advaltech

Executive Summary on the Annual Report

2025

Dear Shareholders,

For Adval Tech, 2025 was dominated by the consistent implementation of the forward strategy launched in the previous year. Despite a very challenging market environment, we made significant operational and strategic progress in 2025.

In the 2025 financial year, the Adval Tech Group generated net turnover of CHF 155.9 million (previous year: CHF 165.6 million). In comparison with 2024, EBIT improved by CHF 2.6 million to CHF –2.8 million, while the net result was CHF –6.9 million, compared with CHF –7.8 million in the previous year. Overall, the net result was affected by currency losses of CHF 2.1 million due to exchange rate developments . In addition, various one-off effects, including a cyber attack in March 2025 and the repercussions of US tariffs, had a negative impact. Adval Tech also succeeded in significantly improving free cash flow by CHF 26.8 million to CHF 6.8 million and returning to a positive value. At CHF 170 million, incoming orders this year were once again in line with the target and previous year's figure.

Differing performance in the target markets

In the automotive target market, the environment remained challenging in 2025. New US tariffs led to project cancellations and lost turnover, particularly at the Endingen (Germany) site. At the same time, there was increasing regional divergence in market development. While the European market was under pressure, South America and the Chinese domestic market saw a more positive trend. Adval Tech benefited from its wide-ranging technological expertise in metals and plastics, making it an attractive partner for contracts for hybrid components. The site in Hungary, which combines both metal and plastics expertise following the merger of two production sites, played a key role here. This flexibility in terms of production diversity and technological expertise has enabled Adval Tech

Dirk Lambrecht, Chairman of the Board of Directors and Volker Brielmann, Chief Executive Officer

to acquire new major projects and generate added value for its customers with smart solutions.

In the medtech target market, Adval Tech was able to win significant contracts for innovative medical plastic systems, such as a newly developed closure system for syringes. Planning was also initiated for the expansion of production capacities and the organization in the medtech sector with the aim of securing future growth in this strategically important segment.

A mixed picture emerged in the consumer goods market in the 2025 reporting year. While sales of aluminum capsules at the Swiss site in Grenchen stagnated, the site in Malaysia delivered a positive performance with the production of plastic injection-molded parts.

Forward strategy continues to be consistently implemented

The structural and strategic measures implemented in 2025 as part of the forward strategy are proving successful. For example, major operational adjustments have increased efficiency within the company and improved transparency and speed of implementation along the entire value chain. This is reflected in a higher order intake and improved cash flow. As we see an increase in the number of opportunities in the medtech sector, financial resources are being allocated to this area of the business. The company's commitment to the automotive sector will continue as before. The ongoing systematic implementation of the forward strategy is of key importance in securing Adval Tech's long-term competitiveness in its target markets and thus generating profitable growth once again.

Sustainability is both a responsibility and an obligation

For Adval Tech, sustainability in practice is an important part of boosting the resilience and competitiveness of the company. In the Sustainability Report 2025, we take an in-depth look at the ESG topics that are important for Adval Tech. This report is available as a separate document and on our website. Our reporting is based on the Swiss Code of Obligations with regard to the provisions on non-financial reporting and is guided by the internationally recognized standards of the Global Reporting Initiative (GRI) and the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). The entire Board of Directors approved the Sustainability Report 2025 and will submit it to an advisory vote at the 2026 Annual General Meeting.

New members of the Board of Directors and Group Executive Management

The 2025 Annual General Meeting elected two new members to the Board of Directors: Dirk Lambrecht, who was also elected Chairman of the Board of Directors, and Jörg Buchheim. They succeeded René Rothen, Chairman of the Board of Directors until May 2025, and Hans Dreier, a longstanding member of the Board of Directors and representative of the founding family, who did not stand for re-election due to their age.

In addition, two positions in Group Executive Management were filled by new members in the 2025 reporting year. As of December 1, 2025, Thomas Zimmermann-Liu was appointed as the new CFO of the Adval Tech Group, succeeding Markus Reber. Ralf Eble succeeded Jean Bäbler as COO in May 2025. Together with Volker Brielmann, CEO, and Cordula Hofmann, CHRO, these industry-experienced professionals form the new Group Executive Management of Adval Tech Holding AG.

The Board of Directors would like to thank the members who left the Board of Directors and Group Executive Management for their many years of service and their great commitment to Adval Tech.

"Our strategic objective remains unchanged – to lead Adval Tech on a sustainably profitable growth path and create long-term added-value for shareholders."

Looking ahead with a consistent focus on the future

Thanks to our transparent forward strategy and our focus on the automotive and medtech target markets, we are right on target with respect to incoming orders. From 2027 onwards, we are aiming for growth in the single-digit percentage range. 2026 will be a year of transformation with a slight decline in turnover. On the one hand, we will be faced with a challenging market environment, but on the other hand, the excellent volume of incoming orders will only have an impact from 2027 onwards.

Our strategic objective remains the same: sustainably improve profitability, generate stable cash flows and create long-term added value for shareholders. If the measures taken are consistently implemented, the Board of Directors and Group Executive Management are confident that Adval Tech will return to a sustainably profitable growth path.

Thank you for your commitment and trust

The Board of Directors and Group Executive Management would like to thank all of our employees for their outstanding commitment to the Adval Tech Group. We are aware that the 2025 financial year was very challenging and fraught with uncertainties, which makes us all the more proud of the achievements of our employees. We would also like to thank our shareholders, customers, suppliers and business partners for the trust they place in us and for their commitment to Adval Tech.

Dirk Lambrecht
Chairman of the Board of Directors

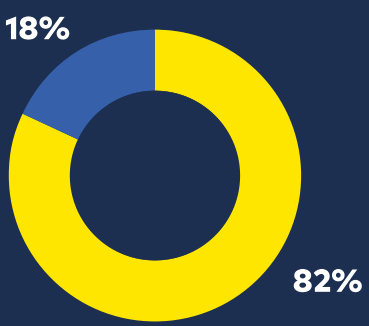
Volker Brielmann
Chief Executive Officer

TURNOVER AT A GLANCE

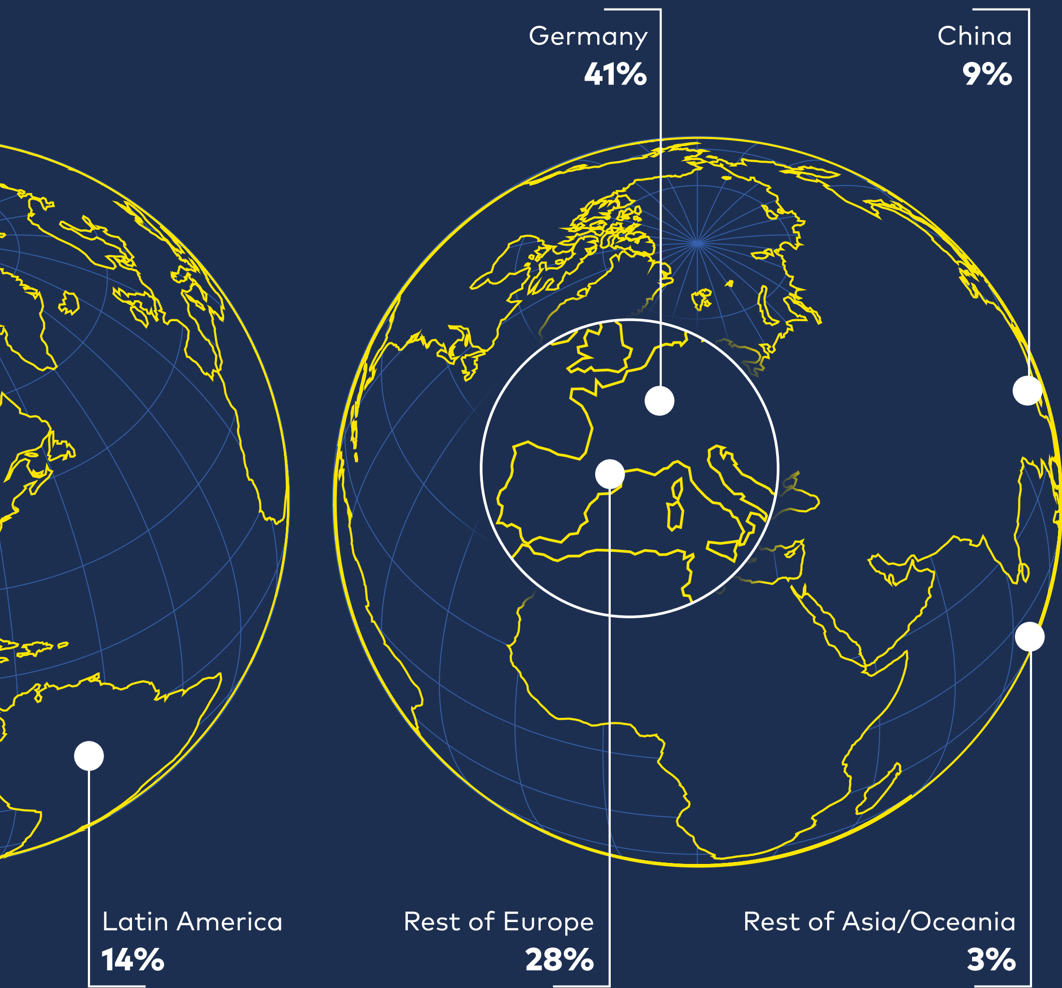
Total net turnover
CHF million

155.9 –5.8%

by product
in %



- Components
- Tools, high-speed presses and other revenue


Germany
41%
China
9%
Latin America
14%
Rest of Europe
28%
Rest of Asia/Oceania
3%

MANAGEMENT REPORT

For the Adval Tech Group, the 2025 financial year was characterized by a persistently challenging and volatile market environment, as well as unexpected events such as the introduction of US tariffs and a cyber attack in spring 2025. The global automotive industry in particular was under considerable pressure in 2025. Declining production volumes as well as ongoing geo-political tensions and trade conflicts dampened demand. At the same time, Chinese manufacturers stepped up their activities – including in Europe – which further increased competitive and pricing pressure. Despite the headwind, Adval Tech consistently implemented its defined forward strategy in the reporting year and won new major orders, especially for complex plastic systems and components in the automotive and medtech sectors.

Forward strategy

The structural and operational measures introduced in 2024 made initial progress in 2025. The merger of the two production sites in Hungary, the closure of the Muri site, and the restructuring of the plant in Endingen (Germany) led to a gradual improvement in the cost structure. In addition, a more efficient organizational structure was introduced, Group-wide KPI and performance reporting was implemented, and loss-making products and projects were identified and improved through price increases in 2025. These measures will be actively pursued and are aimed to achieve a sustainable increase in profitability and transparency; however, their full impact will only be felt in subsequent years from 2027 onwards.

Market developments

Adval Tech develops, manufactures and markets a wide range of product groups in metal and plastic, and serves the automotive, medtech, consumer goods, and presses and tools markets.

AUTOMOTIVE TARGET MARKET

In the automotive target market, new US tariffs led to project cancellations and lost turnover, particularly at the Endingen (Germany) site. Regionally, the picture was mixed – Europe continued to be characterized by declining volumes, while South America and the Chinese domestic market were more stable. Despite the difficult environment, Adval Tech was able to secure new series production start-ups and, specifically in the area of complex plastics applications, received incoming orders totaling CHF 136 million thanks to its clear technological expertise in metals and plastics, its global production network in Europe, America and Asia, and its end-to-end process expertise. In addition, price increases and retroactive price adjustments were implemented in individual customer projects.

MEDTECH TARGET MARKET

The medtech target market once again performed well in the 2025 financial year and confirmed its growing importance as a strategic pillar of growth for the Group by winning new contracts amounting to CHF 25 million. Here, Adval Tech benefited in particular from its ability to offer a high standard of quality, very reliable deliveries, customer proximity and innovative manufacturing processes.

Based on these successes, planning for the expansion of capacities and the organization was initiated.

CONSUMER GOODS MARKET

In the consumer goods market, Adval Tech produces plastic injection-molded parts in Malaysia and aluminum capsules at the Swiss site in Grenchen. At its location in Malaysia, Adval Tech realized several new projects with existing customers for the Asian market and also gained two new customers in 2025. This means that Adval Tech is on a growth trajectory in Malaysia. The end of a major capsule production project in Grenchen in 2026 will be used to divert the financial and organizational resources freed up to the medtech sector. The production of aluminum capsules is therefore not a target market for Adval Tech from a strategic point of view.

PRESSES AND TOOLS MARKET

The market environment in the presses and tools business continued to be characterized by a considerable degree of investment reluctance in the 2025 reporting year. Heightened geopolitical tensions and trade conflicts, particularly in connection with the imposition and threat of new US tariffs and the ongoing war in Ukraine, led to a subdued business peformance in the presses and tools sector at the Niederwangen (Switzerland) plant. As part of the company's change of focus, the presses and tools sector will no longer be reported separately in future, but will instead be integrated into the automotive target market.

Development of key figures[1]

TOTAL INCOME AND NET TURNOVER

In the reporting year, the Group generated total income of CHF 163.2 million (2024: CHF 174.9 million).

Net turnover fell by 5.8% (currency-adjusted: –3.4%) from CHF 165.6 million in the previous year to CHF 155.9 million, with net turnover from the components business down by around 2.1% compared with the previous year.

[1] An overview of Alternative Performance Measures can be found on page 92 of the Annual Report 2025

There was a slight shift in the regional net turnover breakdown in favor of Latin America and Europe due to lower demand in North America. However, the Adval Tech Group continued to generate the largest share of its net turnover with customers in Europe (69%; 2024: 68%). The increase is primarily due to turnover with German customers. The share of net turnover generated by Asian customers remained constant at 12% (2024: 12%). Adval Tech generated 14% of its net turnover with Latin American customers (2024: 12%) and 5% with North American customers (2024: 8%).

PROFITABILITY

The Adval Tech Group achieved earnings before interest, taxes and depreciation (EBITDA) of CHF 3.1 million (2024: CHF 3.0 million), corresponding to an EBITDA margin of 1.9% (2024: 1.7%). The improvement in the EBITDA margin resulted from a lower proportion of materials as well as a significant reduction in personnel and other operating expenses. Other operating expenses declined mainly due to lower premises and energy costs.

Earnings before interest and taxes (EBIT) amounted to CHF –2.8 million (2024: CHF –5.4 million). While the Swiss production sites (Niederwangen and Grenchen) and the sites in Malaysia, China, and Brazil continued to make a positive contribution to the Group's EBIT in 2025, the results of the sites in Germany, Mexico and Hungary had a negative impact on the Group's profitability.

NET RESULT

The Adval Tech Group's net result for 2025 amounted to CHF –6.9 million (2024: CHF –7.8 million). This includes a financial result of CHF –2.5 million, which was due to currency losses of CHF –2.1 million (2024: CHF –1.4 million). It also includes directly attributable external expenses of CHF 0.7 million for successfully dealing with the cyber attack in spring of 2025.

INVESTMENTS AND OPERATING NET CURRENT ASSETS

At the end of December 2025, operating net current assets (trade accounts receivable, inventories, and trade accounts payable) amounted to CHF 39.7 million (2024: CHF 56.5 million). In relation to total income, average operating net current assets rose from 29.5% at the end of December 2024 to 30.9% at the end of December 2025. In 2025, the Adval Tech Group invested CHF 6.4 million (2024: CHF 5.4 million).

CASH FLOW AND LIQUIDITY

Free cash flow amounted to CHF 6.8 million (2024: CHF –20.0 million). The increase was mainly due to the invoicing of long-term projects for tools and equipment, for which payment was also received in the financial year.

The net financial position, calculated from cash and cash equivalents less current and non-current interest-bearing liabilities, amounted to CHF 12.2 million as of December 31, 2025 (2024: CHF 6.3 million).

EQUITY RATIO

With a high equity ratio of 67.9% as of the 2025 balance sheet date (2024: 69.6%), Adval Tech is solidly financed.

DIVIDEND DISTRIBUTION

Although the net result improved slightly year-on-year, it remains negative. The Board of Directors will therefore not propose a dividend distribution at the Annual General Meeting on May 21, 2026.

Top Innovative Companies 2026 innovation award

The Adval Tech Group was once again honored with the "Top Innovative Companies" innovation award, which is presented by the Swiss business magazines Handelszeitung and Bilanz together with Statista. For the 2026 ranking, 185 companies from Switzerland were assessed and recognized for their innovative strength. The assessment was based on qualitative and quantitative criteria, including the number and relevance of patents filed, the innovation culture, the implementation of product and process innovations, and perception by external experts and employees.

This latest award is a clear indication of the Group's ability to innovate, especially under persistently difficult conditions – particularly in the global automotive market – and in view of the extensive organizational and strategic transformation measures. The recognition confirms that Adval Tech is able to guarantee outstanding technology, development skills and a corporate culture that promotes innovation, even in a challenging environment.

Market development and branding

Adval Tech maintains direct, personal and cooperative contacts with customers and suppliers in its target markets. The Group participates in the major international trade fairs and cultivates the Adval Tech brand using a variety of communication tools. In the reporting year, Adval Tech also further expanded its marketing and sales activities in the medtech sector. In addition, Adval Tech attended the medtech trade fairs in Singapore and Paris for the first time, with its own booth at each event.

Customer satisfaction

In a volatile market environment characterized by technological change and new competitors, customer satisfaction is our most important currency and the yardstick for our long-term success. Through consistent compliance with quality standards, high delivery reliability and a close partnership with our customers, we ensure that we meet their requirements reliably. The realigned sales organization and a focused product and customer strategy enable us to apply valuable ideas directly to the further development of our products, processes, and services. In this way, we transform customer proximity into measurable business success and sustainable partnerships.

Sustainability

For Adval Tech, sustainability means taking responsibility and is a strategic success factor. As a global innovative industrial partner, it is a matter of course for the company to play its part in shaping fair and climate-friendly supply chains suitable for a circular economy. Adval Tech focuses on the ESG action areas of energy and environmental management, social responsibility, governance, compliance, risk management, and innovation, and addresses these topics in detail in its separate Sustainability Report. The Sustainability Report 2025 is available online at the following link: www.advaltech.com/en/sustainability

Employees

The right employees are the foundation of the long-term success of the Adval Tech Group. In a dynamic market environment, it is important that all employees contribute their skills and ideas in order to support change together. Adval Tech relies on a corporate culture based on cooperation, continuous development, and a willingness to change. The Group develops its employees and offers them attractive career opportunities. Recruiting and developing the right employees is an ongoing task for Adval Tech at all levels. This also includes assessing and developing young international talent and retaining key personnel.

At the end of 2025, the total number of employees stood at 1,003 full-time equivalents (end of 2024: 1,034). More detailed information on employee management, talent development, and employee health and safety can be found in the "Social responsibility" section of the Sustainability Report 2025. It is available online at the following link: www.advaltech.com/en/sustainability

Risk management

Adval Tech's comprehensive risk management system ensures that the risks to which the Group is exposed are identified and properly addressed. The risk management system also ensures that suitable monitoring and control measures are implemented efficiently. Adval Tech's central risk assessment system records both strategic and operational risks. All identified risks are evaluated (in terms of probability of occurrence and extent of damage) and recorded in a risk inventory. On the basis of this risk inventory, the Board of Directors reviews at least once a year whether the measures taken to manage and reduce risks are adequate. The CFO is responsible for the ongoing review of the risk inventory. He is also responsible for risk management at Adval Tech and works on the relevant issues with Group Executive Management. Detailed information on financial risk management can be found on pages 58 and 59 of this Annual Report and on pages 37 to 40 of the separate Sustainability Report 2025.

Cyber attack

On March 2, 2025, the Adval Tech Group was the target of a cyber attack. Adval Tech responded quickly with targeted security measures, called in external specialists and immediately informed the relevant authorities. Production was maintained at all sites, and supplies to customers continued without interruption. Adval Tech finished dealing with the attack within just a few weeks and significantly strengthened cyber security at the same time.

Outlook

The Adval Tech Group continues to face a challenging market environment. No fundamental easing of the global automotive markets is anticipated in 2026. On the contrary, further pressure on prices and margins is to be expected. At the same time, Adval Tech has demonstrated through its technical expertise, its global manufacturing network, and its effective organization that it is possible to win attractive new projects and achieve organic growth again.

Against this backdrop, Adval Tech remains focused on the consistent continuation of its forward strategy, with the defined topics such as improving operational excellence, the digitalization initiative with the targeted use of AI, and an efficient organizational structure.

However, 2026 will still be a year of transformation with a slight decline in turnover. From 2027 onwards, we are aiming for growth in the single-digit percentage range.

The goal is to lead the Group on a long-term, profitable growth path.

CONSOLIDATED BALANCE SHEET

CHF 1,000	**12/31/2025**	12/31/2024
Liquid assets	15,303	17,766
Trade accounts receivable	25,913	28,362
Other receivables	4,332	3,139
Advance payments to suppliers	289	1,709
Inventories and work in progress	42,637	47,621
Prepaid expenses and accrued income	1,767	1,751
Total current assets	**90,241**	**100,348**
Tangible fixed assets	51,142	50,092
Financial assets	81	93
Intangible assets	1,849	2,014
Deferred tax assets	2,851	2,687
Total fixed assets	**55,923**	**54,886**
Total assets	**146,164**	**155,234**
Trade accounts payable	16,752	12,927
Short-term interest-bearing liabilities	1,829	9,753
Other short-term liabilities	8,129	5,475
Prepaid income and accrued expenses	14,277	12,403
Short-term provisions	753	787
Accrued current income taxes	684	720
Total short-term liabilities	**42,424**	**42,065**
Long-term interest-bearing liabilities	1,279	1,697
Other long-term liabilities	100	272
Long-term provisions	1,302	1,395
Income tax liabilities	1,842	1,755
Total long-term liabilities	**4,523**	**5,119**
Total liabilities	**46,947**	**47,184**
Share capital	14,600	14,600
Capital reserves	92,457	92,457
Goodwill offset	–58,776	–58,776
Translation differences	–15,709	–13,809
Retained earnings	66,645	73,578
Total shareholders' equity	**99,217**	**108,050**
Total liabilities and shareholders' equity	**146,164**	**155,234**

The explanatory notes of the individual items can be found in the appendix to the tables of figures in the Annual Report 2025, starting on page 54.
They are an integral part of the consolidated financial statements of the Adval Tech Group.

CONSOLIDATED INCOME STATEMENT

CHF 1,000	**2025**	2024
Net sales from goods and services	134,607	136,207
Income from manufacturing orders (valued using the percentage-of-completion method)	21,314	29,349
Net turnover	**155,921**	**165,556**
Change in inventories of semi-finished and finished goods	1,030	1,811
Own work capitalized	821	127
Other operating income	5,471	7,405
Total income[1]	**163,243**	**174,899**
Cost of materials and services	–86,639	–94,251
Personnel expenses	–50,307	–53,020
Other operating expenses	–23,199	–24,643
Operating expenses	**–160,145**	**–171,914**
Operating earnings before depreciation (EBITDA[1])	**3,098**	**2,985**
Depreciation on tangible fixed assets	–5,250	–7,887
Amortization on intangible fixed assets	-625	-448
Depreciation	**–5,875**	**–8,335**
Operating earnings (EBIT[1])	**–2,777**	**–5,350**
Financial income	883	1,756
Financial expenses	–3,335	–3,227
Net financial income	**–2,452**	**–1,471**
Ordinary net result	**–5,229**	**–6,821**
Extraordinary result	-661	0
Net result before income taxes	**–5,890**	**–6,821**
Income taxes	–1,043	-942
Net result after income taxes	**–6,933**	**–7,763**
Net result after income taxes per share (CHF)[2]	**-9.50**	**-10.63**

[1] Alternative Performance Measure, see Annual Report 2025 Note 3, page 59
[2] There is no dilutive effect.

The explanatory notes of the individual items can be found in the appendix to the tables of figures in the Annual Report 2025, starting on page 54.
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CONSOLIDATED CASH FLOW STATEMENT

CHF 1,000	**2025**	2024
Net result after income taxes	**–6,933**	**–7,763**
Scheduled depreciation of tangible fixed assets	5,249	6,078
Impairment of tangible fixed assets	0	1,809
Scheduled amortization of intangible assets	625	448
Increase (+) / decrease (–) in long-term and short-term provisions	–127	105
Increase (+) / decrease (–) in provision for deferred income taxes (net position)	–92	–95
Gain (–) / loss (+) on sales of tangible fixed assets	–34	–68
Other transactions with no impact on liquidity[2]	1,336	191
Cash flow from operating activities before change in net current assets[1]	24	705
Increase (–) / decrease (+) in receivables	2,856	–4,668
Increase (–) / decrease (+) in inventories and work in progress	3,066	–9,268
Increase (–) / decrease (+) in prepaid expenses and accrued income	–1,687	18
Increase (+) / decrease (–) in trade accounts payable	3,515	–1,685
Increase (+) / decrease (–) in other short-term liabilities, prepaid income and accrued expenses	5,312	116
Cash flow from operating activities	**13,086**	**–14,782**
Capital expenditure	–5,941	–5,056
Income from sales of tangible fixed assets	62	150
Investments in intangible assets	–453	–328
Cash used for investing activities	**–6,332**	**–5,234**
Free cash flow [1]	**6,754**	**–20,016**
Increase (+) / decrease (–) in short-term interest-bearing liabilities	–7,923	9,657
Increase (+) / decrease (–) in long-term interest-bearing liabilities	–590	652
Cash flow from financing activities	**–8,513**	**10,309**
Translation differences	–704	169
Changes in liquid assets	**–2,463**	**–9,538**
Liquid assets on December 31	15,303	17,766
Liquid assets on January 1	17,766	27,304
Changes in liquid assets	–2,463	–9,538

[1] Alternative Performance Measure, see Annual Report 2025 Note 3, page 59
[2] Mainly cumulative foreign currency translation differences

The explanatory notes on the individual items can be found in the appendix to the tables of figures in the Annual Report 2025, starting on page 54.
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WEBSITE
The Annual Report 2025 (German) and the Executive Summary (German and English) are available online at:
www.advaltech.com/en/investors

The non-financial reporting for 2025 (Sustainability Report/TCFD) (German) is available online at:
www.advaltech.com/en/sustainability

Disclaimer
The Annual Report of Adval Tech Holding AG is published in German. Executive Summary on the Annual Report are also available in German and English. The non-financial reporting (Sustainability Report/TCFD) is available in German as a separate document on the company’s website.

This Annual Report contains forward-looking statements in relation to the Adval Tech Group, which are based on current assumptions and expectations. Unforeseeable events and developments could cause actual results to differ materially from those anticipated. Examples include: changes in the economic environment, the outcome of legal disputes, exchange rate fluctuations, market behavior on the part of competitors, and other factors beyond the control of the company.

Adval Tech assumes no obligation to update forward-looking statements in the reports at a later date as a result of new information, future events, or the like.

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COMPANY PROFILE

Adding value through innovation – that's what Adval Tech stands for. The Adval Tech Group is a global industrial supplier of technologically sophisticated components and subassemblies made of metal and plastic. It focuses on selected activities, especially in its main target markets, the automotive industry and MedTech.

As a supplier and value-adding partner, Adval Tech covers the entire value chain from product development to prototyping, to mold and tool development, and through to component production and assembly.

Headquartered in Switzerland, the Adval Tech Group operates a total of eight production plants. These are located in Switzerland, Germany, Hungary, China, Malaysia, Mexico, and Brazil.