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Consolidated Financial Statements of Accelleron

↖ Back to main menu	
Statutory Auditor's Report	109
Statements of Income	111
Statements of Comprehensive Income	111
Balance Sheets	112
Statements of Cash Flows	112
Statements of Changes in Shareholders' Equity	113
Notes to the Consolidated Financial Statements	114



Statutory Auditor's Report

To the General Meeting of Accelleron Industries AG, Baden

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the Consolidated Financial Statements of Accelleron Industries AG and its subsidiaries (the Group), which comprise the Consolidated Balance Sheets as at December 31, 2025, the Consolidated Statements of Income, the Consolidated Statements of Comprehensive Income, the Consolidated Statements of Cash Flows, and the Consolidated Statements of Changes in Shareholders' Equity for the year then ended, and the related notes to the Consolidated Financial Statements, including a summary of significant accounting policies.

In our opinion, the Consolidated Financial Statements (pages 111 to 127) present fairly, in all material respects, the financial position of the Group as at December 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles (U.S. GAAP) and comply with Swiss law.

Basis for Opinion

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

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

Key Audit Matters



REVENUE RECOGNITION

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.



REVENUE RECOGNITION

Key Audit Matter

Total consolidated revenue of the Group for the financial year 2025 amounted to USD 1,263 million (2024: USD 1,023 million).

The Group offers products and services relating to highly customized turbochargers of engines for heavy-duty applications. The Group recognizes revenue when a performance obligation has been satisfied and control has been transferred to the customer, usually at a designated shipping point and in accordance with the agreed delivery terms for products, and upon customer acceptance for services.

Revenue is a key performance indicator and therefore in internal and external stakeholders' focus.

There is a risk that revenue may be recognized in the wrong accounting period. We consider revenue recognition to be a key audit matter due to the number of transactions that occur close to year-end and the potential impact of these transactions on the Consolidated Financial Statements if they are recorded in an incorrect accounting period.

For further information on revenue recognition, refer to the following: Note 3 of the Consolidated Financial Statements - Significant accounting policies – Revenue recognition.

Our response

Our audit procedures included, among others, inquiries with management regarding significant new contracts with customers and relevant changes in existing contracts. The procedures also included reading significant new or amended contracts to evaluate the terms and conditions and their impact on revenue recognition.

In addition, we evaluated the design and implementation of certain internal controls related to the Group's revenue process including controls over whether a performance obligation has been satisfied and control has been transferred to the customer.

On a sample basis, we reconciled revenue transactions recorded in December 2025 and January 2026 to the supporting documentation such as sales contracts, external shipping documents and customer acceptance reports to assess whether revenue has been recognized in the appropriate period and amount.

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 Statutory Financial Statements of Accelleron Industries AG, the audited content of 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 and fair presentation of the Consolidated Financial Statements in accordance with U.S. GAAP 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

Simon Studer
Licensed Audit Expert
Auditor in Charge

Andrius Cibas
Licensed Audit Expert

Zurich, March 11, 2026

Statements of Income

(USD in thousands)	Note	Twelve-month period ended December 31,	
		2025	2024
Revenues	4	1,263,084	1,022,526
Cost of sales		(710,038)	(551,342)
Gross profit		553,046	471,184
Selling, general and administrative expenses		(185,403)	(177,774)
Research and development expenses		(67,885)	(58,232)
Other income, net		3,113	2,695
Income from operations		302,871	237,873
Interest and other finance expense, net		(292)	(12,078)
Income before income taxes		302,579	225,795
Income tax expense	5	(58,839)	(46,442)
Net income		243,740	179,353
Attributable to non-controlling interests		10,810	9,255
Attributable to Accelleron		232,930	170,098
Earnings per share	6		
Basic EPS (USD)		2.48	1.81
Diluted EPS (USD)		2.48	1.81

See accompanying Notes to the Consolidated Financial Statements

Statements of Comprehensive Income

(USD in thousands)	Twelve-month period ended December 31,	
	2025	2024
Net income	243,740	179,353
Other comprehensive income (loss), net of tax:		
Foreign currency translation adjustment	52,394	(29,352)
Pension and other post-employment plan adjustments	(1,636)	(11,379)
Total other comprehensive income (loss), net of tax	50,758	(40,731)
Total comprehensive income, net of tax	294,498	138,622
Less: total comprehensive income, net of tax attributable to non-controlling interests	11,572	8,549
Total comprehensive income attributable to Accelleron, net of tax	282,926	130,073

See accompanying Notes to the Consolidated Financial Statements

Balance Sheets

(USD in thousands)	Note	December 31,	
		2025	2024
Cash and cash equivalents		355,985	272,522
Receivables, net	13	278,554	205,723
Contract assets	18	15,892	20,776
Inventories	12	306,811	242,659
Other current assets	14	24,763	24,165
Total current assets		982,005	765,845
Property, plant and equipment, net	9	246,478	196,833
Operating lease right-of-use assets, net	10	45,417	41,492
Goodwill and other intangible assets	11	117,210	109,530
Deferred tax assets	5	78,539	79,545
Pension asset	8	69,262	38,790
Other non-current assets		1,773	1,721
Total non-current assets		558,679	467,911
Total assets		1,540,684	1,233,756
Accounts payable	17	148,669	110,710
Contract liabilities	18	55,326	34,019
Current lease liabilities	10	9,707	8,130
Current debt	21	1,450	3,267
Current provisions	15	35,279	32,816
Accrued liabilities	16	72,057	57,752
Other current liabilities	16	51,199	54,101
Total current liabilities		373,687	300,795
Non-current debt	21	542,072	475,320
Non-current lease liabilities	10	36,532	34,625
Pension and other employee benefits		9,337	9,326
Deferred tax liabilities	5	52,211	39,614
Non-current provisions	15	25,448	19,378
Other non-current liabilities	23	3,130	5,510
Total non-current liabilities		668,730	583,773
Total liabilities		1,042,417	884,568
Registered ordinary shares, CHF 0.01 par value, 94,500,000 shares issued at December 31, 2025 and December 31, 2024		995	995
Treasury shares at cost, 598,759 at December 31, 2025 and 697,584 shares at December 31, 2024		(3,055)	(3,682)
Additional paid-in capital		7,164	16,991
Accumulated earnings		422,024	317,458
Accumulated other comprehensive income		50,088	92
Total Accelleron shareholders' equity	19	477,216	331,854
Non-controlling interests		21,051	17,334
Total shareholders' equity		498,267	349,188
Total liabilities and shareholders' equity		1,540,684	1,233,756

See accompanying Notes to the Consolidated Financial Statements

Statements of Cash Flows

(USD in thousands)	Twelve-month period ended December 31,	
	2025	2024
Operating activities:		
Net income	243,739	179,353
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	39,402	36,301
Pension and other employee benefits	(14,100)	(13,549)
Deferred taxes	12,306	10,754
Other	16,266	12,895
Changes in operating assets and liabilities:		
Receivables, net	(57,242)	7,107
Contract assets and liabilities	25,166	7,587
Inventories	(29,736)	(6,800)
Accounts payable, trade	25,743	(36,769)
Accrued liabilities	9,342	142
Provisions, net	(781)	3,782
Income taxes payable and receivable	(565)	4,735
Other assets and liabilities, net	3,139	10,590
Net cash provided by operating activities	272,679	216,128
Investing activities:		
Purchases of property, plant and equipment and intangible assets	(58,801)	(38,524)
Proceeds from sales of property, plant and equipment	374	116
Acquisition of businesses (net of cash acquired)	(4,592)	(58,769)
Net cash (used in) investing activities	(63,019)	(97,177)
Financing activities:		
Increase in debt	—	205,296
Repayment of debt	(2,053)	(176,757)
Dividends paid to non-controlling interests	(7,849)	(6,854)
Dividends paid to Accelleron shareholders	(143,495)	(88,223)
Net cash (used in) financing activities	(153,397)	(66,538)
Effects of exchange rate changes on cash and cash equivalents	27,200	(13,949)
Net change in cash and cash equivalents	83,463	38,464
Cash and cash equivalents, beginning of period	272,522	234,058
Cash and cash equivalents, end of period	355,985	272,522
Supplementary disclosure of cash flows information:		
Interest paid	(6,285)	(10,374)
Income taxes paid	(45,112)	(28,311)

See accompanying Notes to the Consolidated Financial Statements

Statements of Changes in Shareholders' Equity

(USD in thousands)	Registered ordinary shares	Treasury shares	Treasury shares / compensation reserve	Additional paid-in capital	Accumulated earnings	Accumulated comprehensive income	Total Accelleron shareholders' equity	Non-controlling interests	Total shareholders' equity
Balance as of January 1, 2024	995	(3,918)	531	25,550	224,008	40,117	287,283	15,619	302,902
Net income through December 31, 2024	—	—	—	—	170,098	—	170,098	9,255	179,353
Dividends to non-controlling shareholders	—	—	—	—	—	—	—	(6,854)	(6,854)
Change in non-controlling interest	—	—	—	—	—	—	—	20	20
Dividends to Accelleron shareholders	—	—	—	(10,994)	(76,648)	—	(87,642)	—	(87,642)
Share-based compensation	—	236	(531)	2,435	—	—	2,140	—	2,140
Other comprehensive loss, net	—	—	—	—	—	(40,025)	(40,025)	(706)	(40,731)
Balance at December 31, 2024	995	(3,682)	—	16,991	317,458	92	331,854	17,334	349,188
Balance as of January 1, 2025	995	(3,682)	—	16,991	317,458	92	331,854	17,334	349,188
Net income through December 31, 2025	—	—	—	—	232,930	—	232,930	10,810	243,740
Dividends to non-controlling shareholders	—	—	—	—	—	—	—	(7,855)	(7,855)
Change in non-controlling interest	—	—	—	—	—	—	—	—	—
Dividends to Accelleron shareholders	—	—	—	(13,138)	(128,364)	—	(141,502)	—	(141,502)
Share-based compensation	—	627	—	3,311	—	—	3,938	—	3,938
Other comprehensive income, net	—	—	—	—	—	49,996	49,996	762	50,758
Balance at December 31, 2025	995	(3,055)	—	7,164	422,024	50,088	477,216	21,051	498,267

See accompanying Notes to the Consolidated Financial Statements

Notes to the Consolidated Financial Statements

Note 1

The Company

Accelleron Industries AG and its subsidiaries (collectively the Company or Accelleron) together form a global leader in turbocharging technologies and optimization solutions for 0.5 to 80+ megawatt (MW) engines, helping to provide sustainable, efficient and reliable power to the marine, energy, rail and off-highway sectors. Through its innovative product offerings and research leadership, the Company accelerates the decarbonization of the industries it operates in. Accelleron has an installed base of more than 190,000 turbochargers and a network of approximately 100 service stations across around 50 countries worldwide.

Accelleron operates through two reporting segments, High Speed (HS) and Medium & Low Speed (M&LS), which offer turbochargers, digital solutions and fuel injection, as well as services throughout the whole product lifecycle.

In 2024, the Company completed the acquisitions of O.M.C. 2 Diesel S.p.A. (OMC2) in Cazzago San Martino (Italy) and True North Marine Inc. (TNM) in Montreal (Canada). These entities were fully consolidated in the prior year and continue to be included in the Company's Consolidated Financial Statements for the year ended 2025.

The Company's registered shares are listed on the SIX Swiss Exchange under the ticker symbol ACLN (ISIN: CH1169360919 / Swiss security number: 116936091).

Note 2

Basis of preparation

The Company's Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

The Company's accounting policies remain substantially unchanged from December 31, 2024. Unless otherwise stated, all financial information in US dollars (\$) or USD) is presented in thousands, except per-share amounts. For this reason, certain amounts in the Company's Notes to the Consolidated Financial Statements may not add up or recalculate due to rounding.

Note 3

Significant accounting policies

The following is a summary of significant accounting policies used in the preparation of these Consolidated Financial Statements.

Principle of consolidation

The Consolidated Financial Statements include the accounts of Accelleron Industries AG and its subsidiaries in which the Company has control. Inter-company accounts and transactions have been eliminated in consolidation.

Use of estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, costs and expenses and related disclosures in the accompanying notes. Actual results could differ materially from those estimates. Estimates and assumptions are periodically reviewed, and the effects of changes are reflected in the Consolidated Financial Statements in the period they are determined to be necessary.

Translation of foreign currencies and foreign exchange transactions

The reporting currency of the Company is US dollars. The functional currency for most of the Company's foreign subsidiaries is their local currency. For purposes of presenting the Consolidated Financial Statements, net assets are translated at period-end exchange rates while revenue, expense, and cash flow items are translated at average exchange rates for the applicable period. Translation adjustments for foreign subsidiaries are recorded within accumulated other comprehensive income (loss) in equity.

The exchange rates for the most significant foreign currencies in 2025 are as follows:

	Year-end rate	Average rate
Euro (EUR)	1.174	1.129
Swiss Franc (CHF)	1.263	1.206
Japanese Yen (JPY)	0.006	0.007
Chinese Yuan (CNY)	0.143	0.139
Singapore Dollar (SGD)	0.779	0.765
Indian Rupee (INR)	0.011	0.011
British Pound (GBP)	1.347	1.318

Foreign currency gains and losses, such as those resulting from currency denominated receivables or payables, are included in the determination of earnings. Exchange gains and losses recognized in earnings are included in total revenues, cost of sales, general and administrative expenses, interest and other finance (expense), net, consistent with the nature of the underlying item.

Revenue recognition

The Company accounts for a contract with a customer when the contract has been approved by both parties, has commercial substance, contains payment terms, as well as each party's rights and commitments, and collectability under the contract is considered probable.

The Company offers product and services contracts to meet its customers' needs. These contracts are largely recognized at a point in time with a minor percentage of performance obligations recognized over a period of time. Goods and services under such contracts are evaluated to determine whether they form distinct performance obligations and should be accounted for as separate revenue transactions. The Company allocates the sales price to each distinct performance obligation based on the price of each item sold in separate transactions at the inception of the contract.

Point-in-time revenue is recognized when the customer obtains control, which is when it has taken title and assumed the risks and rewards of ownership specified in the contract. Generally, the transfer of title and risks and rewards of ownership are governed by the contractually defined shipping terms. Revenue for services is recognized at the point of customer acceptance.

Payment terms and rebates are agreed upon and apply to all sales of products or services under the contract. The price list and payment terms are fixed for a timeframe, usually between two and three years. Some large customers have incentives in the form of volume rebates, which are a variable element when determining the transaction price and are accounted for as a reduction of revenues.

The differences between the timing of revenues recognized and customer billings result in changes to contract assets and contract liabilities. Contract assets arise when the timing of billing to customers occurs after the timing of revenue recognition. Contract liabilities are recorded for amounts invoiced to customers in advance of revenue recognition.

Research and development

Research and development costs are predominantly non-order related and are expensed as incurred.

Cash and cash equivalents

Cash and cash equivalents include highly liquid investments purchased with an original maturity of three months or less.

Accounts receivable and allowance for expected credit losses

Accounts receivable are recorded at the invoiced amount. The Company provides an allowance against accounts receivable for the amount expected to be uncollectible. The Company records a specific reserve for individual accounts when the Company becomes aware of specific customer circumstances, such as in the case of deterioration in the customer's operating results or financial position. If there are additional changes in circumstances related to the specific customer, the Company further adjusts estimates of the recoverability of receivables. The Company maintains an allowance for expected credit losses for all other customers based on a variety of factors, including the use of financial condition of customers, payment history, length of time receivables are past due, macroeconomic conditions, significant one-time events, and historical experience. Accounts receivable are written off against the allowance when they are deemed uncollectible.

The Company maintains non-recourse factoring agreements with a financial institution and regularly transfers certain account receivables from one customer. Under this factoring agreement, the Company is not exposed to any default risk of the transferred receivables.

Concentrations of credit risk

Concentrations of credit risk with respect to accounts receivable are limited, as the customer base is comprised of a large number of individual customers. Ongoing credit evaluations of customers' financial positions are performed to determine whether the use of credit support instruments such as guarantees, letters of credit or credit insurance are necessary; collateral is not generally required. The Company invests cash in deposits with banks throughout the world with certain minimum credit ratings and in high-quality, low-risk, liquid investments. The Company actively manages its credit risk by routinely reviewing the creditworthiness of the banks and the investments held.

Derivative instruments

Derivative instruments, not designated as hedging instruments, consist of foreign exchange contracts, and are used by the Company to hedge foreign currency denominated balance sheet exposures, forecasted foreign currency denominated sales and related foreign currency denominated purchases. All derivative instruments are initially recognized at fair value and changes in fair value are recognized as derivative gains and losses in cost of sales or in interest and other finance (expense), net, consistent with the nature of the underlying item. Any cash-flow impact on settlement of these contracts is classified in the Consolidated Statement of Cash Flows as "net cash provided by operating activities".

Inventories

Inventories are stated at the lower of cost (computed in accordance with the weighted-average cost method) or net realizable value. Elements of cost include raw materials, purchased components, labor, and overhead.

Property, plant and equipment

The Company states property, plant and equipment at cost less accumulated depreciation. The Company capitalizes additions and improvements, and records expense for maintenance and repairs as incurred. Depreciation expense is recognized on a straight-line basis over the estimated useful lives of the assets. Estimated useful lives are 15 to 40 years for buildings and 3 to 15 years for machinery and equipment. Leasehold improvements are depreciated over their estimated useful life or, for operating leases, over the lease term, if shorter.

Goodwill and other intangible assets

Goodwill is assessed for impairment annually in the fourth quarter, or more frequently if events or changes in circumstances indicate that it might be impaired, by comparing carrying value to the reporting unit's fair value.

When evaluating goodwill for impairment, either a qualitative or quantitative assessment method is used. The qualitative assessment involves determining, based on an evaluation of qualitative factors, if it is more-likely-than-not that the fair value of a reporting unit is less than its carrying value. If, based on this qualitative assessment, it is determined to be more-likely-than-not that the reporting unit's fair value is less than its carrying value, a quantitative impairment test is performed, otherwise no further analysis is required. The quantitative impairment test calculates the fair value of a reporting unit (based on the income approach whereby the fair value of a reporting unit is calculated based on the present value of future cash flows) and compares it to the reporting unit's carrying value. If the carrying value of the net assets of a reporting unit exceeds the fair value of the reporting unit, then an impairment charge equal to the difference is recognized, provided that the loss recognized does not exceed the total amount of goodwill allocated to that reporting unit.

Costs incurred to develop software for internal use are capitalized within other intangible assets and are amortized on a straight-line basis over the estimated useful life, typically ranging from three to five years. Subsequent additions, modifications or upgrades are only capitalized if such changes allow the software to perform a task it previously did not perform.

Impairment of long-lived assets

The Company reviews long-lived assets, primarily property, plant and equipment and intangible assets with finite lives, for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. If impairment indicators are present and the estimated future undiscounted cash flows are less than the carrying value of the assets, the carrying values are reduced to the estimated fair value. Fair values are determined based on quoted market values, discounted cash flows, or external appraisals, as applicable.

Provision for warranties

The Company offers warranties for products and services. For products, the warranty length ranges from 12 to 36 months. For services, the length is typically 6 to 12 months. The Company provides for anticipated costs for warranties when it recognizes revenues on the related products or services.

The warranty reserve includes the best estimate of the projected costs to replace or repair items under warranties including imperfections in design, material and workmanship. These estimates are based on actual claims incurred to date and an estimate of the nature, frequency and costs of future claims. In addition, the Company makes individual assessments with risks resulting from order-specific conditions or guarantees and assessments on an overall, statistical basis for similar products sold in larger quantities. The portion of the warranty reserve expected to be incurred within the next 12 months is included within current provisions, while the remaining balance is included within non-current provisions. Warranty expense is recorded as a component of cost of sales.

Leases

The Company enters into operating leasing arrangements mainly for real estate, vehicles and machinery. The Company determines if a contract is or contains a lease at inception. A contract is a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For leases with an original term of more than 12 months, the Company recognizes a right-of-use asset (RoU) and a lease liability. RoU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. Short-term leases and low-value leases are not recorded on the Consolidated Balance Sheets and the related expense is recognized on a straight-line basis over the term of the lease.

Lease liabilities are recorded at the commencement date of the lease based on the present value of the minimum lease payments which include any non-cancellable lease terms and any renewal periods that the Company is reasonably certain to exercise. The present value of the lease payments is determined by using the interest rate implicit in the lease, if available. As most of the operating leases do not provide an implicit rate, the Company's incremental borrowing rate is used for most leases and is determined for portfolios of leases based on the remaining lease term, currency of the lease, and the internal credit rating of the subsidiary which entered into the lease.

Lease and non-lease components for leases other than real estate are not accounted for separately.

Income taxes

Income taxes are computed using the asset and liability method, under which deferred tax assets and liabilities are determined based on the difference between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized.

Earnings per share

Basic earnings per share are computed by dividing net income available to Accelleron's shareholders by the weighted average number of ordinary shares outstanding for the period. Diluted earnings per share are calculated by adjusting the weighted average outstanding ordinary shares to include any dilutive effect of shares granted subject to certain conditions under the Company's share-based payment arrangements.

Share-based payment arrangements

The Company has two equity incentive plans in place, defined as long-term incentive plans (LTIPs), which provide eligible Accelleron's employees with equity-settled awards in the form of restricted stock units (RSUs) and performance share units (PSU). The Company expenses the fair values of RSUs and PSUs granted to senior employees as compensation over the related vesting periods. RSUs are only conditional on the provision of services by the plan participant during the vesting period and they are valued at fair value on the grant date.

PSUs granted are subject to the achievement of certain performance criteria during the performance period and require participants to provide services during the period. The performance criteria are based on the Company's earnings per share performance, on the Company's relative total shareholder return and on ESG-related targets. The number of equity instruments that finally vest is determined at the vesting date. The payout between 0% and 200% of target is dependent upon the above performance metrics.

As RSUs and PSUs do not entitle the holder to dividends, the fair value is based on the share price at the grant date adjusted for the net present value of the dividends expected to be paid during the holding period. If a plan participant leaves for reasons other than retirement, disability or death, then the unvested RSUs and PSUs are forfeited.

Fair value of financial instruments

The required fair values of the Company's financial assets and financial liabilities reflect the amounts that could be received to sell the assets or paid to transfer the liabilities in an orderly transaction between market participants at the measurement date (exit price). The Company determines fair value based on a three-tiered fair value hierarchy. The hierarchy consists of:

Level 1: Observable inputs, such as actively exchange-traded securities which are valued at quoted prices in active markets for identical assets or liabilities that the Company has the ability to access as of the reporting date;

Level 2: Valuation inputs, other than quoted prices in active markets, that are determined using input prices that are directly observable for the asset or liability or indirectly observable through corroboration with observable market data; and

Level 3: Valuation inputs that are determined using unobservable inputs requiring use of the Company's assumptions, such as internally developed pricing models for the asset or liability due to little or no market activity for the asset or liability.

Contingencies

Guarantees provided in favor of third parties are reported off-balance sheet as contingent liabilities. A provision for contingent obligations is recorded only when it becomes probable that an outflow of resources will occur and the amount can be reasonably estimated.

Any such provision is generally recognized on an undiscounted basis using the Company's best estimate of the amount of loss incurred or at the lower end of an estimated range when a single best estimate is not determinable. In some cases, the Company may be able to recover a portion of the costs relating to these obligations from insurers or other third parties; however, the Company records such amounts only when it is probable that they will be collected.

Pensions and other post-employment benefits

In accordance with local regulations and practices, the Company has various employee benefit plans, including defined contribution and termination indemnity plans. The Company recognizes the funded status of each defined benefit pension plan in the Consolidated Balance Sheets. Each overfunded plan is recognized as an asset in employee benefit assets and each underfunded plan is recognized as a liability in employee benefit obligations. The Company measures plan assets and obligations that determine its funded status at year-end and recognizes the changes in the funded status in the year in which the changes occur.

Actuarial valuations are used to determine pension and post-retirement benefit costs and credits. The amounts calculated depend on a variety of key assumptions, including discount rates and expected return on plan assets. Current market conditions are considered in selecting these assumptions. Significant differences between assumptions and actual experience, or significant changes in assumptions, may materially affect the plan net assets. The effects of actual results differing from assumptions and the changing of assumptions are included in net actuarial gain/(loss) within "Accumulated other comprehensive income gain/(loss)".

Business combinations

Acquisitions are recorded using the acquisition method of accounting. The Company allocates the purchase consideration to the assets acquired, liabilities assumed, and non-controlling interests in the acquired entity generally based on the fair values at the acquisition date. The excess of the fair value of purchase consideration over the fair value of these assets acquired, liabilities assumed and non-controlling interests in the acquired entity is recorded as goodwill. Acquisition-related costs are expensed as incurred. During the measurement period, which may be up to one year from the acquisition date, the Company has the ability to record adjustments to the assets acquired and liabilities assumed with the corresponding offset to goodwill.

New accounting pronouncements

Recently adopted accounting standards

Income tax reporting (ASU 2023-09)

In December 2023, the Financial Accounting Standards Board (FASB) issued accounting guidance to expand the annual disclosure requirements for income taxes, primarily related to the rate reconciliation and income taxes paid. This update is effective for the Company prospectively, with retrospective adoption permitted, for annual periods beginning January 1, 2025. The Company adopted the guidance for the fiscal year ended December 31, 2025 (see Note 5).

Issued accounting pronouncements not yet adopted

Disaggregation of income statement expenses (ASU 2024-03)

In November 2024, the FASB issued accounting guidance to enhance the transparency of the nature and function of income statement expenses. The amendments require that, on an annual and interim basis, entities disclose disaggregated operating expense information about specific categories, including purchases of inventory, employee compensation, depreciation and amortization. The expanded annual disclosures are effective for our year ending December 31, 2027, and the expanded interim disclosures are effective in 2028, with early adoption permitted. The Company is in the process of evaluating the effect of this new guidance on the related disclosures.

Measurement of Credit Loss (ASU 2025-05)

In July 2025, the FASB issued an update introducing a practical expedient for estimating expected credit losses on current accounts receivable and contract assets. For public companies, this simplifies the process by eliminating the need for forward-looking forecasts. The Company welcomes this update and amendments, which are effective for annual periods beginning after December 15, 2025, with early adoption permitted.

Internal-Use Software (ASU 2025-06)

In September 2025, the FASB introduced updated guidance on capitalizing software development costs. Under the new criteria, capitalization begins once management has authorized the project, committed funding, and determined that completion and intended use of the software are probable. This update reflects the increasing prevalence of agile and iterative development practices. The amendments are effective for fiscal years beginning after December 15, 2027, with early adoption permitted. The Company is in the process of evaluating the effect of this new guidance.

Note 4

Operating segment and disaggregated revenue information

The Company operates in two segments and discloses its operations according to the product lifecycle segmentation, which is composed of High Speed (HS) and Medium & Low Speed (M&LS) segments:

- HS produces and services turbochargers with power ranging from 0.5 to 5 megawatt (MW), for the use of one to four turbochargers per engine. HS turbochargers are mainly used in marine, electric power generation, oil & gas onshore, and off-highway applications.
- M&LS: produces and services turbochargers with power output from 0.6 to 30 megawatt (MW), for the use of one to three turbos per engine. Such turbochargers are used mainly in marine and electric power generation applications. In addition, this reporting segment includes business activities relating to rail, fuel injection and digital, as their application is primarily related to the Medium & Low Speed segment.

The Company's Chief Operating Decision Maker (CODM) is the Executive Committee, which is a group of the highest ranked individuals within the Company (including Chief Executive Officer, Chief Financial Officer, Chief HRS Officer and the division presidents) who manage the business operations for the purposes of allocating resources, making operating decisions and evaluating financial performance.

The segments' performance measure is operational earnings before interest, taxes and amortization (operational EBITA), which eliminates the impact of certain items that the Company does not consider indicative of its ongoing operating performance. The CODM uses the reported measure to evaluate the business performance.

Information on segment assets and significant segment expenses is not disclosed by segment as this information is not regularly provided to the CODM to evaluate segment performance or allocate resources and capital. The CODM evaluates performance and variances, and allocates resources and capital at consolidated level. The CODM uses consolidated figures to evaluate performance and allocation of resources/capital by monitoring actual versus budgeted results.

Segment operational EBITA and the reconciliation to the Company's consolidated results are as follows:

(USD in thousands)	Twelve-month period ended December 31,	
	2025	2024
Income before income taxes	302,579	225,795
Add back: Interest and other finance expense, net ¹	292	12,078
Income from operations	302,871	237,873
Add back: One-off and other non-operational costs, net ²	12,324	18,579
Add back: Acquisition-related amortization	5,831	5,415
Operational EBITA:	321,026	261,867
Thereof High Speed	81,619	62,758
Thereof Medium & Low Speed	239,407	199,109

¹ Interest and other finance income/(expense), net includes non-operational pension income in the amount of USD 13,732 thousands (2024: USD 11,860 thousands), interest expense in the amount of USD 5,842 thousands (2024: USD 9,144 thousands) and other finance expenses (foreign currency remeasurement effects) in the amount of USD 8,182 thousands (2024: USD 14,794 thousands).

² One-off and other non-operational costs, net includes operational pension costs in the amount of USD 2,041 thousands (2024: USD 356 thousands) and excludes foreign exchange loss in the amount of USD 2,125 thousands (2024: USD 1,573 thousands gain), other non-operational costs in the amount of USD 7,700 thousands and M&A activity-related non-operational one-off cost of USD 4,540 thousands (2024: USD 15,797 thousands residual build-up cost and other items and USD 4,710 thousands M&A related non-operational cost).

The following table presents disaggregated revenue information for December 31, 2025, and December 31, 2024.

(USD in thousands)	Twelve-month period ended December 31,	
	2025	2024
Geographical markets:		
Asia, Middle East & Africa	544,788	439,188
thereof Japan	91,298	74,007
thereof China	164,072	105,223
The Americas	277,955	232,761
thereof United States of America	213,465	164,973
Europe	440,342	350,577
thereof Switzerland	35,937	22,329
Total revenues	1,263,084	1,022,526
Segment:		
High Speed Products and Services	333,525	248,998
Medium & Low Speed Products and Services	929,558	773,528
Total revenues	1,263,084	1,022,526
Third-party revenues	1,263,084	1,022,526
Total revenues	1,263,084	1,022,526

One of the Company's HS customers accounted for 15% and 12% of total revenues in 2025 and 2024, respectively. Another customer of the Company's M&LS segment accounted for 10% and 12% of total revenues in 2025 and 2024, respectively.

Note 5

Income taxes

Income taxes are based on the laws and rates in effect in the countries in which operations are conducted or in which the Company or its subsidiary are considered resident for income tax purposes.

The Company is a global corporation, generating income in several jurisdictions. The "income tax expense" of the taxing jurisdictions consisted of the following:

(USD in thousands)	Twelve-month period ended December 31,	
	2025	2024
Current taxes		
Switzerland	(26,851)	(18,839)
Foreign	(19,105)	(16,849)
Deferred taxes		
Switzerland	(8,992)	(6,328)
Foreign	(3,891)	(4,426)
Total tax expense	(58,839)	(46,442)

The effective income tax rate on pre-tax earnings differed from the Swiss statutory tax rate as follows:

(USD in thousands except % data)	Twelve-month period ended December 31,			
	2025		2024	
Income from operations before income taxes	302,579		225,795	
Applicable Swiss tax rate		15.1 %		15.1 %
Income tax expense at applicable Swiss tax rate	(45,689)		(34,095)	
Effect of cross border tax laws	(6,952)	2.3 %	(2,882)	1.3 %
Non-taxable or non-deductible items	(2,880)	1.0 %	(2,149)	1.0 %
Others	6,020	(2.0) %	346	(0.2) %
Foreign Tax Effects				
China				
Non-taxable or non-deductible items	1,853	(0.6) %	1,917	(0.8) %
Other	(573)	0.2 %	(1,872)	0.8 %
Other Foreign Jurisdictions				
Statutory tax rate differences	(5,814)	1.9 %	(5,671)	2.5 %
Effects of changes in tax laws	(2,518)	0.8 %	(8)	— %
Other	(2,287)	0.8 %	(2,028)	0.9 %
Effective tax expense	(58,840)	19.5 %	(46,442)	20.6 %

Cash paid for income taxes, net of refunds received, by jurisdiction for the year ended December 31 is as follows:

(USD in thousands)	Twelve-month period ended December 31,	
	2025	2024
Cash tax paid		
Switzerland	31,161	11,381
Foreign		
China	3,399	3,753
India	2,521	1,700
Italy	2,865	5,745
Others	5,166	5,732
Total cash tax paid	45,112	28,311

Deferred income tax assets and liabilities consisted of the following:

(USD in thousands)	December 31,	
	2025	2024
Deferred tax assets:		
Intangible assets	56,025	58,648
Unused tax losses and credits	9,740	8,391
Provisions and other accrued liabilities	7,796	5,428
Pension	915	917
Inventories	3,158	2,805
Property, plant and equipment	1,176	969
Other liabilities	13,488	8,012
Other	2,315	1,772
Total gross deferred tax assets	94,613	86,942
Valuation allowance	(553)	(495)
Total gross deferred tax asset, net of valuation allowance	94,060	86,447
Deferred tax liabilities:		
Intangible assets	(10,195)	(10,951)
Property, plant and equipment	(20,086)	(14,405)
Other liabilities	(1,134)	(469)
Provisions and other accrued liabilities	(3,510)	(3,104)
Inventories	(8,848)	(5,524)
Pension	(10,189)	(5,948)
Unremitted earnings	(8,265)	(4,948)
Other	(5,505)	(1,167)
Total gross deferred tax liabilities	(67,732)	(46,516)
Net deferred tax asset	26,328	39,931
Included in:		
"Deferred tax assets" – non-current assets	78,539	79,545
"Deferred tax liabilities" – non-current liabilities	(52,211)	(39,614)
Net deferred tax asset	26,328	39,931

Deferred taxes on unremitted earnings of foreign subsidiaries as of December 31, 2025, and December 31, 2024, are USD 8,265 thousands and USD 4,948 thousands respectively. The Company does not have any unremitted earnings which are permanently reinvested.

The expiration of the tax losses carried forward as of December 31, 2025, is as follows:

Tax losses carried forward	
Financial year ending December 31 (USD in thousands)	
2026	727
2027	731
2028	1,277
2029	1,941
2030	909
Thereafter	3,993
Never expiring	28,435
Total	38,014

As of December 31, 2025, the earliest significant open tax years that remained subject to examination were the following:

Europe	2021
United States	2022
China	2016

The OECD/G20 Pillar Two framework introduces a global minimum tax rate of 15% for multinational groups with consolidated revenues of EUR 750 million or more. Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions in which the Group operates, and the respective legislation came into effect on January 1, 2024.

Accelleron assessed the Group's potential exposure to Pillar Two income taxes as of January 1, 2025. This assessment is based on the most recent tax filings, country-by-country reporting and financial statements for the constituent entities in the Group. Based on the assessment, the Pillar Two effective tax rates in most of the jurisdictions in which the Group operates are above 15% and the Group can benefit from the transitional safe harbor relief. Accelleron does not expect to be subject to material Pillar Two income taxes for fiscal year 2025.

Note 6

Earnings per share

(USD in thousands, except share and per share numbers)	Twelve-month period ended December 31,	
	2025	2024
Numerator:		
Net income attributable to Accelleron	232,930	170,098
Denominator:		
Weighted number of outstanding shares (undiluted)	93,897,806	93,796,312
Weighted number of outstanding shares (diluted)	94,051,252	93,975,150
Basic EPS (USD)	2.48	1.81
Diluted EPS (USD)	2.48	1.81

As of December 31, 2025, 126.1 thousands shares (December 31, 2024: 96.8 thousands shares) were considered anti-dilutive and excluded from the computation of dilutive EPS for the period presented.

Note 7

Share-based compensation

For the year ended December 31, 2025, the expense related to all equity-based participation plans was as follows:

(USD in thousands)	Twelve-month period ended December 31,	
	2025	2024
Total share-based compensation expense	3,846	2,128

The share-based compensation expense was primarily recorded in selling, general and administrative expenses in the Consolidated Statements of Income. As of December 31, 2025, the approximate value of total unrecognized share-based compensation related to unvested PSUs granted under the LTIPs is USD 2,737 thousands. That cost is expected to be recognized over a weighted-average period of about two years.

As of December 31, 2025, unvested RSUs and PSUs share movements for all of the Company's equity-based incentive plans are as follows:

	LTIP 2022 (RSUs)	LTIP 2023 (PSUs)	LTIP 2024 (PSUs)	LTIP 2025 (PSUs)	Weighted-average grant date fair value per share (USD)
Unvested as of December 31, 2022	101,389	—	—	—	19.32
Granted	—	88,502	—	—	21.56
Unvested as of December 31, 2023	101,389	88,502	—	—	20.37
Granted	—	—	61,164	—	35.96
Vested	—	—	—	—	—
Forfeited	(2,317)	(1,868)	—	—	—
Unvested as of December 31, 2024	99,072	86,634	61,164	—	24.48
Granted	—	—	—	44,658	46.61
Vested ¹	(99,072)	—	—	—	—
Forfeited	—	(5,287)	(5,568)	(1,110)	—
Unvested as of December 31, 2025	—	81,347	55,596	43,548	33.74

¹ units vested gross (9,016 shares withheld for taxes)

Note 8

Employee benefits

The Company operates a defined benefit pension plan in Switzerland (The Plan), which also provides benefits upon death and disability, along with further less material defined benefit and other employee benefit arrangements in other countries. The Company implemented its own pension solution as of January 1, 2023, which encompasses the majority of the total balance. Before this date, the Swiss pension arrangement was financed through existing Former Parent pension plans. The measurement date used for the Company's employee benefit plans is December 31. The funding policies of The Plan are consistent with local government and tax requirements.

The Company recognizes in its Consolidated Balance Sheets the funded status of its defined benefit pension plan, post-retirement plan and other employee-related benefits measured as the difference between the fair value of the plan assets and the benefit obligation.

Obligations and funded status of The Plan

The change in benefit obligation, change in fair value of plan assets, and funded status recognized in the Consolidated Balance Sheets were as follows:

(USD in thousands)	December 31,	
	2025	2024
Projected benefit obligation at beginning of period	483,941	469,409
Service cost	13,711	10,597
Interest cost	3,957	5,451
Employee contributions	9,538	7,904
Benefits paid from plan assets	(18,062)	(12,417)
Actuarial loss	2,990	34,032
Plan amendments	495	—
Foreign currency exchange rates changes	68,034	(31,035)
Projected benefit obligation at end of period	564,604	483,941
Accumulated benefit obligation	536,025	459,583

(USD in thousands)	December 31,	
	2025	2024
Fair value of plan assets at beginning of period	522,731	515,840
Actual return on plan assets	30,409	33,004
Employer contributions	15,764	12,504
Employee contributions	9,538	7,904
Benefits paid from plan assets	(18,062)	(12,417)
Foreign currency exchange rates changes	73,487	(34,104)
Fair value of plan assets at end of period	633,866	522,731

(USD in thousands)	December 31,	
	2025	2024
Net actuarial loss	79,197	76,955
Net prior service cost	1,871	1,478
Total accumulated other comprehensive income	81,068	78,433

The following amounts were recognized in the Company's Consolidated Balance Sheets as of December 31 and classified as non-current assets:

(USD in thousands)	December 31,	
	2025	2024
Pension asset	69,262	38,790
Total amount recognized	69,262	38,790

Components of net periodic benefit cost

Net periodic benefit costs for The Plan include the following components:

(USD in thousands)	Year Ended December 31,	
	2025	2024
Service cost	13,711	10,597
Interest cost	3,957	5,451
Expected return on plan assets	(22,141)	(17,616)
Amortization of prior service cost and loss amortization	3,609	1,548
Total net periodic benefit cost	(864)	(20)
Thereof included in income from operations	13,711	10,597
Thereof below income from operations	(14,575)	(10,617)

Service cost is included in income from operations. All other components of net periodic benefit cost/ (income) other than employer service cost are presented below income from operations.

Assumptions

The following assumptions were used to determine the projected benefit obligation at December 31 (weighted average):

(USD in thousands)	December 31,	
	2025	2024
Discount rate	1.2%	0.9%
Interest credit rate	2.0%	2.0%
Expected long-term rate of return on plan assets	3.3%	3.8%
Rate of compensation increase	1.5%	1.3%

For The Plan, the discount rate used at each measurement date is set based on a high-quality corporate bond yield curve reflecting the timing and amount of the future expected benefit payments for The Plan.

The following assumptions were used to determine the net periodic benefit cost:

(USD in thousands)	December 31,	
	2025	2024
Discount rate	0.9%	1.3%
Interest credit rate	2.0%	2.0%
Expected long-term rate of return on plan assets	3.3%	3.8%
Rate of compensation increase	1.5%	1.3%

The expected long-term rate of return on plan assets is determined by weighting the expected future long-term return for each individual asset class by The Plan's target asset allocation.

Plan assets

The Plan is funded by regular contributions from employees and the Company. The Plan is administered by a board of trustees whose primary responsibilities include ensuring that The Plan meets its liabilities through contributions and investment returns. The board of trustees has the responsibility for making key investment strategy decisions within a risk-controlled framework. The Plan assets are invested in diversified portfolios that are managed by third-party asset managers, in accordance with local statutory regulations, pension plan rules, the results of asset/liability management studies and investment guidelines, as approved by the board of trustees.

The board of trustees' investment goal is to maximize the long-term returns of plan assets within specified risk parameters, while considering future liabilities and liquidity needs. Risk measures taken into account include the funding ratio of The Plan, the likelihood of extraordinary cash contributions being required, the risk embedded in each individual asset class, and The Plan asset portfolio as a whole.

Plan assets are measured at fair value at the balance sheet date.

Fair value of assets at the end of the period

The fair values of The Plan assets by asset class as of December 31, 2025, and December 31, 2024, are presented below.

(USD in thousands)	December 31, 2025			
	Level 1	Level 2	Not subject to leveling ¹	Total
Cash and cash equivalents	6,108	5,278		11,386
Debt securities		211,896		211,896
Equity securities		213,942		213,942
Real estate			177,223	177,223
Alternatives			19,419	19,419
Total	6,108	431,116	196,642	633,866

(USD in thousands)	December 31, 2024			
	Level 1	Level 2	Not subject to leveling ¹	Total
Cash and cash equivalents	9,944	3,142	–	13,086
Debt securities	–	186,177	–	186,177
Equity securities	–	161,210	–	161,210
Real estate	–	–	143,861	143,861
Alternatives	–	–	18,397	18,397
Total	9,944	350,529	162,258	522,731

¹ Amounts relate to assets measured using the NAV practical expedient which are not subject to leveling.

The Company applies accounting guidance related to the presentation of certain investments using the net asset value (NAV) practical expedient. This accounting guidance exempts investments using this practical expedient from categorization within the fair value hierarchy. Investments measured at NAV are primarily non-exchange-traded commingled or collective funds in private equity and real estate where the fair value of the underlying assets is determined by the investment manager. Investments in private equity can never be redeemed, but instead the funds will make distributions through liquidation of the underlying assets.

Contributions

The Company expects to contribute approximately USD 14,502 thousands to The Plan in 2026.

Estimated future benefit payment

The expected future cash flows to be paid by The Plan in respect to pension benefits as of December 31, 2025, are as follows:

Year	(USD in thousands)
2026	33,778
2027	34,274
2028	35,118
2029	34,574
2030	32,514
2031 – 2035 inclusive	160,154

Note 9

Property, plant and equipment, net

(USD in thousands)	December 31,	
	2025	2024
Land and buildings	265,456	228,760
Machinery and equipment	449,697	383,212
Construction in progress	54,563	28,804
Leasehold improvements	20,728	17,299
Total, gross	790,444	658,075
Accumulated depreciation	(543,966)	(461,242)
Total, net	246,478	196,833

Depreciation expense amounted to USD 32,942 thousands and USD 28,209 thousands for 2025 and 2024, respectively.

During the last two years, there were no material impairment charges recorded on property, plant and equipment, net.

Note 10

Leases

The Company has operating leases that primarily consist of real estate and vehicles. The components of operating and finance lease expenses were as follows:

(USD in thousands)	Twelve-month period ended December 31,	
	2025	2024
Operating lease cost	11,979	13,692
Finance lease cost	180	1,589
Total lease expense	12,159	15,281

Supplemental cash flow information related to operating and finance leases is as follows:

(USD in thousands)	Twelve-month period ended December 31,	
	2025	2024
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	11,716	13,557
Financing cash flows from finance leases	196	1,331
Right-of-use assets obtained in exchange for new liabilities:		
Under operating leases	6,143	20,461
Under finance leases	924	2,747

Supplemental balance sheet information related to operating and finance leases is as follows:

(USD in thousands)	December 31,	
	2025	2024
Operating leases:		
Weighted-average remaining term (years)	6	7
Weighted-average discount rate	4.7%	4.5%
Finance leases:		
Weighted-average remaining term (years)	3	4
Weighted-average discount rate	4.3%	4.4%

As of December 31, 2025, the future net minimum lease payments for operating and finance leases and the related present value of the net minimum lease payments were as follows:

(USD in thousands)	Years Ended December 31,	
	Operating Leases	Finance Leases
2026	11,012	391
2027	9,060	240
2028	7,743	185
2029	6,898	62
Thereafter	17,380	8
Total minimum lease payments	52,093	886
Difference between undiscounted cash flows and discounted cash flows	(6,692)	(48)
Present value of minimum lease payments	45,401	838

Note 11

Goodwill and other intangible assets

(USD in thousands)	
Goodwill as of December 31, 2023	40,264
Acquisitions	33,519
Foreign currency translation	(4,024)
Goodwill as of December 31, 2024	69,759
Acquisitions	–
Foreign currency translation	9,131
Goodwill as of December 31, 2025	78,890

Intangible assets other than goodwill consist of the following:

(USD in thousands)	2025			2024		
	Gross carrying amount	Accumulated amortization	Net carrying amount	Gross carrying amount	Accumulated amortization	Net carrying amount
Capitalized software for internal use	26,950	(26,311)	639	24,940	(23,981)	959
Customer relationships	41,118	(9,005)	32,113	36,493	(4,078)	32,415
Other intangible assets	10,702	(5,134)	5,568	9,404	(3,007)	6,397
Total Intangible assets other than goodwill	78,770	(40,450)	38,320	70,837	(31,066)	39,771

Amortization expenses for intangible assets other than goodwill during 2025 and 2024 amounted to USD 6,460 thousands and USD 8,092 thousands, respectively.

In 2025 and 2024, an impairment of USD 1,602 thousands and USD 1,017 thousands, respectively, was recognized in customer relationships following the OMC2 acquisition. There were no further impairment charges recorded on goodwill and other intangible assets.

The weighted-average useful lives of other intangible assets acquired are as follows:

	Weighted-average useful life (in years)
Technology	8
Customer relationships	15
Corporate brand	18
Order backlog	2

As of December 31, 2025, estimated future amortization expense related to intangible assets other than goodwill was as follows:

	USD in thousands
2026	3,759
2027	3,736
2028	3,736
2029	3,416
2030	2,890
Thereafter	20,783
Total	38,320

Note 12

Inventories

(USD in thousands)	December 31,	
	2025	2024
Raw materials	125,826	93,449
Work in progress	50,227	39,841
Finished goods	129,829	108,666
Advances to suppliers	929	703
Total	306,811	242,659

As of December 31, 2025, inventories increased, consistent with sustained growth in customer demand and the resulting higher production volumes. The year-end inventory value also increased due to foreign exchange effects, driven by the strong CHF.

Note 13

Receivables, net

(USD in thousands)	December 31,	
	2025	2024
Trade receivables	261,214	190,206
Non-trade receivables	21,399	19,431
Allowance for expected credit losses	(4,059)	(3,914)
Total	278,554	205,723

Note 14

Other current assets

(USD in thousands)	December 31,	
	2025	2024
Prepaid expenses and accrued income	6,846	8,164
Other current assets	17,917	16,001
Total	24,763	24,165

Other current assets are largely in line with the prior year. As of December 31, 2025, and December 31, 2024, they include income tax receivables in the amount of USD 13,053 thousands and USD 12,212 thousands, respectively.

Note 15

Current and non-current provisions

(USD in thousands)	December 31,	
	2025	2024
Provision for warranties	23,734	15,666
Provisions for loss orders	6,046	6,195
Other provisions ¹	5,499	10,955
Total current provisions	35,279	32,816

¹ Other provisions include provisions for work due.

(USD in thousands)	December 31,	
	2025	2024
Provision for warranties	23,180	16,628
Other provisions	2,268	2,750
Total non-current provisions	25,448	19,378

The following table presents the movements in the warranty provision for the current and prior year:

(USD in thousands)	December 31,	
	2025	2024
Warranty provision opening balance on January 1,	32,294	35,059
Reduction due to warranty payments made (cash or in-kind)	(7,608)	(6,844)
Net change from new warranties and revisions of existing warranties	18,936	5,670
Impact of exchange rate movements	3,292	(1,592)
Warranty provision closing balance on December 31,	46,914	32,294

The increase in warranty provision reflects updated estimates of future warranty costs, mainly driven by higher new-business sales that expand the installed turbocharger population.

Note 16

Accrued liabilities and other current liabilities

(USD in thousands)	December 31,	
	2025	2024
Accrued expenses	23,585	17,614
Employee-related liabilities	48,472	40,138
Total accrued liabilities	72,057	57,752

(USD in thousands)	December 31,	
	2025	2024
Current tax liabilities	22,202	19,493
Non-trade payables	16,269	18,832
Other	12,728	15,776
Total other current liabilities	51,199	54,101

As of December 31, 2025, the increase in accrued liabilities mainly reflects higher operating volumes and timing effects in cost recognition, consistent with the increase in accounts payable – refer to Note 17.

Note 17

Accounts payable

(USD in thousands)	December 31,	
	2025	2024
Trade payables	117,295	87,007
Invoices to come, trade	31,374	23,703
Total	148,669	110,710

As of December 31, 2025, accounts payables increased in comparison to prior year, driven by higher business activity and the corresponding uplift in purchasing volumes.

Note 18

Contract assets and liabilities

(USD in thousands)	December 31,	
	2025	2024
Contract assets	15,892	20,776
Contract liabilities	55,326	34,019

Contract assets primarily relate to the Company's right to receive consideration for work completed but for which no invoice has been issued at the reporting date. Contract assets are transferred to receivables when rights to receive payment become unconditional.

Contract liabilities primarily relate to advances received on orders from customers as well as amounts invoiced to customers in excess of revenues recognized predominantly on long-term projects. Contract liabilities are reduced as work is performed and as revenues are recognized. As of December 31, 2025 contract liabilities increased due to growing business activity in respect of the number of agreements with customers. Of the contract liabilities as of December 31, 2024, the Company recognized revenue of USD 26,883 thousands during the financial year ended December 31, 2025.

Note 19

Shareholders' equity

Share capital

As of December 31, 2025 and December 31, 2024, respectively, the Company's share capital is CHF 945,000, divided into 94,500,000 fully paid-in registered ordinary shares with a nominal value of CHF 0.01 each.

Dividends

At the Annual General Meeting of Shareholders on May 6, 2025, shareholders approved the proposal of the Board of Directors to distribute CHF 1.25 gross per share to shareholders. The declared dividend amounted to USD 141.5 million (2024: USD 87.6 million), and was paid in May 2025 (excluding the withholding tax, which was paid in July 2025).

Treasury shares

During 2025, the Company awarded 98,825 treasury shares (2024: 39,273 treasury shares) to eligible employees and to the Board of Directors as part of their compensation programs. As of December 31, 2025, the Company owned 598,759 treasury shares. As of December 31, 2024, the Company owned 697,584 treasury shares.

Additional paid-in capital

As a result of cumulative equity transactions, including dividend activity, our additional paid-in capital was reduced to zero with residual activity recorded against accumulated earnings, except for accumulated share-based compensation of USD 7,164 thousands, which explains the balance as of December 31, 2025 on the Consolidated Statements of Changes in Shareholders' Equity. Additional paid-in capital established for Swiss statutory purposes is not impacted by our U.S. GAAP treatment.

Note 20

Financial instruments and fair value measures

The Company's non-derivative financial instruments primarily include cash and cash equivalents, trade receivables, trade payables and debt, which approximate their fair values as of December 31, 2025 and 2024.

Credit and market risk

The Company continually monitors the creditworthiness of our customers to which the Company grants credit terms in the normal course of business. The terms and conditions of the Company's credit sales are designed to mitigate or eliminate concentrations of credit risk with any single customer.

Currency risk

Due to the global nature of the Company's operations, many of its subsidiaries are exposed to currency risk in their operating activities from entering into transactions in currencies other than their functional currency. To manage such currency risks, the Company's policies require its subsidiaries to hedge their foreign currency exposures from binding sales and purchase contracts denominated in foreign currencies. Forward foreign exchange contracts are the main instrument used to protect the Company against the volatility of future cash flows (caused by changes in exchange rates) of contracted and forecasted sales and purchases denominated in foreign currencies. In addition, within its treasury operations, the Company primarily uses foreign exchange swaps and foreign exchange forward contracts to manage the currency and timing mismatches arising in its liquidity management activities. Foreign currency contracts are used

to hedge receivable and payable transactions and other monetary assets and liabilities denominated in currencies other than the functional currency of the subsidiaries.

Note 21

Current and non-current debt

(USD in thousands)	December 31,	
	2025	2024
Current debt	1,451	3,267
Non-current debt	542,072	475,320
Total debt	543,522	478,587

The Company's total debts are recognized at nominal value.

On September 30, 2022, the Company entered into a CHF 450 million credit facility (Facility) with maturity on September 30, 2027, with UBS Switzerland Ltd (formerly: Credit Suisse Switzerland Ltd). The Facility includes term loan commitments in the amount of CHF 350 million and a committed multi-currency revolving credit facility (RCF) in the amount of CHF 100 million. On this day, the Company drew a term loan in the amount of CHF 300 million. On March 20, 2023, the Company drew an additional term loan in the amount of CHF 50 million under the Facility. On July 18, 2023, the Company drew the amount of CHF 50 million under the RCF. On September 25, 2024, the Company extended the maturity of the Facility until September 29, 2028. On November 26, 2024 – after the issuance of the CHF bond – the Company paid back the amount of CHF 150 million under the existing Facility. On December 31, 2025 CHF 250 million (USD 315 million) was outstanding under the Facility, unchanged from CHF 250 million at December 31, 2024 (USD 275 million). Interest costs on the drawings under the Facility are calculated using the Swiss Average Rate Overnight (SARON) plus a predefined margin, while commitment fees (payable on the Facility) are amortized until maturity.

On November 14, 2024, the Company issued the following CHF bond: CHF 180 million, 1.375% bond with a maturity on November 14, 2030. The aggregate net proceeds of this CHF bond, after fees, amounted to CHF 179.4 million (equivalent to approximately USD 202.5 million on date of issuance).

Details of the outstanding bond are as follows:

(in thousands)	2025		December 31, 2024	
	Nominal outstanding	Carrying value ¹	Nominal outstanding	Carrying value ¹
1.375% CHF Bond, due 2030	CHF 180,000	USD 228,006	CHF 180,000	USD 199,893

¹ USD carrying values include unamortized debt issuance costs and bond premiums

The Company's various debt instruments contain cross-default clauses which would allow the bondholders to demand repayment if the Company were to default on any borrowing at or above a specified threshold. Furthermore, the bond constitutes unsecured obligations of the Company and rank pari passu with other debt obligations.

The Company's long-term debt is recorded at adjusted cost, net of unamortized premiums, discounts and debt issuance costs. The fair value of long-term debt is estimated based upon quoted prices for similar instruments or quoted prices for identical instruments in inactive markets (Level 2).

Note 22

Commitments and contingencies

Regulatory, compliance and legal commitments

In the normal course of business, Accelleron is subject to legal proceedings, lawsuits, and other claims.

While the potential financial impact with respect to these ordinary course matters is subject to many factors and uncertainties, management believes that any financial impact on the Company from these matters, individually and in the aggregate, would not have a material adverse effect on the Company's financial position or results of operations.

Contingencies

Guarantees, letters of credit, as well as letters of comfort issued by third parties, are reported as contingent liabilities. As of December 31, 2025 and December 31, 2024, they amount to USD 9,990 thousands and USD 6,622 thousands, respectively.

Note 23

Non-current liabilities

	December 31,	
(USD in thousands)	2025	2024
Deferred income	3,015	2,658
Other non-current liabilities	115	2,852
Total non-current liabilities	3,130	5,510

As of December 31, 2025, other non-current liabilities decreased due to the reclassification of the contingent consideration related to the acquisition in 2024 as a current liability.

Note 24

Related party transactions

The Company conducts business with certain companies where members of the Company's Board of Directors or Executive Committee act, or in recent years have acted, as directors or senior executives. The Company's Board of Directors has determined that the Company's business relationships with those companies do not constitute material business relationships. This determination was made in accordance with the Company's related party transaction policy which was prepared based on the Swiss Code of Best Practice.

Note 25

Group and associate companies

Country	Name of subsidiary ⁶	Branch only	Economic interest % ¹
Argentina	Accelleron Argentina S.A.		100%
Australia	Accelleron Australia Pty Ltd		100%
Bangladesh	Accelleron Bangladesh Ltd.		100%
Belgium	Accelleron Benelux B.V., Belgium Branch	*	100%
Brazil	Accelleron Brasil Ltda.		100%
Bulgaria	Accelleron Italy S.p.A., Bulgaria Branch	*	100%
Cameroon	Accelleron Cameroon PLC		100%
Canada	Accelleron Canada Inc		100%
Canada	True North Marine Inc. ⁴		100%
China	Accelleron Turbo Systems (Chongqing) Limited		61%
China	Accelleron (China) Investment Limited		100%
China	Kunshan Kenda OMT Fuel Injection		50%
Colombia	Accelleron Colombia SAS		100%
Cyprus	Accelleron Greece Single Member S.A., Cyprus Branch	*	100%
Denmark	Accelleron Denmark filial af Accelleron Nordics Oy, Finland	*	100%
Dominican Republic	Accelleron Dominican Republic S.R.L.		100%
Ecuador	Accelleron Ecuador SA		100%
Egypt	Turbo Systems Egypt for Turbocharging LLC		100%
Finland	Accelleron Nordics Oy		100%
France	Accelleron France SAS		100%
Germany	Accelleron Germany GmbH		100%
Greece	Accelleron Greece Single Member S.A.		100%
Hong Kong	Accelleron Turbo Systems (Hong Kong) Limited		61%
Hong Kong	Accelleron Industries (Hong Kong) Limited		100%
India	Accelleron India Private Limited		100%
Indonesia	PT Accelleron Sakti Indonesia		60%
Iraq	Accelleron Middle East FZCO, Iraq Branch	*	100%
Italy	Accelleron Italy S.p.A.		100%
Italy	O.M.T. Officine Meccaniche Torino S.p.A.		100%
Italy	O.M.C. 2 Diesel S.p.A. ⁵		100%
Japan	Turbo Systems United Co., Ltd.		60%
Korea	Accelleron Korea Ltd.		100%
Korea	OMT Korea Limited Company		100%
Malta	Accelleron Italy S.p.A., Malta Branch	*	100%
Mauritius	Accelleron France SAS - Branch Mauritius	*	100%
Mexico	Accelleron Mexico S.A. de C.V.		100%
Myanmar	Turbo Systems Myanmar Limited ²		100%
Netherlands	Accelleron Benelux B.V.		100%
Nigeria	Turbosystems Nigeria LTD		100%
Norway	Accelleron Nordics Oy NUF	*	100%
Pakistan	Accelleron Pakistan (Private) Limited		100%
Philippines	Accelleron SEA Pte. Ltd., PH Branch	*	100%
Poland	Accelleron Nordics Oy Sp. z o.o. Oddział w Polsce	*	100%
Portugal	Accelleron Iberia S.L.U., Sucursal em Portugal	*	100%

Country	Name of subsidiary ⁶	Branch only	Economic interest % ¹
Saudi Arabia	Accelleron Industries Solutions Limited		65%
Senegal	Accelleron Senegal S.A.		100%
Singapore	Accelleron SEA Pte. Ltd.		100%
South Africa	Accelleron South Africa	*	100%
Spain	Accelleron Iberia S.L.U.		100%
Sri Lanka	Accelleron Lanka (Private) Limited		100%
Sweden	Accelleron Sweden filial	*	100%
Switzerland	Accelleron Switzerland Ltd		100%
Switzerland	Accelleron Verwaltungs Ltd		100%
Taiwan	Accelleron SEA Pte. Ltd., Taiwan Branch	*	100%
Thailand	Accelleron (Thailand) Co., Ltd.		49%
Turkey	Accelleron Turkey Mühendislik A.Ş		100%
United Arab Emirates	Accelleron Middle East FZCO		100%
United Arab Emirates	Accelleron Middle East FZCO, Dubai Branch	*	100%
United Kingdom	Accelleron UK Limited		100%
United States	Accelleron US Inc.		100%

1 Economic interest: voting rights and ownership are equal for each subsidiary with the exception of the Thailand subsidiary (Accelleron (Thailand) Co., Ltd.), where the ownership and voting rights amount to 49% and 91%, respectively.

2 Legal entity in liquidation.

3 True North Marine India Private Limited (India) has been merged into this company as of November 1, 2025.

4 This company will be merged into Accelleron Canada Inc (Canada) as of January 1, 2026.

5 This company will be merged into O.M.T. Officine Meccaniche Torino S.p.A. (Italy) as of January 1, 2026.

6 In line with the Group's updated corporate identity and global branding strategy, Accelleron has continued the systematic renaming of its legal entities worldwide throughout 2025.

Note 26

Acquisitions

The Company did not complete any acquisitions during the year ended 2025.

Note 27

Subsequent events

There were no events between the balance sheet date of December 31, 2025, and March 11, 2026 (the date these Consolidated Financial Statements were approved by the Board of Directors) requiring additional disclosures or changes in the Consolidated Financial Statements.

07

Statutory Financial Statements of Accelleron Industries AG

↖	Back to main menu	
	Statutory Auditor's Report	129
	Statutory Financial Statements	130
	Notes to the Statutory Financial Statements	131
	Appropriation of Available Earnings	134



Statutory Auditor's Report

To the General Meeting of Accelleron Industries AG, Baden

Report on the Audit of the Financial Statements

Opinion

We have audited the Financial Statements of Accelleron Industries AG (the Company), which comprise the balance sheet as at December 31, 2025, and the income statement the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies.

In our opinion, the Financial Statements (pages 130 to 133) comply with Swiss law and the Company's articles of incorporation.

Basis for Opinion

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

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

Key Audit Matters

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

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the Consolidated Financial Statements, the Statutory 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 Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the Financial Statements according to the instructions of the Board of Directors.

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

KPMG AG

Simon Studer
Licensed Audit Expert
Auditor in Charge

Andrius Cibas
Licensed Audit Expert

Zurich, March 11, 2026

Statutory Financial Statements

Income statement

(CHF in thousands)	Note	Twelve-month period ended December 31,	
		2025	2024
Dividend income	4	152,575	79,722
Other income	3	938	938
Interest and other finance income		3,112	530
Interest and other finance expense		(2,498)	(338)
General and administrative expenses	5	(229)	(89)
Income before taxes		153,898	80,763
Income tax expense		(399)	(181)
Net income		153,499	80,582

See accompanying Notes to the Statutory Financial Statements

Balance sheet

(CHF in thousands)	Note	December 31,	
		2025	2024
Cash and cash equivalents		16,636	3,662
Receivables		2	5
Receivables from subsidiaries	6	25,406	421
Other current assets		1,449	1,554
Total current assets		43,493	5,642
Financial receivables from subsidiaries	7	180,000	180,000
Investments	8	297,747	297,747
Total non-current assets		477,747	477,747
Total assets		521,240	483,389
Accrued expenses and other liabilities		411	720
Total current liabilities		411	720
Interest-bearing liabilities	9	180,000	180,000
Total non-current liabilities		180,000	180,000
Total liabilities		180,411	180,720
Share capital		945	945
Legal capital reserve		188,893	224,007
Other capital reserve		188,893	224,007
Treasury shares		(3,172)	(3,695)
Available earnings		154,163	81,412
Profit brought forward		664	830
Profit for the year		153,499	80,582
Total shareholder's equity	10	340,829	302,669
Total liabilities and shareholder's equity		521,240	483,389

See accompanying Notes to the Statutory Financial Statements

Notes to the Statutory Financial Statements

Note 1

General

Accelleron Industries AG is the parent company of Accelleron and is incorporated in Switzerland with registered offices in Baden, Aargau.

Accelleron Industries AG did not have any employees in the financial year ended December 31, 2025 and in the financial year ended December 31, 2024.

These financial statements were prepared in accordance with Articles 957–963b of the Swiss Code of Obligations (CO). Where not prescribed by law, the significant accounting policies applied are described in “Note 2 – Significant accounting policies”.

Note 2

Significant accounting policies

Investments

Investments in subsidiaries are valued at the lower of cost or fair value, using generally accepted valuation principles.

Financial receivables and interest-bearing liabilities

Financial receivables and long-term interest-bearing liabilities to third parties and subsidiaries are valued at nominal value.

Treasury shares

Treasury shares comprise registered shares of Accelleron Industries AG. Treasury shares are initially recognized at cost and deducted from equity with no subsequent measurement. When treasury shares are disposed of or charged to the respective subsidiary, the resulting gain or loss is recognized in other capital reserve.

Note 3

Other income

Other operating income mainly includes guarantee compensation fees from subsidiaries.

Note 4

Dividend income

Dividend income in the amount of CHF 152,575 thousands was received in 2025 and related to 2024. In 2024, the dividend income related to 2023 amounted to CHF 79,722 thousands.

Note 5

General and administrative expenses

General and administrative expenses mainly include general fees, bank charges and external service charges.

Note 6

Receivables from subsidiaries

As of December 31, 2025, this position primarily comprises a dividend receivable from Accelleron Switzerland Ltd (2024: none).

Note 7

Financial receivables from subsidiaries

Following the issuance of the bond in 2024 (see Note 9), Accelleron Industries AG granted a long-term loan of CHF 180 million, maturing on November 14, 2030 and bearing an interest rate of 1.6921%, to a subsidiary. These funds were subsequently used to repay current debt under the credit facility. The loan remains outstanding as of December 31, 2025, with unchanged terms and conditions.

Note 8

Investments

As of December 31, 2025 and December 31, 2024, Accelleron Industries AG holds the following direct investment in a subsidiary:

Country	Subsidiary's name	Ownership and voting rights	Registered capital
Switzerland	Accelleron Switzerland Ltd	100%	CHF 101,000

A comprehensive overview of the subsidiaries that are directly or indirectly controlled by Accelleron Industries AG is provided in Note 25 to the Group's Consolidated Financial Statements.

Note 9

Long-term interest-bearing liabilities

On November 14, 2024, the Company issued the following CHF bond: CHF 180 million, 1.375% bond with a maturity on November 14, 2030. The aggregate net proceeds of this CHF bond, after fees, amounted to CHF 179.4 million.

Details of the outstanding bonds are as follows:

(in thousands)	December 31,	
	2025	2024
	Nominal outstanding	Nominal outstanding
1.375% CHF Bond, due 2030	CHF 180,000	CHF 180,000

The Company's various debt instruments contain cross-default clauses which would allow the bondholders to demand repayment if the Company were to default on any borrowing at or above a specified threshold. Furthermore, the aforementioned bond constitutes unsecured obligations of the Company and ranks pari passu with other debt obligations.

Note 10

Shareholders' equity

Share capital

As of December 31, 2025, the Company's share capital is CHF 945,000, divided into 94,500,000 fully paid-in registered ordinary shares with a nominal value of CHF 0.01 each.

On May 6, 2025 the General Meeting approved the introduction of a capital band ranging from a lower limit of CHF 897,750 (95% of the current share capital) to an upper limit of CHF 1,039,500 (110% of the current share capital) within which the Board of Directors is authorized to increase or decrease the share capital once or several times until May 6, 2030.

Treasury shares

The movement in the number of treasury shares in the financial year ended December 31, 2025, and for financial year ended December 31, 2024, was as follows.

(CHF in thousands, except share numbers)	December 31,			
	2025		2024	
	Number of shares	Total transaction amount	Number of shares	Total transaction amount
Balance as of January 1	697,584	(3,695)	736,857	(3,903)
Delivery for employee share programs	(98,825)	524	(39,273)	208
Balance as of December 31	598,759	(3,172)	697,584	(3,695)

Treasury shares originate from a contribution of the Former Parent prior to the first day of trading.

Note 11

Shareholdings of Board of Directors and Executive Committee

As of December 31, 2025 and December 31, 2024, the members of the Board of Directors held the following number of shares in Accelleron Industries AG:

Name	Function	December 31,	
		2025	2024
		Number of Accelleron Industries AG shares held	Number of Accelleron Industries AG shares held
Oliver Riemenschneider	Chair	17,897	14,833
Monika Krüsi	Vice-Chair and AC Chair	8,138	6,753
Gabriele Sons	NCC Chair	4,405	3,236
Stefano Pampalone	Member	3,533	2,595
Bo Cerup-Simonsen	Member	3,817	2,804
Detlef Trefzger	Member	4,522	3,322
Total shares		42,312	33,543

In 2025, 8,769 shares with a cost value of CHF 449 thousands (2024: 12,412 shares with a cost value of CHF 441 thousands) were allocated to board members.

As of December 31, 2025, members of the Executive Committee held the following number of shares in Accelleron Industries AG and the conditional rights to receive Accelleron Industries AG shares under the long-term incentive plans (LTIPs):

Name	Function	Number of Accelleron Industries AG shares held	December 31, 2025		
			Number of non-vested shares under the long-term incentive plans		
			LTIP 2023	LTIP 2024	LTIP 2025
Daniel Bischofberger	CEO	32,017	19,126	14,521	9,508
Adrian Grossenbacher	CFO	8,677	7,514	5,705	4,731
Annika Parkkonen	CHRSO	1,708	5,101	3,873	3,209
Roland Schwarz	Division President Service	8,496	7,514	5,705	4,545
Christoph Rofka	Division President Medium & Low Speed	8,036	7,514	5,705	4,420
Herbert Müller	Division President High Speed	7,905	5,101	3,873	3,107
Total shares		66,839	51,870	39,382	29,520

As of December 31, 2024, members of the Executive Committee held the following number of shares in Accelleron Industries AG and the conditional rights to receive Accelleron Industries AG shares under the long-term incentive plans (LTIPs):

Name	Function	Number of Accelleron Industries AG shares held	December 31, 2024		
			Number of non-vested shares under the long term incentive plans		
			LTIP 2022	LTIP 2023	LTIP 2024
Daniel Bischofberger	CEO	12,243	19,774	19,126	14,521
Adrian Grossenbacher	CFO	1,555	9,322	7,514	5,705
Annika Parkkonen	CHRSO	200	2,110	5,101	3,873
Dirk Bergmann ¹	CTO	1,006	6,328	5,101	3,873
Roland Schwarz	Division President Service	1,674	9,322	7,514	5,705
Christoph Rofka	Division President Medium & Low Speed	2,793	9,322	7,514	5,705
Herbert Müller	Division President High Speed	1,577	6,328	5,101	3,873
Total shares		21,048	62,506	56,971	43,255

¹ Not an active member of the EC effective end of October 2024 (end of employment in 2025).

Note 12

Significant shareholders

As of December 31, 2025 and December 31, 2024, to the best of Accelleron Industries AG's knowledge, the following shareholders had holdings reaching or exceeding 3% or more of the voting rights in the Company, as notified in accordance with Art. 120 of the Swiss Federal Act on Financial Market infrastructures and Market Conduct in Securities and Derivatives Trading (the FMIA):

Name	December 31,	
	2025	2024
	Voting rights %	Voting rights %
UBS Fund Management (Switzerland) AG	5.06	5.06
BlackRock, Inc., New York, USA	5.06	3.24
Swisscanto Fondsleitung AG	4.99	4.99
Norges Bank (the Central Bank of Norway), Oslo, Norway	3.46	3.32

Note 13

Contingent liabilities

As of December 31, 2025, Accelleron Industries AG has issued guarantees to banking institutions for credit facilities and guarantee limits of subsidiaries in the amount of CHF 455,000 thousands (2024: CHF 455,000 thousands).

Note 14

Taxes Pillar Two (Base Erosion and Profit Shifting “BEPS”)

The OECD/G20 Pillar Two framework introduces a global minimum tax rate of 15% for multinational groups with consolidated revenues of EUR 750 million or more. The Accelleron Group falls within the scope of these rules. In Switzerland, where the Company is headquartered, the Qualified Domestic Minimum Top-up Tax (QDMTT) became effective on January 1, 2024, and the Income Inclusion Rule (IIR) became effective on January 1, 2025. The Company evaluates its Pillar Two exposure at each reporting date using the information available at year-end and reflects its best estimate in these financial statements.

Note 15

Subsequent events

There were no events between the balance sheet date of December 31, 2025, and March 11, 2026 (the date these financial statements were approved by the Board of Directors) requiring additional disclosures or changes in the statutory financial statements.

Appropriation of available earnings

The Board of Directors proposes to the Annual General Meeting to distribute a dividend of CHF 1.50 per share from available earnings. Based on the total number of registered ordinary shares, this corresponds to CHF 141,750 thousand.

	December 31,
(CHF in thousands)	2025
Profit brought forward	664
Profit for the year	153,499
Total available earnings at year-end	154,163
Proposed dividend ¹	141,750
Balance to be carried forward	12,413

¹ The total dividend amount covers all registered ordinary shares. The actual payout will be lower because treasury shares are not eligible for dividends.

08

Supplemental information



[Back to main menu](#)

[Alternative performance measures](#)

Alternative performance measures

The following are definitions of alternative performance measures used to evaluate Accelleron's operating performance.

These performance measures are referred to in this Annual Report and are not defined under United States generally accepted accounting principles (U.S. GAAP).

Accelleron's management believes that the non-GAAP performance measures herein are useful in evaluating the operating results of Accelleron. This information should be considered as supplemental in nature and not as a substitute for the related financial information prepared in accordance with U.S. GAAP.

Performance measure	Definition
Organic revenue growth (on a constant currency basis)	Revenue growth at constant currency and adjusted for M&A-related effects. The organic growth rate measures growth on a like-for-like basis. Newly acquired companies are considered organic once a full comparison period is reflected in the Consolidated Financial Statements.
Operational EBIT	Operational EBIT represents income from operations excluding costs related to acquisition and divestment, one-time items in income statements, non-operational integration costs, special non-operational projects, restructuring costs and temporary unrealized timing differences in the context of foreign exchange transactions (FX); and including operational pension costs
Operational EBITDA	Operational EBITDA represents operational EBIT excluding depreciation and amortization
Operational EBITA	Operational EBITA represents operational EBIT excluding acquisition-related amortization
Operational EBITA margin	Operational EBITA as a percentage of revenues
Free cash flow	Net cash provided by operating activities adjusted for net investments in property, plant and equipment and intangible assets
Free cash flow conversion	Free cash flow divided by reported net income, expressed as a percentage
Net leverage	Interest-bearing liabilities (including finance leases) net of cash and cash equivalents, divided by last twelve months' operational EBITDA