

FINANCIAL REPORT

Consolidated financial statements of Forbo Holding Ltd

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Consolidated balance sheet

CHF m	Note	31.12.2025	31.12.2024
Assets			
Cash and cash equivalents	22	90.2	109.1
Current financial assets	22	0.5	0.0
Trade receivables	12	138.2	142.8
Other receivables		24.8	19.5
Accrued income and deferred expenses		18.2	15.3
Inventories	13	281.7	281.6
Current assets		553.6	568.3
Non-current financial assets	22	2.8	2.0
Deferred tax assets	10	35.5	28.4
Property, plant, and equipment	14/21	299.4	293.8
Intangible assets and goodwill	15	78.7	81.7
Employee benefit assets	18	1.9	1.6
Non-current assets		418.3	407.5
Total assets		971.9	975.8
Shareholders' equity and liabilities			
Current financial liabilities	22	15.8	14.6
Trade payables	22	78.6	90.6
Other current liabilities		20.9	23.7
Current tax liabilities		13.6	14.4
Accrued expenses and deferred income	16	67.3	70.0
Current provisions	17	7.6	5.0
Current liabilities		203.8	218.3
Non-current financial liabilities	22	31.9	32.6
Deferred tax liabilities	10	14.1	5.2
Non-current provisions	17	33.3	44.3
Employee benefit obligations	18	39.2	49.4
Non-current liabilities		118.5	131.5
Total liabilities		322.3	349.8
Share capital	20	0.1	0.1
Treasury shares	20	-0.0	-0.0
Reserves and retained earnings		649.5	625.9
Shareholders' equity		649.6	626.0
Total shareholders' equity and liabilities		971.9	975.8

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated income statement

	1.1.–31.12.	2025	2024
CHF m	Note		
Net sales	5	1,085.4	1,122.0
Cost of goods sold		-726.8	-737.1
Gross profit		358.6	384.9
Development costs	6	-16.5	-15.3
Marketing and distribution costs		-160.0	-160.3
Administrative costs		-91.1	-86.8
Other operating expenses	7	-7.7	-8.8
Other operating income	8	4.5	6.9
Operating profit		87.8	120.6
Financial income		2.8	2.7
Financial expenses		-3.7	-1.7
Profit before taxes		86.9	121.6
Income taxes	10	-18.0	-26.5
Profit		68.9	95.1
Profit attributable to shareholders of Forbo Holding Ltd		68.9	95.1
<i>Earnings per share</i>			
CHF	Note		
Basic earnings per share	11	48.75	67.45
Diluted earnings per share	11	48.75	67.45

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated comprehensive income statement

	1.1.–31.12.	2025	2024
CHF m	Note		
Profit		68.9	95.1
Items that will not be reclassified to the income statement:			
Remeasurements of employee benefit obligations, net of taxes	10	8.0	0.6
Items that are or may be subsequently reclassified to the income statement:			
Translation differences		-24.5	7.3
Other comprehensive income for the year, net of tax		-16.5	7.9
Total comprehensive income		52.4	103.0
Total comprehensive income attributable to the shareholders of Forbo Holding Ltd		52.4	103.0

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated statement of changes in equity

2025							
CHF m	Note	Share capital	Treasury shares	Retained earnings	Reserves for employee benefits	Translation differences	Total
January 1, 2025		0.1	-0.0	1,024.6	38.6	-437.3	626.0
Profit				68.9			68.9
Other comprehensive income for the year, net of tax					8.0	-24.5	-16.5
Total comprehensive income				68.9	8.0	-24.5	52.4
Share-based payments	19			1.1			1.1
Treasury shares	20			5.4			5.4
Dividend payment				-35.3			-35.3
December 31, 2025		0.1	-0.0	1,064.7	46.6	-461.8	649.6

2024							
CHF m	Note	Share capital	Treasury shares	Retained earnings	Reserves for employee benefits	Translation differences	Total
January 1, 2024		0.1	-0.0	960.2	38.0	-444.6	553.7
Profit				95.1			95.1
Other comprehensive income for the year, net of tax					0.6	7.3	7.9
Total comprehensive income				95.1	0.6	7.3	103.0
Share-based payments	19			2.2			2.2
Treasury shares	20			2.3			2.3
Dividend payment				-35.2			-35.2
December 31, 2024		0.1	-0.0	1,024.6	38.6	-437.3	626.0

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated cash flow statement

	1.1.–31.12.	2025	2024
CHF m	Note		
Cash flow from operating activities			
Profit		68.9	95.1
Income taxes	10	18.0	26.5
Financial result		0.9	-1.0
Depreciation and impairment of property, plant, and equipment and right-of-use assets	14	47.7	44.6
Amortization and impairment of intangible assets	15	1.4	1.2
Gain (-)/Loss from the sale of non-current assets		-0.1	0.1
Share-based payments	9	1.1	2.2
Income tax paid		-22.2	-14.1
Decrease in provisions and employee benefit obligations		-8.3	-0.5
Increase in trade receivables		-2.8	-2.4
Increase in inventories		-13.2	-13.2
Decrease (-)/Increase in trade payables		-9.2	2.6
Increase in other net working capital		-8.2	-5.5
Net cash flow from operating activities		74.0	135.6
Cash flow from investing activities			
Purchase of non-current assets		-44.9	-46.1
Proceeds from the disposal of non-current assets		0.4	0.0
Interest received		2.2	2.3
Net cash flow from investing activities		-42.3	-43.8
Cash flow from financing activities			
Payment of lease liabilities	21	-17.6	-16.5
Interest paid	21	-1.8	-1.4
Purchase of treasury shares		0.0	-4.5
Proceeds from sale of treasury shares		5.1	6.5
Dividend payment		-35.3	-35.2
Net cash flow from financing activities		-49.6	-51.1
Change in cash and cash equivalents		-17.9	40.7
Total cash and cash equivalents at beginning of year		109.1	69.1
Change in cash and cash equivalents		-17.9	40.7
Translation differences on cash and cash equivalents		-1.0	-0.7
Total cash and cash equivalents at year-end		90.2	109.1

The accompanying notes are an integral part of the consolidated financial statements.

Notes to the consolidated financial statements

1 General information

Forbo Holding Ltd (the 'Company') and its subsidiaries (together constituting the 'Group') manufacture floorings, construction adhesives, and belts for drive and conveyor technology. The Group has a global network of locations with production and distribution as well as mere sales companies.

Forbo Holding Ltd is a limited company under Swiss law, domiciled in Baar, Switzerland. It is listed on the SIX Swiss Exchange (FORN).

These financial statements were approved by the Board of Directors on March 2, 2026, and released for publication on March 3, 2026. This financial report is subject to approval by the Ordinary General Meeting of April 2, 2026.

2 Accounting principles

The material accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The consolidated financial statements of Forbo Holding Ltd were prepared in accordance with the IFRS Accounting Standards as issued by the IASB and in compliance with Swiss law.

The consolidated financial statements are prepared in Swiss francs. The Swiss franc is both the functional currency and the reporting currency of the Company. Unless otherwise noted, all amounts are stated in millions of Swiss francs (CHF m) and are generally rounded to one decimal place.

The consolidation was done on the basis of the audited financial statements of the subsidiaries prepared according to uniform corporate accounting policies. The reporting date for all Group companies is December 31.

The consolidated financial statements were prepared in accordance with the principle of historical costs, with the exception of:

- derivatives measured at fair value
- pension fund liabilities measured at the net value of the discounted defined benefit obligations less the fair value of the plan assets

The preparation of the consolidated financial statements requires management to make discretionary judgments, estimates and assumptions that can affect the application of accounting methods and reported revenues, expenses, assets, liabilities, and contingent assets and liabilities at the date of the financial statements. Actual results may differ from these estimates and assumptions. Estimates and the underlying assumptions are being reviewed continually. Revised versions of estimates and assumptions are recognized prospectively. Information about discretionary judgments as well as assumptions and uncertainty involved in estimates is included in note 3 'Critical judgments, estimates and appraisals by management'.

Scope and principles of consolidation

Subsidiaries are companies that are controlled by the Group. The Group exercises control over a company if it is exposed to variable returns from its involvement in the company or possesses rights to the returns and is able to influence these returns by means of its discretionary control over the company. The financial statements of subsidiaries are included in the consolidated financial statements from the point at which control begins.

Goodwill is the excess of the purchase consideration of the business combination and the amount of the non-controlling interest over the identifiable net assets assessed at fair value.

Inter-company transactions, balances, and unrealized gains or losses on transactions between Group companies are eliminated.

Changes in the scope of consolidation

No changes in the scope of consolidation occurred during the reporting period or the prior-year period.

The subsidiaries included in the group of consolidated companies are listed under 'Group companies' (from [page 200](#) of this report).

Foreign currency translation

Transactions in foreign currencies

The individual companies prepare their financial statements in their functional currency. The functional currency is the currency of the primary economic environment in which the company operates and generally corresponds to the local currency. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

Foreign operations

The annual financial statements of foreign Group companies stated in foreign currencies are translated into Swiss francs as follows: assets and liabilities at year-end exchange rates; the income statement and cash flow statement at average exchange rates for the year. Currency translation differences arising from the translation of items at average and year-end exchange rates and from equity capital transactions are recognized in other comprehensive income and taken to profit or loss for the period (reclassified) in the event the foreign Group company is disposed of.

On consolidation, exchange differences arising from the translation of net investments in foreign business operations are recognized in other comprehensive income.

The following exchange rates against the Swiss franc have been applied for the most important currencies concerned:

			Income statement (average exchange rates for the year)		Balance sheet (year-end exchange rates)	
			2025	2024	2025	2024
Exchange rates						
Eurozone	EUR	1	0.9369	0.9523	0.9303	0.9395
USA	USD	1	0.8291	0.8800	0.7917	0.9030
Great Britain	GBP	1	1.0936	1.1246	1.0665	1.1328
Japan	JPY	100	0.5542	0.5815	0.5062	0.5780
China	CNY	100	11.6057	12.3397	11.3103	12.5405
Sweden	SEK	100	8.4662	8.3015	8.6078	8.1901

Net sales and revenue recognition

Revenue from contracts with customers is recognized when the control of the goods or services is transferred to the customer. The revenue is based on the contractually agreed transaction price, i.e. the amount to which the Group can be expected to be entitled in return for the transfer of the goods or services to a customer.

<i>Type of product or service</i>	<i>Type and time of the fulfillment of performance obligation, significant terms of payment</i>
Flooring Systems	<p>The revenue is generated predominantly by the sale of goods that are recognized at a point in time, in accordance with the agreed terms. The sale of goods is based on fixed prices. In some cases, goal-oriented, variable volume rebates are granted. Volume rebates are deducted from sales in the same amount as expected cash outflows. The payment terms are in line with general business terms and conditions, with payment due dates usually ranging from 30 to 60 days.</p> <p>The warranty periods granted for goods are in line with the general business terms and conditions in the sector; in some cases, these may be longer than defined by law. Provisions are made on the basis of the expected cash outflow for known warranty claims and those expected in future.</p>
Movement Systems	<p>The type and time of the fulfillment of the performance obligation and the terms of payment are identical with those for Flooring Systems.</p> <p>Movement Systems, in addition, provides services in connection with the servicing, maintenance, and seamless connection of belting products. These services are recognized separately as revenue at the time the service is provided.</p>

Earnings per share

The number of shares used for calculating earnings per share is determined on the basis of the weighted average number of shares issued less the weighted average number of treasury shares held. To calculate diluted earnings per share, an adjusted number of shares is determined from the total number of shares used to calculate earnings per share plus the potentially dilutive effects of shares from employee incentive plans. To take account of the dilutive effect of employee incentive plans, the number of shares that could have been purchased at the market price is determined on the basis of the cumulative difference between the market price and the strike price of the future subscription rights. The market price used for this purpose corresponds to the average price of the shares in the business year under review.

Income taxes

Income taxes constitute the total of current and deferred income taxes.

Current income taxes are determined on the basis of taxable profits and the applicable tax laws of the individual countries. They are recognized as an expense in the accounting period in which the profits are made.

Deferred tax assets and tax liabilities are measured at the tax rates that are expected to be enacted in the period in which the asset will be realized or the liability will be settled. Current as well as deferred tax assets and liabilities are offset when they arise from the same tax reporting group, relate to the same tax authority, the legal right to offset exists, and they are intended to be settled net or realized simultaneously.

Current and deferred income taxes are recognized as an income tax benefit or expense in the income statement, with the exception of items posted directly to equity or recognized in other comprehensive income. In this case, the corresponding tax effect is also to be recognized directly in shareholders' equity or in other comprehensive income.

Property, plant, and equipment

Land is recognized at cost on acquisition. Land is not depreciated, but allowances are set aside for impairments that have occurred. All other tangible assets are accounted at cost on acquisition less depreciation and impairments incurred with the exception of assets under construction which are only depreciated when they are ready for their intended use and have been reclassified to the relevant category of tangible asset.

Depreciation is calculated according to the straight-line method over the following estimated useful life:

Land and buildings	
Land	no depreciation
Buildings	20 to 40 years
Modifications and installations	5 to 10 years or duration of rental contract
Machinery and equipment	
Machines, equipment and tools	5 to 15 years
Vehicles and other property, plant, and equipment	
Vehicles	5 years
IT hardware	3 to 5 years
Other operational assets	3 to 10 years
Assets under construction	
Assets under construction	no depreciation

If there are signs of an impairment, the recoverable amount of the asset is determined. If the carrying amount exceeds the recoverable value, the carrying amount of the asset is reduced accordingly and the difference charged to the income statement.

Leasing

The Group is the lessee for various items of property, plant, and equipment; buildings and vehicles constitute the vast majority of leasing agreements.

Exceptions are made for short-term leases and for leases for low-value assets used by the company. These lease payments are recognized as expenditure over the lease term.

The Group recognizes right-of-use assets under 'Property, plant, and equipment' and leasing liabilities under 'Financial liabilities' in the balance sheet. Further information is disclosed in note 21 'Leasing'.

Intangible assets and goodwill

The goodwill generated in connection with business combinations is measured at the cost of acquisition less cumulative impairment losses.

The acquisition costs of trademarks, licenses, customer relationships, and technologies acquired in a business combination correspond to the fair value at the date of acquisition.

Intangible assets with an indefinite useful life (goodwill and trademarks) are not subject to amortization but are tested for impairment annually at cash-generating unit level. This is carried out using a standardized method with discounted cash flows for calculating the value in use. Cash flow for the first three years is estimated on the basis of the plan approved by management (detailed planning period). Cash inflows after the detailed planning period are extrapolated to the value of a going concern by means of recoverable earnings. The intangible assets with an indefinite useful life are also subject to impairment testing in the form of sensitivity analyses.

Other intangible assets that are acquired by the Group and have a finite useful life are carried at acquisition or production costs less cumulative amortization and impairments. The amortization of other intangible assets with a finite useful life uses the straight-line method; the following estimated useful lives are applied:

IT software	3 to 5 years
Customer relations	5 to 15 years
Technologies	up to 30 years

Financial instruments

Recognition and initial measurement

Trade receivables are recognized when they occur. All other financial instruments are recognized when the Group becomes a contracting party.

Financial assets (with the exception of trade receivables with no essential financing component) and financial liabilities are initially recognized at fair value. In addition, transaction costs, which are directly attributable to the acquisition or issuance, are added for financial instruments that are not measured at fair value through profit or loss. Trade receivables with no essential financing components are initially recognized at the transaction price.

Classification and subsequent measurement of financial assets

Financial assets are measured and classified in accordance with the following categories:

- ‘Amortized cost’
- ‘Fair value through profit or loss’

Essentially, the financial assets in the Group consist of cash and cash equivalents and trade receivables that are reported at amortized cost using the effective interest method less valuation allowances for expected credit losses. ‘Cash and cash equivalents’ are stated at nominal value. This includes cash on hand, bank accounts, and fixed-term deposits with maturities up to three months from the date of acquisition.

Derivatives are valued at their fair value through profit or loss. The derivatives used are accounted for on the day the trade is conducted. Derivative financial instruments are classified in the balance sheet in ‘Current financial assets’ (or ‘Current financial liabilities’, if applicable).

The Group recognizes allowances for expected credit losses on financial instruments that are reported at amortized costs. The Group applies a permissible, simplified model of valuation allowances (‘provision matrix’) for trade receivables. In this valuation allowance table, expected losses on receivables are determined on the balance sheet date on the basis of past experience of default probability, and of future-oriented expectations based on experience with the customers and market conditions.

The Group considers a financial asset to be in default if it is unlikely that the borrower can pay their obligation to the Group in full without the Group having to take recourse to measures such as the realization of collateral.

Classification and subsequent measurement of financial liabilities

Financial liabilities are classified and measured at amortized costs or at fair value through profit or loss. The majority of financial liabilities in the Group are liabilities from leasing contracts. These are measured at amortized costs using the effective interest method. A financial liability is measured at fair value through the income statement if it is a derivative.

Inventories

Inventories are measured at the lower of cost or net realizable value. Cost includes direct material and, if applicable, other direct costs and related production overheads to the extent that they are incurred in bringing the inventories to their present location and condition. The net realizable value constitutes the estimated sales price less all estimated costs up to completion, as well as the related costs of marketing, sales, and distribution.

Inventories are generally measured at average cost.

Shareholders’ equity

Registered shares are classified as share capital at their par value. Payments by shareholders above the par value are credited to reserves.

Treasury shares are deducted at their par value from share capital. The acquisition costs in excess of par value arising on the acquisition of treasury shares are debited to reserves. On the sale of treasury shares, gains or losses compared with the par value are credited or debited to reserves.

Dividends are debited to equity in the period in which the resolution on their distribution is adopted.

3 Critical judgments, estimates and appraisals by management

The application of the measurement and accounting principles requires that circumstances and estimates be assessed, and assumptions be made with respect to the carrying amounts of assets and liabilities. The estimates and the underlying assumptions are based on past experience and other factors regarded as relevant, including expectations of future events that appear reasonable in the given circumstances. The actual results may, of course, deviate from the estimates and assumptions of management.

Estimates and the underlying assumptions are reviewed continually. Revised estimates are recognized prospectively. The following are the main areas in which a significant risk exists in the coming business year regarding a significant adjustment of the carrying value of assets and liabilities.

Impairment tests

Along with the regular periodic review of goodwill and intangible assets with an indefinite useful life, the carrying amounts of fixed and intangible assets with a finite useful life are also always reviewed if due to changed circumstances or other triggering events these amounts can possibly no longer be realized. If such a situation occurs, the recoverable amount is determined based on expected future earnings. This corresponds to either the discounted expected cash flows or the expected net sales price.

Important assumptions in the calculations underlying the impairment tests include growth rates, margins, estimates and management's expectations of the future development of net working capital and discount rates. The actual cash flows may deviate from the planned and discounted values. Likewise, the useful lives may be shortened, or non-current assets impaired, in the event of a change in the use of buildings, machinery and facilities, change or abandonment of locations, or lower-than-expected revenues over the medium term. Further information on this topic can be found in note 14 'Property, plant, and equipment' and note 15 'Intangible assets and goodwill'.

Valuation of pension plan liabilities

Various employee pension plans exist for employees of the Group. In the valuation of defined benefit plans, actuarial assumptions are made to estimate future developments. These include assumptions and estimates relating to the discount rate, the inflation rate as well as assumptions for future wage trends. In their actuarial calculations for determining employee benefit obligations, the actuaries also use statistical information such as mortality tables and staff turnover rates. If these parameters change owing to a change in the economic situation or market conditions, the subsequent results may deviate considerably from the current actuarial reports and calculations. These deviations may have a significant medium-term effect on expenses and income from the employee pension schemes and on other comprehensive income. Further information on this topic can be found in note 18 'Employee benefit obligations'.

Recognition and measurement of provisions

In the conduct of ordinary business activities, a liability of uncertain timing and/or amount may arise. Provisions are determined using available information based on reasonably expected cash outflows. Claims against Group companies may arise that may not be covered, or are covered only in part, by provisions or insurance benefits. Further information on this topic can be found in note 17 'Provisions'.

Income taxes

The Group is obliged to pay income taxes in various countries. Certain key assumptions are necessary in order to determine income tax in the relevant countries. The impact of certain business events on taxation and taxable profit and, hence, the amount of the final taxation cannot be determined definitively. The measurement of current tax liabilities is subject to the interpretation of tax regulations in the relevant countries. The adequacy of this interpretation is assessed by the tax authorities in the course of the final assessment or tax audits. This may result in material changes to income tax expenses. Where the definitive taxation of these business events deviates from the previous assumptions, this will have an impact on the current and deferred taxes in the period in which the taxation is definitively determined. Furthermore, determining whether tax losses carried forward can be capitalized requires a critical estimate of the probability that they can be offset against future profits. This assessment is based on planning information. Further information on this topic can be found in note 10 'Income taxes'.

4 Application of new or amended accounting standards

The Group adopted several minor amendments made by the International Accounting Standards Board (IASB) to existing standards and interpretations, which came into effect on January 1, 2024 and January 1, 2025. The first-time adoption of these revised standards and interpretations had no significant impact on the consolidated financial statements presented here.

In April 2024, the IASB published IFRS 18, which replaces IAS 1 and introduces new requirements for the structure of the income statement. These include defined totals, subtotals, and the categorization of all income and expenses into operating, investing, financing, income taxes, and discontinued operations – the first three of which are new. In addition, management-defined performance indicators and new rules for aggregating and disaggregating financial information must be disclosed. IAS 7 on cash flow statements was also adjusted: the indirect method uses operating profit or loss as the starting point for calculating operating cash flows and options for disclosing dividend and interest cash flows have been eliminated. IFRS 18 enters into effect on January 1, 2027, and is to be applied retroactively. IFRS 18 and the subsequent changes were not applied early to these consolidated financial statements. The Group has performed an initial assessment of the expected impact of IFRS 18 on its consolidated financial statements. While the implementation of IFRS 18 will lead to changes in the presentation of the Group's primary financial statements and certain note disclosures, the standard is not expected to have a material impact on the Group's currently disclosed subtotals in profit and loss, including operating profit. The Group will continue to evaluate the detailed implications as part of its implementation project ahead of the mandatory effective date.

Further accounting standards which have been published by the IASB but only come into effect after January 1, 2026, were not adopted early in the consolidated financial statements. No significant impact on the consolidated financial statements presented here is expected from the first-time adoption of these standards and interpretations.

5 Segment reporting

The Group operates globally in the segments Flooring Systems and Movement Systems. The divisions correspond to the internal management structure and are run separately because the products they manufacture, distribute, and sell differ fundamentally in terms of production, distribution, and marketing.

In the Flooring Systems division, the Group develops, produces, and sells linoleum, vinyl floorings, entrance flooring systems, carpet tiles, needle felt floor coverings, Flotex, the washable textile flooring, and building and construction adhesives as well as various accessory products required for the laying, processing, cleaning, and care of flooring. In the Movement Systems division, the Group develops, produces, and sells high-quality conveyor and processing belts, as well as plastic modular belts, and drive, timing and flat belts made of synthetic materials. Corporate includes the costs of the Group headquarters and certain items of income and expenses that are not directly attributable to a specific segment.

The Flooring Systems and the Movement Systems divisions are reportable segments. The identification of the reportable segments is based on internal management reporting to the Chief Executive Officer of the Group and hence on the financial information used to review the performance of the operational units in order to reach a decision on the allocation of resources.

The internal management reporting is based on the same accounting principles as the external reporting.

The Chief Executive Officer assesses the performance of the reportable segments based on their operating result. The financial result is not allocated to the segments since it is Corporate Treasury that mainly exercises central control over it. Inter-segment sales are transacted at arm's length. The segments apply the same accounting principles as the Group. Sales to third parties, as they are reported to the Chief Executive Officer, are identical with the sales reported in the income statement.

Segment information on the reportable segments for the reporting year:

2025				
CHF m	Flooring Systems	Movement Systems	Corporate/ elimination	Total
Total net sales	738.2	347.3	-0.1	1,085.4
Inter-segment net sales		-0.1	0.1	0.0
Net sales to third parties	738.2	347.2	0.0	1,085.4
Operating profit	80.5	15.4	-8.1	87.8
Operating profit before depreciation and amortization	107.4	36.7	-7.3	136.8
Segment non-current assets	244.5	129.1	7.3	380.9
Capital expenditure ¹⁾	35.6	11.4		47.0
Full time equivalents (December 31)	2,673	2,383	44	5,100

¹⁾ Purchase of tangible and intangible assets (excluding leasing).

Segment information on the reportable segments for the prior year:

2024				
CHF m	Flooring Systems	Movement Systems	Corporate/ elimination	Total
Total net sales	765.6	356.6	-0.2	1,122.0
Inter-segment net sales	0.0	-0.2	0.2	0.0
Net sales to third parties	765.6	356.4	0.0	1,122.0
Operating profit	99.0	30.4	-8.8	120.6
Operating profit before depreciation and amortization	123.8	50.8	-8.3	166.3
Segment non-current assets	233.0	136.4	8.1	377.5
Capital expenditure ¹⁾	27.1	18.1	0.9	46.1
Full time equivalents (December 31)	2,688	2,329	42	5,059

¹⁾ Purchase of tangible and intangible assets (excluding leasing).

Reconciliation of segment information to the income statement and balance sheet:

	2025	2024
CHF m		
Total segment result (operating profit)	87.8	120.6
Financial result	-0.9	1.0
Profit before taxes	86.9	121.6
	31.12.2025	31.12.2024
CHF m		
Total segment non-current assets	380.9	377.5
Current assets	553.6	568.3
Deferred tax assets	35.5	28.4
Employee benefit assets	1.9	1.6
Total assets	971.9	975.8

Segment non-current assets include 'Property, plant, and equipment', 'Intangible assets and goodwill' and 'Non-current financial assets' (equity-accounted investments).

The following table shows net sales to third parties broken down by destination region and by the two divisions that are identical with the reportable segments.

CHF m	Flooring Systems		Movement Systems		Forbo Group	
	2025	2024	2025	2024	2025	2024
<i>Regions</i>						
Europe	561.6	572.0	146.8	145.2	708.4	717.2
Americas	118.9	126.7	114.7	122.7	233.6	249.4
Asia/Pacific and Africa	57.7	66.9	85.7	88.5	143.4	155.4
Total net sales to third parties	738.2	765.6	347.2	356.4	1,085.4	1,122.0

Net sales to third parties by country of destination were generated in the following regions:

CHF m	2025	2024
Switzerland (domicile)	25.0	26.8
Germany	125.6	123.3
France	117.2	125.0
Benelux	104.2	106.2
Scandinavia	77.8	76.4
Great Britain and Ireland	74.5	76.3
Other countries Europe	184.1	183.2
Europe	708.4	717.2
USA	184.4	200.3
Other countries Americas	49.2	49.1
Americas	233.6	249.4
Asia/Pacific and Africa	143.4	155.4
Total net sales to third parties	1,085.4	1,122.0

In the period under review, sales to no single customer exceeded 10% of total Group sales.

Segment non-current assets are distributed over the following regions:

CHF m	31.12.2025	31.12.2024
Switzerland (domicile)	18.5	18.1
Germany	28.9	29.4
France	33.1	32.4
Benelux	97.2	94.5
Scandinavia	15.6	14.6
Great Britain and Ireland	70.9	74.6
Other countries Europe	20.6	19.4
Europe	284.8	283.0
USA	45.7	37.8
Other countries Americas	3.3	4.1
Americas	49.0	41.9
Asia/Pacific and Africa	47.1	52.6
Total segment non-current assets	380.9	377.5

6 Development costs

'Development costs' mainly comprise costs for product development. Costs for manufacturing trials, recipe optimization, and new collections are not reported within 'Development costs'. As in the previous year, no development costs were capitalized during the year under review.

7 Other operating expenses

'Other operating expenses' comprise expenses of different kinds in connection with legal costs, warranty costs, allowances on inventories, taxes on capital, levies based on local legislation, and allowances for doubtful trade receivables.

8 Other operating income

'Other operating income' comprises a range of income, such as the reversal of impairments on fixed assets, income from associated companies, gain on sale of fixed assets and income from sales of material for recycling purposes.

9 Personnel expenses

	2025	2024
Personnel expenses		
CHF m		
Salaries and wages	290.2	276.8
Social security contributions	62.0	67.1
Employee benefit expenses for defined contribution plans	11.1	12.0
Employee benefit expenses for defined benefit plans	4.9	4.8
Total personnel expenses	368.2	360.7

Salaries and wages include share-based payment expenses of CHF 1.1 million (2024: CHF 2.2 million). A bonus program is available for around 150 managers, which is linked to achieving financial targets set for the Group, the divisions, and individual objectives (see also note 19 'Employee participation plan').

As at December 31, 2025, the number of full time equivalents employed was 5,100 (2024: 5,059). The weighted average number of full time equivalents over the year was 5,212 (2024: 5,194).

10 Income taxes

	2025	2024
Income taxes		
CHF m		
Current income taxes	18.5	27.1
Deferred income taxes	-0.5	-0.6
Total income taxes	18.0	26.5

Analysis of tax expense

The following reconciliation explains the difference between the expected and the effective income tax expense:

	2025	2024
CHF m		
Group profit before taxes	86.9	121.6
Tax expense at the applicable tax rate	-20.2	-27.8
Applicable tax rate in %	23.3	22.9
Tax effects of:		
Non-tax-deductible expenses	-1.2	-0.9
Tax-exempt income	0.3	2.7
Recognition of previously unrecognized tax losses	5.6	0.1
Previous-year taxes and other positions	-2.5	-0.6
Effective income tax expenses	-18.0	-26.5
Effective income tax rate in %	20.7	21.8

Since the Group operates in various countries with different tax laws and rates, the expected and effective income tax expense depends every year on the amount of profits or losses in each country. The expected income tax expense is the sum of the expected individual tax expense of all subsidiaries based on the respective tax rates applicable. The expected individual income tax expense in a country is calculated by multiplying the individual profit/loss with the tax rate applicable in the country concerned.

Capitalized and non-capitalized tax loss carry-forwards all expire in more than five years:

	2025	2024
CHF m		
Non capitalized	9.5	28.8
Capitalized	44.8	20.3
Total tax loss carry-forwards	54.3	49.1

The following amounts are shown in the balance sheet:

	31.12.2025	31.12.2024
CHF m		
Deferred tax assets	35.5	28.4
Deferred tax liabilities	-14.1	-5.2
Deferred taxes, net	21.4	23.2

Deferred tax assets and liabilities, tax credits, and tax charges from deferred taxes:

Deferred tax assets							
CHF m	Inventories	Property, plant, and equipment	Provisions	Loss carry- forwards	Employee benefit obligations	Other	Total
January 1, 2024	5.5	5.4	10.7	6.1	7.7	6.7	42.1
Changes recognized in income statement	-1.0	0.9	0.0	0.0	0.6	0.3	0.8
Changes recognized in other comprehensive income					-0.8		-0.8
Translation differences	0.0	0.2	-0.2	0.7	0.0	0.3	1.0
As at December 31, 2024	4.5	6.5	10.5	6.8	7.5	7.3	43.1
Changes recognized in income statement		-0.9	-2.7	5.8	0.1	2.4	4.7
Changes recognized in other comprehensive income					-1.3		-1.3
Translation differences	-0.2	-0.2	-0.1	-0.2	-0.7	-0.6	-2.0
As at December 31, 2025	4.3	5.4	7.7	12.4	5.6	9.1	44.5
Netting with deferred tax liabilities							-9.0
As at December 31, 2025							35.5
Deferred tax liabilities							
CHF m	Inventories	Property, plant, and equipment	Provisions	Intangible assets	Employee benefit obligations	Other	Total
January 1, 2024	2.8	6.2	0.1	3.8	0.0	5.9	18.8
Changes recognized in income statement	-0.2	-0.5		0.7		0.2	0.2
Translation differences	-0.1	0.1	0.0	0.7		0.2	0.9
As at December 31, 2024	2.5	5.8	0.1	5.2	0.0	6.3	19.9
Changes recognized in income statement	-0.3	1.8	0.8	0.1		1.8	4.2
Translation differences		-0.4		-0.4		-0.2	-1.0
As at December 31, 2025	2.2	7.2	0.9	4.9	0.0	7.9	23.1
Netting with deferred tax assets							-9.0
As at December 31, 2025							14.1
Decrease in net deferred tax assets 2024							-0.1
Decrease in net deferred tax assets 2025							-1.8

As at December 31, 2025 and December 31, 2024, no deferred income tax liabilities on undistributed profits from consolidated companies have been recognized, since this income is either tax exempt or deemed to have been reinvested for an indefinite period.

Should there be a distribution, withholding and other taxes might be incurred, which, upon decision, will be provided for accordingly.

Income tax expense and income recognized in the other comprehensive income statement:

CHF m	2025			2024		
	Before tax	Tax expense	After tax	Before tax	Tax expense	After tax
Actuarial losses (-)/gains on employee benefit obligations	9.3	- 1.3	8.0	1.4	- 0.8	0.6
Translation differences	- 24.5		- 24.5	7.3		7.3
Other comprehensive income	- 15.2	- 1.3	- 16.5	8.7	- 0.8	7.9

Global minimum taxation

The Group is within the scope of the Global Anti-Base Erosion (GLoBE) Pillar Two rules. Since January 1, 2024, various jurisdictions in which the Group operates have introduced or amended legislation related to global minimum taxation. In Switzerland, the domestic minimum top-up tax has been in effect since January 1, 2024, while the international minimum top-up tax applies as of January 1, 2025. Based on the transitional safe harbor rules, the Group expects to benefit from the safe harbor in most jurisdictions. For jurisdictions where the safe harbor does not apply, the Group performs the required Pillar Two calculations and recognizes a liability for top-up taxes where necessary. For 2025 and 2024, no top-up tax liability needed to be recognized.

11 Earnings per share

Earnings per share are calculated as follows:

	2025	2024
Profit in CHF million	68.9	95.1
Weighted average number of outstanding shares	1,413,124	1,410,356
Weighted average number of outstanding shares used to calculate diluted earnings per share	1,413,124	1,410,356
Basic earnings per share in CHF	48.75	67.45
Diluted earnings per share in CHF	48.75	67.45

12 Trade receivables

	31.12.2025	31.12.2024
Trade receivables		
CHF m		
Accounts receivable	134.8	138.0
Notes receivable	8.2	9.2
Allowance	-4.8	-4.4
Total trade receivables	138.2	142.8

Information with regard to the Group's credit and market risks and allowances for doubtful trade receivables are found in note 23 'Financial risk management'.

13 Inventories

	31.12.2025	31.12.2024
Inventories		
CHF m		
Raw materials and supplies	62.9	60.0
Work in progress	95.4	99.3
Finished goods	152.9	150.8
Allowance	-29.5	-28.5
Total inventories	281.7	281.6

Cost of materials recognized in the reporting year came to CHF 379.6 million (2024: CHF 395.9 million).

14 Property, plant, and equipment

Cost on acquisition					
CHF m	Land and buildings	Machinery and equipment	Vehicles and other property, plant, and equipment	Assets under construction	Total property, plant, and equipment
As at January 1, 2024	166.2	667.4	111.2	32.8	977.6
Additions	17.1	8.6	9.3	33.9	68.9
Disposals	-2.6	-5.7	-8.6	0.0	-16.9
Transfers	10.6	20.1	1.9	-33.8	-1.2
Translation differences	5.3	9.7	0.8	0.6	16.4
As at December 31, 2024	196.6	700.1	114.6	33.5	1,044.8
Additions	15.4	9.0	10.2	32.9	67.5
Disposals	-6.3	-6.2	-6.6	0.0	-19.1
Transfers	5.2	27.3	1.7	-34.2	0.0
Translation differences	-14.9	-19.2	-2.9	-2.3	-39.3
As at December 31, 2025	196.0	711.0	117.0	29.9	1,053.9

Accumulated depreciation and impairments					
CHF m	Land and buildings	Machinery and equipment	Vehicles and other property, plant, and equipment	Assets under construction	Total property, plant, and equipment
As at January 1, 2024	55.0	561.5	94.5	0.0	711.0
Depreciation	16.0	22.0	8.5		46.5
Reversal of Impairment	-1.0	-0.9	0.0		-1.9
Disposals	-2.4	-5.8	-8.4		-16.6
Translation differences	3.2	8.0	0.8		12.0
As at December 31, 2024	70.8	584.8	95.4	0.0	751.0
Depreciation	16.2	23.4	8.9		48.5
Reversal of Impairment	-0.8				-0.8
Disposals	-5.9	-6.0	-6.5		-18.4
Translation differences	-8.9	-14.9	-2.0		-25.8
As at December 31, 2025	71.4	587.3	95.8	0.0	754.5

Net carrying amount					
As at December 31, 2024	125.8	115.3	19.2	33.5	293.8
As at December 31, 2025	124.6	123.7	21.2	29.9	299.4

Included under 'Property, plant, and equipment' are right-of-use assets amounting to CHF 49.5 million (2024: CHF 49.3 million). Further information can be found in note 21 'Leasing'.

Maintenance and repair costs amounted to CHF 24.7 million (2024: CHF 24.9 million). The depreciation expense of CHF 48.5 million (2024: CHF 46.5 million) is included in the items 'Cost of goods sold', 'Development costs', 'Marketing and distribution costs', and 'Administrative costs'.

As at December 31, 2025 and December 31, 2024, there was no property, plant and equipment for which interest on borrowed capital was capitalized during the preparation phase.

As at December 31, 2025, the Group had outstanding purchase orders for capital goods amounting to CHF 7.8 million (2024: CHF 11.1 million).

In the reporting period, the remaining impairment on fixed assets in Russia, initially recognized in the year 2022, was released, as the actual valuation of these assets resulted in a higher realizable value. The impairment was already adjusted in the prior period to reflect the higher realizable value then.

15 Intangible assets and goodwill

Cost on acquisition				
CHF m	Goodwill	Trademarks	Other intangible assets	Total
As at January 1, 2024	74.9	31.6	70.6	177.1
Additions			0.9	0.9
Disposals			-0.1	-0.1
Transfers			1.2	1.2
Translation differences	0.5	0.3	2.8	3.6
As at December 31, 2024	75.4	31.9	75.4	182.7
Additions			0.4	0.4
Translation differences	-0.8	-0.4	-3.6	-4.8
As at December 31, 2025	74.6	31.5	72.2	178.3

Accumulated amortization and impairments				
CHF m	Goodwill	Trademarks	Other intangible assets	Total
As at January 1, 2024	8.2	26.2	63.7	98.1
Amortization			1.2	1.2
Disposals			-0.1	-0.1
Translation differences	-0.3		2.1	1.8
As at December 31, 2024	7.9	26.2	66.9	101.0
Amortization			1.4	1.4
Translation differences	0.3		-3.1	-2.8
As at December 31, 2025	8.2	26.2	65.2	99.6
Net carrying amount				
As at December 31, 2024	67.5	5.7	8.5	81.7
As at December 31, 2025	66.4	5.3	7.0	78.7

The position 'Trademarks' consists of the trademarks acquired in connection with the acquisition of Bonar Floors in 2008. 'Other intangible assets' consist primarily of the customer relations and technologies acquired as part of the acquisition of Bonar Floors.

Goodwill and intangible assets with an indefinite useful life (trademarks) are distributed among the following groups of cash-generating units:

	31.12.2025	31.12.2024
Flooring Systems		
Goodwill	63.2	64.1
Trademarks	5.3	5.7
Movement Systems		
Goodwill	3.2	3.4
Total Goodwill and trademarks	71.7	73.2

The annual impairment test including sensitivity analyses of the goodwill and intangible assets with an indefinite useful life resulted in the reporting year, as in the previous year, in a value in use that was greater than the carrying amount. In the calculation of the value in use for the detailed planning period, the same expected margins for the operating profit before depreciation and amortizations are assumed as are used for medium-term planning and include past experience as well as future expectations of the management and board of directors. The growth rate upon which the terminal value is based corresponds to the expected level of inflation and the discount rate corresponds to the total weighted cost of capital before taxes, calculated on the basis of a risk-free base interest rate adjusted to include a markup for risk and inflation.

	2025	2024
EBITDA margin for planning period (following three years)		
Flooring Systems	16–17	15–18
Movement Systems	18–19	17–21
Growth rate to calculate terminal value	1.0	1.0
Discount rate	8.6	8.4

16 Accrued expenses and deferred income

	31.12.2025	31.12.2024
Accrued expenses and deferred income		
CHF m		
Accrued expenses for compensation and employee benefits	36.4	36.1
Other accrued expenses	30.9	33.9
Total accrued expenses and deferred income	67.3	70.0

Accrued expenses for compensation and employee benefits mainly comprise overtime accruals and commissions. Other accrued expenses include accrued volume rebates, commissions, premiums, interest, and goods and services received but not yet invoiced.

17 Provisions

Provisions					
CHF m	Warranty provisions	Provisions for legal claims	Personnel provisions	Other provisions	Total
As at January 1, 2025	4.3	41.0	3.9	0.1	49.3
Additions	5.9	0.2	0.8	0.5	7.4
Used during the year	-3.8	-1.1	-0.7		-5.6
Released during the year	-0.1	-9.4	-0.2		-9.7
Translation differences	-0.2	-0.2		-0.1	-0.5
As at December 31, 2025	6.1	30.5	3.8	0.5	40.9
Of which current provisions	4.6	0.7	2.0	0.3	7.6
Of which non-current provisions	1.5	29.8	1.8	0.2	33.3

Warranty provisions are linked to product sales and are based on past experience. The provisions for legal claims relate mainly to liability claims. Personnel provisions comprise possible obligations arising from employment contracts and structural measures. Most of the anticipated cash outflow for the non-current provisions is expected in the next two to five years.

18 Employee benefit obligations

The Group has established several pension plans on the basis of the specific requirements of the countries in which it operates. The Group maintains both, defined contribution and defined benefit plans that insure employees against the risks of death and invalidity and provide old-age pensions.

The liabilities and assets under the main defined benefit plans are assessed by independent actuaries using the 'projected unit credit method'.

Pension plans in the United Kingdom

The Group has two defined benefit pension plans in the United Kingdom. The main one is the Forbo Superannuation Fund (FSF), which accounts for 48% of the Group's total pension liabilities (2024: 48%). The FSF is a pension plan whose benefits are based on the final salary and which pays out a guaranteed pension for life to its members. The composition of the pension liabilities is as follows: 1% to active employees, 30% to deferred members, and 69% to current beneficiaries (2024: 1% to active employees, 29% to deferred members, and 70% to current beneficiaries).

The FSF operates under trust law and is managed and administered by the trustees on behalf of the members in accordance with the terms of the Trust Deed and Rules and relevant legislation. The FSF's assets are held by the trust. Responsibility for governance of the FSF – including investment decisions and contribution schedules – lies with the trustees. The board of trustees must be composed of representatives of the company and plan participants in accordance with the FSF's regulations and British pension law.

The pension plan follows an investment strategy that is geared to the structure of the pension liabilities ('liability-driven investment' approach).

The use of any ultimate surplus is not subject to any restrictions under the FSF's articles of incorporation and can be used freely by the Group. These surpluses are therefore recognized in the balance sheet as assets in accordance with IAS 19 revised.

The FSF is closed to new entrants for years. Employees in the United Kingdom who meet certain criteria are offered a defined contribution plan.

Pension plan in Switzerland

The Group pays contributions to an independent pension fund as part of the occupational pension provision (known in Switzerland as the 'second pillar'). As a minimum benefit, this independent pension fund must provide the beneficiary with an old-age pension at the time of retirement. This pension is paid out of the retirement savings capital at the start of the pension. The Group meets these liabilities through agreements with pension funds that cover the pension liabilities in full.

The pension liabilities of the Swiss Group companies account for 29% of the Group's entire pension liabilities (2024: 28%). 97% of the liabilities are to employees and 3% to beneficiaries (2024: 96% to employees and 4% to beneficiaries).

The Swiss pension system includes guarantees that expose the company to the risk that it may have to provide additional financing, for instance, if the pension fund is unable to meet its obligations or decides to end the insurance relationship. The pension fund guarantees a minimum return and is responsible for the payment of a pension for life once the insurance benefits fall due. As a result of these guarantees, Swiss pension plans are treated as defined benefit plans under IAS 19 revised, even though they contain essential elements of defined contribution plans.

The company cannot participate in any surplus of the pension plan. According to Swiss pension law, all surpluses belong to the pension plan and hence to its members.

Other pension plans

Other notable defined benefit plans exist in France, Germany, Japan, Sweden, and the USA. In the Netherlands, Forbo has also offered an early retirement plan since 2021. The plan in the Netherlands was available to employees only up to December 31, 2025. In the reporting period, the liability from this plan amounted to CHF 2.2 million (2024: CHF 3.8 million).

The latest actuarial valuations of the present values of defined benefit liabilities and of service costs were performed as at December 31, 2025, by independent actuaries using the projected unit credit method. The fair value of the plan assets was determined as at December 31, 2025, based on the information available when the annual financial statements were prepared. The weighted average duration of the pension plans ('plan duration') is 10.7 years for the United Kingdom, 15.5 years for Switzerland, and 11.8 years for the other countries (2024: 9.7 years for the United Kingdom, 15.5 years for Switzerland, and 12.8 years for the other countries).

The principal assumptions underlying the actuarial calculations are summarized as follows:

Actuarial assumptions	2025				2024			
	Switzerland	UK	Other	Weighted	Switzerland	UK	Other	Weighted
Discount rate (in %)	1.2	5.4	3.7	3.9	0.9	5.4	2.9	3.7
Future increases in salaries (in %)	1.6	3.6	2.9	2.0	1.8	3.9	2.7	2.2
Inflation rate (in %)	1.0	2.9	2.1	2.3	1.2	3.2	2.0	2.5
Life expectancy at age of 65 (in years)								
Year of birth 1960								
Men	22	21	21	21	22	20	21	21
Women	24	23	24	23	24	23	24	23
Year of birth 1975								
Men	23	21	23	22	23	21	23	22
Women	25	24	26	24	25	24	26	24

The pension costs for defined benefit plans recognized in the consolidated income statement can be summarized as follows:

Pension costs	2025				2024			
	Switzerland	UK	Other	Total	Switzerland	UK	Other	Total
CHF m								
Service cost	2.0	0.3	1.3	3.6	1.7	0.5	1.4	3.6
Interest cost	0.5	5.7	1.4	7.6	0.7	5.7	1.3	7.7
Interest income on plan assets	-0.5	-5.7	-0.2	-6.4	-0.6	-5.6	-0.3	-6.5
Other	0.1			0.1				
Total pension cost	2.1	0.3	2.5	4.9	1.8	0.6	2.4	4.8

Changes in pension liabilities under the defined benefit plans:

	2025				2024			
Benefit obligations								
CHF m	Switzerland	UK	Other	Total	Switzerland	UK	Other	Total
As at January 1	62.0	114.6	43.6	220.2	57.3	125.2	43.3	225.8
Service cost	2.0	0.3	1.3	3.6	1.7	0.5	1.4	3.6
Employee contributions	1.2	0.0	0.0	1.2	1.0	0.0	0.1	1.1
Interest cost	0.5	5.7	1.4	7.6	0.7	5.7	1.3	7.7
Benefits paid	-4.6	-8.8	-4.0	-17.4	-2.4	-8.7	-2.1	-13.2
Actuarial gains (-)/losses	-2.4	-1.1	-3.2	-6.7	3.7	-14.7	1.0	-10.0
Other	0.1		-0.3	-0.2				
Translation differences		-6.6	-0.7	-7.3		6.6	-1.4	5.2
As at December 31	58.8	104.1	38.1	201.0	62.0	114.6	43.6	220.2

Changes in plan assets of the defined benefit plans at fair value:

	2025				2024			
Plan assets								
CHF m	Switzerland	UK	Other	Total	Switzerland	UK	Other	Total
As at January 1	53.3	114.1	5.0	172.4	48.1	123.3	5.2	176.6
Interest income on plan assets	0.5	5.7	0.2	6.4	0.6	5.6	0.3	6.5
Employer contributions	1.9	0.0	3.7	5.6	1.9	0.3	1.7	3.9
Employee contributions	1.2	0.0	0.0	1.2	1.0	0.0	0.1	1.1
Return on pension assets (excluding amounts in interest income)	2.0	0.5	0.1	2.6	4.1	-12.9	0.2	-8.6
Benefits paid	-4.6	-8.8	-4.0	-17.4	-2.4	-8.7	-2.1	-13.2
Other	-0.1		-0.3	-0.4				
Translation differences		-6.6	-0.1	-6.7		6.5	-0.4	6.1
As at December 31	54.2	104.9	4.6	163.7	53.3	114.1	5.0	172.4

Actuarial gains and losses are recognized in the balance sheet under 'Employee benefit obligations', 'Employee benefit assets' and as 'Other comprehensive income'.

Most of the pension plans are financed in full or in part via externally managed funds. Pension liabilities amounting to CHF 26.1 million (2024: CHF 29.6 million) out of a total of CHF 201.0 million (2024: CHF 220.2 million) are unfunded.

Changes in the net liabilities of defined benefit plans recognized in the balance sheet:

	2025				2024			
Net liabilities/ Net assets								
CHF m	Switzerland	UK	Other	Total	Switzerland	UK	Other	Total
As at January 1	8.7	0.5	38.6	47.8	9.2	1.9	38.1	49.2
Pension cost	2.1	0.3	2.5	4.9	1.8	0.6	2.4	4.8
Employer contributions	-1.9	0.0	-3.7	-5.6	-1.9	-0.3	-1.7	-3.9
Actuarial gains (-)/losses	-4.4	-1.6	-3.3	-9.3	-0.4	-1.8	0.8	-1.4
Translation differences			-0.6	-0.6		0.1	-1.0	-0.9
Other	0.1			0.1				0.0
Net liabilities as at December 31	4.6	-0.8	33.5	37.3	8.7	0.5	38.6	47.8
Of which employee benefit assets		1.3	0.6	1.9		1.1	0.5	1.6
Of which employee benefit obligations	4.6	0.5	34.1	39.2	8.7	1.6	39.1	49.4

Gains and losses of defined benefit pension plans booked in 'Other comprehensive income' for all segments:

	2025				2024			
Gains and losses recognized as other comprehensive income								
CHF m	Switzerland	UK	Other	Total	Switzerland	UK	Other	Total
Actuarial gains in the current period:	2.4	1.1	3.2	6.7	-3.7	14.7	-1.0	10.0
Based on adjustment of demographic assumptions	0.0	-0.2	0.0	-0.2	0.0	3.4	-0.2	3.2
Based on adjustment of financial assumptions	1.9	1.8	3.0	6.7	-3.7	9.4	0.1	5.8
Experience adjustment	0.5	-0.5	0.2	0.2	0.0	1.9	-0.9	1.0
Return on pension assets (excluding amounts in interest income)	2.0	0.5	0.1	2.6	4.1	-12.9	0.2	-8.6
Total gains/losses (-) recognized as other comprehensive income before taxes	4.4	1.6	3.3	9.3	0.4	1.8	-0.8	1.4

Change in the present value of defined benefit liabilities:

	2025			2024		
	+ 50bp			+ 50bp		
CHF m	Switzerland	UK	Other	Switzerland	UK	Other
Discount rate	-4.3	-5.1	-2.1	-4.6	-5.1	-2.4
Increases in salaries	1.3	0.0	1.1	1.2	0.0	1.3
Inflation rate	1.0	2.8	2.0	1.0	2.3	1.9
Interest credits on retirement assets	1.1			1.1		
Sensitivities + 50bp						
	- 50bp			- 50bp		
CHF m	Switzerland	UK	Other	Switzerland	UK	Other
Discount rate	4.9	5.6	2.2	5.2	5.6	2.6
Increases in salaries	-1.1	0.0	-0.9	-1.2	0.0	-1.1
Inflation rate	-0.9	-2.6	-1.8	-0.9	-2.9	-2.4
Interest credits on retirement assets	-1.0			-1.1		
Sensitivities - 50bp						

The above table describes the effect of the principal actuarial assumptions on pension liabilities. The table shows the effect of an isolated change of a single parameter, assuming that all other parameters remain unchanged. However, sensitivities may differ for individual plans. The sensitivity analysis aims to visualize the uncertainty in valuing pension liabilities under market conditions at the date of valuation. The results cannot be extrapolated owing to possible non-linear effects in the event of changes to the actuarial assumptions. Moreover, the analysis cannot say anything about the likelihood of these changes occurring, nor does it present the view of the Group regarding anticipated future changes in pension liabilities.

Weighted average asset allocation of the defined benefit plan assets as at December 31:

	2025	2024
%		
Shares	23.3	23.1
Bonds	27.2	27.7
Real Estate	21.5	21.5
Other securities	24.8	25.5
Cash and cash equivalents	3.2	2.2
Total plan assets as at December 31	100.0	100.0

'Shares', 'Bonds' and 'Other securities' were mainly quoted and 'Real Estate' mainly unquoted investments. The plan assets did not include any direct shares or other securities of the Forbo Group.

Contributions to defined benefit plans in the following year are estimated at the same level as in the current year.

Other non-current benefits

The Group does not finance any other non-current benefits. The plans for long-service bonuses and other benefits related to years of service are negligible or do not qualify as plans for other non-current benefits.

19 Employee participation plan

As of December 31, 2025, there existed the following share-based remuneration elements:

Remuneration of the Board of Directors

In the reporting year, the remuneration system for the Chair of the Board of Directors was adjusted as a result of the newly elected Chair at the 2025 Ordinary General Meeting. As the new Chair does not have an executive function anymore, the remuneration model has been aligned with the existing model of the other members of the Board of Directors.

The details and figures for the remuneration of the Board of Directors and the Executive Board are to be found in note 24 'Related-party transactions' of this Financial Report as well as 147 to 152 of the Remuneration Report.

The number of shares with a three-year vesting period allocated to the members of the Board of Directors came to 859 in the reporting year (2024: 359). This amount includes the shares allocated to the new Chair since the 2025 Ordinary General Meeting. During the reporting year, the former Chair – who was fully compensated in Forbo shares – received a distinct allocation of 297 shares.

Remuneration of the Executive Board

Long-Term Incentive Plan (LTI)

The LTI is a long-term participation plan consisting of a performance share unit plan. At the beginning of the performance period, each member of the Executive Board receives a certain number of deferred subscription rights in the form of performance share units (PSUs). One PSU corresponds to a deferred subscription right to one share. The PSUs are subject to a three-year vesting period. At the end of the vesting period, it is determined whether and to what extent the targets set by the Board of Directors at the beginning of the vesting period have been reached. Based on the level of target achievement, a corresponding percentage of the PSUs is converted into shares. These are subject to a one-year blocking period (they had been subject to a three-year blocking period for the Long-Term Incentive Plan up to and including 2022 – 2024). They cannot be sold or pledged during this period.

The relevant stock exchange price for the allocation of PSUs at the beginning of the vesting period is calculated on the basis of the unweighted average of the closing prices of Forbo shares during the first 14 trading days in January of the respective PSU allocation year.

Within the framework of the LTI, 32 shares (2024: 138) were allocated in the year under review. The share price at measurement date was CHF 776.43 (2024: CHF 1,006.14).

Management investment plan (MIP)

When the Short-Term Incentive (STI) is paid out, at least 50% must be allocated to the MIP. The remaining 50% can be withdrawn in full or in part by the members of the Executive Board in cash or likewise invested in the MIP. Each year, they can decide how this remaining 50% is allocated. The amounts allocated to the MIP are invested in shares of Forbo Holding Ltd. These are subject to a three-year blocking period and cannot be sold or pledged during this period.

The portion of the short-term incentive that is settled in the form of shares is recognized at fair value and reported as a corresponding increase in equity. The shares distributed under the MIP are issued on the basis of the unweighted average of the closing prices of Forbo shares during the first 14 trading days in January of the respective allocation year.

The number of shares of Forbo Holding Ltd issued in the year under review under the MIP was 197 (2024: 156). A further 111 shares (2024: 87) were allocated to Executive Board members in the reporting year as part of the fixed basic salary.

The amount charged to the income statement in application of IFRS 2 for shares issued to the Board of Directors, the Executive Board and employees came to CHF 1.1 million in the year under review (2024: CHF 2.2 million).

20 Share capital and capital management

Share capital

As at December 31, 2025 and December 31, 2024, the share capital of Forbo Holding Ltd stood at CHF 148,500 (2024: CHF 148,500), divided into 1,485,000 registered shares with a par value of CHF 0.10 each. Of this amount, 21,419 (2024: 21,419) registered shares without voting or dividend rights continued to be at the disposal of the Board of Directors. Consequently, 1,463,581 (2024: 1,463,581) registered shares were eligible for dividends as at December 31, 2025.

	31.12.2025	Change	31.12.2024
	Number	Number	Number
Total shares issued	1,485,000	0	1,485,000
less:			
Treasury shares	-44,604	8,374	-52,978
Own shares with no dividend rights	-21,419	0	-21,419
Total treasury shares	-66,023	8,374	-74,397
Total shares outstanding	1,418,977	8,374	1,410,603

At the Ordinary General Meeting of April 2, 2026, the Board of Directors will propose an ordinary gross dividend of CHF 25.00 per registered share, which will lead to an estimated pay out amount of CHF 35.5 million (2024: CHF 25.00 with a pay out amount of CHF 35.3 million). No distribution will be made for treasury shares held by Forbo Holding Ltd or any of its subsidiaries on the record date, which explains why the amount for distribution as ordinary dividends may still change.

Capital management

By capital management, the Group means management of consolidated shareholders' equity as well as optimization of the capital employed. The former includes the fully paid-up share capital, the positions 'Treasury shares', 'Reserves', and 'Translation differences' and, as per December 31, 2025, amounted to CHF 649.6 million (2024: CHF 626.0 million).

21 Leasing

The Group is the lessee for various fixed assets, in particular buildings and vehicles.

The table below shows the right-of-use assets recognized under property, plant, and equipment.

Right-of-use assets				
CHF m	Land and buildings	Machinery and equip- ment	Vehicles and other property, plant, and equipment	Total property, plant, and equipment
As at January 1, 2024	30.8	1.0	9.9	41.7
Additions	14.0	1.8	8.0	23.8
Derecognition	-0.1	0.0	-0.4	-0.5
Depreciation	-10.4	-0.7	-5.9	-17.0
Translation differences	1.2	0.0	0.1	1.3
As at December 31, 2024	35.5	2.1	11.7	49.3
Additions	12.6	0.3	8.0	20.9
Derecognition	-0.4		-0.2	-0.6
Depreciation	-10.7	-0.7	-6.2	-17.6
Translation differences	-1.9	-0.1	-0.5	-2.5
As at December 31, 2025	35.1	1.6	12.8	49.5
			2025	2024
Lease liabilities			47.8	46.9

The recognized lease liabilities are stated in the current and non-current financial liabilities (see note 22 'Financial instruments'). The maturity analysis of the leasing liabilities is reported in note 23 'Financial risk management'.

Details of expenditure and cash flows for leases are shown in the table below:

	2025	2024
Interest for lease liabilities	1.6	1.3
Expenses for short-term leases	3.1	3.2
Expenses for low-value leases	1.0	0.7
Lease payments including interest	19.2	17.8

22 Financial instruments

Classification and fair values

The table below shows the carrying amounts and fair values of financial assets and financial liabilities. It does not contain information on the fair value of financial assets and financial liabilities if the book value constitutes an appropriate approximate value for their current fair value.

The item 'Derivative financial instruments' contains open foreign exchange hedging and swap transactions with a contract value at December 31, 2025, totaling CHF 78.6 million (2024: CHF 59.0 million). The foreign exchange rates can be directly observed or determined. The derivatives are therefore assigned to hierarchy level 2.

The items 'Other receivables' and 'Other current liabilities' are lower than shown in the balance sheet since the direct and indirect tax receivables and liabilities they contain do not qualify as financial instruments.

'Current financial liabilities' and 'Non-current financial liabilities' in essence correspond to the liabilities from leasing.

The carrying amount of the financial assets and financial liabilities valued at amortized cost is a reasonable approximation of the fair value. The Group did not hold any significant financial instruments measured at recurring fair value nor was there any regrouping between the levels of the fair value hierarchy.

Classification of financial instruments	Carrying amount		
CHF m	Fair value through profit or loss	Amortized cost	Total
31.12.2025			
Financial assets:			
Cash and cash equivalents		90.2	90.2
Derivative financial instruments	0.5		0.5
Trade receivables		138.2	138.2
Other receivables		4.3	4.3
Non-current financial assets		2.8	2.8
Financial liabilities:			
Current financial liabilities		15.8	15.8
Trade payables		78.6	78.6
Other current liabilities		11.0	11.0
Non-current financial liabilities		31.9	31.9

Classification of financial instruments			Carrying amount
CHF m	Fair value through profit or loss	Amortized cost	Total
31.12.2024			
Financial assets:			
Cash and cash equivalents		109.1	109.1
Trade receivables		142.8	142.8
Other receivables		4.5	4.5
Non-current financial assets		2.0	2.0
Financial liabilities:			
Derivative financial instruments	0.2		0.2
Current financial liabilities		14.4	14.4
Trade payables		90.6	90.6
Other current liabilities		14.3	14.3
Non-current financial liabilities		32.6	32.6

23 Financial risk management

The Group is exposed to the following risks arising from the use of financial instruments:

- Market risk
- Liquidity risk
- Default risk

The tasks of the Board of Directors include identifying risks, determining suitable measures, and implementing those measures or having them implemented. The Board of Directors in consultation with the Executive Board ensures that risks are dealt with appropriately and that they are duly reported. This approach gives the Board a complete overview of the key risks and measures. This broad overview enables the Group to set priorities and allocate the necessary resources.

The following notes refer exclusively to the risk from financial instruments.

Market risk

This refers to the risk that market prices, above all exchange rates and interest rates, will change. In its day-to-day operations, the Group uses derivative and non-derivative financial instruments to manage the risks and opportunities arising from fluctuations in exchange rates and interest rates. The various risks associated with existing assets and liabilities as well as planned and anticipated transactions are monitored and managed centrally – with due regard to the Group's overall risk exposure. In line with the Group's hedging policy, Corporate Treasury constantly monitors both the risk exposure and the effectiveness of the hedging instruments and issues recommendations with regard to partial or complete hedging of existing risks.

The Group uses derivative financial instruments solely to manage financial risks and not for the purpose of speculation. To hedge its currency risks, the Group uses mainly foreign exchange spot contracts, forward currency contracts, and currency swap transactions. In order to manage counterparty risk, derivative financial transactions are concluded only with first-class banks. The creditworthiness of these institutions is assessed on the basis of evaluations by leading rating agencies.

As in the previous year, no hedge accounting was used in this context in the year under review.

Foreign exchange risk management

Risks arising from short-term currency exposure created by purchases and sales of goods and services (transaction risks) are identified, and selective hedging strategies are implemented in line with an ongoing assessment of exchange rate movements. The Group uses foreign exchange forward and option contracts with maturities of up to 15 months to hedge against transaction risk.

Furthermore, risks associated with the translation of assets and liabilities denominated in foreign currencies (translation risks) are managed by establishing an appropriate financing policy.

A realistic assessment of changes in exchange rates for the most relevant currencies has no significant impact on the result and the equity of the Group from the valuation of transactions with financial instruments.

Interest rate risks

Interest rate risks arise from changes in the fair value of interest-bearing assets and liabilities caused by fluctuations in interest rates. Since these risks may have a negative effect on net financial profit and shareholders' equity, the Group uses derivatives to manage them on a case-by-case basis. A realistic assessment of changes in interest rates has no significant impact on the result and the equity of the Group from the valuation of transactions with financial instruments.

Liquidity risk

Liquidity risk is the risk that the Group may possibly be unable to meet contractually agreed financial obligations that are settled by delivering cash or other financial assets. Group companies need sufficient cash in order to meet their commitments. Corporate Treasury is responsible for managing liquidity. In 2025, the share of the aggregate cash and cash equivalents managed by Corporate Treasury was approximately 60% (2024: 70%).

The maturity structure of the existing financial liabilities is shown in the following table. These liabilities correspond to contractually agreed maturities and represent nominal payment outflows. Inflows and outflows of funds from derivative financial instruments are shown separately.

As at December 31, 2025						
CHF m	Carrying amount	Total cash outflow	Remaining term to maturity up to 1 year	Remaining term to maturity 1–2 years	Remaining term to maturity 2–5 years	Remaining term to maturity over 5 years
Interest-free liabilities	89.6	89.6	89.6			
Liabilities from leasing	47.8	53.2	16.5	15.3	18.8	2.6

As at December 31, 2024						
CHF m	Carrying amount	Total cash outflow	Remaining term to maturity up to 1 year	Remaining term to maturity 1–2 years	Remaining term to maturity 2–5 years	Remaining term to maturity over 5 years
Interest-free liabilities	104.9	104.9	104.9			
Liabilities from leasing	46.9	49.2	14.8	14.7	17.4	2.3
Cash outflow from financial derivatives	0.2	0.2	0.2			

Default risk

Default risk is the risk of financial losses in the event that a customer or the counterparty in a financial instrument fails to meet their obligations. The risk consists mainly of trade receivables and bank accounts or short-term deposits with banks. The maximum amount of the default risk is the book value of the financial assets.

The Group recognizes allowances for expected credit losses on financial instruments that are reported at amortized costs. It assesses at the end of each reporting period whether there is an objective basis for further impairment of a financial asset and whether the allowances made are still appropriate.

The Group considers a financial asset to be in default if it is unlikely that the borrower can pay their obligation to the Group in full without the Group having to take recourse to measures such as the realization of collateral.

Cash and cash equivalents

With regard to counterparty risk exposure to banks, Group-wide directives stipulate that financial investments and other financial transactions are to be made only with first-class banks. Given the credit ratings of these counterparties, the Group does not anticipate any defaults.

Trade receivables

The Group's default risk is affected mainly by the individual characteristics of its customers. Management, however, also takes into account the characteristics of the customer base as a whole, including the default risk of the sector and of the countries in which the customers operate, since these factors may also affect the default risk.

To manage this risk adequately, the financial creditworthiness of various customers is constantly monitored. Credit risks are diversified by the company's broad customer base in various industries and geographic regions and are covered in part by credit insurance policies.

Carrying amounts of trade receivables by currency:

	31.12.2025	31.12.2024
CHF m		
CHF	1.8	1.7
EUR	67.3	62.1
USD	21.6	25.2
JPY	8.4	9.5
GBP	6.9	8.0
CNY	5.5	7.4
SEK	3.8	2.8
Other	27.7	30.5
Total trade receivables, before loss allowance	143.0	147.2

The Group employs a model of valuation allowances ('provision matrix') for trade receivables. In this valuation allowance table, expected losses on receivables are determined on the balance sheet date on the basis of past experience of default probability and of future-oriented expectations based on experience with the customers and market conditions.

The assessment of future-oriented information relating to customers and market environment involves the use of publicly available information, including annual reports, external credit ratings, press releases, macroeconomic data, and material published by industry-specific market research companies.

As at December 31, 2025				
CHF m	Gross carrying amount	Loss allowance	Weighted average loss rate	Credit impaired
Not due	122.1	1.6	1.3%	0.0
Overdue ≤ 30 days	11.9	0.2	1.7%	0.0
Overdue 31 – 90 days	5.0	0.3	6.0%	0.0
Overdue 91 – 180 days	2.3	0.9	39.1%	0.0
Overdue > 180 days	1.7	1.2	70.6%	0.6
Total	143.0	4.2	2.9%	0.6

As at December 31, 2024				
CHF m	Gross carrying amount	Loss allowance	Weighted average loss rate	Credit impaired
Not due	123.8	1.6	1.3%	0.0
Overdue ≤ 30 days	13.3	0.2	1.5%	0.0
Overdue 31 – 90 days	5.3	0.3	5.7%	0.0
Overdue 91 – 180 days	3.1	0.8	25.8%	0.0
Overdue > 180 days	1.7	0.8	47.1%	0.7
Total	147.2	3.7	2.5%	0.7

Changes in valuation allowances for doubtful trade receivables during the reporting year:

	2025	2024
CHF m		
January 1	-4.4	-4.7
Additions	-1.3	-1.1
Release	0.3	0.8
Use	0.5	0.7
Translation differences	0.1	-0.1
As at December 31	-4.8	-4.4

The creation and release of allowances for doubtful trade receivables are included in 'Other operating expenses' in the income statement.

24 Related-party transactions

Compensation paid to members of the Board of Directors and Executive Board:

CHF m	Executive Board		Board of Directors		Total	
	2025	2024	2025	2024	2025	2024
Remuneration	2.1	1.8	0.9	0.7	3.0	2.5
Employer contributions to the pension scheme	0.2	0.2			0.2	0.2
Share-based payments	0.2	0.2	0.9	1.9	1.1	2.1
Total payments	2.5	2.2	1.8	2.6	4.3	4.8

The members of the Board of Directors receive fixed remuneration, the amount of which varies by office held, whether as chair, vice chair or member, and according to membership in committees. 40% of gross remuneration is paid in shares of Forbo Holding Ltd. The total remuneration also includes lump-sum expenses and employer contributions to statutory social security. The members are not covered by the company's pension plan.

The remuneration of the members of the Executive Board consists of fixed and variable remuneration elements. The fixed remuneration consists of a fixed basic salary and other remuneration elements such as employer contributions to the usual social security schemes, accident and sickness schemes, as well as private use of company cars. Employer contributions to the company's pension plan are reported separately. The fixed basic salary is mainly paid in cash; it may also include shares of Forbo Holding Ltd. The variable remuneration consists of a short-term incentive (STI) and a long-term incentive (LTI).

The share-based payments to the Executive Board consist of the following elements: fixed basic salary portion paid in shares; short-term incentive invested in the Management Investment Plan (MIP) for the reporting year; and the future subscription rights, awarded pro rata for the reporting year and weighted in accordance with target achievement in the reporting year in the form of performance share units for the Long-Term Incentive Plans 2023–2025, 2024–2026 and 2025–2027 (see note 19 'Employee participation plan').

As at December 31, 2025 and 2024, the Group had no significant receivables due from or liabilities to related parties.

25 Events after the balance sheet date

Between the balance sheet date and the date of publication of this report, no event occurred that could have a significant effect on the 2025 annual financial statements.

Group companies (as at December 31, 2025)

Group company	Registered office	Currency	Share capital	Equity interest	Flooring Systems	Move-ment Systems	Holding/ services
Australia							
Forbo Floorcoverings Pty. Ltd.	Wetherill Park, NSW	AUD	1,400,000	100%	S		
Forbo Siegling Pty. Ltd.	Wetherill Park, NSW	AUD	7,100,000	100%		S	
Austria							
Forbo Flooring Austria GmbH	Vienna	EUR	72,673	100%	S		
Forbo Siegling Austria Ges.m.b.H.	Vienna	EUR	330,000	100%		S	
Belgium							
Forbo Flooring N.V.	Groot-Bijgaarden	EUR	250,000	100%	S		
Brazil							
Forbo Pisos Ltda.	São Paulo	BRL	16,564,200	100%	S		
Forbo Siegling Brasil Ltda.	São Paulo	BRL	7,008,746	50%		MS	
Canada							
Forbo Flooring Canada Corp.	Halifax	CAD	500,200	100%	S		
Forbo Siegling Canada Corp.	Halifax	CAD	501,000	100%		S	
Chile							
Forbo Siegling Chile S.A.	Santiago	CLP	313,090,945	50%		S	
Colombia							
Forbo Siegling Colombia S.A.S.	Bogotá, D.C.	COP	2,250,000,000	100%		S	
Czech Republic							
Forbo Siegling Česká republika s.r.o.	Liberec	CZK	100,000	100%		S	
Forbo s.r.o.	Prague	CZK	500,000	100%	S		
Denmark							
Forbo Flooring A/S	Glostrup	DKK	500,000	100%	S		
Forbo Siegling Danmark A/S	Brøndby	DKK	33,000,000	100%		MS	
Finland							
Forbo Flooring Finland Oy	Helsinki	EUR	33,638	100%	S		
France							
Forbo Château-Renault S.A.S.	Château-Renault	EUR	1,000,000	100%	MS		
Forbo Participations S.A.S.	Reims	D EUR	5,000,000	100%			H
Forbo Reims SNC	Reims	EUR	3,879,810	100%	MS		
Forbo Sarlino S.A.S.	Reims	EUR	6,415,500	100%	S		
Forbo Siegling France S.A.S.	Lomme	EUR	819,000	100%		S	

S Sales

MS Manufacturing and sales

H Holding/services

D Direct participation of Forbo Holding Ltd

Group company	Registered office	Currency	Share capital	Equity interest	Flooring Systems	Move-ment Systems	Holding/ services
Germany							
Forbo Beteiligungen GmbH	Hanover	D	EUR	15,400,000	100%		H
Forbo Eurocol Deutschland GmbH	Erfurt		EUR	2,050,000	100%	MS	
Forbo Flooring GmbH	Paderborn		EUR	500,000	100%	S	
Forbo Siegling GmbH	Hanover		EUR	10,230,000	100%		MS
Great Britain							
Forbo Flooring UK Ltd.	Derbyshire		GBP	22,000,000	100%	MS	
Forbo Floors UK Ltd.	Kirkcaldy		GBP	4	100%		H
Forbo-Nairn Ltd.	Derbyshire		GBP	8,000,000	100%		H
Forbo Siegling (UK) Ltd.	Dukinfield		GBP	50,774	100%		S
Forbo UK Ltd.	Derbyshire		GBP	49,500,000	100%		H
Westbond Ltd.	Derbyshire		GBP	400,000	100%		H
Hong Kong							
Forbo International Hong Kong Ltd.	Hong Kong		HKD	1	100%		H
India							
Forbo Flooring India Pvt. Ltd.	Delhi		INR	15,000,000	100%	S	
Forbo Siegling Movement Systems India Pvt. Ltd.	Pune		INR	26,000,000	100%		S
Indonesia							
PT Forbo Siegling Indonesia	Kabupaten Bandung		IDR	6,344,580,000	100%		S
Ireland							
Forbo Ireland Ltd.	Dublin		EUR	125,000	100%	S	
Italy							
Forbo Resilienti S.r.l.	Segrate (Milan)		EUR	60,000	100%	S	
Forbo Siegling Italia S.p.A.	Paderno Dugnano (Milan)		EUR	120,000	100%		S
Japan							
Forbo Siegling Japan Ltd.	Tokyo		JPY	330,000,000	100%		MS
Malaysia							
Forbo Siegling SDN. BHD.	Johor Bahru		MYR	2,500,002	100%		S
Mexico							
Forbo Siegling, S.A. de C.V.	Tlalnepantla	D	MXN	24,676,404	100%		MS

S Sales

MS Manufacturing and sales

H Holding/services

D Direct participation of Forbo Holding Ltd

Group company	Registered office	Currency	Share capital	Equity interest	Flooring Systems	Move-ment Systems	Holding/ services
Netherlands							
Forbo Eurocol Nederland B.V.	Zaanstad	EUR	454,000	100%	MS		
Forbo Flooring B.V.	Krommenie	EUR	11,350,000	100%	MS		
Forbo Flooring Coral N.V.	Krommenie	EUR	1,944,500	100%	MS		
Forbo NL Holding B.V.	Krommenie	EUR	13,500,000	100%			H
Forbo-Novilon B.V.	Coevorden	EUR	3,624,000	100%	MS		
Forbo Siegling Nederland B.V.	Spankeren	EUR	113,445	100%		S	
New Zealand							
Forbo Siegling Ltd.	Auckland	NZD	650,000	100%		S	
Norway							
Forbo Flooring AS	Asker	NOK	1,000,000	100%	S		
Forbo Siegling Norge AS	Oslo	NOK	100,000	100%		S	
People's Republic of China							
Forbo Movement Systems (China) Co., Ltd.	Pinghu	USD	25,000,000	100%		MS	
Forbo Flooring (Shanghai) Co., Ltd.	Shanghai	CHF	4,000,000	100%	S		
Forbo Siegling (China) Co., Ltd.	Shenyang	USD	16,221,000	100%		MS	
Poland							
Forbo Siegling Poland sp. z o.o.	Łódź	PLN	600,000	100%		S	
Portugal							
Forbo-Revestimentos, S.A.	Maia (Porto)	EUR	74,850	100%	S		
Romania							
Forbo Siegling Romania S.R.L.	Bucharest	RON	38,000	100%		S	
Russia							
OOO 'Forbo Flooring'	Moscow	RUB	500,000	100%	S		
OOO 'Forbo Kaluga'	Moscow	RUB	158,313,780	100%	MS		
OOO 'Forbo Siegling CIS'	Saint Petersburg	RUB	400,000	100%		S	
OOO 'Forbo Eurocol RUS'	Stary Oskol	RUB	187,181,000	100%	MS		
Slovakia							
Forbo Siegling s.r.o.	Malacky	EUR	1,000,000	100%		MS	
South Korea							
Forbo Korea Ltd.	Seoul	KRW	900,000,000	100%	S	S	

S Sales

MS Manufacturing and sales

H Holding/services

D Direct participation of Forbo Holding Ltd

Group company	Registered office		Currency	Share capital	Equity interest	Flooring Systems	Move-ment Systems	Holding/ services
Spain								
Forbo Pavimentos, S.A.	Barcelona	—	EUR	60,101	100%	S	—	—
Forbo Siegling Iberica, S.A.U.	Montcada i Reixac (Barcelona)	—	EUR	1,532,550	100%	—	S	—
Sweden								
Forbo Flooring AB	Gothenburg	—	SEK	8,000,000	100%	S	—	—
Forbo Siegling Svenska AB	Kållerød (Gothenburg)	—	SEK	1,000,000	100%	—	S	—
Switzerland								
Forbo Management SA	Baar	D	CHF	100,000	100%	—	—	H
Forbo-Giubiasco SA	Bellinzona	—	CHF	100,000	100%	MS	—	—
Forbo Siegling Schweiz AG	Wallbach	—	CHF	100,000	100%	—	MS	—
Thailand								
Forbo Siegling (Thailand) Co. Ltd.	Samut Prakan	D	THB	13,005,000	100%	—	S	—
Turkey								
Forbo Hareket ve Zemin Sistemleri Ticaret Limited Şirketi	Istanbul	—	TRY	17,500,000	100%	S	S	—
Ukraine								
TOB 'Forbo Flooring Ukraine'	Lviv	—	UAH	2,000,000	100%	S	—	—
United Arab Emirates								
Forbo Flooring Middle East FZCO	Dubai	—	AED	499,000	100%	S	—	—
USA								
Forbo America Inc.	Wilmington, DE	D	USD	19,957,259	100%	—	—	H
Forbo Flooring, Inc.	Wilmington, DE	—	USD	3,517,000	100%	MS	—	—
Forbo Siegling, LLC	Wilmington, DE	—	USD	15,455,000	100%	—	MS	—

S Sales

MS Manufacturing and sales

H Holding/services

D Direct participation of Forbo Holding Ltd

Report of the statutory auditor



Statutory Auditor's Report

To the General Meeting of Forbo Holding Ltd, Baar

Report on the Audit of the Consolidated Financial Statements

Opinion

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

In our opinion, the consolidated financial statements (pages 162 to 203) give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and comply with Swiss law.

Basis for Opinion

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

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

Key Audit Matter

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.



VALUATION OF INVENTORIES

Key Audit Matter

Inventory as at 31 December 2025 amounted to CHF 281.7 million (31 December 2024: CHF 281.6 million) and represents one of the most material asset positions. Valuation allowance for inventories as at 31 December 2025 amounted to CHF -29.5 million (31 December 2024: CHF -28.5 million). Valuation of inventories is consequently of significance to an understanding of the financial statements.

Inventory is recognized at acquisition or manufacturing costs and periodically assessed in terms of recoverability. There is a risk that for work in progress and finished goods the manufacturing costs exceed the actual sales price less selling, distribution and administrative costs (net realizable value).

Furthermore, determining valuation allowances therefore involves a certain degree of judgment.

For further information on inventories refer to the following:

- Note 2 – Summary of significant accounting policies: Inventories page 171
- Note 13 – Inventories, page 181

Other Information

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

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

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

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

Our response

We mainly performed the following audit procedures:

- We obtained an understanding of the process related to the identification and valuation of obsolete inventories. Based on this, we critically assessed whether transactions are completely and accurately recorded in the accounts.
- We assessed the adequacy of the processes to identify obsolete inventories and critically evaluated the basis and methodology used to value these inventories. We verified the calculation of the allowance for obsolete inventories and tested the underlying input parameters.
- We evaluated the design and implementation of key controls in connection with the inventory process.
- We participated in the inventory stock counts and performed test counts.
- We compared costs and sales prices to assess proper valuation of inventories at lower of cost or net realizable value. This was done on a case-by-case basis based on a sample or mass data analysis.

Report of the statutory auditor



Board of Directors' Responsibilities for the Consolidated Financial Statements

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

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

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

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

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

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



- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

KPMG AG

Tino Hutter
Licensed Audit Expert
Auditor in Charge

Joel Wachter
Licensed Audit Expert

Zurich, 2 March 2026

KPMG AG, Badenerstrasse 172, CH-8036 Zurich

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Consolidated balance sheets 2021 – 2025

	31.12.2025	31.12.2024	31.12.2023	31.12.2022	31.12.2021
Assets					
CHF m					
Cash and cash equivalents	90.2	109.1	69.1	46.7	93.3
Current financial assets	0.5	0.0	0.0	0.0	0.0
Trade receivables	138.2	142.8	138.9	155.2	153.4
Other receivables	24.8	19.5	35.9	39.2	32.2
Accrued income and deferred expenses	18.2	15.3	15.1	14.3	11.8
Inventories	281.7	281.6	264.2	316.2	262.9
Current assets	553.6	568.3	523.2	571.6	553.6
Non-current financial assets	2.8	2.0	1.9	1.8	0.2
Deferred tax assets	35.5	28.4	30.7	34.3	37.4
Property, plant, and equipment	299.4	293.8	266.6	267.6	294.8
Intangible assets and goodwill	78.7	81.7	79.0	84.9	95.6
Employee benefit assets	1.9	1.6			
Non-current assets	418.3	407.5	378.2	388.6	428.0
Total assets	971.9	975.8	901.4	960.2	981.6

	31.12.2025	31.12.2024	31.12.2023	31.12.2022	31.12.2021
Shareholders' equity and liabilities					
CHF m					
Current financial liabilities	15.8	14.6	13.2	39.0	50.8
Trade payables	78.6	90.6	86.9	102.5	112.2
Other current liabilities	20.9	23.7	22.4	29.9	30.0
Current tax liabilities	13.6	14.4	16.2	21.2	20.4
Current provisions, accrued expenses, and deferred income	74.9	75.0	80.6	99.0	101.1
Current liabilities	203.8	218.3	219.3	291.6	314.5
Non-current financial liabilities	31.9	32.6	26.9	26.6	31.6
Deferred tax liabilities	14.1	5.2	7.4	8.2	9.8
Non-current provisions	33.3	44.3	44.9	42.7	35.5
Employee benefit obligations	39.2	49.4	49.2	41.0	68.4
Non-current liabilities	118.5	131.5	128.4	118.5	145.3
Total liabilities	322.3	349.8	347.7	410.1	459.8
Share capital	0.1	0.1	0.1	0.1	0.2
Treasury shares	-0.0	-0.0	-0.0	-0.0	-0.1
Reserves and retained earnings	649.5	625.9	553.6	550.0	521.7
Shareholders' equity	649.6	626.0	553.7	550.1	521.8
Total shareholders' equity and liabilities	971.9	975.8	901.4	960.2	981.6

Consolidated income statements 2021 – 2025

1.1.–31.12.	2025	2024	2023	2022	2021
CHF m					
Net sales	1,085.4	1,122.0	1,175.2	1,293.2	1,254.0
Cost of goods sold	-726.8	-737.1	-773.5	-852.4	-803.0
Gross profit	358.6	384.9	401.7	440.8	451.0
Development costs	-16.5	-15.3	-15.7	-15.6	-15.9
Marketing and distribution costs	-160.0	-160.3	-168.5	-178.6	-175.3
Administrative costs	-91.1	-86.8	-80.1	-94.2	-92.8
Other operating expenses	-7.7	-8.8	-17.2	-27.7	-7.2
Other operating income	4.5	6.9	9.7	7.9	19.2
Operating profit	87.8	120.6	129.9	132.6	179.0
Financial income	2.8	2.7	5.7	0.9	3.0
Financial expenses	-3.7	-1.7	-3.8	-2.5	-0.8
Profit before taxes	86.9	121.6	131.8	131.0	181.2
Income taxes	-18.0	-26.5	-29.5	-29.6	-40.0
Profit for the year	68.9	95.1	102.3	101.4	141.2

FINANCIAL REPORT

Financial statements for Forbo Holding Ltd

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Balance sheet

		31.12.2025	31.12.2024
Assets			
CHF m	Note		
Cash and cash equivalents		0.0	0.1
Other receivables from Group companies	2	92.0	110.0
Current assets		92.0	110.1
Investments in Group companies	3	289.3	289.3
Non-current assets		289.3	289.3
Total assets		381.3	399.4

		31.12.2025	31.12.2024
Shareholders' equity and liabilities			
CHF m	Note		
Current liabilities to third parties		0.0	0.1
Accrued expenses and deferred income		0.3	0.3
Current liabilities		0.3	0.4
Share capital	4	0.1	0.1
Legal profit reserve:			
Legal profit reserve in the narrow sense		15.6	15.6
Reserve for treasury shares	6	0.2	0.4
Treasury shares	6	-59.6	-70.3
Retained earnings		413.4	439.5
Net profit for the year		11.3	13.7
Shareholders' equity		381.0	399.0
Total shareholders' equity and liabilities		381.3	399.4

Income statement

	1.1.–31.12.	2025	2024
Income			
CHF m	Note		
Financial income:			
From investments in Group companies		15.4	20.3
Total income		15.4	20.3

	1.1.–31.12.	2025	2024
Expenses			
CHF m	Note		
Administrative expenses	8	4.1	4.2
Financial expenses	9	0.0	2.4
Total expenses		4.1	6.6
Net profit for the year		11.3	13.7

Notes to the financial statements

1 Accounting

These financial statements have been prepared in accordance with the provisions on accounting and financial reporting of the Swiss Code of Obligations (32nd title of the Swiss Code of Obligations). Forbo Holding Ltd (the 'Company') publishes consolidated financial statements according to a generally accepted accounting standard (IFRS). Therefore, in accordance with the provisions on accounting and financial reporting, the financial statements are presented without disclosure notes relating to audit fees or a cash flow statement.

As of January 1, 2025, the Company amended its accounting policy related to the disposal of treasury shares. Gains and losses from such transactions are now recognized directly in retained earnings. Up to and including the 2024 financial year, these amounts were presented in the income statement within 'financial income' or 'financial expenses'. The amendment ensures consistency with the treatment prescribed for tax reporting purposes. For the financial year 2025, a loss of CHF 4.8 million resulted from the disposal of treasury shares (prior year: CHF 2.4 million).

2 Other receivables from Group companies

'Other receivables from Group companies' comprise the claims on cash pool accounts.

3 Investments in Group companies

'Investments in Group companies' are measured at the cost of acquisition less necessary valuation allowances.

As at December 31, 2025 and December 31, 2024, Forbo Holding Ltd held the following direct investments (indirect investments can be taken from the consolidated financial statements of Forbo Holding Ltd):

Investments in Group companies					
Company	Registered office	Activity	Currency	Share capital (in 1,000)	Equity interest
Forbo America Inc.	US-Wilmington, DE	Holding/services	USD	19,957	100%
Forbo Beteiligungen GmbH	DE-Hanover	Holding/services	EUR	15,400	100%
Forbo Management SA	CH-Baar	Holding/services	CHF	100	100%
Forbo Participations S.A.S.	FR-Reims	Holding/services	EUR	5,000	100%
Forbo Siegling, S.A. de C.V.	MX-Tlalnepantla	Manufacturing and sales	MXN	24,676	< 0.1%
Forbo Siegling (Thailand) Co. Ltd.	TH-Samut Prakan	Sales	THB	13,005	69.1%

4 Share capital

As at December 31, 2025, the share capital of Forbo Holding Ltd totaled CHF 148,500 (2024: CHF 148,500), divided into 1,485,000 registered shares with a par value of CHF 0.10 each. 21,419 registered shares without voting or dividend rights are at the disposal of the Board of Directors.

5 Conditional capital

The conditional capital on December 31, 2025, remained unchanged against the previous year at CHF 16,645.

6 Treasury shares

The treasury shares directly held in Forbo Holding Ltd amounting to CHF 59.6 million on the balance sheet date correspond to the value of all treasury shares valued at cost. The item 'Reserve for treasury shares' reflects the treasury shares held by subsidiaries of Forbo Holding Ltd, amounting to CHF 0.2 million. Overall, the treasury shares held directly and indirectly developed as follows over the period under review:

Treasury shares	Cost CHF m	Number of registered shares
As at January 1, 2024	78.8	77,644
Additions	4.5	5,000
Disposals	-12.6	-8,247
As at December 31, 2024	70.7	74,397
Disposals	-10.9	-8,374
As at December 31, 2025	59.8	66,023

7 Share rights

The following share rights were allocated to the Board of Directors:

	31.12.2025		31.12.2024	
	Number of shares	in CHF m	Number of shares	in CHF m
Allocated to the Board of Directors	1,156	0.9	1,838	1.9

8 Administrative expenses

Administrative expenses included stewardship costs, the fees paid to the members of the Board of Directors, the auditor's fees, and usual administrative costs, mainly for the Ordinary General Meeting, the share register, insurance, and legally required announcements. Forbo Holding Ltd does not employ any personnel.

9 Financial expenses

In 2024, financial expenses included losses arising from the disposal of treasury shares. Following the change in accounting policy effective January 1, 2025, such losses are no longer recognized in the income statement but are recorded directly in retained earnings (see Note 1).

10 Contingent liabilities

Guarantees and letters of support to third parties in favor of Group companies amounted to CHF 8.3 million at year-end 2025 (2024: CHF 8.3 million), of which none were utilized.

The Group companies in Switzerland are treated for purposes of value-added tax as a single entity subject to value-added tax (group taxation regime, Article 13, Federal Act on Value-Added Tax). If one of the Group companies is unable to meet its payment obligations to the Federal Tax Administration, the other Group companies bear joint and several liability.

11 Events after the balance sheet date

Between the balance sheet date and the date of publication of this annual report, no event occurred that could have a significant effect on the 2025 annual financial statements.

Proposal for appropriation of available earnings

The Board of Directors proposes to the Ordinary General Meeting that the available retained earnings, consisting of:

	2025
CHF m	
Net profit	11.3
Retained earnings	413.4
Treasury shares	-59.6
Total at the shareholders' meeting's disposal	365.1

be appropriated as follows:

	2025
CHF m	
Distribution ordinary dividend	35.5
To be carried forward	329.6
Total at the shareholders' meeting's disposal	365.1

At the Ordinary General Meeting of April 2, 2026, the Board of Directors will propose an ordinary gross dividend of CHF 25.00 per registered share (2024: CHF 25.00). No distribution will be made for treasury shares held by Forbo Holding Ltd or any of its subsidiaries on the record date, which explains why the amount for distribution as ordinary dividends may still change.

Report of the statutory auditor



Statutory Auditor's Report

To the General Meeting of Forbo Holding Ltd, Baar

Report on the Audit of the Financial Statements

Opinion

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

In our opinion, the financial statements (pages 212 to 217) comply with Swiss law and the Company's articles of incorporation.

Basis for Opinion

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

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

Key Audit Matters

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

Other Information

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

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

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



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

Board of Directors' Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Report of the statutory auditor



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

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

Report on Other Legal and Regulatory Requirements

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

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

KPMG AG

A handwritten signature in black ink, appearing to read 'Tino Hutter', written over a light gray rectangular background.

Tino Hutter
Licensed Audit Expert
Auditor in Charge

A handwritten signature in black ink, appearing to read 'Joel Wachter', written over a light gray rectangular background.

Joel Wachter
Licensed Audit Expert

Zurich, 2 March 2026