	70 000	100	100
DewertOkin Technology Group Co., Ltd.	Jiaxing, China	Production/Sales	CNY	712 589	89	89
Jiaxing Made Management Ltd.	Jiaxing, China	Finance	CNY	500	100	-
BEWATEC (Zhejiang) Medical Equipment Co., Ltd.	Jiaxing, China	Production/Development	CNY	140 000	89	89
BEWATEC (Shanghai) Medical Device Co., Ltd.	Shanghai, China	Sales/Development	CNY	25 000	89	89
Phoenix Mecano Hong Kong Ltd.	Hong Kong, China	Finance/Sales	EUR	99 051	100	100
Okin Vietnam Company Ltd.	Binh Duong Province, Vietnam	Production/Sales	USD	1 500	89	89
Phoenix Mecano Middle East (FZE)	Sharjah, U.A.E.	Sales	AED	150	100	100
Phoenix Mecano Hartu S.à.r.l. in liquidation	Ben Arous, Tunisia	Production	TND	15 400	100	100
Phoenix Mecano ELCOM S.à.r.l.	Zaghouan, Tunisia	Production	TND	16 500	100	100
Phoenix Mecano Maroc S.à.r.l. in liquidation	Tétouan, Morocco	Production	MAD	34 000	100	100

The stake indicated takes into account direct and indirect minority interests.

3 CASH AND CASH EQUIVALENTS

	2025	2024
in 1 000 EUR		
MEANS OF PAYMENT		
Bank and bank-like deposits	87 634	92 448
Cash on hand	56	66
Total	87 690	92 514
OTHER CASH AND CASH EQUIVALENTS		
Time deposits and money market investments (up to 3 months)	2 227	14 801
Balance sheet value	89 917	107 315
INTEREST RATES IN %		
CHF	0.1	0.4
EUR	0.1	0.6
USD	3.3	3.0
CNY	1.3	1.4

No losses are expected on cash and cash equivalents, so no value adjustments have been made.

Due to a legal dispute in connection with a construction project in China, cash and cash equivalents totalling EUR 3.9 million were not authorised for use as at the balance sheet date.

4 TRADE RECEIVABLES

	2025	2024
in 1 000 EUR		
Trade receivables	131 783	143 614
Receivables due from associated companies	95	139
Value adjustments	-7 082	-7 037
Balance sheet value	124 796	136 716
REGIONAL BREAKDOWN OF TRADE RECEIVABLES		
Switzerland	3 128	2 277
Germany	5 815	7 598
UK	1 559	1 763
France	1 788	2 863
Italy	2 195	1 986
The Netherlands	966	963
Rest of Europe	6 486	6 743
North and South America	16 130	13 341
Middle and Far East	86 729	99 182
Balance sheet value	124 796	136 716

	2025	2024
in 1 000 EUR		
UPDATE OF VALUE ADJUSTMENT ON TRADE RECEIVABLES		
Individual value adjustments		
As at 1 January	1 203	487
Change	395	716
As at 31 December	1 598	1 203
Flat-rate value adjustments		
As at 1 January	5 834	4 330
Change	-350	1 504
As at 31 December	5 484	5 834
Total	7 082	7 037

Trade receivables totalling EUR 0.2 million (previous year: EUR 0.4 million) have been derecognised.

in 1 000 EUR	2025		2024	
	Gross	Value adjustment	Gross	Value adjustment
AGEING ANALYSIS OF TRADE RECEIVABLES NOT SUBJECT TO INDIVIDUAL VALUE ADJUSTMENTS				
Gross values	131 878		143 753	
Gross value of receivables subject to individual value adjustments	-1 598		-1 203	
Total	130 280		142 550	
of which:				
Not due	100 358	172	112 347	381
Overdue for 1–30 days	18 060	188	17 975	190
Overdue for 31–60 days	4 558	226	4 493	222
Overdue for 61–90 days	1 555	164	1 445	149
Overdue for 91–180 days	2 045	1 030	2 757	1 359
Overdue for more than 180 days	3 704	3 704	3 533	3 533
Total	130 280	5 484	142 550	5 834

Impairment is determined on the basis of expected credit losses corresponding to the present value of the defaults expected over the anticipated remaining life of the financial assets. As well as historical customer default rates, Phoenix Mecano also draws on forward-looking information and classifies groups of receivables by maturity and region.

The individual value-adjusted receivables relate mainly to debtors who are involved in bankruptcy proceedings or have been directed to a collection agency.

The largest single receivable from a customer (group of companies) as at the balance sheet date of 31 December 2025 was EUR 13.5 million (previous year: EUR 13.8 million), a significant portion of which is not due.

The average payment term was 63 days (previous year: 66 days).

Since the start of 2023, there has been an asset-backed securities (ABS) programme with Weinberg Capital Ltd. (special-purpose vehicle) for the purchase of receivables with a maximum volume of EUR 15 million. Under this agreement, individual subsidiaries of the Phoenix Mecano Group in Germany sell trade receivables. The receivables are securitised and placed on the capital market. As at 31 December 2025, receivables totalling EUR 8.7 million (previous year: EUR 8.6 million) had been sold. There are also purchase price retentions held as security reserves with a net value of EUR 1.7 million (previous year: EUR 1.7 million), which were recognised as other receivables. The Phoenix Mecano Group continues to carry out receivables management for the sold receivables. However, almost all risks and rewards are transferred, and therefore the requirements for a true sale are met (treatment as an off-balance-sheet transaction).

5 OTHER SHORT-TERM RECEIVABLES

in 1 000 EUR	2025	2024
Tax receivables from VAT and other taxes	6 722	9 224
Advance payments for inventories	3 080	3 629
Other	2 386	2 010
Balance sheet value	12 188	14 863

6 SHORT-TERM FINANCIAL RECEIVABLES

in 1 000 EUR	Note	2025	2024
Residual purchase price payments	40	14	868
Financial receivables		6 748	1 728
Balance sheet value		6 762	2 596

The residual purchase price payments in the reporting year relate to the sale of the majority stake in Phoenix Mecano Australia Pty in 2020. These are due in 2026. The residual purchase price payments in the previous year relate to the disposal of Group companies (see note 40).

The financial receivables include committed government research grants amounting to EUR 4.6 million in China, which are expected to be received in the first half of 2026.

7 INVENTORIES

in 1 000 EUR	2025	2024
Raw and ancillary materials	80 223	83 293
Work in progress	15 204	16 344
Finished goods and merchandise for resale	76 460	80 358
Value adjustments	-20 334	-21 307
Balance sheet value	151 553	158 688

The value adjustments were determined based on marketability and range of the stocks, and taking into account the principle of loss-free valuation. Changes in value adjustments and losses on inventories totalling EUR 2.4 million (previous year: EUR 4.8 million) are included in the statement of income under Other operating expenses (see note 32).

Other than the usual reservations of title applied in typical business operations, no stocks had liens on them as at 31 December 2025 and 2024.

8 TANGIBLE ASSETS

in 1 000 EUR	Note	Land and buildings	Machinery and equipment	Construction in progress	Total
Acquisition costs					
31 December 2023		161 527	237 296	13 033	411 856
Additions from asset deal	39		150		150
Disposals of companies included in consolidation	40		-269		-269
Translation differences		2 477	2 686	615	5 778
Additions		3 562	18 019	13 703	35 284
Disposals		-87	-7 768	-39	-7 894
Reclassification		6 450	4 831	-11 281	0
Acquisition costs					
31 December 2024		173 929	254 945	16 031	444 905
Accumulated depreciation					
31 December 2023		73 432	182 230	0	255 662
Disposals of companies included in consolidation	40		-254		-254
Translation differences		370	1 485		1 855
Depreciation		4 475	15 469		19 944
Disposals		-27	-7 290		-7 317
Accumulated depreciation					
31 December 2024		78 250	191 640	0	269 890
Net values 1 January 2024		88 095	55 066	13 033	156 194
Net values 31 December 2024		95 679	63 305	16 031	175 015

in 1 000 EUR	Note	Land and buildings	Machinery and equipment	Construction in progress	Total
Acquisition costs					
31 December 2024		173 929	254 945	16 031	444 905
Translation differences		-6 693	-7 970	-794	-15 457
Additions		4 628	10 416	21 852	36 896
Disposals		-170	-9 648	-29	-9 847
Reclassification		3 863	5 307	-9 170	0
Acquisition costs					
31 December 2025		175 557	253 050	27 890	456 497
Accumulated depreciation					
31 December 2024		78 250	191 640	0	269 890
Translation differences		-1 252	-4 463		-5 715
Depreciation		4 803	15 440		20 243
Disposals		-276	-8 828		-9 104
Accumulated depreciation					
31 December 2025		81 525	193 789	0	275 314
Net values 31 December 2025		94 032	59 261	27 890	181 183

Land and buildings is divided into developed and undeveloped land and land use rights (in China) with a book value of EUR 15.3 million (previous year: EUR 16.2 million) and factory and administration buildings with a balance sheet value of EUR 78.7 million (previous year: EUR 79.5 million). The additions under Construction in progress mainly relate to two construction projects in Germany, which will be completed in 2026.

The fire insurance value of the tangible assets amounted to EUR 450.1 million on the balance sheet date, compared with EUR 460.5 million the previous year.

Land and buildings with a book value of EUR 34.1 million (previous year: EUR 37.0 million), mainly in China and Switzerland, were mortgaged to cover debts. The amount of the corresponding credit taken up totalled EUR 10.0 million (previous year: EUR 11.4 million).

No tangible assets were subject to reservation of title on the balance sheet date.

No write-downs were performed in the reporting year or the previous year within the framework of the impairment tests on cash-generating units (CGUs) and assets at the balance sheet date.

9 INTANGIBLE ASSETS

in 1 000 EUR	Note	Development costs	Concessions, licences, similar rights and assets	Development projects in progress	Total
Acquisition costs					
31 December 2023		22 706	32 678	885	56 269
Additions from asset deal	39		521		521
Disposals of companies included in consolidation	40		-76		-76
Translation differences		184	478		662
Additions		51	808	586	1 445
Disposals			-420	-7	-427
Reclassification		656		-656	0
Acquisition costs					
31 December 2024		23 597	33 989	808	58 394
Accumulated amortisation					
31 December 2023		17 355	30 108	0	47 463
Disposals of companies included in consolidation	40		-62		-62
Translation differences		93	473		566
Amortisation		2 051	1 262		3 313
Impairment losses		534			534
Disposals			-421		-421
Accumulated amortisation					
31 December 2024		20 033	31 360	0	51 393
Net values 1 January 2024		5 351	2 570	885	8 806
Net values 31 December 2024		3 564	2 629	808	7 001

in 1 000 EUR	Note	Development costs	Concessions, licences, similar rights and assets	Development projects in progress	Total
Acquisition costs					
31 December 2024		23 597	33 989	808	58 394
Translation differences		-413	-1 025		-1 438
Additions		61	1 865	813	2 739
Disposals		-2 289	-2 529		-4 818
Reclassification			225	-225	0
Acquisition costs					
31 December 2025		20 956	32 525	1 396	54 877
Accumulated amortisation					
31 December 2024		20 033	31 360	0	51 393
Translation differences		-249	-976		-1 225
Amortisation		1 727	1 427		3 154
Disposals		-2 288	-2 509		-4 797
Accumulated amortisation					
31 December 2025		19 223	29 302	0	48 525
Net values 31 December 2025		1 733	3 223	1 396	6 352

Concessions, licences, similar rights and assets includes primarily software licences and other intangible rights and assets paid for, over which the Phoenix Mecano Group has control.

No intangible assets were subject to reservation of title at the balance sheet date.

Within the framework of the impairment tests on CGUs and assets at the balance sheet date, a write-down of EUR 0.5 million was performed in the previous year for a product development (conveyor system) whose marketing was not as successful as planned.

This impairment loss in the previous year is included in the statement of income under Impairment losses on tangible and intangible assets and is reported in the segment information under Industrial Components.

10 INVESTMENTS IN ASSOCIATED COMPANIES

in 1 000 EUR	Stake in %	2025	2024
UPDATE OF INVESTMENTS IN ASSOCIATED COMPANIES			
Phoenix Mecano Australia Pty Ltd.	29.2		
As at 1 January		809	1 606
Result		-47	-87
Dividend payout		-21	-683
Translation differences		-36	-27
As at 31 December		705	809

Phoenix Mecano Australia Pty Ltd. distributes Phoenix Mecano products in Australia and New Zealand.

On 31 October 2020, the Phoenix Mecano Group sold its majority stake in Phoenix Mecano Australia Pty Ltd. with a corresponding loss of control. The Phoenix Mecano Group has retained a 29.2% stake in Phoenix Mecano Australia Pty Ltd., which is recognised as an investment in associated companies. In connection with this transaction, a contractually agreed residual purchase price payment of EUR 0.014 million (previous year: EUR 0.022 million) is outstanding, which is due in 2026 (see notes 6 and 11).

Purchases of goods by Phoenix Mecano Australia Pty Ltd. from Group companies amounted to EUR 3.3 million (previous year: EUR 2.5 million). The company does not make any sales to Group companies.

Phoenix Mecano Australia Pty Ltd.'s result of the period in 2025 was EUR -0.2 million (previous year: EUR -0.2 million).

11 OTHER FINANCIAL ASSETS

Note	2025	2024
Residual purchase price payments	0	22
Investments (under 20%)	931	909
Balance sheet value	931	931
BY CURRENCY		
CNY	931	909
AUD	0	22
Balance sheet value	931	931
BY MATURITY		
In 2 years	0	22
None	931	909
Balance sheet value	931	931

The residual purchase price payments in the previous year relate to the sale of the majority stake in Phoenix Mecano Australia Pty Ltd. in 2020.

The investments under 20% relate mainly to the employee participation plan launched in late 2020 for around 60 key employees, in connection with a planned partial IPO of the DewertOkin Technology (DOT) Group division in China. In this context, two limited liability partnerships were established in China in 2021, through which the employees of DewertOkin Technology Group Co., Ltd.(China) were able to exercise their participation. The Phoenix Mecano Group also holds a stake of less than 20% in each of these entities.

12 FINANCIAL LIABILITIES

in 1 000 EUR	2025			2024		
	Short-term	Long-term	Total	Short-term	Long-term	Total
Liabilities to financial institutions	41 261	9 511	50 772	20 748	12 924	33 672
Promissory note loans	42 500	40 000	82 500		82 500	82 500
Other financial liabilities	6 074		6 074	4 816		4 816
Balance sheet value	89 835	49 511	139 346	25 564	95 424	120 988
BY MATURITY						
In < 1 year	89 835		89 835	25 564		25 564
In 1–2 years		46 289	46 289		46 675	46 675
In 2–3 years		1 611	1 611		44 726	44 726
In 3–4 years			0		4 023	4 023
In > 5 years		1 611	1 611		0	0
Balance sheet value	89 835	49 511	139 346	25 564	95 424	120 988

	2025			2024		
	in 1 000 EUR	Interest rate in %	Interest rate in %	in 1 000 EUR	Interest rate in %	Interest rate in %
BY CURRENCY						
CHF	5 395	3.9	1.6	5 658	4.7	1.5
EUR	118 394	85.0	2.7	94 177	77.8	2.3
USD	7 699	5.5	5.2	9 289	7.7	5.5
CNY	7 822	5.6	2.9	11 825	9.8	2.8
Other currencies	36	0.0	0.0	39	0.0	0.0
Balance sheet value	139 346	100	–	120 988	100	–

RECONCILIATION OF
FINANCIAL LIABILITIES 2025

	2024		Non-cash items			2025
		Cash items	Change Scope of consolidation	Currency differences	Change in fair value	
in 1 000 EUR						
Long-term liabilities to financial institutions	12 924	-2 292		-1 121		9 511
Short-term liabilities to financial institutions	20 748	2 083		-318		41 261
Promissory note loans	82 500					82 500
Other financial liabilities	4 816	1 272		-14		6 074
Balance sheet value	120 988	19 811	0	-1 453	0	139 346

RECONCILIATION OF
FINANCIAL LIABILITIES 2024

	2023		Non-cash items			2024
		Cash items	Change Scope of consolidation	Currency differences	Change in fair value	
in 1 000 EUR						
Long-term liabilities to financial institutions	21 828	-9 358		569	-115	12 924
Short-term liabilities to financial institutions	29 342	-9 294		700		20 748
Promissory note loans	72 500	10 000				82 500
Purchase price liabilities from acquisitions	450	-450				0
Other financial liabilities	5 428	-529		24	-107	4 816
Balance sheet value	129 548	-9 631	0	1 293	-222	120 988

The long-term liabilities to financial institutions are fixed and variable rate.

For the securing of long-term financial liabilities to financial institutions by mortgage, see note 8.

The long-term liabilities to financial institutions and promissory note loans do not include any financial covenants.

On 18 November 2019, the Phoenix Mecano Group took out a promissory note loan for EUR 30 million with a fixed interest rate and a term of five years, which was repaid in 2024. On 5 May 2021, the Phoenix Mecano Group issued a promissory note loan for EUR 42.5 million with a term of five years and a fixed interest rate. In addition, on 18 November 2024, the Phoenix Mecano Group took out a promissory note loan for EUR 40 million with a term of three years (EUR 24 million at a fixed interest rate and EUR 16 million at a variable interest rate).

On 1 June 2021, the Phoenix Mecano Group acquired 100% of the shares in X2 Technology AB, Sweden, which was subsequently renamed Phoenix Mecano AB. In addition to a fixed purchase price, an earn-out arrangement was agreed. This entailed a contingent purchase price liability, which was paid out in 2024.

13 DERIVATIVE FINANCIAL INSTRUMENTS

	Contract values		Receivables due from derivative financial instruments		Liabilities from derivative financial instruments	
	2025	2024	2025	2024	2025	2024
in 1 000 EUR						
FORWARD EXCHANGE CONTRACTS BY CURRENCY						
HUF	7 950	13 200	427			465
INR		918		28		
Total	7 950	14 118	427	28	0	465
FORWARD EXCHANGE CONTRACTS BY MATURITY						
In 1 year	7 950	14 118	427	28	0	465
Total	7 950	14 118	427	28	0	465
NET BALANCE SHEET VALUE BY MATURITY						
Total short-term			427	28		465
Net balance sheet value			427	28	0	465

The forward exchange purchases of HUF for EUR in the reporting year and previous year and of INR for EUR in the previous year were used for partial hedging of planned operating expenses in local currencies in Hungary and India.

14 PROVISIONS

RECONCILIATION OF PROVISIONS 2025

in 1 000 EUR	Provisions for long-term employee benefits	Guarantee provisions	Restructuring provisions	Other provisions	Total 2025
Provisions as at 1 January	3 836	5 565	1 559	19 094	30 054
Translation differences	-82	-210		-329	-621
Usage	-515	-1 877	-1 355	-15 946	-19 693
Releases	-22	-243	-204	-1 248	-1 717
Allocation	903	4 050	2 485	16 709	24 147
Provisions as at 31 December	4 120	7 285	2 485	18 280	32 170
Due within 1 year	1 233	7 127	2 485	18 081	28 926
Due after 1 year	2 887	158	0	199	3 244

RECONCILIATION OF PROVISIONS 2024

in 1 000 EUR	Provisions for long-term employee benefits	Guarantee provisions	Restructuring provisions	Other provisions	Total 2024
Provisions as at 1 January	3 066	4 174	2 682	13 789	23 711
Change in scope of consolidation	-12	-19		-29	-60
Translation differences	19	115		415	549
Usage	-333	-2 364	-1 728	-11 645	-16 070
Releases	-43	-360	-52	-1 389	-1 844
Allocation	1 139	4 019	657	17 953	23 768
Provisions as at 31 December	3 836	5 565	1 559	19 094	30 054
Due within 1 year	998	5 205	1 407	18 771	26 381
Due after 1 year	2 838	360	152	323	3 673

The provisions for long-term employee benefits relate mainly to provisions for long-service awards.

The restructuring provisions mainly comprise staff costs arising from the package of measures to improve performance in the Industrial Components division in Germany, announced in the reporting year.

Other provisions include provisions for short-term payments to employees totalling EUR 10.1 million (previous year: EUR 10.2 million). This item also includes provisions for credit notes to be issued totalling EUR 6.2 million (previous year: EUR 6.7 million), litigation, impending losses and other conceivable risks from contractual or constructive obligations.

15 PENSION OBLIGATIONS

The Phoenix Mecano Group operates a number of pension plans for employees in Switzerland and elsewhere, which meet the relevant criteria for inclusion. These include both defined benefit and defined contribution plans, which cover the Group employees in question against death, disability and retirement risks.

Swiss pension plan (defined contribution)

The Group operates an employee pension plan in Switzerland with a BVG-Sammelstiftung (collective foundation), in which the insurance risks are reinsured and the investment risks are borne by the insured (semi-autonomous pension solution). The provisional coverage ratio of this collective foundation, under Article 44 of the Swiss Occupational Pension Ordinance (OPO 2), was 113.5% at the end of December 2025 (without taking value fluctuation reserves into account). The foundation's 2025 annual report is not yet available. Based on the available information, the Phoenix Mecano Group has concluded that the surplus as at 31 December 2025 and the economic benefit for the organisation cannot be reliably determined and that, given the structure of the Swiss pension plan, the economic share of the Phoenix Mecano Group is zero. As a result, the Swiss pension plan is disclosed under Pension plans without surplus/deficit in accordance with FER 16/5.

The senior management body is the Foundation Board, which comprises an equal number of employee and employer representatives from the member companies. The Foundation Board is required by law and the pension plan regulations to act solely in the interests of the foundation and its beneficiaries (active insured persons and pension recipients). The employer cannot therefore determine the benefits and financing unilaterally. Decisions are taken jointly by the employee and employer representatives. The Foundation Board is responsible for changes to the pension plan regulations and in particular for determining the financing of pension benefits. The foundation is regulated by the Foundation Supervisory Authority of the Canton of Aargau.

Pension payments are based on retirement savings, to which annual retirement credits and interest are added. Upon retirement, the legal framework provides for the payment of an annuity, with the option of a lump-sum payment. The annuity is calculated by multiplying the retirement savings by the current conversion rate. In addition to retirement benefits, pension benefits also include disability pensions and, in the event of death, partner's and orphan's pensions and, where applicable, a lump-sum death benefit. These are calculated as a percentage of the insured annual salary or old-age pension. The insured can also make additional payments to improve their pension up to the maximum set by the regulations or withdraw money early to buy a residential property for their own use. If the employee leaves the company, the retirement savings are transferred to the pension fund of their new employer or to a vested benefits foundation. Benefits are financed through savings and risk contributions paid by the employer and employee. The savings contributions and the employee contributions to the risks are determined by the Administrative Board consisting of employer and employee representatives. The employer makes at least 50% of the necessary total contributions.

In setting benefits, the minimum requirements of the Swiss Federal Act on Occupational Old Age, Survivors' and Invalidity Pension Provision (OPA) and its implementing provisions must be observed. The OPA stipulates the minimum wage to be insured and the minimum retirement credits. The minimum interest rate to be applied to these minimum retirement savings is determined by the Swiss Federal Council at least every two years. In 2026, it is 1.25% (2025: 1.25%).

The terms and conditions of the pension plan applicable in the reporting year and the statutory provisions of the OPA give rise to actuarial risks such as investment risk, interest rate risk, disability risk and longevity risk. The latter two are reinsured by a life insurance company.

The pension assets are invested by the collective foundation itself, in accordance with its investment policy and within the legal framework.

In the event of a deficit, the collective foundation must take appropriate measures, which could include restructuring contributions from employers and employees.

Pension plans in other countries (defined contribution)

The Phoenix Mecano Group also operates pension plans in a number of other countries. Some of these plans also include employee contributions. These contributions are normally deducted from the monthly salary and transferred to the pension plan. Apart from paying the contributions and transferring the employee and employer contributions, there are not currently any further obligations on the part of the employer.

German pension plan (defined benefit)

There are personal defined benefit pension plans for ten pensioners, departed or still active employees (mainly executives). No new commitments are being entered into (except in the case of pension plans taken over through acquisitions). In principle, entitlement to pension benefits arises on the grounds of old age, disability or death. Payments take the form of lifetime annuities or in some cases lump-sum payments, depending on the relevant pension regulations. Survivors are entitled to a percentage of the annuity at the time of the beneficiary's death. In principle, as regards the amount of the annuity payment, pension plans are fixed or dependent on the statutory contribution assessment ceiling at the time the insured event occurs. In one case, benefits are dependent on the development of salaries for civil servants. Individual plans have separate plan assets. One plan was adjusted in 2021 and outsourced to an external pension fund. Coverage is checked quarterly for this plan. As long as the Phoenix Mecano Group is not required to make additional payments, no pension obligation is recognised. The pension benefits are financed by the employer. In the event that an employee leaves the company before a pension benefit becomes payable, they retain their entitlements to pension payments in accordance with legal requirements. The entitlements of the beneficiaries are all vested as at the balance sheet date.

The terms and conditions of the pension plans and the statutory provisions expose the employer to actuarial risks. The main risks are longevity risk, interest rate risk and the risk of inflation compensation for individual pensions as well as risks associated with the development of civil servant salaries or the contribution assessment ceiling for statutory pension insurance in Germany.

The changes in pension obligations (excluding benefits paid out) are recognised in Personnel expenses in accordance with Swiss GAAP FER 16.

The financial position regarding pension obligations developed as follows in 2025 and 2024:

	Surplus/deficit		Economic part of the organisation	Change from previous year recognised in statement of income in the financial year	Benefits paid out	Accrued contributions per plan	Pension expense in personnel expenses	
	2025	2025					2024	Expense/(income)
ECONOMIC BENEFIT/OBLIGATION AND PENSION EXPENSE	2025	2025	2024	2025	2025	2025	2025	2024
in 1 000 EUR								
Pension plans without surplus/deficit						1 898	1 786	1 786
Pension plans with deficit	-180	-180	-213	-4	-29		-4	2
Pension institution without own assets	-4 513	-4 513	-4 699	69	-255		69	347
Total	-4 693	-4 693	-4 912	65	-284	1 898	1 851	2 135

16 OTHER LIABILITIES

	2025	2024
in 1 000 EUR		
Liabilities to social security providers	3 618	2 615
Liabilities to employees	9 699	10 517
Liabilities arising from VAT and other taxes	4 794	5 080
Advance payments on orders	3 450	4 045
Other	2 901	4 464
Balance sheet value	24 462	26 721

The advance payments relate to contract liabilities for advance payments received from customers. These are reclassified to trade receivables when the rights become unconditional. This usually happens when the Phoenix Mecano Group issues an invoice to the customer for the products supplied. The amount of EUR 4.0 million shown in Advance payments at the start of the reporting period was largely recognised as sales revenue in financial year 2025.

17 DEFERRED TAX

	2025	2024
in 1 000 EUR		
DEFERRED TAX ASSETS ON		
Non-current assets	2 454	3 109
Inventories	3 184	3 336
Receivables	756	817
Provisions/Pension obligations	2 632	3 079
Other	1 704	1 814
Deferred tax assets	10 730	12 155
Deferred tax on losses carried forward	1 222	2 435
Total deferred tax assets	11 952	14 590
Netting with deferred tax liabilities	-1 506	-1 949
Balance sheet value	10 446	12 641
DEFERRED TAX LIABILITIES ON		
Non-current assets	-1 623	-1 976
Inventories	-342	-588
Receivables	-154	-69
Provisions/Pension obligations	-39	-39
Other	-39	-94
Total deferred tax liabilities	-2 197	-2 766
Netting with deferred tax assets	1 506	1 949
Balance sheet value	-691	-817
Net position deferred tax	9 755	11 824
TREND OF DEFERRED TAX		
As at 1 January	11 824	10 459
Changes of tax rate recognised in the statement of income	20	166
Translation differences	-985	434
Change in temporary differences recognised in the statement of income	-1 104	765
As at 31 December	9 755	11 824

in 1 000 EUR

EXPIRY OF NON-CAPITALISED TAX LOSSES CARRIED FORWARD

	2025	2024
Up to 1 year	3 828	1 232
1–2 years	1 018	3 585
2–3 years	5 270	563
3–4 years	15 409	11 438
4–5 years	42 611	18 254
Over 5 years	60 131	136 332
Total	128 267	171 404
VALUATION DIFFERENCES ON WHICH NO DEFERRED TAXES WERE CAPITALISED		
Non-current assets	825	763
Total	825	763

Due to uncertainties regarding the usability of tax losses carried forward totalling EUR 128.3 million (previous year: EUR 171.4 million), no deferred tax assets were recorded on this amount. The reduction in non-capitalised tax losses carried forward compared with the previous year is primarily due to a revaluation of tax losses carried forward in Germany carried out during the financial year in connection with a change in ownership, with an impact of EUR 59.4 million. Of the tax losses carried forward which expire after five years, totalling EUR 60.1 million (previous year: EUR 136.3 million), EUR 14.3 million (previous year: EUR 31.0 million) expire within 20 years. The remaining losses can be carried forward for an indefinite period.

Global minimum tax

The Phoenix Mecano Group is subject to the OECD minimum tax under the Pillar Two framework and is applying the temporary simplifications (CbCR safe harbour tests). According to the OECD guidance, the safe harbour provisions apply to fiscal years beginning on or before 31 December 2027 and ending before 1 July 2029.

The OECD rules state that multinational enterprises with consolidated annual revenues of at least EUR 750 million are obliged to ensure that their effective tax rate in the countries in which they operate with their own entities does not fall below 15% in 2025, provided that the ultimate parent company has achieved consolidated revenues of at least EUR 750 million in at least two of the four fiscal years immediately preceding the fiscal year in question. Against this background, the Phoenix Mecano Group has comprehensively analysed its tax position and implemented the regulatory requirements accordingly in the countries concerned. It continuously monitors the reporting and registration obligations in the respective jurisdictions and ensures that these are fulfilled on time.

Switzerland introduced a national top-up tax (Qualified Domestic Minimum Top-Up Tax, QDMTT) on 1 January 2024 to ensure that the effective tax rate for companies domiciled in Switzerland is at least 15%. The international top-up tax (Income Inclusion Rule, IIR) was introduced on 1 January 2025. As the Phoenix Mecano Group is headquartered in Switzerland, it is subject to the IIR from 2025.

The introduction of the QDMTT in Vietnam had an impact of EUR 0.3 million (previous year: EUR 0.2 million) on the Group's tax expense in 2025, as the effective tax rate there was below the global minimum tax rate and was adjusted accordingly.

In the previous year, the Group was expected to be subject to a top-up tax for its business activities in China from 1 January 2025 due to the introduction of the IIR in Switzerland, as the Chinese Group companies did not pass the CbCR safe harbour tests in 2024. They did not pass those tests in 2025 either, meaning that a full GloBE calculation is required for Phoenix Mecano's operations in China. Based on preliminary calculations, the effective tax rate (ETR) is slightly above the minimum tax rate of 15%, so no top-up tax is expected to be due. Consequently, no deferred tax liability was recognised in the Group's 2025 financial statements.

In the current and previous years, the Phoenix Mecano Group is applying the temporary exemption from recognising deferred taxes resulting from the global minimum tax rule. According to the OECD guidance and EU implementation requirements, such deferred taxes are not recognised immediately, but only as actual tax expense or income at the time they arise.

18 SHARE CAPITAL AND RESERVES

The share capital is fully paid up and divided into 960 500 registered shares with a par value of CHF 1.00. The bearer shares were converted into registered shares in 2023 based on a resolution by the Shareholders' General Meeting. The conversion into EUR is effected at the exchange rate applying when Phoenix Mecano AG's functional currency was changed from CHF to EUR (1 January 2019: 0.8870). There is no authorised or contingent capital. Each share entitles the holder to attend the Shareholders' General Meeting and cast one vote. The translation differences include the cumulative currency translation differences resulting from translation of the financial statements of Group companies into EUR since the switch to Swiss GAAP FER.

The significant shareholders of Phoenix Mecano AG are:

Name	Head office	2025	2024
in %			
Planalto AG ²	Luxembourg, Luxembourg	34.6 ¹	34.6 ¹
J. Safra Sarasin Investmentfonds AG	Basel, Switzerland	8.8 ¹	8.8 ¹
Tweedy, Browne Company LLC, Stamford, USA ³	Stamford, USA	8.5 ¹	8.5 ¹
<i>Tweedy, Browne Global Value Fund ⁴</i> <i>(A subdivision of Tweedy, Browne Fund Inc.)</i>	<i>Stamford, USA</i>	<i>7.2 ¹</i>	<i>7.2 ¹</i>
Phoenix Mecano AG	Stein am Rhein, Switzerland	4.4	¹
UBS Fund Management (Switzerland) AG	Basel, Switzerland	5.2 ¹	5.2
Retraites Populaires	Lausanne, Switzerland	< 3.0	3.3 ¹
FundPartner Solutions (Suisse) SA	Geneva, Switzerland	< 3.0	4.2

- ¹ Shareholding not notified in the year indicated.
- ² The beneficial owner and person entitled to exercise voting rights is Gisela Goldkamp. The owner of the voting rights is Benedikt A. Goldkamp.
- ³ Tweedy, Browne Company LLC (TBC) is not a beneficial owner of the shares. TBC has been delegated voting authority pursuant to separate investment advisory agreements. Please note that included in the shares reported with this filing are 68 640 shares held by Tweedy, Browne Global Value Fund, a direct acquirer and beneficial owner.
- ⁴ Pursuant to an investment advisory agreement between Tweedy, Browne Global Value Fund (TBGVF) and TBC, TBGVF has delegated voting authority with respect to 68 640 bearer shares in Phoenix Mecano AG to TBC. TBC is not a beneficial owner of any of the shares. TBGVF is the sole beneficial owner of the shares.

This information is based on notifications by the aforementioned shareholders. Individual notifications can be viewed at the following link of SIX Swiss Exchange:
www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html?issuedBy=PHOENIX

19 TREASURY SHARES

	Number of shares		Acquisition costs	
	2025	2024	2025	2024
Number/in 1 000 EUR				
As at 1 January	24 617	5 453	11 543	2 213
Share buy-backs (2 nd trading line)	17 948	19 164	8 410	9 330
As at 31 December	42 565	24 617	19 953	11 543

The average transaction price was EUR 469 in the reporting year and EUR 487 in the previous year.

In 2023, the Board of Directors decided to implement a share buy-back programme of up to CHF 30 million. Under a fixed-price procedure running from 27 October to 10 November 2023, 1 073 shares were repurchased. A second trading line was subsequently opened, running until 14 November 2025. The share buy-back programme was ended on that date, with 39 592 shares having been repurchased on the second trading line. The Board of Directors intends to propose that the 2026 Shareholders' General Meeting cancel the 40 665 registered shares repurchased under the two buy-back programmes, thereby reducing the share capital accordingly.

20 MINORITY INTERESTS

The minority interests are:

	2025	2024
in %		
Direct minority interests		
DewertOkin Technology Group Co., Ltd.	11	11
Sistemas Phoenix Mecano España S.A.	10	10
Orion Technologies LLC	10	10
Indirect minority interests in the following subsidiaries of DewertOkin Technology Group Co., Ltd.		
Jiaxing MyHome Mechanism Co., Ltd.	- ¹	11
BEWATEC (Zhejiang) Medical Equipment Co., Ltd.	11	11
BEWATEC (Shanghai) Medical Device Co., Ltd.	11	11
Okin Vietnam Company Ltd.	11	11
DewertOkin GmbH	11	11
DewertOkin AG	11	11
DewertOkin Kft.	11	11
DewertOkin AB	11	11
OKIN America Inc.	11	11
DewertOkin do Brasil Ltda	11	11
DewertOkin Latin America S.A.	11	11

¹ Merger with DewertOkin Technology Group Co., Ltd. as of 1 July 2025

In 2024, the shareholders of Orion Technologies LLC waived shareholder loans with corresponding effects on the minority interests in the balance sheet and in the statement of changes in equity.

As part of a capital increase at DewertOkin Technology Group Co., Ltd. (China), approved in October 2021, minority shareholders were allowed to acquire an investment in the company. This was in connection with an employee participation plan for around 60 key employees of the DewertOkin Technology (DOT) Group division, which was launched in late 2020 with a view to the planned partial IPO in China. As a result, equivalent indirect minority interests are held in all subsidiaries of DewertOkin Technology Group Co., Ltd. (China).

The above transactions are recognised in the statement of changes in equity.

21 CATEGORIES OF FINANCIAL INSTRUMENTS

As at 31 December 2025 and 31 December 2024, the book values of financial assets and liabilities (excluding long-term fixed-interest financial liabilities), as shown below, correspond approximately to the fair value as per Swiss GAAP FER.

in 1 000 EUR	Note	2025	2024
Cash and cash equivalents (excluding cash on hand)	3	89 861	107 249
Trade receivables	4	124 796	136 716
Other short-term receivables (excluding VAT and other taxes and advance payments for inventories)	5	2 386	2 010
Short-term financial receivables	6	6 762	2 596
Other financial assets (excluding investments)	11	0	22
Assets at amortised cost		223 805	248 593
Derivative financial instruments (not used for hedging)	13	427	28
Financial assets at fair value through profit or loss		427	28
Financial liabilities (excluding purchase price liabilities)	12	-139 346	-120 988
Trade payables		-107 611	-125 727
Other liabilities (excluding social security, employees, VAT and other taxes and advance payments on orders)	16	-2 901	-4 464
Liabilities at amortised cost		-249 858	-251 179
Derivative financial instruments (not used for hedging)	13	0	-465
Financial liabilities at fair value through profit or loss		0	-465

The following table classifies the financial assets and liabilities measured at market value:

in 1 000 EUR	Note	2025	2024
FINANCIAL ASSETS MEASURED AT MARKET VALUE			
Derivative financial instruments	13	427	28
Outstanding residual purchase price payment	6/11	14	890
Total		441	918
FINANCIAL LIABILITIES MEASURED AT MARKET VALUE			
Derivative financial instruments	13	0	-465
Total		0	-465

The derivative financial instruments are exclusively forward transactions. The fair value corresponds to the present value of the estimated future cash flows based on the terms and maturities of each individual contract, discounted at a market interest rate as at the measurement date.

The following table provides an update on purchase price liabilities from acquisitions:

in 1 000 EUR	2025	2024
As at 1 January	0	450
Currency differences	0	0
Usage	0	-450
Allocation/(release) (via equity)	0	0
As at 31 December	0	0

The usage in 2024 relates to the acquisition of Phonix Mecano AB (SE) (see note 12).

22 RISK MANAGEMENT

The Board of Directors of Phoenix Mecano AG has ultimate responsibility for risk management. To this end, it set up the Internal Auditing Department, which is responsible for developing and monitoring compliance with risk management principles. The Internal Auditing Department reports regularly to the Audit Committee of the Phoenix Mecano AG Board of Directors.

The risk management principles that have been established are geared towards identifying and analysing the risks to which the Group is exposed, developing checks and balances and monitoring risks. The risk management principles and the processes associated with them are regularly reviewed to take account of changes in market conditions and the Group's activities.

23 FINANCIAL RISK MANAGEMENT

General

The Phoenix Mecano Group is exposed to various financial risks through its business activities, namely credit risk, market risk (i.e. currency and interest rate risks) and liquidity risk. Currency and interest rate risks are for the most part managed centrally at Group level. Derivative financial instruments, of which only limited use is made – almost exclusively for hedging purposes – are also controlled centrally. In view of this centralised currency management, exchange rate differences are shown in the financial result.

The management of non-essential cash and cash equivalents and the Group's financing is also centrally controlled.

The following sections give an overview of specific financial risks, their magnitude, the aims, principles and processes involved in measuring, monitoring and hedging them, and the Group's capital management.

Credit risk

Credit risk is the risk of incurring financial loss when a counterparty to a financial instrument fails to meet its contractual obligations. Credit risks are most likely to be associated with long-term loans, short-term financial receivables, trade receivables, and cash and cash equivalents. The Group minimises the credit risk associated with cash and cash equivalents by only doing business with reputable financial institutions and by dealing with a range of such institutions rather than just one.

To reduce the risk associated with trade receivables, customers are subject to internal credit limits. Because the customer structure varies from one business area to the next, there are no general credit limits applying throughout the Phoenix Mecano Group. Creditworthiness is reviewed on an ongoing basis according to internal guidelines. Credit limits are set based on financial situation, previous experience and other factors. The Group's extensive customer base, which covers a variety of regions and sectors, means that the credit risk on receivables is limited. For incurred and expected losses on receivables, value adjustments are recognised on the basis of an expected credit loss model (see note 4). In the past, actual losses have not exceeded the management's expectations. Receivables from the largest customer (a group of companies) accounted for 10.8% of the total in the reporting year and 10.1% in the previous year.

The maximum credit risk on financial instruments corresponds to the book values of the individual financial assets (see note 21). There are no guarantees or similar obligations that could cause the risk to exceed book values.

Liquidity risk

Liquidity risk is the risk that the Phoenix Mecano Group will be unable to meet its financial obligations when these become due.

The Phoenix Mecano Group monitors its liquidity risk by means of careful liquidity management. In so doing, its guiding principle is to make available a cash reserve exceeding daily and monthly operational funding requirements. Given the dynamic business environment in which it operates, the Group's aim is to preserve the necessary flexibility of financing by ensuring that it has sufficient unused credit lines with financial institutions and retains its ability to procure funds on the capital market. The credit lines are divided up among several financial institutions. As at 31 December 2025, unused credit lines with major banks totalled EUR 169.3 million (previous year: EUR 168.8 million).

Maturity analysis as at 31 December 2025

in 1 000 EUR

	Book value	Outflow of funds	In <3 months	In 3-6 months	In 6-12 months	In 1-5 years
Maturity analysis as at 31 December 2025						
NON-DERIVATIVE FINANCIAL INSTRUMENTS						
Trade payables	107 611	-107 611	-107 255	-121	-235	
Other liabilities (excluding social security, employees, VAT and other taxes and advance payments on orders)	2 901	-2 901	-2 901			
Financial liabilities (excluding financial leasing)	139 346	-143 416	-39 200	-47 183	-5 275	-51 758
Total	249 858	-253 928	-149 356	-47 304	-5 510	-51 758
DERIVATIVE FINANCIAL INSTRUMENTS						
Forward exchange transaction	-427					
Outflow of funds		-7 950	-7 950			
Inflow of funds		8 377	8 377			
Total	249 431	-253 501	-148 929	-47 304	-5 510	-51 758

Maturity analysis as at 31 December 2024

NON-DERIVATIVE FINANCIAL INSTRUMENTS						
Trade payables	125 727	-125 727	-125 141	-257	-329	
Other liabilities (excluding social security, employees, VAT and other taxes and advance payments on orders)	4 464	-4 464	-4 464			
Financial liabilities (excluding financial leasing)	120 988	-127 333	-10 625	-3 829	-13 773	-99 106
Total	251 179	-257 524	-140 230	-4 086	-14 102	-99 106
DERIVATIVE FINANCIAL INSTRUMENTS						
Forward exchange transaction	437					
Outflow of funds		-14 118	-14 118			
Inflow of funds		13 681	13 681			
Total	251 616	-257 961	-140 667	-4 086	-14 102	-99 106

Contingent liabilities (see note 25) may also represent an outflow of funds.

Market risk

Market risk is the risk that changes in market prices such as exchange rates, interest rates and share prices will have an effect on the earnings and fair value of the financial instruments held by Phoenix Mecano. The aim of market risk management is to monitor and control such risks, thereby ensuring that they do not exceed a certain level.

Currency risk

While it generates 36% of its sales in the euro area (previous year: 35%) and a significant portion of its expenditure is in EUR, the Phoenix Mecano Group operates internationally and is therefore exposed to a foreign currency risk. Aside from EUR, transactions are conducted principally in USD, CNY, CHF, HUF, INR and VND. Foreign currency risks arise from expected future transactions and from assets and liabilities recorded in the balance sheet, where these are not in the functional currency of the respective Group company. To hedge such risks from expected future transactions, the Phoenix Mecano Group enters into forward exchange contracts with reputable counterparties as and when necessary, or uses foreign currency options. This hedging relates to planned expenditure in local currencies at individual production sites. Occasionally, USD and CHF transactions are also hedged. Hedges decline as a proportion of the planned currency exposure the further ahead the transaction is due to take place. The extent of the items to be hedged is reviewed regularly. Such hedges cover a maximum period of three years. The Group realises both income and expenditure in USD and CNY and aims to minimise the resulting currency exposure primarily by means of operational measures (alignment of income and expenditure flows).

Financing from financial institutions is mainly in EUR, CHF, USD and CNY and is generally taken out by Group companies with these currencies as their functional currency.

The following tables set out currency risks associated with financial instruments, where the currency differs from the functional currency of the Group company holding the instruments. The tables only include risks from positions in the consolidated financial statements (i.e. excluding positions between Group companies):

in 1000 EUR	EUR	CHF	USD	HUF	CNY
Currency risk as at 31 December 2025					
NON-DERIVATIVE FINANCIAL INSTRUMENTS					
Trade receivables	3 478		19 948	71	
Cash and cash equivalents	2 371	239	22 905	301	3 147
Trade payables	-839	-351	-2 402	-281	
Financial liabilities					
Net risk	5 010	-112	40 451	91	3 147

Currency risk as at 31 December 2024

in 1000 EUR	EUR	CHF	USD	HUF	CNY
NON-DERIVATIVE FINANCIAL INSTRUMENTS					
Trade receivables	3 140		33 355	4	
Cash and cash equivalents	3 021	192	15 400	506	5
Trade payables	-3 551	-405	-6 297	-395	-13
Financial liabilities					
Net risk	2 610	-213	42 458	115	-8

In relation to the above-mentioned currency risks and taking into account the forward exchange contracts open on the balance sheet date (see note 13), the following sensitivity analysis for the main currency pairs shows how the result of the period would be affected if the exchange rates were to alter by 10%. All other variables, in particular interest rates, are assumed to remain unchanged.

in 1000 EUR	CHF/ EUR	CHF/ USD	EUR/ USD	EUR/ HUF	EUR/ CNY	USD/ CNY	EUR/ RON	EUR/ INR	USD/ INR
Sensitivity analysis as at 31 December 2025									
Change in result of the period (+/-)	40	8	273	804	151	3 455	20	117	49

Sensitivity analysis as at 31 December 2024

Change in result of the period (+/-)	52	6	241	1 340	51	3 918	8	191	161
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The above sensitivity analysis is a consolidated view as at the balance sheet date. Significantly greater effects on the statement of income may arise from price movements relating to ongoing foreign currency transactions during the financial year. Currency risks also arise from inter-company receivables and liabilities, which are not taken into account in the above sensitivity assessment.

Interest rate risk

Interest rate risk is divided up into an interest cash flow risk, i.e. the risk that future interest payments will change due to fluctuations in the market interest rate, and an interest-related risk of a change in the market value, i.e. the risk that the market value of a financial instrument will change due to fluctuations in the market interest rate. The Group's interest-bearing financial assets and liabilities are primarily cash and cash equivalents as well as liabilities to financial institutions, promissory note loans and residual purchase price liabilities. Where appropriate, the Group uses interest rate options and swaps to hedge and/or structure external debts.

Sensitivity analyses as at 31 December 2025 and 2024

A change of 50 basis points in the interest rate of variable short-term liabilities to financial institutions in the reporting year would have an impact of EUR 0.1 million (previous year: EUR 0.1 million) on the result of the period and equity. A change of 50 basis points in the interest rate of the variable portion of the promissory note loan with a term from 2024 to 2027 in the reporting year would have an impact of EUR 0.1 million on the result of the period and equity.

A change of 25 basis points in the interest rate of cash and cash equivalents (excluding cash on hand) in the reporting year would have an impact of EUR 0.2 million (previous year: EUR 0.3 million) on the result of the period and equity.

24 CAPITAL MANAGEMENT

The aims of capital management are to safeguard the Phoenix Mecano Group as a going concern, thereby ensuring continued income for shareholders and providing other stakeholders with the benefits to which they are entitled. In addition, the Group seeks to preserve scope for future growth and acquisitions by means of conservative financing.

To this end, the Group aims to maintain a long-term equity ratio of at least 40%. The dividend policy of the Phoenix Mecano Group specifies a payout ratio of 40%–50% of sustainable net profit. Capital increases should be avoided as far as possible in order to prevent profit dilution. Where appropriate, the Group uses share buy-backs as a means of adjusting its capital structure and reducing capital costs.

The Phoenix Mecano Group monitors its capital management based on its gearing, i.e. the ratio of net indebtedness to equity. Net indebtedness consists of total interest-bearing liabilities (including purchase price liabilities from acquisitions), less cash and cash equivalents, securities and financial receivables.

Net indebtedness as at 31 December 2025 and 31 December 2024 was as follows:

		2025	2024
in 1 000 EUR	Note		
Long-term financial liabilities	12	49 511	95 424
Short-term financial liabilities	12	89 835	25 564
Interest-bearing liabilities		139 346	120 988
less cash and cash equivalents	3	89 917	107 315
less securities		665	896
less ABS financial receivable net	6	1 715	1 690
less other financial receivables	6	5 047	0
Net indebtedness		42 002	11 087
Equity		273 841	289 730
Gearing		15.3%	3.8%

25 CONTINGENT LIABILITIES

		2025	2024
in 1 000 EUR			
Sureties and guarantees		3 335	2 638
Total		3 335	2 638

In addition, certain Phoenix Mecano Group companies were named as co-defendants in a legal dispute concerning a fatal accident linked to product liability. No provisions were set aside over and above the excess under existing insurance cover since the relevant criteria (regarding estimability and probability of occurrence) were not met. See also note 43.

26 COMMITMENTS TO PURCHASE TANGIBLE AND INTANGIBLE ASSETS

Purchase commitments as at 31 December 2025 were EUR 7.7 million for tangible assets (previous year: EUR 4.8 million) and EUR 0.8 million for intangible assets (previous year: EUR 1.2 million).

27 OPERATING LEASES, RENT AND LEASEHOLD RENT

	2025	2024
in 1 000 EUR		
Minimum commitments due within 1 year	4 449	4 919
Minimum commitments due within 1–5 years	6 587	8 254
Minimum commitments due after 5 years	4 602	5 035
Minimum operating leasing, rent and leasehold rent commitments	15 638	18 208
Minimum claims due within 1 year	130	128
Minimum claims due within 1–5 years	0	6
Minimum commitments due after 5 years	0	18
Minimum claims from rent/leasehold rent	130	152

The operating leasing, rent and leasehold rent commitments consist almost exclusively of commitments for leased premises and floor space (long-term lease).

28 SALES REVENUE

	2025	2024
in 1 000 EUR		
Gross sales	757 340	779 495
Revenue reductions	–10 000	–8 722
Sales revenue (net sales) from contracts with customers	747 340	770 773

The Phoenix Mecano Group achieved consolidated gross sales of EUR 757.3 million in financial year 2025, down 2.8% on the previous year's figure of EUR 779.5 million. In organic and local-currency terms, sales fell by 0.9%.

The Phoenix Mecano Group is a globally active component and system solution manufacturer with a broad product range and a very diversified customer structure, with few large customers. Most customers are served on the basis of customer orders. As a rule, these orders contain only the products ordered, at a fixed price per unit. Manufacturing lead times are generally short. Invoicing and revenue recognition normally take place immediately after delivery (according to industry-standard Incoterms), as soon as control over the good has been transferred to a customer. Usual payment terms range from 30 to 90 days and contain neither a long-term financing component nor a variable consideration. A guarantee provision is recognised for the Phoenix Mecano Group's obligation to repair or replace faulty products under standard warranty terms (see note 14).

29 OTHER OPERATING INCOME

	2025	2024
in 1 000 EUR		
Reimbursement from insurance	2 788	358
Gains on the disposal of tangible and intangible assets	261	385
Government subsidies	7 281	16 249
Other	2 933	3 333
Total	13 263	20 325

30 COST OF MATERIALS

	2025	2024
in 1 000 EUR		
Cost of raw and ancillary materials, merchandise for resale and external services	353 062	382 768
Incidental acquisition costs	12 462	10 000
Total	365 524	392 768

Losses and value adjustments on inventories are posted under Other operating expenses (see note 32).

31 PERSONNEL EXPENSES

	2025	2024
in 1 000 EUR		
Wages and salaries	178 979	174 525
Social costs	33 783	32 449
Supplementary staff costs	16 811	17 421
Total	229 573	224 395
Number of instruments granted (PSUs)	975	1 168

Personnel expenses include expenses for the long-term incentive (LTI) programme introduced in 2023 for the Chairman of the Board of Directors and the management of Phoenix Mecano AG, amounting to EUR 0.6 million (previous year: EUR 0.4 million), as well as expenses of EUR 0.2 million for the employee participation plan launched in connection with the planned partial IPO of the DewertOkin Technology (DOT) Group division in China.

32 OTHER OPERATING EXPENSES

in 1 000 EUR	Note	2025	2024
External development costs		3 396	3 682
Establishment expenses		33 610	32 654
Rent, leasehold rent, leases		4 660	5 584
Administration expenses		11 933	13 050
Advertising expenses		5 523	6 090
Sales expenses		21 019	21 273
Losses on the disposal of tangible and intangible assets		141	314
Losses and value adjustments on receivables	4	573	2 930
Losses and value adjustments on inventories	7	2 379	4 779
Capital and other taxes		3 136	3 117
Loss on the disposal of Group companies		0	489
Other		10 361	9 040
Total		96 731	103 002

Administration expenses include consulting expenses of EUR 0.3 million (previous year: EUR 0.3 million) for the planned partial IPO of the DewertOkin Technology (DOT) Group division.

For details on the loss from the disposal of Group companies, see note 40.

33 FINANCIAL INCOME

in 1 000 EUR	Note	2025	2024
Interest income from third parties		2 033	2 349
Gain from financial instruments at fair value through profit or loss (trading derivatives)	13	889	125
Exchange rate gains		2 016	5 022
Other financial income		76	562
Total		5 014	8 058

34 FINANCIAL EXPENSES

in 1 000 EUR	Note	2025	2024
Interest expense		3 971	2 946
Loss from financial instruments at fair value through profit or loss (trading derivatives)	13	25	512
Exchange rate losses		2 971	4 861
Other financial expense		499	655
Total		7 466	8 974

35 INCOME TAX

in 1 000 EUR	2025	2024
Current income tax	12 211	14 828
Deferred tax	1 084	-931
Income tax	13 295	13 897

RECONCILIATION FROM THEORETICAL TO EFFECTIVE INCOME TAX

Result before tax	45 085	50 468
Theoretical income tax	10 342	12 346
Weighted income tax rate	22.9%	24.5%
Changes of tax rate deferred tax	-20	-166
Tax-free income	-1 915	-3 481
Non-deductible expenses	1 433	1 771
Tax effect on losses in the reporting year	2 887	3 530
Tax effect of losses carried forward from previous years	22	-158
Income tax relating to other periods	-3	-217
Other	549	272
Effective income tax	13 295	13 897
Effective income tax rate	29.5%	27.5%

The theoretical income tax is derived from the weighted current local tax rates (including national top-up taxes under the OECD minimum tax rate) in the countries where the Phoenix Mecano Group does business.

36 EARNINGS PER SHARE

	2025	2024
in 1 000 EUR		
Result of the period attributable to shareholders of the parent company	30 260	34 554
NUMBER OF SHARES		
Shares issued on 1 January	960 500	960 500
Treasury shares (annual average)	-35 415	-15 292
Shares outstanding	925 085	945 208
Basis for undiluted earnings per share	925 085	945 208
Shares issued on 1 January	960 500	960 500
Treasury shares excluding LTI (annual average)	-32 445	-13 246
Shares outstanding	928 055	947 254
Basis for diluted earnings per share	928 055	947 254
EARNINGS PER SHARE		
Earnings per share – undiluted (in EUR)	32.71	36.56
Earnings per share – diluted (in EUR)	32.61	36.48

37 OPERATING CASH FLOW

	2025	2024
in 1 000 EUR		
Operating result	47 584	51 471
Depreciation on tangible assets	20 243	19 944
Amortisation of intangible assets	3 154	3 313
Impairment/(reversal of impairment losses) on tangible and intangible assets	0	534
Operating cash flow	70 981	75 262

38 FREE CASH FLOW

	Note	2025	2024
in 1 000 EUR			
Cash flow from operating activities		33 139	56 029
Purchases of tangible assets	7	-36 896	-35 284
Purchases of intangible assets	8	-2 739	-1 445
Disinvestments in tangible assets		876	648
Disinvestments in intangible assets		8	6
Free cash flow (before financial investments)		-5 612	19 954

39 ADDITION FROM ASSET DEAL

Under an asset deal effective 2 May 2024, the Phoenix Mecano Group acquired the business operations of Tramag Transformatorenfabrik GmbH & Co. KG, which develops and produces transformers and chokes for industrial and medical technology applications. The business was integrated into the Group companies REDUR GmbH & Co. KG (DE) and ismet transformátory s.r.o. (CZ).

The acquired assets and assumed liabilities break down as follows:

	Fair value
in 1 000 EUR	2024
Inventories	739
Tangible assets	150
Intangible assets	521
Identifiable net assets	1 410
Goodwill from acquisition	0
Purchase price	1 410
Purchase price liability (earn-out)	0
Cash and cash equivalents acquired	0
Change in funds (cash outflow)	1 410

40 DISPOSAL OF GROUP COMPANIES

On 31 July 2024, 100% of the shares in RK Antriebs- und Handhabungs-Technik GmbH (DE) (Industrial Components division) were sold to an industrial buyer for a sale price of EUR 0.9 million. This transaction resulted in a book loss of EUR 0.5 million. The company generated net sales of EUR 0.8 million in 2024 up to the time of sale. This includes sales of EUR 0.1 million from other companies in the Phoenix Mecano Group.

The assets and liabilities disposed of break down as follows:

	2024
in 1 000 EUR	
Cash and cash equivalents	0
Other current assets	1 582
Tangible assets	15
Intangible assets	14
Other non-current assets	0
Liabilities	-254
Net assets	1 357
(Loss)/gain on the disposal of Group companies	-489
Sale price	868
of which outstanding residual purchase price payment	-868
Outflow of cash and cash equivalents	0
Change in funds	0

In addition, transaction costs of around EUR 0.2 million were incurred in the 2024 consolidated financial statements.

41 TRANSACTIONS WITH RELATED PARTIES

	2025	2024
in 1 000 EUR		
Benedikt A. Goldkamp, Chairman of the Board of Directors	1 009	1 281
Other members of the Board of Directors	405	506
Remuneration of the Board of Directors	1 414	1 787
Remuneration of the management	2 626	3 047
Remuneration of the Board of Directors and management	4 040	4 834
Social security contributions	373	424
Pension obligations	372	344
Total remuneration of the Board of Directors and management	4 785	5 602

All remuneration is short-term in nature, except for the LTI programme.

No remuneration was paid in the reporting year or the previous year to former corporate officers who left the company in previous years.

The members of the Board of Directors and of the management received no other remuneration or fees for additional services to the Phoenix Mecano Group. For the LTI programme, please refer to note 31 and the principles of consolidation and valuation.

No loans/credit or securities were granted to members of the Board of Directors or the management or persons related to them.

Transactions with associated companies are presented in notes 4 and 10.

42 SHADOW STATEMENT OF GOODWILL

A theoretical capitalisation of goodwill would have the following impact on the consolidated financial statements:

	2025	2024
in 1 000 EUR		
THEORETICAL STATEMENT OF GOODWILL		
Acquisition costs 1 January	104 636	102 372
Translation differences	-4 517	2 264
Acquisition costs 31 December	100 119	104 636
Accumulated impairment losses 1 January	102 457	95 287
Amortisation	2 000	4 934
Translation differences	-4 506	2 236
Accumulated impairment losses 31 December	99 951	102 457
Theoretical net values 1 January	2 179	7 085
Theoretical net values 31 December	168	2 179
IMPACT ON BALANCE SHEET		
Equity according to balance sheet	273 841	289 730
Theoretical capitalisation of net carrying amount of goodwill	168	2 179
Theoretical equity including net carrying amount of goodwill	274 009	291 909
IMPACT ON STATEMENT OF INCOME		
Result of the period	31 790	36 571
Goodwill amortisation	-2 000	-4 934
Theoretical result of the period including goodwill amortisation and impairment losses	29 790	31 637

The goodwill resulting from acquisitions is offset against consolidated equity at the acquisition date. Theoretical amortisation takes place on a straight-line basis over a period of five years.

As at 31 December 2025 and 31 December 2024, there were no indications of impairment of goodwill items.

43 EVENTS AFTER THE BALANCE SHEET DATE

On 19 February 2026, a settlement was reached in a private settlement hearing with the claimants in a product liability dispute (see note 25). This falls within the Group's insurance cover and therefore does not affect the statement of income.

No other events occurred between 31 December 2025 and 21 April 2026 that would alter the book values of assets and liabilities or should be disclosed under this heading.

44 APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

At its meeting on 21 April 2026, the Board of Directors of Phoenix Mecano AG released the 2025 consolidated financial statements for publication. They will be submitted to the Shareholders' General Meeting on 21 May 2026 with a recommendation for their approval.

45 DIVIDEND

At the Shareholders' General Meeting on 21 May 2026, the Board of Directors will propose the payment of a dividend of CHF 19.50 per share (CHF is the statutory currency of Phoenix Mecano AG – see proposal for the appropriation of retained earnings on page 94). The total outflow of funds is expected to be EUR 20.1 million, based on the total stock of 960 500 registered shares. Dividends will not be paid on treasury shares held by the company at the time of the payout, which will reduce the outflow of funds accordingly. The dividend paid out in 2025 was CHF 19.00 per share (previous year: CHF 30.00 per share, including a special dividend of CHF 12.00). The outflow of funds in 2025 was EUR 18.8 million (previous year: EUR 29.0 million).



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REPORT OF THE STATUTORY AUDITOR

To the General Meeting of Phoenix Mecano AG, Stein am Rhein

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Phoenix Mecano AG and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2025, the consolidated statement of income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements (pages 48 to 85) give a true and fair view of the consolidated financial position of the Group as at 31 December 2025 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Swiss GAAP FER and comply with Swiss law.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Responsibilities of the Auditor for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession that are relevant to audits of the financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

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



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Key Audit Matters

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

Key Audit Matters	How the Key Audit Matter was addressed in the audit
<p>Impairment</p> <p>Phoenix Mecano AG conducts impairment tests on intangible assets, tangible assets and goodwill (in the shadow statement) per cash-generating unit (CGU) whenever there are indications of an impairment.</p> <p>We have considered the assessment of potential impairment of intangible assets, tangible assets and goodwill to be a key audit matter for the following reasons:</p> <p>Discretionary decisions exist in assessing whether impairment indicators are identifiable as well as in determining the assumptions about the future results and cash flows of the CGUs, the discount and growth rates.</p> <p>The approach to impairment losses is set out in the consolidation and valuation principles. Further disclosures are included in Note 8 "Tangible assets", Note 9 "Intangible assets" and Note 42 "Shadow statement of goodwill".</p>	<p>We critically evaluated the analysis of potential impairment indicators at the level of CGU within the Group provided by management and discussed the results with management. The definition of CGU's was critically assessed regarding compliance with Swiss GAAP FER.</p> <p>For those CGUs that were subject to an impairment test due to indicators of impairment, we critically assessed the expected future cash flows, verified the arithmetical accuracy of the calculation of the value in use and critically assessed the discount and growth rates used.</p> <p>The methodology of the impairment test corresponds to the previous year and was verified by an internal expert.</p> <p>We compared and critically assessed the methodology with the requirements of Swiss GAAP FER and reviewed the correct disclosure in the consolidated financial statements.</p>

Other Information

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

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

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

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



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Responsibilities of the Board of Directors for the Consolidated Financial Statements

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

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

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

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

A further description of our responsibilities for the audit of the consolidated financial statements is located on EXPERTSuisse's website at:

<https://expertsuisse.ch/audit-report>. This description forms an integral part of our report.

Report on other Legal and Regulatory Requirements

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

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

Zurich, 21 April 2026

BDO Ltd

Christoph Tschumi

Auditor in charge
Licensed Audit Expert

Marc Furlato

Licensed Audit Expert

FIVE-YEAR OVERVIEW

	2025	2024	2023	2022	2021
in 1 000 EUR					
CONSOLIDATED BALANCE SHEET					
Total assets/capital	596 116	623 802	601 412	587 453	610 622
Non-current assets	199 617	196 397	178 920	185 447	166 809
in % of total assets	33.5	31.5	29.7	31.6	27.3
Tangible assets	181 183	175 015	156 194	158 688	140 682
Current assets	396 499	427 405	422 492	402 006	443 813
in % of total assets	66.5	68.5	70.3	68.4	72.7
Inventories	151 553	158 688	151 499	195 101	181 131
Cash and cash equivalents	89 917	107 315	130 674	82 369	99 589
Equity	273 841	289 730	284 714	261 287	240 010
in % of total assets	45.9	46.4	47.3	44.5	39.3
Liabilities	322 275	334 072	316 698	326 166	370 612
in % of total assets	54.1	53.6	52.7	55.5	60.7
Net indebtedness/(Net liquidity)	42 002	11 087	-3 300	83 998	80 560
in % of equity	15.3	3.8	-	32.1	33.6
CONSOLIDATED STATEMENT OF INCOME					
Gross sales	757 340	779 495	783 111	792 939	816 877
Sales revenue (net sales)	747 340	770 773	775 491	784 442	809 473
Total operating performance	762 809	795 427	802 409	797 410	826 480
Personnel expenses	229 573	224 395	228 120	230 577	219 837
Depreciation on tangible assets	20 243	19 944	18 667	19 829	18 880
Amortisation of intangible assets	3 154	3 313	4 573	4 101	3 418
Operating result	47 584	51 471	62 103	53 622	44 299
Financial result	-2 499	-1 003	-1 143	1 634	-1 731
Result before tax	45 085	50 468	60 960	55 256	42 568
Income tax	13 295	13 897	15 509	16 232	12 230
Result of the period	31 790	36 571	45 451	39 024	30 338
in % of gross sales	4.2	4.7	5.8	4.9	3.7
in % of equity	11.6	12.6	16.0	14.9	12.6
CONSOLIDATED STATEMENT OF CASH FLOW					
Cash flow from operating activities	33 139	56 029	90 049	55 916	54 841
Cash used in investing activities	-35 708	-34 067	16 661	-42 986	-28 200
Purchases of tangible and intangible assets	39 635	36 729	40 397	47 198	29 552
Cash flow from financing activities	-7 914	-48 279	-54 176	-28 866	-9 628
Free cash flow	-5 612	19 954	57 635	11 871	26 877

PHOENIX MECANO AG
BALANCE SHEET AS AT 31 DECEMBER 2025

ASSETS

	Note	2025 in EUR	2024 in EUR	2025 in CHF	2024 in CHF
CURRENT ASSETS					
Cash and cash equivalents	2.1	8 912 190	23 374 128	8 300 447	21 999 179
Other short-term receivables due from investments due from third parties	2.2	41 161 167 66 197	74 990 183 188 177	38 335 817 61 653	70 578 996 177 108
Deferred charges and prepaid expenses		108 694	216 141	101 233	203 427
Total current assets		50 248 248	98 768 629	46 799 150	92 958 710
NON-CURRENT ASSETS					
Financial assets Loans to investments	2.3	61 825 000	5 900 000	57 581 261	5 552 941
Investments Investments Value adjustment on investments	2.4	314 013 188 -14 234 314	314 013 188 -13 434 314	292 458 962 -13 257 254	295 541 824 -12 644 060
Total non-current assets		361 603 874	306 478 874	336 782 969	288 450 705
Total assets		411 852 122	405 247 503	383 582 119	381 409 415

EQUITY AND LIABILITIES

	Note	2025 in EUR	2024 in EUR	2025 in CHF	2024 in CHF
SHORT-TERM LIABILITIES					
Other short-term liabilities Bank liabilities to investments to third parties to shareholders	2.5 2.6	55 500 000 32 313 464 106 945 288	0 26 483 924 325 298 285	51 690 416 30 095 431 99 604 268	0 24 926 046 306 163 268
Short-term provisions	2.7	1 298 220	886 813	1 209 109	834 648
Deferred income		745 686	814 944	694 501	767 006
Short-term liabilities		89 964 603	28 511 264	83 789 329	26 834 131
LONG-TERM LIABILITIES					
Long-term interest-bearing liabilities	2.5	40 000 000	82 500 000	37 254 354	77 647 059
Long-term provisions	2.7	264 572	287 863	246 411	270 930
Long-term liabilities		40 264 572	82 787 863	37 500 765	77 917 989
Total liabilities		130 229 175	111 299 127	121 290 094	104 752 120
EQUITY					
Share capital	2.8	851 961	851 961	960 500	960 500
Statutory retained earnings General statutory retained earnings		2 217 493	2 217 493	2 500 000	2 500 000
Voluntary retained earnings Special reserves Retained earnings – Amount brought forward – Net profit for the year – Currency translation differences	2.9	80 326 203 203 261 137 14 918 783	80 326 203 195 673 346 26 422 084	90 559 724 176 051 655 13 976 750 -2 798 888	90 559 724 162 864 207 25 166 286 5 646 530
Treasury shares	2.10	-19 952 630	-11 542 711	-18 957 716	-11 039 952
Total equity		281 622 947	293 948 376	262 292 025	276 657 295
Total equity and liabilities		411 852 122	405 247 503	383 582 119	381 409 415

PHOENIX MECANO AG
STATEMENT OF INCOME 2025

	Note	2025 in EUR	2024 in EUR	2025 in CHF	2024 in CHF
Dividend income	2.11	17 574 362	28 371 924	16 464 645	27 023 454
Other financial income	2.12	3 843 837	4 030 209	3 601 121	3 838 660
Other operating income	2.13	1 292 501	1 354 150	1 210 887	1 289 790
Total income		22 710 700	33 756 283	21 276 653	32 151 904
Personnel expenses		-1 831 024	-1 809 670	-1 715 406	-1 723 659
Financial expense	2.14	-2 562 819	-2 425 469	-2 400 992	-2 310 190
Administration expenses		-1 913 104	-1 706 918	-1 792 303	-1 625 791
Other operating expenses	2.15	-1 075 384	-1 040 522	-1 007 480	-991 068
Losses on investments		0	-180	0	-171
Direct taxes		-409 586	-351 440	-383 722	-334 739
Total expenses		-7 791 917	-7 334 199	-7 299 903	-6 985 618
Net profit for the year		14 918 783	26 422 084	13 976 750	25 166 286

PHOENIX MECANO AG
NOTES TO THE FINANCIAL STATEMENTS 2025

1 DETAILS OF THE PRINCIPLES APPLIED IN THE FINANCIAL STATEMENTS

These financial statements have been drawn up in accordance with the provisions of Swiss financial reporting law (Title 32 of the Swiss Code of Obligations).

The functional currency is EUR, as a significant proportion of transactions take place in EUR.

The balance sheet and statement of income are also shown in CHF. The assets and liabilities are converted at the closing rate for each balance sheet date, equity items at historical exchange rates, and income and expenses on the statement of income at the average exchange rate. Any resulting translation differences are posted as a separate item in equity under Voluntary retained earnings. For the presentation of the balance sheet as at 31 December 2025, the closing rate of 1.0737 (CHF 1 = EUR 1.0737) was used to convert from EUR to CHF. The 2025 statement of income was converted from EUR to CHF at the average exchange rate for the year of 1.0674. Comparative information from the previous year was converted from EUR to CHF at the closing rate on 31 December 2024, namely 1.0625, or at the average exchange rate for 2024 of 1.0499.

2 INFORMATION, BREAKDOWNS AND EXPLANATIONS RELATING TO ITEMS ON THE BALANCE SHEET AND IN THE STATEMENT OF INCOME

2.1 Cash and cash equivalents

Cash and cash equivalents in EUR decreased due to the financing of Group companies.

2.2 Other short-term receivables from investments

This item comprises short-term financial receivables (including credits in clearing accounts and credits from pool clearing accounts) in EUR, USD and CHF (previous year: also in EUR, USD and CHF) due from subsidiaries in Switzerland and abroad.

2.3 Loans to investments

This item includes long-term loans in EUR to subsidiaries abroad.

2.4 Investments and the share of the capital and votes held

The following list shows all investments directly held by Phoenix Mecano AG:

Company	Head office	Activity	Currency	Registered capital in 1 000	2025 Stake in %	2024 Stake in %
Phoenix Mecano Management AG	Kloten, Switzerland	Finance	CHF	50	100	100
Phoenix Mecano Solutions AG	Stein am Rhein, Switzerland	Production/Sales	CHF	2 000	100	100
IFINA Beteiligungsgesellschaft mbH	Porta Westfalica, Germany	Finance	EUR	4 000	100	100
Phoenix Mecano B.V.	Doetinchem, The Netherlands	Sales	EUR	1 000	100	100
Phoenix Mecano Kecskemét Kft.	Kecskemét, Hungary	Production/Sales	EUR	40 000	100	100
Phoenix Mecano Inc.	Frederick, USA	Production/Sales	USD	13 000	100	100
PTR HARTMANN, S. DE R.L. DE C.V.	Monterrey, Mexico	Sales	MXN	50	100	100
Phoenix Mecano S.E. Asia Pte Ltd.	Singapore	Sales	SGD	1 000	100	100
Phoenix Mecano (India) Pvt. Ltd.	Pune, India	Production/Sales	INR	299 452	100	100
Mecano Components (Shanghai) Co., Ltd.	Shanghai, China	Production/Sales	USD	3 925	100	100
PTR HARTMANN (Shaoguan) Co., Ltd.	Shaoguan City, China	Production/Sales	CNY	70 000	100	100
ismet transformátory s.r.o.	Běhařovice, Czech Republic	Production/Sales	CZK	200	100	100
Phoenix Mecano Middle East FZE	Sharjah, United Arab Emirates	Sales	AED	150	100	100
Phoenix Mecano Hong Kong Ltd.	Hong Kong, China	Finance/Sales	EUR	99 051	100	100
Phoenix Mecano Holding Ltda.	Barueri, Brazil	Finance	BRL	1 062	100	100
Phoenix Mecano Maroc S.à.r.l. in liquidation	Tétouan, Morocco	Production	MAD	34 000	100	100
Phoenix Mecano OOO	Moscow, Russia	Sales	RUB	21 300	100	100
Phoenix Mecano Saudi Arabia LLC	Dammam, Saudi Arabia	Sales	SAR	3 000	100	100
Phoenix Mecano Elcom S.à.r.l.	Zaghouan, Tunisia	Production	TND	15 400	100	100
Phoenix Mecano Hartu S.à.r.l. in liquidation	Ben Arous, Tunisia	Production	TND	16 500	100	100

There was no change in the balance sheet value.

An overview of all directly and indirectly held investments is given on page 61 and 62.

2.5 Interest-bearing liabilities/Bank liabilities

Loans from financial institutions exist in the following currencies and with the following maturities:

	2025	2024
in 1 000 EUR		
BY CURRENCY		
EUR	95 500	82 500
Balance sheet value	95 500	82 500
BY MATURITY		
In 1 year	55 500	0
In 2 years	40 000	42 500
In 3 years	0	40 000
Balance sheet value	95 500	82 500

2.6 Other short-term liabilities to investments

This item comprises short-term financial liabilities (including debits in clearing accounts and liabilities from pool clearing accounts) in CHF, EUR and USD to subsidiaries in Switzerland and abroad.

2.7 Short-term and long-term provisions

This item includes provisions for bonuses, holiday credits and service anniversaries as well as risks in connection with the liquidation of Group companies.

2.8 Share capital

The share capital is divided into 960 500 registered shares with a par value of CHF 1.00 each. The conversion into EUR took place at the closing rate on 31 December 2018, giving a total of EUR 851 961.

2.9 Retained earnings

The financial year 2025 closed with a net profit for the year of EUR 14 918 783, which was converted for presentation in CHF at the average exchange rate for 2025 of 1.0674. The retained earnings brought forward from the previous year totalled EUR 222 095 430, minus dividends of EUR 18 834 293 paid out in 2025. The ordinary Shareholders' General Meeting on 21 May 2026 therefore has at its disposal retained earnings totalling EUR 218 179 920. For the Board of Directors' proposal regarding the appropriation of retained earnings, see page 94.

2.10 Treasury shares

Aside from the share buy-back programme, there were no purchases or sales of treasury shares in the reporting year. The total number of such shares as at 31 December 2025 was 1 900, as in the previous year. There were also no purchases or sales of treasury shares in the previous year.

In 2023, the Board of Directors decided to implement a share buy-back programme of up to CHF 30 million. Under a fixed-price procedure running from 27 October to 10 November 2023, 1 073 shares were repurchased. A second trading line was subsequently opened, running until 14 November 2025. The share buy-back programme was ended on that date, with 39 592 shares having been repurchased on the second trading line. The Board of Directors intends to propose that the 2026 Shareholders' General Meeting cancel the 40 665 registered shares repurchased under the two buy-back programmes, thereby reducing the share capital accordingly.

The following repurchases were made via the second trading line in 2025:

	Purchases Number	Average price CHF
2025		
January	1 764	421.19
February	1 680	419.70
March	1 764	442.30
April	1 680	426.24
May	1 428	457.36
June	1 680	451.35
July	1 900	460.01
August	1 672	449.89
September	1 848	436.62
October	1 769	448.87
November	763	438.88
December		
Total for the year	17 948	441.15

The following repurchases were made via the second trading line in the previous year:

	Purchases Number	Average price CHF
2024		
January	1 327	443.92
February	987	453.89
March	1 628	462.69
April	1 642	466.31
May	1 302	516.75
June	1 680	492.94
July	1 932	494.36
August	1 764	450.09
September	1 722	442.70
October	1 904	445.76
November	1 764	457.23
December	1 512	438.13
Total for the year	19 164	463.69

At the balance sheet date, the company owned a total of 42 565 treasury shares (previous year: 24 617 treasury shares), which are booked at acquisition cost using the FIFO method. These shares represent 4.43% of the total stock.

2.11 Dividend income

Dividend income comprises dividends paid by subsidiaries in Switzerland and abroad.

2.12 Other financial income

Other financial income includes earnings from interest and commissions. In the reporting year, it also includes net exchange rate gains of EUR 0.206 million (exchange gains of EUR 1.361 million minus exchange losses of EUR 1.155 million).

2.13 Other operating income

Other operating income includes cost transfers within the Group in both the current and previous years.

2.14 Financial expense

This item comprises interest and securities expenses. In the previous year, it also includes net exchange rate losses of EUR 0.832 million (exchange losses of EUR 1.953 million minus exchange gains of EUR 1.121 million).

2.15 Other operating expenses

Other operating expenses include value adjustments of EUR 0.8 million on investments and, in the previous year, value adjustments of EUR 1.0 million on investments.

2.16 Net release of hidden reserves

The statement of income does not include any net release of hidden reserves in the reporting year or the previous year.

3 OTHER INFORMATION REQUIRED BY LAW

3.1 Full-time positions

There are fewer than ten full-time positions at Phoenix Mecano AG.

3.2 Contingent liabilities

	2025	2024
in 1 000 EUR		
Guarantees and letters of comfort	137 355	161 087

Contingent liabilities are given for subsidiaries, predominantly in favour of financial institutions. The actual book value of Group company liabilities was EUR 27.8 million (previous year: EUR 20.2 million). Letters of support were also issued for several subsidiaries. In addition, Phoenix Mecano AG has entered into a joint guarantee with its Swiss subsidiaries for the purposes of registration for Group VAT taxation (excluding DewertOkin AG).

3.3 Auditors' fees

For auditing the 2025 financial statements, both the individual financial statements and the consolidated financial statements, total fees of CHF 161 019 (EUR 171 872) plus cash expenses were agreed.

3.4 Share ownership by members of the Board of Directors and management and persons related to them

The table showing share ownership by members of the Board of Directors and management and persons related to them can be found in the remuneration report on page 44.

3.5 Events after the balance sheet date

No events occurred between 31 December 2025 and 21 April 2026 that would alter the book values of Phoenix Mecano AG's assets and liabilities or should be disclosed under this heading.

There are no further matters requiring disclosure under Article 959c of the Swiss Code of Obligations.

PROPOSAL FOR THE APPROPRIATION OF RETAINED EARNINGS

	in EUR	in CHF
Net income for the year 2025	14 918 783	13 976 750
Retained earnings brought forward 2024	222 095 430	193 677 023
./. Dividend 2024	-18 834 293	-17 625 368
Currency translation differences in the reporting year		-2 798 888
Retained earnings	218 179 920	187 229 517

The Board of Directors proposes to the Shareholders' General Meeting that retained earnings should be distributed as follows:

	in EUR	in CHF
Dividend of CHF 19.50 per share ¹	20 110 133	18 729 750
Carried forward to new account	198 069 787	168 499 767
Total	218 179 920	187 229 517

¹ Total dividends are calculated based on the total stock of 960 500 registered shares. Dividends will not be paid on treasury shares held by the company at the time of the payout.



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REPORT OF THE STATUTORY AUDITOR

To the General Meeting of Phoenix Mecano AG

Report on the Audit of the Financial Statements

Opinion

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

In our opinion, the financial statements (pages 89 to 94) comply with Swiss law and the articles of incorporation.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the “Responsibilities of the Auditor for the Audit of the Financial Statements” section of our report. We are independent of the Company in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession that are relevant to audits of the financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Other Information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



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Responsibilities of the Board of Directors for the Financial Statements

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

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

Responsibilities of the Auditor for the Audit of the Financial Statements

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

A further description of our responsibilities for the audit of the financial statements is located on EXPERTSuisse’s website at:

<https://expertsuisse.ch/audit-report>. This description forms an integral part of our report.

Report on other Legal and Regulatory Requirements

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

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

Zurich, 21 April 2026

BDO Ltd

Christoph Tschumi

Auditor in charge
Licensed Audit Expert

Marc Furlato

Licensed Audit Expert