

ARBONIA ANNUAL REPORT

2024

ARBONIA 



Key figures 2020–2024

in CHF million	2024 ¹	2023 ¹	2022 ²	2021 ²	2020 ²
Net revenue	556.3	504.6	1 202.1	1 186.2	1 038.4
EBITDA ³	66.3	31.9	108.3	124.7	116.3
EBIT ³	16.9	–8.7	37.0	53.3	53.9
Group result ³	2.7	–14.1	20.7	27.5	29.7
Total assets	1 700.2	1 482.6	1 519.5	1 623.3	1 515.2
Shareholders' equity	946.4	921.0	987.5	1 044.3	893.2
in % of total assets	55.7	62.1	65.0	64.3	59.0
Net cash/debt	357.0	208.8	184.4	–93.2	140.6
Cash flow from operating activities	41.3	101.0	–25.8	92.8	141.3
Free cash flow	–121.3	2.4	–245.5	252.7	52.5
Capex	50.1	59.1	174.5	149.1	95.5
Average headcount in FTE	3 535	3 126	6 532	6 177	5 813

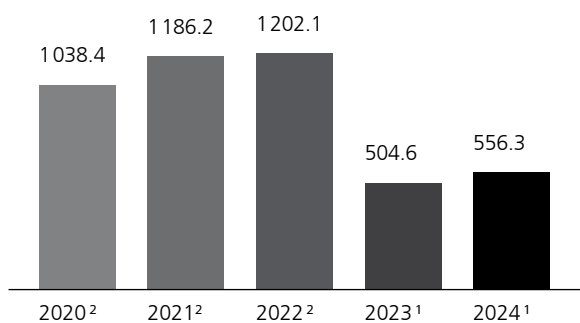
¹ Continuing operations (without Climate Division)
²Incl. discontinued operations (Climate Division), without Windows Division
³With one-time effects

Information for Investors

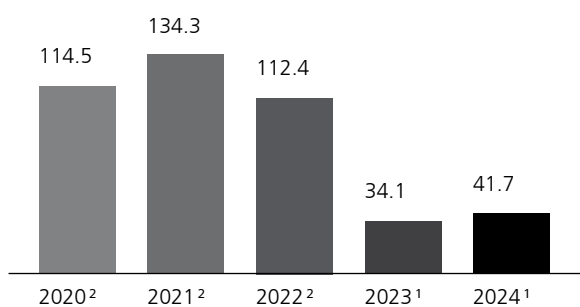
	2024	2023	2022	2021	2020
Share price on 31.12. in CHF	11.18	9.6	12.9	20.6	14.2
Market capitalisation in CHF million ⁴	776.7	669.0	896.2	1 431.1	986.5
Earnings per share in CHF	0.1	–0.3	0.3	2.0 ⁵	0.7
Price /earnings ratio per share ⁴	93.8	–38.7	46.5	10.3 ⁵	21.9
Gross dividend per share in CHF	1.83 ⁶	0.00 ⁶	0.30	0.30	0.47 ⁷

⁴Calculated on the basis of the share price on 31 December
⁵2021 includes the proceeds from the sale of the Windows Division
⁶Combined dividend for the 2023 financial year of CHF 0.30 and the 2024 financial year of CHF 0.33, as well as CHF 1.20 as an extraordinary distribution will be proposed at the Annual General Meeting 2025.
⁷Combined dividend for the 2019 financial year of CHF 0.22 and the 2020 financial year of CHF 0.25 paid out in 2020.

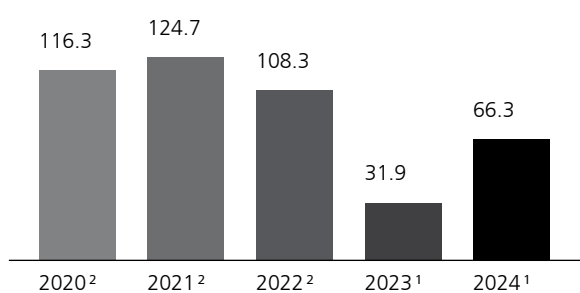
Net revenues



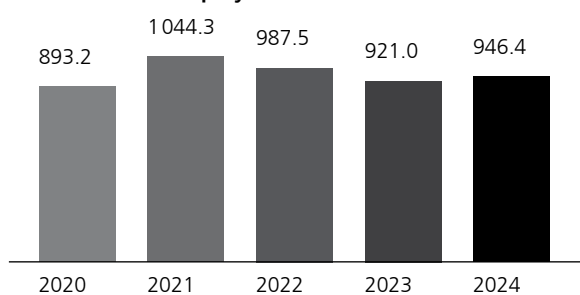
EBITDA without one-time effects



EBITDA with one-time effects

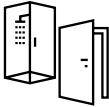


Shareholders' equity



¹ Continuing operations (without Windows Division)

² Continuing and discontinued operations (incl. Climate Division, without Windows Division)



Doors Division

Areas of activity

Acrylic / mineral cast bathtubs and shower trays
Functional doors
Frames
Interior doors
Shower areas
Shower enclosures
Shower units
Wall systems

Brands

Baduscho
Dimoldura
Garant
Interwand
Invado
Joro
Kermi
Koralle
Lignis
Prüm
Rozière
RWD Schlatter
TPO

Production sites

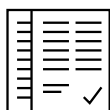
Bozouls (FR)
Carregal do Sal (PT)
Ciasna (PL)
Dagmersellen (CH)
Deggendorf (D)
Dörzbach (D)
Extarren (ES)
Ichtershausen (D)
Irutzun (ES)
Koryčany (CZ)
Lalín (ES)
Leutershausen (D)
Plattling (D)
Quintanar (ES)
Renchen (D)
Roggwil (CH)
Weinsheim (D)

Average headcount in FTE 2023

3 447

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Letter to the shareholders

The Arbonia Group (Arbonia) continued to face a challenging market environment in the financial year. Some markets suffered from a further decline in the construction industry. This situation was compounded by the increasing political uncertainty in Germany, Arbonia's most important market. Arbonia was able to counteract these difficulties with targeted measures: On the one hand, the acquisitions of Dimoldura in Spain and Lignis in the Czech Republic are worthy of mention and considerably reduce the dependence on the German market. On the other hand, the cost-saving measures already introduced last year are also having an effect.



Dear Shareholders Dear Ladies and Gentlemen

The Arbonia Group (Arbonia) continued to face a challenging market environment in the financial year. Some markets suffered from a further decline in the construction industry. This situation was compounded by the increasing political uncertainty in Germany, Arbonia's most important market. Arbonia was able to counteract these difficulties with targeted measures: On the one hand, the acquisitions of Dimoldura in Spain and Lignis in the Czech Republic are worthy of mention and considerably reduce the dependence on the German market. On the other hand, the cost-saving measures already introduced last year are also having an effect.

The sale of the Climate Division to the Chinese Midea Group announced in April 2024, was completed in February 2025 (closing). With the completion of the transaction, Arbonia will be focussing on the doors business and has already taken steps to significantly strengthen this with the previously mentioned acquisitions.

The focus involves several organisational changes, which is why the previous CEO of the Doors Division, Claudius Moor, has taken over the role of CEO of the Arbonia Group as of 1 January 2025. Consequently, Alexander von Witzleben gave up his executive role on the same day and will remain Chairman of the Board of Directors. With Uwe Schiller as the new CFO as well as the departure of Alexander Kaiss (CEO of the sold Climate Division) and the arrival of Markus Hütt in Group Management as of 26 February 2025, Group Management of the Arbonia Group has considerably changed overall.

Financial figures for 2024

In the 2024 financial year, Arbonia (continuing operations) recorded revenue growth of 10.2 % to CHF 556.3 million. This includes the acquisitions of the Spanish company Dimoldura, incl. Rozière in France, as well as the Czech company Lignis from the respective closing date. Without currency and acquisition effects (organic), however, a decrease of -5.4 % would be recorded. EBITDA (incl. one-time effects) increased by 107.8 % to CHF 66.3 million in the financial year. This corresponds to an increase in the EBITDA margin from 6.3 % to 11.9 %. In addition to the acquisitions, this also includes proceeds of around CHF 29 million (one-time effect) on the EBITDA level from the sale of the Zelgstrasse site in Arbon. This is offset by personnel adjustments, acquisition costs, as well as expenses for divesting the Kermi glass solution business from Kermi GmbH (Climate Division) in Plattling. As a result, the one-time effects amount to a total of CHF 24.6 million. EBITDA without one-time effects increased by 22.1 % to CHF 41.7 million; this corresponds to an increase in the EBITDA margin (without one-time effects) from 6.8 % to 7.5 %. EBIT without one-time effects fell from CHF -6.5 million in the previous financial year to CHF -7.7 million; the EBIT margin without one-time effects decreased from -1.3 % to -1.4 % as a result. Including one-time effects, EBIT amounted to CHF 16.9 million, compared with CHF -8.7 million in the same period of the previous year, meaning that the corresponding EBIT margin

(with one-time effects) grew from -1.7 % to 3.0 %. The group result (without one-time effects) totalled CHF -18.6 million, compared with CHF -12.4 million in the previous year; including one-time effects, the group result grew from CHF -14.1 million to CHF 2.7 million.

With the acquisition of Dimoldura and Lignis, Arbonia has achieved important milestones in focussing on the doors business. If these purchases had already been fully consolidated (pro forma) as of 1 January 2024 instead of the respective closing dates, the revenue of the new Arbonia would amount to CHF 604 million. This corresponds to an increase in revenue of roughly 20 % compared to the previous year.¹

None of these figures includes the Climate Division, which is treated as a discontinued operation. The antitrust approval of the EU Commission, which was still pending at the end of the year, was received on 28 January 2025, meaning that the sale was completed on 26 February 2025 (closing).

Market environment 2024

In Arbonia's largest European markets, the development of the construction industry did not noticeably recover yet in 2024. Instead, the uncertainty that had already characterised the 2023 financial year continued, including a declining number of building permits and increased financing costs. Some of these general conditions, such as interest, energy and material costs, improved somewhat over the course of the year but did not yet lead to a noticeable recovery in most markets.

In **Germany**, which continued to be Arbonia's most important market, the negative development of the construction industry continued. The construction of new residential properties, especially single-family homes, was seriously impacted here. This was due to continuing economic uncertainty, high interest costs, and the resulting decline in the number of building permits. Construction plans that had not been approved or started in the previous year were construction projects that were missing in 2024. Although construction costs and the demand for mortgages are trending in the right direction, building permits do not show any recovery yet, meaning that the demand from this sector is likely to remain at a low level in 2025 again. On the other hand, the renovation business has shown a pleasing stability and should grow again in the current financial year following the shift in capacities to this area; other building construction (outside of residential construction) shows a similar trend as well.

In **Switzerland**, the demand for other building construction has improved again after two years, with demand occurring especially outside of residential construction and stimulating growth there. In the flats segment, however, the Swiss market has stabilised and will probably only record a small decline in the past financial year; nevertheless, as in Germany, the effects are mainly due to new construction, coupled with a robust

¹ see note 41 (page 167).



demand for renovation measures. In the coming year, this recovery should gain momentum due to lower financing and material costs. Residential construction, though, is likely to continue to develop somewhat more weakly than other building construction. As in Germany, however, the high demand for flats remains unbroken, especially in metropolitan areas.

The market in **Spain**, which has become important to Arbonia, developed well in 2024. On the one hand, rents and property prices are continually increasing due to a decade of insufficient residential construction. Together with continuously improving profitability for developers, this should ensure that the construction of new homes continues to develop dynamically, with positive knock-on effects for the renovation sector. In other building construction, economic uncertainty remains, as in other European markets; this sector is therefore likely to have declined slightly in 2024. A recovery will probably be considerably less dynamic here. One ray of hope here, however, is the hotel sector, which continues to benefit from increasing numbers of tourists.

The construction industry in **France** will record a decrease in the past year as well as in the coming year. This is mainly because of the important domestic consumption, which was hampered by high inflation and increased interest rates; as a result, new residential and commercial property construction in particular is sharply decreasing. Only the renovation sector (residential construction and other building construction) was able to grow further and should also continue on this course. In the medium term, the improved economic conditions are likely to bring an improvement in new construction.

The Eastern European markets of **Poland** and the **Czech Republic** developed slightly differently in the past year. Polish residential construction experienced a significant recovery in 2024, with growth rates in new construction as well as renovation. In the Czech Republic, Arbonia was also able to achieve high growth rates. The upturn in Poland is above all due to new construction starts and the continuation of projects in the areas of single-family homes and rental properties, while the demand for owner-occupied flats in Poland was hampered by cost inflation. Outside of residential construction, other building construction developed unevenly: While the public demand for new educational facilities or their renovation in the Czech Republic supported the sector and should ensure increasing demand in the future, the demand from public authorities in Poland drastically decreased. In the next few years, however, other building construction should develop dynamically again in both markets.

Strategy and development of Arbonia

With the completion of the sale of the former Climate Division, the new Arbonia is focussing on the doors business with the goal of expanding its position as the leading manufacturer of interior doors made of wood and glass throughout Europe.

The new Arbonia made important progress towards this goal in the past year. On the one hand, the acquisition of the Spanish manufacturer Dimoldura enabled it to become the market leader in Spain, while its position in the French market was expanded with Dimoldura's subsidiary Rozière at the same time. With the Czech project business specialist Lignis, Arbonia also acquired a perfect addition for market cultivation in Eastern Europe in conjunction with standard doors from Invado. By combining the product portfolios of both companies, Arbonia is creating a full-range provider for the Eastern European region that is excellently positioned to gain further market shares. With these acquisitions, Arbonia has progressed further in diversifying its distribution channels, since Dimoldura, for example, generates a significant portion of its revenue through the distribution channel of DIY stores. In addition, the Arbonia Doors Division acquired two German DIY store chains as customers, which now sell Arbonia doors as licensed brands. The new Arbonia was also able to diversify its distribution channels geographically, as Spain and France have become important sales markets, and thereby reduced its dependence on the development of the construction industry in Germany.

The difficult development of the construction industry in Europe, and especially in the important German market, considerably affected the business of the Wood Solutions Business Unit in the past year and led to bankruptcies among competitors. There was also a lack of warehouse orders; goods were ordered instead on commission in batch size 1, which led to significant additional costs at the large German production plants, for example, due to machine conversions. Together with an unfavourable product mix and a further decline in standard doors, this had a negative impact. On the other hand, the functional doors segment developed much better. In this target market and in the target market of hotels, Arbonia gained market shares and was therefore able to compensate well for part of the decline. Do to the decline in sales, personnel adjustments were made in the 2024 financial year. The project business also developed positively again and achieved double-digit growth rates for the second year in a row. All of this and the acquisition of market shares in various markets led to a further margin improvement.

The market for the **Glass Solutions Business Unit** was also greatly impacted by the renewed decline in demand during the past year. The material costs for glass products, which remain very high, are an additional burden. As a consequence, further personnel adjustments were made in Germany that will contribute to increased efficiency together with various measures. Furthermore, the decline in new construction business was partially offset by existing customers as well as orders in the renovation segment. The segment of glass partition systems for offices also had an extremely successful development in the past year; Interwand reported its highest revenue in the last few years, which resulted from adapting offices to new employee requirements. On the other hand, the split of Kerma GmbH in Plattling should be mentioned as an



exceptional burden, since part of the company will remain in the Glass Solutions Business Unit while other areas are part of the sale of the Climate Division.

Despite these impediments on the demand side, the Arbonia Doors Division was able to gain further market shares, even in Germany. This is due to its industry-leading productivity as well as the targeted strengthening of the project business, which was able to win many prestigious projects, such as, for example, the 4 Towers construction project in Frankfurt (Germany). The acquisition of Interwand in the past year also successfully opened up the office segment, which had been largely untapped previously. In addition to the market leadership in Spain, the acquisition of Dimoldura and Rozière also created an optimum platform for opening up the important DIY markets in France, the third-largest construction industry in Europe. This has made Arbonia the market leader in continental Europe.

On the cost side, the new Arbonia has made important progress: Structured energy purchasing has significantly reduced costs. Further reductions in energy costs will result from the new CHP plant in Prüm, which now generates a large part of the energy and heat required at the site itself. Additionally, lower material costs have also had a positive effect on profitability, as have the personnel measures announced in the 2023 financial year.

Intensification of sustainability

As part of the focus on the doors business, Arbonia has reorganised its sustainability management and provided it with more personnel know-how, in order to intensify its efforts to achieve sustainable and economic success again. This is due to the further increasing requirements, both regulatory and from external stakeholders, but not the least from employees and Arbonia itself. In the 2024 financial year, Arbonia therefore formally committed to developing a path for reducing CO₂ in accordance with the rules of the Science-Based Targets Initiative (SBTI). In other words, a science-based emission reduction along the entire value-added chain (Scope 1–3), including suppliers and customers. Sustainability management is also preparing for the implementation of the Corporate Sustainability Reporting Directive (CSRD) as well as the EU taxonomy, which will be reported on starting in the current financial year.

From a sustainability perspective, however, there are not only new challenges; the focus on the Doors Division also presents opportunities, as the most important raw material here is wood, which stores CO₂ throughout its entire life cycle.

Outlook

The supply of properties, especially in residential construction, has not grown in line with demand in large parts of Europe. The past years have only exacerbated the imbalance here, meaning that the market outlook is very promising in the medium term. In the short term, however, the subsiding after-effects of the Corona years, such as increased interest rates, inflation, and the general economic uncertainty, are hampering the development of the construction industry. The delay between improved economic conditions and the development of new projects, the approval of these projects, the start of construction, and finally the installation of the doors, hampers the recovery of Arbonia's end markets. However, the Arbonia Doors Division is cautiously optimistic about the future since the general conditions are continually improving, the renovation business is going well, and the demand for mortgages continues to be robust.



This optimism comes from the fact that the focused Doors Division is very well positioned in its target markets despite adversities. With the completion of the investment programme of the last few years, Arbonia has assumed the cost leadership as well as the innovation leadership among European competition. With automated and efficient production sites, which increasingly allow automated order processing of over 40 individual parameters per door. These include, for example, external size, surface finish, technical requirements, pre-drilling for the construction site, as well as the dimensions of the door. This high degree of automation means that additional production volumes or a higher utilisation of production capacities following a recovery in the construction industry will lead to a further considerable margin increase, as hardly any additional personnel needs to be hired. This is also important in view of the continuing shortage of skilled workers. Together with the considerably reduced debt and a solid capital basis after the sale of the Climate Division, this margin increase allows the new Arbonia Doors Division to pursue a progressive distribution policy.

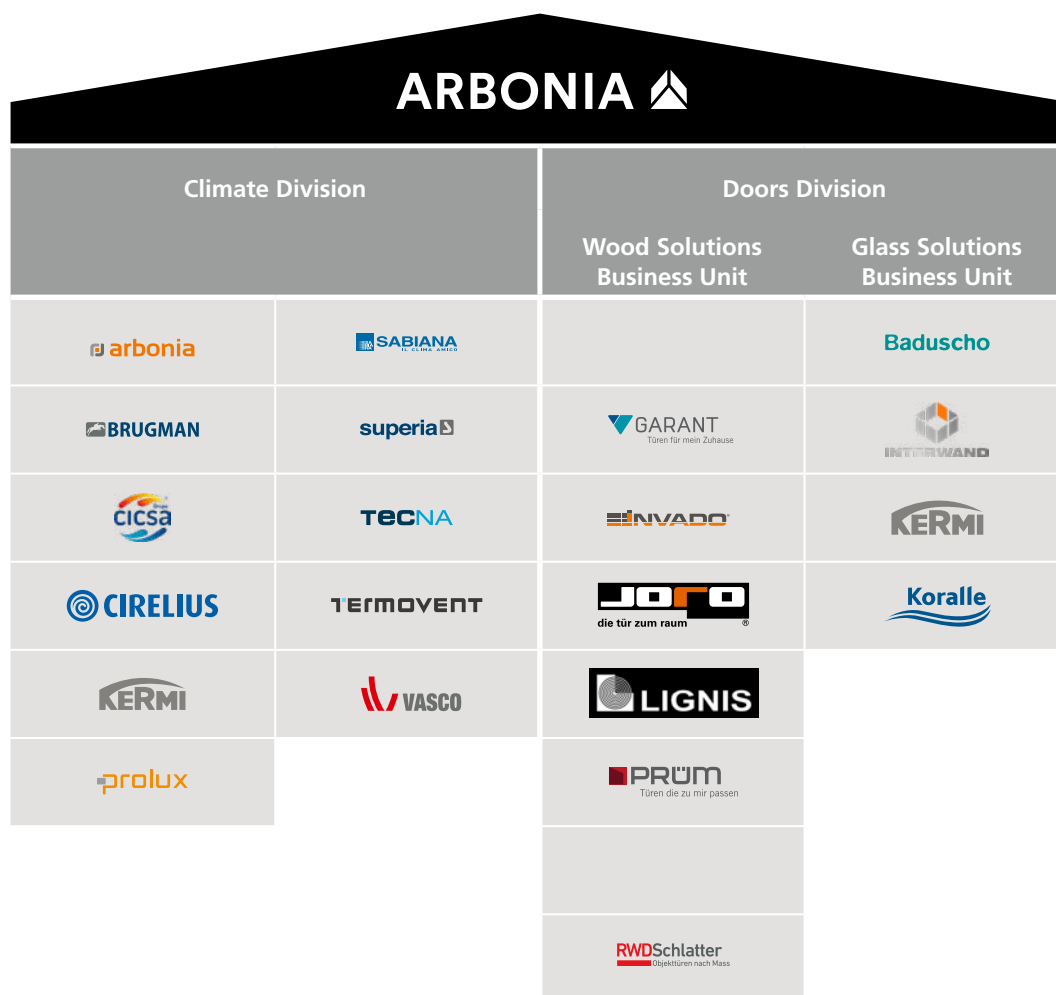
In addition, there is a comprehensive product portfolio, from high-quality, customised shower enclosures, partitions and glass doors, to large quantities of standardised wooden interior doors, up to technical doors with complex requirements and solid wood doors. With this comprehensive product portfolio, Arbonia is a market leader in many parts of Europe and can therefore offer solutions for residential construction as well as for other building construction projects such as hotels or offices. And this applies to new construction as well as renovation.

Alexander von Witzleben
Chairman of the Board of Directors

Claudius Moor
CEO

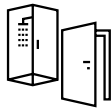


Divisional structure



Arbonia has signed a contract on 18 April 2024 for the sale of Climate Division to the Chinese Midea Group. After the completion of the sale (closing) on 26 February 2025, the Arbonia Group will focus on the Doors business.





Doors Division

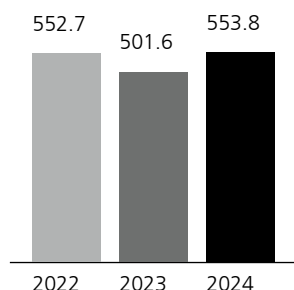
The **Doors Division**, which has become the new Arbonia after the closing of the sale of the Climate Division in late February 2025, consists of the two Business Units Wood Solutions and Glass Solutions.

With the companies Prüm, Garant, Invado, RWD Schlatter, Joro, and, after this year's acquisitions, with Dimoldura, Rozière and Lignis as well, the **Wood Solutions Business Unit** is one of Europe's leading providers of interior doors and frames made of wood materials. In addition to the business unit's previous five production sites, three of which are in Germany and one each are in Switzerland and Poland, further sites have been added in Spain, Portugal, France, and the Czech Republic.

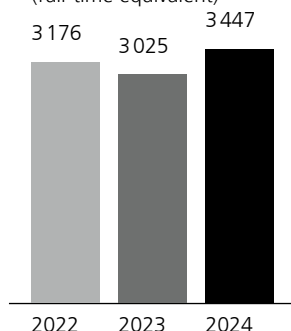
As a specialist for shower enclosures and glass systems, the **Glass Solutions Business Unit** offers impressive solutions for all generations, lifestyles, and types of residences. Thanks to its strong brands Kermi, Koralle, Baduscho, and Interwand, it is the market leader in Europe. In addition to the integrated production sites in Germany and the locally oriented manufacturing in Switzerland, it operates internationally through distribution companies.



Net revenue in million CHF



Average number of employees (full-time equivalent)



Market trends

The market development in 2024 was characterized by geopolitical uncertainties, increased energy prices, and a weakening economic situation. These factors impacted the demand in several markets. Despite these challenges, the Doors Division was able to maintain its market position and even expand it in selected segments through targeted measures.

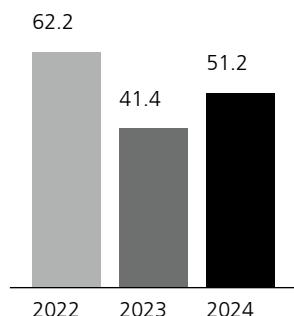
The Doors Division achieved a revenue of CHF 553.8 million in the 2024 reporting year, which corresponds to an increase of 10.4 % compared to the previous year (CHF 501.6 million). Organic growth (when adjusted for currency and acquisition effects, in other words, without Dimoldura/Rozière and Lignis) amounted to -5.3 %. EBITDA without one-time effects increased by 23.7 % from CHF 41.4 million in the previous year to CHF 51.2 million (CHF 48.6 million with one-time effects). This corresponds to an increase in the EBITDA margin from 8.3 % in the previous year to 9.2 %. EBIT without one-time effects came to CHF 3.9 million (CHF 1.3 million with one-time effects), which corresponds to a change of 20.1 % compared to the same period in the previous year (CHF 3.3 million).

The Doors Division benefited from its position as the market leader in continental Europe, supported by the strategic acquisitions of Dimoldura, Rozière, and Lignis. These acquisitions additionally made the Doors Division the market leader in Spain (Dimoldura) and in the project business in the Czech Republic (Lignis), a position that it already holds in Switzerland with RWD Schlatter. In Germany, Prüm and Garant achieved a market share of around 20 %. These acquisitions have therefore considerably reduced the dependence on the German market, with the result that the revenue share for Germany is now less than 50 %, compared to over 60 % originally.

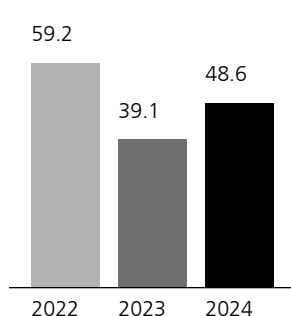
The difficult market situation in German residential construction continued in 2024. After a 29 % decline in building permits in 2023, a further decline of 18 % was expected in 2024. Completions in residential construction are likely to decrease by 22 %. The main reasons for this were higher interest rates, a continuing shortage of skilled workers in the construction industry, as well as increasing material costs. The renovation demand is and remains high since many doors installed in the 1990s have to be replaced due to their life cycle of approximately 30 years. At the same time, the increasing demand for housing in urban areas as well as the high net immigration helped to stabilise the renovation markets. Nevertheless, renovation also remained at a low level in 2024 due to the above-mentioned reasons.

Prüm was able to increase its revenue in Switzerland thanks to the new logistics centre at RWD Schlatter. This warehouse makes it possible to store doors directly on site and distribute them efficiently to customers from Switzerland – an important step towards strengthening the market position in the region. In Germany, the markets for standard doors and functional doors developed differently, with functional doors remaining

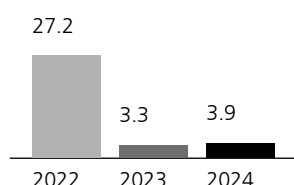
EBITDA without one-time effects in million CHF



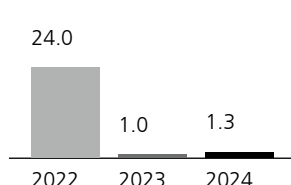
EBITDA with one-time effects in million CHF



EBIT without one-time effects in million CHF



EBIT with one-time effects in million CHF





more stable. Although Joro was also affected by the volume decrease, it was able to partially compensate for this with the Mandarin Hotel in Vienna. Arbonia flexibly reacted to this volume decrease and adapted its structures, which also partly involved a reduction in personnel. By increasing the company's own energy production, it was additionally possible to reduce the energy costs overall, but not to the planned extent since grid fees also rose at the same time. The greenhouse gas emissions (CO_{2e}) of Arbonia (Scope 1 and 2) have been reduced by 6 % in comparison to the previous year.

Renovation activities benefited from government subsidy programmes for energy efficiency, especially in cities. Non-residential construction showed a more stable development. Building permits are only expected to have decreased by 1 % in 2024. However, an increase in permits is expected for residential as well as non-residential construction starting in 2025, although this will probably not be reflected in completions until 2026. The Doors Division benefited from its strong position in project business as well as from the completed integration of Interwand, a leading supplier of glass partitions for the office area. This company now procures all of its required glass from within Arbonia. Public investments in infrastructure projects, especially in schools and hospitals, additionally contributed to a stable demand in the project business area. The introduction of new fire protection and sound insulation regulations additionally increased the demand for specialised door solutions.

RWD Schlatter likewise benefited from the commissioning of the new logistics centre in Roggwil and can now offer its customers a wider product portfolio, thereby increasing revenue with specialist partners. Switzerland was also less strongly affected by inflation than the euro zone due to the CHF/EUR exchange rate. As a consequence, prices for construction materials increased less sharply, and the interest rate hike was not as drastic. However, new construction in Switzerland decreased by -0.5%, while the renovation segment was able to maintain the previous year's level. In addition, other building construction, apart from homes, developed significantly better and increased compared to the previous year. This enabled the new sales organisation in western Switzerland to increase its revenue further.

The Spanish company Dimoldura has been part of the Doors Division since the closing on 16 May 2024. With this acquisition, the division has entered an attractive market, because in contrast to the European market, the construction industry is growing on the Iberian Peninsula. For example, in Spain, new residential construction is expected to grow by 0.5 % in 2024 and renovations by 0.7 %. With a strong focus on the target groups of DIY stores and retailers, Dimoldura generates most of its revenue in residential construction. In this area, Dimoldura was able to increase its revenue and gain market shares, growing by more than 5 % in Spain.

Rozière specialises in the production of solid wood doors, which are primarily sold through specialist retailers in France. France is in a similar situation to Germany, however, and continues to suffer from high material prices and higher interest rates. As a consequence, a clear double-digit decrease is expected for residential construction in 2024, which will be offset somewhat by renovation in residential construction. This is expected to be slightly above that of the previous year.

The domestic market of Invado (Poland) was affected by high cost inflation. Even though this has noticeably decreased, new regulatory requirements, such as obligatory playgrounds for children or maintaining greater distances between buildings, have kept construction costs high. However, Invado was able to change its customer structure favourably and increase revenues in Central Europe. The company entered the German DIY market and was able to increase revenues in the Czech Republic, Bulgaria, and Hungary.

Since the closing as of 1 July 2024, the Czech project business specialist Lignis has also been part of the division. This company generates 100 % of its revenue in the project business, with a strong focus on the Czech Republic and Slovakia. New construction, which is therefore essential, has developed better in the Czech Republic, as well as in Eastern Europe as a whole, than in Central Europe. Lignis was able to increase its revenue compared to the previous year and has also acquired further market shares at the same time.

Kermi and Bekon-Koralle also faced challenges from the decline in residential construction and higher energy costs. Due to the revenue decline, Bekon-Koralle had to purchase relatively fewer external installation services than in the previous years. This made it possible to maintain the margins. At the same time, other business areas considerably contributed to the positive overall development: Interwand, which achieved its highest revenue in the past five years in the last financial year, is especially noteworthy. Arbonia Glassysteme (AGS) also had to deal with a revenue decline due to the decrease in demand from other companies in the Glass Solutions Business Unit; however, it was able to compensate for this through business with third parties.

The strategic acquisitions and the specialisation of the production sites also allow the Doors Division to offer a comprehensive product portfolio for specialist retailers, DIY stores, and project business. The latter is supported by new European licences for technical doors that were issued in December and will facilitate the expansion into further markets as well as support the expansion of market shares in existing markets.



Products, technology, and innovations

One of the most important differentiating features of doors is the edging technology, since the edging is the most technologically demanding part of door manufacturing. At the same time, the door edge is also the most exposed part of a door and is affected the most by damage such as impacts. The premium edge sold by the Prüm and Garant brands, which gained further market shares in 2024, is an example of product differentiation and innovation, which is why Invado has followed RWD Schlatter and also added these edge technologies to its product range, which are frequently used in the project business and especially in hospitals.

In addition, the Glass Solutions Business Unit has developed the KermiEXTRA range further. Brushed metallic surfaces give the MENA hinged shower enclosure a high-quality design, while new coloured and textured glass offers individual design options. The Vision Sun textured glass provides a trendy look, and an expanded selection of décors is based on current designs in interior decoration.

An additional innovation was developed with the new sustainable door, which has a linoleum surface and a positive CO₂ footprint. This means that the raw material absorbs more CO₂ than is released during processing. Furthermore, membership in the Colour Network, an association of interior decorators, allows products to be developed and coordinated with the annually defined trend colour, so that doors can be better coordinated with interior design.

The division's digital offering was also expanded. The Prüm Digital and Garant Digital concepts were further developed in order to offer partners more transparency, infotainment, speed, as well as process simplification and stabilisation. Linking these platforms with DOORit makes it possible to offer end-to-end digital ordering processes in the future, from end customers to retailers to manufacturers.

Outlook

The Doors Division is cautiously optimistic about the 2025 financial year. On the one hand, targeted measures have been taken to strengthen the doors business in the past few months, so that the new Arbonia is considerably more robust than in the past. These measures include, for example, the acquisitions of Dimoldura and Lignis, which reduce the dependence on Germany and simultaneously open up other attractive markets, among other things. In addition, the automation and digitisation of our production plants allow higher productivity, efficiency, and flexibility with the same number of employees or even fewer employees because of the shortage of skilled workers. The Doors Division remains well positioned even in challenging times due to its long-standing customer relationships and an established sales network. In addition, innovative projects such as the expansion of the product portfolio through Interwand and the cultivation of regional markets will promote further growth. The focus on sustainability and digitisation will also play a key role.

On the other hand, the situation in Germany, which is still the largest market, is likely to remain tense, even if the renovation market is expected to recover further and the demand for new housing remains high. The Swiss market is also likely to stagnate at its currently good level. The markets in Eastern Europe and the Iberian Peninsula, which have become more important, are expected to recover from the crisis much earlier and experience further market growth, respectively. The French market, which is slightly less important to Arbonia, is likely to remain challenging in the coming year.

Beyond the financial year that has started, the new Arbonia has a positive outlook on the future, as important factors such as energy costs have stabilised while becoming less dependent on price trends due to the expansion of capacities for self-produced energy. However, if the next German government decides to take measures to promote new construction (of homes) or to strengthen the economy, the development of the construction industry may also substantially recover much sooner. In addition, the strategic measures taken the last few years have created the basis for benefiting from an upturn starting in 2025. The focus is on the consolidation of existing markets, the development of new distribution channels, and the continuous optimisation of processes. These initiatives will enable the new Arbonia to strengthen its market position and achieve sustainable growth.

As part of Arbonia Next25 in March 2025, Arbonia will present more in-depth information as well as its new branding, positioning, and entire product portfolio to customers, investors, and suppliers during a 2-week, in-house trade fair in Erfurt, Germany.



Highlights

Acquisition of the Spanish market leader Dimoldura

With the acquisition of Dimoldura, Arbonia has become the market leader in Spain while opening up the markets in Portugal and France as well as smaller export markets, which considerably reduces its dependence on the German market. In addition, the distribution channel via DIY stores was strengthened and expanded to include veneered doors, and the product portfolio was rounded off by solid wood doors from Rozière. The doors business has thus taken an important step in its development into a pan-European provider of interior doors.





Acquisition of the Czech contractor services specialist Lignis

The acquisition of the Czech door manufacturer Lignis has generally strengthened the contractor services business, in other words, project-specific business in direct sales for larger building complexes and special requirements. At the same time, Arbonia has become the market leader in this segment in the Czech Republic and in turn strengthened its market position in Eastern Europe while reducing its dependence on Germany. In terms of product technology, Arbonia has also made progress with the acquisition: The contractor services business has been expanded overall to include specialised veneered doors as well as steel doors and frames.



Strengthening of the contractor services business

In a difficult market environment, the Doors Division has succeeded in acquiring further market shares in the contractor services business. Here, the division has been able to impress with customised products for demanding customer groups in the hotel sector as well as increasingly for large housing associations as well.



The right solutions for the highest demands

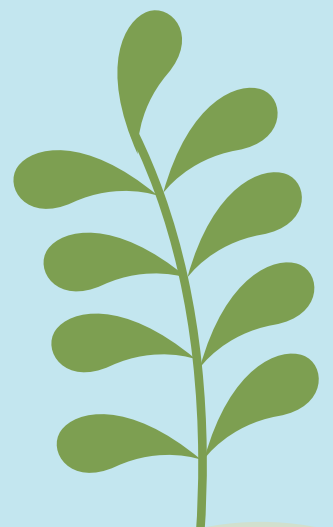
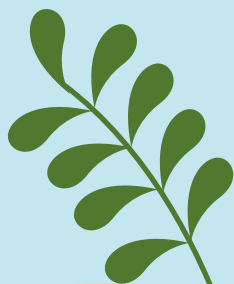
Prüm and Joro underscore their expertise in realising demanding projects with creative solutions. For example, an impressive number of doors were ordered from Joro and Prüm for the FOUR Towers in Frankfurt, a landmark project that combines 600 flats with hotels, restaurants, retail space and offices – convincingly demonstrating the versatility and quality of its products. The renowned Mandarin Oriental in Vienna, a synonym for luxury and exclusivity, also relies on doors from Arbonia. A further 50 hotel projects are now already in planning, for which solutions are once again being created that meet the highest standards visually as well as functionally.





Sustainability report

The sustainability strategy of the Arbonia Group (Arbonia) covers the following three subject areas: **Climate**, **Community**, and **Compliance**. Arbonia informs its stakeholders about current developments, measures, as well as plans for promoting a sustainable and successful future.







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Facts and figures

Target:

4.2 %

Arbonia is aiming for a 4.2 % average annual reduction in operational CO₂ emissions from Scope 1 and 2 by 2035 (compared to the reference year 2020).



Success:

6 %

Arbonia achieves a 6 % reduction in operational CO₂ emissions from Scope 1 and 2 in 2024 compared to 2023.



Arbonia receives a bronze medal in the

EcoVadis

sustainability rating and is thus among the best 35 % of the assessed companies.



As a member of the

UN Global Compact,

Arbonia is committed to its 10 principles in the areas of human rights, labour, environment, and anti-corruption.

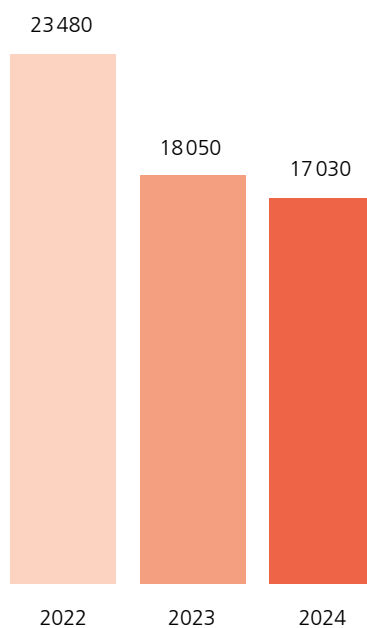


Arbonia has joined the
Science Based Targets Initiative
(SBTi)
to further develop its climate strategy.

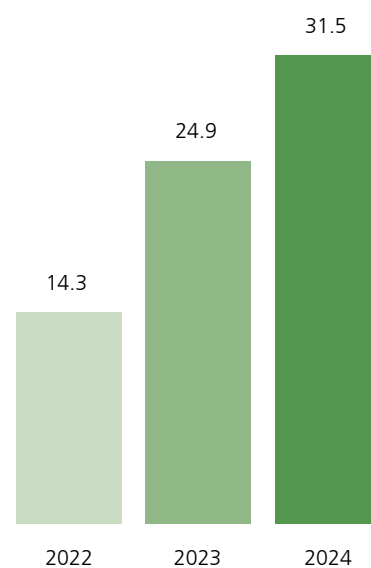
Water consumption (in cubic metres)



Waste (in tonnes)



**Proportion of renewable energy
in total electricity consumption
(in percent)**



47

innovation projects were in progress at the individual companies.

Preface





Dear Readers

The past financial year was a year of transformation and focusing for Arbonia. With the sale of the Climate Division, our focus is now fully on the doors business, which allows us to bundle our strengths in a more targeted manner. We produce our innovative and durable wood and glass solutions as resource-efficiently as possible and taking into account ecological aspects. With our activities in the emission-intensive building sector, we want to actively contribute to more environmentally friendly construction and living through the targeted use of wood and its ability to store CO₂ during its use phase, among other things. At the same time, we are continually working on orienting our processes even more strongly to increased efficiency and conserving natural resources.

Sustainability is not only anchored in our products but also forms the basis for Arbonia's business activities. In the past year, we joined the Science Based Targets Initiative (SBTi) and committed ourselves to short- and long-term emission reductions in line with the net zero standard of the SBTi. It helps us that we recorded our Scope 3 emissions in detail for the first time in 2023. We continue to intensify this data collection in order to develop emission reduction targets over our entire value-added chain.

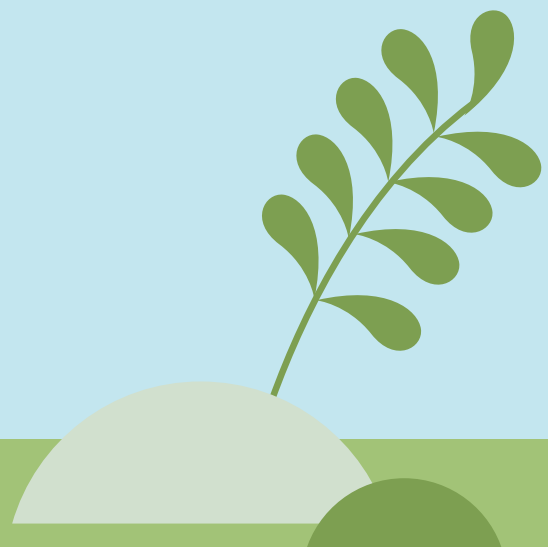
Arbonia's sustainability strategy is based on the three pillars of **Climate** (ecological issues), **Community** (social issues), and **Compliance** (governance issues). These topics reflect our company's holistic approach to sustainability and underscore that ecological, social, and business ethics aspects are inseparably connected to each other. Only through their interaction can we promote sustainable development in the long term and thereby ensure that we live up to our claim to commit ourselves to more than the legal requirements. As an active member of the UN Global Compact, we therefore advocate for the ten principles for human rights, labour, environment, and anti-corruption.

Along with many other companies, we are facing new challenges on a regulatory level, but we also regard these as an opportunity for a more comprehensive data basis and more targeted measures as a result. We are currently preparing for the requirements of the Corporate Sustainability Reporting Directive (CSRD) as well as the EU taxonomy, according to which we will report starting in the next financial year. As a result of the further development of our processes for regulatory reasons, sustainability aspects will be placed even more strongly in the focus of our corporate identity and reporting, which should lead to further effective steps.

We would be pleased if this report gives you an insight into our current status. In accordance with our sustainability strategy, it is divided into the three chapters: **Climate**, **Community**, and **Compliance**. We would also like to take this opportunity to thank in particular our shareholders, partners, customers, as well as all employees who accompany and support our plans and activities. Together, we are committed to a future in which economic development, environmental protection, and social responsibility are not contradictions.

Alexander von Witzleben
President of the Board of Directors

Uwe Schiller
CFO





Companies of Arbonia

Arbonia is a focused building components supplier of doors with the two business units Wood Solutions and Glass Solutions.

Production companies

Company	Site	Business Unit	Manufactured products
Arbonia Glassysteme GmbH	Deggendorf (D)	Glass Solutions	Construction glass
Bekon-Koralle AG	Dagmersellen (CH)	Glass Solutions	Shower stalls
Dimoldura Group	Lalín (ES), Quintanar (ES), Extarren (ES), Irutzun (ES), Carregal do Sal (PT)	Wood Solutions	Interior doors
Garant Türen und Zargen GmbH	Ichtershausen (D)	Wood Solutions	Interior doors and frames
Interwand GmbH	Dörzbach (D)	Glass Solutions	Wall systems
Invado Sp.z o.o.	Ciasna (PL)	Wood Solutions	Interior doors
Joro Türen GmbH	Renchen (D)	Wood Solutions	Functional doors
Kermi Duschdesign GmbH	Plattling (D)	Glass Solutions	Shower stalls
Lignis s.r.o.	Koryčany (CZ)	Wood Solutions	Interior doors and functional doors
Prüm-Türenwerk GmbH	Weinsheim (D)	Wood Solutions	Interior doors
Rozière SAS	Bozouls (FR)	Wood Solutions	Interior doors
RWD Schlatter AG	Roggwil (CH)	Wood Solutions	Functional doors
TPO Holz-Systeme GmbH	Leutershausen (D)	Wood Solutions	Special doors

In the course of the reporting year, Arbonia acquired the Spanish Dimoldura Group, which also includes Rozière as well as the Czech company Lignis. Since these were still in the integration process during the reporting year, they will not be taken into account until the next sustainability report.



Administration and distribution companies

Company	Site	Business Unit	Type of site
Arbonia AG	Arbon (CH)	Group	Holding
Arbonia Doors Suisse AG	Arbon (CH)	Wood Solutions	Administration, sales
Arbonia Doors GmbH	Erfurt (D)	Wood Solutions	Administration
Arbonia Duschdesign Suisse AG	Arbon (CH)	Glass Solutions	Sales
Arbonia Management AG	Arbon (CH)	Group	Administration
Arbonia Services AG	Arbon (CH)	Group	Administration
Baduscho Dusch- und Badeeinrichtungen Produktions- u. Vertriebsgesellschaft mbH	Margarethen am Moos (AT)	Glass Solutions	Sales





Sustainability approach

For Arbonia, responsible action is an essential requirement for long-term company success. This includes responsible dealings with employees, suppliers, customers, and investors, as well as with the environment and natural resources.

Our sustainability strategy is divided into the three sub-areas of **Climate** (ecological issues), **Community** (social issues), and **Compliance** (governance issues). In these areas, we want to continually improve our sustainability performance beyond the legal requirements.





Sustainability strategy

We focus on using raw materials responsibly and turning them into valuable products. To promote sustainable development, we continuously invest in further developing our product portfolio, optimising our production methods, supporting employees, and strengthening long-term partnerships. We have been a member of the United Nations Global Compact since 2022 and are committed to its 10 principles. We support the Paris Agreement from the Paris Climate Conference as well as the European Green Deal, on the basis of which we pursue the strategic objective of actively contributing to minimising global warming. While we have striven for a CO₂ reduction target for our emissions from Scope 1 and Scope 2 since 2021, we have committed ourselves to short- and long-term emission reductions in line with the net zero standard of the Science Based Targets initiative (SBTi) in the reporting year. We are therefore developing corresponding targets and will submit them to the SBTi for validation in 2026 at the latest. Further information about our climate strategy can be found in the "Strategy" section of the TCFD report (see p. 40). As of the

2023 financial year, a quantitative climate target aimed at reducing the intensity of greenhouse gases has been integrated into the variable compensation for Group Management.

The Group-wide sustainability strategy applies to the entire corporate group and is supported by the Board of Directors. At the same time, the sustainability targets are centrally defined and coordinated. The companies are responsible for the decentralised implementation, plan specific measures, and implement them.

In the framework of the current EcoVadis evaluation along the areas of environment, labour and human rights, ethics, as well as sustainable procurement, Arbonia was awarded the bronze medal. This means that we are among the best 35 % of the companies evaluated by EcoVadis. This recognition is a motivation for us to develop our sustainability strategy further and continuously improve our performance.



Sustainability governance

Arbonia is organised in a decentralised way and has a holding structure. Group Management consisted of the Executive Chairman of the Board of Directors (until 31 December 2024), the CFO, as well as the two CEOs of the Doors and Climate Divisions. As of 1 January 2025, the CEO of the Doors Division assumed the role of CEO of Arbonia while remaining CEO of the Wood Solutions Business Unit at the same time. With the departure of the CEO of the Climate Division and the closing of the sale of this business unit, Group Management now consists of the CEO, the CFO, as well as the CEO of the Glass Solutions Business Unit. Together with the Chairman of the Board of Directors, they define the targets and measures with which the strategy specified by the Board of Directors is implemented. The responsibility for the operational business lies with the companies and their respective management boards.

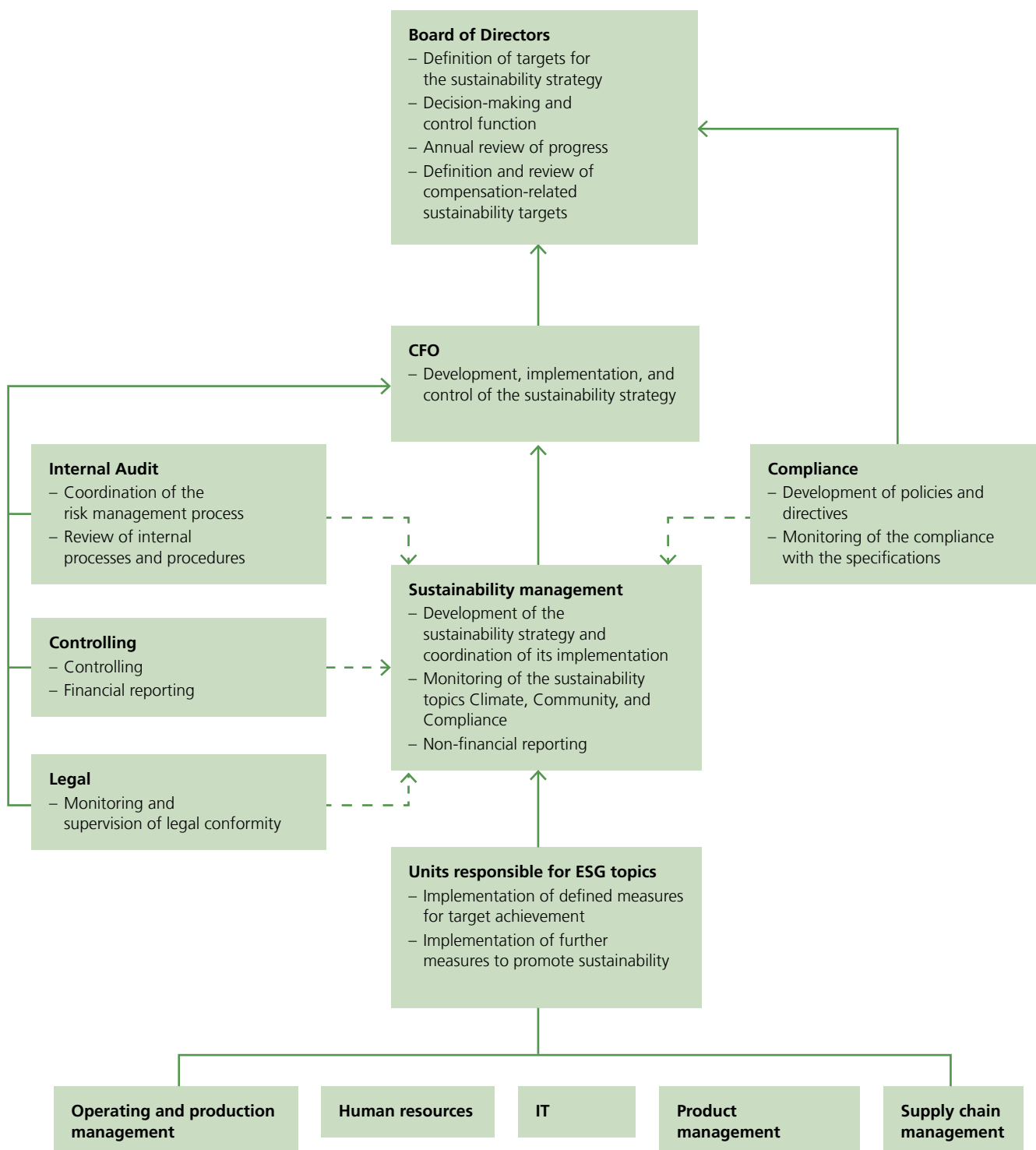
Sustainability is a central part of the Group strategy. The CFO is responsible for managing the topic within the Group. This person develops the sustainability strategy together with the sustainability management, which is part of the Corporate Communications & Investor Relations department and is responsible for the Group-wide coordination. The sustainability committee, which still existed in the last financial year, was therefore replaced by the sustainability management. The people responsible for ESG topics as well as the companies

coordinate individual measures with the Group functions and implement them. Group Management evaluates important initiatives and projects on a monthly basis.

The Board of Directors and Group Management are pursuing a long-term strategy, while always keeping in mind the interests of the company, its employees, shareholders, and other important stakeholders. Once a year, they review the strategy and its reporting with regard to the material topics for Arbonia. The Board of Directors of Arbonia is continuously informed about new legal requirements for sustainable corporate governance. It takes on the decision-making and control function for all measures and evaluates the performance on the basis of defined targets.

This concerns Internal Audit and thus risk assessment, for example. In the reporting year, Internal Audit sent the Board of Directors 15 audit reports on risks and the implementation of planned measures. These reports are also available to external auditors. The Board of Directors is also continually involved in examining possible acquisitions in the form of due diligence processes. The Board of Directors can order investigations or call in external consultation via the Audit Committee committee in all areas of competence.

Simplified sustainability governance structure



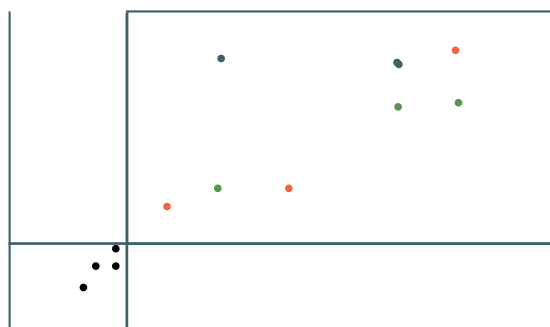
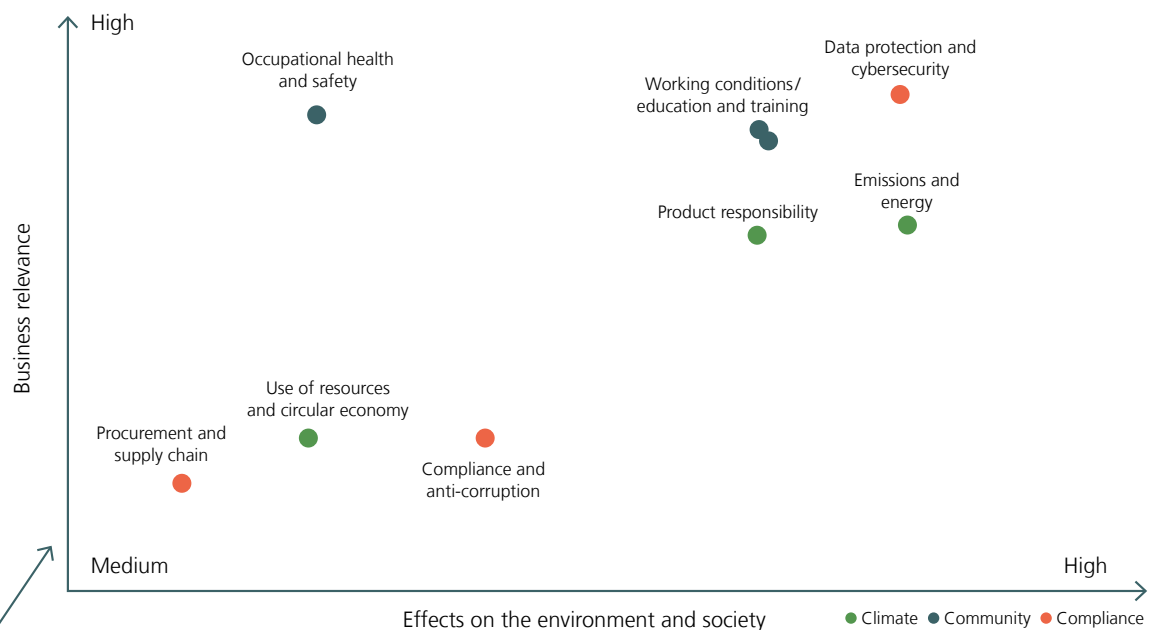


Materiality analysis

The materiality analysis carried out in 2023 was reviewed in 2024 and remains valid with the identified nine material topics. These topics are relevant on the one hand for long-term business success and on the other hand in respect to important effects on the environment and society. The analysis was based on frameworks such as the GRI standards, the Swiss Code of Obligations, and an initial comparison with the European Sustainability Reporting Standards (ESRS). Additional references included a benchmark analysis with sustainability reports from competitors as well as ESG rating analyses.

A core team consolidated the selection of topics, and an evaluation was then carried out by 23 internal stakeholders, including the CFO of Arbonia, the sustainability team, as well as representatives of the companies from various areas of responsibility and various corporate functions. The individual topics were rated according to the two dimensions "Effects on the environment and society" and "Business relevance". A threshold value was used to distinguish material topics from non-material topics. A workshop was then held where the stakeholders validated the results together with an external team of experts. On this basis, nine of the 13 topics were rated as "material" and are shown in the matrix below:

Materiality matrix





By contrast, the following four topics were rated as "non-material": "Equal treatment and equal opportunities for all", "Social engagement", "Water and waste water", "Biodiversity and ecosystems". While Arbonia is aware that these topics are also highly relevant when considering the topic of sustainability as a whole, their current significance with regard to impact as well as business success was rated as significantly lower than that of the other topics (classified as relevant) in this reporting cycle as well. Nevertheless, Arbonia is also undertaking

measures and initiatives in these areas that are assessed as being non-material.

The process of double materiality analysis was initiated in preparation for the Corporate Sustainability Reporting Directive (CSRD) of the European Union. The results of this process will form the basis for our sustainability strategy and reporting for the financial year 2025.



Article 964a ff. Code of Obligations

Comparison of material topics with the interests of the Code of Obligations

Material topic of Arbonia	Allocation of material topics in accordance with Code of Obligations, Art. 964 ^{ter} , B. ¹	Page
Emissions and energy	Environmental matters	43
Use of resources and circular economy	Environmental matters	49
Product responsibility	Environmental matters; Social issues	52
Working conditions	Social issues	58
Education and training	Employee-related issues	62
Occupational health and safety	Employee-related issues	63
Compliance and anti-corruption	Combating corruption	68
Procurement and supply chain	Respect for human rights; Environmental matters; Social issues; Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour (Seventh section Article 964 ^{quinquies})	70
Data protection and cybersecurity	Social issues	72



Risk management

Each year, Arbonia goes through its established risk management process. The risk catalogue reflects strategic, operative, and external risks on the basis of 26 risk scenarios and is continuously updated.

Internal Audit coordinates the risk management process. The assessment of the risk scenarios involves the relevant managers of the Group as well as the Wood Solutions and Glass Solutions Business Units. Both the probability of occurrence and extent of loss are estimated here. In this process, the two business units as well as the Group representatives evaluate the complete risk catalogue. As part of the evaluation, the risk exposures are represented on a matrix. The results are compared with the previous year to check their plausibility and consolidated for the Group for as well as for the two business units. The entire risk profile is presented to the audit committee as well as to the Board of Directors.

In the risk catalogue, there is a higher-level ESG risk scenario that describes in particular the financial impact of non-conformity in respect to sustainability topics. In the reporting year, the risk catalogue was supplemented, however, by integrating the ESG topics defined from the 2023 materiality analysis as well as the climate risks described according to TCFD in the scenarios.

The risks assessed in the reporting year differ from the previous year in individual points or in their order. The three highest risks from the perspective of Arbonia are in the areas of "price pressure" (external), the "subsidiaries/acquisitions/impairment" (strategic), and with topics related to the "development of the construction industry" (external).

Responsible people and mitigation measures have been defined for each risk. A status report indicates whether the respective measure is planned, proposed, being implemented, or completed, or whether it is an ongoing process. This status report is integrated in a risk management tool which carries out continuous internal monitoring of the risk exposure and the status of the measures.



Dealing with stakeholders

A continuous exchange with all those stakeholders who have a significant influence on the economic, environmental, and social goals of the Arbonia is of great importance. This group of internal and external stakeholders includes customers, employees, shareholders, as well as investors, analysts, public authorities, the neighbourhood, and communities at the company sites but also partners such as transport companies, suppliers, research institutes, and associations, as well as the general public. The exchange of ideas with these groups takes place in the context of personal discussions, meetings, conferences and trade fairs, as well as surveys. The table "Inclusion of stakeholders and their concerns" (see below) provides an overview of our interactions with the various stakeholders.

Memberships in the most important chambers and associations – including Swissmem (association of the Swiss mechanical, electrical, and metalworking industries), Swiss Holdings, or the German-Swiss Chamber of Commerce – allow us to have a

continuous dialogue with sector-related companies and relevant interest groups. In Germany, we are a member of the Gütegemeinschaft Innentüren ("Quality Control Association for Interior Doors), the HOLZRING network, and the Verband der deutschen Holzwerkstoffindustrie (VHI – "Association of the German Wood-based Materials Industry") through individual companies. Arbonia has also been a member of the UN Global Compact since the end of 2021 and meets all of the obligations arising from our membership.

We are also locally active in the communities of our production sites. This is demonstrated by numerous donor programmes and support for non-profit organisations. Many companies sponsor sports activities for young people and adults. The Group also sponsors a non-profit association which organises educational projects to prepare children and young people for the challenges of the digital age. We also help to finance scholarships at universities of applied science.

Inclusion of stakeholders and their concerns

Stakeholders	Form of inclusion	Concerns
Customers	Internal and external customer surveys, personal discussions	Product quality, product life cycle, customer satisfaction
Employees	Employee interviews and personal discussions, employee representatives, trade unions, newsletter	Occupational safety, strategy, sustainability engagement, salary negotiations
Shareholders and investors	General Meeting, representation by Board of Directors, roadshows, personal discussions	Economic performance, future prospects, strategy sustainability performance
Analysts	Roadshows, conferences, press releases, personal discussions	Economic performance, future prospects, strategy sustainability performance
Public authorities	Regular exchange, approval processes for particular installations and processes	Compliance with legal and regulatory requirements
Communities and neighbours	Regular exchange, Sponsoring	Securing jobs, promoting cultural life, noise and emission protection
Partners such as transport companies, suppliers, research institutes, and associations	Supplier surveys, regular exchange	Transport damage minimisation, exchange of information, partnership, and fair cooperation
General public	Press releases, website	Current information on the company



Arbonia's contribution to the SDGs

Arbonia is aware of its economic, environmental, and social responsibility. We are committed to operating more sustainably over the long term.

We make a substantial contribution to climate protection by advancing the innovation of our products in order to produce them more sustainably, for example, in respect to the use and consumption of raw materials, efficient production processes, or transport and logistics as well. In addition, Arbonia strives for a dynamic, open corporate culture and places a great deal of importance on a pleasant, appreciative, and supportive working environment with attractive working conditions. As

regional employers, the companies of Arbonia are an important economic factor in the respective regions. Arbonia is committed to the United Nations' goals for sustainable development. In particular, Arbonia is dedicated to supporting the following eight Sustainable Development Goals (SDGs) that are highlighted.

Via the topic areas of climate, community, and compliance, we show our activities that support the targets of the United Nations for sustainable development. These are highlighted by SDG icons in the corresponding sections.







Climate

As a building components supplier for products and solutions for interior doors made of wood and glass, Arbonia has a responsibility for protecting the environment and climate. We see great potential in the transformation into an environmentally compatible economy and would like to substantially contribute to making the building sector more sustainable with our product, development, and service portfolio. We want to reduce the ecological impact of our own operating activities and those of our customers through various measures in production as well as in the upstream and downstream value-added chain.





TCFD report

Arbonia reports once more on its climate-related risks and opportunities according to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). We disclose how physical as well as transition risks and opportunities that could have a financial impact on our company in connection with climate change are identified and handled. This second TCFD report is divided into the areas of governance, strategy, risk management, as well as key figures and targets.

1. Governance

The overarching strategic responsibility for climate-related risks and opportunities lies with the Board of Directors, while operational responsibility lies with Group Management. As climate-related topics affect all areas of Arbonia's business, they are managed at the highest operational level.

The Board of Directors and Group Management are pursuing a long-term strategy, while always keeping in mind the interests of the company, its employees, shareholders, and the other stakeholders. Once a year, they review the strategy and reporting with regard to the material topics for Arbonia. In collaboration with Group Management, the Board of Directors defines the sustainability strategy, which also includes approaches relating to the climate strategy. The sustainability strategy covers the material topics of emissions and energy, use of resources and circular economy, as well as product responsibility. The reduction of the intensity of greenhouse gases is defined as the central goal and is integrated into the variable compensation for Group Management.

Group Management is responsible for implementing the climate strategy, with the results and degree of target achievement being presented to the Board of Directors at least once a year for review. The CFO is responsible for managing the topic within the Group and develops the climate strategy together with the sustainability management. The companies coordinate individual measures with the Group functions and implement them. Group Management evaluates important initiatives and projects on a monthly basis.

Together with Internal Audit, the sustainability management derives climate-related risks and opportunities for Arbonia and integrates them in the risk management. A further explanation of the governance structure is found in the chapter "Sustainability governance" (see p. 30).

2. Strategy

Arbonia's climate strategy aims to reduce the company's ecological footprint. We want to play an active role in reducing environmental impacts and promote a more sustainable use of resources. We are committed to continuously optimising our production and supply chain in order to reduce greenhouse gases and minimise energy and resource consumption. For this purpose, we rely on the use of energy-efficient technologies and renewable energies, among other things. Furthermore, we strive for material savings as well as the use of more sustainable materials and want to increasingly use alternatives with fewer environmental effects.

We endeavour to review and improve our climate strategy on the basis of international standards and best practices. Even though the achievement of the 1.5 degree target of the Paris Climate Agreement seems increasingly unrealistic, we use this target as the basis for decarbonising our operating activities. Consequently, we strive for a CO₂ reduction target for our emissions from Scope 1 and Scope 2 in line with the Science Based Targets initiative (SBTi). In order to take the emissions in Scope 3 into account in our specific climate targets as well in the future, we committed ourselves to short- and long-term emission reductions in line with the net zero standard of the SBTi in the reporting year.

The analysis of climate-related opportunities and risks that was carried out in 2023 for the first time started with a longlist of relevant physical and transition aspects which comprised recognized scenarios of the Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA). As a first step, this list was qualitatively assessed by the risk management and the Corporate Communications & Investor Relations department. The project team developed concrete risk scenarios for selected aspects. In this process, short-term (< 1 year), medium-term (2–5 years), and long-term (> 5 years) perspectives were considered. In addition, two scenarios that corresponded to a warming of 1.5°C–1.8°C and > 3°C were taken into account.

The analysis created in 2023 was reviewed and adjusted in the reporting year. The climate-related effects on Arbonia can be divided into the following three categories:



Physical risks

Physical climate risks encompass direct consequences for companies as a result of climate changes; for example, potential damage to buildings. These risks result from climate change effects such as drought, water shortage, heat, heavy rainfall, and sea level rise. Some of these problems were previously referred to as natural hazards, but climate change is causing an increase in both their extent and probability of occurrence.

Transition risks

Transition climate risks describe indirect effects on companies as a result of the successive decarbonisation of the national economy and arise from ambitious climate protection policies. These are related to factors such as tightening of emissions trading rules, stricter efficiency regulations, or changing market conditions, as well as technological progress.

Climate-related opportunities

The decarbonisation of the economy brings with it opportunities for company-specific growth. The same applies to the climate changes that are expected in the coming decades. Competitive advantages may be achieved by changing the product portfolio, adopting a forward-looking approach to market positioning, and optimising operational processes.

The characteristics of the previously described categories of climate-related consequences are linked to scenario analyses. Our initial approach at Arbonia was to investigate two scenarios for global warming by the year 2100. As an initial step, these analyses relate to Arbonia's largest sites. Potential consequences for the entire Group are derived from trend descriptions, forecast ranges, and financial calculations. The consideration of physical risks for the individual locations could not be completed during the reporting year for capacity reasons and will be continued in the next year.

3. Risk management

Arbonia has a centralised risk management system with institutionalized processes (see p. 34). All potential and material risks are evaluated as part of this system. Key parameters for the evaluation include probability of occurrence, reputational damage, and extent of loss. Arbonia's risk management process is repeated on an annual basis, and the results are reported to the CFO and the Board of Directors.

The risk catalogue of Arbonia already contains a higher-level ESG scenario, which was supplemented by material risks for Arbonia in the reporting year, however. On the one hand, the risks of the topics defined as part of the materiality analysis (see p. 32) were integrated in existing scenarios. In the Climate area, these are the topics of "Emissions and energy", "Resource usage and circular economy", and "Product responsibility". On the other hand, the climate-related risks according to TCFD were also included in the risk management during the reporting year. These climate risks are therefore assessed annually. It is reviewed annually whether the climate-related risks considered in the risk catalogue are still relevant, with a view to our own production as well as the upstream and downstream value-added chain.



Category	Scenario considered	
	1.5°C–1.8°C	> 3°C
	Selected potential risks and opportunities identified in the initial analysis:	
Acute physical risks	Production interruptions and damage due to flooding	
Chronic physical risks	Increased electricity costs for cooling and air conditioning due to increasing heat and more frequent heatwaves	
Opportunities due to long-term physical changes	Higher demand for products that contribute to a pleasant indoor climate (e.g. thermal insulation door)	Higher demand for functional doors (e.g. fire protection door)
Transitory market risks	Impact of emission targets and target achievement on financial valuations and creditworthiness	–
Transitory political/legal risks	Increased costs for emissions accounting and fulfilment of other legal requirements and their tracking in the supply chain	–
Transitory market opportunities	Higher demand for Arbonia products due to the attractiveness of construction projects in which products for a pleasant indoor climate are used (e.g. thermal insulation door)	–

4. Key figures and targets

We strive to determine and implement suitable measures for mitigation of climate-related risks that include the upstream and downstream value-added chain, in addition to our own production.

On the basis of the SBTi guidelines, we have determined a path for reducing our own CO₂ emissions (Scope 1 and 2) and defined corresponding targets and measures. We are aiming for an average annual absolute reduction of 4.2 % by the year 2035 (reference year 2020). To support the target achievement and check the effectiveness of our measures, we rely on ISO-certified energy and environmental management systems, among other things. For example, Arbonia Glassysteme, Kermi, Garant, and Prüm are certified in accordance with ISO 50001 as well as Kermi and RWD Schlatter in accordance with ISO 14001. We are looking at introducing such management systems in other parts of the company.

The optimisation of energy consumption – and thus the improvement of the CO₂ balance – has long since become a task of all companies, departments, and areas of Arbonia. All targets in the area of energy efficiency are defined annually and advanced with corresponding measures.

A large portion of Arbonia's total emissions are the indirect greenhouse gas emissions in the upstream and downstream value-added chain. We would like to fulfil our responsibility and set corresponding reduction targets here too. As an initial step, we joined the SBTi in 2024 and committed ourselves to short- and long-term emission reduction in accordance with the net zero standard of the initiative.



Emissions and energy



Article 964a ff. Code of Obligations

Concept and due diligence

All business processes, from research and development to production to logistics and transport, consume energy and cause emissions. Arbonia wants to operate with the lowest possible emissions across its entire value-added chain and aims for a 4.2 % average annual reduction in operational CO₂ emissions from Scope 1 and 2 by 2035 (compared to the reference year 2020). The greenhouse gas emissions from Scope 3 are now also to be considered in the target, which is why Arbonia has committed itself to short- and long-term emission reductions in accordance with the net zero standard of the SBTi.

The main objective of all companies is to grow responsibly and to aim for maximum energy efficiency. The companies are continually taking new measures to achieve this. The energy efficiency of our production processes is monitored as standard and investigated with regard to optimisation potentials. For this purpose, clear competencies and energy representatives have been designated. These representatives from the areas of development, production, and logistics continuously monitor the target achievement. All targets in the area of energy efficiency are evaluated annually.

Measures including evaluation of effectiveness

Arbonia is steadily increasing the share of renewable energy in its own electricity consumption by expanding the provision of photovoltaic (PV) systems and biomass CHP plants at its production sites. Arbonia continues to work towards more energy efficiency, whether from process optimisations, improvements to

machines and technologies, or energy-efficient renovations. While energy management is an important task of all companies, individual companies also have corresponding certifications for energy and environmental management systems. We also increasingly rely on e-mobility. Individual locations have electric vehicles in their fleet as well as electrically operated utility vehicles in use. In addition, electrical charging stations have sometimes been installed for employees and third parties to further support the use of e-mobility.

Material risks and how they are handled (own scope of business and, where applicable, business relationships)

Growing customer expectations regarding sustainability as well as increasing legal requirements entail risks that we are able to counter – both at our own company and in the upstream and downstream parts of the value-added chain – with scientifically substantiated climate targets, an improved data situation, and corresponding measures. A higher quantity of data and an improved quality of data will allow us to provide more detailed information about material risks and how they are handled in future.

Key performance indicators

The key performance indicators include in particular energy consumption according to energy sources (MWh), the composition of energy consumption (MWh), as well as the greenhouse gas emissions of Scope 1–3 (t CO_{2e}).



Priority	Target	Status 2023	Status 2024
Arbonia reduces its CO ₂ emissions from Scope 1 and 2.	By 2035: reduction by an average of 4.2 % per year (reference year 2020)	Reduction by 9.2 % compared to 2022	Reduction by 6 % compared to 2023

Emissions in the individual scopes

We focus on consistently reducing the emissions from our own operational processes (Scope 1 and 2) which result from operation, production, transport, and logistics. For this purpose, we rely on renewable energies from PV and biomass CHP plants as well as more energy-efficient processes, machines, and infrastructure. Energetic and environmentally relevant key figures play a significant role in the planning and application of production technology. Greater machine efficiency, preventive maintenance and continuous servicing, optimisation of manufacturing control, and precise planning of downtimes are central to this. In the reporting year, it was possible to achieve an absolute reduction in greenhouse gas emissions from Scope 1 and 2 of 6 % compared to the previous year. While the consumption of conventional electricity decreased by 6.6 %, the use of renewable electricity also increased by 29.7 %.

We are aware that a large part of our total emissions occur in the upstream and downstream value-added chain (Scope 3). To create an in-depth data basis, we systematically recorded our Scope 3 emissions for the first time in 2023. The categories from Scope 3 identified as material include:

- 3.1 Purchased goods and services
- 3.2 Capital goods
- 3.3 Upstream fuel- and energy-related emissions
- 3.4 Transport (upstream)
- 3.5 Waste
- 3.7 Employee commuting
- 3.9 Transport and distribution (downstream)

The Scope 3 emissions increased in individual categories compared to the last reporting year. In the case of purchased goods and services, an increase can be attributed on the one hand to the higher purchasing and production volumes of some companies. On the other hand, the data collection was refined and expanded in 2024. This also applies to the category of capital goods, while individual companies were able to collect considerably more comprehensive data on additional investment types. While some companies were able to reduce their emissions in upstream transport, these emissions increased at other companies due to increased purchasing volumes. In addition, Kermi was dependent on a new supplier that delivers from a considerably more distant location, causing transport-related emissions to increase.

As a result of the expansion of data collection and more precise methods of calculating the Scope 3 emissions, Arbonia is able to present a more comprehensive and more realistic picture of the emissions along its value-added chain. The data collection is being continuously expanded in respect to quality as well as quantity, in order to serve as the basis for defining science-based targets and measures for emission reduction in Scope 3 in the future.



Key environmental figures

	2024	2023	2022
Energy consumption in MWh	160 062	164 267	179 359
Thereof renewable	66.2 %	65.9 %	59.1 %
Electricity	55 368	54 063	56 958
Own electricity production	13.3 %	14.6 %	14.0 %
Total renewable electricity	31.5 %	24.9 %	14.3 %
Heat	92 767	99 228	104 298
Own heat production (wood chips/shavings)	88 535	94 800	97 786
Natural gas	3 380	3 220	4 785
Heating oil	852	1 208	1 727
Fuels	11 928	10 976	18 104
Diesel	11 132	10 422	17 712
Petrol and Liquified Petroleum Gas (LPG)	796	554	391
Energy consumption in kWh/CHF net revenues	0.34	0.34	0.32
Greenhouse gas emissions (Scope 1–3) in t CO_{2e}	212 043	160 593	40 724
Greenhouse gas emissions (Scope 1 + 2) in t CO_{2e} (location-based)	22 948	24 418	26 890
Scope 1 (location-based)	5 437	5 336	6 161
Own heat production (wood chips/shavings) ¹	1 340	1 428	1 480
Natural gas	686	654	971
Heating oil	221	314	461
Diesel	3 001	2 809	2 983
Petrol and Liquified Petroleum Gas (LPG)	189	131	266
Scope 2 (location-based)	17 511	19 082	20 729
Electricity	17 511	19 082	20 729
Scope 2 (market-based)	20 029	22 428	–
Electricity	20 029	22 428	–
Scope 3 ²	189 095	136 175	13 835
3.1 Purchased goods and services ³	127 362	98 644	–
3.2 Capital goods ⁴	10 851	2 075	–
3.3 Upstream fuel- and energy-related emissions	5 517	5 242	8 105
Energy-related upstream chain electricity	4 694	4 456	5 210
Heating-related fuels	146	160	1 850
Transport-related fuels	677	626	1 045
3.4 Transport (upstream) ⁵	27 051	2 995	–
3.5 Waste ⁶	4 065	4 529	–
3.7 Employee commuting ⁷	5 411	5 635	5 730
3.9 Transport and distribution (downstream) ⁸	8 838	17 055	–
Greenhouse gas emissions (Scope 1 + 2) in kg CO_{2e} / CHF net revenues	0.048	0.049	0.049
Greenhouse gas emissions (Scope 1–3) in kg CO_{2e} / CHF net revenues	0.445	0.320	0.074

¹ Direct emissions due to the production of the greenhouse gases methane and nitrous oxide, which are not absorbed during growth.

² Biogenic CO₂ emissions are reported outside of scopes according to the GHG protocol and amounted to 31 341 t CO_{2e} in 2024 and 33 406 t CO_{2e} in 2023.

³ For Scope 3.1, 3.2, 3.4, 3.5, 3.9: headquarters in Arbon, Interwand, Joro and are not part of the scope, as their contribution to Arbonia's total emissions is estimated to be negligible due to their small size and activity.

⁴ Refers to production-related products from Tier 1 suppliers.

⁵ Refers to machinery, equipment, buildings and vehicles from Tier 1 suppliers with a value of CHF/EUR > 10 000.–.

⁶ Refers to the transport of the goods considered in Scope 3.1.

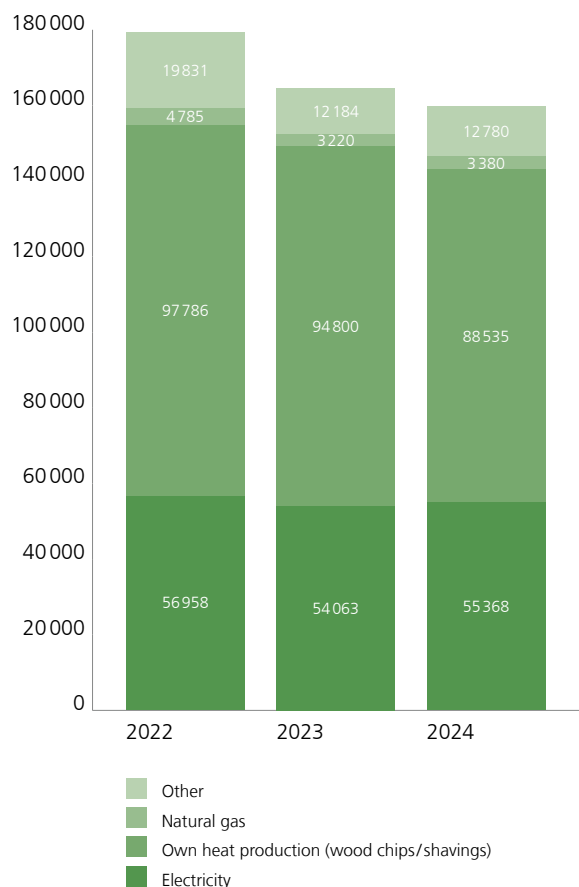
⁷ Refers to the waste of the goods considered in Scope 3.1.

⁸ The calculation is based on an employee survey on commuter behaviour from 2022.

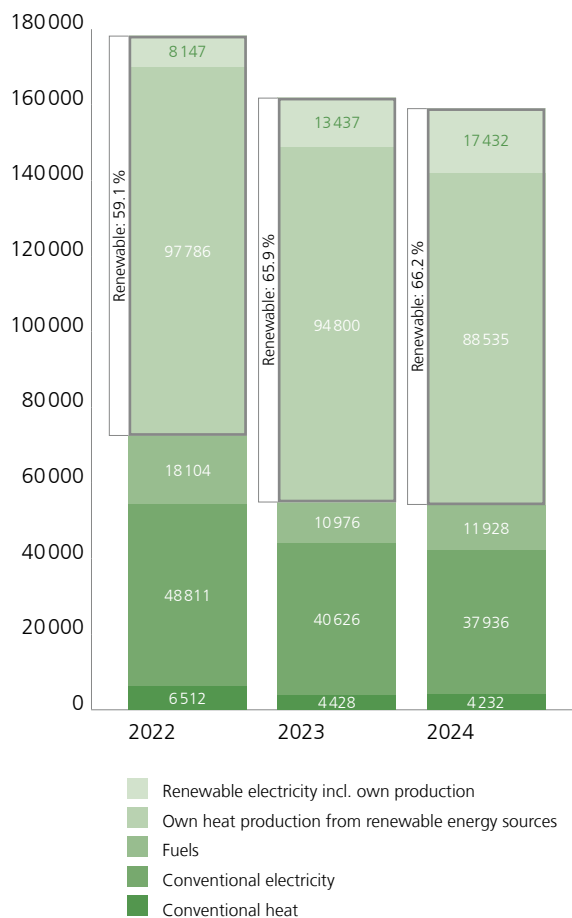
⁹ Transport of the products sold and marketed to customers. Storage is excluded.



Energy consumption by energy source (MWh)



Composition of energy consumption (MWh)



Data and calculation basis

The calculation of the greenhouse gas inventory follows the guidelines of the WRI/WBCSD Greenhouse Gas Protocol.

Scope 1: Emissions from fuels.

Scope 2: Emissions that result from the production of purchased electricity.

Country-specific emission factors are used here ("location-based approach").

Scope 3: The categories 3.1. Purchased goods and services;

3.2. Capital goods; 3.3. Upstream fuel- and energy-related emissions; 3.4. Transport (upstream);

3.5. Waste; 3.7. Employee commuting, as well as 3.9. Transport and distribution (downstream) are reported in accordance with the Greenhouse Gas Protocol.

Country-specific emission factors are also used here ("location-based approach").

Emission factors used: IEA (2023), DESNZ (2023), US EPA (2023), and Ecoinvent 3.11.



Measures for greater climate protection at the companies

One measure for more energy efficiency is certification according to ISO 50001. This international standard requires a complete monitoring of energy key figures, among other things. Arbonia Glassysteme, Garant, Kermi, and Prüm have such energy management systems. To reduce further environmental impacts, Kermi and RWD Schlatter have established an environmental management system in accordance with ISO 14001 and have themselves correspondingly audited regularly.

Energy efficiency is an important factor especially in the modernisation of production lines and peripheral systems because it allows significant reductions in power consumption. The degree of self-sufficiency is also continually increased through the construction of new energy generation systems or the expansion of existing ones. Attention is also paid to energy-saving technology in new buildings and renovations at the operating sites.

For example, Garant replaced fluorescent tubes in the dispatch and storage area with LED lighting in 2024 and is planning such a replacement in the production area for doors and frames in 2025. Heat quantity measurement was used to identify potentials for waste heat utilisation, such as refrigeration from waste heat using absorption cooling, the renovation of air-conditioning systems, or the supply of waste heat for neighbouring commercial customers. In addition, Garant succeeded in continually reducing the energy demand of the production by retrofitting the equipment and optimising the compressed air generation. In 2021, Garant began planning a state-of-the-art biomass CHP plant, which will be commissioned in 2025. This plant will cover around 50 % of the power requirements of the production plant. The commissioning of this new plant will eliminate the need for liquid gas as a heating energy source and further reduce the use of heating oil. This also reduces the indirect CO₂ emissions of Garant due to the transport of waste wood as well as its disposal and transport costs.

In the reporting year, Prüm concentrated on improvements to plant efficiency and successively starting up new plants. The heat and power generation of the biomass CHP plant entailed numerous challenges; the plant was unable to reach its capacity due to technical problems. As a result, an extensive boiler conversion became necessary in autumn 2024, after which it was possible to put the plant back into operation shortly before the end of the year. With this basis, the share of power and heat generation from own production waste is to be considerably increased in 2025. The electricity production only covered 2x of the in-house power requirements in the reporting year. On production-free days, the electricity was fed into the grid. In the reporting year, heat was generated with the old biomass combined heat and power system, and excess was used to supply a nearby company.

At Invado, selected employees in the production processes went through a training course during the reporting year to improve the efficiency and effectiveness of the machine utilisation and the material flow. The objective is increase the flow and production efficiency with the same machines. In addition, two new high-speed doors were installed to reduce the opening cycle in winter; further replacement measures are planned for 2025. Furthermore, Invado replaced approx. 610m² of a hall roof for better energy efficiency.

Kermi also completed a roof replacement with a new insulation on over. 15,000m² in the reporting year. Further energy-saving measures include the continued changeover to LED lighting, the use of motion detectors over approx. 10,000m² as well as the optimisation of installation runtime. At Kermi, hall windows, doors, and production plants were also checked for possible energy losses and optimised where necessary. In the powder coating plant, the resource utilisation was optimised through heat recovery and optimised pump control; in addition, a more efficient exhaust air routing was tested.

A central project at Arbonia Glassysteme in the reporting year was the new procurement of a pre-composite furnace for producing laminated safety glass (LSG), which already led to power savings of 197 MWh and thus 75 tonnes of CO₂. This savings corresponds to the total annual per person greenhouse gas emissions of almost 5.7 Swiss people. In addition, the exhaust air of an LSG furnace is modified in a production hall to utilise the waste heat better and reduce the heating oil consumption. It was possible to start the constructional and heating adaptations in 2024.

At the TPO company, a new compressor with lower energy consumption was purchased in 2024. Due to fire damage, oil was used for heating at TPO in the reporting year; however, work was started on installing a new heating system for burning wood or wood materials from manufacturing. The goal is to obtain 100 % of heat from these materials in the future.

In the first year, RWD Schlatter generated 310 MWh for their own consumption and supply to the electricity grid with their PV system at the logistics centre in Roggwil (CH), which roughly corresponds to the annual electricity consumption of 62 Swiss households. The existing PV system is also to be expanded as part of the roof renovation planned for 2025. In addition, various measures for optimisation and increased efficiency were implemented at RWD Schlatter. One example is improvements to the compressed air preparation, which allows approx. 55 MWh to be saved per year. For 2025, a heat exchanger is planned for the compressor, so that waste heat generated during compressed air preparation can be used and supplied to other processes, such as for example the painting line. In the reporting year, it was also possible to lower the temperature for drying the adhesive by 25 % and shorten the



pressing time, which leads to further energy savings. Parallel to this, work was begun on expanding the existing control system in order to control energy flows such as heating, cooling, or process heat as needed and continuously optimise them.

Interwand was recorded for the first time with this report. Their PV system, which was already commissioned in 2014, produces approx. 140 MWh per year, of which 80 MWh are fed into the grid and compensated. The biomass system, which has also existed since 2014, has a 550 kW boiler output, the heat of which is exclusively used for their own operation. Around 10 % of the biomass originates from their own wood waste.

Optimisation measures are under way in procurement at all production sites of Arbonia to ensure that collection and return transport arrangements are made with as many suppliers as possible in order to avoid empty trips. The progressive digitisation throughout Arbonia, which is becoming increasingly relevant to logistics, allows more energy-efficient logistics together with consolidation of the route planning by optimising routes, bundling travel, and avoiding unnecessary trips. For example, deliveries at Kermi are optimally utilised with their own lorries, and return transports for other companies are enabled for a fee. Comprehensive planning tools play a central role here. This helps to avoid emissions.

Strengthening biodiversity

Arbonia is implementing concrete measures and is driving innovations to minimise the negative impact on biodiversity. With regard to the use of chemicals, the companies continue to increasingly rely on water-based coating materials instead of solvents. As a further example, Prüm is optimising the use of resources in the painting process by using the so-called overspray efficiently. The excess paint is collected and reused, which can reduce paint consumption by around 29 %. Prüm has also contributed to preserving biodiversity by renaturing a compensation area of 12 567 m² several years ago and guarantees the financing of the required maintenance of the deciduous mixed forest until 2050. Invado cooperates systematically with the local community to support the planting of trees along the local streets. In the reporting year, Garant planted over 1 000 trees in total through an internal tree-planting action and a further one in cooperation with a school from Erfurt.

Consistently monitored objectives

At the companies with a certified energy management system in accordance with ISO 50001, the monitoring has led to a greater sensitivity for energy savings. At Kermi, for example, measurements are regularly taken in production via a state-of-the-art data acquisition system to identify any weak points and immediately replace inefficient consumers. At Prüm, approximately 100 in-plant energy measurement points are in operation for the machines and the infrastructure. Arbonia Glassysteme calls up all consumptions in real time with a state-of-the-art energy management system. An automated reporting system makes it possible to take countermeasures when defined limit values are exceeded. Prüm and Garant each have an energy team which is responsible for the current status and initiates improvements. At Invado, the energy consumption in the entire company as well as in the individual production halls is also regularly monitored and compared with the figures for the previous year. Invado also participates in the Enel X Demand Side Response programme for limiting output, i.e., a temporary reduction of the electricity consumption upon request by the transmission system operator. Audits are additionally carried out at regular intervals. RWD Schlatter also has an energy management system, where targeted measures are continually derived from the energy key figures that are collected and analysed monthly.



Use of resources and circular economy



Article 964a ff. Code of Obligations

Concept and due diligence

Our objective is to conserve natural resources and to encourage a materials cycle that is as circular as possible. This saves expenses for the transport and preparation of raw materials and thus energy in this process as well, which also supports our energy efficiency goals. Various functions at the company share responsibility for the cross-sectional issue of resource management. Product Management and Development have the task of designing products that can be produced in as resource-efficient a manner as possible. The production managers are responsible for ensuring that processes are designed with resource efficiency and a circular economy in mind. A waste policy has been in place throughout Arbonia since the 2022 financial year. This provides a guideline for the consistent separation of operational waste, stipulates that production must be reviewed with regard to resource-efficient processes, and requires that the waste volume must be measured.

Measures including evaluation of effectiveness

Arbonia has established a foresighted resource management system, focusing on high quality and production that is as free of defects as possible in order to prevent rejects and complaints. Energy and material savings are to be taken into consideration when developing new products and improving existing ones. Usable production waste or old parts are used again in manufacturing where possible. In 2024, the respective companies were able to increase the share of recycled materials and reduce plastics in products and packaging. The use and expansion of digital systems supports resource-efficient operations at Arbonia.

Material risks and how they are handled

(own scope of business and, where applicable, business relationships)

Market distortions and supply chain problems can cause raw material prices, other material prices, and freight prices to rise. Further risks are products and services that are difficult to obtain or unavailable. The higher manufacturing costs of our products cannot be passed onto the customers in full or quickly enough, which can lead to additional costs, delivery delays, revenue decreases, and loss of margins.

Key performance indicators

The key performance indicators for us include the key figures relating to error costs, waste according to disposal method, and water consumption.



Priority	Target	Status 2023	Status 2024
Arbonia reduces resource consumption for water (in m³), gas (in MWh), and waste (in t).	By 2035: annual reduction of 3 %	Natural gas reduced by 33 %, waste reduced by 23 %, water consumption reduced by 10 %	Natural gas increased by 4.9 %, waste reduced by 5.7 %, water consumption reduced by 0.6 %

Priority for resource conservation

Arbonia wants to conserve natural resources. For this purpose, we rely on a foresighted resource management to save material as well as energy. This is supported by digital solutions for planning and tracking production processes and is continually improved. Resource savings are central to the development of new products as well as the improvement of existing products, whereby the use of old or common parts is also checked. A production that is as error-free as possible saves resources. For this reason, reject and error costs are continuously monitored and corresponding improvements are initiated. In the reporting year, our error rate increased slightly, which was due to the replacement of machines at Prüm, among other things. Corresponding countermeasures have been started to reduce the rate in the future.

The companies continually check where resources can be conserved. In the case of packaging materials, for example, the companies are changing over to materials made from renewable raw materials such as cardboard and paper wherever possible and increasingly eliminating plastic or polystyrene. Kermi, for example, has changed over the complete packaging of their showers to cardboard without plastic foil. Packaging wood is being successively changed over to honeycomb panels with high stability. The measure to continually reduce the share of Styrofoam, which was begun in 2023, was continued but not fully completed. At RWD Schlatter, residual material from Sonitus mid-layers is used as an intermediate layer for transport. Invado has set itself the goal of delivering doors and frames exclusively in cardboard packaging in the future. The replacement of Styrofoam with cardboard as corner protection was 90 % achieved in 2024 and is to be implemented 100 % in 2025. In addition, the foil thickness is to be reduced, which will lead to around 20 % less material use. Interwand plans to introduce an automatic beam processing centre that could save more than 10 % of the scrap and thus allow 7000kg less aluminium to be used per year.

It was not possible to achieve the goal of reducing water consumption by 10 % during this year; we are therefore focusing all the more on targeted measures in order to realise further savings in the future. For example, digital solutions can support resource savings. At Prüm, for example, water consumption recording was integrated in the Efficio program and automated. In this way, irregular deviations, for example, due to leaky water lines, can be quickly detected and corrected even outside of the monthly evaluation. Additionally, a new

spraying robot with a cyclone separator was commissioned in 2024, which reduces the water consumption of this plant. Furthermore, Prüm has introduced a new serial door leaf press which enables continuous bonding of the mid-layer panels. This makes it possible to avoid material scraps, which lowers resource consumption and reduces the amount of production waste.

With the objective of saving material, paint consumption tests are continuously being carried out at Garant as well. In addition, it was possible to change over from paints containing solvents to more environmentally friendly water-based paints in the reporting year. Furthermore, the material thickness of the protective boards used for transport support was reduced, and this weight savings leads to fewer emissions. At Garant as well, work was begun to further expand Efficio in the area of energy data collection (electricity, compressed air). The components of water and heat are to be added to it in the coming years in order to enable a precise analysis of the consumption values. The introduction of SAP and the resulting database will make it possible to create a consumption forecast with optimisation and savings potentials.

We were able to achieve further optimisations through digitisation with exhibitions and sample exhibits. Digital 3D POE systems ("point of experience") are increasingly being used there. As a result, savings can be achieved in the production, transport, and assembly of sample elements, while clients receive a more precise product selection, which in turn reduces re-orders and corrections. In the Wood Solutions Business Unit, over 100 POEs are already in use, which can be used to show over 1 million product combinations at a scale of 1:1 in high-resolution 4K image quality. Bekon-Koralle also shows the different product variants with a digital system at their location.



Waste management

In addition to resource savings, Arbonia strives to keep reusable materials in circulation as long as possible. For example, in the Glass Solutions Business Unit, all showers with suspected damage are inspected and resold if possible if the quality allows it. Otherwise, all valuable parts are disassembled and reused. A decrease in waste and the related direct and indirect costs pursued in general. We measure the waste quantities and analyse the error costs in order to assess the effectiveness of the measures. The waste resulting at the company is consistently separated, pretreated where necessary, and recycled when possible. The quantity of products that are disposed of through waste incineration and sent to landfills is also to be analysed and minimised.

At Bekon-Koralle, for example, no products are sent to waste incineration or landfills. The products (shower enclosures) consist of glass, aluminium, and metal parts. All these materials are collected and handed over to a nearby recycling company. Complete shower stalls from returns are sorted for their individual materials at the recycling centre.

Dust and shavings that are generated in production at Invado are partly incinerated in a specially prepared furnace, while the energy is used for warm water and heating buildings. Other waste such as plastics, metals etc. are recycled. Small quantities of hazardous waste are picked up by a company with a corresponding approval. All waste that leaves the Invado production plant is registered in the state-run database BDO, which enables evaluations and subsequent optimisations to reduce waste.

Prüm also relies on digital support for waste management; the solution here developed in-house also offers comprehensive evaluation possibilities via a cloud-based recording.

RWD Schlatter reorganised the waste management in the reporting year and centralised it for the first time, which makes the disposal process more efficient, minimises transport routes, and allows further improvements.

In addition, Interwand has established an internal circular economy, in which packaging materials are returned from the construction site and reused for new orders as much as possible. So far, 80 % of the materials can be reused. There is also a waste concept according to which all waste materials are collected by type and recycled.

Key water consumption values

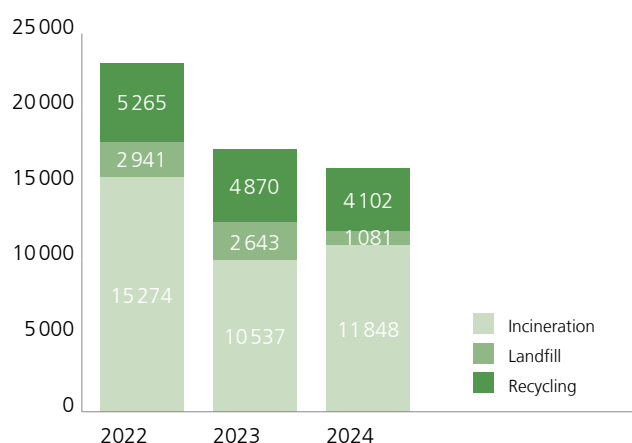
	2024	2023	2022
Water consumption in m³	124 378	125 051	139 110
Water consumption in m³ / CHF net revenues	0.26	0.25	0.25

Key figures for resource efficiency

	2024	2023	2022
Error costs in % of net revenues	2.4	2.2	2.0
Waste in t	17 030	18 050	23 480
Non-hazardous waste	16 059	17 183	22 894
Incineration	11 477	10 281	15 160
Landfill	590	2 099	2 546
Recycling	3 992	4 803	5 188
Hazardous waste	972	868	586
Incineration	372	256	115
Landfill	491	544	394
Recycling	109	67	77

The figures for commercial and hazardous waste cover all manufacturing companies in Arbonia as well as the headquarters in Arbon, Switzerland. Pure distribution companies were not included.

Waste by disposal method (in tonnes)





Product responsibility



Article 964a ff. Code of Obligations

Concept and due diligence

Arbonia aims to expand its leading position in the European doors market by developing innovative and reliable products, strengthening product quality and sustainability, reducing delivery times, and strengthening customer relationships. Our product management and development take on the responsibility for the conformity of our products at the interface between our company and the market. Both ensure that all new requirements from customers and/or of legal regulations and standards are implemented. They assign responsibilities within the company, define specifications for quality assurance, and regulate the labelling requirement including corresponding certifications in line with technical conformity. They additionally guarantee the safety and health for (end) customers and control the handling of problematic components such as dangerous chemicals.

Measures including evaluation of effectiveness

With our measures, we especially want to extend the service life of the products. Key factors are the continuous optimisation of the quality management system and production methods, the modernisation of the machinery as well as the careful selection of suppliers with the highest standards. Corresponding training courses for employees are to enable them to implement measures

and bear responsibility.

Material risks and how they are handled (own scope of business and, where applicable, business relationships)

New sustainability requirements may lead to a lower product margin as customers are unwilling to pay higher prices. At the same time, there is a risk of damage to the company's image or reputation if the product portfolio is not sufficiently sustainable or product developments do not correspond to market demand. Furthermore, there is a particular focus on product safety or technical defects which may have legal consequences. This requires strict tests and high safety standards.

Key performance indicators

Key performance indicators comprise key figures on expenses as well as employees in the area of research and development. For the quantitative performance measurement of our product innovations, we collect data on the revenues from them. Feedback from customers and end users allow a qualitative assessment. In addition, we collect data on the product volumes in accordance with ISO 14001 and ISO 50001-certified sites.



Product development and innovation

Our innovative products and solutions are decisive for acquiring new market shares. The focus lies on the manufacturing of interior doors and shower stalls in series as well as according to individual customer requirements. In addition, technical doors, frames, wall partition systems, trims, and fittings are part of our product portfolio.

Arbonia's product strategy is based on optimising existing production processes and products as well as on developing innovative solutions. The focus is on the topics of energy efficiency, CO₂ footprint, and product safety. Product development not only concentrates on technical progress but also on an innovative design that aims to convince users, fitters, and planners in equal measure. The exchange of experience between the companies as well as the contact with research centres are to support this. Success monitoring for new developments is ensured with systematic project management and regular reporting to management.

The companies make important contribution to establishing future standards and regulations through their active participation in bodies and committees. This also makes it possible to identify trends early in order to adjust our own strategic orientation.

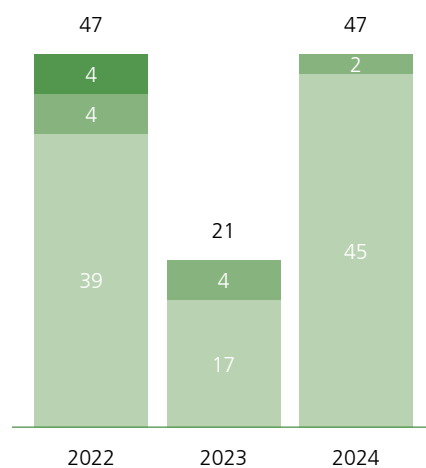
New requirements on the part our customers or legislators feed directly into product programme planning and roadmaps. The Arbonia sales managers of the individual markets are kept informed through close collaboration, and the Development department implements the defined projects accordingly.

In the reporting year, Arbonia introduced a new development for ecological construction, a durable door with a linoleum surface. The contents of linoleum consist of 98 % natural or mineral raw materials such as wood flour, linseed oil, paper substrates, mineral fillers, and tree resins. The selection of CO₂-binding raw materials and the use of renewable energies in production make it possible to manufacture this door surface with a positive CO₂ balance.

Key figures for product responsibility

	2024	2023	2022
Employees in research & development (FTE)	43	46	51
Expenditure on research & development (TCHF)	4 083	4 777	4 957
Expenditure on research & development as a share of revenues	0.9 %	1 %	0.9 %
Share of net revenues from third parties with new products ¹	9.7 %	18.5 %	16.5 %
Expansion investments in % of total investments	36.7 %	57.2 %	58.7 %

¹ New products are defined as products introduced during the last three years.



- Project volume greater than CHF 300 000
- Project volume between CHF 100 000 and CHF 300 000
- Project volume less than CHF 100 000



Customer-oriented products

The basis for developing high-quality products with optimised material use is in-depth market observation: Through regular customer surveys, Arbonia ensures that the requirements and demands of customers are taken into account in the innovation process. In the reporting year, Kermi achieved first place in the shower/tub enclosures area in a survey of specialist tradespeople by the "markt intern" publishing company. In this process, topics such as handling complaints, care, and sales support were assessed. At Kermi, it was possible to reduce customer complaints by approx. 35 % during 2024 at the same time. This improvement is due to the newly developed and expanded quality management, which reduces the error rate, as well as the introduction of supplier management.

Product safety and quality assurance

Standardised processes aimed at ensuring product safety are an integral part of operational workflows. This involves checking material quality and functionality as well as applicable safety guidelines. Training programmes ensure that all corresponding employees are familiar with these processes and can apply them correctly.

In the development process, risk and hazard assessments are carried out and measures are implemented to reduce hazards where appropriate. Furthermore, particularly in the case of products with electrical and/or electronic parts, extensive internal and external testing is carried out, for example, regarding electrical safety and electromagnetic compatibility. At Kermi, for example, long-term tests take place in the in-house laboratory. If necessary, modifications are made to products following these tests.

Arbonia consistently complies with the specifications of the REACH Regulation, which regulates the handling of chemical substances and limits or prohibits their use in production throughout Europe. The use of low-pollutant materials in the manufactured products is of great importance to Arbonia as well as its customers. Numerous products go through a pollutant test and are certified according to the guidelines of eco-INSTITUT. For example, the entire production volume of Prüm as well as Garant is covered by such certificates. The Glass Solutions Business completely does without polluting materials such as chromium, lead, or plastics during development. The objective is to eliminate all polluting materials from the existing production as well – a project that has been implemented 95 % to date at Glass Solutions and is still being consistently pursued.

Certifications of the Arbonia companies

Internal product management and development ensure that even highly specialised customer requirements are fulfilled and all legal regulations and common standards are observed through standards-compliant production. For this purpose, in-plant production controls are carried out. The quality assurance of the respective company monitors the materials used during manufacturing, supervises production control, and checks the manufactured parts.

A consistently high product quality is ensured in part by the ISO 9001 quality management system as well as further certification bodies such as ift and SIPIZ. In the Glass Solutions Business Unit, the products are tested and sold in accordance with the standards EN 14428 (CE) and PPP 53005 (TÜV/GS). This covers characteristics such as sturdy materials, seals, and easy-care use.

The companies that have been certified in accordance with ISO 14001 and ISO 50001 implement additional, standardised processes for the sustainable design of production with their environmental and energy management systems beyond the Group standard.

	2024	2023	2022
Total production volume ¹ in TCHF	520 382	507 417	447 213
of which at ISO 14001 certified sites	22 %	20 %	26 %
of which at ISO 50001 certified sites	60 %	66 %	80 %

¹ Production costs of goods produced at the site, excluding purchases

Several years ago, individual companies produced Environmental Product Declarations to understand the ecological impacts of their products. We now want to expand this approach and apply it to the entire corporate group in order to record the environmental impacts of important product groups more precisely and offer our customers more transparency in this respect. In 2025, a company-wide project for environmental product declaration is planned for several product groups that are still to be defined.



Durability of our products

The durability of products is decisive for sustainability, since it conserves resources, reduces waste, and minimizes the need for frequent replacement, which contributes to a lower environmental impact. The life cycle of the products is supplemented by various service solutions from Arbonia. Intensive support of customers during the construction phase is thus just as much a matter of course as preserving the value of the manufactured products. This is done through maintenance instructions and maintenance work, for example.

An example of innovation for more durability are the premium edges of Prüm and Garant, which are especially shock-resistant due to their zero joint technology. The robust PU edge from RWD Schlatter means that the doors can be used for longer. This is especially important in areas in which doors are intensively used on the one hand and on the other hand in places where the edge is especially stressed, for example, in hospitals. The active exchange of know-how of the companies within the Glass Solutions Business Unit is reflected in the durability of their shower stalls, among other things.

A further aspect is the selection of materials. For manufacturing doors and frames, Arbonia consciously relies on the natural, regionally available, and renewable raw material of wood. On the one hand, wood contributes to people's well-being indoors. On the other hand, wood makes an active contribution to climate protection, since it absorbs CO₂ from the atmosphere during its growth and stores it in its biomass for a long time, roughly 0.7 to 0.9 tonnes of CO₂ per cubic metre of wood. As long as wood products remain in existence, the stored CO₂ also remains bound. Appropriate management and procurement methods are essential for the sustainable use of forests and wood as a raw material (see "More sustainable material procurement" p. 71). Climate change and its consequences such as extreme weather events and pest infestations have a negative effect on forests, which is why their protection and maintenance is of great importance.





Community

The employees of Arbonia are the driving force for the further development of the company. They act as ambassadors for its values at the same time. The employees show themselves to be dedicated, determined, and reliable in their day-to-day work, while Arbonia endeavours to be an attractive employer for them.





Working conditions



Article 964a ff. Code of Obligations

Concept and due diligence

It is our stated aim to permanently secure the attractiveness of our sites, further increase employee retention, and pool our many years of experience. At Arbonia, we provide our employees with modern facilities and offer them attractive, future-oriented jobs as well as a wide range of development and career opportunities. We place value on regular employment and consciously make sure to avoid non-regular employment contracts such as temporary or insecure jobs. We believe that integrating employees regardless of their sex, age, origin, religion, health impairments, or other individual characteristics is an integral part of a modern working culture. Our Code of Conduct provides orientation. Overarching Group-wide guidelines on equal opportunities and freedom from discrimination establish a framework in which diversity can be put into practice. Within the corporate group, the HR officers of the Group are responsible for further developing the Arbonia corporate culture within the workforce. They report to our CEO or the CFO of the Group. A regular exchange among the HR officers is to ensure that any insights or ideas are shared across all companies. Close cooperation with employee representatives in all countries is a crucial factor in our business success. Regular meetings take places throughout the Group between the management team and employee representatives.

Measures including evaluation of effectiveness

In order to be perceived as an attractive employer and increase our employee retention, we work on strengthening our employer branding and make sure that our recruitment processes are up to date. Our compensation system is structured in line with common market practices, and location-specific employee benefits also contribute to our attractiveness as an employer. We offer workplaces that are as flexible as possible, with options for mobile work as well as various models for flexible working hours and part-time work, among other things.

Material risks and how they are handled (own scope of business and, where applicable, business relationships)

Staff absences and departures (retirement, turnover, illness, overwork, etc.), hiring mistakes for key positions, labour shortages on the European work markets, and inflation can result in staff bottlenecks, a lack of managers, loss of know-how, and higher personnel costs. These factors can jeopardise Arbonia's financial targets. The recruitment market remains tight, while this bottleneck is already reflected in longer recruitment processes. The shortage of skilled workers is one of the greatest challenges at the moment and poses a potential risk for competitiveness.

Key performance indicators

The key performance indicators are the turnover rate, period of employment, and gender distribution in management.



Corporate culture

A dynamic and open corporate culture is essential for Arbonia. We aim to create a pleasant, appreciative, and supportive work environment and fulfil our corporate responsibility at all times.

In line with active diversity, we promote an inclusive culture in which all employees are treated equally regardless of sex, gender identity, ethnicity, social origin, age, sexual orientation, health, political orientation, religious conviction, or other characteristics. Values such as equal opportunities, non-discrimination, and equal treatment are extremely important to us. Although the labour market is regulated differently in each country, the overarching guidelines of the Group apply at all Arbonia locations.

We observe three central leadership principles were: Firstly, colleagues maintain direct, personal working relationships with each other and are open to ideas as well as other points of view. Secondly, day-to-day business is characterised by pragmatism and realism; decisions are based on facts. Thirdly, managers are to take time for their employees and not regard them only as workers but also as people. These principles also

apply to employee development in addition to day-to-day work. Wages, social benefits, employment levels, contract set-ups, and compensation are to follow the principles of a responsible group. Not the least, the companies of Arbonia make a contribution as regional employers by creating and securing jobs, generating income, and paying public contributions in the form of taxes.

All of our companies maintain continuous relationships with their stakeholders in order to communicate innovative strength, social commitment, and a positive aura externally for the purposes of employee recruitment. Investments in the infrastructure as well as the progressing digitisation create further synergy effects within the Group and thereby provide high efficiency gains. The growing automation of routine activities increases the quality of jobs further.

In order to live up to Arbonia's reputation as a fair employer in line with the market or to make changes, we regularly compare ourselves with other internationally active companies of a similar size.

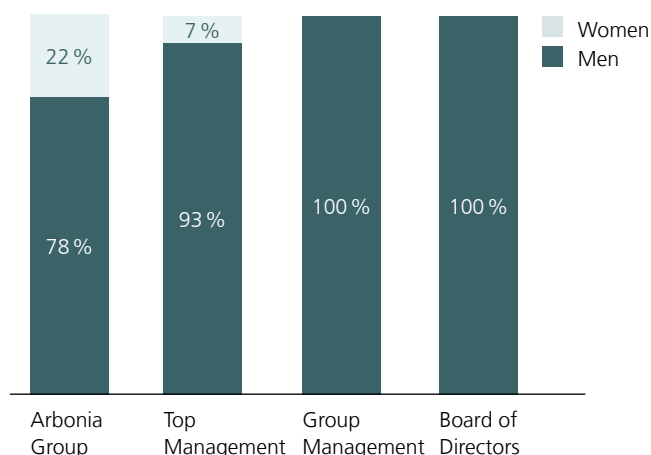
Composition of the workforce as of 31 December

	2024	Share in %	2023	Share in %	2022	Share in %
Employees (permanent employees only; in FTE)	2 828		2 945		3 099	
Employees (permanent employees only)	2 951	96.7 %	3 052	96.3 %	3 220	97.3 %
Apprentices	97	3.3 %	114	3.7 %	117	2.7 %
Employees who are not permanent ¹	52	1.7 %	43	1.4 %	98	3 %
Employees by employment type	Full-time	92 %		92 %		92 %
	Part-time	8 %		8 %		8 %
Employees by gender	Female	22 %		22 %		21 %
	Male	78 %		78 %		79 %
Employees by age	< 30 years	16.3 %		18.4 %		20.3 %
	30 – 50 years	46.2 %		45.5 %		45.1 %
	> 50 years	37.5 %		36.1 %		34.6 %

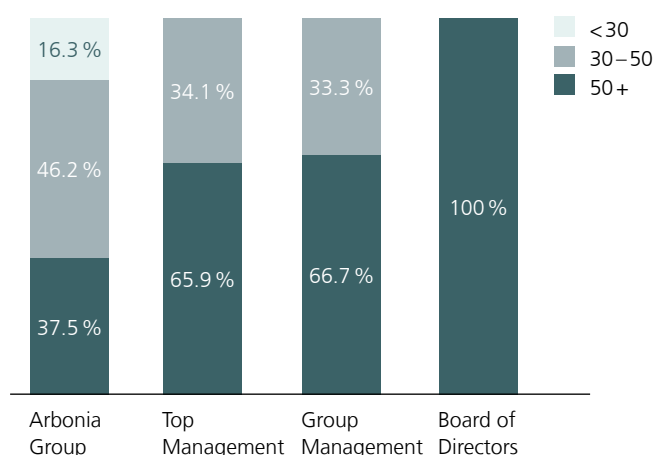
¹ Such employees were mainly employed in logistics, assembly, and production in the reporting year.
The number of interns cannot be determined due to the decentralized recording in different systems.



Diversity according to gender



Age structure



Employee retention

An attractive work environment is demonstrated by motivated and satisfied employees. This increases competitiveness and is reflected in a lower gross turnover rate (incl. retirements). While this amounted to 16 % in the previous reporting year, it fell to 12.5 % in 2024. The duration of employment relationships is also an indication of employee satisfaction. The average period of employment at Arbonia is 12.3 years. In addition to reducing the turnover rate, Arbonia also wants to continue to speed up the process of filling vacancies with qualified employees, for example, by using professional onboarding systems as well as by developing new key performance indicators in human resources. In general, Arbonia's goal is to respond to changing conditions faster and more flexibly.

Measures for retaining employees include efforts in the area of HR development. By directly addressing the regional labour market and identifying potential employees early on – for example, within the context of internships – the quality and quantity of the workforce at the respective sites is to be strengthened further. These targets can be reviewed by looking at whether vacancies can be filled and, if so, how quickly.

A tailored integration management allows employees with health impairments to return to the workplace. While companies based in Germany are subject to a legal obligation, an individual regulation is discussed and implemented with affected employees in Switzerland. At other companies, commissions with employer and employee representatives are used to develop joint solutions for restoring the ability to work and securing jobs.

Our employees' freedom of association and right to collective bargaining is respected. For example, works councils are present at the respective companies. Only at Joro and TPO are there currently no works councils, since these companies both have fewer than 30 employees. The interests of these employees are taken into account in a different way.

Balanced compensation structure

Arbonia's compensation system is based on the conviction that the success of a company depends to a considerable extent on the quality of work and dedication of employees. We want to use our compensation system to attract and retain employees with the necessary skills and qualities and to motivate them to deliver a consistently high level of performance. The compensation system is designed to ensure that the interests of top managers are consistent with the interests of Arbonia and its shareholders.

In developing the compensation structure, we follow common market practices of similarly situated companies that operate on the capital market. A benchmark analysis commissioned in 2020 showed that the compensation of the members of Group Management is of a similar magnitude to that of the two comparison groups. In addition, Arbonia's salaries are reviewed annually by an external service provider, and compensation levels are amended in the event of significant deviations.

On the occasion of each Annual General Meeting, the Board of Directors proposes that the Compensation Report be approved by means of a non-binding consultative voting process. In the reporting year, the Compensation Report was confirmed with a



qualified majority. The Compensation Report (see p. 105) of Arbonia presents the compensation governance and the principles of the compensation system of the Board of Directors and Group Management and contains information on their compensation in the respective financial year. In addition, it provides information on the roles with economic purpose that the members of the Board of Directors and Group Management exercise at other companies, and on the shareholding rights held by the members of the Board of Directors and Group Management.

The Compensation Report has been compiled in accordance with the regulations on compensation at companies whose shares are listed at a stock exchange in the Swiss law that supplements the Swiss Civil Code (Part Five: Code of Obligations) in the fourth section on corporate law and the directive on information relating to corporate governance (RLCG) of 29 June 2022 of the SIX Exchange Regulation.

Since 2023, Arbonia has included a quantitative sustainability target in the variable compensation of Group Management in order to incentivise efforts for a more sustainable corporate governance.

Arbonia offers additional benefits to employees for the companies that are subject to collective labour agreements in order to ensure attractive compensation beyond the industry-standard pay. The variously designed benefits include, for example, a programme for obtaining e-bikes and discounted memberships for fitness studios and swimming pools. At companies that are not subject to collective labour agreements, the compensation for the core workforce is significantly above the legal minimum wage. We ensure that our compensation level is in line with the market by means of agreed principles and internal groupings, as well as regular analysis in collaboration with the employee representatives, taking into account the labour market and developments in the region.

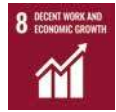
Close social partnership

We work constructively with the trade unions in all countries in which we operate. In Switzerland, the collective labour agreement of the Swiss mechanical, electrical, and metalworking industries (Swissmem) is applied at all companies, unless other mandatory collective labour agreements are in effect. Contact with social partners in Switzerland therefore generally takes place through this association. Most of the German companies are also subject to collective labour agreements – either via an in-house wage agreement or the regional collective agreement of the trade unions.

Employees can see the conditions of the relevant wage agreements on information boards and screens at the production plants or via the Intranet at all times in addition to through communication by the social partners themselves. At the same time, there is no uniform procedure for the entire Group, since the requirements differ according to the company and local regulations. However, regular meetings take place between the management teams throughout the Group and employee representatives from the trade unions. When an employment relationship is terminated, all companies have a standardised process. The Arbonia Board of Directors approves all important internal frameworks and general agreements. These include the Code of Conduct of Conduct (see "Compliance and anti-corruption", p. 68), the salary system, leadership development, collective labour agreements and wage agreements, as well as the strategic guidelines for HR management over all levels down to the local sites. The companies receive support from the Group for succession planning and management development as well as for recording key performance indicators. In addition, personnel matters are also discussed and addressed depending on their relevancy.



Education and training



Article 964a ff. Code of Obligations

Concept and due diligence

Based on the company targets and strategies, we determine the necessary key competencies and knowledge areas and always work on improvements. With our HR work, we want to help people reach their full potential, and we invest in further training to be able to meet changing conditions faster and more flexibly. When it comes to recruitment, we work with schools and universities and take part in regional activities in personnel marketing, such as trade fair appearances and to help us find suitable candidates.

Measures including evaluation of effectiveness

Employees are prepared for new requirements with internal and external training. In addition to specialist further training, the measures also include seminars for strengthening methodical expertise, educational leave, advancement qualification, and courses on project management. Training rooms and exhibits at the production sites give employees the opportunity to familiarise themselves with the manufacturing processes as well as with the product application. For personnel recruitment of junior staff, we organise trade fair appearances and sponsoring, and we use social media.

Material risks and how they are handled

(own scope of business and, where applicable, business relationships)

Given the constant need for staff, declining applicant numbers and a trend towards academic education paths pose a risk for Arbonia's revenue targets. For this reason, our brand as an employer is set to play an increasingly important role in our efforts to combat the shortage of skilled workers. We are therefore stepping up our commitment to employer branding, looking for new recruitment channels, and focusing on increasing employee retention – particularly for junior staff.

Key performance indicators

On the one hand, the number of trainees is a key performance indicator. On the other hand, the average time spent on training per Arbonia employee is an important key figure.

Investments in further training

At Arbonia, we foster a culture of continuous learning and identify gaps in knowledge and skills through employee interviews, performance reviews, and feedback. We support employees' professional development with internal and external further training and contribute to the majority of costs. In the reporting year, our education and training activities were continued in the context of individual HR development, while talent promotion initiatives were developed to strengthen internal development opportunities. In the reporting year, the average time spent on training per employee was three hours.

In addition to specialist further training and programmes for managers and junior staff, Arbonia offers courses on programs such as Excel, training in project management and coaching, language courses as well as sales and trade fair training. In the reporting year, a majority of managers at Prüm and Garant were trained in the procedure for return-to-work discussions. There were a total of four courses with around 15 participants at each location.

Training programmes as a matter of course

The cooperation with schools and universities plays an important role for us in demonstrating the attractiveness of Arbonia's as an employer to potential applicants at the earliest possible stage. In particular the companies Garant and Prüm were represented at 8 to 10 school fairs each in the reporting year. Additionally, it was possible to carry out "taster" internships at the production companies. In the reporting year, this offer was increasingly publicised by initiatives in the area of social media recruiting. At the same time, we involve our trainees in our communication activities in order to harness their persuasive power and creativity when it comes to directly appealing to the younger generation in social media. At some sites, we offer dual study places in order to support university students in a practical environment. In the reporting year, this was offered by Kermi, for example; in 2025, Garant and Prüm will also have opportunities for dual study places. Over the past three years, RWD Schlatter has been part of the "industrial project" of the Eastern Switzerland University of Applied Sciences in which they accompanied students of the bachelor programme in business economics over several semesters.



Occupational health and safety



Article 964a ff. Code of Obligations

Concept and due diligence

Our concept for occupational health and safety is based on a three-pillar concept. The first pillar contains measures for prevention, and the second pillar absence management, which concerns interventions. The third pillar contains case management, which promotes integration or re-integration. All three pillars are supported and developed together with the relevant stakeholders – Group Management, managers, HR employees, business partners, as well as social partners. The production managers, managing directors, HR managers, and the works council are responsible for occupational health and safety. In addition to this, specific people are designated as responsible within the individual companies.

Measures including evaluation of effectiveness

Risk avoidance and health protection are central topics in all employee training at Arbonia. We continually analyse the processes internally and externally; for example, through special workplace inspections together with the responsible people. Furthermore, Arbonia annually invests in labour-saving machines such as, for example, lifting systems. If accidents occur, they are immediately analysed, and measures are initiated to minimise the risk of accidents. To avoid and identify health risks to employees early on, we hold leadership courses for supervisors on a regular

basis. Employees can take advantage of professional company medical care as well as preventative medical check-ups. During this reporting year as well, we expanded the health management system and took specific measures to minimise non-occupational accidents further as well. These include courses for stress management, first aid courses, and psychological support services. The measures are aligned with the needs of the workforce via corresponding employee surveys.

Material risks and how they are handled (own scope of business and, where applicable, business relationships)

Consistent occupational safety is also an important topic for us due to its impact on the operating activities of the companies: Every accident and downtime causes additional costs. The consequences can be production delays or downtimes, as well as reputational damage and lower work morale.

Key performance indicators

The key performance indicators for occupational health and safety are the proportion of employees covered by an appropriate management system, the absence rate, the accident frequency rate, the accident severity rate, and the number of deaths.



Priority	Target	Status 2023	Status 2024
By increasing occupational safety, we reduce days lost to work accidents.	By 2025: reduction of lost days by 25 % compared to 2021(69.9)	Increase by 62.9 % compared to the base year, although this is especially due to a change in the survey method.	Reduction by 5.7 % in comparison to the base year and reduction by 42.1 % compared to the previous year.

Safety and security as a priority

As Arbonia, we want to ensure a health and safety culture at a high level by operating safe production plants as well as sales locations. This involves the prevention of accidents and injuries, continuous risk analysis with derived measures, as well as proactive health promotion in the workplace.

The aim is to lower absences, prevent illnesses, and reduce mental and physical stress. All of our sites fulfil the legal regulations for the respective countries, which means that we could in principle apply for certification according to OHS AS 18001 or ISO 45001. So far this has not been necessary due to the high legal as well as social partnership standards at our locations.

Various committees of the companies (occupational safety committee, health working group, works council committee, occupational health and safety protection) hold regular meetings to analyse the current situation and develop suitable measures. Arbonia also promises its customers in every work contract to maintain the highest standards in respect to occupational safety. External business partners who work on the business premises of Arbonia apply the same safety rules.

Key figures for occupational health and safety

	2024	2023	2022
Proportion of employees covered by an occupational health and safety management system	92.9 %	94.8 %	97.5 %
Absence rate	7.0 %	6.3 %	7.2 %
Frequency of minor accidents (number of accidents per 200 000 working hours)	3.3	5.2	1.6
Frequency of major accidents (number of accidents per 200 000 working hours)	4.2	5.2	3.7
Total number of accidents at work ¹	142	207	113
Number of work-related fatalities	0	0	0
Accident frequency rate (number of accidents per 200 000 working hours)	7.1	9.8	5.3
Accident severity rate (days lost per 200 000 working hours)	65.9	113.9	76

¹ The survey method was changed at several companies in 2023, which is why the key figures are not comparable in relation to 2022.



Health promotion, prevention, and training

Arbonia offers company health programmes. Examples include the "Focus on People" platform of the Glass Solutions Business Unit and a comprehensive range of courses and training. Employees can additionally take advantage of professional company medical care as well as preventative medical check-ups. All employees of Arbonia have access to subsidised, occupational health services and health promotion programmes such as fitness, yoga, and Pilates. Health problems such as back pain are actively prevented with ergonomic workplaces.

In 2024, Invado completed a social audit at one of its customers with a positive result. Invado also passed the annually carried out sanitary-epidemiological station visits with a good result. To reduce physical strain on employees, Invado continues to work on automating the production process. For example, in the reporting year, Invado installed a new door frame assembly machine that works fully automatically and produces less noise than the predecessor model. In addition, a robot station has automatically placed the doors on pallets since 2024, which considerably reduces the strain on employees. A system for folding and gluing cardboard edges fully automatically has been set up, because the changeover from polystyrene edge protection to cardboard edge protection has required employees to manually fold and glue the cut cardboard sheets until now. The machine now performs the entire process automatically.

Automation solutions of this kind were implemented at the other companies some ago, taking the strain off employees and increasing effectiveness.

RWD Schlatter has its own health management system which is looked after by a five-person health panel. Current topics are discussed on a regular basis in collaboration with those responsible for Arbonia's company health management scheme and measures are initiated as appropriate. In the reporting year, various measures were carried out by the health panel. It offered discounts on herbal remedies to strengthen the body's defences as well as ear protection for employees in production and organised a first aid course as well as a fire extinguishing course. In addition, there was a campaign for flu vaccinations again. The illness rate as a result of occupational and non-occupational accidents was also analysed.

In addition to the usual instructions for occupational health and safety for people joining the company, Bekon-Koralle created a three-year plan for preventing non-occupational accidents together with the SUVA (Swiss National Accident Insurance Fund). Furthermore, all employees completed a course on the topic of "household and DIY" in the reporting year. "Tripping/falling" is scheduled for the following year.

In Germany, Kermi implemented several measures for noise reduction as well as for ergonomic improvements in the reporting period. For example, new work stations in production are height-adjustable, exoskeletons provide support when lifting or carrying, and at the new assembly lines, lifting and carrying are completely eliminated.

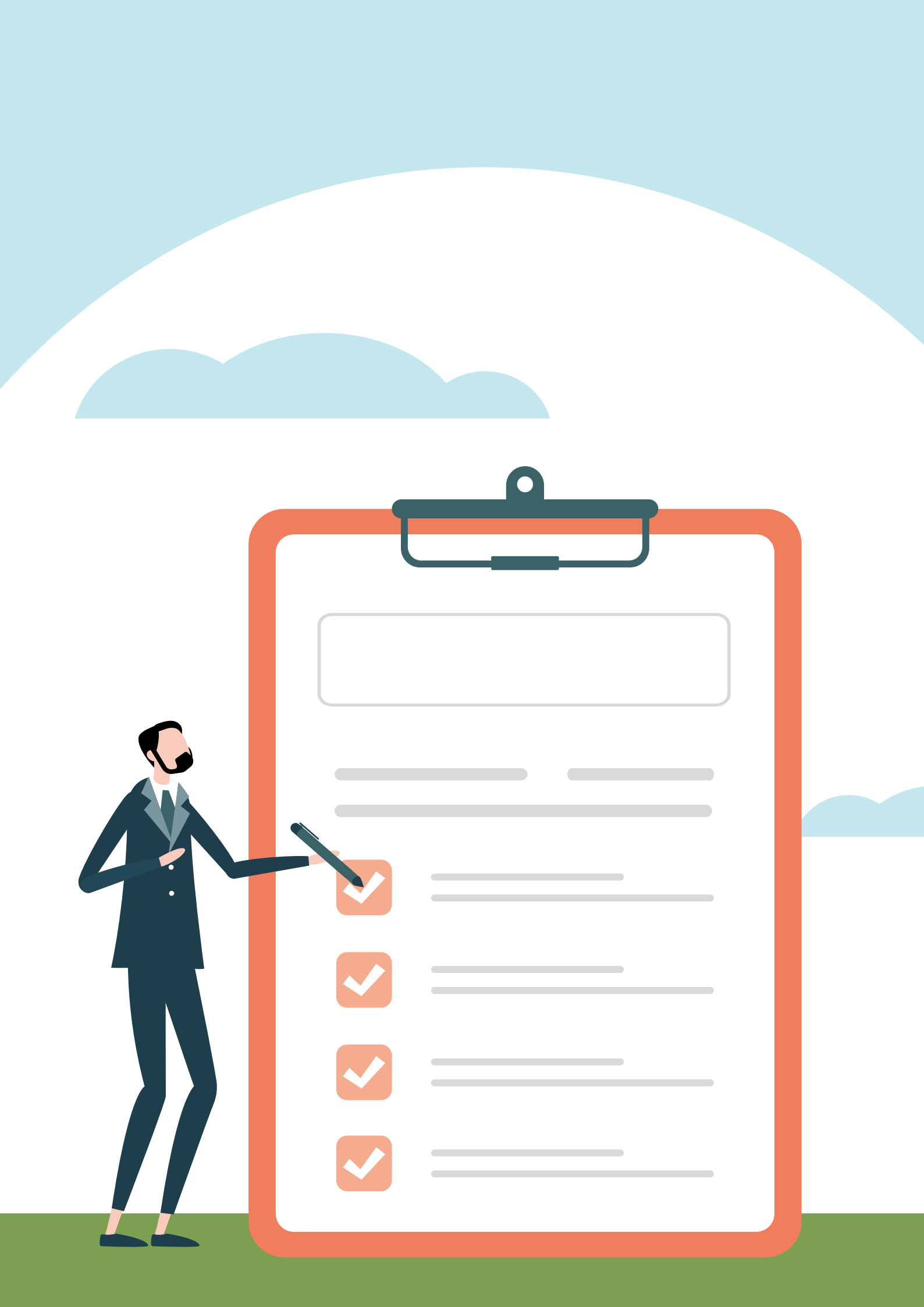
Interwand has procured a new lifting system for transferring glass, which replaces the previous manual work. It allows physically careful as well as more efficient working, which has considerably increased employee satisfaction.

At Arbonia Glassysteme, a test of the use of an exoskeleton in production started during the reporting period. In addition, employees are trained to be safety officers. In 2024, the employers' liability association was on site for a consultation appointment regarding occupational safety, and this occasion was used to evaluate further measures.

The Garant company introduced fire-fighting and first aid training as well as company health management. Furthermore, operational procedures were optimised to replace cutting tools with tools that have improved, integrated safety measures. In cooperation with the health insurance companies, back screenings were carried out in the reporting year, and measures to quit smoking are planned for 2025. In addition, a day on the topic of health was organised for 2025.

Continually reviewed targets

In addition to internal reviews, Arbonia also relies on regular feedback from external agencies to help achieve its targets. In 2024, for example, Garant received positive feedback from the employers' liability association BGHM for its efforts to decrease reportable accidents and the positive development of the company in the area of hazard assessments and correspondingly derived measures. In general, Arbonia receives important feedback for such improvements through area inspections by the industrial inspectorate and trade unions as well as from external safety audits. Regular inspections of the work conditions and machines take place in respect to occupational safety, in which work environment tests (e.g. noise, weights), medical examinations, and risk assessments are carried out at the workplace. In addition, the employees continually go through safety training.





Compliance

For Arbonia, integrity and law-abiding business practices lay the foundation for sustainable corporate governance and hence a future-proof company. The spectrum of topics covers numerous ethical principles relating to our internal cooperation and our work with business partners. Furthermore, the topics of data security and data transfer are becoming more and more important. In addition to our own business practices, we are placing increasing emphasis on due diligence in the supply chain. In all countries in which Arbonia operates, it adheres to the Universal Declaration on Human Rights of the United Nations, the UN Convention on the Elimination of All Forms of Discrimination against Women, the UN Convention on the Rights of the Child, and the ten principles of the UN Global Compact.



Compliance and anti-corruption



Article 964a ff. Code of Obligations

Concept and due diligence

There is a Group-wide Code of Conduct whose up-to-dateness and relevancy is ensured by the Board of Directors and the Head of Compliance, while the compliance officer is responsible for its implementation in the subsidiaries and is supported by Internal Audit.

We are aware of our economic, ecological, and social responsibility and commit to the following in our Code of Conduct:

- Respecting human rights, with particular regard to the prohibition of child labour,
- Ensuring the health and occupational safety of employees,
- Cooperating with suppliers who have committed to sustainable operating activities and fulfil their social responsibility,
- Observing environmental protection standards, and
- Using resources carefully.

Employees are called upon to participate actively in observing the Code of Conduct, including the "Supplement to the Code of Conduct" for production employees. For this reason, the Board of Directors issued a whistleblowing directive in 2013 and has introduced corresponding reporting units, which were further developed in 2023 based on the EU Whistleblowing Directive and the national regulations of the individual EU countries. The process for dealing with reports was defined in a policy that was made available to our subsidiaries in the EU together with an employee information sheet that indicates the relevant reporting units. The subsidiaries are required to set up reporting units on their websites for suppliers, customers, and other third-parties.

All employees who identify violations of the Code of Conduct are requested to report them to the internal or legally prescribed external reporting units. The CEOs of the business units, the compliance officer, the respective managing director of the companies, the Head of Compliance and the Head of Internal Audit function as internal reporting units. The protection of the reporting employees is a central element of the whistleblowing concept. Whistleblowers must not be subject to any disciplinary, legal, or other actions that could be to their detriment due to their reporting.

The required measures in respect to the German Act on Corporate Due Diligence Obligations in Supply Chains (LkSG) for the affected companies and the Swiss Ordinance on Due Diligence and Transparency (VSoTr) for Swiss companies were also implemented

in this financial year. In this context, no human rights or environmental risks, no suspected cases, and a low risk for child labour or no reasonable suspicion or obvious suspicion of child labour was determined. In respect to purchased minerals and metals, the legal thresholds for a reporting obligation were not met, and the companies are therefore exempt from the due diligence and reporting obligations.

Measures including evaluation of effectiveness

Upon joining Arbonia, all employees sign the Code of Conduct and commit to upholding the company's values as well as its ethical and social principles. Internal Audit checks that specific regulations from this are observed and all newly hired employees have signed the Code of Conduct. The Board of Directors receives an internal audit report on this. In addition to the Code of Conduct, the Board of Directors issued the "Supplement to the Code of Conduct" in 2018, which is specially addressed to production employees. This contains in-depth regulations for production – for example, concerning resource handling, occupational safety, and environmental protection. It does not contain topics such as competition law. The "Supplement to the Code of Conduct" is hung in the factory halls in the form of posters and explained to production employees in a training video.

The Board of Directors is informed about all whistleblowing reports received at the Group as well as about the related investigations and initiated measures. Two whistleblowing cases were reported in the reporting year. The subsequent investigations did not find any indication of unlawful conduct or any shortcomings at the company. No sanctions were imposed due to non-compliance cases either.

Various compliance e-learning courses are available to office staff. One example is the course "Compliance principles", which deals with all key topics of the Code of Conduct and goes into more detail on individual detailed directives and topics, such as conflicts of interest, insider trading, or corruption. After last year's pilot phase, this course was taught to all office staff in the reporting year. In addition, the modules "Fair competition", "Data protection", and "Fair supply chains" were provided to relevant office staff. Production employees have continuous access to the training video with the most important contents from the "Supplement to the Code of Conduct", which is used at the production sites by the compliance officer.



Material risks and how they are handled (own scope of business and, where applicable, business relationships)

The subject of compliance is an integral part of the risk management process of Arbonia. It is defined as an operational risk and encompasses the infringement of existing laws, regulations, and contracts with subsequent sanctioning. At Group level, compliance is currently classified as a medium-high risk. Possible violations relate to infringements of the Code of Conduct such as corruption cases, embezzlement, infringements of competition law and cartel law, or data protection breaches. Consequences may include fines and possible reputational damage. Internal Audit ensures that all companies are regularly checked for the operability, correctness, safety, and economic efficiency of internal processes and

workflows. Larger companies are ideally audited every two years, while smaller companies are subjected to an audit at least every three years. On site, the audit generally lasts a week, although corresponding preparations are made in advance. The audits are mostly carried out by one person, and external support is brought in for more complex cases. Extraordinary audits, for example through our whistleblower reporting system, can also take place.

Key performance indicators

The number of participants in corresponding courses of the e-learning platform for compliance topics is the relevant key performance indicator. In the reporting year, the completion rate of these courses was 87.5 %.

Directives

The following instructions are available to all Arbonia employees in various languages and establish the corresponding corporate standards. They supplement the general Code of Conduct within Arbonia and can be called up by office staff in the Intranet:

- Anti-corruption directive
 - Directive on gifts
 - Sponsoring directive
 - Directive on intermediaries, distributors, and merchants
- Data protection directive
 - Supplement 1: Rights of affected persons
 - Supplement 2: Data breach policy
 - Supplement 3: Explanation for employees
- Insider trading
- Internet directive
- Kickback payments
- Reporting obligation for management transactions
- Protection against sexual harassment, bullying, and discrimination at the workplace
- Social networks
- Handling of resources and waste
- Handling of water
- Instructions for using AI-based tools
- Competition directive
- Whistleblowing

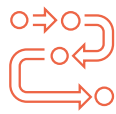
Tax policy

We are committed to a cooperative and transparent relationship with the tax authorities in all countries in which we are active and therefore pay taxes. In doing so, we follow all established processes, guidelines, and communication channels in order to promote a constructive dialogue and strengthen the compliance together. Arbonia prohibits any form of tax evasion through transfer pricing. We ensure that our transfer prices correspond to the international guidelines, especially the OECD guidelines. We also consciously refrain from using tax havens in order to ensure that we fully meet our tax obligation from our activities in other countries.

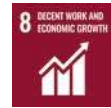
Principles for politics and lobbying

The business practices of Arbonia are free from political influence, and no political interests are pursued. Political contributions are prohibited in principle, although a justified exception can be authorised by Group Management.

We are indirectly involved in lobbying through our membership in associations and their representation of interests for the industry. At the same time, we ensure that these activities are in line with our ethical standards. The financial contributions are limited to the membership fees of the associations.



Procurement and supply chain



Article 964a ff. Code of Obligations

Concept and due diligence

A more sustainable supply chain brings a multitude of advantages for Arbonia and demonstrates responsibility towards society. It creates innovation and drives the development of new management and production methods forwards. The majority of our total emissions occur in Scope 3, in other words, the upstream and downstream value-added chain, so that there is a great potential here for reducing our emissions. Furthermore, a more sustainable supply chain provides business benefits, since it improves the monitoring of costs and resources and can thus lead to savings. On the whole, a sustainable procurement and supply chain improves reputation, strengthens customer relationships, and increases the interest of investors.

Arbonia also takes its responsibility very seriously with regard to upholding human rights and preventing child labour within its own scope of business and in relation to business partners. A policy targeting more sustainable procurement was developed in 2023. This policy aims to bring Arbonia's strategic and operational procurement practices in line with the most important international standards, the UN Children's Rights and Business Atlas, the German Act on Corporate Due Diligence Obligations in Supply Chains (LkSG), and the Swiss Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour (VSoTr), as well as implementing the steps required to implement these principles. This guideline supports the sustainable and transparent expansion of Arbonia's procurement processes, including ethical criteria. The due diligence process comprises a risk analysis according to the German LkSG as well as the Swiss Code of Obligations and currently contains suppliers of direct materials with a purchasing volume of more than CHF 0.5 million. However, the context of procurement and supply chain not only comprises all direct materials that enter inventory through purchasing and procurement, but also indirect materials such as tools and equipment, consultation, and rent. Such indirect materials are procured in the region of the respective companies as a matter of principle. Suppliers from countries with an elevated risk in relation to

human freedom, child labour risk, and slavery risk are checked regardless of the purchasing volume. Specific product groups are also included in the risk analysis. When assigning product groups and countries to risk categories, Arbonia follows internationally recognised standards such as, for example, the UN Children's Rights and Business Atlas.

Measures including evaluation of effectiveness

Arbonia has developed a Supplier Code of Conduct (Supplier CoC), which has been approved by Group Management. It is being successively expanded to all current suppliers and is part of all new supplier relationships and orders. In this document, our suppliers expressly commit themselves to the Universal Declaration of Human Rights of the United Nations, the UN Convention on the Elimination of All Forms of Discrimination Against Women, and the UN Convention on the Rights of the Child. For the risk analysis of the suppliers, Arbonia combines internal data with externally generated key figures, for which we have used the ESG ratings from EcoVadis since 2022. Suppliers without an external rating have to demonstrate in a suitable way – for example, with a code of conduct, that human rights are respected and that child labour and forced labour in particular are prevented.

Material risks and how they are handled (own scope of business and, where applicable, business relationships)

The main risks include above all liability risks as well as a reputation risk, such as in the case of ecological or human rights misconduct by direct or indirect suppliers. These are increased by the risk of a lack of transparency on the part of suppliers. In the area of transportation and logistics, risks such as climate-related interruptions of the supply chain and delivery delays can occur. In addition, there is the general risk of increasing procurement costs.

Key performance indicators

The key performance indicator is the proportion of production volume for which the suppliers can show an assessment according to EcoVadis or a code of conduct.



Focus on close supplier relationships

The most frequently used materials and semi-finished goods of Arbonia consist of wood, glass, steel, and aluminium. We preferably work with suppliers from the European Economic Area and ideally with local companies. Arbonia sources a good 99 % of its entire procurement volume from EU or EFTA states, which ensures high standards in respect to ecological and social criteria. In the reporting year, 86.7 % the purchasing volume was procured from local suppliers, in other words, from countries where we have our own production sites. This improves our ability to monitor the production means compared to a partnership with suppliers from remote regions.

Competence development and supplier assessment

As a corporate group, we are continuously raising awareness of ecological and social factors in direct and indirect purchasing. For this purpose, we provide the employees in our purchasing departments with modules of the EcoVadis Academy and a compliance e-learning course on the topic of fair supply chains. In addition, the expansion of category management is being continued, which sets framework conditions for strategic purchasing and concludes cross-company agreements with suppliers, among other things. In addition, this they continually collect and evaluate market information in order to react to potential risks in the supply chain early on. The category managers also ensure compliance with the guideline for sustainable procurement and the use of the supplier CoC.

We use EcoVadis ratings of our suppliers to include external risk assessments in the supplier evaluation process. Currently, suppliers of direct goods with a sales volume of CHF 0.5 million and up are evaluated. If an EcoVadis rating is not carried out, the supplier must show a code of conduct. Accordingly, 54.2 % of the purchasing volume of direct goods was covered by such risk assessments in the reporting year (previous year: 48.5 %). The risk analysis is to be continually expanded to all direct suppliers and later applied to indirect suppliers as well. Across all product groups, the coverage with risk assessments is 29.6 % (previous year 26.2 %). In addition to the described supplier evaluation, Category Management selectively carries out discussions and visits on site at suppliers in order to obtain better insights into their practices and risks as well as to identify any potentials for improvement.

More sustainable material procurement

For the procurement of wood as a raw material, certifications in accordance with PEFC and FSC® play a central role for the companies of the Wood Solutions Business Unit (see annex, p. 84). These certificates are essential since they ensure the ecological and social responsibility along the entire supply chain and ensure that the wood is sourced from responsibly managed forests.

Expectations of customers

On the customer side as well, audits are increasingly being carried out to determine whether Arbonia complies with sustainability criteria. For example, the customers of Invado regularly check what materials the company uses to manufacture doors and frames and where the raw materials come from. For this reason as well, Arbonia prefers to work with suppliers who have proven themselves for years.



Data protection and cybersecurity



Article 964a ff. Code of Obligations

Concept and due diligence

As Arbonia, we have set up an information security management system and operate it with a security program. Our security approach is continuously checked as part of the repeatedly adapted information security strategy.

Cyber risks are an integral part of the risk management process, which is why the risk is transferred to an insurance company. Arbonia has taken the necessary measures with regard to the Swiss Federal Act on Data Protection (DSG). Responsibility for information security throughout Arbonia essentially rests with the Chief Information Security Officer and the Chief Information Officer. The relevant topics are always coordinated with Group Management and the responsible people at the various companies, and they are presented to the Board of Directors if necessary. When it comes to implementing individual measures, the local IT teams and ICT security specialists provide support as interfaces to the sites and companies.

Measures including evaluation of effectiveness

The security awareness programme helps employees to recognise real threats and potential attacks and to react to them correctly, in accordance with the motto "THINK BEFORE YOU Click.Post.Type". The effectiveness of the awareness programme is checked on a regular basis; for example, by means of pretend phishing emails, a knowledge quiz, or test calls to employees.

In accordance with the General Data Protection Regulation (GDPR) of the European Union and Swiss law, all websites of Arbonia

were updated with the current data protection requirements in 2024. Records of processing activities are maintained, and corresponding data processing agreements including the associated technical and organisational measures (TOMs) were concluded with service providers who collect personal data.

Material risks and how they are handled (own scope of business and, where applicable, business relationships)

Unauthorised parties may gain access to sensitive customer data as a result of insufficiently secured access and data connections (virtual and physical), or sensitive data may get into the wrong hands due to a lack of due diligence on the part of an employee. This will result in additional costs and criminal proceedings. An inadequate IT infrastructure (network, firewalls, servers, etc.), outdated ERP systems, incorrect use of IT (internally), or a cyber attack may impede digitisation and lead to an IT failure, data loss, and insufficient competitiveness. This may in turn result in operational restrictions, delivery delays, additional costs, and/or financial losses. The defined standards are checked for compliance and effectiveness with regular checks and audits in the framework of the general IT controls.

Key performance indicators

Various key figures give Arbonia an overview of the status of information security. Among other things, key figures on participation and phishing behaviour of the awareness programme. Other key figures such as malicious attack attempts, completed incidents, and the reaction to potential incidents are recorded in the Security Operations Center.



Priority	Target	Status 2023	Status 2024
Arbonia increases the participation rate in e-learning courses in the area of cybersecurity.	By 2025: average participation rate of 100 %	87 %	97 %
Malicious attack attempts	No critical incidents	20	17
Reaction to potential incidents	No critical incidents	15	13
Completed incidents	No critical incidents	666	288

Together for more information security

As Arbonia, we can only maintain information security together with our employees. Our aim is to protect the operating activities and competitiveness of the Group against attacks on business and customer data. The employees of Arbonia are a central link in the security chain in the area of cybersecurity and are empowered by us to assume the corresponding responsibility. The most common attack tool for cyber attacks is e-mail – followed by social engineering (manipulating or influencing a person), the Internet, as well as weakly secured accesses and configuration errors.

Through measures to strengthen so-called cyber resilience, we at Arbonia are trying to reduce the risk of successful cyber attacks to a minimum. We are pursuing a comprehensive security approach with technical measures, processes, guidelines, and standards, the compliance with and implementation of which is checked by the Chief Information Security Officer and his or her team at Group level. Cyber attacks of any kind must be recognised early on and repelled. Accordingly, employees are increasingly being trained and made aware of this topic.

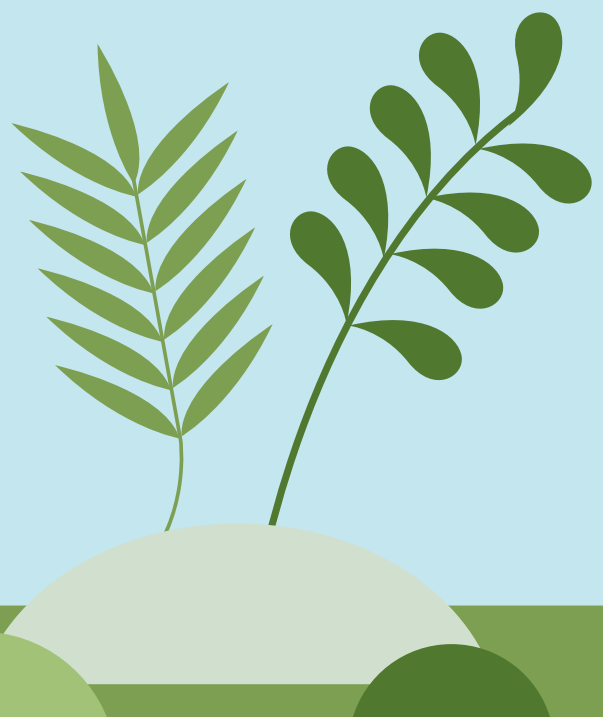
This involves a number of policies. The password policy describes and defines principles for the creation and use of passwords at Arbonia. The policy on information security requirements for third parties sets out the security standards and requirements that must be fulfilled by service providers and suppliers who come into contact with sensitive information or IT systems belonging to Arbonia. It aims to ensure that third parties implement appropriate security practices in order to protect the confidentiality, integrity, and availability of information. Arbonia has responded to the development of AI by issuing corresponding "Instructions for using AI-based tools". These instructions cover the benefits, risks, data protection, and restrictions regarding use of such tools. Furthermore, there is a "Data Privacy Statement for Employees", which provides information about the data Arbonia collects from employees and the purpose for which it is used.

On the basis of high cyber resilience and e-mail security, Arbonia's general objective is not to experience any security-critical incidents and thus ensure a permanently smooth course of business. For this purpose, the results of the attack simulations are used to strengthen resilience. To control security, cyber maturity is also measured on the basis of defined standards. Further key figures are collected via the Security Operations Center (SOC) for all companies and are used to improve cyber defence. In this process (malicious) incidents and the reaction to them are continually recorded. The management system classifies these incidents according to their type and severity and evaluates the defence measures according to filter functions and existing use cases. As a further protection level, all network areas are monitored with an NDR (Network Detection and Response) and passed on to the SOC.





Annex





Report profile

With this sustainability report, Arbonia is publishing non-financial information on its operating activities for the fifth time (date of publication: 4 March 2025).

It thereby enshrines ecological, social, and economic sustainability in its corporate development. Arbonia documents its impact on the climate and the environment, specifies strategic sustainability targets, and reports on the degree of target achievement for the material topics. The information includes overarching management approaches for the entire Group. In addition, the targets and measures are described on the level of individual companies. The scope of consolidation of the sustainability report is given on pages 26 and 27.

This report has been created in accordance with the 2021 GRI standards. All information refers to the reporting period from 1 January to 31 December 2024 (in analogy to the financial reporting). The indicators were selected based on a materiality analysis in which various internal and external stakeholders were surveyed (see p. 32). Nine material topics were defined as the result. Further guidelines for the content structure are recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), the Sustainable Development Goals (SDGs) of the United Nations, as well as ESG rating analyses. This also fulfils the Swiss requirements regarding transparency in non-financial matters.

The key environmental figures of this sustainability report include the resource consumption of all manufacturing companies of Arbonia as well as the Corporate Center in Arbon, Switzerland. This excludes the new acquisitions in 2024. Alongside information about its direct (Scope 1) and indirect energy-related emissions (Scope 2), Arbonia provides extensive data about its upstream and downstream value-added chain (Scope 3) in this report. Pure administration and distribution companies are not included due to their low environmental impact. The key figures in relation to employees include all companies. There is an annual reporting cycle – the last report was published on 27 February 2024. Due to the effective requirements of the Swiss Code of Obligations Article 964a ff., this report is divided into a mandatory part and a voluntary part. The sustainability report has been created on behalf of Group Management and approved by the Board of Directors. It is not subject to any external audit.

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For the Content Index – Essentials Service, GRI Services reviewed that the GRI content index has been presented in a way consistent with the requirements for reporting in accordance with the GRI Standards, and that the information in the index is clearly presented and accessible to the stakeholders. The service was provided on the basis of the German language version of the report.

Use declaration	Arbonia has reported for the period of 1 January to 31 December 2024 in agreement with the GRI standards.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI sector standard(s)	None

Standard / disclosure	Page	Comment / reason for omission
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GRI 2: General Disclosures 2021

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Standard / disclosure	Page	Comment / reason for omission
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Standard / disclosure	Page	Comment / reason for omission
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Data protection and cybersecurity

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Glossary

Biomass combined heat and power (CHP) plant: Generates electrical energy by burning solid biomass such as wood chips. A biomass CHP plant also provides heat which can be used as district heat, local heat, or process heat.

CSRD – Corporate Sustainability Reporting Directive: Directive of the European Union that requires companies to report detailed and standardised information on environmental, social, and governance aspects.

EcoVadis: The platform provides holistic assessments in the area of sustainability (environment, labour and human rights, ethics, and sustainable procurement). On the one hand, this gives companies a better understanding of their own performance in these areas. On the other hand, companies can also see assessments of their suppliers through this platform and thereby obtain a more comprehensive picture of their supply chains.

EPD – Environmental Product Declaration: Documentation of detailed information on the environmental impact of a product or service over its entire life cycle the entire life cycle, based on international standards.

ESRS – European Sustainability Reporting Standards: Binding reporting standards of the European Union that were introduced in the framework of the CSRD. They define how companies have to disclose their environmental, social, and governance aspects.

EU taxonomy: Classification system of the European Union which is to disclose ecologically sustainable economic activities. Companies are required to assess their activities on the basis of specific criteria and quantify them in relation to income, investment expenses, and operating expenses.

FSC® – Forest Stewardship Council: An international certification system for more sustainable forestry. The wood of furniture, books, packages, and other products with the FSC symbol comes from forests that are sustainably managed.

Greenhouse Gas (GHG) Protocol Initiative: A partnership of different companies, NGOs, and governments. The initiative is coordinated by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). The goal of the initiative is to develop internationally recognised standards for greenhouse gas accounting.

GRI – Global Reporting Initiative: The GRI standards for creating sustainability reports were developed to provide organisations with guidelines for creating reports on their economic, environmental, and social impacts.

Heat exchanger: A device used to transfer thermal energy from one material flow to another. The two elements do not come into direct contact with each other; they are conveyed past each other.

IEA – International Energy Agency: A cooperation platform in the area of research, development, market introduction, and application of energy technologies.

ISO – International Organization for Standardization: The International Organization for Standardization develops international standards that help to improve the quality and safety of goods and services as well as simplifying trade between countries and companies.

LkSG – Act on Corporate Due Diligence Obligations in Supply Chains: German federal law for controlling the economic action of companies based in or active in Germany by subjecting them to duties of care with respect to human rights and environmental protection within their supply chains.

NDR (network detection and response): Describes security solutions that continuously monitor and analyse network traffic in order to identify and automatically react to suspicious data traffic. Artificial intelligence (AI) and machine learning (ML) methods are used to analyse network traffic and identify anomalies.

PEFC – Programme for the Endorsement of Forest Certification Schemes: Certification system for larger and smaller forest owners as well as wood-processing and wood-selling companies that are committed to sustainable management and fair as well as transparent trade.

Pre-composite furnace: Industrial furnace used for the thermal treatment of glass, for example, to heat it to a temperature at which it is prepared for final processing or further processing. In this process, an even heat distribution is ensured in order to minimise material tensions and achieve the desired product quality.

quinquies: This Latin word is often used in legal texts to indicate that a particular article, section, or paragraph has been amended or supplemented five times.

SBTi – Science Based Targets initiative: An initiative of different organisations that specifies reduction targets for greenhouse gas emissions. It specifies how much and how quickly a company has to reduce its greenhouse gas emissions to limit global warming to less than 1.5°C in line with the Paris Agreement.



Scopes: To distinguish between direct and indirect emission sources, the GHG Protocol defines three areas of validity for reporting and accounting greenhouse gas emissions

Scope 1: All emissions that caused directly by a company.

Scope 2: Indirect CO₂ emissions from purchased energy such as electricity, steam, district heating, or cooling.

Scope 3: All indirect emissions that occur along the value-added chain.

SDGs – Sustainable Development Goals: The 17 goals for sustainable development are political objectives of the United Nations (UN) which aim to ensure sustainable development on an economic, social, as well as ecological level. With the Agenda 2030, all UN member states – including Switzerland – have committed to achieving these goals by 2030.

Social engineering: Interpersonal influencing with the goal of provoking certain behaviours in people, for example, motivating them to reveal personal information, buy a product, or release financial resources.

Sonitus mid-layer: The inside of a door is also called the mid-layer and is enclosed by the frame and cover plates. Sonitus mid-layers are primarily used with sound insulated doors. The residue of the relatively soft material is also well suited to protecting doors from scratches during transport. This reduces the need for other protective material and means that residue can be reused instead of disposed of.

TSG furnace – toughened safety glass furnace: Furnace for manufacturing toughened safety glass in which glass panes are heated to high temperatures and then suddenly cooled. This process increases the surface tension, giving the glass a higher strength and safer fracture behaviour.

UN Global Compact: Initiative of the United Nations for sustainable and responsible corporate governance. Member companies commit to observing 10 principles in the areas of human rights, labour standards, the environment, and anti-corruption.



FSC®-certified companies

Company	Site	License code	Certificate code
Arbonia Doors AG	Arbon (CH)	FSC-C188065	SQS-COC-101343
Dimoldura Group	Lalín (ES)	FSC-C135877	BMC-COC-006245
Garant Türen und Zargen GmbH	Ichtershausen (D)	FSC-C114283	TUVDC-COC-100677
Invado Sp.z o.o.	Ciasna (PL)	FSC® C005006	NC-COC-015584
Prüm-Türenwerk GmbH	Weinsheim (D)	FSC-C114007	TUVDC-COC-100620
RWD Schlatter AG	Roggwil (CH)	FSC-C014712	SQS-COC-100126
TPO Holz-Systeme GmbH	Leutershausen (D)	FSC-C175652	TUVDC-COC-101238

PEFC-certified companies

Company	Site	License code	Certificate code
Arbonia Doors AG	Arbon (CH)	PEFC/15-31-0152	SQS-PEFC-COC-47316
Dimoldura Group	Lalín (ES)	PEFC/14-35-00366	BMC-PEFC-COC-00321
Garant Türen und Zargen GmbH	Ichtershausen (D)	PEFC/04-31-2110	DINC-PEFC-COC-000677
Invado Sp.z o.o.	Ciasna (PL)	PEFC/32-31-162	PBN-PEFC-COC-015584
Joro Türen GmbH	Renchen (D)	PEFC/04-31-2313	DINC-PEFC-COC-000963-225
Prüm-Türenwerk GmbH	Weinsheim (D)	PEFC/04-31-2057	DINC-PEFC-COC-000620
Rozière SAS	Bozouls (FR)	PEFC/10-31-662	QUAL-PEFC-COC-05069
RWD Schlatter AG	Roggwil (CH)	PEFC/15-31-0132	SQS-PEFC-COC-46364
TPO Holz-Systeme GmbH	Leutershausen (D)	PEFC/04-31-2313	DINC-PEFC-COC-000963/196





Corporate governance

This report complies with the guideline concerning information on corporate governance (RLCG) of 29 June 2022 of the SIX Exchange Regulation.

Unless otherwise indicated, the disclosures apply as of 31 December 2024.



1. Group structure and shareholder base

1.1. Group structure

Board of Directors

Alexander von Witzleben

Executive (until 31 December 2024) Chairman of the Board of Directors

Peter Barandun

Vice Chairman

Peter E. Bodmer

Markus Oppliger

Heinz Haller

Michael Pieper

Thomas Lozser

Dr. Carsten Voigtländer

Group Management

Claudius Moor

CEO Doors Division

Uwe Schiller

Chief Financial Officer

Alexander Kaiss (until 26 February 2025)

CEO Climate Division

1.1.1. Operational Group structure

As of 31 December 2024, the operational Group structure of Arbonia AG comprises (1) the Climate Division and (2) the Doors Division with the Wood Solutions Business Unit and the Glass Solutions Business Unit (see divisional structure on page 9). Together with the Finance / Controlling / Reporting area, the two divisions form the Group's operational structure as of 31 December 2024.

As of 31 December 2024, Arbonia Group Management comprises the Chief Financial Officer ("CFO") and the CEOs of the two divisions (1) Climate and (2) Doors. Until 31 December 2024, Group Management was headed by the Executive Chairman of the Board of Directors, who was not a member of Group Management himself. Group Management is supported by Corporate Functions.

Alexander von Witzleben resigned as Executive Chairman of the Board of Directors as of 31 December 2024 and since then, has been serving as Chairman of the Board of Directors. Claudius Moor was appointed CEO of the Arbonia Group as of 1 January 2025.

The financial reporting is done in line with IFRS on the basis of the above divisional structure. On 18 April 2024, Arbonia AG announced that it had sold the Climate Division to Midea Electrics Netherlands B.V. The completion of the sale (closing) took place on 26 February 2025. In accordance with IFRS 5, Arbonia reports the Climate Division as a discontinued operation in the financial reporting as of the balance sheet date 31 December 2024. A description of the divisions as of 31 December 2024 can be found on pages 11–17.

1.1.2. Scope of consolidation

The scope of consolidation of Arbonia AG, headquartered in Arbon TG ("Arbonia" or the "company") comprises the Group companies listed in the financial report on page 195–196

(collectively the "Group"). The name, registered office, and share capital of the Group companies, as well as the interests held by the Group, are also detailed on these pages. Arbonia shares are listed at the SIX Swiss Exchange in Zurich under securities number 11 024 060 (ISIN CH0110240600). Information about market capitalisation can be found in the Supplementary Information for Investors on page 220. Other than Arbonia, none of the other Group companies included in the scope of consolidation are listed at any stock exchange in Switzerland or abroad.

1.2. Major shareholders

	31 December 2024		31 December 2023
	Voting and capital shares	Shareholding notification	Voting and capital shares
	In %		In %
Artemis Beteiligungen I AG	22.57	17 December 2016	22.56
Leo Looser	3.03	17 April 2019	3.03
UBS Fund Management AG	6.47	7 May 2024	3.26

On 17 December 2016, Artemis Beteiligungen I AG, which is controlled by Michael Pieper, reported a shareholding of 20.02 % (www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html). As of 31 December 2024, the shareholding of Artemis Beteiligungen I AG amounts to 22.57 %.

On 7 May 2024, UBS Fund Management (Switzerland) AG reported a shareholding of 6.469 % (www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html).



Arbonia is not aware of any shareholders' agreements among its shareholders.

1.3. Cross-shareholdings

No cross-shareholdings of more than 5 % of the votes or the capital exist between Arbonia and other companies.

2. Capital structure

2.1. Capital

As of 31 December 2024, the ordinary capital of Arbonia is CHF 291 787 620.60, the conditional capital for convertible bonds and options, option rights, and similar forms of financing is CHF 57 960 000, and the conditional capital for rights of employees and members of the Board of Directors for the acquisition of shares is CHF 8 820 000. The capital band has a lower threshold of CHF 262 807 620.60 and an upper threshold of CHF 349 747 620.60. The company has no authorised capital.

The ordinary capital is detailed in point 48 of the notes to the consolidated financial statements on page 182.

	Quantity	Nominal value	Share capital
Registered shares 31 December 2023	69 473 243	4.20	291 787 620.60
Registered shares 31 December 2024	69 473 243	4.20	291 787 620.60

2.2. Capital band and conditional capital Capital band

The capital band has a lower threshold of CHF 262 807 620.60 and an upper threshold of CHF 349 747 620.60. Accordingly, the capital may currently be increased by 13 800 000 registered shares with a nominal value of CHF 4.20 per share and decreased by CHF 6 900 000 registered shares with a nominal value of CHF 4.20. The nominal value may be reduced to no less than CHF 3.783. The capital band is valid until 20 April 2028.

In certain circumstances, the Board of Directors can exclude the subscription right of shareholders in whole or part in favour of third parties. Shares can be issued in one or multiple stages.

The capital band and conditional capital are available on an alternative instead of a cumulative basis. If new shares are issued based on the capital band, the conditional capital shall also decrease by the same amount as the capital band.

The capital band was not used in 2024.

Conditional capital

The share capital can be increased for financing purposes (convertible bonds and options, option rights, and similar forms of financing) by a maximum of CHF 57 960 000 by issuing a maximum of 13 800 000 registered shares with a nominal value of CHF 4.20 each, which shall be fully paid up. The share capital can be increased for employee participation purposes by a maximum of CHF 8 820 000 by issuing a maximum of 2 100 000 registered shares with a nominal value of CHF 4.20 each, which shall be fully paid up. These registered shares are to be issued upon exercise of option rights granted in conjunction with convertible bonds, bonds with option rights, or similar forms of financing offered by Arbonia or one of its subsidiaries. Shareholders' subscription rights are excluded.

If new shares are issued based on the conditional capital, the capital band shall also decrease by the same amount as the conditional capital.

The conditional capital was not used in 2024.

Group of beneficiaries, conditions, and modalities

The group of beneficiaries and the conditions and modalities for issuing shares from the capital band and the conditional capital are described in Article 3a, Article 3b, and Article 3c of the Articles of Association (including with reference to Article 5 of the Articles of Association). The Articles of Association are available at www.arbonia.com/en/corporate-governance.

2.3. Changes in capital

In the last three reporting years (2022–2024), the share capital of CHF 291 787 620.60, which is fully paid and divided into 69 473 243 registered shares with a nominal value of CHF 4.20 each, remained unchanged.

2.4. Shares and participation certificates

The company has issued 69 473 243 registered shares at a nominal value of CHF 4.20. Each registered share grants the same entitlement to receive dividends and represents one vote at the General Meeting. No preferential rights have been granted. The company has not issued any participation certificates.

2.5. Dividend right certificates

The company has not issued any dividend right certificates.



2.6. Limitations on transferability and nominee registrations

2.6.1. Limitations on transferability

On request, purchasers and beneficiaries of registered shares are registered in the share register as shareholders with voting rights if they expressly declare that they have purchased and will maintain the shares in their own name and for their own account.

2.6.2. Granting of exceptions

The company's Articles of Association do not permit any exceptions to the rules described above in 2.6.1. Accordingly, the Board of Directors did not grant any exceptions in the reporting year.

2.6.3. Nominee registrations

Nominees are persons who, on applying for registration, do not explicitly declare that they hold the shares for their own account and with whom the Board of Directors has signed an agreement to this effect. No nominee is entered in the share register with voting rights for more than 3 % of the registered share capital entered in the Commercial Register. Beyond this limit, a nominee is only entered in the share register with voting rights insofar as he or she discloses the names, addresses, and shareholdings of the persons for whose account he or she holds 0.5 % or more of the registered share capital entered in the share register. In the event of such a disclosure, the nominee concerned is entered in the share register with voting rights up to a maximum of 8 % of the registered share capital entered in the Commercial Register.

2.6.4. Procedure and requirements for limitations on transferability

Under Article 13 (7) of the Articles of Association (www.arbonia.com/en/corporate-governance), limitations on the transferability of registered shares require the approval of at least two thirds of the voting shares represented and the majority of the nominal share values represented.

2.7. Convertible bonds and options

There are no outstanding convertible bonds or options issued by Arbonia.

3. Board of Directors

The Board of Directors of Arbonia consists of experts who cover all key subject areas of Arbonia as a focused building components supplier. The Board of Directors attaches due importance to the diversity of the body, reflecting one of the Group's corporate principles. When positions on the Board of Directors are filled in the future, the legal gender quotas will be taken into account.

3.1. Members of the Board of Directors

As of 31 December 2024, the Board of Directors consisted of the following members:



Alexander von Witzleben

1963, German citizen, resident in Erlenbach ZH, degree in business management, from 17 April 2015 to 30 June 2015 Chairman of the Board of Directors, from 1 July 2015 to 22 April 2022 Chairman and delegate of the Board of Directors as well as interim CEO, and from 22 April 2022 to 31 December 2024 Executive Chairman of the Board of Directors (see 3.5). 1990–1993 KPMG Deutsche Treuhand Gesellschaft, Munich (D); 1993–1995 Head of Central Finance/Controlling JENOPTIK AG, Jena (D); 1996–2003 member of the Board of Directors, CFO, JENOPTIK AG, Jena (D); 2003–2007 Chairman of the Board of Directors, CEO, JENOPTIK AG, Jena (D); 2007–2008 member of the Board of Directors of Franz Haniel & Cie. GmbH, Duisburg (D); since 2009 Chairman of the Board of Directors of Feintool International Holding AG, Lyss and interim CEO in 2009. Alexander von Witzleben was a member of the management board of Arbonia on an interim basis until 22 April 2022. Aside from this, he has no material business relationships with Arbonia or its Group companies.

Other activities and vested interests: member of the Board of Directors of KAEFER SE & Co. KG, Bremen (D); Chairman of the supervisory board of VERBIO SE, Leipzig (D); member of the supervisory board of Siegwark Druckfarben AG & Co. KGaA, Siegburg (D); Chairman of the Board of Directors of Feintool International Holding AG, Lyss BE; member of the Board of Directors of Innoviz Technologies Ltd, Nitzba (IL).



Peter Barandun

1964, Swiss citizen, resident in Einsiedeln SZ, Executive MBA HSG, since 17 April 2015 non-executive Vice Chairman of the Board of Directors (2014–2015 non-executive member of the Board of Directors). 1995–1996 Head of Sales Switzerland/ member of the management board of Bauknecht AG, Lenzburg; 1996–2002 Managing Director of the divisions Electrolux and Zanussi Electrolux AG, Zurich; since 2002 CEO of Electrolux Switzerland/Chairman of the Board of Directors of Electrolux AG, Zurich. Peter Barandun has never been part of the management board of Arbonia or one of its Group companies. He has no material business relationships with Arbonia or its Group companies.

Other activities and vested interests: Chairman of the Board of Directors of Electrolux AG, Zurich ZH; Vice Chairman of FEA (Swiss Association of the Domestic and Industrial Electrical Appliances), Zurich ZH; Co-president of the Presidium of the Swiss-ski association, Worblaufen near Bern BE.



Peter E. Bodmer

1964, Swiss citizen, resident in Küsnacht ZH, lic. oec. publ., Executive MBA, IMD, since 19 April 2013 non-executive member of the Board of Directors. 1993–1994 Head of Sales at Kaiser Precision Tooling Ltd., Rümlang; 1995–1998 Dep. Managing Director, Head of Integration and CFO Europe of GKN Sinter Metals GmbH; 1998–2005 COO and CFO of Maag Holding AG; 2005–2012 member of Group Management at the Implen Group; since 2011 various management and consulting mandates as Chairman and CEO of BEKA Group. Peter E. Bodmer has never been part of the management board of Arbonia or one of its Group companies. He has no material business relationships with Arbonia or its Group companies.

Other activities and vested interests: member of the Board of Directors of Kuratle Group AG, Leibstadt AG; Chairman of the Board of Directors of Brüttsch/Rüeggger Holding AG, Urdorf ZH; Chairman of the Board of Directors of Helvetica Property Investors AG, Zurich ZH; member of the Board of Directors of INOVETICA Holding AG, Baar ZG; Chairman of the foundation board of the Innovation Park Zurich foundation, Dübendorf ZH; Chairman of the foundation board of Profond Pension Fund, Zurich ZH; Chairman of the foundation board of the Wilhelm Schulthess-Stiftung, Zurich ZH; member of the Board of Directors of Klinik Schloss Mammern AG, Mammern TG; member of the Board of Directors of Nüssli (Schweiz) AG, Hüttwilen TG; Vice Chairman of the Board of the University of Zurich, Zurich ZH; active as a consultant to various companies, whereby his consulting activities do not present any conflict of interest with the Arbonia Group.



Markus Oppliger

1959, Swiss citizen, resident in Wangs SG, Swiss cert. expert in accounting and controlling, Swiss cert. auditor, non-executive member of the Board of Directors since 19 April 2013. 1978–1983 Prefera Treuhandgesellschaft Sargans; 1983–1988 Bank in Liechtenstein/Prince of Liechtenstein Foundation; 1989–2013 at Ernst & Young, from 1996 partner and from 2009 Quality & Risk Management Leader of the Advisory Services of Ernst & Young GSA (Germany, Switzerland, Austria); since 2013 various consulting mandates as an independent management consultant and owner of Oppliger Management Consulting. Markus Oppliger has never been part of the management board of Arbonia or one of its Group companies. He has no material business relationships with Arbonia or its Group companies.

Other activities and vested interests: Chairman of the Board of Directors of Pizolbahnen AG, Bad Ragaz SG; judge at the commercial court in the canton of St. Gallen for the term of office 2023/2029; member of the Board of Directors of St. Gallisch-Appenzellische Kraftwerke AG, St. Gallen SG; member of the Board of Directors of Heidiland Tourismus AG, Bad Ragaz SG; active as a consultant to various companies, whereby his consulting activities do not present any conflicts of interest with the Arbonia Group.



Heinz Haller

1955, Swiss citizen, resident in Andermatt UR, MBA IMD, Lausanne, since 25 April 2014 non-executive member of the Board of Directors. 1980–1994 various management positions at The Dow Chemical Company, Horgen/Frankfurt (D)/Midland MI (USA); 1994–1999 Managing Director of Plüss-Stauffer AG, Oftringen (CH); 2000–2001 Chief Executive Officer of Red Bull Sauber AG/Sauber Petronas Engineering AG, Hinwil (CH); 2002–2006 Managing Director of Allianz Capital Partners GmbH, Munich (D); 2006–2010 Executive Vice President Performance Products and Systems Divisions and DAS (Dow Agricultural Science Division) of The Dow Chemical Company, Midland MI (USA); 2010–2012 Executive Vice President & Chief Commercial Officer, The Dow Chemical Company, Midland, MI (USA); 2012–2018 Executive Vice President of The Dow Chemical Company, President Dow Europe, Middle East, Africa & India (EMEA). Heinz Haller has never been part of the management board of Arbonia or one of its Group companies. He has no material business relationships with Arbonia or its Group companies.

Other activities and vested interests: Vice Chairman of the foundation board of the Innovation Park Zurich foundation, Dübendorf ZH; Chairman of the Board of Directors of GETEC PARK.SWISS AG, Muttensz BL; member of the Board of Directors of the Hockey Club Ambri Piotta SA, Quinto TI.



Michael Pieper

1946, Swiss citizen, resident in Hergiswil NW, lic. oec. HSG, since 17 April 2015 non-executive member of the Board of Directors. Since 1989 owner and CEO of the Franke/Artemis Group; 1989–2012 CEO of the Franke Group, since 2013 CEO of the Artemis Holding AG and its worldwide group companies. Michael Pieper controls the largest shareholder in Arbonia (see 1.2). Michael Pieper has never been part of the management board of Arbonia or one of its Group companies. He has no material business relationships with Arbonia or its Group companies.

Other activities and vested interests: member of the Board of Directors of Franke Holding AG, Aarburg AG; member of the Board of Directors of BERGOS AG, Zurich ZH; Vice Chairman of the Board of Directors of Forbo Holding AG, Baar ZG; member of the Board of Directors of Autoneum Holding AG, Winterthur ZH; member of the Board of Directors of Reppisch-Werke AG; Dietikon ZH; member of the supervisory board of Duravit AG, Hornberg (D); member of the Advisory Board South of Deutsche Bank AG, Frankfurt am Main (D).



Thomas Lozser

1961, Swiss and US citizen, resident in Novi, Michigan (USA), degree in engineering from ETH, MBA, since 13 December 2016 non-executive member of the Board of Directors. 1988–1992 various leadership positions at MPI International, Rochester Hills, Michigan (USA); 1992–1998 General Manager/President, Kautex Textron, Avilla, Indiana (USA); 1998–2000 Senior Vice President Operations, Kautex Textron, Troy, Michigan (USA); 2000–2002 President and shareholder, Magnetic USA Inc., Olney, Illinois (USA); following the takeover by SKF USA Inc. 2002–2005 Vice President Sales Linear Technology, SKF USA Inc. Bethlehem, Pennsylvania (USA); 2005–2010 CEO of the Coatings business unit at the former Looser Group, Arbon; independent entrepreneur since 2010. Thomas Lozser has never been part of the management board of Arbonia. He has no material business relationships with Arbonia or its Group companies.

Other activities and vested interests: member of the Board of Directors of Mopec Inc., Oak Park, Michigan (USA); board observer of Helvetica Capital AG, Zurich ZH; member of the Board of Directors of I&W Engineering AG, Rapperswil SG; active as a consultant to various companies, whereby his consulting activities do not present any conflict of interest with the Arbonia Group.



Dr. Carsten Voigtländer

1963, German citizen, resident in Mühbrook (D), graduate in mechanical engineering, Dr. Ing. process engineering, INSEAD Advanced Management Programme, since 12 April 2019 non-executive member of the Board of Directors. 1989–1994 research assistant at the Thermodynamics, Thermal Science Lab (IfT) of the Technische Universität Braunschweig (D), 1994–2002 various management positions at Neumag GmbH, Neumünster (D): development, project management, Managing Director Technology, management spokesman; 2002–2006 CEO of Neumag and member of management at Saurer GmbH & Co. KG, Neumünster (D); 2006–2009 CEO of Oerlikon Textile GmbH & Co. KG, Remscheid (D); 2009–2018 Managing Director Vaillant GmbH, Remscheid (D); 2009–2010 CTO, 2011–2018 CEO and Chairman of the Management Board. Since 2018 various consultancy, administration, and supervisory board mandates as well as owner of Voigtländer Board Advisory, Mühbrook (D). Dr. Carsten Voigtländer has never been part of the management board of Arbonia or one of its Group companies. He has no material business relationships with Arbonia or its Group companies.

Other activities and vested interests: member of the Board of Directors of Behr Bircher Cellpack BBC AG, Villmergen AG; senior advisor of INNIO Jenbacher GmbH & Co. OG, Jenbach (AT); member of the Board of Directors of Electrolux Professional AB, Ljungby (SE); member of the foundation board of Friedhelm Loh Stiftung & Co. KG, Haiger (D); member of the Board of Directors of Stulz Verwaltungsgesellschaft mbH, Hamburg (D); Chairman of the advisory board of Oikos International GmbH, Schlüchtern (D); member of the supervisory board of Testo Management SE, Titisee-Neustadt (D); member of the advisory board of ecoworks GmbH, Berlin (D); active as a consultant to various companies, whereby his consulting activity does not present any conflict of interest with the Arbonia Group.



The members of the Board of Directors have a wide variety of competences that enable them to execute their mandate in the highest governance body of Arbonia.

	Alexander von Witzleben	Peter Barandun	Peter E. Bodmer	Markus Oppliger	Heinz Haller	Michael Pieper	Thomas Lozser	Dr. Carsten Voigtländer
Management experience	x	x	x	x	x	x	x	x
Finance, audit, risk management	x		x	x	x	x	x	x
Compliance, regulations, legal	x		x	x	x			
Capital market, M&A	x		x	x	x	x	x	x
Competencies in related industrial sectors	x	x	x		x	x	x	x
Sector-specific experience	x	x	x	x	x	x	x	x
International business experience	x	x	x	x	x	x	x	x
Digitisation, technologies		x	x	x	x			x
Strategy, transformation processes	x	x	x		x	x	x	x
Human resources, compensation	x	x	x	x	x	x	x	x
Environment, social issues, governance				x	x	x		x
Anchor shareholder representative	x					x	x	

3.2. Number of permitted mandates

Members of the Board of Directors may have a maximum of 16 mandates outside the Group, of which no more than 5 may be with listed companies and no more than 8 with companies subject to regular auditing (including the 5 listed companies). Additionally, members of Board of Directors may exercise a maximum of 5 mandates for charitable organisations. For the calculation of the maximum number of mandates, the mandate as Chairperson of the Board of Directors at a company subject to regular auditing counts as two mandates.¹ Mandates at different companies belonging to the same corporate group count as one mandate. More details on the regulation for the number of permitted mandates can be found in Article 29 of the Articles of Association (www.arbonia.com/en/corporate-governance).

3.3. Election and term of office

The Chairperson of the Board of Directors and the other members of the Board of Directors are individually elected by the General Meeting for a term of office of one year. The members of the Board of Directors may be re-elected. The terms of office of the current members of the Board of Directors are as follows:

Board of Directors	Year of birth	First election	End of the term of office
Alexander von Witzleben, Chairman	1963	2015	2025
Peter Barandun, Vice Chairman	1964	2014	2025
Peter E. Bodmer	1964	2013	2025
Markus Oppliger	1959	2013	2025
Heinz Haller	1955	2014	2025
Michael Pieper	1946	2015	2025
Thomas Lozser	1961	13 December 2016*	2025
Dr. Carsten Voigtländer	1963	2019	2025

* The election took place on 1 November 2016 and the assumption of office took place on 13 December 2016.

¹ However, the mandate as Chairperson of the supervisory board only counts as one mandate.



3.4. Internal organisation

3.4.1. Allocation of tasks within the Board of Directors

Alexander von Witzleben was Executive Chairman of the Board of Directors until 31 December 2024 and has been Chairman of the Board of Directors since 1 January 2025; the Vice Chairman is Peter Barandun. Markus Oppliger acts as Lead Director. The Board of Directors is supported by an audit committee and a Nomination and Compensation Committee. In his role as Executive Chairman of the Board of Directors, Alexander von Witzleben headed Group Management until 31 December 2024.

3.4.2. Committees of the Board of Directors

The duties, responsibilities, and working procedures of the committees are laid down in the by-laws (www.arbonia.com/en/company). The Board of Directors appoints the members of the committees, with the exception of the Compensation Committee, whose members are elected by the General Meeting. The Chairpersons of the committees are appointed by the Board of Directors.

3.4.2.1. Audit committee

The audit committee is convened by the Chairperson as often as business requires, but at least three times a year. It consists of three members. Two members of the audit committee are non-executive and independent. Alexander von Witzleben was Executive Chairman of the Board of Directors until 31 December 2024. All members of the audit committee have experience in finance and accounting.

The audit committee reviews the effectiveness of the external and internal auditors, the internal control system including risk management, the compliance with standards from a financial and legal perspective, the accounting system, the financial reports, as well as the performance, fees, and independence of the external auditors. It draws up a recommendation to the Board of Directors regarding the submission of the financial statements to the General Meeting. Within the scope of these duties, the audit committee has comprehensive rights of inspection and information. It may order investigations and involve external consultants.

Internal Audit reports to the audit committee as an independent, Group-wide auditing and monitoring body (see 3.6 below). The audit committee is authorised to make decisions regarding the tasks entrusted to it, provided that the respective matter does not concern a non-delegable and inalienable duty of the Board of Directors pursuant to Article 716a of the Swiss Code of Obligations. The committee may submit issues within the scope of its decision-making powers to the Board of Directors.

The committee consists of the following members:

- Markus Oppliger, Chairman
- Alexander von Witzleben
- Peter E. Bodmer

The audit committee met a total of five times during the reporting year; three of these meetings were ordinary and two were extraordinary. The two extraordinary meetings were held as video conferences. The CFO attended all five meetings. The external statutory auditor attended one extraordinary meeting and the three ordinary meetings. Internal Audit attended the three ordinary meetings. At each following meeting of all members of the Board of Directors, the Chairman reports on the findings and resolutions of the audit committee. The three ordinary meetings of the audit committee lasted 2 ¼ hours on average, and the two extraordinary meetings lasted 40 and 50 minutes respectively. The attendance rate was 100 % for all four meetings. The Chairman of the audit committee and the Head of Internal Audit regularly held additional meetings to discuss in detail the findings of Internal Audit and its tasks. In the reporting year, in addition to the annually recurring topics, the audit committee focused on various aspects of the sale of the Climate Division as well as the adaptation of the internal regulations relevant to the new Arbonia.

3.4.2.2. Nomination and Compensation Committee

The members of the Compensation Committee were elected by the General Meeting, which took place on 19 April 2024. The members of the Compensation Committee also carry out the duties of the Nomination Committee. Two members of the Nomination and Compensation Committee are non-executive and independent. Alexander von Witzleben was Executive Chairman of the Board of Directors until 31 December 2024.

The Nomination and Compensation Committee is convened by the Chairperson of the Committee as often as business requires, but normally two to three times a year. The Nomination and Compensation Committee gives the Board of Directors recommendations regarding the Group's salary policy and compensation system, among other things. The Nomination and Compensation Committee determines the salaries of the individual members of Group Management. It approves, in principle, bonus programmes and profit-sharing schemes for employees as well as pension fund solutions and benefit plans. The Nomination and Compensation Committee is also responsible for the preparation of the Compensation Report and the request to all members of the Board of Directors for approval of the compensation of the members of the Board of Directors and Group Management for the attention of the General Meeting. Furthermore, the Nomination and Compensation Committee determines the principles for the selection of candidates for election to the Board of Directors and Group Management. It identifies suitable candidates for the Board of Directors and Group Management and conducts the requisite selection procedures. The Nomination and Compensation Committee also determines the principles for the management and development of the members of the Board of Directors and Group Management. It evaluates the performance of the members of Group Management. In the reporting year, in addition to the annually recurring topics in connection with compensation, the Nomination and Compensation Committee



focused on the recruitment of the new CFO as well as on the bonus-related goals, which were partly adjusted in relation to the new Arbonia.

Essentially, the Nomination and Compensation Committee performs a supporting and preparatory role to the benefit of all members of the Board of Directors.

The Nomination and Compensation Committee is only authorised to make decisions regarding the tasks expressly delegated to it under the Group's regulation of powers. All members of the Board of Directors decide on matters not expressly delegated to the Nomination and Compensation Committee under the regulation of powers. The committee may submit issues within the scope of its decision-making powers to the Board of Directors.

The Nomination and Compensation Committee consists of the following members:

- Peter Barandun, Chairman
- Alexander von Witzleben
- Heinz Haller

During the reporting year, the Nomination and Compensation Committee held two ordinary meetings and one extraordinary meeting. The two ordinary meetings lasted one hour each, and the extraordinary meeting, which was held as a videoconference, lasted two hours. The attendance rate was 100 % for all meetings. The CFO attended the two ordinary meetings. At each following meeting of all members of the Board of Directors, the Chairman reports on the findings and resolutions of the Nomination and Compensation Committee. The meeting minutes of the Nomination and Compensation Committee are provided to all members of the Board of Directors for inspection.

3.4.3. Working procedures of the Board of Directors

The Chairperson convenes the Board of Directors as often as business requires, but at least four times a year. During the reporting year, the Board of Directors met for five ordinary and four extraordinary meetings. The ordinary meetings normally lasted half a day and took place physically. The four extraordinary meetings were held as videoconferences and lasted one hour on average. In the reporting year, the Board of Directors also passed two resolutions by circular letter. All five ordinary meetings were attended by all members of the Board of Directors. For three extraordinary meetings, 2 or 3 members excused themselves.

In the reporting year, the Board of Directors performed its duties directly. The CFO and the members of Group Management also attended the five ordinary and four extraordinary meetings. Managers are regularly invited to meetings to discuss issues that fall within their field of responsibility or scope of activities.

3.5. Regulation of powers

The Board of Directors is responsible for guiding, supervising, and monitoring management. It represents the company externally and attends to all matters that are not transferred to another body within the company on the basis of legislation, Articles of Association, or regulations.

The Board of Directors delegated the administration of Group Management to the Chairman in accordance with Article 15 (2) of the Articles of Association (www.arbonia.com/en/corporate-governance). The – therefore Executive – Chairman of the Board of Directors remains solely a member of the Board of Directors and does not become a member of Group Management. As of 31 December 2024, Alexander von Witzleben stepped down from the administration of Group Management, which was assumed by Claudius Moor as CEO as of 1 January 2025.

The Board of Directors enacts the necessary regulations, instructions, and guidelines and establishes the organisational structure and risk policy.

The main duties of the Board of Directors are:

- Guidance of the Group and issuing of necessary instructions;
- Establishment of the Group's organisational structure;
- Appointment and dismissal of persons entrusted with management and representation;
- Supervision of persons entrusted with management, specifically with regard to compliance with legislation, Articles of Association, regulations, and instructions;
- Structuring of the accounting system, financial control, and financial planning;
- Preparation of the Annual Report and the Compensation Report, as well as preparation for the General Meeting and implementation of its resolutions;
- Preparation of compensation requests for the General Meeting;
- Determination of the capital structure of the company;
- Issue of bonds, participation certificates, convertible bonds, options, as well as determination of the terms and conditions;
- Determination of the strategy of the company, the divisions, and the subsidiaries;
- Decisions concerning investments, joint ventures, real estate, and shareholdings, where these are of particular importance to the company and exceed a certain level;
- Annual risk assessment for the company;
- Submission of a request for a composition moratorium and notification of the court in the event of over-indebtedness.

The division of powers between the Board of Directors and Group Management is set out in detail in the by-laws (www.arbonia.com/en/company/organisation) and in the regulation of powers. Unless otherwise stated in legislation, the Articles of Association, or the by-laws, the Board of Directors otherwise delegates management entirely to Group



Management, headed by the of the Board of Directors, pursuant to Article 2.5 of the by-laws (www.arbonia.com/en/company/organisation).

Until 31 December 2024, the Executive Chairman of the Board of Directors was responsible for convening and presiding over the meetings of Group Management, which has been the responsibility of the CEO since 1 January 2025. Group Management was formerly led by the Executive Chairman of the Board of Directors and is now led by the CEO within the framework of the resolutions of the Board of Directors with a view to achieving the budget and the medium-term planning as well as the strategic goals. The members of Group Management directly reported to the Executive Chairman of the Board of Directors until 31 December 2024 and have reported directly to the CEO since 1 January 2025.

The Executive Chairman of the Board of Directors also attended the monthly business review meetings, which were held separately for the Climate Division (until the completion of its sale) and the Doors Division. Business review meetings cover topics including the current course of business and ongoing issues in the areas of marketing & sales, operations, purchasing, research & development, as well as mergers & acquisitions. At the business review meetings, any proposals that the divisions intend to submit to Group Management and, where appropriate, the Board of Directors are discussed in advance.

The Executive Chairman of the Board of Directors regularly reported to the Board of Directors regarding important business and without delay in the event of extraordinary developments.

3.6. Information and control instruments vis-à-vis the management board

Through various channels, the Board of Directors is regularly updated on the activities of Group Management and the divisions. The management information system (MIS) provides the members of the Board of Directors with key information about the financial and income situation of the Group on a monthly basis. The Executive Chairman of the Board of Directors (until 31 December 2024) or the CEO (from 1 January 2025) reports regularly to the Board of Directors at ordinary Board of Directors meetings and without delay in the event of extraordinary developments. The members of Group Management regularly attend ordinary and extraordinary meetings of the Board of Directors and report on the course of business in their areas. As a rule, the members of the Board of Directors may request any additional information required to carry out their tasks.

The external statutory auditor provides the audit committee with information on the main findings of the audit. Regular contact also takes place between the Chairperson of the Audit Committee, the CFO, and the Head of Internal Audit (see 3.4.2.1). Where required, the Chairperson of the audit committee also informs the other members of the Board of Directors regarding his or her findings.

The principal role of Internal Audit is to monitor processes and structures throughout the Group. Internal Audit is also responsible for the risk management process. Internal Audit summarises the audits it is to carry out in an annual audit plan. This audit plan also incorporates the risks identified in the framework of the risk management process that is performed every year in the two divisions and in Corporate Functions. Each audit plan is approved by the audit committee. The audit committee also assigns special audit assignments to Internal Audit as and when required. The respective audit findings are discussed with the audit committee and communicated to the Board of Directors in writing. Internal Audit provided the members of the Board of Directors with 15 audit reports during the reporting year. If material risks are identified, measures are defined to reduce them. Internal Audit adopts a systematic approach to monitoring risks and measures, and carries out its work in accordance with the international standards governing internal auditors' professional duties. It regularly reports to the audit committee and Board of Directors on the scale of risks and any changes to the risk situation as well as the status of measures implemented. The Board of Directors received a total of four written reports on the implementation of measures during the reporting year. The external auditors also have access to all audit reports and the reports from the ongoing monitoring of risks and measures. Additionally, Internal Audit issued three status reports informing the audit committee and the Board of Directors about the key findings from the audits and the current status of the internal control system (ICS).

Furthermore, the audit committee and Board of Directors are informed about the results of the risk management process.

The audit committee is also informed about incoming whistleblowing reports. Reports of this nature are handled by three internal contacts at Group level and, in line with the EU Whistleblowing Directive and its implementation in the respective national law of the affected EU member states, contacts within the individual Group companies. All Arbonia employees are requested to report any violations of the Code of Conduct of which they become aware (www.arbonia.com/en/corporate-governance).



4. Group Management

4.1. Members of Group Management

As of 31 December 2024, Group Management consisted of the following members:



Claudius Moor

1983, Swiss citizen, Master in Information, Media, and Technology Management, University of St. Gallen (HSG), since 2020 Chief Executive Officer of the Doors Division as well as 2019–2023 Managing Director Sales & Marketing at Prüm and Garant; 2017–2020 member of the Doors Division management; 2015–2017 Head of Group Strategy and Company Development; 2010–2015 business consultant and project manager at The Boston Consulting Group.

Other activities and vested interests: Chairman of the advisory board of KIWI.KI Berlin (D); member of the advisory board of Griffwerk GmbH, Blaustein (D).

Claudius Moor has been CEO of Arbonia Group since 1 January 2025.



Uwe Schiller

1967, German and Swiss citizen, B.Sc. and Ph.D., Sheffield Hallam University, Great Britain, Chief Financial Officer (CFO) since 2024; 2022–2024 Group CFO Eraneos Group, Zurich; 1999–2021 various positions at Sunrise Communications AG, Zurich: most recently 2020–2021 Chief Financial Officer, 2012–2020 Head of Finance, Accounting, and Investor Relations, 2010–2012 Head of Treasury and Investor Relations, 2007–2010 Head of Corporate Controlling; 1996–1999 development engineer at Philips Semiconductors, Zurich.

Further activities and vested interests: foundation board of Quellenhof-Stiftung, Winterthur ZH.



Alexander Kaiss

1969, German citizen, graduate in mechanical engineering, since 1 July 2021 Chief Executive Officer of the Climate Division, 2018–2020 Chief Operating Officer of the Heating, Ventilation and Air Conditioning Division (now the Climate Division), 2013–2017 Technology Director of the Heating Technology Business Unit, 2001–2012 Plant Manager Kermi s.r.o., 1997–2001 Head of Shower Stall Engineering at Kermi GmbH; 1995–1997 production scheduling engineer for air bag control units (automotive engineering area) at SIEMENS AG.

Other activities and vested interests: member of the Board of Directors of the Federation of German Heating Industry (BDH), Cologne (D); Chairman of the Board of Directors of the Quality Association Steel Radiators, Cologne (D).

With the closing of the sale of the Climate Division on 26 February 2025 Alexander Kaiss left the Group Management.

Subsequently, Markus Hütt was appointed to the Group Management, which now consists of the following members: Claudius Moor, CEO and head of the Business Unit Wood Solutions; Uwe Schiller, CFO; Markus Hütt, COO and head of the Business Unit Glass Solutions.



4.2. Number of permitted mandates

Members of Group Management may have a maximum of five mandates outside the Group, of which no more than one may be with a listed company and no more than two with companies subject to regular auditing (including the one listed company). More details on the regulation of the number of permitted mandates can be found in Article 29 of the Articles of Association (www.arbonia.com/en/corporate-governance).

4.3. Management contracts

Arbonia has not signed any management contracts with companies or natural persons outside the Group.

5. Compensation, shareholdings, and loans

5.1. Content and determination procedure for compensation and the shareholding programmes

The basis and elements of compensation and the shareholding programmes as well as the procedure for their determination are presented in the Compensation Report (pages 112–117).

5.2. Principles of performance-related compensation, the allocation of shares, and the determination of the additional amount

Members of Group Management and members of the Board of Directors who take on management tasks corresponding to a member of Group Management receive variable compensation, which depends on particular success criteria. The variable compensation can include a cash portion and a portion in temporarily blocked shares pursuant to the share-based payment programme (see Article 22 (1) and (2) of the Articles of Association, www.arbonia.com/en/corporate-governance).

The variable compensation depends on the company results. The success criteria must be determined by the Board of Directors taking the position and responsibility of the recipient into account on the motion of the Compensation Committee. They include corporate and/or personal goals. At the beginning of each financial year, the Board of Directors determines the corporate and/or personal goals. The target achievement is evaluated by the Compensation Committee after the financial year has ended and is determined by the Board of Directors upon request. A bonus amount is determined in individual agreements. In the case of full target achievement, 100 % of the bonus amount stipulated in an individual agreement is paid out. If the targets are exceeded, the variable compensation may exceed the bonus amount agreed in individual contracts up to a maximum amount. If the target achievement is below a particular threshold, no variable compensation is paid at all. The variable compensation is up to 150 % of the fixed compensation (see Article 24 (1) of the Articles of Association, www.arbonia.com/en/corporate-governance).

According to Article 23 and Article 24 (2) of the Articles of Association (www.arbonia.com/en/corporate-governance), the Board of Directors is authorised to award additional compensation to a member of Group Management in special situations. This is based on corporate and/or personal targets related to the special situation.

The Board of Directors determines the details of the allocation of shares to the members of the Board of Directors and Group Management in a share-based payment programme. Article 25 of the Articles of Association contains information on what the share-based payment programme covers (www.arbonia.com/en/corporate-governance).

An additional amount is available for the compensation of newly appointed members of Group Management or members of the Board of Directors who take on new management tasks corresponding to a member of Group Management if the compensation already approved for the period involved is insufficient. This additional amount may not exceed 80 % of the approved total compensation for Group Management for the person who is in charge of management and 40 % each for every other person entrusted with management tasks for the period involved. This regulation can be found in Article 27 of the Articles of Association (www.arbonia.com/en/corporate-governance).

5.3. Loans, credit, and pension benefits

According to the regulation in Article 26 of the Articles of Association, Arbonia does not grant the members of the Board of Directors and Group Management any loans, credit, or pension benefits outside the occupational pension scheme or securities. Exempt from this are advances of social security and tax charges for persons subject to withholding tax (www.arbonia.com/en/corporate-governance).

5.4. Rules concerning voting at the General Meeting on compensation

Based on Article 23 (2) of the Articles of Association, the Board of Directors allows the General Meeting to approve the maximum compensation of the Board of Directors for the year of office ending at the corresponding General Meeting as well as the maximum fixed and variable compensation for Group Management for the past financial year retrospectively. Every year, the Board of Directors submits the Compensation Report for the past financial year to the General Meeting for consultative (non-binding) approval. More details on compensation voting can be found in Article 23 of the Articles of Association (www.arbonia.com/en/corporate-governance).



6. Shareholders' participation right

The Articles of Association do not contain any regulations that deviate from the law with regard to participation in the General Meeting and the exercise of voting rights. Each share registered in the share register entitles the holder to one vote. Every shareholder may be represented at the General Meeting by a proxy furnishing written power of attorney or by the independent proxy (with written or electronic power of attorney).

According to the regulation in Article 12 (4) of the Articles of Association, the Board of Directors determines the requirements for the power of attorney and instructions for the independent proxy. Under this regulation, the Board of Directors is also entitled to determine the requirements for electronic voting (www.arbonia.com/en/corporate-governance).

According to Article 10 (5) of the Articles of Association, the General Meeting may be held at one or multiple locations at the same time; the Board of Directors may make provision for shareholders unable to attend the General Meeting in person to exercise their rights using electronic means. According to Article 10 (6) of the Articles of Association, the General Meeting may also be held exclusively using electronic means (including phone, videoconference, or other audiovisual or electronic means of communication) rather than at a specific location. The Board of Directors regulates the use of these electronic means and ensures that the identities of the participants are known, the votes in the meeting are transmitted immediately, each participant is able to submit motions and participate in the discussion, and the voting results cannot be falsified (www.arbonia.com/en/corporate-governance).

6.1. Statutory quorums

Under Article 12 (6) of the Articles of Association, in the event of votes which do not produce a result in the first round, the relative majority decide in the second round. Apart from this, the Articles of Association do not contain any regulations that deviate from the law (www.arbonia.com/en/corporate-governance).

6.2. Convocation of the General Meeting

The Articles of Association do not contain any regulations that deviate from the law. According to Article 9 (3) of the Articles of Association, the Board of Directors must issue invitations to Extraordinary General Meetings if shareholders who alone or collectively represent at least 5 % of the share capital or votes request a convocation in writing, specifying the agenda items and motions (www.arbonia.com/en/corporate-governance).

6.3. Inclusion of items on the agenda

According to Article 9 (4) of the Articles of Association, shareholders who alone or collectively represent at least 0.5 % of the share capital or votes may (jointly) request the inclusion of items on the agenda. The inclusion of items on the agenda must be requested in writing at least 40 days before the meeting, with the agenda items and motions specified. Under the same conditions, shareholders may request that motions relating to agenda items are included in the convocation.

6.4. Entries in the share register

When sending invitations to the General Meeting, the Board of Directors will announce the date up to which entries can be made in the share register with regard to participation in the General Meeting. The invitation to the General Meeting, stating this date, will be published on the Arbonia website no later than 20 days before the General Meeting and can be accessed via the following link: www.arbonia.com/en/downloads/annual-general-meeting.

7. Change of control and defence measures

7.1. Duty to make an offer

A purchaser of company shares must make a public offer as stipulated by Article 135 (1) of the Swiss Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading (FinfraG). There is no opting-out clause (Art. 125 (3) and (4) of the FinfraG) or opting-up clause (Art. 135 (1) of the FinfraG).

7.2. Change-of-control clauses

Arbonia has no agreements or plans for the benefit of members of the Board of Directors and/or Group Management or other members of senior management that contain change-of-control clauses. However, the share-based payment programme for members of Group Management and the Board of Directors allows the Board of Directors to cancel the vesting period for the transfer of the granted shares in the event of a change of control.

8. Statutory auditors

8.1. Duration of the mandate and term of office of the lead auditor

8.1.1. Date of assumption of the existing mandate

On 28 April 2017, the General Meeting elected KPMG AG, St. Gallen, as the new statutory auditor. They audited the 2024 Financial Statements and the consolidated financial statement of Arbonia.

8.1.2. Assumption of office of the lead auditor

David Grass has held the position of lead auditor since 19 April 2024.



8.2. Auditing fees

In 2024, the various statutory auditors billed a total of CHF 1 412 000 (previous year: CHF 1 158 000) for auditing the Financial Statements and consolidated financial statement of Arbonia and the Financial Statements of the Group companies. Of this amount, the statutory auditor KPMG AG accounted for CHF 1 254 000 (previous year: CHF 1 012 000) in 2024.

8.3. Additional fees

In 2024, the statutory auditor KPMG AG and other auditors of Group companies billed CHF 437 000 (previous year: CHF 329 000) for additional services, of which CHF 303 000 (previous year: CHF 300 000) was attributable to KPMG AG. Of the additional services performed by KPMG AG in 2024, CHF 225 000 was for tax advice and CHF 78 000 was for other services.

8.4. Informational instruments pertaining to the external auditors

In the reporting year, the external auditors attended three ordinary meetings and one extraordinary meeting of the audit committee. The audit committee monitors the qualification, independence, and performance of the external statutory auditors on behalf of the Board of Directors and reports to the Board of Directors on its findings. In the reporting year, the audit committee oversaw the activities of the external statutory auditors by having the reports on the Financial Statements, the consolidated financial statement, and the comprehensive report explained directly by the statutory auditors (see 3.4.2.1). The external and internal auditors also regularly discuss the methodology and further development of the internal control system (ICS). The internal and external auditors closely cooperate in the assessment of the existence of the ICS under Article 728a of the Swiss Code of Obligations and the evaluation of the effectiveness and efficiency of the ICS. The following factors are considered in the choice of external auditors: professional expertise, international network (representation in the relevant countries), value for money, industry experience, as well as the continuity and rapid availability of the audit team.

At the request of the external statutory auditor, the audit committee approves the audit fees and reviews them in light of developments in the previous year and an assessment of performance to ensure that they are appropriate. In accordance with the legal requirements, the external auditors' lead auditor is rotated at least once every seven years.

9. Information policy

Arbonia pursues an open information policy towards the public and financial markets, based on the principles set out in the SIX Exchange Regulation listing rules and directives and in the Swiss Code of Best Practice for Corporate Governance. Through the annual report, Arbonia provides information about business performance, organisation, and strategy. Integral parts of the annual report are the management report

starting on page 3, the sustainability report including the reporting on non-financial matters starting on page 19, and the Compensation Report starting on page 105. Arbonia's First Semester Financial Report contains the consolidated income statement, the statement of comprehensive income, the balance sheet, the cash flow statement, and the statement of changes in equity. In the reporting year, Arbonia published ten press releases. In addition to this, Arbonia provides comprehensive information on its operating activities at its annual financial media and analyst conference. Arbonia also fosters dialogue with investors and the media at special events and roadshows.

Arbonia's contact details are as follows:

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Amriswilerstrasse 50, 9320 Arbon, Switzerland
T +41 71 447 41 41
holding@arbonia.com

All company information is available on the website www.arbonia.com. Interested parties can subscribe to press releases at www.arbonia.com/en/press-releases/subscribe-to-press-releases, and Arbonia publications can be ordered at www.arbonia.com/en/downloads/order-publications. All published press releases can be viewed at www.arbonia.com/en/press-releases.

The calendar of events is provided on page 222 of the annual report and on the Arbonia website at www.arbonia.com/en/investors.

10. Blackout periods

Arbonia regulates the ordinary and extraordinary blackout periods in the Guidelines for the Prevention of Insider Trading and Market Manipulation. The ordinary blackout periods are ordered before the publication of the net earnings for the year and the half-year results respectively. The members of the Board of Directors, Group Management, and the division heads, including their assistants as well as all other employees who have access to the financial figures of Arbonia, in particular employees in the areas of Group Controlling, Finance, Investor Relations, Corporate Communications, and the General Secretariat, are informed via e-mail of 1.) the beginning of a vesting period, 2.) its duration, 3.) the trading ban on Arbonia securities, and 4.) the prohibition against providing tips to third parties. A total of approximately 65 persons are affected by the ordinary vesting periods. The vesting period in respect to the publication of the net earnings for the year starts on the Friday before Christmas and lasts up to and including the day of publication. The vesting period in respect to the half-year results begins on 30 June and lasts up to and including the day of publication. In the reporting year, no exceptions to these rules were granted.





Compensation Report

This Compensation Report presents the compensation governance, the principles of the compensation system, as well as the structure of the compensation of the Board of Directors and Group Management of Arbonia AG (in the following "Arbonia"). In addition, this report contains information on 1.) the compensation of the Board of Directors and Group Management in the financial year 2024, 2.) the roles with economic purpose that the members of the Board of Directors and Group Management exercise at other companies, and 3.) the shareholding rights held by the members of the Board of Directors and Group Management.

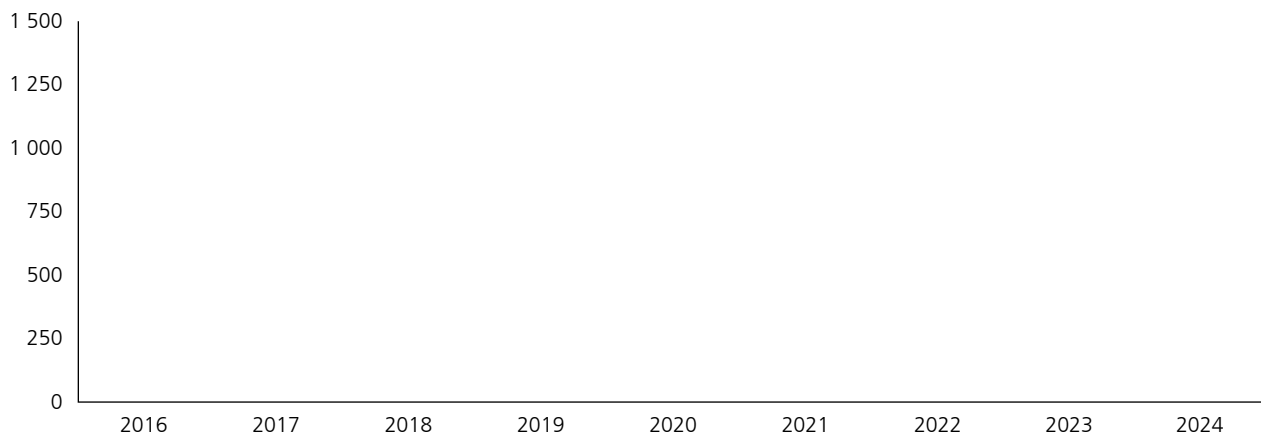
The Compensation Report has been compiled in accordance with the regulations on compensation at companies whose shares are listed at a stock exchange in the Swiss law that supplements the Swiss Civil Code (Part Five: Code of Obligations) in the fourth section on corporate law (in the following "Code of Obligations") and the directive on information relating to corporate governance (RLCG) of 29 June 2022 of the SIX Exchange Regulation. The information relates to the reporting year 2024 unless otherwise indicated.

The statutory auditor has audited the 2024 Compensation Report for compliance with legal provisions and the Articles of Association. The audit report is found on pages 124–125.



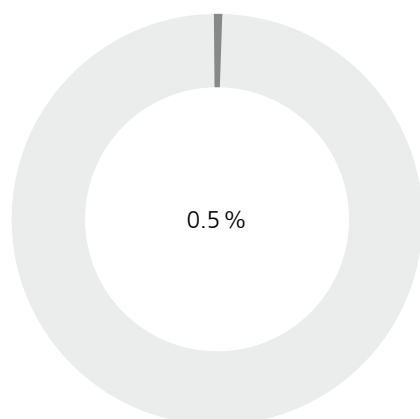
Stock market capitalisation

in CHF million as of 31 December

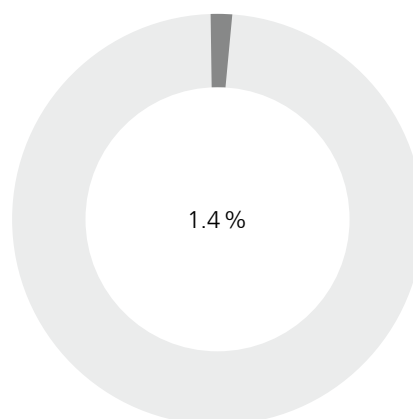


Total compensation in financial year 2024¹

Share of the total costs
of the Group²



Share of the personnel expenses
of the Group



¹ Members of the Board of Directors and Group Management
In relation to the costs from continuing and discontinued operations
² Personnel costs, material costs, other expenses

Motions to the 2025 General Meeting

in 1 000 CHF

**Total compensation in
year of office 2024/2025**
Board of Directors
2 406

**Total compensation in
financial year 2024**
Group Management
2 227



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1. Governance

1.1. Composition of the Nomination and Compensation Committee

According to Article 19 of the Articles of Association of Arbonia (www.arbonia.com/en/corporate-governance; in the following "Articles of Association") and the by-laws (www.arbonia.com/en/company), the Nomination and Compensation Committee is comprised of two or more members.

The members of the Nomination and Compensation Committee are elected by the General Meeting for one year of office. The Chairperson of the Nomination and Compensation

Committee is appointed by the Board of Directors at the request of the committee members.

At the ordinary General Meeting of 19 April 2024, Peter Barandun, Alexander von Witzleben, and Heinz Haller were re-elected as members of the Nomination and Compensation Committee. At the constituent meeting of the Board of Directors on the same day, Peter Barandun was in turn appointed Chairman of the Nomination and Compensation Committee.

In the year of office 2024/2025, the Nomination and Compensation Committee was composed as follows:

Members	Roles
Peter Barandun	– Chairman of the Nomination and Compensation Committee – Vice Chairman of the Board of Directors
Alexander von Witzleben	– Member of the Nomination and Compensation Committee – Member of the audit committee – Executive Chairman of the Board of Directors¹
Heinz Haller	– Member of the Nomination and Compensation Committee – Member of the Board of Directors

The Chairperson as well as a further member of the Nomination and Compensation Committee are independent and non-executive members of the Board of Directors. Alexander von Witzleben was the delegate of the Board of Directors and interim CEO until 22 April 2022. After 22 April 2022, Alexander von Witzleben held the office of Executive Chairman of the Board of Directors. He resigned this executive function as of 31 December 2024. Since 1 January 2025, Alexander von Witzleben has exclusively been Chairman of the Board of Directors.

¹ Alexander von Witzleben performed the executive role until 31 December 2024.



1.2. Responsibilities

The Nomination and Compensation Committee is responsible for the Group's compensation policy, especially at the top corporate level. In addition, the committee assists the Board of Directors in identifying and selecting candidates for the Board of Directors and Group Management. The duties and competencies of the Nomination and Compensation Committee are set out in the Articles of Association (www.arbonia.com/en/corporate-governance), in the by-laws (www.arbonia.com/en/company), as well as in the regulation of powers. The committee submits motions for decision to the Board of Directors and makes proposals and recommendations.

The tasks of the Nomination and Compensation Committee include, i.a.:

- Periodic review of the salary policy and the compensation system
- Annual review of the compensation of the Board of Directors and Group Management
- Assessment of the performance of the members of Group Management
- Identification of candidates for the
- Board of Directors and Group Management
- Determining the principles for the management and development of the members of the Board of Directors and Group Management
- Determining measures to ensure compliance with legal gender quotas

The responsibilities for the most important compensation issues on the level of the General Meeting, the Board of Directors, and the Nomination and Compensation Committee are shown in the following table:

Topic	General Meeting	Board of Directors	Nomination and Compensation Committee
Development and periodic review of the salary policy and the compensation system		Decision	Motion
Determination of a bonus and share-based payment programme		Decision	Motion
Determination of the compensation of the Board of Directors (Chairperson, Vice Chairperson, members of the Board of Directors, committee Chairpersons, committee members)		Decision	Motion
Individual determination of the compensation of the Executive Chairperson of the Board of Directors and the members of Group Management		Decision	Motion
Determination of the bonus targets for the current financial year		Decision	Motion
Individual assessment of the performance of the Executive Chairperson of the Board of Directors and the members of Group Management, and determination of the variable compensation based on the degree of target achievement		Decision	Motion
Retrospective approval of the total compensation of the Board of Directors and Group Management	Decision	Motion to the General Meeting	Motion
Compensation Report	Consultative voting	Motion to the General Meeting	Motion

1.3. Meetings, information policy, and abstention regulations

The Nomination and Compensation Committee convenes as often as necessary; however, at least twice a year. In the reporting year, the members of the Nomination and Compensation Committee met for two ordinary meetings and one extraordinary meeting. The latter was held as a videoconference. The two ordinary meetings lasted for one hour each, and the extraordinary meeting lasted for two hours. The attendance rate was 100 % for all three meetings.

In the reporting year, in addition to the annually recurring topics in connection with compensation, the Nomination and Compensation Committee especially focused on recruiting the new CFO as well as bonus-related goals, which were partly adjusted in relation to the new Arbonia. As in the previous year, the achievement of the legal gender quotas was a permanent item on the agenda of the Nomination and Compensation Committee.

Members of the Board of Directors not on the committee are informed by the Chairperson of the Nomination and Compensation Committee about the current topics as well as important resolutions and measures at the subsequent meeting of all members of the Board of Directors. The minutes of the meetings of the Nomination and Compensation Committee can be viewed by the entire Board of Directors.

The CFO is normally invited to the meetings of the Nomination and Compensation Committee, whereby he or she takes on an advisory role. The CFO attended the two ordinary meetings in the reporting year. The Chairperson of the Nomination and Compensation Committee can invite further managers to the meetings if necessary.

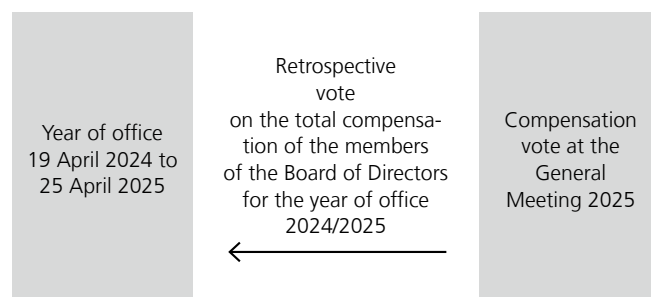
Alexander von Witzleben abstained and left the meeting room when his own performance or compensation in his role as Executive Chairman of the Board of Directors was discussed. The CFO and any other managers present also leave the meeting room when their performance or compensation is discussed.

1.4. Involvement of the shareholders

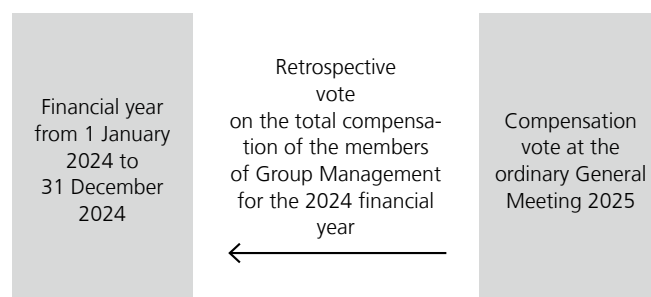
Arbonia transparently fulfils the legal disclosure requirements to the full extent and transparently discloses its governance in compensation issues, the compensation principles, the compensation system, as well as the specific implementation in the respective reporting year in the Compensation Report. Every year, the Board of Directors submits the Compensation Report to the shareholders in accordance with Article 23 (7) of the Articles of Association (www.arbonia.com/en/corporate-governance) at the ordinary General Meeting for consultative (non-binding) approval.

In addition to the Compensation Report, the Board of Directors submits the total compensation of the members of the Board of Directors and Group Management to the General Meeting for approval, as specified in Article 735 of the Code of Obligations and in Article 23 of the Articles of Association (www.arbonia.com/en/corporate-governance). The two compensation votes take place retrospectively; in other words, the shareholders approve on the one hand the total amount of compensation of the members of the Board of Directors for the year of office ending at the corresponding General Meeting and on the other hand the total amount of compensation of the members of Group Management for the financial year preceding the corresponding General Meeting.

Vote on the total compensation of the members of the Board of Directors



Vote on the total compensation of the members of Group Management



In the past, the shareholders have always approved the two compensation votes as well as the above-mentioned Compensation Report and thereby expressed their positive opinion of the compensation policy practised by Arbonia.

The ordinary General Meeting on 19 April 2024 approved the 2023 Compensation Report with 70.40 % of the votes, the total compensation of the members of the Board of Directors for the 2023/2024 year of office with 86.67 % of the votes, and the total compensation of the members of Group Management for the 2024 financial year with 88.81 % of the votes.



2. Principles of the compensation system

2.1. Principles and statutory anchoring

The compensation system and the structure of the occupational pension scheme (see 4.6) are based on the conviction that a company's success considerably depends on the quality of work and the dedication of its personnel. Arbonia aims to use its compensation system and the total compensation paid on

this basis to attract and retain people with the necessary skills and qualities and to motivate them to provide a consistently high level of performance. The compensation system is designed to ensure that the interests of top managers are consistent with the interests of the Group and the interests of the shareholders.

According to the requirements of the Code of Obligations, the Articles of Association (www.arbonia.com/en/corporate-governance) contain important principles of the compensation system in regard to the compensation of the Board of Directors as well as of Group Management:

Articles of Association	Principle
Article 22 (1)	Compensation of the Board of Directors Members of the Board of Directors receive fixed compensation. If members of the Board of Directors take on management tasks corresponding to a member of Group Management – for example, if the Chairperson does so when taking charge of management – they normally receive additional variable compensation. The fixed compensation and variable compensation can include a cash portion and a portion in temporarily blocked shares pursuant to the share-based payment programme.
Article 22 (2)	Compensation of Group Management Members of Group Management normally receive fixed as well as variable compensation. The fixed and variable compensation can include a cash portion and a portion in temporarily blocked shares in accordance with the share-based payment programme.
Article 24 (1)	Variable compensation The variable compensation depends on the company results. The success criteria comprise business-related and/or personal targets. Section 1: At the beginning of each financial year, the Board of Directors determines the corporate and/or personal goals. The target achievement is evaluated by the Compensation Committee after the financial year has ended and is determined by the Board of Directors upon request. Section 2: A bonus amount is determined in individual agreements. In the case of full target achievement, 100 % of the bonus amount agreed in individual contracts is paid out. If the targets are exceeded, the variable compensation may exceed the bonus amount agreed in individual contracts up to a maximum amount. If the target achievement is below a particular threshold, no variable compensation is paid at all. Section 3: The variable compensation is a maximum of 150 % of the fixed compensation.
Article 23 and Article 24 (2)	According to Article 23 and Article 24 (2) of the Articles of Association, the Board of Directors is authorised to award additional compensation in special situations.

(www.arbonia.com/en/corporate-governance)



2.2. Benchmarking and external consultants

Arbonia regularly reviews the compensation of its managers, including that of the members of Group Management.

At the end of 2020, Arbonia commissioned HCM International AG with two analyses. One analysis concerned the compensation of the members of Group Management, with the exception of the compensation of the CEO, and the other analysis concerned the compensation of the CEO. The two analyses were respectively carried out on the basis of a comparison group with industrial companies domiciled in Switzerland with a similar stock market capitalisation and a comparison group with industrial companies domiciled in Switzerland with a similar revenue. The comparison group with a similar stock market capitalisation included the following industrial companies: Interroll, Schweiter, Kardex, Bobst, Komax, Burckhardt, Implen, Rieter, Phoenix, Burkhalter, Zehnder, Von Roll, and Feintool. The comparison group with a similar revenue included the following industrial companies: Stadler Rail, Bucher, Geberit, Dormakaba, OC Oerlikon, SFS Group, Bobst, Conzetta, Schweiter, Daetwyler, Rieter, Phoenix, Zehnder, Belimo, and Feintool. Together with other publicly available data, these analyses served as the basis for determining compensation, with the respective employee's individual role, qualification for and experience in this role, and contribution to corporate success also taken into account. Arbonia constantly endeavours to determine compensation in the range of the market median. With the exception of these two mandates, HCM International AG did not receive any other mandate from Arbonia.

In 2018, Arbonia commissioned Korn Ferry to carry out a role evaluation for management and key Group functions using the Hay role evaluation system. Based on the job grades, the included roles were compared on a country-specific basis with comparable roles at international companies in the Hay databases. With the exception of this mandate, Korn Ferry did not receive any other mandate from Arbonia.

3. Compensation structure of the Board of Directors

3.1. Fee of the Board of Directors

3.1.1. Fixed compensation and lump-sum allowances

The members of the Board of Directors receive a fee in the form of fixed compensation for their work for the Board of Directors. The members of the Nomination and Compensation Committee and the audit committee receive an additional fee for their committee work, which is also paid in the form of fixed compensation.

The fee – for the members of the Board of Directors as well as for the members of the committees – consists of a cash portion and a portion in the form of shares blocked for four years (in the following "blocked shares"). The share portion is at least 50 % of the fee. Members of the Board of Directors and members of the committees who have their tax residence in Switzerland can receive the remaining 50 % of the fee either entirely in cash or up to 30 % in shares and the rest in cash.

Specified fee payment

min. 50 % of the fee in blocked shares

max. 50 % the fee in cash

For members of the Board of Directors who have their tax residence outside of Switzerland – but within the European Union or the European Economic Area (EEA) – the share portion is also at least 50 % of the fee. With respect to the remaining 50 % of the fee, the percentage that can be paid out in shares instead of in cash is limited to a maximum of 15 %. Therefore, at most 65 % of the fee can be received in the form of shares, whereby 35 % of the fee is paid out in cash in this case.

Members of the Board of Directors who have their tax residence outside of Switzerland, the European Union, or the European Economic Area (EEA) are paid the entire fee in cash. In the reporting year, one member of the Board of Directors was paid the entire fee in cash for this reason.

Optional increase in the share portion up to a maximum of 80 %

max. 80 % of the fee in blocked shares

min. 20 % of the fee in cash

The legal contributions to social security are deducted from the cash portion of the fee.

Alexander von Witzleben waives a fee for his work as a member of the Nomination and Compensation Committee and the audit committee.

In addition to the fixed compensation (fee), the members of the Board of Directors receive lump-sum allowances. These allowances cover minor expenses and travel costs within Switzerland and are included in the reported "Other compensation" in the table under 5.2. Costs of overseas trips and overnight stays are borne by the company.



In the 2024 financial year, the structure and amount of the fee of the Board of Directors as well as the amount of the

lump-sum allowances (both without the office of Executive Chairman of the Board of Directors, cf. 3.2) were as follows:

Role	Compensation in CHF	Payment form
Chairperson ¹	240 000	In cash and blocked shares
Vice Chairperson	80 000	In cash and blocked shares
Member of the Board of Directors	60 000	In cash and blocked shares
Chairperson of the NCC ² /AC ³	20 000	In cash and blocked shares
Member of the NCC/AC	10 000	In cash and blocked shares
Lump-sum allowances of Chairperson	15 000	In cash
Lump-sum allowances of members resident in Switzerland	6 000	In cash
Lump-sum allowances of members resident outside of Switzerland	12 000	cash

¹The office of Executive Chairman of the Board of Directors is compensated in addition to the office of Chairperson (cf. 3.2).

²NCC = Nomination and Compensation Committee

³AC = audit committee

The members of the Board of Directors do not receive any attendance fees. No additional compensation is paid for the preparation and attendance of the ordinary and extraordinary meetings of the Board of Directors, the Nomination and Compensation Committee, and the audit committee. No signing bonuses or termination benefits are paid to the members of the Board of Directors.

The members of the Board of Directors – with the exception of Alexander von Witzleben in his role as Executive Chairman of the Board of Directors (cf. 4.6) – are not insured in the benefit plan of Arbonia.

3.1.2. Variable compensation

The members of the Board of Directors, including the members of the Nomination and Compensation Committee and the audit committee, do not receive any variable compensation.

For the variable compensation that Alexander von Witzleben receives in his role as Executive Chairman of the Board of Directors, see the explanations in 3.2.3.

3.1.3. Services and in-kind benefits as well as privileges

The members of the Board of Directors do not receive any services or in-kind benefits. Like employees, however, they can benefit from discounts when purchasing Arbonia products.

3.1.4. Board Member Share Plan

Making the Board of Directors take their fees in the form of restricted shares is designed to ensure that the incentive system is consistent with the long-term prosperity of the company, encourages a management philosophy which takes due account of risk, and reflects shareholder interests.

The Board of Directors determines the details of the allocation of shares to the members of the Board of Directors in a share-based payment programme in accordance with Article 25 of the Articles of Association (www.arbonia.com/en/corporate-governance).

According to the Board Member Share Plan approved by the Board of Directors, the number of shares is determined based on their fair market value. The calculation of the fair market value starts two trading days after the publication of the net earnings Arbonia achieved in the reporting year. The VWAP is calculated daily for 20 trading days based on the volume-weighted average share price. The fair market value results from the average of the VWAPs of these 20 trading days. The gross amount of all distributions is then deducted from the fair market value, provided that these are approved by the General Meeting on 25 April 2025, and a discount of 20 % is deducted for the four-year vesting period of the shares.

The allocation of the shares takes place after the record date for the dividend payment but must take place by 20 days after the General Meeting at the latest. The shares allocated in this way carry all associated rights. However, they are subject to a vesting period of four years, during which they may not be sold.



In the event that a member departs the Board of Directors, the vesting period remains in effect, although it is at the discretion of the Board of Directors to lift the vesting period. In the event that a member departs the Board of Directors due to invalidity or death, the vesting period is automatically lifted.

In the event of a change of control, it is at the discretion of the Board of Directors to decide whether to maintain the vesting period or lift it.

There is no option programme for members of the Board of Directors.

3.2. Compensation of the Executive Chairman of the Board of Directors

3.2.1. Office of Executive Chairman of the Board of Directors

At the General Meeting of 22 April 2022, Arbonia introduced the office of Executive Chairman of the Board of Directors, which was held by Alexander von Witzleben until 31 December 2024. As Executive Chairman of the Board of Directors, Alexander von Witzleben was responsible for heading Group Management, although he was not a member of this body himself. In addition to the fee for Directors described in 3.1, Alexander von Witzleben received additional fixed and variable compensation for his office as the Executive Chairman of the Board of Directors according to the compensation structure valid for Group Management (cf. Section 4).

3.2.2. Fixed compensation

The annual fixed compensation of Alexander von Witzleben is CHF 600 000 and is paid in cash.

3.2.3. Variable compensation

The contractually agreed nominal bonus received by Alexander von Witzleben is CHF 400 000 (assuming 100 % target achievement). The variable compensation is based on Article 24 (1) of the Articles of Association and is subject to the regulations applicable to Group Management (cf. 4.3). Accordingly, 50 % of the variable compensation is a cash portion and 50 % is a portion in shares blocked for four years.

3.2.4. Lump-sum allowances

In his role as Executive Chairman of the Board of Directors, Alexander von Witzleben received lump-sum allowances in the amount of CHF 550 per month in accordance with the current allowance rules.

3.2.5. Terms and conditions of employment

The employment contract of Alexander von Witzleben, which was concluded for an indefinite term and with a notice period of six months, was terminated by mutual agreement as of 30 June 2025. The fixed and variable compensation contractually agreed until then was deferred in full in the 2024 financial year.

3.3. Compensation for restraint of competition

No member of the Board of Directors received compensation for restraint of competition in lieu of a competition prohibition in the reporting year.

4. Compensation structure of Group Management

4.1. Overview

Compensation paid to members of Group Management consists of the following components:

Articles of Association	Form of compensation
Article 22 (2)	Fixed compensation
Article 24 (1)	Variable compensation based on the nominal bonus agreed in individual contracts
Where appropriate, compensation according to Article 23 and Article 24 (2) of the Articles of Association	In special situations

(www.arbonia.com/en/corporate-governance)

4.2. Fixed compensation

The members of Group Management receive fixed compensation.

The fixed compensation of the members of Group Management is paid exclusively in cash.

4.3. Variable compensation

The members of Group Management receive variable compensation based on the nominal bonus agreed in individual contracts. 50 % of this is a cash portion and 50 % is a portion in shares blocked for four years. Due to the sale of the Climate division, Alexander Kaiss will receive the bonus entirely in cash, as he will leave Arbonia in course of the sale of Climate division.

The nominal bonus agreed in individual contracts that is paid upon 100 % target achievement is a maximum of 70 % of the fixed compensation.

The amount of the variable compensation depends on the achievement of financial targets and a sustainability target.



In the reporting year, the targets at the Group level and the division level were based on the following key performance indicators (KPIs) with the following weighting as a percentage of the nominal bonus:

Targets		Weighting in percentages of the nominal bonus	
		CEOs of divisions ¹	Executive Chairman of the Board of Directors / Group CFO ²
Group level	EBITDA margin	10 %	25 %
	Free cash flow (without divestments)	10 %	20 %
	Group result	–	15 %
	Holding/Corp. Services costs	–	15 %
	Return on capital employed (ROCE)	–	15 %
	ESG (sustainability target) ³	10 %	10 %
Division level	EBITDA margin	25 %	–
	Operating cash flow (without investments/divestments)	15 %	–
	Organic growth (NR/net revenue)	15 %	–
	Return on capital employed (ROCE)	15 %	–

¹ The CEO of the Doors Division and the CEO of the Climate Division receive targets on the Group level as well as on the division level. The target values defined on the division level are based on the budget of the respective division and are consequently defined separately for the CEOs of the two divisions.

² The Executive Chairman of the Board of Directors (cf. 3.2.3) and the Group CFO only receive targets on the Group level.

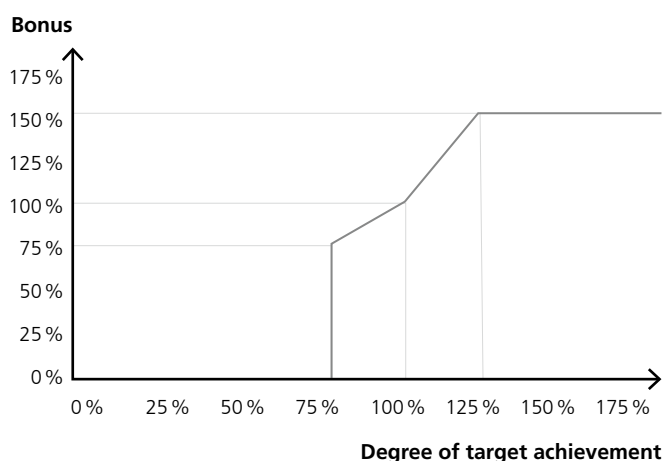
³ The sustainability target includes a specified target for the reduction of greenhouse gas emissions in kgCO_{2e} relative to net revenue in CHF.



Each financial target and the sustainability target is assigned a particular percentage of the nominal bonus (100 %). The weighting of the individual targets as a percentage of the nominal bonus varies and is given in the above table.

At the request of the Nomination and Compensation Committee, the Board of Directors determines an expected target value for each financial target and for the sustainability target at the beginning of each financial year. With respect to the financial targets, the value is based on the budget approved by the Board of Directors for the corresponding financial year.

Upon conclusion of the financial year or upon presentation of the reviewed annual results, the financial targets are assessed according to their effective degree of target achievement. The degree to which the sustainability target has been achieved is also determined. When 100 % of all targets have been achieved, a member of Group Management receives the nominal bonus agreed in the individual contract. In the best case, 125 % of the expected target value of a target can be achieved. In the case of 125 % target achievement, a pro rata share based on 150 % of the nominal bonus is paid out for the corresponding target value – according to its percentage share of the nominal bonus and its weighting. As a general rule, failure to meet at least 75 % of a target will mean that the degree of target achievement of the corresponding target is rated as 0 %.



100 % corresponds to the nominal bonus agreed in individual contracts

The highest variable compensation that was achieved in the reporting year is 60 % of the fixed compensation of the corresponding member of Group Management.

4.4. Special compensation

According to Article 23 and Article 24 (2) of the Articles of Association (www.arbonia.com/en/corporate-governance), the Board of Directors is authorized to award additional compensation to a member of Group Management in special situations. This can be paid out in cash or in the form of shares blocked

for four years. In the reporting year, a member of Group Management was awarded a special bonus in connection with a project in which the corresponding member of Group Management took on tasks that were not part of this member's area of responsibility and involved extraordinary and additional work.

4.5. Lump-sum allowances, services and in-kind benefits, as well as privileges

Several members of Group Management receive lump-sum allowances amounting to CHF 21 600 per year.

In his role as Executive Chairman of the Board of Directors, Alexander von Witzleben receives lump-sum allowances in the amount of CHF 550 per month in accordance with the current allowance rules.

The members of Group Management are provided with a company vehicle and a mobile phone. The private use of the company car is offset for members of Group Management according to the tax regulations applicable in the respective country. The above also holds true for Alexander von Witzleben in his role as Executive Chairman of the Board of Directors.

Like all other employees, the members of Group Management can benefit from various employee privileges, e.g. a 20 % discount on REKA cheques up to CHF 600 (only members with Swiss employment contracts) or discounts on the purchase of Arbonia products. The above also holds true for Alexander von Witzleben in his role as Executive Chairman of the Board of Directors.

4.6. Pension

Group Management members with Swiss employment contracts are insured under the basic plan and the senior management plan within Arbonia's pension scheme. The Arbonia senior management pension scheme covers the fixed salary not covered under the basic scheme and 80 % of the contractual nominal bonus against old age, death, and invalidity risks. According to the Swiss Occupational Pensions Act (OPA), the maximum salary including bonus to be considered is limited to CHF 882 000 (as of 1 January 2024, corresponds to 10 times the upper limit amount specified by the OPA), and the insured salary including bonus portion is limited to CHF 665 600 (as of 1 January 2024). The employer contribution is the same for all three available schemes and amounts to 25 % of the insured salary (according to the regulations, in force since 1 April 2024). Alexander von Witzleben is also insured in the Arbonia senior management pension scheme in his role as Executive Chairman of the Board of Directors. The member of Group Management with a German employment contract has a pension solution with a German insurance company.



4.7. Arbonia Group Share Plan

The Board of Directors determines the details of the allocation of shares to the members of Group Management in a share-based payment programme in accordance with Article 25 of the Articles of Association (www.arbonia.com/en/corporate-governance).

According to the Arbonia Group Share Plan approved by the Board of Directors, the number of shares is determined based on their fair market value. The calculation of the fair market value starts two trading days after the publication of the net earnings Arbonia achieved in the reporting year. The VWAP is calculated daily for 20 trading days based on the volume-weighted average share price. The fair market value results from the average of the VWAPs of these 20 trading days. The gross amount of all distributions is then deducted from the fair market value, provided that these are approved by the General Meeting on 25 April 2025, and a discount of 20 % is deducted for the four-year vesting period of the shares.

The allocation of the shares takes place after the record date for the dividend payment but must take place by 20 days after the General Meeting at the latest. The shares allocated in this way carry all associated rights. However, they are subject to a vesting period of four years, during which they may not be sold.

In the event that the employment contract is terminated, the vesting period remains in effect; it is at the discretion of the Board of Directors to lift the vesting period where appropriate. If the employment relationship ends due to the attainment of retirement age, the vesting period is automatically cancelled. The vesting period is also automatically cancelled in the event that the employment relationship is terminated due to invalidity or death. In the event of a change of control, it is at the discretion of the Board of Directors to decide whether to maintain the vesting period or lift it.

There is no option programme for members of Group Management.

4.8. Terms and conditions of employment

The employment contracts of the members of Group Management have been concluded for an unlimited term and with a notice period of six months. All employment contracts contain a claw-back clause according to which the members of Group Management have to pay back compensation that has been paid to them in whole or in part but has not been approved by the General Meeting. No member of Group Management is entitled to a signing bonus, termination benefit, or compensation due to a change of control ("golden parachute"). The above also holds true for Alexander von Witzleben in his role as Executive Chairman of the Board of Directors.

4.9. Compensation for restraint of competition

No member of Group Management received compensation for restraint of competition in lieu of a competition prohibition in the reporting year. The above also holds true for Alexander von Witzleben in his role as Executive Chairman of the Board of Directors.



5. Compensation of the Board of Directors for the year 2024 (reviewed)

5.1. Changes in the Board of Directors

The personnel composition of the Board of Directors, which consists of eight members, did not change in the reporting year compared to the previous year. In the reporting year, Alexander von Witzleben also held the office of Executive Chairman of the Board of Directors, in addition to that of Chairman. Peter Barandun was the Vice Chairman of the Board of Directors, as before.

The total compensation of the Board of Directors has increased compared to the previous year, as the compensation contractually agreed until 30 June 2025 for Alexander von Witzleben for his function as Executive Chairman of the Board of Directors was deferred in full in the 2024 financial year following his resignation from this function on 31 December 2024.

5.2. Table

in 1000 CHF									2024
	Roles exercised in 2024	Fee – in cash	Fee – in shares	Annual salary – in cash	Variable compensation – in cash ¹	Variable compensation – in shares ¹	Pension costs ²	Other compensation ³	Total
Alexander von Witzleben ⁴	Exec. CBD ⁵ Member of AC ⁶ Member of NCC ⁷	120	150	900	370	213	364	35	2 152
Peter Barandun ⁸	Vice Chairman Chairman of NCC	20	100				0	6	126
Peter E. Bodmer ⁹	Member Member of AC	14	70				0	6	90
Markus Oppliger	Member Chairman of AC	40	50				6	6	102
Heinz Haller	Member Member of NCC	14	70				4	6	94
Michael Pieper	Member	12	60				3	6	81
Thomas Lozser	Member	60	0				5	12	77
Carsten Voigtländer	Member	21	49				0	12	82
Total compensation to members of the Board of Directors		301	549	900	370	213	382	89	2 803

¹ The amount of the variable compensation – in respect of both the cash portion and the share portion – depends on the degree of achievement of the financial targets set for the 2024 financial year.

² Employer contributions to social insurance policies, occupational pension schemes, and accident and health insurance policies

³ Comprises lump-sum allowances, private use of the company car / car allowance and other services and in-kind benefits.

⁴ The compensation paid to Alexander von Witzleben in 2024 as Executive Chairman of the Board of Directors is included in this table. Further reference is made to items 3.2.5 and 5.1.

⁵ Exec. CBD = Executive Chairman of the Board of Directors

⁶ AC = audit committee

⁷ NCC = Nomination and Compensation Committee

⁸ The compensation paid to Peter Barandun for the term of office 2024/2025 is paid to Peter Barandun AG, which is responsible for the deduction and payment of social contributions.

⁹ The compensation paid to Peter E. Bodmer for the term of office 2024/2025 is paid to Beka-Küsnacht AG, which is responsible for the deduction and payment of social contributions.



in 1000 CHF									2023
	Roles exercised in 2023	Fee – in cash	Fee – in shares	Annual salary – in cash	Variable compensation – in cash ¹	Variable compensation – in shares ¹	Pension costs ²	Other compensation ³	Total
Alexander von Witzleben ⁴	Exec. CBD ⁵ Member of AC ⁶ Member of NCC ⁷	120	150	600	138	173	248	31	1 459
Peter Barandun ⁸	Vice Chairman Chairman of NCC	20	100				0	6	126
Peter E. Bodmer ⁹	Member Member of AC	14	70				0	6	90
Markus Oppliger	Member Chairman of AC	40	50				6	6	102
Heinz Haller	Member Member of NCC	14	70				3	6	93
Michael Pieper	Member	12	60				3	6	81
Thomas Lozser	Member	60	0				5	12	77
Carsten Voigtländer	Member	21	49				0	12	82
Total compensation to members of the Board of Directors		301	549	600	138	173	265	85	2 110

¹ The amount of the variable compensation – in respect of both the cash portion and the share portion – depends on the degree of achievement of the financial targets set for the 2023 financial year.

² Employer contributions to social insurance policies, occupational pension schemes, and accident and health insurance policies

³ Comprises lump-sum allowances, private use of the company car / car allowance and other services and in-kind benefits.

⁴ The compensation paid to Alexander von Witzleben in 2023 as Executive Chairman of the Board of Directors is included in this table.

⁵ Exec. CBD = Executive Chairman of the Board of Directors

⁶ AC = audit committee

⁷ NCC = Nomination and Compensation Committee

⁸ The compensation paid to Peter Barandun for the term of office 2023/2024 is paid to Peter Barandun AG, which is responsible for the deduction and payment of social contributions.

⁹ The compensation paid to Peter E. Bodmer for the term of office 2023/2024 is paid to Beka-Küsnacht AG, which is responsible for the deduction and payment of social contributions.



Compensation paid to former members of the Board of Directors

In 2024 as well as in 2023, no direct or indirect compensation was paid to former members of the Board of Directors in connection with their previous governing body activity.

Compensation paid to persons close to members of the Board of Directors

In 2024 as well as in 2023, no direct or indirect compensation was paid to persons close to current or previous members of the Board of Directors.

6. Compensation of Group Management for the year 2024 (reviewed)

6.1. Changes in Group Management

The personnel composition of Group Management changed in the reporting year compared to the previous year.

As of 30 September 2024, Daniel Wüest, Group CFO, left the Arbonia Group and therefore retired from Group Management.

As of 1 October 2024, Uwe Schiller joined the Arbonia Group as CFO. He is a member of Group Management.

The total compensation of Group Management has increased compared to the previous year. This increase is due to the special compensation disclosed in 4.4.

6.2. Table

in 1000 CHF	2024		2023	
	Group Management ¹	of this paid to Alexander Kaiss, CEO Climate	Group Management ¹	of this paid to Daniel Wüest, Group CFO
Annual salary (cash)	1 007	332	1 040	400
Annual salary (shares)				
Variable compensation (cash portion) ²	719	495	172	69
Variable compensation (shares)	121	0	215	86
Pension costs ³	307	34	314	156
Other compensation ⁴	73	12	81	31
Total	2 227	874	1 822	742
Number of members	3 ⁵		3	

¹ The compensation of Alexander Kaiss is paid in euros. The exchange rate used is 0.95 for 2024 and 0.97 for 2023.

² Also includes special compensation for 2024 (c.f. 4.4)

³ Employer contributions to social insurance policies, occupational pension schemes, and accident and health insurance policies

⁴ Comprises lump-sum allowances, private use of the company car/car allowance, and other services and in-kind benefits

⁵ Includes the former Group CFO until 30 September 2024 and the new CFO as of 1 October 2024.

Compensation paid to former members of Group Management

In 2024 as well as in 2023, no direct or indirect compensation was paid to former members of Group Management in connection with their previous governing body activity.

Compensation paid to persons close to members of Group Management

In 2024 as well as in 2023, no direct or indirect compensation was paid to persons close to current or former members of Group Management.



7. Loans and credit (reviewed)

According to Article 26 of the Articles of Association (www.arbonia.com/en/corporate-governance), no loans, credit, or pension benefits outside the occupational pension scheme or collateral are granted to the members of the Board of Directors and Group Management. Exempt from this are advances of social security and tax charges for persons subject to withholding tax. This exemption was not exercised by any member of the Board of Directors or Group Management in the reporting year.

As of 31 December 2024 and as of 31 December 2023, there were no loans or credit to current or former members of the Board of Directors and Group Management or to persons close to current or former members of the Board of Directors and Group Management.

8. Roles of the members of the Board of Directors at other companies with economic purpose (reviewed)

According to Article 29 of the Articles of Association (www.arbonia.com/en/corporate-governance), members of the Board of Directors may have a maximum of 16 mandates outside the Group, of which no more than 5 may be with listed companies and no more than 8 with companies subject to regular auditing (including the 5 listed companies). When calculating the maximum number of mandates, the mandate as Chairperson of the Board of Directors at a company subject to regular auditing counts as two mandates.¹ Mandates at different companies belonging to the same corporate group count as one mandate.

As of 31 December 2024, the members of the Board of Directors exercised the following roles with economic purpose at other companies:

Alexander von Witzleben

Member of the Board of Directors of KAEFER SE & Co. KG; Chairman of the supervisory board of VERBIO SE; member of the supervisory board of Siegwark Druckfarben AG & Co. KGaA; Chairman of the Board of Directors, member of the compensation committee and member of the Audit Committee of Feintool International Holding AG, in which Artemis Holding AG has a shareholding in the amount of 50.1 %; member of the advisory board of C. Illies & Co. GmbH & Co. KG, member of the Board of Directors of Innoviz Technologies Ltd.²

Peter Barandun

Chairman of the Board of Directors of Electrolux AG; Vice President of FEA (Swiss Association of the Domestic and Industrial Electrical Appliances); member of the Board of Directors of Peter Barandun AG; Managing Director of Sulegl Immobiglias Srl; Co-president of the Presidium of the "Swiss-Ski" Swiss ski association.³

¹ However, the mandate as Chairperson of the supervisory board only counts as one mandate.

² The mandates at PVA TePla AG and Artemis Holding AG listed in the previous year are no longer exercised.

³ The mandates at Electrolux Holding AG and Fundamenta Group Holding AG listed in the previous year are no longer exercised.



Peter E. Bodmer

Member of the Board of Directors of Kuratle Group AG; Chairman of the Board of Directors of Brüttsch/Rüeggger Holding AG and member of the Board of Directors of the associated Novus Holding AG¹; Chairman of the Board of Directors of Helvetica Property Investors AG and Chairman of the Board of Directors of the associated Helvetica Property Group AG²; member of the Board of Directors of INOVETICA Holding AG; Chairman of the foundation board of the Innovation Park Zurich foundation; member of the Board of Directors of Klinik Schloss Mammern AG; member of the Board of Directors of Nüssli (Schweiz) AG; Chairman of the foundation board, member of the investment committee, and Chairman of the management committee of Profond Pension Fund and Chairman of the foundation board and member of the real estate committee of the associated Profond Investment Foundation³; Managing Director of BB's Pure GmbH (dormant); Chairman of the Board of Directors and Managing Director of Beka-Küsnacht AG; Chairman and member of the working committee of the Wilhelm Schulthess-Stiftung; Chairman of the steering committee of University Hospital Zurich; Vice Chairman and Chairman of the audit and real estate committee of the university council of the University of Zurich.^{6,7}

Markus Oppliger

Chairman of the Board of Directors of the subsidiary Pizol Gastro und Sport AG of Pizolbahnen AG, at which he is also Chairman of the Board of Directors⁴; member of the Board of Directors and Chairman of the finance and audit committee of St. Gallisch-Appenzellische Kraftwerke AG; member of the Board of Directors of Heidiland Tourismus AG; owner of Oppliger Management Consulting.⁸

Heinz Haller

Vice Chairman of the foundation board of the Innovation Park Zurich foundation; Chairman of the Board of Directors of GETEC PARK.SWISS AG; member of the Board of Directors of the Hockey Club Ambri Piotta SA.⁹

Michael Pieper

Chairman of the Board of Directors of the subsidiary Centinox B AG as well as CEO of the subsidiary Artemis Holding AG as well as member of the Boards of Directors of the subsidiaries Franke Holding AG, Artemis Real Estate Holding AG, Artemis Beteiligungen I AG, Artemis Beteiligungen III AG, Artemis Beteiligungen V AG, and Franke Technology and Trademark Ltd. of Centinox Holding AG, at which he is also Chairman of the Board of Directors⁵; Vice Chairman of the Board of Directors and member of the compensation committee of Forbo Holding AG; member of the Board of Directors of Autoneum AG; member of the Board of Directors of BERGOS AG; member of the Board of Directors of Reppisch-Werke AG; member of the supervisory board of Duravit AG; Deputy Chairman of the supervisory board of Ettlin Aktiengesellschaft; member of the "South" advisory board of Deutsche Bank AG.^{6,9}

Thomas Lozser

Member of the Board of Directors of Mopec Inc.; board observer of Helvetica Capital AG; member of the Board of Directors of Palatine Hill Wealth Management; member of the Board of Directors of Aventine Hill Risk Management; member of the Board of Ann Arbor Angels LLC; member of the investment committee of Michigan Angel Funds LLC; member of the valuation committee of Tappan Hill Ventures Fund 2; member of the Board of Directors of I&W Engineering AG.¹⁰

Dr. Carsten Voigtländer

Member of the Board of Directors of Behr Bircher Cellpack BBC AG; member of the Board of Directors of Electrolux Professional AB; member of the foundation board of Friedhelm Loh Stiftung & Co. KG; member of the Board of Directors of Stulz Verwaltungsgesellschaft mbH; Chairman of the advisory board of Oikos International GmbH; member of the industry advisory board of VR Equitypartner GmbH; member of the supervisory board of Testo Management SE; member of the Board of Directors of Modern Electron LLC; Managing Director of CaDo Invest GmbH; member of the advisory board of ecoworks GmbH; member of the Board of Directors of Heaten AS.¹⁰

¹⁻⁵ count as one mandate each (same corporate group) according to Article 29 (5) of the Articles of Association.

⁶ The number of mandates according to Article 29 of the Articles of Association is exceeded.

⁷ The mandate at Peach Property Group AG listed in the previous year is no longer exercised.

⁸ The mandate at Berggasthaus Pardiel AG listed in the previous year is no longer exercised.

⁹ These are the same mandates as in the previous year.

¹⁰ The mandates already listed in the previous year have remained the same.



9. Roles of the members of Group Management at other companies with economic purpose (reviewed)

According to Article 29 of the Articles of Association (www.arbonia.com/en/corporate-governance), members of Group Management may have a maximum of 5 mandates outside the Group, of which no more than 1 may be with a listed company and no more than 2 with companies subject to regular auditing (including the one listed company). For the calculation of the maximum number of mandates, the mandate as Chairperson of the Board of Directors at a company subject to regular auditing counts as two mandates. Mandates at different companies belonging to the same corporate group count as one mandate.

As of 31 December 2024, the members of the Board of Directors exercised the following roles with economic purpose at other companies:

Claudius Moor

Chairman of the advisory board of KIWI.KI GmbH; member of the advisory board of Griffwerk GmbH.¹

Uwe Schiller

Member of the foundation board of the Quellenhof-Stiftung.

Alexander Kaiss

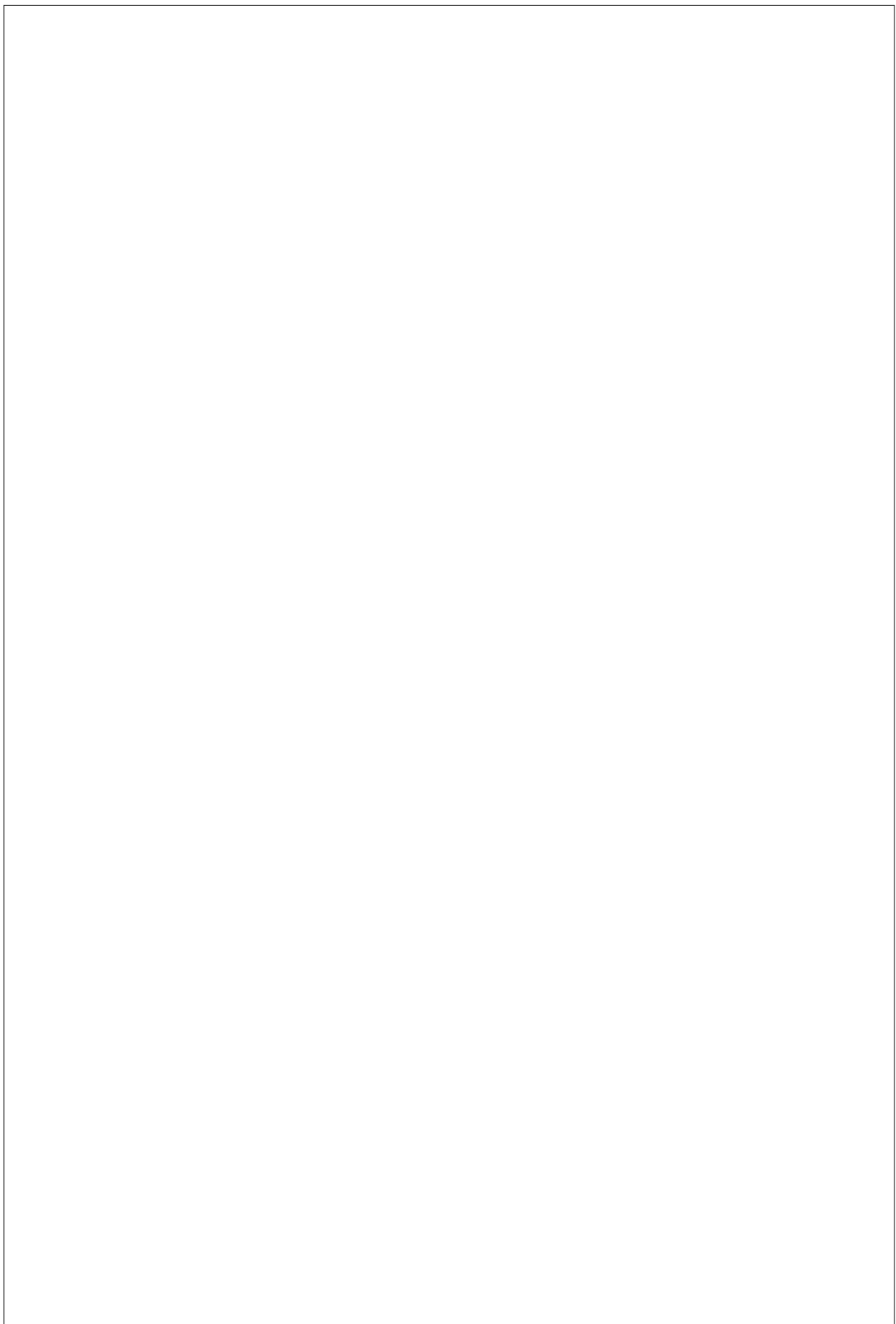
Member of the Board of Directors of the Federation of German Heating Industry (BDH); Chairman of the Board of Directors of the Quality Association Steel Radiators.¹

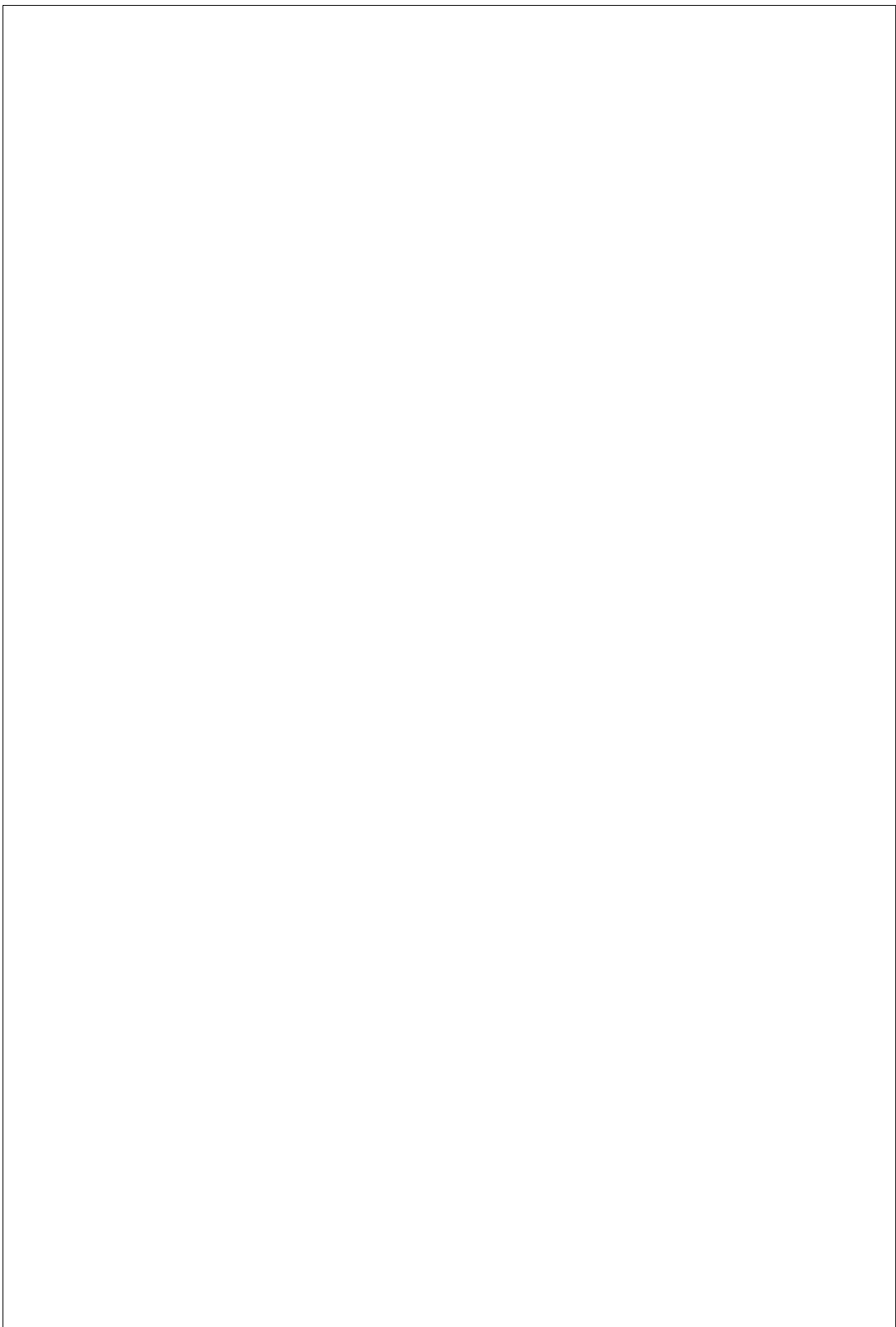
10. Shareholdings as of 31 December 2024 (reviewed)

The current members of the Board of Directors and Group Management (including persons close to them) held the following number of shares as of 31 December 2024:

	31 December 2024	31 December 2023
	Number of registered shares	Number of registered shares
Alexander von Witzleben (Executive CBD)	1 205 712	1 189 324
Peter Barandun (BD member)	87 899	79 418
Peter E. Bodmer (BD member)	52 082	46 145
Markus Oppliger (BD member)	46 692	42 451
Heinz Haller (BD member)	150 000	140 000
Michael Pieper (BD member)	15 678 884	15 673 795
Thomas Lozser (BD member)	526 074	526 074
Carsten Voigtländer (BD member)	24 768	20 633
Daniel Wüest (Group Management) until 30 September 2024	71 312	63 979
Claudius Moor (Group Management)	33 107	27 587
Alexander Kaiss (Group Management)	42 124	35 175
Uwe Schiller (Group Management) as of 1 October 2024	3 000	
Total	17 921 654	17 844 581

¹ These are the same mandates as in the previous year.









Financial Report



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Financial commentary FY 2024 Uwe Schiller (CFO)

Dear Readers

The year 2024 was characterised by the sale of the Climate Division (formerly HVAC Division) in that the new Arbonia focused exclusively on the doors business. Although the sale was protracted and the final closing thus did not take place until 26 February 2025, Arbonia used the time and prepared intensively for its future as a pure door manufacturer; it was able to assume market leadership for interior doors in continental Europe by opening up new markets and distribution channels through further acquisitions.

As in the previous year, the Climate Division is also reported as a discontinued operation in the consolidated financial statement for 2024, since the closing of the sale did not take place until 26 February 2025. In precise terms, this means that the result of the Climate Division is only included as a single line item in the group result of the Arbonia Group in the consolidated income statement on account of it being a discontinued operation. In addition, the assets and liabilities of the Climate Division are reported in the balance sheet as "Assets held for sale" and "Liabilities associated with assets held for sale" respectively.

General

The massive decline in new residential construction activity in Germany, Arbonia's most important market, continued in 2024 as well. The main reasons for this were higher interest rates, a continuing shortage of skilled workers in the construction industry, as well as increasing material costs. At the same time, the increasing demand for housing in urban areas as well as the high net immigration helped to stabilise the renovation markets. Renovation activities in Germany recorded a slight increase, but at a low level due to the above-mentioned reasons.

Arbonia was able to reduce its dependence on the German market with the acquisition of the Spanish company Dimoldura in May 2024 and the Czech company Lignis in July 2024. In particular, it was possible to develop new markets in Spain, Portugal and France with Dimoldura and in Czechia with Lignis. Arbonia benefited from these growing markets, such as Spain, as well as those in Central and Eastern Europe.

In addition to opening up new distribution channels, especially in the DIY store sector, it was possible to strengthen and expand the contractor services business: Arbonia won an increasing number of major contracts such as hospitals, hotels, as well as public or private complexes. As a result, Arbonia has established itself in the contractor services business and can generate further growth in this sector.

All new installations in the production plants have been delivered, and the production is currently being optimised to increase efficiency. At the highly automated production plant in Prüm, Arbonia was able to commission a combined heat and power (CHP) plant in January 2025; the site uses this to generate a large portion of its own energy from wood waste and can thus sustainably reduce its CO₂ emissions as a result. The CHP plant also makes a positive contribution to the energy costs.

In addition to focusing on the doors business, Arbonia was able to sell a non-operational property in Switzerland in the 2024 financial year, which led to an extraordinary profit of CHF 28.8 million. This sales profit and other one-time effects in connection with the Dimoldura and Lignis acquisitions as well as various personnel adjustments led to total one-time effects of CHF 24.6 million at EBITDA level.

The subsequent explanatory notes to the income statement and balance sheet focus on the continuing operating activities, i.e. primarily on the Doors Division. Where mentioned, the continuing operations are discussed without one-time effects for the purposes of illustration and comparison.

Profit and loss account affected by acquisitions and one-time effects

In the 2024 reporting year, Arbonia achieved a net revenue of CHF 556.3 million, which corresponds to an increase in Swiss francs of 10.2 % compared to the previous year (CHF 504.6 million), because of the acquisitions of Dimoldura and Lignis. When adjusted for currency and acquisition effects (organic), the decrease amounted to -5.4 %, which led to an improvement compared to the previous year (-8.2 %). The decrease is above all due to a continued decline in volumes resulting from the continued decrease in new residential construction activity combined with increasing average wage costs and negative exchange rates.

As a discontinued operation, the Climate Division achieved a net revenue of CHF 563.2 million in the same period, which represents a decrease compared to the previous year (-3.8%).

Arbonia reports EBITDA of CHF 66.3 million for 2024, which corresponds to an increase of CHF 34.4 million and is due on the one hand to the previously mentioned one-time effects totalling CHF 24.6 million. On the other hand, the acquisitions of Dimoldura and Lignis contribute to this with CHF 10.2 million. Adjusted for these effects, EBITDA amounts to CHF 31.5 million, which corresponds to a reduction of CHF -0.5 million or -1.5 % compared to the previous year's EBITDA of CHF 31.9 million. Consistent cost management and operational efficiency contributed to the fact that the sales loss of -5.4 % resulted in an EBITDA reduction of -1.5 % when adjusted for currency and acquisition effects.



Depreciation and amortisation increased according to expectations due to the high investments in the past. The amortisation of intangible assets from acquisitions are increasing primarily due to the acquisitions of Dimoldura and Lignis.

The group result was positive in the financial year at CHF 8.3 million, which corresponds to an improvement of CHF 25.5 million compared to the previous year (CHF -17.2 million). This equates to a profit of CHF 0.12 per share (previous year: CHF -0.25 per share). The improvement is primarily due to the sales profit of CHF 28.8 million from a non-operational property.

Net working capital increased due to acquisitions

The net working capital at the end of 2024 amounted to CHF 51.0 million, which results in an increase of CHF 18.2 million compared to the same period of the previous year (CHF 32.8 million). This increase is mainly due to the acquisition-related increase in inventories of CHF 20.4 million. In total, Dimoldura and Lignis' share of the net working capital is CHF 21.5 million. Adjusted for these acquisitions, it was possible to reduce the already low net working capital once more.

Cash flow and net indebtedness

The cash flow from operating activities is CHF 41.3 million, which corresponds to a reduction of CHF 59.7 million compared to 2023 (CHF 101.0 million). For the continuing operations, the cash flow from operating activities is CHF 37.4 million. This means a decrease of CHF 15.3 million compared to the previous year (CHF 52.7 million). The reasons for this are the significantly higher profit taxes paid as well as higher interest costs due to the increased financing requirements. These investments continue to decrease compared to the previous year and amounted to CHF 50.1 million in 2024 (previous year: CHF 59.1 million).

The net indebtedness at the end of 2024 was CHF 357 million compared to CHF 209 million at the end of 2023. The increase of CHF 148 million is largely due to the acquisitions of Dimoldura and Lignis (CHF 135 million).

In 2025, the shareholders will participate in the proceeds from the sale of the Climate Division. The previously announced nominal value reduction of CHF 4.00 as well as the dividend for 2023 of CHF 0.30 per share will be proposed to the General Meeting for distribution. A dividend for 2024 of CHF 0.33 per share, as well as an extraordinary distribution of CHF 1.20 per share will also be proposed to the General Meeting for distribution.



Consolidated Financial Statements Arbonia Group



Consolidated Income Statement

in 1 000 CHF	Note	2024	2023
		in %	restated ¹ in %
Continuing operations			
Net revenues	31	556 308	504 605
Other operating income	39	36 353	8 539
Capitalised own services		5 185	5 755
Changes in inventories of semi-finished and finished goods		– 615	– 4 777
Cost of material and goods		– 215 957	– 199 691
Personnel expenses		– 209 702	– 186 155
Other operating expenses		– 105 301	– 96 390
EBITDA	31	66 271	31 886
Depreciation, amortisation and impairments	36, 37, 38, 39, 40	– 33 328	– 28 993
Amortisation of intangible assets from acquisitions	36, 40	– 16 032	– 11 600
EBIT	31	16 912	– 8 707
Financial income	51	4 736	322
Financial expenses	51	– 13 500	– 15 489
Group result before income tax	31	8 148	– 23 874
Income tax expense	52	– 5 400	9 782
Group result from continuing operations	31	2 748	– 14 092
Group result from discontinued operations after taxes	36	5 531	– 3 120
Group result		8 279	– 17 212
Attributable to:			
Shareholders of Arbonia AG		8 279	– 17 212
Earnings per share from continuing operations in CHF	48	0.04	– 0.20
Earnings per share from discontinued operations in CHF	48	0.08	– 0.05
Earnings per share in CHF	48	0.12	– 0.25
Basic and diluted earnings are identical.			

¹ see note 36

The notes on pages 139 to 196 are an integral part of these consolidated financial statements.



Consolidated Statement of Comprehensive Income

in 1 000 CHF	2024	2023 restated ¹
Group result	8 279	– 17 212
Other comprehensive income		
<i>Items that will not be reclassified to income statement</i>		
Remeasurements of employee benefit obligations	5 436	21 658
Deferred tax effect	– 988	– 2 266
Total items that will not be reclassified to income statement	4 448	19 392
<i>Items that may be reclassified subsequently to income statement</i>		
Fair value adjustments from hedge accounting	14 036	
Cost of hedging	– 8 851	
Currency translation differences	6 124	– 58 874
Total items that may be reclassified subsequently to income statement	11 309	– 58 874
Total other comprehensive income after taxes	15 757	– 39 482
Total comprehensive income	24 036	– 56 694
Attributable to:		
Shareholders of Arbonia AG	24 036	– 56 694
Total comprehensive income from continuing operations	15 571	– 18 966
Total comprehensive income from discontinued operations	8 465	– 37 728

¹ see note 36

The notes on pages 139 to 196 are an integral part of these consolidated financial statements.



Consolidated Balance Sheet

in 1 000 CHF		31/ 12/ 2024		31/ 12/ 2023	
	Note		in %		in %
Assets					
Cash and cash equivalents	32	23 639		17 160	
Accounts receivable	33	46 072		50 041	
Other current assets		11 931		8 209	
Inventories	34	75 779		55 415	
Contract assets	33	11 417		7 068	
Deferred expenses		4 535		4 137	
Current income tax receivables		6 489		8 401	
Assets held for sale	36	646 453		619 812	
Current assets		826 315	48.6	770 243	52.0
Property, plant and equipment	37	432 204		393 140	
Right-of-use assets	38	18 833		8 202	
Investment property	39	4 072		5 300	
Intangible assets	40	163 186		106 491	
Goodwill	40	189 830		146 123	
Deferred income tax assets	46	14 916		6 051	
Capitalised pension surplus	47	27 217		24 513	
Financial assets	35	23 608		22 515	
Non-current assets		873 866	51.4	712 335	48.0
Total assets		1 700 181	100.0	1 482 578	100.0



in 1 000 CHF		31/ 12/ 2024	31/ 12/ 2023
	Note	in %	in %
Liabilities and shareholders' equity			
Accounts payable		45 126	33 139
Contract liabilities	33	5 545	7 935
Other liabilities		12 405	12 060
Financial debts	42	337 731	134 346
Lease liabilities	55	4 133	1 994
Accruals and deferred income		30 105	31 281
Current income tax liabilities		9 004	12 412
Provisions	45	3 042	3 626
Liabilities associated with assets held for sale	36	212 275	195 193
Current liabilities		659 366	431 986
		38.8	29.1
Financial debts	42	17 447	74 926
Lease liabilities	55	15 182	6 317
Other liabilities		144	519
Provisions	45	4 947	4 633
Deferred income tax liabilities	46	43 725	31 526
Employee benefit obligations	47	12 952	11 700
Non-current liabilities		94 397	129 621
		5.6	8.7
Total liabilities		753 763	561 607
		44.3	37.9
Share capital	48	291 787	291 787
Share premium		475 751	475 751
Treasury shares	49	– 274	– 1 389
Other reserves	50	– 174 995	– 186 304
Retained earnings		354 149	341 126
Shareholders' equity		946 418	920 971
		55.7	62.1
Total liabilities and shareholders' equity		1 700 181	1 482 578
		100.0	100.0

The notes on pages 139 to 196 are an integral part of these consolidated financial statements.



Consolidated Statement of Cash Flows

in 1 000 CHF	Note	2024	2023
Group result		8 279	– 17 212
Depreciation, amortisation and impairments	37, 38, 39, 40	72 117	77 813
Profit/loss on disposal of non-current assets	37, 38, 39	– 28 610	– 310
Changes in non-cash transactions	55	5 467	19 272
Net interest expense		14 856	9 680
Income tax expense		15 862	– 6 262
Changes in working capital	55	2 912	37 468
Changes in current liabilities	55	– 15 584	– 3 142
Interest paid		– 14 103	– 8 999
Interest received		415	448
Income tax paid		– 20 269	– 7 762
Cash flows from operating activities - net		41 342	100 994
To investment activities			
Purchases of property, plant and equipment	37	– 55 570	– 77 578
Purchases of investment properties	39	– 13	– 1 086
Purchases of intangible assets	40	– 18 805	– 14 320
Acquisition of subsidiaries (net of cash acquired)	41	– 107 432	– 4 374
Issuance of financial assets	35	– 585	– 1 799
From divestment activities			
Proceeds from sale of property, plant and equipment	37	624	512
Proceeds from sale of investment properties	39	19 051	
Proceeds from sale of intangible assets		40	
Repayment of financial assets		4	22
Cash flows from investing activities - net		– 162 686	– 98 623



in 1 000 CHF	Note	2024	2023
From financing activities			
Proceeds from financial debts	42, 55	208 561	233 496
To financing activities			
Repayments of financial debts	42, 55	– 68 167	– 200 337
Lease liability payments	55	– 9 383	– 8 598
Dividend and distribution from capital contribution reserves			– 20 434
Purchase of treasury shares	49	– 1 075	– 2 722
Cash flows from financing activities - net		129 936	1 405
Effects of translation differences on cash and cash equivalents		– 297	– 2 056
Change in cash and cash equivalents		8 295	1 720
Reconciliation of change in cash and cash equivalents			
Cash and cash equivalents as of 01/01 continuing operations	32	17 160	29 196
Cash and cash equivalents as of 01/01 discontinued operations	36	13 756	
Cash and cash equivalents as of 31/12 continuing operations	32	23 639	17 160
Cash and cash equivalents as of 31/12 discontinued operations	36	15 572	13 756
Change in cash and cash equivalents		8 295	1 720

The notes on pages 139 to 196 are an integral part of these consolidated financial statements.



Consolidated Statement of Changes in Equity

in 1 000 CHF	Note	Share capital	Share premium	Treasury shares	Other reserves	Retained earnings	Total share-holders' equity
Balance at 01/ 01/ 2023		291 787	485 968	- 15 514	- 127 430	352 731	987 542
Group result						- 17 212	- 17 212
Total other comprehensive income after taxes	50				- 58 874	19 392	- 39 482
Total comprehensive income					- 58 874	2 180	- 56 694
Distribution from capital contribution reserves and dividend			- 10 217			- 10 217	- 20 434
Changes in treasury shares	49			12 924		- 3 400	9 524
Share based payments	56			1 201		- 168	1 033
Total transactions with owners			- 10 217	14 125		- 13 785	- 9 877
Balance at 31/ 12/ 2023		291 787	475 751	- 1 389	- 186 304	341 126	920 971
Group result						8 279	8 279
Total other comprehensive income after taxes	50				11 309	4 448	15 757
Total comprehensive income					11 309	12 727	24 036
Changes in treasury shares	49			- 67		- 1	- 68
Share based payments	56			1 182		297	1 479
Total transactions with owners				1 115		296	1 411
Balance at 31/ 12/ 2024		291 787	475 751	- 274	- 174 995	354 149	946 418

The notes on pages 139 to 196 are an integral part of these consolidated financial statements.



Notes to the Consolidated Financial Statements

A Accounting principles

1. General information

Arbonia Group (Arbonia) is a focused building components supplier. The company with the continuing operations consists of Division Doors with the Wood Solutions and Glass Solutions Business Units. Manufacturing plants are located in Switzerland, Germany, Poland, Spain, Portugal, France and the Czech Republic. Arbonia owns major brands such as Arbonia, Kermi, Koralle, RWD Schlatter, Prüm, Garant, Invado, Dimoldura and Rozière and possesses a strong position in its home markets in Switzerland and Germany.

On 18 April 2024, a contract was signed between Arbonia and Midea Electrics Netherlands B.V., a company of Midea Group for the sale of the Climate business. The closing of the transaction took place on 26 February 2025 (see note 36). The location in Russia included in the Climate segment (AFG RUS) is not part of this transaction. Several expressions of interest and concrete offers for the sale of AFG RUS have also been received. The sale of AFG RUS is considered highly probable and the company is recognised as a discontinued operation. The closing of the transaction is expected in the first half of 2025, after all regulatory and legal approvals have been granted (see note 36).

The ultimate parent company, Arbonia AG is a corporation organised under Swiss law incorporated and domiciled at Amriswilerstrasse 50, CH-9320 Arbon (Canton Thurgau). Arbonia AG is listed on the SIX Swiss Exchange in Zurich under the valor number 11024060/ISIN CH0110240600.

These consolidated financial statements have been approved for issue by the Board of Directors of Arbonia AG on 26 February 2025 and require approval from the Annual General Meeting on 25 April 2025. The publication of the consolidated financial statements occurred on 4 March 2025 at the media and analyst conference.

2. General principles and basis of preparation

The consolidated financial statements of Arbonia have been prepared in accordance with IFRS Accounting Standards.

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 30.

Amendments to significant published standards

The accounting policies adopted in the preparation of the annual consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of the following amended standard.

Amendments to IAS 1 - Classification of liabilities as current or non-current and non-current liabilities with covenants

The amendments to IAS 1 clarify certain requirements for determining whether a liability is classified as current or non-current. Borrowings are classified as current liabilities unless at the end of the reporting period, the group has a substantial right to defer settlement of the liability for at least 12 months after the reporting period. The amendments did not result in a change in the classification of Arbonia's borrowings.

The other new or amended standards had also no material impact on the Group's financial statements.

Published standards that are not yet effective nor adopted early

IFRS 18 - Presentation and disclosure in financial statements

IFRS 18 will replace IAS 1 «Presentation of financial statements» and applies for annual reporting periods beginning on or after 1 January 2027. The new standard introduces the following key new requirements:

- Entities are required to classify all income and expenses in the income statement into five categories: the operating, investing, financing, income tax and discontinued operations category. Entities are also required to present two newly-defined subtotals «operating result» and «result before financing and income tax». Entities' net result will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

The introduction of IFRS 18 will have an impact on Arbonia's reporting. Arbonia will systematically analyse and review its reporting with regard to the implementation of this standard.

The other published but as of the balance sheet date not yet effective significant new or amended standards will not have a material impact on the Group's financial statements.



3. Reporting entity

The consolidated financial statements are based on the financial statements of the individual Group companies prepared as of 31 December. Subsidiaries are fully consolidated from the date on which control is transferred to Arbonia (generally where the interest in votes and share capital is more than 50%). They are deconsolidated from the date that control ceases.

Investments in associated companies, over which Arbonia exercises significant influence but does not control, are initially recognised at cost. The cost comprises the share in net assets and a possible goodwill. After the date of acquisition, the investment is accounted for using the equity method. A significant influence is generally assumed by a shareholding of between 20% to 50% of the voting rights.

The following material changes occurred in the Group:

In the financial year 2024

- As of 16 May 2024, Arbonia acquired 100% of Dimoldura Group, ES-Toledo (see note 41).
- As of 1 July 2024, Arbonia acquired 100% of Lignis s.r.o., CZ-Koryčany (see note 41).

In the financial year 2023

- As of 24 October 2023, Arbonia acquired 100% of Interwand GmbH, DE-Dörzbach (see note 41).

An overview of the material Group companies is included in note 60.

4. Full consolidation

In line with the full consolidation method, 100% of all balance sheet and income statement items are included in the consolidated financial statements. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated.

5. Capital consolidation

Subsidiaries are fully consolidated from the date on which control is transferred to Arbonia. The acquisition method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured at the fair value of the assets given and liabilities incurred or assumed at the date of exchange. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. Contingent considerations are measured at fair value and are included in the purchase price. Subsequent changes to the fair value of the contingent consideration are recognised in the income statement unless the consideration is an equity instrument. Directly attributable acquisition-related costs are expensed.

Companies which are sold are deconsolidated from the date that control ceases. The difference between the consideration received and the net assets is recognised in the income statement as other operating income/expenses.



B Summary of material accounting policy information

6. Material accounting policy information

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below, from notes 7 to 29.

These consolidated financial statements are based on the annual financial statements of the Group companies prepared in accordance with the Group's uniform accounting policies. Balance sheet items are generally stated at cost as modified by the revaluation of financial instruments at fair value through profit or loss. Assets held for sale and disposal groups are measured at the lower of its carrying amount and fair value less costs to sell. Investments in associated companies are measured at cost at the time of acquisition and subsequently at the proportionate share of equity.

7. Foreign currency translation Functional and presentation currency

Items included in the financial statements of each Group company are measured using the currency of the primary economic environment in which the company operates (the functional currency). The consolidated financial statements are presented in Swiss francs (CHF).

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the dates of the transactions. 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 recognised in the income statement.

Group companies

The results and financial position of all the Group companies that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet. Income and expenses for each income statement as well as the cash flow statements are translated at average exchange rates. All resulting exchange differences are recognised as a separate component of other comprehensive income under other reserves.

Exchange differences arising on intercompany loans of an equity nature that essentially form part of the company's net investment in the foreign entity are classified in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and are translated at the closing rate.

When a foreign operation is sold or liquidated, exchange differences that were recorded in other comprehensive income are recognised in the income statement.

The following foreign currency rates have been applied:

Currency	Unit	2024		2023	
		Year-end rate	Average rate	Year-end rate	Average rate
EUR	1	0.9412	0.9496	0.9284	0.9717
CZK	100	3.7371	3.7755	3.7549	4.0507
PLN	100	22.0267	22.0364	21.3523	21.4040
CNY	100	12.5065	12.2035	11.8129	12.7689
RUB	100	0.8851	0.9411	0.9367	1.0652
RSD	100	0.8031	0.8110	0.7966	0.8286

8. Maturities

Assets realised or consumed within 12 months in the ordinary course of business or held for trading purposes are classified as current assets. All other assets are classified as non-current assets.

Liabilities to be redeemed in the ordinary course of business, held primarily for the purpose of trading, falling due within 12 months from the balance sheet date or do not have an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date are classified as current liabilities. All other liabilities are classified as non-current liabilities. If a binding commitment to extend an expiring financial liability has been received as of the balance sheet date, the new maturity is also taken into account in the classification.



9. Financial instruments

Financial assets of Arbonia are divided into the following categories: (1) Financial assets measured at amortised cost (FA AC) and (2) Financial assets for hedge instruments.

At each balance sheet date, financial assets (debt securities) that are not measured at fair value through profit or loss are assessed for expected credit losses. Indications that the creditworthiness of assets is impaired include financial difficulties, breaches of contract and possible bankruptcy of the contracting party. A default with respect to a financial asset exists if it appears unlikely that the contracting party will meet its contractual payments to the Group in full. If loans or receivables have been impaired, the company continues to enforce the receivable to recover it. Financial assets are written-off as soon as there is no reasonable expectation of recovery. Among the indicators that there is no reasonable expectation of recovery is the bankruptcy of the counterparty.

Financial liabilities of Arbonia comprise financial liabilities measured at amortised cost (FL AC).

Financial assets and financial liabilities are normally reported on a gross basis. They are only reported on a net basis if there is at presence a right of offset and an intent to settle on a net basis.

10. Derivative financial instruments

The Group uses derivative financial instruments to minimise interest rate and commodity price risks resulting from operational business and financial transactions. Derivatives are measured at fair value and disclosed in the balance sheet as other current assets or other current liabilities.

11. Fair value estimation of financial instruments

The fair value of financial instruments traded in active markets (such as publicly traded derivatives and securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets is the current bid price, for financial liabilities the current asking price.

The fair value of financial instruments that are not traded in an active market is determined by using appropriate valuation techniques, e.g. comparison with similar at arm's length transactions, valuation using the discounted cash flow method or other established valuation methods.

Financial instruments measured at fair value are disclosed under the following hierarchy:

- Level 1 – quoted prices in active markets for identical assets or liabilities.
- Level 2 – inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (derived from prices).
- Level 3 – unobservable market data.



12. Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with post and banks, other short-term highly liquid investments with original maturities not exceeding three months. Cash and cash equivalents are subject to the impairment provisions of IFRS 9, but as the expected losses are completely insignificant, no impairment losses have been recognised.

13. Receivables and contract assets

Accounts receivable and other current assets are measured at amortised cost using the effective interest method, less provision for impairment. Accounts receivable and contract assets are regularly monitored and expected credit defaults assessed. The expected losses are estimated as part of the determination of specific allowances. The assessment is based both on historical experience and on current circumstances, as well as on forward-looking information. This includes an assessment of the expected business and economic conditions as well as the future financial performance of the contracting party. Collateral received is taken into account when calculating the provision for impairment. Impairment losses on receivables are recognised using an allowance account.

14. Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average cost method based on normal operating capacity. It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Claimed cash discounts are treated as a reduction of cost. Items with a low turnover rate are depreciated and obsolete items are fully written off.

15. Assets held for sale and associated liabilities

Non-current assets or a disposal group held for sale and liabilities associated with assets held for sale are classified as such if their carrying amount will be recovered principally through a sale transaction, not through continuing use. For this to be the case, the successful sale must be highly probable, an active search for a buyer is taking place and the asset must be available for immediate sale in its present condition. For the sale to be highly probable, management must be committed to a plan to sell the asset, the offer price of the asset is reasonable in relation to its current fair value and the sale is expected to be completed within one year. The assets are stated at the lower of carrying amount and fair value less costs to sell. Potential impairments are directly recorded within the income statement. Starting from the date of reclassification to this category, depreciation is ceased.

16. Discontinued operations

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale and represents a separate major line of business or geographical area of operations. Such a component comprises operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the entity. The classification as discontinued operations occurs on the disposal of the operation or at an earlier point in time, provided the operation meets the criteria for the classification as held for sale. Discontinued operations are disclosed separately in the income statement and previous comparative periods are restated accordingly. However previous year's balance sheet is not restated.

17. Property, plant and equipment

Land is stated at cost. Buildings, plant, machinery and other equipment are stated at cost less depreciation. Depreciation is calculated using the straight-line method based on estimated useful lives as stipulated under note 21.

Impairments (see also note 20) are separately disclosed under accumulated depreciation. Repair and maintenance costs are expensed.



18. Investment property

Investment property, principally comprising land and buildings, is held for long-term rental yields or appreciation and only an insignificant portion is used for operational purposes. Investment property is carried at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated using the straight-line method.

The fair value of investment property, which is required for disclosure purposes, is determined using the discounted cash flow method. Based on attainable net rental income (gross rental income minus operating costs and future refurbishment costs), the discounted cash flows are calculated for the next 10 years with a residual value for the time thereafter. The fair value of undeveloped land is determined by considering current local market conditions.

19. Intangible assets

Intangible assets include goodwill, which represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary including contingent liabilities at the date of acquisition. Goodwill is seen as an intangible asset with an indefinite useful life. Impairment on goodwill (see note 20) is separately disclosed under accumulated impairment losses.

Intangible assets comprise computer software and licenses at costs incurred. They are measured at cost less accumulated amortisation, calculated using the straight-line method based on estimated useful lives as stipulated under note 21.

Intangible assets acquired in a business combination (brands, patents, technologies, client relationships, distribution channels, etc.) are carried at fair value less accumulated amortisation, calculated using the straight-line method based on estimated useful lives as stipulated under note 21.

Expenses relating to research activities are directly charged to the income statement in the period in which they are incurred. Development costs are capitalised at acquisition cost or production cost and reported under intangible assets if all criteria under IAS 38 have been met on a cumulative basis, including evidence of technical and economic feasibility, evidence of expected future economic benefit and attributability of costs and their reliable valuation. They are amortised over the expected useful life on the basis specified in note 21. Development costs not meeting the criteria under IAS 38 are directly charged to the income statement in the period in which they are incurred.

20. Impairment of assets

The recoverability of property, plant and equipment, right-of-use assets, investment properties, goodwill and other intangible assets is reviewed whenever events or changes in circumstances indicate that the carrying amounts may be overstated. Intangible assets that have an indefinite useful life, such as goodwill, are tested annually for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of its fair value less costs to sell and its value in use. The value in use is based on discounted future cash flows. The applied discount rate is a pre-tax rate using the weighted average cost of capital (WACC) method. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units – CGU).



21. Estimated useful lives

Asset categories	main category	Useful lives (in years)
Office buildings	Land and buildings	35–60
Factory buildings	Land and buildings	25–40
Investment properties – buildings	Investment property - buildings	25–50
Production machinery	Plant and machinery	8–20
Transport and storage equipment	Plant and machinery	8–15
Tools and moulds	Plant and machinery	5
IT-hardware	Plant and machinery	up to 5
Vehicles	Other equipment	5–10
Office furniture and equipment	Other equipment	up to 5
Software/-licenses	Software/-licenses	up to 8
Capitalised development costs	Other intangible assets	up to 5
Other intangible assets	Other intangible assets	up to 5
Intangible assets from business combinations		
– Customer relationships	Customer relationships	7–20
– Brands, technologies	Brands, Technologies	10–20
– Distribution channels	Other intangible assets from business combinations	10–20
– Order backlog	Other intangible assets from business combinations	up to 2

Land is not systematically depreciated.

22. Provisions

Provisions are recognised only when Arbonia has a present legal or constructive obligation as a result of past events, the amount has been reliably estimated and it is more likely than not that an outflow of resources will be required to settle the obligation.

Provisions for restructuring are only recognised when costs for such a programme can be reliably estimated by virtue of a detailed formal plan and Arbonia has a legal or constructive obligation or has raised a valid expectation in those affected.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in provision due to passage of time is recognised as interest expense.

23. Employee benefit obligations

Arbonia manages various pension plans within Switzerland and abroad. The plans are funded through payments to trustee-administered funds or insurance companies or are unfunded arrangements.

Based on their characteristics the pension plans qualify under IAS 19 as defined benefit plans.

The liability recognised in the balance sheet to pay future retirement benefits is determined using the projected unit credit method, which is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. If the fair value of plan assets exceeds the present value of the defined benefit obligation, a pension surplus will only be recognised taking the asset ceiling into account. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality bonds. Actuarial valuations are carried out on a regular basis by independent actuaries. Components of defined benefit costs are service cost, net interest result and remeasurement of pension obligations. Service cost includes the increase in current service cost, past service cost (plan amendments or curtailments) and settlements and is reported under personnel expenses. The net interest result is calculated on the net amount of the defined benefit obligation and plan assets using the discount rate and is reported in the financial result. The remeasurement of pension benefit obligations include actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions and is recognised immediately in the statement of comprehensive income in other comprehensive income. Likewise, this position includes the return on plan assets (without interest income) and asset ceiling effects.



24. Financial debts

Current and non-current financial debts consist of promissory note loans, syndicated loans, bank loans and mortgages. Financial debts are initially recognised at fair value, net of transaction costs incurred. They are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the financial debt, using the effective interest method.

25. Leases

The lease liability is initially measured at the present value of future lease payments during the non-cancellable period of the lease. Arbonia uses incremental borrowing rates as discount rates. On initial measurement, the right-of-use asset corresponds to the lease liability plus any dismantling costs, initial direct costs and advance payments. The right-of-use asset is depreciated on a straight-line basis over the shorter of the useful life and the lease term. If it is intended to exercise a purchase option at the end of the contract period, the asset is depreciated over its useful life.

If the expected lease payments change, e.g. in the case of payments based on an index or due to new estimates regarding contractual options, the lease liability is remeasured and adjusted against the right-of-use asset.

Arbonia uses the optional exemption not to recognise short-term and low-value leases in the balance sheet, but to recognise the corresponding lease payments as an expense on a straight-line basis over the lease term.

26. Deferred income tax

Deferred taxes are recognised using the liability method. In accordance with this method, the income tax effects of temporary differences between the intra-group and tax balance sheet values are recognised as non-current liabilities or non-current assets. Deferred income tax is determined using tax rates that have been enacted by the balance sheet date. Deferred taxes on temporary differences are not recognised for (1) goodwill that is not deductible for tax purposes, (2) transactions resulting from the initial recognition of assets or liabilities that affect neither the taxable profit nor the profit for the year and do not result from business combinations, and (3) investments in subsidiaries, provided that the timing of the reversal can be controlled by Arbonia and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets including unused tax loss carryforwards are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

The book value of capitalised deferred income tax assets is assessed for impairment at each balance sheet date and a loss is recognised in case of insufficient future taxable profit.

27. Share based payment

Members of the Board of Directors and Group Management as well as certain employees participate in a share based payment plan. The fair value of the equity compensation instruments granted to employees is estimated at the grant date and recorded over the service period to the income statement as personnel expenses with a corresponding offsetting entry to equity.

28. Shareholders' equity

The share premium relates to the Company going public back in 1988 and the capital increases in 2007, 2009, 2015, 2016 and 2017 reduced by previous distributions. Retained earnings include also remeasurements of employee benefit obligations.

Treasury shares are deducted from shareholders' equity. The cost of these treasury shares and the consideration received from the sale of these instruments (net of transaction cost and taxes) are recorded directly in shareholders' equity.

The other reserves include currency effects due to the translation of the financial statements of foreign Group companies and on intercompany loans of an equity nature. In 2024, the valuation of the Deal Contingent Forward (incl. cost of hedging) concluded in the reporting year is also included in other reserves.



29. Income statement

Net revenue

With its Wood Solutions Business Unit, the Doors Division generates its sales by selling interior and functional doors in a wide variety of designs and configurations. In the area of Glass Solutions, the division generates its sales through the sale of shower areas, shower enclosures and shower stalls for individual bathroom situations.

Contracts within the Business Unit Glass Solutions may include several different products which qualify as separate performance obligations. The performance obligation is generally fulfilled when the customer has received delivery. The individual products of a contract are delivered at the same time. It is therefore not necessary to allocate the transaction price to the individual performance obligations. At the time of delivery the invoice is issued and hence a recognition of a contract asset is not required. Revenue is therefore recognized at a point in time.

In the short-term series production (resale/ commercial business) of the Wood Solutions business, the transactions always consist of one single performance obligation. The performance obligation is fulfilled when the customer has received the delivery. As a result of that, an invoice is issued and hence recognition of a contract asset is not required.

The variable considerations can be reliably measured at the time the performance obligation is fulfilled and are taken into account as sales deductions. Payment periods customary in the industry are granted unless special payment periods have been agreed. There is therefore no financing component.

In addition to short-term series production, the Wood Solutions Business Unit of the Doors Division is also active in the project business. The project business is characterised by long-term contracts which partially have a duration of over one year. The products are made to measure, have no alternative use, Arbonia has an enforceable right to payment and the orders therefore fulfil the criteria for revenue recognition over time. The performance obligation is progressively satisfied over the period of the provided services (planning, production, assembly, acceptance) using the cost-to-cost method. Under the cost-to-cost method, the stage of completion is measured based on the ratio of costs incurred to date to the total budgeted costs. Revenue is recognised in proportion to the contract costs incurred. Therefore, revenue is recognised over the term of a contract. The allocation of the transaction price to separate performance obligations is not required because of the existence of only one performance obligation in the project business. Variable considerations such as discounts or construction rebates which can be measured reliably are deducted from the transaction price at the beginning of the contract term. In this way, these revenue reductions can be realised proportionally to the revenue recognition over the contract term. For reasons of materiality, it is not necessary to adjust the consideration for the time value of money or to

measure non-cash consideration. If revenue is recognised as mentioned before, but the expected amount of consideration has not yet been invoiced, then a contract asset is recognised due to the conditional right to consideration. Accounts receivable from project business are recognised when the right to the consideration becomes unconditional. The right becomes unconditional when an acceptance protocol is signed and accordingly the invoice is issued to the customer. Payment periods customary in the industry are granted unless special payment periods have been agreed. The contract liability relates to contracts whose partial payments exceed the stage of completion or the revenue already recognised respectively, on a net contract-by-contract basis. Contract liabilities are recognised as revenue when the contractual performance obligation has been satisfied. Based on the analysed order durations, there are no significant financing components. The treatment of loss-making contracts occurs regardless of the stage of completion by recognising a provision amounting to the total contract loss resulting from the total budgeted costs not covered by the total amount of the transaction price.

Net revenues are reported net of sales or value-added taxes and are shown net of sales deductions.

If significant costs are incurred in the course of initiating or fulfilling a contract with a customer, these are capitalised.

The assessment of right of return, refund and similar obligations is not necessary as they do not constitute an integral part of Arbonia's business.

Revenues from contracts with customers are broken down by category in the segment reporting. Segment reporting also shows a breakdown of revenues recognised at a point in time and satisfied over time.



Other operating income

Other operating income is recognised when the service has been rendered and comprises amongst others proceeds from the sale of scrap metal, service income, rental income, insurance benefits and gains on the sale of property, plant and equipment and investment property.

EBITDA

EBITDA shows earnings before financial results, tax, depreciation and amortisation on non-current assets.

EBITA

EBITA shows earnings before financial results, tax and amortisation of intangible assets from acquisitions.

EBIT

EBIT shows earnings before financial results and tax.

Financial income

Financial income comprises amongst others interest income, minority share from associated companies and foreign exchange gains. Interest income is recognised on a time-proportion basis using the effective interest method. Foreign exchange gains and losses are shown on a net basis.

Financial expenses

Financial expenses primarily include interest expenses, minority share from associated companies, bank charges and foreign exchange losses. Interest expenses are recognised using the effective interest method.



30. Significant accounting judgments, estimates and assumptions

All estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Arbonia makes judgments, estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, not always equal the related actual results. The judgments, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Revenue recognition

In project business, sales are realised over a period of time. Arbonia determines the stage of completion by using the cost-to-cost method. In Arbonia's opinion, this method best depicts the transfer of control of the products to the customer. Under the cost-to-cost method, the stage of completion is measured based on the ratio of costs incurred to date to the total budgeted costs. Changes due to post calculations and actively managed project controlling are taken into account when determining the stage of completion. Such changes in estimates are recognised prospectively. Revenue is recognised proportionally as costs are incurred. If the expected margin cannot be measured reliably, then revenue is recognised only in the amount of costs incurred.

Inventory provision

In order to determine the adequacy of the inventory provision, factors such as expected sales prices, inventory turnover and coverage days of inventory are considered. As of 31 December 2024, the carrying amount of inventory was at CHF 75.8 million. Therein a provision for inventories of CHF 6.1 million is included. A falling market demand or falling sales prices could lead to additional provisions needed. For further information on the inventory provision, see note 34.

Useful lives for property, plant and equipment

Arbonia has a significant amount of its assets invested in property, plant and equipment. As of 31 December 2024, the carrying amount of property, plant and equipment totalled CHF 432.2 million. At the time of the purchase useful lives for such assets are based on estimates, as technical obsolescence or competition could lead to shorter useful lives than initially anticipated. Therefore the determination of useful lives is based on stringent standards and thereafter continuously reviewed and if necessary adjusted. A change in estimate could impact the level of future depreciation charges. For further information on property, plant and equipment, see note 37.

Estimated impairment of goodwill

As of 31 December 2024, the carrying amount of goodwill was at CHF 189.8 million. Arbonia tests at least annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 20. The recoverable amounts of cash-generating units have been determined based on value in use calculations. These calculations require the use of estimates such as expected future cash flows, margins, discount rates and growth rates. These estimates could change or differ from the actual outcome and therefore lead to additional impairments. For further information on goodwill, see note 40.

Intangible assets acquired in a business combination

Brands, technologies, client relationships and distribution channels are amortised over their estimated useful lives. At initial recognition, assumptions and estimates must be made about the expected cash flows such as sales prices, margins, discount rates, attrition rates of clients and technological development which of course are exposed to some uncertainties. As of 31 December 2024, the carrying amount of intangible assets acquired in a business combination amounted to CHF 119.0 million. For further information on such acquired intangible assets, see note 40.

Provisions

Provisions are recognised based on the criteria as set out under note 22. As of 31 December 2024, the carrying amount of the provisions totalled CHF 8.0 million. In estimating the amount of provision, assumptions are used and depending on the outcome of the various business transactions, the actual cash outflow and its timing could significantly differ from the booked provision. For further information on provisions, see note 45.

Employee benefit obligations

Employee benefit obligations for defined benefit plans are based on actuarial valuations, which use statistical calculations and actuarial assumptions (see note 23). Such assumptions include amongst others future salary and pension increases, probable turnover rates as well as life expectancy of plan participants. The assumptions underlying these calculations are dependent on a number of prospective factors, therefore actual results could significantly differ from the original valuations and as a consequence impact the carrying amount of capitalised pension surplus and employee benefit obligation. As of 31 December 2024, the overfunding amounted to CHF 14.3 million, thereof CHF 27.2 million recorded in the balance sheet as capitalised pension surplus and CHF 13.0 million as employee benefit obligation. For further information on employee benefit obligation, see note 47.



Income taxes

Arbonia is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the worldwide liability for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Arbonia recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will become due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax in the period in which such determination is made. Deferred tax assets, including those on tax loss carryforwards and expected tax credits, are only recognised if it is probable that they can be used by future taxable profits. The assessment of the recoverability of those deferred tax assets is therefore based on estimates, which could differ from actual results and consequently lead to valuation allowances. As of 31 December 2024, the carrying amount of deferred tax assets before offsetting totalled CHF 35.5 million. For further information on income taxes, see notes 46 and 52.



C Explanation to certain positions of the consolidated financial statements

31. Segment information

On 18 April 2024, a contract was signed between Arbonia and Midea Electrics Netherlands B.V., a company of Midea Group for the sale of the Climate business. The location in Russia included in the Climate segment (AFG RUS) is not part of this transaction. Several expressions of interest and concrete offers for the sale of AFG RUS have also been received. The sale of AFG RUS is considered highly probable as per 31 December 2024. In line with internal management reporting, the Climate segment is no longer included in the segment information. The segment information of the previous year was restated accordingly.

With this sales transaction, Arbonia will focus on its doors business in future, which will remain as the only reportable business segment. A non-operating property in the Netherlands (Brugman Radiatorenfabriek BV), included in the Climate business, is not part of the transaction and will remain with Arbonia. These activities are allocated to Corporate Services in the segment information. This position also includes Corporate Services, which consists of service, finance, real estate and investment companies and provides services almost entirely to Group companies.

For the monitoring and assessment of the financial performance, EBITDA, EBITA and EBIT are pivotal key measures. However, Group Management and the Board of Directors also are provided with financial data down to the line item «result after income tax» by operating segment. The segments apply the same accounting policies as the Group. Purchases, sales and services between segments are entered into under normal commercial terms and conditions that would also be available to unrelated third parties. Income and expenses between segments are eliminated on consolidation and disclosed in «Eliminations».

Segment assets and liabilities include all assets, liabilities and intercompany transactions. Goodwill has been allocated to the respective segments.

Doors Division

With its Wood Solutions Business Unit and the associated companies Prüm, Garant, Invado, RWD Schlatter, Joro, Dimoldura and Lignis the Doors Division is one of Europe's leading suppliers of interior doors and wood frames. In its domestic markets, the business unit offers its customers a comprehensive product range from standard doors to complex functional doors. With the Glass Solutions Business Unit and the well-known brands Kermi, Koralle and Baduscho, the Doors Division is also the European market leader with shower solutions for all generations and lifestyles. Of the seventeen production sites of the Doors Division, seven are located in Germany, two in Switzerland, one in Poland, four in Spain, one in France, one in Portugal and one in the Czech Republic.

Corporate Services

Corporate Services mainly consists of service, finance, real estate and investment companies. These companies provide their services across divisions and almost entirely to Group companies.



in 1 000 CHF					2024
	Doors	Total reportable segments	Corporate Services	Eliminations	Total Group
Sales with third parties at point in time	496 581	496 581	2 539		499 120
Sales with third parties over time	57 188	57 188			57 188
Net revenues	553 769	553 769	2 539		556 308
Segment results I (EBITDA)	48 573	48 573	17 698		66 271
<i>in % of net revenues</i>	8.8	8.8			11.9
Depreciation and amortisation	– 31 254	– 31 254	– 2 111		– 33 365
Reversal of impairment on property, plant and equipment			37		37
Segment results II (EBITA)	17 319	17 319	15 624		32 943
<i>in % of net revenues</i>	3.1	3.1			5.9
Amortisation of intangible assets from acquisitions	– 16 032	– 16 032			– 16 032
Segment results III (EBIT)	1 288	1 288	15 624		16 912
<i>in % of net revenues</i>	0.2	0.2			3.0
Interest income	659	659	19 780	– 19 915	524
Interest expenses	– 21 609	– 21 609	– 10 308	19 879	– 12 038
Minority share from associated companies	224	224			224
Other financial result	– 2 651	– 2 651	9 180	– 4 003	2 526
Result before income tax	– 22 089	– 22 089	34 276	– 4 039	8 148
Income tax expense	5 718	5 718	– 11 118		– 5 400
Result after income tax	– 16 371	– 16 371	23 158	– 4 039	2 748
Average number of employees	3 447	3 447	88		3 535
Total assets	983 639	983 639	1 044 750	– 974 661	1 053 728
thereof associated companies	23 030	23 030			23 030
Total liabilities	575 969	575 969	367 487	– 401 968	541 488
Purchases of property, plant and equipment, right-of-use assets, investment properties and intangible assets	52 399	52 399	703		53 102



in 1 000 CHF					2023 restated ¹
	Doors	Total reportable segments	Corporate Services	Elimina- tions	Total Group
Sales with third parties at point in time	439 489	439 489	3 065		442 554
Sales with third parties over time	62 051	62 051			62 051
Sales with other segments	23	23		– 23	
Net revenues	501 563	501 563	3 065	– 23	504 605
Segment results I (EBITDA)	39 138	39 138	– 7 288	36	31 886
<i>in % of net revenues</i>	<i>7.8</i>	<i>7.8</i>			<i>6.3</i>
Depreciation and amortisation	– 26 528	– 26 528	– 2 465		– 28 993
Segment results II (EBITA)	12 610	12 610	– 9 753	36	2 893
<i>in % of net revenues</i>	<i>2.5</i>	<i>2.5</i>			<i>0.6</i>
Amortisation of intangible assets from acquisitions	– 11 600	– 11 600			– 11 600
Segment results III (EBIT)	1 010	1 010	– 9 753	36	– 8 707
<i>in % of net revenues</i>	<i>0.2</i>	<i>0.2</i>			<i>– 1.7</i>
Interest income	272	272	16 923	– 16 893	302
Interest expenses	– 17 302	– 17 302	– 7 915	16 940	– 8 277
Minority share from associated companies	– 674	– 674			– 674
Other financial result	– 2 806	– 2 806	6 957	– 10 669	– 6 518
Result before income tax	– 19 500	– 19 500	6 211	– 10 586	– 23 874
Income tax expense	4 714	4 714	5 068		9 782
Result after income tax	– 14 786	– 14 786	11 280	– 10 586	– 14 092
Average number of employees	3 025	3 025	101		3 126
Total assets	795 422	795 422	905 254	– 837 910	862 766
thereof associated companies	22 497	22 497			22 497
Total liabilities	471 664	471 664	245 550	– 350 800	366 414
Purchases of property, plant and equipment, right-of-use assets, investment properties and intangible assets	58 993	58 993	1 846		60 839

¹ see note 36



Information about geographical areas

in 1 000 CHF				2024
	Switzerland	Germany	Other Countries	Total
Net revenues	110 768	298 289	147 251	556 308
Property, plant and equipment, right-of-use assets, investment properties, intangible assets and goodwill	103 771	516 029	188 325	808 125

in 1 000 CHF				2023
	Switzerland	Germany	Other Countries	Total
Net revenues	118 780	309 043	76 782	504 605
Property, plant and equipment, right-of-use assets, investment properties, intangible assets and goodwill	115 367	483 608	60 281	659 256

Major customers

Arbonia has no customer who generates more than 10% of the Group's net revenues (see also paragraph credit default risk in note 53).

32. Cash and cash equivalents

Cash and cash equivalents are denominated in the following currencies:

in 1 000 CHF	31/ 12/ 2024	31/ 12/ 2023
CHF	7 051	4 793
EUR	12 680	9 496
PLN	1 298	1 530
CZK	2 373	1 200
Other currencies	237	141
Total	23 639	17 160

33. Accounts receivable / contract balances

Accounts receivable

in 1 000 CHF	31/ 12/ 2024	31/ 12/ 2023
Accounts receivable	49 929	53 554
Allowance for accounts receivable	– 3 857	– 3 513
Total	46 072	50 041
thereof accounts receivable project business	6 656	18 316

The allowance for accounts receivable includes expected credit losses and cash discounts.



The ageing analysis is as follows:

in 1 000 CHF	31/ 12/ 2024	31/ 12/ 2023
Not yet due	40 574	43 601
Overdue up to 30 days	3 911	4 513
Overdue more than 30, less than 60 days	128	1 096
Overdue more than 60, less than 90 days	179	363
Overdue more than 90, less than 180 days	901	351
Overdue more than 180, less than 360 days	188	139
Overdue more than 360 days	193	– 22
Total accounts receivable, net	46 072	50 041

Outstanding accounts receivable amounting to CHF 19.3 million (2023: CHF 12.7 million) were secured and mainly consist of credit insurances. No allowances are made on the secured receivables.

The expected credit losses on accounts receivable developed as follows:

in 1 000 CHF	2024	2023
Balance at 01/ 01	– 1 886	– 3 892
Foreign exchange differences	6	106
Changes in scope of consolidation	– 362	– 82
Additional allowances	– 184	– 1 049
Used during year	191	540
Unused amounts reversed	155	319
Reclassification to assets held for sale		2 172
Balance at 31/ 12	– 2 080	– 1 886

Contract balance

in 1 000 CHF	31/ 12/ 2024	31/ 12/ 2023
Contract assets project business	11 417	7 068
Total contract assets	11 417	7 068
Contract liabilities project business	4 115	6 413
Other advance payments by customers	1 430	1 522
Total contract liabilities	5 545	7 935

The contract balances project business result from Arbonia's longer-term contracts. Revenues recognised over the term of a contract are shown as contract assets. Contract assets are presented on a net contract-by-contract basis, e.g. less the received partial payments. As soon as the acceptance protocol is signed, the final invoice is issued and the items are transferred to accounts receivable. The movement in the contract assets is as follows:

in 1 000 CHF	2024	2023
Balance at 01/ 01	7 068	18 822
Foreign exchange differences		– 43
Reclassification of contract assets existing at the beginning of the period to accounts receivable	– 1 134	– 15 776
Revenue recognition on projects in progress as of the balance sheet date based on percentage of completion	23 675	5 811
Offset against contract liabilities due to partial payments received	– 18 192	– 882
Reclassification to assets held for sale		– 864
Balance at 31/ 12	11 417	7 068



The contract liabilities project business relate to contracts whose partial payments exceed the stage of completion. Contract liabilities are recognised as revenue when the contractual performance obligation has been satisfied. The movement in the contract liabilities project business is as follows:

in 1 000 CHF	2024	2023
Balance at 01/ 01	6 413	6 592
Foreign exchange differences		– 288
Revenue recognised from amounts included in the contract liabilities at the beginning of the period	– 4 857	– 3 516
Partial payments received for projects in progress at the balance sheet date	20 751	10 528
Offset against contract assets	– 18 192	– 882
Reclassification to assets held for sale		– 6 021
Balance at 31/ 12	4 115	6 413

In 2024, there were no known default risks and therefore no need for specific allowances on contract assets. The expected credit losses are estimated to be insignificant and therefore no allowance was made.

There have been no general changes in the timeframe until an enforceable right for consideration or a performance obligation is fulfilled.

The expected revenues to be recognised on the current order backlog are as follows:

in 1 000 CHF	within 1 year	in 1-2 years	after 2 years
Revenues expected to be recognised on uncompleted order backlog as at 31/ 12/ 2024	30 722	2 097	3 940
Revenues expected to be recognised on uncompleted order backlog as at 31/ 12/ 2023	21 331	1 419	

These amounts only include contracts of project business with an expected original duration of more than one year.

34. Inventories

in 1 000 CHF	31/ 12/ 2024	31/ 12/ 2023
Raw material and supplies	42 259	29 264
Semi-finished and finished goods	31 425	24 156
Goods purchased for resale	2 074	1 872
Prepayments	21	123
Total	75 779	55 415

A provision of CHF 6.1 million (2023: CHF 6.1 million) has been provided for obsolete and slow-moving items and is deducted from inventories. 2024 and 2023, there are no material inventories written down to the net realisable value and no material write-downs to net realisable value were recorded.

35. Financial assets

in 1 000 CHF	31/ 12/ 2024	31/ 12/ 2023
Investments in associated companies > 20 % < 50 %	23 030	22 497
Other financial assets	578	18
Total	23 608	22 515

In November 2023, Arbonia further increased its shares in the German KIWI-KI GmbH, DE-Berlin, and now holds 49.9% of the company. The purchase price amounted to CHF 1.8 million. In the cash flow statement 2023, the cash outflow is included in the position issuance of financial assets.

In April 2023, Arbonia acquired 17.2% of the German Griffwerk GmbH, DE-Blaustein. The purchase price was CHF 12.2 million and was paid almost exclusively in Arbonia shares.

Although Arbonia holds less than 20% of the ownership interest and voting control of Griffwerk, Arbonia has the ability to exercise significant influence. This influence results, among other things, from the shareholding, the active participation of the representatives provided by Arbonia in the shareholders' meeting and in the advisory board of Griffwerk as well as from the cooperation agreement concluded with Griffwerk. The investment in Griffwerk is consequently valued using the equity method.



Associated companies

in 1 000 CHF	2024	2023
Balance at 01/ 01	22 497	10 457
Foreign exchange differences	309	– 1 320
Increase of investment		14 034
Minority share from associated companies	224	– 674
Balance at 31/ 12	23 030	22 497

Subsequently, the financial information of the associated companies are disclosed in condensed form.

Associated companies – Balance sheet

in 1 000 CHF	31/ 12/ 2024	31/ 12/ 2023
Current assets	35 833	40 007
Non-current assets	3 387	3 378
Total assets	39 221	43 384
Current liabilities	9 187	7 480
Shareholders' equity	30 034	35 904
Total liabilities and shareholders' equity	39 221	43 384

Associated companies - Income statement

in 1 000 CHF	2024	2023
Net revenues	36 648	25 122
Results after taxes	4 741	2 358

Business transactions with associated companies

in 1 000 CHF	2024	2023
Sale of goods and services	395	299
Purchase of goods and services	308	33

36. Non-current assets held for sale and discontinued operations

On 18 April 2024, a contract was signed between Arbonia and Midea Electrics Netherlands B.V., a company of Midea Group for the sale of the Climate business. The location in Russia included in the Climate segment (AFG RUS) is not part of this transaction. Several expressions of interest and concrete offers for the sale of AFG RUS have also been received. The sale of AFG RUS is considered highly probable as per 31 December 2024. A non-operating property in the Netherlands (Brugman Radiatorenfabriek BV), included in the Climate business, is not part of the transaction and will remain with Arbonia. In accordance with IFRS 5, Arbonia reports the Climate Division, with the exception of Brugman Radiatorenfabriek BV, as discontinued operations. The Climate business was already recognised as discontinued operation in the 2023 consolidated financial statements. The prior-year figures in the income statement have been adjusted to the effect that the continuing operations of Brugman Radiatorenfabriek BV have been allocated to continuing operations. In the consolidated balance sheet as of 31 December 2024, assets and liabilities of the discontinued operations Climate are disclosed in the respective held for sale asset and liability positions. Previous year's figures in the balance sheet were not adjusted.

Assets held for sale and discontinued operations

in 1 000 CHF	31/ 12/ 2024	31/ 12/ 2023
Cash and cash equivalents	15 572	13 756
Receivables and other assets	102 399	79 927
Inventories and contract assets	131 121	129 055
Deferred expenses	1 862	1 276
Financial assets	627	407
Property, plant and equipment and right-of-use assets	284 995	288 064
Investment property		4 095
Intangible assets and goodwill	98 163	92 215
Deferred income tax assets	3 584	3 812
Capitalised pension surplus	8 131	7 205
Total	646 453	619 812



Liabilities associated with assets held for sale and discontinued operations

in 1 000 CHF	31/ 12/ 2024	31/ 12/ 2023
Liabilities	96 802	78 108
Financial debts and lease liabilities	21 750	22 174
Accruals and deferred income	26 562	24 842
Provisions	8 103	17 485
Deferred income tax liabilities	27 528	19 572
Employee benefit obligations	31 530	33 012
Total	212 275	195 193

Result from discontinued operations

in 1 000 CHF	2024	2023 restated
Net revenues	563 156	585 289
Other operating income and capitalised own services	14 841	12 040
Changes in inventories of semi-finished and finished goods	2 987	– 7 547
Cost of material and goods	– 280 655	– 294 942
Personnel expenses	– 160 647	– 163 652
Other operating expenses	– 95 934	– 89 989
EBITDA	43 748	41 199
Depreciation, amortisation and impairments	– 22 758	– 31 810
Amortisation of intangible assets from acquisitions		– 5 410
EBIT	20 991	3 979
Financial result	– 4 999	– 3 580
Result from discontinued operations before income tax	15 992	399
Income tax expense	– 10 461	– 3 520
Result from discontinued operations	5 531	– 3 120

The results for the reporting period 2024 includes currently incurred sales costs for the disposal of the Climate Division of CHF 3.3 million (2023: CHF 1.4 million).

The revaluation of assets held for sale and adjustment to the lower of carrying amount and fair value less costs to sell of AFG RUS resulted in impairments on property, plant and equipment in the amount of CHF 21.1 million in the reporting period 2024.

In the consolidated cash flow statement, the cash flows from the discontinued operations are included, however, subsequently condensed and shown separately below.

Cash flow from discontinued operations

in 1 000 CHF	2024	2023
Cash flows from operating activities	3 943	48 259
Cash flows from investing activities	– 24 187	– 33 674
Cash flows from financing activities	– 7 069	– 6 570

As per 31 December 2024, other comprehensive income includes cumulative expenses in connection with discontinued operations totalling around CHF 78 million (2023: CHF 82 million).



37. Property, plant and equipment

in 1 000 CHF	Land and buildings	Plant and machinery	Other equipment	Prepayments and assets under construction	Total
Net book value at 01/ 01/ 2023	273 416	218 220	16 914	166 471	675 021
Cost					
Balance at 01/ 01/ 2023	392 754	441 475	49 703	166 647	1 050 578
Foreign exchange differences	– 25 105	– 34 584	– 2 880	– 8 879	– 71 448
Change in scope of consolidation	2 984	361	71		3 416
Additions	10 413	10 318	4 340	52 507	77 578
Disposals	– 84	– 11 217	– 2 238	– 105	– 13 644
Reclassification to/ from assets held for sale	– 230 828	– 278 499	– 27 678	– 14 822	– 551 827
Reclassifications	32 615	41 423	– 1 347	– 75 185	– 2 494
Balance at 31/ 12/ 2023	182 749	169 277	19 971	120 163	492 159
Foreign exchange differences	1 101	1 775	176	1 743	4 795
Change in scope of consolidation	9 587	5 605	509	723	16 424
Additions	780	6 786	1 254	26 896	35 716
Disposals	– 14	– 4 205	– 822	– 56	– 5 097
Reclassification to/ from assets held for sale	24 835	– 2 517	– 5 418	– 2 126	14 773
Reclassifications	4 207	31 859	106	– 35 987	185
Balance at 31/ 12/ 2024	223 245	208 580	15 776	111 356	558 956



in 1 000 CHF	Land and buildings	Plant and machinery	Other equipment	Prepayments and assets under construction	Total
Accumulated depreciation					
Balance at 01/ 01/ 2023	119 337	223 255	32 789	176	375 557
Foreign exchange differences	– 7 768	– 18 487	– 1 982		– 28 237
Depreciation	10 853	29 894	4 706		45 453
Impairment		1 232			1 232
Reversal of impairment		– 167			– 167
Disposals	– 38	– 11 053	– 2 065		– 13 156
Reclassification to/ from assets held for sale	– 96 497	– 167 007	– 18 285	– 227	– 282 016
Reclassifications		1 497	– 1 195	51	353
Balance at 31/ 12/ 2023	25 887	59 164	13 968		99 019
Foreign exchange differences	76	648	136		860
Depreciation	6 505	17 314	1 654		25 473
Reversal of impairment		– 37			– 37
Disposals		– 4 155	– 712		– 4 867
Reclassification to/ from assets held for sale	12 268	– 1 923	– 4 154		6 191
Reclassifications		85	27		112
Balance at 31/ 12/ 2024	44 736	71 097	10 918		126 751
Net book value at 31/ 12/ 2023	156 861	110 113	6 003	120 163	393 140
Net book value at 31/ 12/ 2024	178 508	137 483	4 857	111 356	432 204

The group entity Kermi GmbH was active for both the Doors Division (Glass Solutions) and the Climate Division. Due to the planned sale of the Climate Division, the Glass Solutions segment was carved out in 2024. The carve-out and the final contract negotiations with the buyer led to adjustments in the allocation of assets between continuing and discontinued operations. These shifts are recognised as reclassification to assets held for sale. The reclassification in land and buildings relates to the transfer of the land and factory building in Plattling to the Glass Solutions segment.

No borrowing costs were capitalised in 2024 and 2023.

Capital commitments

As of the balance sheet date, Arbonia had entered into the following capital commitments for the purchase of property, plant and equipment and intangible assets:

in 1 000 CHF	31/ 12/ 2024	31/ 12/ 2023
Property, plant and equipment	13 132	22 443
Intangible assets	247	
Total	13 379	22 443

Land and buildings amounting to CHF 37.6 million (2023: CHF 37.1 million) are pledged to secure mortgages, which are fully attributable to discontinued operations.



38. Leasing

Arbonia leases various assets, including buildings, machinery, vehicles, tools and IT equipment. The lease conditions are negotiated individually and contain a variety of different conditions. The rights-of-use assets in connection with these leases are as follows:

in 1 000 CHF	Right-of-use buildings	Right-of-use plant and machinery	Right-of-use other equipment	Total
Net book value at 01/ 01/ 2023	15 297	3 054	5 655	24 006
Cost				
Balance at 01/ 01/ 2023	24 164	5 419	13 881	43 464
Foreign exchange differences	– 1 541	– 454	– 702	– 2 697
Change in scope of consolidation	33		133	166
Additions	5 031	1 086	4 254	10 371
Disposals and remeasurements	735	– 279	– 3 815	– 3 359
Reclassification to/ from assets held for sale	– 19 358	– 4 617	– 8 728	– 32 703
Reclassifications			– 680	– 680
Balance at 31/ 12/ 2023	9 064	1 155	4 343	14 562
Foreign exchange differences	– 198	– 59	33	– 224
Change in scope of consolidation	7 361	1 748	345	9 454
Additions	476	1 167	1 475	3 118
Disposals and remeasurements	793	– 41	– 1 016	– 264
Reclassification to/ from assets held for sale	116	– 139	331	308
Reclassifications		210	– 388	– 178
Balance at 31/ 12/ 2024	17 612	4 041	5 123	26 776



in 1 000 CHF	Right-of-use buildings	Right-of-use plant and machinery	Right-of-use other equipment	Total
Accumulated depreciation				
Balance at 01/ 01/ 2023	8 867	2 365	8 226	19 458
Foreign exchange differences	– 494	– 245	– 366	– 1 105
Depreciation	4 251	821	3 252	8 324
Disposals	– 1 294	– 119	– 4 079	– 5 492
Reclassification to/ from assets held for sale	– 7 914	– 2 225	– 4 311	– 14 450
Reclassifications		– 167	– 208	– 375
Balance at 31/ 12/ 2023	3 416	430	2 514	6 360
Foreign exchange differences	29	1	21	51
Depreciation	1 686	684	1 459	3 829
Disposals	– 983	– 36	– 1 093	– 2 112
Reclassification to/ from assets held for sale		– 98	91	– 7
Reclassifications		22	– 200	– 178
Balance at 31/ 12/ 2024	4 148	1 003	2 792	7 943
Net book value at 31/ 12/ 2023	5 648	725	1 829	8 202
Net book value at 31/ 12/ 2024	13 464	3 037	2 332	18 833

Other operating expenses include the following expenses in connection with leases:

in 1 000 CHF	2024	2023
Expenses relating to short-term leases	710	841
Expenses relating to leases of low-value assets (excluding short-term leases)	370	308
Expenses for variable lease payments	132	412
Total	1 212	1 561

Lease agreements may contain renewal options. The determination of the lease term of these leases requires judgement. As of 31 December 2023, possible future cash outflows of CHF 0.9 million were not included in the lease liability as it was not reasonably certain that the lease agreements will be renewed. There are no not included renewal options as at 31 December 2024.

Total cash outflows for leases amounted to CHF 14.6 million in 2024 (2023: CHF 12.8 million). Of this amount, CHF 5.4 million (2023: CHF 4.8 million) was attributable to continuing operations.



39. Investment property

in 1 000 CHF	Investment property - land	Investment property - buildings	Total
Net book value at 01/ 01/ 2023	5 251	3 613	8 864
Cost			
Balance at 01/ 01/ 2023	5 787	28 256	34 043
Foreign exchange differences	– 260	– 16	– 276
Additions		1 086	1 086
Disposals		– 2 071	– 2 071
Reclassification to/ from assets held for sale	– 3 925	– 243	– 4 168
Balance at 31/ 12/ 2023	1 602	27 012	28 614
Foreign exchange differences	55	3	58
Additions		13	13
Disposals	– 1 675	– 27 028	– 28 703
Reclassification to/ from assets held for sale	3 925	243	4 168
Balance at 31/ 12/ 2024	3 907	243	4 150
Accumulated depreciation			
Balance at 01/ 01/ 2023	536	24 643	25 179
Foreign exchange differences	– 2	– 2	– 4
Depreciation		284	284
Disposals		– 2 071	– 2 071
Reclassification to/ from assets held for sale	– 35	– 39	– 74
Balance at 31/ 12/ 2023	499	22 815	23 314
Depreciation		220	220
Disposals	– 498	– 23 032	– 23 530
Reclassification to/ from assets held for sale	35	39	74
Balance at 31/ 12/ 2024	36	42	78
Net book value at 31/ 12/ 2023	1 103	4 197	5 300
Net book value at 31/ 12/ 2024	3 871	201	4 072
Fair values of investment properties at 31/ 12/ 2023			12 355
Fair values of investment properties at 31/ 12/ 2024			5 664



Rental income from investment properties from continuing operations amounted to CHF 1.2 million (2023: CHF 1.8 million) and is included in other operating income. Related direct operating expenses were CHF 0.1 million (2023: CHF 0.2 million) and are included in other operating expenses.

In the second quarter of 2024, Arbonia sold the non-operating property Zelgstrasse (Arbon). This resulted in a gain on disposal of CHF 28.8 million, which is included in the income statement under other operating income. The cash inflow of CHF 19.0 million is included in the cash flow statement under proceeds from sale of investment property.

At the same time, the mortgage of CHF 14.9 million was repaid and deducted directly from the sales price by the bank.

The fair values of investment properties are, in the hierarchy according to IFRS 13, assigned to level 3 for non-observable market data, since they are calculated on the basis of estimates that have been determined by independent external valuers and internal assessments.

40. Intangible assets

in 1 000 CHF	Brands	Customer relationships	Technologies	Other intangible assets from business combinations	Software/-licenses	Other intangible assets	Total	Goodwill
Net book value at 01/ 01/ 2023	53 137	87 446	14 808	348	27 160	3 405	186 304	182 395
Cost								
Balance at 01/ 01/ 2023	88 492	142 022	23 202	5 005	46 161	4 863	309 745	211 396
Foreign exchange differences	– 4 496	– 6 797	– 1 448	– 142	– 1 787	– 720	– 15 390	– 9 098
Change in scope of consolidation					8		8	
Additions					11 151	3 169	14 320	
Disposals					– 713		– 713	
Reclassification to/ from assets held for sale	– 26 358	– 42 407	– 16 569	– 246	– 10 006	– 5 015	– 100 601	– 48 075
Reclassifications					2 181	977	3 158	
Balance at 31/ 12/ 2023	57 638	92 818	5 185	4 617	46 995	3 274	210 527	154 223
Foreign exchange differences	264	– 529	71	– 67	542	22	303	492
Change in scope of consolidation	14 130	45 935		2 888	206		63 159	43 215
Additions					14 102	154	14 256	
Disposals					– 451		– 451	
Reclassification to/ from assets held for sale					– 2 211		– 2 211	
Reclassifications					– 51	88	37	
Balance at 31/ 12/ 2024	72 032	138 224	5 256	7 438	59 132	3 538	285 620	197 930



in 1 000 CHF	Brands	Customer relationships	Technologies	Other intangible assets from business combinations	Software/-licenses	Other intangible assets	Total	Goodwill
Accumulated amortisation								
Balance at 01/ 01/ 2023	35 355	54 576	8 394	4 657	19 001	1 458	123 441	29 001
Foreign exchange differences	– 1 882	– 2 304	– 591	– 137	– 632	– 234	– 5 780	
Amortisation	5 706	9 605	1 355	343	5 037	641	22 687	
Disposals					– 713		– 713	
Reclassification to/ from assets held for sale	– 8 257	– 11 503	– 8 088	– 246	– 6 807	– 660	– 35 561	– 20 901
Reclassifications						– 38	– 38	
Balance at 31/ 12/ 2023	30 922	50 374	1 070	4 617	15 886	1 167	104 036	8 100
Foreign exchange differences	359	525	11	12	145	1	1 053	
Amortisation	4 900	8 513	454	2 165	3 442	401	19 875	
Disposals					– 450		– 450	
Reclassification to/ from assets held for sale					– 2 080		– 2 080	
Balance at 31/ 12/ 2024	36 181	59 412	1 535	6 794	16 943	1 569	122 434	8 100
Net book value at 31/ 12/ 2023	26 716	42 444	4 115		31 109	2 107	106 491	146 123
Net book value at 31/ 12/ 2024	35 851	78 812	3 721	644	42 189	1 969	163 186	189 830

Expenses for research and development in the amount of CHF 3.2 million (2023: CHF 4.3 million) have been charged to the income statement, since they did not fulfil the capitalisation criteria. The additions to other intangible assets consist of CHF 0.1 million (2023: CHF 3.1 million) of own development costs and CHF 0.1 million (2023: CHF 0.1 million) of purchased or acquired items.

Goodwill

As of 31 December 2024 goodwill from business combinations is allocated to the Group's five cash-generating units (CGUs) Joro Doors, Wood Solutions, Dimoldura, Lignis and Glass Solutions. The movements of the carrying amounts of goodwill were as follows:

in 1 000 CHF	Lignis	Dimoldura	Joro Doors	Wood Solutions	Glass Solutions	Termovent	Sabiana	Total
Balance at 01/ 01/ 2023			11 615	127 258	14 647	7 271	21 604	182 395
Foreign exchange differences			– 719	– 6 678		– 363	– 1 338	– 9 098
Reclassification to assets held for sale						– 6 908	– 20 266	– 27 174
Balance at 31/ 12/ 2023			10 896	120 580	14 647			146 123
Acquisition	4 368	38 847						43 215
Foreign exchange differences	– 127	– 1 488	150	1 957				492
Balance at 31/ 12/ 2024	4 241	37 359	11 046	122 537	14 647			189 830



Goodwill impairment tests 2024

The recoverability of goodwill is assessed annually towards year-end or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of its value in use and its fair value less costs to sell.

The recoverable amount of the CGUs was determined based on value in use calculations. These calculations used cash flow

projections which, with the exception of the CGU Wood Solutions, cover a five-year period. Cash flows beyond the five-year period were extrapolated using estimated growth rates.

The underlying financial data consisting of one budget year and four plan years form part of the Group's medium term plan approved by the Board of Directors in autumn 2024 and were used for the impairment tests.

The value in use calculation for the annual 2024 impairment tests assumed the following key assumptions:

in %	Lignis	Dimoldura	Joro Doors	Wood Solutions	Glass Solutions
Budgeted gross margin	64.8	52.6	69.8	58.4	74.5
Eternal growth rate	2.0	1.5	1.8	2.0	1.8
Discount rate	11.4	12.5	11.6	10.4	10.5

Budgeted gross margins are based on expectations for the market development and initiated optimisation measures. The eternal growth rates used are consistent with the forecasts included in industry reports. The discount rates used are pre-tax and reflect specific risks relating to the relevant CGUs.

A planning horizon of ten years was used for CGU Wood Solutions, consisting of a budget year and four planning years with a subsequent reconciliation of a further five years to the residual values. The slump in construction activity, particularly in Germany, led to a drop in demand for doors. Due to this slump in demand, the highly automated plant of the future in Germany, which is currently being completed, will only reach full value creation and corresponding capacity utilisation after the first five planning years, meaning that five additional planning years have been used.

Based on a reasonably possible change in the key assumptions, sensitivity analyses were calculated in 2024 on higher discount rates, lower than actually expected EBITDAs, lower gross margins and lower eternal growth rates which only led to a possible impairment at the CGU Wood Solutions.

Other key assumptions for the impairment test of the CGU Wood Solutions included an annual average growth rate of 6.2% until 2029 and 5.0% until 2034 as well as an EBITDA margin development to 13.9% until 2029 and to 16.0% until 2034.

If the discount rate were increased from 10.4% to 11.4%, the calculated value would be equal to its carrying amount. A reduction in the budgeted gross margin from 58.4% to 51.4% would have led to an impairment of CHF 47 million in the CGU Wood Solutions. A 20% reduction in EBITDA would lead to an impairment of CHF 45 million. At a reduction of 13.3% in EBITDA, the calculated value would be equal to its carrying amount. A 20% reduction in EBITDA and a simultaneous reduction of eternal growth from 2.0% to 1.5% would lead to an impairment of CHF 70 million. At a reduction of 11.6% in EBITDA and an eternal growth of 1.75%, the recoverable amount was equal to its carrying amount.

Goodwill impairment tests 2023

The value in use calculation for the annual 2023 impairment tests assumed the following key assumptions:

in %	Termovent	Sabiana	Joro Doors	Wood Solutions	Glass Solutions
Budgeted gross margin	49.3	42.5	69.7	58.0	71.6
Eternal growth rate	2.3	1.5	1.5	2.0	1.5
Discount rate	13.1	12.5	11.5	10.6	10.6



Budgeted gross margins were determined based on expectations for the market development and initiated optimisation measures. The eternal growth rates used were consistent with the forecasts included in industry reports. The discount rates used were pre-tax and reflected specific risks relating to the relevant CGUs.

Based on a reasonably possible change in the key assumptions, sensitivity analyses were calculated in 2023 on higher discount rates, lower than actually expected EBITDAs, lower gross margins and lower eternal growth rates which only led to a possible impairment at the CGU Wood Solutions.

Other key assumptions for the impairment test of the CGU Wood Solutions included an annual average growth rate of 5.5% until 2028 and 5.0% until 2033 as well as an EBITDA margin development of 14.9% until 2028 and 16.9% until 2033.

A reduction in the budgeted gross margin from 58.0% to 51.0% would have been just enough to prevent an impairment in the CGU Wood Solutions. A 20% reduction in EBITDA would have led to an impairment of CHF 7 million. With a 19.1% reduction in EBITDA, the calculated value would be equal to its carrying amount. A 20% reduction in EBITDA with a simultaneous reduction in eternal growth from 2.0% to 1.5% would have led to an impairment of CHF 31 million. In the event of a 17.4% reduction in EBITDA and an eternal growth rate of 1.75%, the calculated value would be equal to its carrying amount.

41. Acquisitions

The following fair value of assets and liabilities had arisen from acquisitions as mentioned under note 3:

Acquisitions 2024

Dimoldura Group

in 1 000 CHF	Fair Value
Assets	
Cash and cash equivalents	3 422
Accounts receivable	17 750
Other current assets	679
Inventories	22 559
Current income tax receivables	116
Property, plant and equipment	10 821
Right-of-use assets	9 178
Intangible assets	54 806
Deferred income tax assets	172
Financial assets	215
Total assets	119 719
Liabilities	
Accounts payable	18 744
Other liabilities	4 301
Financial debts	18 491
Lease liabilities	9 176
Current income tax liabilities	2 879
Provisions	104
Deferred income tax liabilities	13 969
Employee benefit obligations	547
Total liabilities	68 210
Net assets acquired	51 508
Goodwill	38 847
Purchase consideration	90 355
Net cash outflow was as follows:	
Purchase price	90 355
Cash and cash equivalents acquired	– 3 422
Net cash outflow on acquisition	86 933



As of 16 May 2024, Arbonia acquired 100% of Dimoldura Group, ES-Toledo. Dimoldura is the market leader in the area of wooden interior doors in Spain and is also active with a strong market presence in Portugal and France. The markets of Dimoldura therefore complement the existing sales markets of the Doors Division. The Doors Division is additionally expanding its presence in the contractor services business and DIY business. The purchase price in cash amounted to CHF 90.4 million. From the date of acquisition, Dimoldura Group contributed CHF 70.3 million in net revenues and CHF 0.8 million in profit to the Group. Had the acquisition taken place on 1 January 2024, net revenues for the reporting period would have been CHF 112.0 million and profit, including amortisation charges on intangible assets from acquisitions, would have been CHF 2.5 million. The gross carrying amount of accounts receivables amounted to CHF 18.0 million, of which CHF 0.3 million were considered uncollectable. The acquisition-related costs amounted to CHF 1.2 million and are included in operating expenses in 2024. The goodwill from this acquisition was due to the fact that certain intangible assets did not meet the criteria of IFRS 3 «business combinations» for the recognition as intangible assets at the date of acquisition. Goodwill contains the expected synergy potential within the Doors Division. With the acquisition of Dimoldura Group, Arbonia is expanding its geographical presence and gaining access to southern Europe, a market in which the Doors Division was hardly active and present before the transaction. In addition to new markets and greater geographical coverage, Arbonia is also expanding its product portfolio, which it can offer to existing and new customers. The goodwill also includes the know-how of the workforce.

Lignis s.r.o.

in 1 000 CHF	Fair Value
Assets	
Cash and cash equivalents	989
Accounts receivable	4 436
Other current assets	176
Inventories	1 405
Deferred expenses	33
Property, plant and equipment	5 603
Right-of-use assets	277
Intangible assets	8 353
Total assets	21 273
Liabilities	
Accounts payable	607

Other liabilities	272
Financial debts	1 070
Lease liabilities	277
Accruals and deferred income	462
Current income tax liabilities	112
Provisions	39
Deferred income tax liabilities	2 147
Total liabilities	4 986
Net assets acquired	16 286
Goodwill	4 368
Purchase consideration	20 654
Cost of acquisition	
Purchase price in cash	19 647
Purchase price in equity instruments	1 008
Total cost of acquisition	20 654
Net cash outflow was as follows:	
Purchase price	19 647
Cash and cash equivalents acquired	– 989
Net cash outflow on acquisition	18 657

As of 1 July 2024, Arbonia acquired 100% of Lignis s.r.o., CZ-Koryčany. Lignis is a specialist for functional doors and serves the contractor services business incl. assembly. Lignis is the only door manufacturer in Czechia that can provide the entire product portfolio from standard doors to functional doors made of wood and metal. This acquisition will make Arbonia the second-largest provider in Czechia and Slovakia. The purchase price amounted to CHF 20.7 million, of which CHF 19.7 million was paid in cash and CHF 1.0 million in Arbonia shares. From the date of acquisition, Lignis contributed CHF 6.6 million in net revenues and CHF 0.2 million in profit to the Group. Had the acquisition taken place on 1 January 2024, net revenues for the reporting period would have been CHF 13.0 million and profit, including amortisation charges on intangible assets from acquisitions, would have been CHF 0.3 million. The gross carrying amount of accounts receivables amounted to CHF 4.5 million, of which CHF 0.1 million were considered uncollectable. The acquisition-related costs amounted to CHF 0.3 million and are included in operating expenses in 2024. The goodwill from this acquisition was due to the fact that certain intangible assets did not meet the criteria of IFRS 3 «business combinations» for the recognition as intangible assets at the date of acquisition. Goodwill mainly



contains the expected synergy potential within the Doors Division. The goodwill also includes the know-how of the workforce.

In 2024, deferred purchase price payments for Joro, CICSА and Interwand of CHF 1.8 million were due and paid.

Acquisitions 2023

Interwand GmbH

in 1 000 CHF	Fair Value
Assets	
Cash and cash equivalents	1 249
Accounts receivable	738
Other current assets	193
Inventories	1 954
Deferred expenses	31
Current income tax receivables	196
Property, plant and equipment	3 581
Intangible assets	8
Total assets	7 950
Liabilities	
Accounts payable	195
Contract liabilities	1 107
Other liabilities	96
Lease liabilities	166
Accruals and deferred income	369
Provisions	77
Deferred income tax liabilities	602
Total liabilities	2 612
Net assets acquired	5 338
Cost of acquisition	
Purchase price	4 262
Deferred purchase price	1 076
Total cost of acquisition	5 338

Net cash outflow was as follows:

Purchase price	4 262
Cash and cash equivalents acquired	– 1 249
Net cash outflow on acquisition	3 014

As of 24 October 2023, Arbonia had acquired 100% of Interwand GmbH, DE-Dörzbach. The company is specialised in the manufacture and installation of office partition walls and industrial walls. The purchase price amounted to CHF 5.3 million which a deferred purchase price payment of CHF 1.1 million was included. From the date of acquisition, Interwand contributed CHF 1.8 million in net revenues for 2023 and CHF 0.3 million in profit for 2023 to the Group. Had the acquisition taken place on 1 January 2023, net revenues would have been CHF 9.2 million and profit would have been CHF 0.3 million. The gross carrying amount of accounts receivable amounted to CHF 0.8 million, of which CHF 0.1 million were considered uncollectable. The acquisition-related costs amounted to CHF 0.2 million and are included in other operating expenses in 2023.

In 2023, deferred purchase price payments for Joro and CICSА of CHF 1.4 million were due and paid.



42. Financial debts

On 3 November 2020, Arbonia had entered into a syndicated loan for CHF 250 million. This loan, arranged with a consortium of domestic and foreign banks, has a term of five years, with the option to extend the agreement twice for one year each. The first extension option was exercised in 2021 and the second in 2022, so that the term now runs until 2027.

Arbonia has taken out a bridge loan of EUR 100 million to finance acquisitions. The outstanding bridge loan of EUR 80 million is to be repaid in full once the sale of the Climate Division has been completed.

The financial debts are comprised of the following:

in 1 000 CHF	31/ 12/ 2024	31/ 12/ 2023
Promissory note loan	61 178	60 346
Syndicated loan	198 824	133 926
Bridge loan	75 296	
Mortgages		15 000
Bank loans	11 918	
Bank borrowings	7 962	
Total	355 178	209 272

The syndicated loan contains the leverage ratio as covenant. In the event of non-compliance, the banks may at any time at their option, declare the amounts then outstanding to be immediately due and payable. Arbonia was in compliance with the covenant in 2024 and 2023.

The maturities of the financial debts are as follows:

in 1 000 CHF	31/ 12/ 2024	31/ 12/ 2023
within 1 year	337 731	134 346
between 1 and 5 years	17 447	74 926
Total	355 178	209 272

The effective interest rates for the financial debts at the balance sheet date were as follows:

	31/ 12/ 2024	
	CHF	EUR
Financial debts	2.6%	3.9%

	31/ 12/ 2023	
	CHF	EUR
Financial debts	2.9%	2.5%

The syndicated loan, the bridge loan and the bank borrowings, as well as the majority of bank loans have variable interest rates, whereas the promissory note loan has fixed interest rates.

The breakdown for the financial debts by currency was as follows:

in 1 000 CHF	31/ 12/ 2024	31/ 12/ 2023
CHF	180 005	135 000
EUR	175 173	74 272
Total	355 178	209 272



43. Financial instruments

The contractually agreed undiscounted interest payments and repayments of the non-derivative financial liabilities and the derivatives with a cash outflow are as follows:

in 1 000 CHF	31/ 12/ 2024						
	Book value	Contractual cash flows	up to 6 months	7 to 12 months	between 1 and 2 years	between 2 and 5 years	after 5 years
Non-derivative financial instruments							
Accounts payable	45 126	45 126	45 126				
Other liabilities (without derivatives)	1 110	1 110	532	578			
Lease liabilities	19 315	22 654	2 868	2 166	3 654	5 915	8 051
Accruals and deferred income	21 312	21 312	21 130	182			
Financial debts	355 178	358 008	337 907	1 855	5 505	12 311	430
Total	442 041	448 210	407 563	4 781	9 159	18 226	8 481

in 1 000 CHF	31/ 12/ 2023						
	Book value	Contractual cash flows	up to 6 months	7 to 12 months	between 1 and 2 years	between 2 and 5 years	after 5 years
Non-derivative financial instruments							
Accounts payable	33 139	33 139	33 139				
Other liabilities (without derivatives)	2 668	2 668	549	1 600	519		
Lease liabilities	8 311	9 674	1 229	1 033	1 841	2 920	2 651
Accruals and deferred income	23 605	23 605	23 408	197			
Financial debts	209 272	214 137	135 836	387	52 936	24 978	
Total	276 995	283 223	194 161	3 217	55 296	27 898	2 651

Amounts in foreign currency were each translated at the respective year-end rate. Variable interest payments arising from financial instruments were calculated using the conditions prevailing at the balance sheet date. Financial liabilities which can be repaid at any time are always assigned to the earliest possible time period.



44. Additional disclosures on financial instruments

The relation between the relevant balance sheet items and the measurement categories in accordance with IFRS 9 and the disclosure of fair values of financial instruments is shown in the following table. The table does not contain information on fair value for financial assets and financial liabilities that are not measured at fair value if the carrying amount is a reasonable approximation of fair value. Similarly, no information is required on the fair value of lease liabilities.

in 1 000 CHF	31/ 12/ 2024					
	FA Hedge instruments	FA AC	FL AC	Book value	Fair Value	
					Level 2	Level 3
Cash and cash equivalents		23 639		23 639		
Accounts receivable		46 072		46 072		
Derivative financial instruments	5 185			5 185		5 185
Other current assets (without derivatives)		408		408		
Deferred expenses		2 463		2 463		
Other financial assets		578		578		
Assets	5 185	73 160		78 345		
Accounts payable			45 126	45 126		
Other liabilities (without derivatives)			1 110	1 110		
Lease liabilities			19 315	19 315		
Accruals and deferred income			21 312	21 312		
Promissory note loan			61 178	61 178	60 846	
Syndicated loan			198 824	198 824		
Bridge loan			75 296	75 296		
Bank loans			11 918	11 918		
Bank borrowings			7 962	7 962		
Liabilities			442 040	442 040		



				31/ 12/ 2023
in 1 000 CHF	FA AC	FL AC	Book value	Fair Value
				Level 2
Cash and cash equivalents	17 160		17 160	
Accounts receivable	50 041		50 041	
Other current assets	3 291		3 291	
Deferred expenses	2 410		2 410	
Other financial assets	18		18	
Assets	72 920		72 920	
Accounts payable		33 139	33 139	
Other liabilities (without derivatives)		2 668	2 668	
Lease liabilities		8 311	8 311	
Accruals and deferred income		23 605	23 605	
Promissory note loan		60 346	60 346	58 383
Syndicated loan		133 926	133 926	
Mortgages		15 000	15 000	
Liabilities		276 995	276 995	

Abbreviations in the header of this table are explained in note 9 «Financial Instruments» on page 142.

The derivative financial instruments relate to the Deal Contingent Forward concluded in the reporting year 2024 (see note 54). The fair value was determined by the bank with which the transaction was entered into. The instrument was allocated to hierarchy level 3. The valuation was based on factors observable on the market such as forward rates, yield curves and volatilities. In addition, the probability of occurrence of the planned sale of the Climate Division was taken into account as a non-observable factor.

The fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. The fair value of financial debts is allocated to level 2 in the hierarchy.

In 2024 and 2023, no gains/losses resulted from level 3 financial instruments. Furthermore, no reclassifications occurred between the levels.



45. Provisions

in 1 000 CHF	Warranty	Personnel	Restructuring	Onerous contracts project business	Other provisions	Total
Balance at 01/ 01/ 2023	7 289	7 927	4 375	24	3 233	22 848
Foreign exchange differences	– 402	– 490	– 521		– 109	– 1 522
Change in scope of consolidation	77					77
Additional provisions	4 783	2 346	9 744	13	265	17 151
Used during the year	– 5 045	– 1 534	– 3 842		– 419	– 10 840
Unused amounts reversed	– 209	– 125	– 258	– 37	– 1 341	– 1 970
Reclassification liabilities associated with assets held for sale	– 3 704	– 3 495	– 8 983		– 1 303	– 17 485
Balance at 31/ 12/ 2023	2 789	4 629	515		326	8 259
Foreign exchange differences	28	63	11		9	111
Change in scope of consolidation	38				105	143
Additional provisions	1 397	911	119		76	2 503
Used during the year	– 1 363	– 1 189	– 506		– 143	– 3 201
Unused amounts reversed	– 241	– 155				– 396
Reclassification liabilities associated with assets held for sale					571	571
Balance at 31/ 12/ 2024	2 648	4 259	139		944	7 990
thereof current at 31/ 12/ 2023	2 258	595	515		258	3 626
thereof current at 31/ 12/ 2024	2 128	570	139		205	3 042

The current provisions are expected to be fully utilised during 2025. The non-current provisions are expected to be utilised as follows:

in 1 000 CHF	Warranty	Personnel	Restructuring	Onerous contracts project business	Other provisions	Total
between 1 and 5 years	519	1 955			740	3 214
after 5 years		1 733				1 733



Warranty

Warranty provisions are assessed for each order individually. In case of a high volume of orders, such an individual assessment might be impractical and standard rates are applied based on past experience.

Personnel

Personnel provisions comprise mainly provisions for partial retirements.

Restructuring

In July 2023, the Climate Division announced the relocation of the production of design radiators from Vasco's Belgian production site in Dilsen to its plant in Stříbro (CZ). A large part of the restructuring provision recognised in 2023 was attributable to this.

Other provisions

Other provisions include costs for environmental risks, legal claims and various risks that could arise in the normal course of business.



46. Deferred income taxes

Deferred tax assets and liabilities arise due to differences between the group valuation and tax valuation in the following balance sheet items:

in 1 000 CHF	31/ 12/ 2024		31/ 12/ 2023	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Assets				
Accounts receivable	1 046	53	456	51
Other current assets		40		67
Inventories	851	98	574	72
Property, plant and equipment and right-of-use assets	1 827	13 080	97	10 896
Investment property		120		40
Intangible assets	5 048	31 802	96	20 080
Capitalised pension surplus and financial assets	147	12 498	132	12 144
Liabilities				
Current liabilities	1 123	4 795	809	3 325
Non-current liabilities	6 243	1 615	4 362	1 661
Current and non-current provisions	368	185	306	122
Employee benefit obligations	1 358		2 092	13
Deferred taxes from timing differences	18 011	64 286	8 924	48 471
Deferred tax assets derived from tax loss carryforwards	31 690		22 571	
Valuation allowance	– 14 224		– 8 499	
Net deferred taxes from timing differences	35 477	64 286	22 996	48 471
Offset of deferred tax assets and liabilities	– 20 561	– 20 561	– 16 945	– 16 945
Total deferred taxes	14 916	43 725	6 051	31 526



From the capitalised pension surplus and employee benefit obligations, CHF 0.5 million (2023: CHF 2.3 million) of deferred taxes from continuing operations were recorded in comprehensive income. All other changes of assets and liabilities in the amount of CHF -4.3 million were recorded through the income statement. Of this amount, CHF -3.3 million was attributable to temporary differences on intangible assets from acquisitions, CHF -2.1 million to the capitalisation of tax loss carryforwards, CHF 0.9 million to current financial liabilities and CHF 0.2 million to other balance sheet items.

Deferred income tax assets are recognised for tax loss carryforwards, to the extent that the realisation of the related tax benefit through future taxable profits is probable.

There are temporary differences totalling CHF 28.2 million (2023: CHF 15.7 million) in conjunction with investments in subsidiaries for which Arbonia has not recorded deferred tax liabilities based on the exemption provisions of IAS 12. There are no deductible temporary differences for both 2024 and 2023 on which no deferred tax assets have been recognised.

Activity in the deferred income tax account on a net basis is as follows:

in 1 000 CHF	2024	2023 restated ¹
Balance at 01/01	25 475	50 599
Change in scope of consolidation	15 944	602
Changes to other comprehensive income	476	2 308
Changes to other comprehensive income for discontinued operations		- 42
Changes to the income statement	- 4 255	- 8 912
Changes to the income statement for discontinued operations		- 1 332
Reclassification assets held for sale	- 31	3 812
Reclassification liabilities associated with assets held for sale	- 8 540	- 19 572
Foreign exchange differences	- 260	- 1 987
Balance at 31/12	28 809	25 475

¹ see note 36

The CHF -8.5 million recognised in the reclassification to liabilities associated with assets held for sale in the reporting year 2024 relates to the carve-out of the Glass Solutions business of Kermi GmbH (see also note 37).

Unrecognised tax loss carryforwards in 1 000 CHF	31/ 12/ 2024	31/ 12/ 2023
Tax loss carryforwards	181 286	135 295
thereof recognised as deferred taxes	- 94 647	- 77 296
Unrecognised tax loss carryforwards	86 639	57 999
Portion expiring:		
between 1 and 5 years	647	
after 5 years	85 992	57 999
Total	86 639	57 999

Tax effect on unrecognised tax loss carryforwards	14 224	8 499
thereof pertaining to tax rates below 15.0%	9 804	7 560
thereof pertaining to tax rates between 15.0% and 20.0%	306	119
thereof pertaining to tax rates between 20.1% and 25.0%	661	148
thereof pertaining to tax rates between 25.1% and 30.0%	3 453	672

47. Employee benefit obligations Pension plans in Switzerland

The Swiss pension plans are governed by the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (BVG), aiming to safeguard the employees against the risks of old age, death and disability. There are semi-autonomous pension plans, that is, the foundations fully bear the risk of age itself. The risks of disability and death are reinsured entirely (congruent reinsurance) or partially (stop-loss insurance) with Swiss insurance companies. The plans give plan participants a choice regarding the annual amount of contribution payments. The employees' contributions are determined as a percentage of the insured salary and are deducted monthly. The retirement pension is calculated by multiplying the retirement capital at the retirement age with the then applicable regulatory conversion rate. Plan participants can also draw all or part of the retirement pension as a lump sum. Death and disability benefits are set as a percentage of the insured salary.

The Board of Trustees are by law the supreme governing body of the foundation. The duties of the trustees are set out in the BVG and the regulations of the foundations. The Board of Trustees exercises the overall direction and has overall responsibility. It is composed in accordance with the legal provisions of an equal number of employer and employee



representatives, provided the foundation offers BVG-related pension plans.

The actuarial risks of old age, death and disability as well as the investment risks are primarily borne by the foundations. If certain duties are transferred to third parties, they assume the associated risks (insurance companies, external administrator etc.).

An unfavourable development of the semi-autonomous and autonomous foundations can lead to an underfunding of the affected foundation as stipulated by the BVG. The BVG allows a temporary underfunding but the Board of Trustees has to take the necessary remedial measures to remedy the underfunding within a maximum of ten years. Additional employer and employee contributions could be incurred in case the Swiss pension plan has a significant underfunding as per BVG. In such cases, the risk is borne by employers and employees alike and the employer is legally not obliged to accept more than 50% of the additional contributions.

The investment strategy of the Swiss pension plans follows BVG, including the rules and regulations for the diversification of plan assets. The security assessment of the investments takes place in the semi-autonomous foundations in evaluating total assets and liabilities as well as the structure and the expected development of the insured population.

Pension plans in Germany

The occupational pension provision in Germany is subject to the pension law. The method of the direct commitment was elected for the German pension plans. To fund these pension plans for future benefit payments, pension provisions are recorded in accordance with the relevant regulations. The employer has made commitments to the employees under certain benefit arrangements. The pension plans are defined benefit plans and provide current and former employees benefits in the event of reaching the retirement age, in case of disability, or death. The respective benefits become due at maturity and are paid directly by the company to the beneficiaries.

The following amounts are included in the consolidated financial statements:

in 1 000 CHF	31/ 12/ 2024	31/ 12/ 2023
Present value of funded obligations	104 499	98 893
Fair value of plan assets	131 716	123 405
Overfunding	– 27 218	– 24 513
Present value of unfunded obligations	12 952	11 700
Liability (net) recognised in the balance sheet	– 14 265	– 12 813
thereof recorded as employee benefit obligations	12 952	11 700
thereof recorded as capitalised pension surplus	– 27 218	– 24 513



The movement in the defined benefit obligation over the year is as follows:

in 1 000 CHF	2024	2023
Balance at 01/01	110 592	156 327
Changes in scope of consolidation	547	
Interest cost	2 003	4 351
Current service cost	3 395	3 967
Contributions by plan participants	2 175	2 564
Benefits paid	– 5 430	– 6 748
Actuarial losses arising from changes in financial assumptions	3 942	11 676
Actuarial gains/losses arising from experience adjustments	– 658	2 334
Administration cost	51	55
Reclassification liabilities associated with assets held for sale	691	– 60 751
Foreign exchange differences	142	– 3 184
Balance at 31/12	117 450	110 592
thereof for active members	83 898	78 721
thereof for pensioners	31 426	30 618
thereof for deferred members	2 127	1 253

The movement in the fair value of plan assets over the year is as follows:

in 1 000 CHF	2024	2023
Balance at 01/01	123 403	154 416
Interest income	1 734	3 631
Return on plan assets excl. interest income	6 294	– 696
Contributions by the employer	3 032	5 519
Contributions by plan participants	2 175	2 564
Benefits paid	– 5 430	– 6 748
Reclassification assets held for sale	506	– 34 944
Foreign exchange differences		– 340
Balance at 31/12	131 715	123 403



The movement of the effect of the asset ceiling is as follows:

in 1 000 CHF	2024	2023
Balance at 01/01		35 547
Interest cost		817
Change in effect of asset ceiling excl. interest cost		– 36 364
Balance at 31/12		

The remeasurements of employee benefit obligations in other comprehensive income are as follows:

in 1 000 CHF	2024	2023
Actuarial losses	3 283	7 795
Actuarial gains/losses from discontinued operations	– 1 010	6 215
Return on plan assets excl. interest income	– 7 709	696
Change in effect of asset ceiling excl. interest cost		– 36 364
Remeasurements of employee benefit obligations	– 5 436	– 21 658
thereof from discontinued operations	– 2 297	– 1 168

The amounts recognised in the income statement are as follows:

in 1 000 CHF	2024	2023
Current service cost	3 395	3 967
Net interest result	268	720
Interest cost on effect of asset ceiling		817
Administration cost	51	55
Net charges for defined benefit plans	3 715	5 560
thereof recorded under personnel expenses from continuing operations	3 446	3 006
thereof recorded under financial results from continuing operations	268	603
thereof recorded under Group result from discontinued operations after taxes		1 950



The principal actuarial assumptions used were as follows:

Weighted average		2024	2023
Discount rate at 31/12		1.3%	1.6%
Future salary increases		2.1%	2.0%
Future pension increases		0.2%	0.2%
Mortality tables	Switzerland	BVG 2020 GT	BVG 2020 GT
	Germany	HB 2018 GT	HB 2018 GT

The sensitivity of employee benefit obligations due to changes of principal assumptions are as follows:

Impact on employee benefit obligations	Change in assumption	2024	2023
Discount rate	– 0.25%	4 096	3 716
	+ 0.25%	– 3 838	– 3 484
Salary increases	– 0.25%	– 563	– 484
	+ 0.25%	561	483
Life expectancy	+ 1 year	2 314	2 124
	– 1 year	– 2 349	– 2 159
Service cost 2025 with discount rate	+ 0.25%	– 219	– 201

The weighted average duration of employee benefit obligations is 13.9 years (2023: 13.3 years).

The sensitivity analysis above is based on a change in an assumption while all other assumptions remain unchanged. In reality, this is unlikely to happen, because certain assumptions correlate. In the calculation of sensitivities of pension benefit obligations with the principal actuarial assumptions, the same method was applied (present value of the defined benefit obligation is calculated using the projected unit credit method at year-end) as for the calculation of the pension liability in these consolidated financial statements.



Plan assets at fair value consist of:

in 1 000 CHF	quoted	unquoted	31/ 12/ 2024 Total	quoted	unquoted	31/ 12/ 2023 Total
Cash and cash equivalents		5 735	5 735		7 687	7 687
Equity instruments	45 801		45 801	40 185		40 185
Debt instruments	26 106		26 106	20 836		20 836
Real estate	6 523	40 276	46 799	6 923	40 522	47 445
Others		7 274	7 274		7 250	7 250
Total plan assets	78 430	53 285	131 715	67 944	55 459	123 403

The category «Others» contains assets from full insurance contracts that have been terminated some years ago and are therefore expiring.

The expected maturity profile of benefit payments for unfunded plans is as follows:

in 1 000 CHF	up to 1 year	between 1 and 2 years	between 2 and 5 years	next 5 years
Benefit payments	419	346	1 517	3 261

Expected contributions to pension plans for the year 2025 amount to CHF 5.3 million (2024: CHF 5.4 million), of which CHF 3.1 million (2024: CHF 3.2 million) are attributable to the employer.

48. Share capital

The capital structure is as follows:

Category	31/ 12/ 2024			31/ 12/ 2023		
	Outstanding shares	Par value in CHF	Share capital in CHF	Outstanding shares	Par value in CHF	Share capital in CHF
Registered shares	69 473 243	4.20	291 787 621	69 473 243	4.20	291 787 621

The proposed distribution per share amounts to CHF 1.83, divided into CHF 0.30 for the 2023 financial year, CHF 0.33 for the 2024 financial year and CHF 1.20 as an extraordinary distribution.

On 21 April 2023, the Annual General Meeting of Arbonia AG had approved amongst others the following: To authorise the Board of Directors, within the scope of the capital band pursuant to the Swiss Corporate Law, to increase the share capital during a period ending on 20 April 2028 1.) by issuing a maximum of 13'800'000 registered shares with a par value of CHF 4.20 each in one or more steps to a maximum of CHF 349'747'620.60 and 2.) to reduce the share capital in one or more steps to not less than CHF 262'807'620.60 either by cancelling a maximum of 6'900'000 registered shares or by reducing the nominal value of the registered shares to not less than CHF 3.783.



Earnings per share	2024	2023
Group earnings from continuing operations after non-controlling interests (in 1 000 CHF)	2 748	– 14 092
Group earnings from discontinued operations after non-controlling interests (in 1 000 CHF)	5 531	– 3 120
Group earnings for the year (in 1 000 CHF)	8 279	– 17 212
Outstanding shares (average)	69 473 243	69 473 243
Less treasury shares (average)	– 46 202	– 382 435
Average number of shares outstanding for the calculation	69 427 041	69 090 808

There were no dilutive effects impacting the calculation.

49. Treasury shares

	2024			2023		
	Ø market value in CHF	Number of shares	Amount in 1 000 CHF	Ø market value in CHF	Number of shares	Amount in 1 000 CHF
Balance at 01/01	11.37	122 141	1 389	13.96	1 111 022	15 514
Transfer for share based payments	11.38	– 103 844	– 1 182	13.62	– 88 153	– 1 201
Delivery for purchase of shares in associated company				13.62	– 1 148 801	– 15 646
Delivery for purchase of Lignis s.r.o.	12.61	– 79 973	– 1 008			
Purchase	12.95	83 034	1 075	10.97	248 073	2 722
Balance at 31/12	12.85	21 358	274	11.37	122 141	1 389

The delivery of treasury shares for the purchase of Lignis s.r.o. was recognised at the average price of CHF 12.61 per share, the fair value at the time of purchase was CHF 12.60 per share. The delivery of treasury shares in 2023 for the purchase of shares in associated company related to the acquisition of shares in Griffwerk GmbH (see note 35). The disposal of treasury shares was recognised at the average price of CHF 13.62 per share, while the increase in investment was valued at the fair value of CHF 10.66 per share at the time of purchase.



50. Other comprehensive income and other reserves

The movements in other comprehensive income after taxes were as follows:

in 1 000 CHF	31/ 12/ 2024			31/ 12/ 2023		
	Other reserves	Retained earnings	Total other comprehensive income	Other reserves	Retained earnings	Total other comprehensive income
Remeasurements of employee benefit obligations		5 436	5 436		21 658	21 658
Deferred tax effect		– 988	– 988		– 2 266	– 2 266
Total items that will not be reclassified to income statement		4 448	4 448		19 392	19 392
Fair value adjustments from hedge accounting	14 036		14 036			
Cost of hedging	– 8 851		– 8 851			
Currency translation differences	6 124		6 124	– 58 874		– 58 874
Total items that may be subsequently reclassified to income statement	11 309		11 309	– 58 874		– 58 874
Other comprehensive income after taxes	11 309	4 448	15 757	– 58 874	19 392	– 39 482

The fair value adjustments from hedge accounting and the cost of hedging relate to the Deal Contingent Forward concluded in the reporting year 2024 (see note 54).

Other reserves

in 1 000 CHF	Hedging reserve	Currency translation	Total
Balance at 31/ 12/ 2022		– 127 430	– 127 430
Currency translation differences		– 58 874	– 58 874
Balance at 31/ 12/ 2023		– 186 304	– 186 304
Fair value adjustments from hedge accounting	14 036		14 036
Cost of hedging	– 8 851		– 8 851
Currency translation differences		6 124	6 124
Balance at 31/ 12/ 2024	5 185	– 180 180	– 174 995



51. Financial results

in 1 000 CHF	2024	2023
Financial income		
Bank and other interest	179	227
Interest on net pension surplus	345	74
Total interest income	524	301
Impact of exchange rate fluctuations	3 731	
Minority share from associated companies	224	
Other financial income	257	21
Total other financial income	4 212	21
Total financial income	4 736	322
Financial expenses		
Bank and other interest	1 735	316
Interest on leases	689	290
Interest on non-current financial debts and syndicated loan	8 935	6 925
Interest on net employee benefit obligations	612	677
Compounding of liabilities	67	69
Total interest expenses	12 038	8 277
Impact of exchange rate fluctuations		6 005
Minority share from associated companies		674
Bank charges and other financial expenses	1 462	533
Total other financial expenses	1 462	7 212
Total financial expenses	13 500	15 489
Total net financial results	- 8 764	- 15 167

The classification of the financial result of financial instruments into the categories according to IFRS 9 is as follows:

in 1 000 CHF	2024	2023
Total interest income from financial assets measured at amortised cost (FA AC)	179	227
Total interest expenses from financial liabilities measured at amortised cost (FL AC)	11 426	7 600
Finance costs recognised in financial expenses from financial assets/ liabilities measured at amortised cost (FA/ FL AC)	1 400	464



52. Income taxes

in 1 000 CHF	2024	2023 restated ¹
Current income taxes	9 655	– 870
Changes in deferred income taxes	– 4 255	– 8 912
Total	5 400	– 9 782

¹ see note 36

The tax on Group earnings before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to earnings before tax of the consolidated companies as follows:

in 1 000 CHF	2024	2023 restated ^{1,2}
Earnings before income tax	8 148	– 23 874
Weighted average tax rate in %	19.7	20.6
Expected tax expense/income	1 609	– 4 915
Income tax reconciliation		
Effect of recognising loss-making entities in absolute values ²	– 3 405	2 795
Effect of utilisation of previously unrecognised tax losses		– 584
Effect of not capitalised losses for the year	5 220	5 612
Effect of non-tax-deductible expenses and non-taxable income	359	– 11 083
Effect of income and expenses taxed at special rates	1 218	– 1 907
Effect of tax charges related to prior years	6	
Effect of tax rate changes	275	249
Other items	118	51
Effective tax expense/income	5 400	– 9 782
Effective tax rate in %	66.3	41.0

¹ see note 36

² To improve the informative value of the tax rate reconciliation, the weighted average tax rate was calculated using absolute values. 2023 figures have also been adjusted accordingly.

The Group's applicable tax rate represents the weighted average of the statutory corporate tax rates, prevailing in the tax jurisdictions in which the Group companies operate.

There were no significant changes to the local tax rates compared to 2023.



Global minimum tax

In December 2021, the OECD published model rules to introduce a global minimum tax rate of 15% for large multinational corporations (so-called Pillar Two model rules). Based on the OECD recommendations, a number of countries, including Switzerland, have already enacted the corresponding legislation.

Arbonia will be subject to the Pillar Two rules in the 2024 financial year. Due to the sale of the Climate Division, it can be assumed that Arbonia will no longer fulfil the size criteria in the 2025 financial year and will fall outside the scope of Pillar Two.

Arbonia will make use of the temporary simplifications, the so-called Safe Harbour Rules, in the 2024 financial year. Compliance with the Safe Harbour criteria exempts the taxpayer from the full application of the Pillar Two rules, which means, among other things, that a Pillar Two income tax of zero can be assumed in these countries. Arbonia has carried out the Safe Harbour calculations for the 2024 financial year for all countries in which it operates. Based on these calculations and the current interpretation of the Safe Harbour regulations, Arbonia currently assumes that it will meet the Safe Harbour criteria in all countries. Consequently, Arbonia does not expect to be subject to Pillar Two income taxes in the 2024 financial year.

53. Financial risk management Risk management principles

Arbonia has a centralised risk management system. The risk management process is carried out as stated in the internal guidelines. Any potential and material risks have been identified and quantified according to the likelihood, damage to reputation and impact. Overall, no potential risks have been identified in the business year, which could lead to material adjustments of net assets, the financial position and results of operations of the consolidated financial statements of Arbonia.

Due to its international business activities, the Group is subject to various financial risks, such as credit, liquidity and other market risks. The principal goal of risk management activities is to minimise financial risks to the continued existence (liquidity and default risks) and profitability (currency, interest rate fluctuation, price risks) while ensuring adequate solvency at any time. Risk minimisation does not mean to completely eliminate but rather to control financial risks in an economically useful manner within an identified framework. Depending on their assessment, the Group uses derivative and non-derivative financial instruments to hedge certain risks. To minimise financial default risks, derivative financial instruments are only entered into with banks which are specifically defined in the treasury policy.

There are financial management guidelines and principles within the Group that regulate the handling of currency, interest rate fluctuation, commodity and credit risks, the use of derivative and non-derivative financial instruments as well as the management of liquid funds not required for operations. The risk management guidelines adopted by the Board of Directors are implemented centrally by group treasury but in close cooperation with the Divisions.

The Group's financial resources are not used for speculation purposes. The derivatives used aim to hedge underlying transactions.

Credit default risk

Credit risks arise from the possibility that the counterparty of a transaction might not be able or willing to meet its obligations. The credit risk relates to financial assets (see note 44) as well as to contract assets (see note 33).

The credit or default risk in relation to receivables and contract assets is controlled by the individual subsidiaries on a decentralised basis and limited through the assignment of credit limits on the basis of systematic and regular credit ratings. Corresponding guidelines are in place within the Group aiming at an ongoing control and value adjustment of open positions. Due to the broad diversification of the customer portfolio into various business segments and geographic regions but also the possibility to create construction tradesman's liens or the use of credit insurance, the credit risk is limited. The 10 largest debtors of Arbonia's continuing operations as of the balance sheet date accounted for a share



of 28.9% (2023: 21.1%) of existing trade receivables. The 10 largest customers of continuing operations generated 26.4% (2023: 25.2%) of the Group's net revenues in the reporting year.

To minimise financial default risks, cash and cash equivalents, fixed-term deposits and derivative financial instruments are only deposited or entered into with banks which are specifically defined in the treasury policy. The three largest banks accounted for 44% / 30% / 5% of total liquid funds as of the balance sheet date (2023: 65% / 28% / 6%).

The maximum credit risk corresponds to the book values or fair values of financial assets reported in note 44 and the book values of the contract assets reported in note 33. If applicable, these include derivative financial instruments having a positive fair value.

Liquidity risk

The liquidity risk arises from the fact that the Group might not be in a position to obtain the funds required to meet the obligations assumed in connection with financial instruments on the relevant due dates.

The cash, investments, financing and redemptions are managed and controlled on an ongoing basis by group treasury. The standard policy involves financial structures with matching maturities and currencies for each individual subsidiary. Scheduled cash requirements for the planning horizon must be secured under facility agreements or internal funding within the Group and/or via banks. By means of rolling monthly cash flow forecasts over a planning horizon of 12 months, the future cash development is forecasted in order to take measures in due time in the event of an excess coverage or shortfall. Arbonia monitors its liquidity risk with the aid of a consolidated liquidity plan, taking into account additional funding sources, e.g. undrawn credit limits. As individual divisions of Arbonia are subject to seasonal fluctuations, cash decreases early in the year but normally rises again in the second half of the year.

The available liquidity as of the balance sheet date (continuing and discontinued operations) is shown below:

in 1 000 CHF	31/ 12/ 2024	31/ 12/ 2023
Cash and cash equivalents	39 211	30 916
+ undrawn credit facilities	64 686	130 646
Total available liquidity	103 897	161 562

The syndicated loan taken out in 2020 includes the leverage ratio as covenant. If such covenant are not complied with, the banks may demand immediate redemption of their share. In 2024 and 2023, Arbonia complied with the covenant.

The contractually agreed maturities of financial liabilities within the meaning of IFRS 7 are set forth in note 43.

Market risk

(a) Currency risk

Due to the Group's international focus, there are currency risks based on exchange rate fluctuations of various currencies. In the case of Arbonia, these mainly relate to the EUR, PLN, CZK and RUB.

A currency risk arises from transactions that are not settled in the functional currency of the Group companies. Group companies can hedge their net risk position for the period of the risk horizon with hedging transactions at Group Treasury. Arbonia's risk position equals the sum of the subsidiaries' net risk positions and is hedged by the group treasury with external counterparties using currency forward contracts of the relevant foreign currency. The hedging ratio depends on the maturity and currency risk exposure and is determined on a case by case basis.

In the reporting year, Arbonia entered into a CHF/ EUR Deal Contingent Forward for a nominal amount of EUR 400 million to hedge the foreign currency risks on a portion of the expected cash inflow in connection with the sale of the Climate Division. Arbonia applied hedge accounting in accordance with IFRS 9 for this transaction (see note 54).

Translation differences (translation risks) also arise from the consolidation in CHF of the financial statements of foreign subsidiaries prepared in foreign currencies. Translation affects the amount of earnings and comprehensive income. The major risk to the Group in connection with translation differences relates to the EUR. The effects of such exchange rate fluctuations on significant net investments are as much as possible hedged by means of natural hedges with liabilities in this currency.

For the description of market risks, IFRS 7 requires sensitivity analyses showing the effects of realistic currency fluctuations on Group earnings and shareholders' equity. These effects are calculated on the basis of financial instruments existing as of the balance sheet date. In this context, it is assumed that all other variables remain unchanged. Translation risks arising from the translation of foreign subsidiaries are not included in the following table.

A 5% increase (decrease) of the EUR against the CHF (2023: 5%), a 5% increase (decrease) of the CZK against the CHF (2023: 5%), a 5% increase (decrease) of the PLN against the CHF (2023: 5%) or a 5% increase (decrease) of the RUB against the CHF (2023: 5%) would have the following effects on Arbonia's Group result as of the balance sheet date:



in 1 000 CHF	31/ 12/ 2024			
	EUR/CHF	CZK/CHF	PLN/CHF	RUB/CHF
Assumed change	5.0%	5.0%	5.0%	5.0%
Impact of an increase on group result	1 499	821	842	130
Impact of a decrease on group result	– 1 499	– 821	– 842	– 130

in 1 000 CHF	31/ 12/ 2023			
	EUR/CHF	CZK/CHF	PLN/CHF	RUB/CHF
Assumed change	5.0%	5.0%	5.0%	5.0%
Impact of an increase on group result	2 545	508	681	178
Impact of a decrease on group result	– 2 545	– 508	– 681	– 178

(b) Interest rate risk

Interest rate risks arise from interest rate fluctuations which may have a negative effect on the Group's asset and earnings position. Interest rate fluctuations result in changes in interest income and expenses relating to interest-bearing assets and liabilities. In addition, they may also affect the fair value of certain financial assets, liabilities and financial instruments, as set forth below under «Market risks».

Group companies are exclusively funded via group treasury on terms in line with the market and on a decentralised basis only in exceptional cases and with the prior approval of the CFO. Excess cash is also invested via group treasury (with the exception of Russia). The standard policy for the Group as well as for subsidiaries is that interest-bearing financial transactions in terms of capital commitment and fixed interest rates must always meet the underlying requirements. Derivative financial instruments, such as interest rate swaps or interest rate options, are used on a case-by-case basis by group treasury and only upon consultation with or according to the instruction of CFO.

For the description of interest fluctuation risks, IFRS 7 requires sensitivity analyses showing the effects of realistic fluctuations in market interest rates on Group earnings and shareholders' equity. These effects are calculated on the basis of financial instruments existing as of the balance sheet date. In this context, it is assumed that all other variables remain unchanged and that the balance of financial instruments as of the balance sheet date is representative of the entire year. Fixed-rate financial instruments valued at amortised cost are not subject to interest rate fluctuation risks within the meaning of IFRS 7.

An increase (decrease) in the market interest level as of the balance sheet date by 50 basis points for CHF interest rates (2023: 50 basis points) or by 50 basis points for EUR interest rates (2023: 50 basis points) would have the effects set forth below on Group result from continuing operations of Arbonia:

in 1 000 CHF	31/ 12/ 2024	
	CHF interest rate	EUR interest rate
Assumed change in basis points	50	50
Variable interest-bearing financial instruments		
Impact of an increase on group result from continuing operations	– 745	– 422
Impact of a decrease on group result from continuing operations	745	422

in 1 000 CHF	31/ 12/ 2023	
	CHF interest rate	EUR interest rate
Assumed change in basis points	50	50

Variable interest-bearing financial instruments

Impact of an increase on group result	– 496	– 19
Impact of a decrease on group result	496	19

(c) Other market risks

Fair value risk

Changes in fair values of financial assets, liabilities or financial instruments may affect the Group's asset and earnings position.

For the description of market risks, IFRS 7 requires sensitivity analyses showing the effects of a reasonable potential change in risk variables, such as market prices, indices, etc., on prices of financial instruments, on the Group's earnings and shareholders' equity.

Equity management

The objective of Arbonia is a strong equity base to secure the Group's future development. A sustainable equity ratio of between 45% and 55% is the goal. The shareholders' equity corresponds to an equity ratio of 55.7% as of the balance sheet date (2023: 62.1%). The decrease in the equity ratio compared to the previous year is due in particular to the increase in total assets as a result of the Dimoldura and Lignis acquisitions.



With regard to the maximum amount still available for the creation of new share capital through a conditional and/or authorised capital increase, see note 48.

Arbonia is not governed by any regulatory authorities with respect to minimum capital requirements.

54. Derivative financial instruments

The following table shows the fair values of the derivative financial instruments recognised in the balance sheet as of the balance sheet date:

in 1 000 CHF	31/ 12/ 2024
Forward foreign exchange contracts with cash flow hedges	5 185

The foreign currency risks on part of the expected cash inflow in connection with the sale of the Climate Division were hedged with a transaction-related CHF/ EUR foreign currency forward (Deal Contingent Forward) with a nominal value of EUR 400 million. This derivative financial instrument is included in the consolidated balance sheet under other current assets. The effectiveness of the hedging relationship was assessed at the time the contract with UBS Switzerland AG was concluded on 2 May 2024 and on an ongoing basis. Maturity, currency and nominal amount match the hedged transaction, resulting in a hedge ratio of 1:1. Arbonia has designated the spot component of this instrument as hedge accounting and recognises the changes in fair value through other comprehensive income. The fair value adjustments as of 31 December 2024 amount to CHF 14.0 million (see note 50). The forward component and the deal contingent premium are recognised as cost of hedging in other comprehensive income and amount to CHF -8.9 million as at 31 December 2024 (see note 50). No gains/losses from this instrument were recognised in the income statement in the reporting year. No ineffectiveness was recognised in connection with the Deal Contingent Forward. Possible causes of ineffectiveness include the credit risk of the counterparty (UBS), the change in the timing of the hedged transaction and the contingency component contained in the hedging instrument.

The Deal Contingent Forward is the only financial instrument measured at fair value as at the balance sheet date. Further information on the methods and assumptions used to determine the fair value can be found in note 44.



55. Additional information on the cash flow statements

in 1 000 CHF	2024	2023
<i>Changes in non-cash transactions</i>		
Additional/reversed provisions	5 595	15 042
Changes in capitalised pension surplus/employee benefit obligations	– 738	– 1 495
Share based payments	1 479	1 033
Minority share from associated companies	– 224	674
Other non-cash effects	– 645	4 018
Total changes in non-cash transactions	5 467	19 272
<i>Changes in working capital</i>		
Changes in accounts receivable	7 583	– 9 414
Changes in inventories	3 508	30 659
Changes in contract assets project business	– 5 902	10 848
Changes in other working capital items	– 2 277	5 375
Total changes in working capital	2 912	37 468
<i>Changes in liabilities</i>		
Changes in accounts payable	– 7 131	– 576
Changes in contract liabilities	7 003	7 981
Used provisions	– 15 917	– 10 841
Changes in other current liabilities	461	294
Total changes in liabilities	– 15 584	– 3 142



in 1 000 CHF	Current and non-current financial debts
Balance at 31/ 12/ 2022	191 438
Foreign exchange differences	– 465
Proceeds from financial debts	233 496
Repayments of financial debts	– 200 337
Non-cash foreign exchange effects	– 8 833
Reclassification liabilities associated with assets held for sale	– 6 027
Balance at 31/ 12/ 2023	209 272
Foreign exchange differences	– 880
Change in scope of consolidation	19 581
Proceeds from financial debts	208 908
Repayments of financial debts	– 67 280
Repayment of mortgage by purchase price offsetting	– 14 895
Non-cash foreign exchange effects	473
Balance at 31/ 12/ 2024	355 178

in 1 000 CHF	Lease liabilities
Balance at 31/ 12/ 2022	22 119
Foreign exchange differences	– 1 446
Change in scope of consolidation	166
Lease additions	10 176
Lease liability payments	– 8 598
Lease disposals and remeasurements	2 042
Reclassification liabilities associated with assets held for sale	– 16 148
Balance at 31/ 12/ 2023	8 311
Foreign exchange differences	– 273
Change in scope of consolidation	9 453
Lease additions	3 118
Lease liability payments	– 3 548
Lease disposals and remeasurements	1 853
Reclassification liabilities associated with assets held for sale	401
Balance at 31/ 12/ 2024	19 315



56. Share based payments

For Group Management and certain other employees a share based payment plan exists. As part of this plan, Group Management members receive 50% (2023: 50%) and the other employees between 20% and 35% (2023: between 20% and 35%) of their bonus in shares. This equity-settled variable remuneration is measured at fair value and recognised as an increase in equity. The determination of the number of shares is based on the volume weighted average share price of 20 trading days, less a 20% discount for the restriction period. These shares granted have a restriction period of four years. A share based payment plan also exists for members of the Board of Directors. Under this plan, members receive a minimum of 50% of their compensation in shares. This plan has the same features as the one for Group Management.

In 2024, Group Management and certain other employees received for their work in the year 2023 a total of 42 636 allotted shares (2023: 37 400 shares) at a fair value of CHF 0.5 million (2023: CHF 0.4 million) and CHF 11.79 per share respectively (2023: CHF 10.66). The members of the Board of Directors received for their work from 22 April 2023 up to the Annual General Meeting on 19 April 2024 a total of 61 208 shares (2023: 50 753 shares) at a fair value of CHF 0.7 million (2023: CHF 0.5 million) and CHF 11.79 per share respectively (2023: CHF 10.66).

Personnel expenses in 2024 for share based payments totalled CHF 1.3 million (2023: CHF 1.0 million).

57. Related party transactions

Members of the Board of Directors and Group Management were compensated as follows:

in 1 000 CHF	2024	2023
Salaries and other short-term employee benefits	3 460	2 417
Share based payments	882	937
Pension and social security contributions	689	578
Total	5 031	3 932

The detailed disclosures regarding executive remuneration required by Swiss law are included in the compensation report on pages 118 to 120.



The following transactions were carried out with related parties and the following balances were outstanding as of the balance sheet date respectively:

in 1 000 CHF	Purchase of services	Sale of goods	Purchase of goods	Balance on receivables	Balance on liabilities
			2024		31/ 12/ 2024
Key management personnel	1		2		
Other related parties	225	4 071	92	182	
Total	226	4 071	94	182	

in 1 000 CHF	Purchase of services	Sale of goods	Purchase of goods	Balance on receivables	Balance on liabilities
			2023		31/ 12/ 2023
Key management personnel	1	17	14		
Other related parties	30	3 728	183	574	1
Total	31	3 745	197	574	1

Goods sold in 2024 and 2023 are largely Arbonia products acquired at market prices by companies in which a non-executive member of the Board of Directors is a director. There were no guarantees granted as of the balance sheet date. Furthermore no provisions were required for receivables. Transactions and outstanding balances with associated companies are disclosed in note 35.

Major shareholders as of 31 December 2024 are disclosed in the notes to the 2024 financial statements of Arbonia AG on page 208.

58. Contingencies

There were no contingencies.

59. Events after the balance sheet date

On 26 February 2025, the sale of the Climate segment to Midea Electrics Netherlands B.V., a company of the Midea Group, was completed by payment of EUR 742 million in cash.

No other events occurred between the balance sheet date and the date of this report which could have a significant influence on the 2024 consolidated financial statements.



60. Subsidiaries

Company	Head Office	Share Capital in million	Interest in Capital 2024	Interest in Capital 2023	Room Climate	Shower Stalls/ Divider walls	Doors	Services
Doors Division								
Arbonia Doors Suisse AG	Arbon, CH	0.250	CHF	100%	100%		■	●
RWD Schlatter AG	Roggwil, CH	2.000	CHF	100%	100%		▲	
Bekon-Koralle AG	Dagmersellen, CH	1.000	CHF	100%	100%	▲		
Arbonia Duschdesign Suisse AG	Arbon, CH	0.100	CHF	100%		▲		
Lignis s.r.o.	Koryčany, CZ	1.000	CZK	100%			▲	
Prüm-Türenwerk GmbH	Weinsheim, DE	3.500	EUR	100%	100%		▲	
Garant Türen- und Zargen GmbH	Amt Wachsenburg, DE	0.100	EUR	100%	100%		▲	
TPO Holz-Systeme GmbH	Leutershausen, DE	0.025	EUR	100%	100%		▲	
Joro Türen GmbH	Renchen, DE	0.125	EUR	100%	100%		▲	
Arbonia Doors GmbH	Erfurt, DE	0.025	EUR	100%	100%			●
KIWI-KI GmbH	Berlin, DE	0.096	EUR	49.9%	49.9%		▲	●
Griffwerk GmbH	Blaustein, DE	0.100	EUR	17.2%	17.2%		▲	
Kermi Duschdesign GmbH	Plattling, DE	2.070	EUR	100%	100%	▲		
Arbonia Glassysteme GmbH	Deggendorf, DE	1.278	EUR	100%	100%	▲		
Interwand GmbH	Dörzbach, DE	0.520	EUR	100%	100%	▲		
Arbonia Spain Holding S.L.	Madrid, ES	3.297	EUR	100%				●
Dimoldura Ibérica S.L.	Toledo, ES	0.003	EUR	100%			▲	
Puertas Dile S.L.	Navarra, ES	0.006	EUR	100%			▲	
Rozière S.A.S.	Bozouls, FR	1.624	EUR	100%			▲	
Dimoldura - Molduras E Componentes S.A.	Carregal do Sal, PT	1.000	EUR	100%			▲	
Invado Sp.z o.o.	Ciasna, PL	20.000	PLN	100%	100%		▲	
Lignis Slovakia s.r.o.	Bratislava, SK	0.005	EUR	100%				●
Baduscho Dusch- und Badeeinrichtungen Produktions- und Vertriebsgesellschaft m.b.H	Margarethen am Moos, AT	0.036	EUR	100%	100%	■		

- ▲ Production / Sales
- Trade
- Services / Finances



Company	Head Office	Share Capital in million	Interest in Capital 2024	Interest in Capital 2023	Room Climate	Services
Climate Division						
Arbonia Solutions AG	Arbon, CH	4.000 CHF	100%	100%	■	
Prolux Solutions AG	Arbon, CH	1.000 CHF	100%	100%	■	
ARBONIA climate AG	Arbon, CH	0.250 CHF	100%	100%		●
Vasco Group NV	Dilsen-Stokkem, BE	32.500 EUR	100%	100%	■	
Vasco BVBA	Dilsen-Stokkem, BE	20.029 EUR	100%	100%	▲	
Kermi s.r.o.	Stribro, CZ	195.000 CZK	100%	100%	▲	
PZP Heating a.s.	Dobre, CZ	7.200 CZK	100%	100%	▲	
Arbonia Riesa GmbH	Glaubitz, DE	0.614 EUR	100%	100%	■	
Kermi GmbH	Plattling, DE	15.339 EUR	100%	100%	▲	
Vasco Group GmbH	Dortmund, DE	0.077 EUR	100%	100%	■	
Tecnologia de Aislamientos y climatizacion, S.L.	Algete, ES	0.481 EUR	100%	100%	■	
Cirelius S.A.	Avintes, PT	0.250 EUR	100%	100%	■	
Termovent Komerc d.o.o.	Belgrad, RS	0.064 RSD	100%	100%	▲	
Arbonia France Sàrl	Hagenbach, FR	0.600 EUR	100%	100%	■	
Vasco Group Sarl	Nogent-sur-Marne, FR	2.000 EUR	100%	100%	■	
Sabiana S.p.A.	Corbetta, IT	4.060 EUR	100%	100%	▲	
Vasco Group BV	Tubbergen, NL	9.518 EUR	100%	100%	■	
Brugman Fabryka Grzejników Sp.z o.o.	Legnica, PL	20.000 PLN	100%	100%	▲	
Kermi Sp.z o.o.	Wrocław, PL	0.900 PLN	100%	100%	■	
Vasco Group Sp.z o.o.	Legnica, PL	0.500 PLN	100%	100%	■	
AFG RUS	Moskau, RU	454.5 RUB	100%	100%	▲	
AFG (Shanghai) Building Materials Co. Ltd.	Shanghai, CN	2.000 USD	100%	100%		●
Corporate Services						
Arbonia AG	Arbon, CH	291.787 CHF				●
AFG International AG	Arbon, CH	1.000 CHF	100%	100%		●
Arbonia Schweiz AG	Arbon, CH	1.000 CHF	100%	100%		●
AFG Immobilien AG	Arbon, CH	1.000 CHF	100%	100%		●
Arbonia Management AG	Arbon, CH	0.250 CHF	100%	100%		●
Arbonia Services AG	Arbon, CH	0.250 CHF	100%	100%		●
Arbonia Deutschland GmbH	Plattling, DE	0.511 EUR	100%	100%		●
DWA Beteiligungsgesellschaft mbH	Magdeburg, DE	0.025 EUR	100%	100%		●
Brugman Radiatorenfabriek BV	Tubbergen, NL	4.000 EUR	100%	100%		●
Skyfens Sp.z o.o.	Lublin, PL	13.005 PLN	100%	100%		▲

- ▲ Production / Sales
- Trade
- Services / Finances



Statutory Auditor's Report

To the General Meeting of Arbonia AG, Arbon

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Arbonia AG and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2024, the consolidated income statement, consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements (pages 132 to 196) give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with 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, together with the requirements of the Swiss audit profession, 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), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Key Audit Matters



VALUATION OF GOODWILL WOOD SOLUTIONS



ACQUISITION OF DIMOLDURA GROUP

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 GOODWILL WOOD SOLUTIONS

Key Audit Matter

As at 31 December 2024, the carrying amount of the goodwill Wood Solutions amounts to CHF 122.5 million.

Management assesses the valuation of goodwill based on a value in use calculation for the relevant cash generating unit ("CGU").

The impairment test for this item requires significant management judgment with regards to cash flow forecasts, margin, growth rate as well as the discount rate, and is therefore a key area of audit focus.

Our response

Our procedures included, amongst others, evaluating the methodical and mathematical accuracy of the model used for the impairment tests, the appropriateness of the assumptions used, and the methodology used by management to prepare cash flow forecasts. We used our own valuation specialists to support our procedures.

Amongst others, we performed the following audit procedures:

- assessing the forecasting accuracy by back-testing historical forecasts to actual results;
- comparing projected cash flows with the latest forecasts by management and with the business plan approved by the board of directors;
- challenging the robustness of the key assumptions used to determine the recoverable amount, including forecast cash flows, margin, growth rate and the discount rate by comparing them with publicly available data and our understanding of the commercial prospects of the relevant CGU;
- review of the sensitivity analyses performed.

We also considered the appropriateness of disclosures in the consolidated financial statements in relation to sensitivities regarding the impairment testing of goodwill.

For further information on goodwill refer to the following:

- Note 19 „Intangible assets“, page 144
- Note 20 „Impairment of assets“, page 144
- Note 30 „Significant accounting judgments, estimates and assumptions“, paragraphs „Estimated impairment of goodwill“, page 149
- Note 40 „Intangible assets“, page 164



ACQUISITION OF DIMOLDURA GROUP

Key Audit Matter

On 16 May 2024, the Arbonia Group acquired 100% of Dimoldura Group (Spain) for a purchase price of CHF 90.4 million.

On the basis of the purchase price allocation (PPA), intangible assets of CHF 54.7 million and goodwill of CHF 38.8 million were recognised at the time of acquisition.

The valuation of assets acquired and liabilities assumed is complex and requires significant judgement in applying forecasts and assumptions made by management.

Given the size of the transaction and the extent of judgment in valuing these assets and liabilities, the fair value calculation is considered a key audit matter.

Our response

Our procedures included, amongst others, the following:

- We obtained an understanding of the processes for the acquisition, including the process of identifying intangible assets in the business combination;
- We read the share purchase agreement and evaluated the accounting treatment of the acquisition;
- We traced the cash transferred to bank statements;
- Along with our valuation specialists, we verified whether the methodologies and models applied to value intangible assets are appropriate. We challenged the main assumptions and judgements that affected the valuation by comparing these with market data and our experience of similar transactions;
- We checked the mathematical accuracy of the valuation model; and
- We considered the appropriateness of disclosures in respect of this acquisition.

For further information on the acquisition of Dimoldura Group refer to the following:

- Note 30 „Significant accounting judgments, estimates and assumptions“, paragraphs „Intangible assets acquired in a business combination“, page 149
- Note 41 „Acquisitions“, page 167

Other Information

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

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

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

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



Board of Directors' Responsibilities for the Consolidated Financial Statements

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

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

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

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

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

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



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

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

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

Report on Other Legal and Regulatory Requirements

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

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

KPMG AG

David Grass
Licensed Audit Expert
Auditor in Charge

Nicolas Wuffli
Licensed Audit Expert

St. Gallen, 26 February 2025

KPMG AG, Bogenstrasse 7, CH-9001 St. Gallen

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Financial Statements Arbonia AG



Income Statement

in 1 000 CHF	Note	2024		2023	
			in %		in %
Dividend income		16 030		11 130	
Financial income	2.7	27 349		34 576	
Other operating income		1		1	
Total income		43 380	100.0	45 707	100.0
Financial expenses	2.8	– 20 651	– 47.6	– 12 359	– 27.0
Personnel expenses		– 970	– 2.2	– 946	– 2.1
Other operating expenses	2.9	– 4 409	– 10.2	– 3 777	– 8.3
Taxes		– 1 124	– 2.6	– 3 149	
Total expenses		– 27 155	– 62.6	– 20 232	– 44.3
Net profit		16 225	37.4	25 475	55.7

The notes on pages 205 to 208 are an integral part of these financial statements.

Balance sheet

in 1 000 CHF		31/ 12/ 2024		31/ 12/ 2023	
	Note		in %		in %
Assets					
Cash and cash equivalents		17 253		15 739	
Other receivables					
Third parties		196		97	
Shareholdings		292 230		203 585	
Deferred expenses		29		29	
Current assets		309 708	18.3	219 450	14.7
Loans to shareholdings		589 622		482 924	
Investments	2.1	788 812		788 812	
Non-current assets		1 378 435	81.7	1 271 736	85.3
Total assets		1 688 143	100.0	1 491 186	100.0



in 1 000 CHF		31/ 12/ 2024	31/ 12/ 2023
	Note	in %	in %
Liabilities and shareholders' equity			
Accounts payable			
Third parties		1 503	4
Shareholdings		1 688	984
Interest bearing liabilities	2.2		
Bank loans		276 494	133 926
Promissory note loan		64 669	
Shareholdings		277 237	240 417
Other liabilities			
Third parties		6	8
Accruals and deferred income		2 489	4 537
Current liabilities		624 087	37.0
Interest bearing liabilities	2.3		
Promissory note loan		11 758	76 427
Non-current liabilities		11 758	0.7
Total liabilities		635 845	37.7
Share capital	2.4	291 788	291 788
Legal capital reserves			
Capital contribution reserve	2.5	432 571	432 571
Other capital reserves		42 812	42 812
Voluntary reserves			
Free reserves		11 217	11 144
Treasury shares	2.6	– 274	– 1 391
Balance sheet earnings			
Retained earnings		257 960	232 485
Net profit		16 225	25 475
Shareholders' equity		1 052 298	62.3
Total liabilities and shareholders' equity		1 688 143	100.0

The notes on pages 205 to 208 are an integral part of these financial statements.



Notes to the Financial Statements

1. Accounting policies

1.1. General information

These financial statements 2024 were prepared under the provisions of the Swiss accounting law (32nd title of the Swiss Code of Obligations).

Since Arbonia AG prepares consolidated financial statements in accordance with a recognised financial reporting standard (International Financial Reporting Standards), the company is not disclosing in accordance with the statutory provisions the audit fees and is not presenting a cash flow statement and a management report.

1.2. Other current receivables

Other current receivables from shareholdings are short term loans, which are accounted for at nominal value and for which if necessary, individual specific valuation allowances have been booked.

1.3. Financial assets

Financial assets consist of long-term loans to shareholdings and are valued at cost reduced by required impairments. Loans denominated in foreign currencies are converted at the current closing rate. Unrealised exchange losses are recorded immediately whereas unrealised exchange gains are not recorded (impairity principle).

1.4. Treasury shares

Treasury shares are recognised at acquisition date at cost as a negative item in equity. In a subsequent sale or delivery in the context of the share based payments, profit or loss arising from the sale of treasury shares is recognised directly in equity under voluntary reserves.

1.5. Share based payments

A share based payment plan exists for members of the Board of Directors. Under this plan, members receive a minimum of 50% of their compensation in shares. The determination of the number of shares is based on the volume weighted average share price of 20 trading days, less a 20% discount for the restriction period. These shares granted have a restriction period of four years. The fair value of the equity compensation instruments is determined at the grant date and recorded to the income statement as personnel expenses with a corresponding offsetting entry to equity.

1.6. Interest bearing liabilities

Interest bearing liabilities are accounted for at nominal value. Long-term loans denominated in foreign currencies are converted at the current closing rate. Unrealised exchange losses are recorded immediately whereas unrealised exchange gains are not recorded (impairity principle).



2. Information and notes to the financial statements

2.1. Investments

Company	31/ 12/ 2024		31/ 12/ 2023	
	Share capital in 1 000 CHF	Capital and voting interest in %	Share capital in 1 000 CHF	Capital and voting interest in %
Arbonia Schweiz AG, Arbon	1 000	100.00%	1 000	100.00%
AFG International AG, Arbon	1 000	100.00%	1 000	100.00%
Arbonia Management AG, Arbon	250	100.00%	250	100.00%
Arbonia Services AG, Arbon	250	100.00%	250	100.00%

All subsidiaries directly or indirectly held by Arbonia AG are disclosed in note 60 in the notes to the consolidated financial statements of Arbonia Group.

2.2. Current interest bearing liabilities

in 1 000 CHF	31/ 12/ 2024	31/ 12/ 2023
Bank loans – syndicated loan	198 824	133 926
Bridge loan	77 670	
Promissory note loan	64 669	
Loans to shareholdings	277 237	240 417
Total	618 400	374 343

On 3 November 2020, Arbonia had entered into a syndicated loan for CHF 250 million. This loan, arranged with a consortium of domestic and foreign banks, has a term of five years, with the option to extend the agreement twice for one year each. The first extension option was exercised in 2021 and the second in 2022, so that the term now runs until 2027.

Arbonia has taken out a bridge loan of EUR 100 million to finance acquisitions. The outstanding bridge loan of EUR 80 million is to be repaid in full once the sale of the Climate Division has been completed.

2.3. Non-current interest bearing liabilities

in 1 000 CHF	31/ 12/ 2024	31/ 12/ 2023
Promissory note loan	11 758	76 427
Total	11 758	76 427

Maturity structure

in 1 000 CHF	31/ 12/ 2024	31/ 12/ 2023
Within 5 years	11 758	76 427
Total	11 758	76 427

2.4. Share capital

Refer to note 48 in the notes to the consolidated financial statements of Arbonia Group.

2.5. Capital contribution reserve

The capital contribution reserve includes the premium from the capital increases in 2007, 2009, 2015, 2016 and 2017 reduced by previous distributions.

The distribution from capital contribution reserve is fiscally treated like a redemption of share capital. The Swiss Federal Tax Administration (FTA) has confirmed the disclosed capital contribution reserve (balance as of 31 December 2023) as capital contribution within the meaning of article 5 para. 1bis VStG.



2.6. Treasury shares

	2024			2023		
	Ø market value in CHF	Number of shares	Amount in 1 000 CHF	Ø market value in CHF	Number of shares	Amount in 1 000 CHF
Balance at 01/ 01	11	122 141	1 391	14	1 111 022	15 702
Purchase	13	83 034	1 075	11	248 073	2 722
Transfer for share based payments	12	– 103 844	– 1 257	11	– 88 153	– 940
Sale	13	– 79 973	– 1 009	11	– 1 148 801	– 12 246
Gain (+) / loss (–)			73			– 3 847
Balance at 31/ 12	13	21 358	274	11	122 141	1 391

2.7. Financial income

Financial income totals CHF 27.3 million (2023: CHF 34.6 million) and consists mainly of interest income on loans to shareholdings and foreign currency exchange gains.

2.8. Financial expenses

Financial expenses totals CHF 20.7 million (2023: CHF 12.4 million) and consists mainly of bank interest and foreign currency exchange losses.

2.9. Other operating expenses

in 1 000 CHF	2024	2023
Administrative costs	4 047	3 552
Consultancy and audit fees	352	217
Other operating expenses	11	9
Total	4 409	3 777

3. Other disclosures

3.1. Guarantees, warranty obligations and collateral in favour of third parties

The following guarantees were issued for the companies listed below:

	31/ 12/ 2024	31/ 12/ 2023
UBS AG		
in favor of Tervovent Komerc in 1 000 EUR	12 738	
in favour of Kermi GmbH in 1 000 CHF	250	250
in favour of Joro Türen GmbH in 1 000 CHF	163	163
in favour of Kermi Duschdesign GmbH in 1 000 CHF	60	
UniCredit Bank		
in favor of Tervovent Komerc in 1 000 EUR	18 679	14 534
in favour of Kermi GmbH in 1 000 EUR	366	385
in favour of Kermi Duschdesign GmbH in 1 000 EUR	300	
in favour of Kermi sp. z o.o. in 1 000 EUR	135	135
in favour of TPO Holz-Systeme GmbH in 1 000 EUR	100	125
in favour of Arbonia Doors GmbH in 1 000 EUR	15	24
in favour of Arbonia AG in 1 000 EUR	2	2



3.2. Contingent liabilities

A joint and several liability exists towards the affiliated subsidiaries under the cash pooling agreement with UniCredit Bank AG and UBS Switzerland AG.

3.3. Major shareholders

	31/ 12/ 2024	31/ 12/ 2023
	Voting and capital interest	Voting and capital interest
Artemis Beteiligungen I AG	22.57%	22.56%

3.4. Off-balance sheet transactions

in 1 000 CHF	31/ 12/ 2024	
	Contract value	Replacement value positive
Forward foreign exchange contracts	376 480	5 185
Total financial instruments	376 480	5 185

The foreign currency risks on part of the expected cash inflow in connection with the sale of the Climate Division were hedged with a transaction-related CHF/ EUR foreign currency forward (Deal Contingent Forward) with a nominal value of EUR 400 million. Maturity, currency and nominal amount match the hedged transaction. The valuation of the derivative as of 31 December 2024 amount to CHF 5.2 million. As this is a hedge transaction, it is not measured at fair value but disclosed in the notes. The hedge is recognised when it matures (at closing sale Climate Division).

3.5. Headcount in full-time equivalents

Arbonia AG does not employ any staff.

3.6. Disclosure of participation rights

The Board of Directors, Group Management and employees were granted the following participation rights:

	31/ 12/ 2024		31/ 12/ 2023	
	Number of registered shares	Amount in 1 000 CHF	Number of registered shares	Amount in 1 000 CHF
Allocated to the Board of Directors and Group Management	79 260	959	69 946	746
Allocated to employees	24 584	297	18 207	194
Total	103 844	1 257	88 153	940



Proposal of the Board of Directors

The Board of Directors will propose at the Annual General Meeting of the shareholders on 25 April 2025 the following:

Appropriation of Retained Earnings

in 1 000 CHF	2024
Retained earnings carried forward from previous year	257 960
Net profit for the year	16 225
Retained earnings	274 185
Distribution of a dividend ¹ for the financial year 2023	– 10 421
Distribution of a dividend ¹ for the financial year 2024	– 11 463
Distribution of an extraordinary dividend ¹	– 41 684
Retained earnings carried forward	210 617

Repayment of capital contribution reserve

in 1 000 CHF	2024
Carry forward from previous year	432 571
Withholding tax free repayment ¹ for the financial year 2023	– 10 421
Withholding tax free repayment ¹ for the financial year 2024	– 11 463
Withholding tax free extraordinary repayment ¹	– 41 684
Capital contribution reserve carried forward	369 003

¹ No distribution/ repayment for treasury shares at the time of payment



Statutory Auditor's Report

To the General Meeting of Arbonia AG, Arbon

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Arbonia AG (the Company), which comprise the balance sheet as at 31 December 2024, 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 203 to 208) comply with Swiss law and the Company's articles of incorporation.

Basis for Opinion

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

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

Key Audit Matters



VALUATION OF INVESTMENTS AND LOANS DUE FROM SHAREHOLDINGS

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. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



VALUATION OF INVESTMENTS AND LOANS DUE FROM SHAREHOLDINGS

Key Audit Matter

The financial statements of Arbonia AG as at 31 December 2024 include investments amounting to CHF 788.8 million and loans due from shareholdings (included in the balance sheet items "Other receivables shareholdings" as well as "Loans to shareholdings") amounting to CHF 881.9 million. The company reviews the individual investments and loans due from shareholdings for impairment annually.

The impairment assessment of investments and loans due from shareholdings partially requires significant management judgment and is therefore a key area of audit focus.

Our response

During our audit, we assessed management's impairment review of the investments and the loans due from shareholdings.

Amongst others, we performed the following audit procedures:

- Comparing the carrying amounts of the investments with the equity of the relevant companies, in some cases considering the pro-rata net assets of indirect investments or relying on management's impairment reviews that had been assessed during the group audit;
- Assessing the recoverability of loans due from shareholdings by analyzing the equity position of the borrower.

For further information on Valuation of investments and loans due from shareholdings refer to the following:

- Note 1.2 „Other current receivables“, page 205
- Note 1.3 „Financial assets“, page 205
- Note 2.1 „Investments“, page 206

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.

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 article 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 proposals of the Board of Directors comply with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

KPMG AG

David Grass
Licensed Audit Expert
Auditor in Charge

Nicolas Wuffli
Licensed Audit Expert

St. Gallen, 26 February 2025

KPMG AG, Bogenstrasse 7, CH-9001 St. Gallen

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Notes



Alternative Performance Measures

Arbonia uses alternative performance measures (APM) as guidance measures for both internal reporting to management and external reporting to stakeholders. The APM used by Arbonia have not been prepared in accordance with IFRS accounting policies and are discussed in detail below. The APM serve as supplementary information components and should therefore always be read and interpreted in conjunction with the consolidated financial statements prepared in accordance with IFRS. The APM used by Arbonia do not necessarily agree with the same or similar titled measures of other or comparable companies.

EBITDA without one-time effects / adjusted

The elimination of one-time effects provides an adjusted and thus better comparable presentation of the operating result over time. Discontinued operations as defined by IFRS 5 are not included. The following one-time effects are eliminated by Arbonia:

- Costs resulting from creation of provisions or income resulting from reversal of provisions for restructurings and reorganisation as well as closure costs
- Ramp-up costs for new production sites
- Consultancy and integration costs from acquisitions
- Consultancy costs with greater cost implications for acquisitions that did not materialise
- Consultancy costs from disposal of subsidiaries
- Gains and losses from sale of properties and associated companies
- Real estate development costs
- Costs in connection with personnel changes/leave of absence in Group and Division management

EBITA without one-time effects / adjusted

- Impairments
- Reversal of impairments

EBIT without one-time effects / adjusted

- Impairments on intangible assets from acquisitions

Group result before income tax without one-time effects / adjusted

- Impairments and reversal of impairments on loans granted

Group result after taxes without one-time effects / adjusted

- Tax effect on one-time effects
- Tax consequences from disposal of subsidiaries

Acquisition and currency adjusted growth (organic growth)

Acquisition and currency adjusted growth excludes effects from acquisitions and disposals of companies and currency effects.

In the acquisition adjusted growth, revenues of the acquired companies are eliminated in the year of acquisition. For companies acquired in the previous year, revenues of the current year are included for the same period as in the previous year. Discontinued operations within the meaning of IFRS 5 are eliminated.

In the currency adjusted growth, revenues of the current year in the functional currency of the respective company are translated at the average exchange rates of the same previous year period.

Net debt

Current and non-current financial debts plus current and non-current lease liabilities minus cash and cash equivalents

Leverage ratio

Net debt divided by EBITDA

Free cash flow

Cash flow from operating and investing activities

Operational free cash flow

Cash flow from operating and investing activities without acquisitions/disposals of subsidiaries/financial assets and expansion capital expenditures

Capital expenditures

Maintenance and expansion capital expenditures



Reconciliation Group and Divisions from IFRS-result to result without one-time effects / Adjusted

in 1 000 CHF										2024
		IFRS	%	Consultancy and integration costs from acquisitions	Costs for re- structurings and reorganisation	Gain on sale of in- vestment property	Costs in connection with changes in Group manage- ment	Tax effects on one- time effects	without one-time effects/ adjusted	%
Doors	EBITDA	48 573	8.8	474	2 150				51 197	9.2
	EBITA	17 319	3.1						19 943	3.6
	EBIT	1 288	0.2						3 912	0.7
Corporate Services	EBITDA	17 698		773	64	– 28 777	737		– 9 505	
	EBITA	15 624							– 11 579	
	EBIT	15 624							– 11 579	
Group	Net revenues	556 308	100.0						556 308	100.0
	Other operating income	36 353	6.5			– 28 777			7 576	1.4
	Capitalised own services	5 185	0.9						5 185	0.9
	Changes in inventories of semi-finished and finished goods	– 615	– 0.1						– 615	– 0.1
	Cost of material and goods	– 215 957	– 38.8						– 215 957	– 38.8
	Personnel expenses	– 209 702	– 37.7		1 548		737		– 207 417	– 37.3
	Other operating expenses	– 105 301	– 18.9	1 247	666				– 103 388	– 18.6
	EBITDA	66 271	11.9						41 692	7.5
	Depreciation, amortisation and impairments	– 33 328	– 6.0						– 33 328	– 6.0
	EBITA	32 943	5.9						8 364	1.5
	Amortisation of intangible assets from acquisitions	– 16 032	– 2.9						– 16 032	– 2.9
	EBIT	16 912	3.0						– 7 668	– 1.4
	Financial income	4 736	0.9						4 736	0.9
	Financial expenses	– 13 500	– 2.4						– 13 500	– 2.4
	Group result before income tax	8 148	1.5						– 16 431	– 3.0
	Income tax expense	– 5 400	– 1.0					3 193	– 2 207	– 0.4
	Group result from continuing operations	2 748	0.5						– 18 638	– 3.4

Presentation of the respective one-time effects on the immediate result line without disclosure of the impact on the subsequent line items.



Reconciliation Group and Divisions from IFRS-result to result without one-time effects / Adjusted

in 1 000 CHF									2023
		IFRS	%	Consultancy and integration costs from acquisitions	Costs for re- structurings and reorganisation	Various	Tax effects on one- time effects	without one-time effects/ adjusted	%
Doors	EBITDA	39 138	7.8	203	1 956	88		41 385	8.3
	EBITA	12 610	2.5					14 857	3.0
	EBIT	1 010	0.2					3 257	0.6
Corporate Services	EBITDA	– 7 288						– 7 288	
	EBITA	– 9 753						– 9 753	
	EBIT	– 9 753						– 9 753	
Group	Net revenues	504 605	100.0					504 605	100.0
	Other operating income	8 539	1.7					8 539	1.7
	Capitalised own services	5 755	1.1					5 755	1.1
	Changes in inventories of semi-finished and finished goods	– 4 777	– 0.9					– 4 777	– 0.9
	Cost of material and goods	– 199 691	– 39.6					– 199 691	– 39.6
	Personnel expenses	– 186 155	– 36.9		1 956	88		– 184 111	– 36.5
	Other operating expenses	– 96 390	– 19.1	203				– 96 187	– 19.1
	EBITDA	31 886	6.3					34 133	6.8
	Depreciation, amortisation and impairments	– 28 993	– 5.7					– 28 993	– 5.7
	EBITA	2 893	0.6					5 140	1.0
	Amortisation of intangible assets from acquisitions	– 11 600	– 2.3					– 11 600	– 2.3
	EBIT	– 8 707	– 1.7					– 6 460	– 1.3
	Financial income	322	0.1					322	0.1
	Financial expenses	– 15 489	– 3.1					– 15 489	– 3.1
	Group result before income tax	– 23 874	– 4.7					– 21 627	– 4.3
	Income tax expense	9 782	1.9				– 566	9 216	1.8
	Group result from continuing operations	– 14 092	– 2.8					– 12 411	– 2.5

Presentation of the respective one-time effects on the immediate result line without disclosure of the impact on the subsequent line items.



Supplementary Information for Investors

	2024	2023	2022	2021	2020
Number of shares					
Registered par value CHF 4.20	69 473 243	69 473 243	69 473 243	69 473 243	69 473 243
Registered par value CHF 4.20 average number	69 427 041	69 090 808	68 946 385	69 163 962	69 159 789
Stock market prices in CHF					
Highest	13.5	13.7	22.9	21.5	14.2
Lowest	10.2	7.1	10.5	13.6	5.8
31/12	11.2	9.6	12.9	20.6	14.2
Stock market capitalisation in CHF million (31/12)	776.7	669.0	896.2	1 431.1	986.5
Per share data					
Gross dividend in CHF ¹	1.83	0.00	0.30	0.30	0.47
Pay-out ratio (in % of Group earnings)	1 534.6	0.0	108.1	15.0	72.4
Group earnings in CHF ²	0.1	– 0.3	0.3	2.0	0.7
Cash flow from operating activities in CHF	0.6	1.5	– 0.4	1.3	2.0
Shareholders' equity in CHF	13.6	13.3	14.3	15.1	12.9
Price/earnings ratio (highest) ²	113.4	– 55.0	82.5	10.7	21.9
Price/earnings ratio (lowest) ²	85.4	– 28.5	37.8	6.8	8.9
Price/earnings ratio (31/12) ²	93.8	– 38.7	46.5	10.3	21.9
Price/cash flow ratio (highest)	22.7	9.4	– 61.3	16.0	6.9
Price/cash flow ratio (lowest)	17.1	4.9	– 28.1	10.2	2.8
Price/cash flow ratio (31/12)	18.8	6.6	– 34.5	15.4	6.9

¹ 2025 proposal to the Annual General Meeting

² 2021 includes the disposal gain for the Windows Division



Capital market review

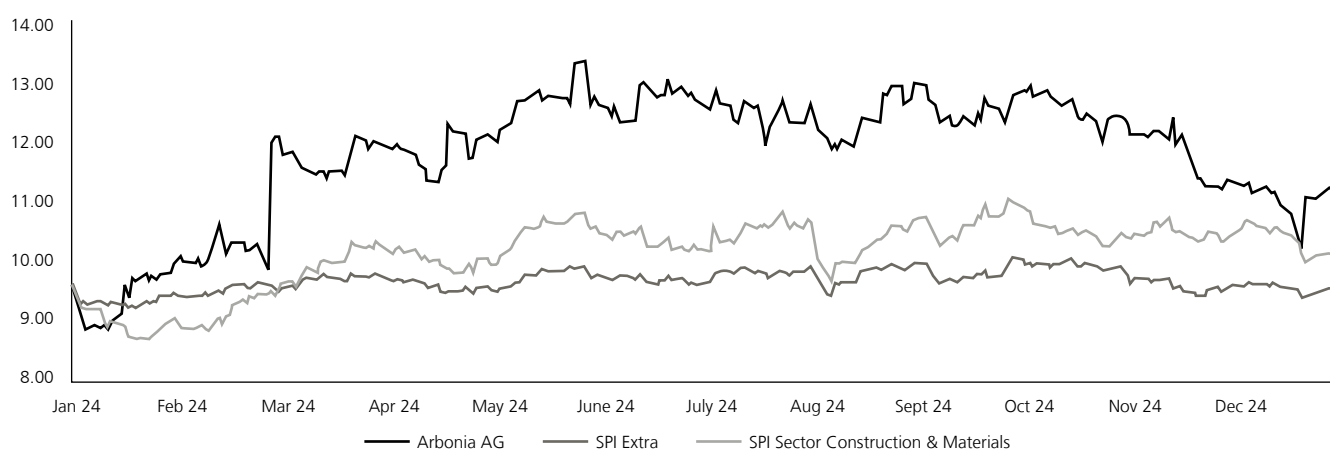
The beginning of 2024 was once again characterised by confidence that the difficult year 2023 would be followed by a quick economic recovery resulting from decreasing inflation and falling key interest rates. In this hope, share prices continuously rose in the first weeks of the year, and it only became apparent from May on that inflation was likely to stay at a higher level for a longer time. At the same time, uncertainty was caused by geopolitical events such as increasing tensions in the Middle East, the announcement of protective tariffs on imports of Chinese electric vehicles into the EU, as well as the US Federal Reserve's announcement that it would delay the first interest rate cut. Rays of hope were repeatedly provided by relatively good economic news, such as unemployment figures, but share prices tended to develop sideways. Even the surprising second interest rate cut by the SNB in June ultimately failed to benefit the Swiss market. On the contrary, the markets were unsettled by the surprising interest rate hike of the Japanese central bank in the summer, with the result that the share prices did not begin to rise again until September, after the ECB and the American Federal Reserve had announced lower interest rates. While American indices continued to perform positively as a result, supported by solid company results and protectionist announcements, share prices in Europe fell after the US presidential election until the end of the year. As a result, the SPI Extra closed 2024 with a performance of -0.8 %, while the sector index Construction & Materials performed positively with 5.3 % due to the index heavyweights, as did the defensive Swiss lead index SMI (4.2 %).

The Arbonia AG share, however, performed extremely positively in the reporting year and outperformed all benchmarks. This development was driven by the announcement of the sale of

the Climate Division, resulting in a share price performance of 16.1 % at the end of the year.

At the beginning of the year, the Arbonia share recovered quickly from a short weak phase and thereby quickly left behind the year low of CHF 8.87 (-7.9 %) of 5 January. Until the sale process of the Climate Division was announced with the net earnings for the year on 27 February 2024, the share had already increased by around 11 % and thus turned into the profit zone. With the announcement of the sale process, the share price rose to CHF 12.04 or by 21.5 %. The positive performance of the share continued even after the signature of the purchase agreement and culminated in a year high of CHF 13.42 on 27 May 2024, shortly after the announcement of the acquisitions of Dimoldura and Lignis. This corresponded to a gain of 39.4 % since the beginning of the year. However, these highs did not last, and the share price subsequently fluctuated between CHF 12.00 and CHF 13.00 from June to November. The reporting of the half-year results, which announced a postponement of the closing of the transaction until the end of the year, was not able to change anything either. Starting from mid-November, though, the share price fell noticeably as it became increasingly uncertain whether the closing would still take place before the end of the year. However, with the press release on 20 December, the share made up for some of this decline and closed the year with a price of CHF 11.18.

The performance of the Arbonia share over the year thus amounted to 16.1 % and outperformed most Swiss stocks from the field of construction suppliers, such as Geberit (-4.5 %) or Zehnder (-15.5 %), for example.



Further information

ISIN	Securities number	Bloomberg code	Refinitiv code
CH0110240600	11 024 060	ARBN SW	ARBNO.S
Listed shares:	69473243	Nominal value:	CHF 4.20



Dates

25 April 2025

38. Annual General Meeting

26 August 2025

Publication of first semester results 2025

24 February 2026

Financial media orientation and Analysts' conference
on the 2025 financial year (Annual results incl. revenues)

24 April 2026

39. Annual General Meeting



Glossary

Antitrust approval Official approval from competition authorities to carry out mergers, takeovers, or cooperations in order to prevent market-dominating positions and restrictions of competition.

Cash flow Positive or negative surplus cash arising from commercial activity, measured over a certain period. Cash flow can be used to evaluate how financially strong a company is.

Cash flow from operating activities Describes the liquid funds generated by the business activity in a given period. The operating cash flow includes the net income for the year, changes in depreciation, amortization, provisions and current assets.

Closing The completion of a business transaction, especially in the case of mergers, takeovers, contract conclusions, through the final signature and implementation of the agreement.

Combined heat and power (CHP) The simultaneous generation of mechanical energy and usable heat produced in a joint thermodynamic process. The mechanical energy is usually converted directly into electrical power. The heat is used for heating purposes. The advantage of CHP is the reduced fuel requirement for simultaneous electricity and heat production, which greatly reduces greenhouse gas emissions. CHP can be used with almost any fuel and heat source.

Domestic consumption The consumption of goods and services within a country or a region, not involving foreign trade (export and import).

EBIT Earnings Before Interests and Taxes A company's operating results before interest and taxes are taken into account.

EBIT margin Indicates EBIT in relation to revenue.

EBITDA Earnings Before Interests and Taxes, Depreciations and Amortisation A company's operating results before interest, taxes, depreciation and amortisation are taken into account. EBITDA is one of the most meaningful figures in evaluating a company's earning power.

EBITDA margin Indicates EBITDA in relation to revenue.

Edging technology Procedures and techniques for processing, finishing, or sealing edges with materials such as wood, glass, or metal, to improve their functionality and aesthetics.

Equity ratio Indicates the shareholders' equity in relation to total capital. It is used to assess a company's financial capacity and stability. If the equity ratio is high, you can assume that the company is less dependent on third-party funds.

Free cash flow The operating cash flow minus cash flow from investing activities; illustrates how much cash remains free for shareholder dividends and/or any repayment of debt financing that may be required.

Market capitalisation A company's stock market value. It is calculated using the number of shares x the current share price.

Net debt The total that remains when cash and cash equivalents are deducted from non-current liabilities. This expresses how much money would be needed to repay loans if the liquid assets were already used up and the company had to liquidate fixed and current assets.

Pro forma consolidation Financial representation of a company that shows a hypothetical consolidation (inclusion) of subsidiaries or acquisitions as if these were already completely integrated at the time of reporting or throughout the entire reporting period.

Project business Distribution channel through which building contractors directly negotiate and place orders with manufacturers for individual (construction) projects with large order volumes.

Volume-weighted average price (VWAP) Indicates the volume-weighted average price of a security in a given period.



History

In **1874**, Franz Josef Forster opened a coppersmith's shop producing hot-water bottles, cookware and other receptacles. The company changed its name to Hermann Forster AG in 1922. By this time, it was manufacturing steel tubes.

In **1904**, Karl Schnitzler set up a factory to make heat exchangers under the Arbonia brand.

In **1954**, Arbonia AG was established.

In **1973**, the majority of the shares in Hermann Forster AG were transferred to Arbonia AG, which had been wholly owned by Jakob Züllig since 1959. The Arbonia-Forster Group comprised Hermann Forster AG (steel tubes technology, kitchens and refrigeration equipment), Arbonia AG (radiators and heaters), Asta (road transport) and Buhler-Regina AG (embroidery supplies).

In **1987**, AFG Arbonia-Forster-Holding AG was registered with the commercial register with CHF 30 million in share capital. A year later, the company was listed on the stock exchange.

In **1999**, Jakob Züllig, majority shareholder and Chairman of the Board of Directors, died. Prolux Heizkörper AG was bought in the same year.

In **2001**, AFG took over the German company Kermi GmbH, which provided a major boost for its radiator and shower stall business.

In **2003**, the Züllig estate sold its majority interest to Dr Edgar Oehler, the new CEO and Chairman of the Board of Directors.

In **2004**, there were three acquisitions: Bruno Piatti AG, Dietlikon ZH (CH); EgoKiefer AG, Altstätten SG (CH); and Spedition Gächter GmbH, Stachen-Arbon TG (CH).

In **2005**, there followed a further acquisition: in September, AFG acquired Miele Kitchens, based in Warendorf (D), from the German company Miele & Cie. KG, based in Gütersloh (D).

In **2006**, the Group acquired Schmidlin ASCO Swiss AG, Zwingen BL. The company specialises in underfloor convectors which, alongside their conventional heating function, can also be used for cooling.

In **2007**, AFG acquired STI Surface Technologies International Holding AG, Steinach SG (CH) and RWD Schlatter AG, Roggwil SG (CH). In September, AFG acquired the British company Aqualux Products Holdings Ltd.

In **2008**, AFG took over Slovaktual s.r.o., Slovakia's leading windows manufacturer. In October, AFG set up a new Asia Pacific regional branch with headquarters in Shanghai (CN).

In **2009**, AFG presented its new Warendorf brand of kitchens. This represents the successor to the Miele Kitchens (Miele Die Küche) brand.

In **2010**, shareholders at AFG's ordinary General Meeting approved the abolition of the hitherto unequal weighting of registered shares and bearer shares, introducing a single class of registered shares.

In **2011**, Edgar Oehler was succeeded as Chairman of the Board of Directors by Paul Witschi on 29 April and as CEO by Daniel Frutig on 1 June.

In **2012**, AFG sold its transport and logistics business Asta, its British subsidiary Aqualux and the German company Warendorf. With the acquisition of the Polish window manufacturer Dobroplast, it focused on expanding one of its core business areas.

In **2013**, AFG intensified its focus on its core business based on building envelope and interior. It sold off Forster Refrigeration Technology as well as Forster Precision Steel Tubes.

In **2014**, the AFG kitchen business and the STI Group were sold. AFG acquired Sabiana, a market leader in commercial heating, ventilation and air-conditioning. Artemis Beteiligungen I AG, led by Michael Pieper, became AFG's new main shareholder.

In **2015**, the General Meeting elected Alexander von Witzleben as the new Chairman of the Board of Directors. In July, he also assumed the role of interim CEO. In August, the Board of Directors decided to relocate the production plants to other European countries as a result of significant pressure from competition. The Eastern German window manufacturer Wertbau GmbH was also acquired in August. As part of a capital increase carried out with the aim of strengthening the Group's financial standing, Artemis Beteiligungen I AG reaffirmed its commitment to the Group and, by the end of the year, had increased its stake to just under 28 %.

In **2016**, AFG acquired the Koralle Group, a specialist in sanitary facilities. The move marks an expansion of the Building Technology Division's product range and will help it enhance its position in the core markets of Switzerland, Germany and Austria with a lasting effect. In September, AFG announced the takeover of the Looser Group, which is also active in the building supply business and consists of two main arms: doors (Prüm, Garant and Invado) and industrial services (Conducta). This transaction represents an important step in AFG's efforts to achieve its strategic goal of becoming a leading European building supplier. As part of this transaction, AFG Arbonia-Forster-Holding AG was renamed Arbonia AG.



In **2017**, Arbonia's takeover of the Looser Group can come to a successful conclusion. Looser's Coatings business is sold in full in the first half of the year. In November, Arbonia is also selling Looser's Conducta Group. With the sale of the Profile Systems Business Unit in December, Arbonia will continue to focus on its three core areas of building technology, windows and doors. Following the split of the Building Technology Division in January 2018, this will become four core areas: HVAC, sanitary equipment, windows and doors.

In **2018**, Arbonia is taking an active part in the European market consolidation process in the area of design and steel panel radiators by acquiring the Belgian company Vasco Group for its Heating, Ventilation and Air Conditioning Division. The acquisition will expand its geographical footprint and strengthen the division's range of products.

2019 stands for the Arbonia Group's commitment to development and optimization of its business models. The restructuring phase begun in 2015 is completed this year. In January, the company founds ARBONIA DIGITAL. This independently operating subsidiary pursues the goal of working together with the divisions to create digital solutions, services and business models that focus on customers and their needs. Also in January, the Doors Division, together with the Berlin-based PropTech company KIWI GmbH, presents a fully integrated, digital access solution for residential entrance doors for the first time at the BAU trade fair in Munich. In October, Arbonia opens its new production site for panel radiators in Russia, which will enable the HVAC Division to achieve further growth in Eastern European markets, especially in Russia.

2020 is a successful year for Arbonia, although it is challenging due to the COVID 19 pandemic. Arbonia continues to focus on the relevant drivers of energy efficiency, urbanisation, digitalisation and automation. It is continuing to push ahead with the expansion and modernisation of its production capacities in all divisions and at all locations.

In **2021**, Arbonia is focusing on accelerating the further development of its two divisions, Heating, Ventilation and Air Conditioning (HVAC) and Doors, primarily through organic growth but also through acquisitions. The former Sanitary Equipment Division is being integrated into the Doors Division at the beginning of July and the Windows Division is being sold.

2022 is a challenging year due to material price increases, the energy crisis, supply bottlenecks and the strength of the Swiss franc. However, Arbonia continues to focus on the further development of modern products for energy-efficient and self-sufficient buildings, such as heat pumps, ventilation systems, underfloor heating and battery storage. In the doors segment, the new door frame plant in Prüm (D) opened, and the construction of the new logistics centre in Roggwil (CH) will shorten delivery times for customers in Switzerland. In July, Arbonia acquires the German company joro türen GmbH, a manufacturer of special project doors. In December, it signs the purchase agreement for the Portuguese HVAC distribution company Cirelius S.A. in order to increase its activities in Portugal and Spain.

In **2023**, Arbonia's core markets, in particular Germany, Benelux and Eastern Europe, suffered from high construction costs and interest rate increases. As a cost-cutting measure, the Climate Division has announced that it will relocate the production capacity of design radiators from the Belgian Vasco production site in Dilsen (BE) to its highly automated plant in Stříbro (CZ). The new door plant of the future in Prüm (DE) where the new combined heat and power plant is currently being ramped up, demonstrates how productivity and ecological aspects can be harmonised.

In **2024** Arbonia announced the sale of the Climate Division to Midea Electrics Netherlands B.V., a company of the Chinese Midea Group. As a consequence, Arbonia will be focusing on the doors business in future. To strengthen this business area, the Spanish market leader Dimoldura and the Czech specialist for the project business Lignis are being acquired. The sale of a property in Zeltstrasse in Arbon (CH) is also a further step in the announced reduction of non-operating properties.



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