KLINGELNBERG

ANNUAL REPORT
2025/26

KLINGELNBERG AG

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Dear Shareholders,

Your company, the KLINGELNBERG Group, achieved a positive result in the 2025/26 financial year despite significant challenges arising from geopolitical developments, tariff issues in the United States, global economic slowdown, and negative regional trends in key customer industries. Given the impact of these external factors, this can be certainly described as exceptional. We owe it – once again – to a highly committed, customer-focused management team and a workforce capable of developing and manufacturing highly sophisticated machines and delivering them to customers on time.

The Company also further expanded its position in the global defense industry. Today, most of the leading manufacturers of military aerospace and land-based systems are among KLINGELNBERG's customers.

The operating result reached EUR 10,3 million, remaining clearly positive despite the challenges above. This places KLINGELNBERG among the few European machine tool manufacturers to remain clearly profitable. Net sales reached EUR 285,4 million. The slight decline is partly attributable to the strategic realignment in the drive technology segment, which will be run as a job-shopper activity in the future.

KLINGELNBERG was able to further reduce costs, which underlines the flexibility and adaptability of your Company. Personnel costs decreased by EUR 1,7 million to EUR 118,1 million. This was achieved despite the negative impact of the collective bargaining agreement in Germany which resulted in higher personnel costs during a period of economic uncertainty. The number of employees (FTE) decreased from 1.348 to 1.293.

In a challenging year, KLINGELNBERG once again demonstrated its resilience. KLINGELNBERG benefits from its broad and globally leading market position, its cutting-edge technological products, and its strong innovative capabilities. Given the significant challenges facing the global economy due to weak economic conditions in Europe and other regions, trade disputes over tariffs, and ongoing price increases, the Company's relatively stable revenue figures and positive earnings demonstrate the Company's sustainable strength. A key factor contributing to this success was that KLINGELNBERG has built up an outstanding international position in different sectors such as wind energy and individual mobility. At the same time, KLINGELNBERG was able to further strengthen its position among customers in the global defense sector during the past financial year and is therefore benefiting from rising global defense spending.

The first months of the new financial year indicate that the challenges are continuing. However, KLINGELNBERG has secured a number of key projects and orders that are providing momentum for the full year. Looking ahead to the 2026/27 financial year, KLINGELNBERG remains cautiously

optimistic despite the recent increase in global economic uncertainty and we are aware that the results achieved cannot be taken for granted. The ongoing war in middle east and its potential impact on global oil supplies, particularly in Asia, could pose an additional challenge during the current financial year. At the same time, the global economy is facing rapidly rising labor costs and demographic changes, which are increasing the need for businesses to accelerate and expand their automation efforts on the shop floor. We expect our business to benefit from such developments. KLINGELNBERG is exceptionally well positioned in its high-technology markets and is highly innovative at the same time. Whenever solutions are required in which the Company could play a role, KLINGELNBERG is the first choice – by virtue of its quality, innovative strength, and reliability. Our customers around the world appreciate this, and we will continue to focus on these strengths.

Considering the current economic uncertainties, including geopolitical tensions, trade tariffs, and challenges in the automotive industry in Germany and the EU, it is difficult to provide a precise profit forecast. Nevertheless, we are confident that we will achieve a positive result.

We are deeply grateful to our employees, leadership team, and members of the Executive Committee for their continued commitment and exceptional performance. Our gratitude also extends to you, our shareholders, for your trust and loyalty to our Company.

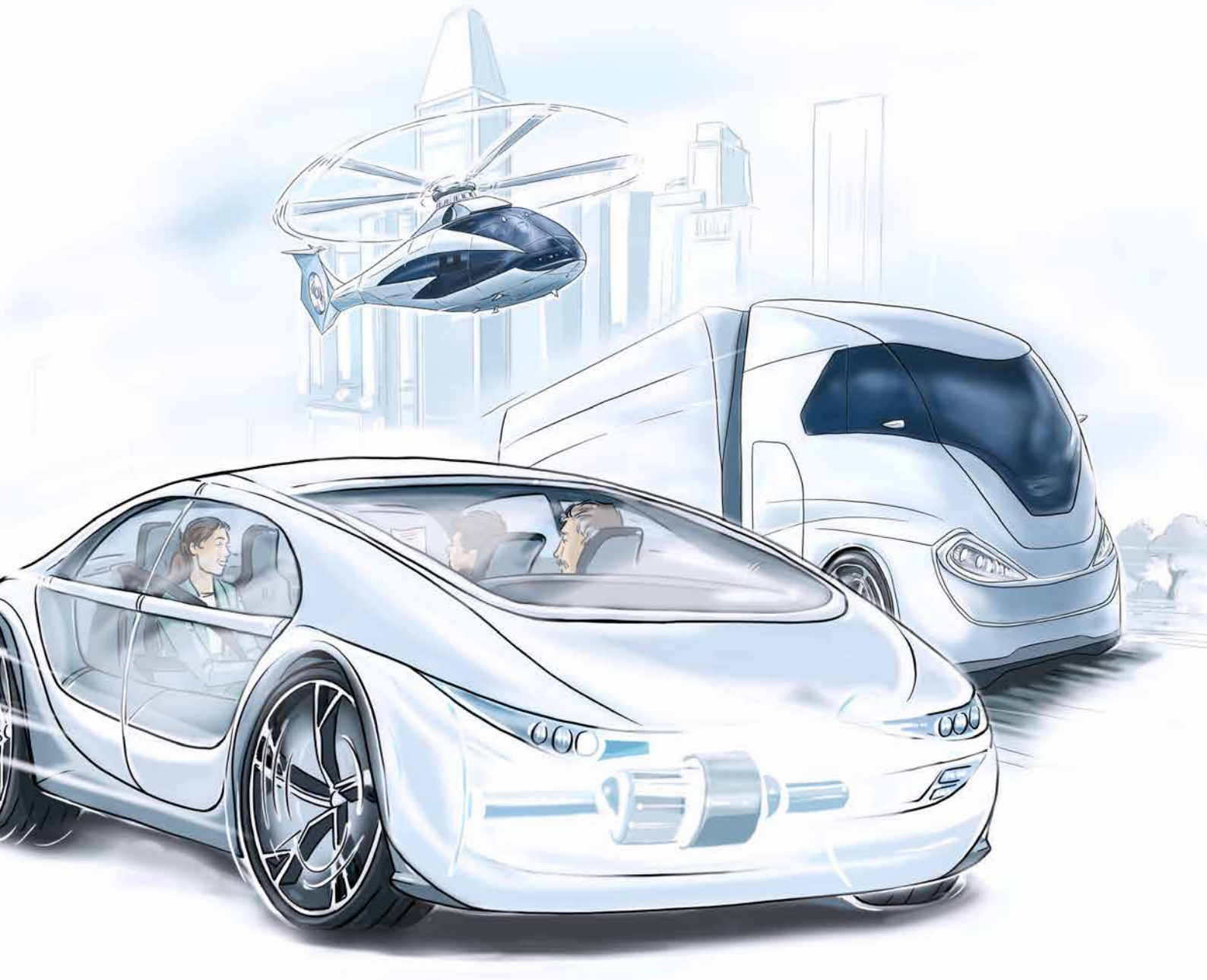
Sincerely yours,

Dr. Jörg Wolle
Chairman of the Board of Directors

Philipp Kannengießer
CEO

Zürich, 24 June 2026

At a Glance



Financial overview

Key facts

- Net sales of EUR 285,4 million (-7,7%)
- Order intake decreased by EUR 7,0 million (-2,8%) to EUR 242,9 million
- Remaining solid order backlog of EUR 165,7 million
- EBIT amounted to EUR +10,3 million, a decline of EUR 5,9 million
- Net profit of EUR 5,8 million
- Equity ratio at 48,7%, a decrease of 2,5 percentage points
- No dividend payout this year

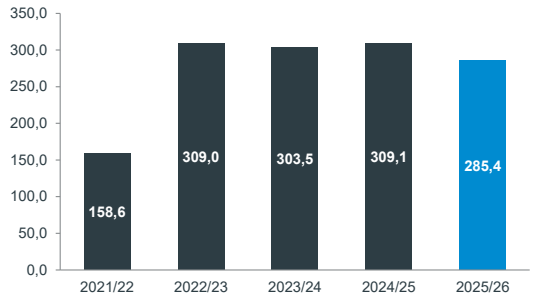
Group key figures

EUR million	2025/26	2024/25	Change
Net sales from goods and services	285,4	309,1	-23,7
Order intake	242,9	249,9	-7,0
Order backlog	165,7	208,2	-42,5
Operating result (EBIT)	10,3	16,2	-5,9
Net profit	5,8	10,0	-4,2
Basic earnings per share (in EUR)	0,66	1,13	-0,47
Diluted earnings per share (in EUR)	0,66	1,13	-0,47
Operating result as % of net sales from goods and services	3,6%	5,2%	(1,6%)
Net profit as % of net sales from goods and services	2,0%	3,2%	(1,2%)
Cash flow from operating activities	9,8	19,0	-9,2
Free cash flow	2,7	6,5	-3,8
Employees (FTE)	1.293	1.348	-55

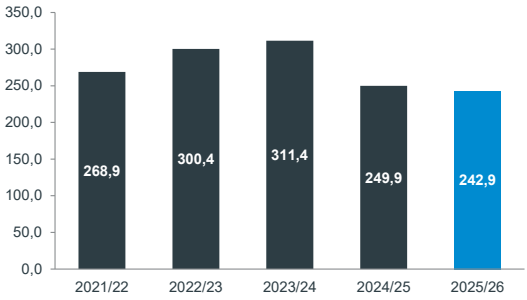
EUR million	31.03.2026	31.03.2025	Change
Total liabilities and equity	290,5	280,1	10,4
Net debt	28,8	25,6	3,2
Total equity	141,6	143,4	-1,8
Equity ratio	48,7%	51,2%	(2,5%)

For alternative performance measures please refer to chapter Alternative Performance Measures.

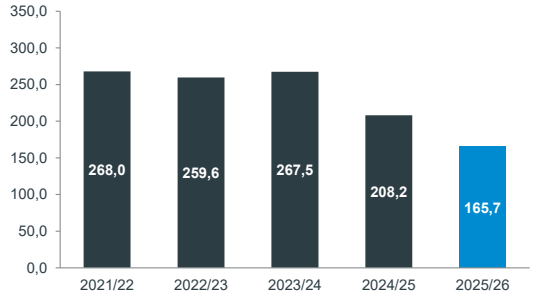
Net sales from goods and services, in EUR million



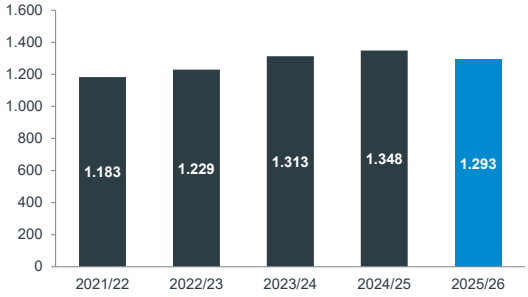
Order intake, in EUR million



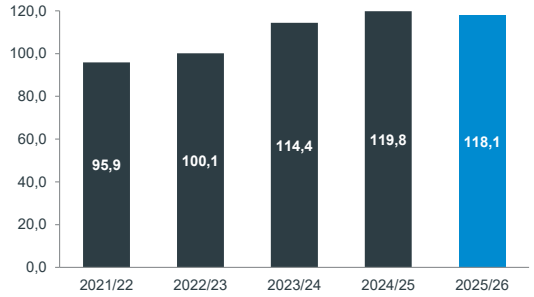
Order backlog, in EUR million



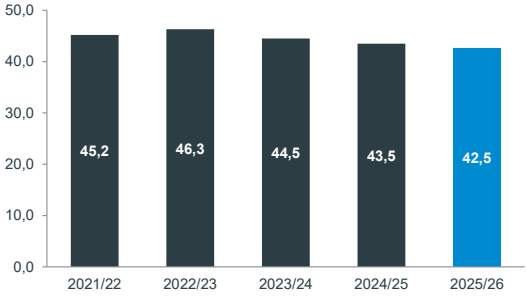
Employees (FTE), full time equivalents



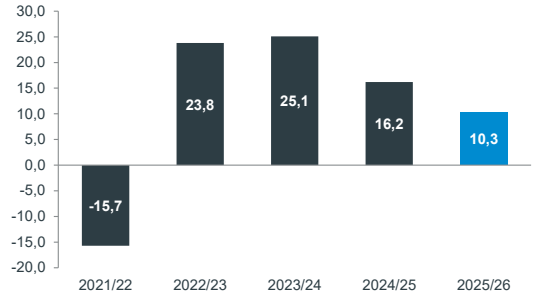
Personnel expense, in EUR million



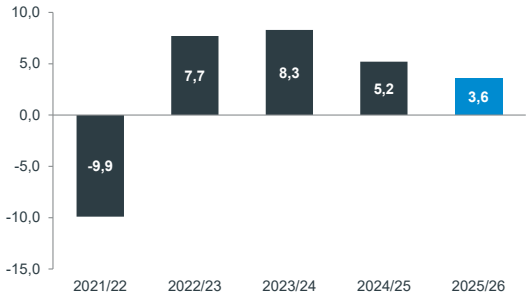
Other operating expense, in EUR million



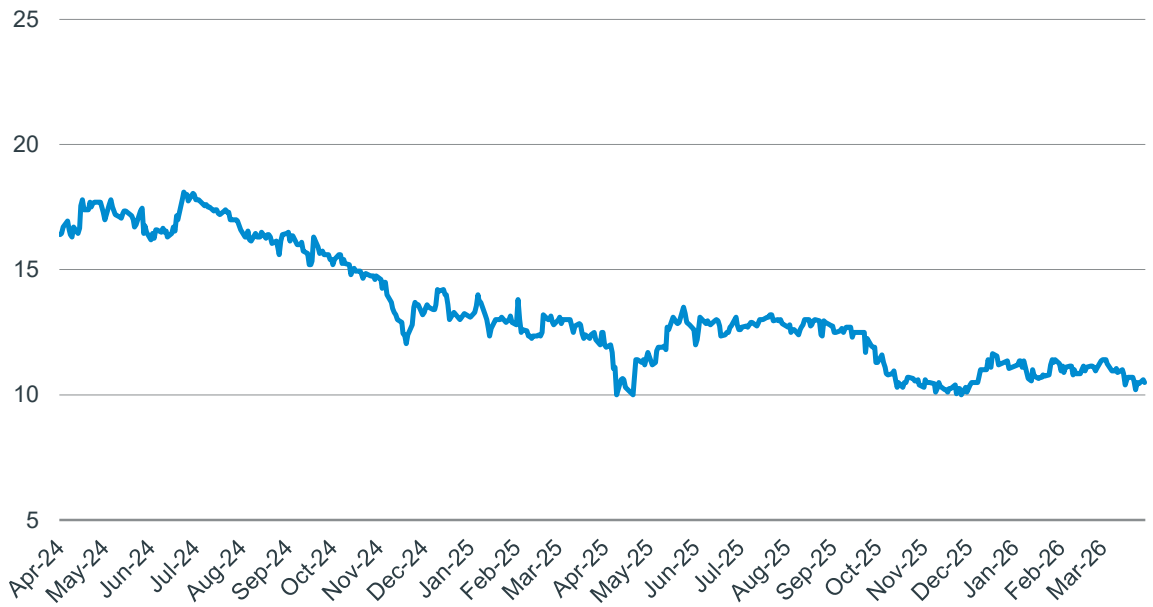
Operating result (EBIT), in EUR million



Operating result as % of net sales from goods and services



Share price, from 01 April 2024 – 31 March 2026



Highlights 2025/26

Trade Shows:

The KLINGELNBERG Group was also present at numerous worldwide trade fairs and events in the 2025/26 financial year

Exhibition CIMT

21.04. – 26.04.2025
Beijing, China

Since its inception in 1989, the China International Machine Tool Show (CIMT) has been one of the leading platforms for the international machine tool industry. As the leading trade fair for the East Asian region, it attracts experts and companies from all over the world. The fair is organized by the Chinese machine tool association "China Machine Tool & Tool Builders' Association" (CMTBA). The KLINGELNBERG Group presented itself at the 19th edition of CIMT from 21 to 26 April 2025, with a booth that focused on innovative technologies. Highlights included live demonstrations of the HÖFLER Speed Viper Cylindrical Gear Grinding Machine, the HÖFLER R 300 Cylindrical Gear Roll Testing Machine, and the KLINGELNBERG P 40 Precision Measuring Center with Closed Loop system.

Exhibition Control

06.05. – 09.05.2025
Stuttgart, Germany

The 37th edition of the Control trade fair in Stuttgart, Germany, held from 06 to 09 May 2025, offered trade visitors a comprehensive overview of the latest technologies and solutions in the field of industrial quality assurance. The fair is considered a must-attend event for industry experts and highlights both the theoretical and practical aspects of the range of usable technologies available worldwide. The KLINGELNBERG Group presented its KLINGELNBERG P 26, P 40, and P 152 Precision Measuring Centers as well as the HÖFLER R 300 Cylindrical Gear Roll Testing Machine.

Exhibition EMO Hannover

22.09. – 26.09.2025
Hannover, Germany

EMO Hannover, one of the world's leading trade fairs for production technology, celebrated its 50th anniversary from 22 to 26 September 2025. Under the motto "Innovate Manufacturing," the trade fair presented the entire metalworking value chain and attracted trade visitors from all over the world. EMO Hannover is organized by the German Machine Tool Builders' Association (VDW). The KLINGELNBERG Group presented its KLINGELNBERG P 26 and P 40 Precision Measuring Centers, the HÖFLER R 300 Cylindrical Gear Roll Testing Machine, the HÖFLER Speed Viper Cylindrical Gear Grinding Machine, and the OERLIKON G 30 Bevel Gear Grinding Machine. ROTEC Munich GmbH, a subsidiary of KLINGELNBERG AG, presented solutions for high-precision measurement and evaluation of rotational speeds and angular positions.

Another highlight was the topic of "Smart Factory," which shed light on the future of the manufacturing industry through the integration of IoT, AI, and real-time data analysis. In addition, further developments in tool systems and the modular concept for flexible machining of internal gears were presented.

Exhibition Motion + Power Technology

21.10. – 23.10.2025
Detroit, USA

The Motion + Power Technology Expo (MPT), organized by the American Gear Manufacturers Association (AGMA), is a central platform for manufacturers, suppliers, and users of gearboxes. The trade fair brings together international industry experts and provides a forum for discussing technical standards, further training, and the latest economic information. From 21 to 23 October 2025, the KLINGELNBERG Group presented its latest developments and technologies in the field of gear technology and underscored its role as an innovative partner in the global AGMA network.

Events:

DKSH-KLINGELNBERG Demo Center Taicang: Strategic partnership and innovation strengthen the Chinese gear sector

On 28 October 2025, the KLINGELNBERG GROUP and DKSH China jointly opened a new demo center in Taicang, China, which serves as an innovation platform for gear technology and industrial development. The ceremony underscored the importance of international cooperation and the long-standing partnership between the two companies, which has existed for over 30 years. The Demo Center showcases advanced machines and technologies that are used in particular for the manufacture of electric drives in passenger cars and address topics such as digitalization, automation, and quality optimization. The event offered guests the opportunity to learn about the latest developments, such as "Quiet Bevel Grinding" and "Smart Factory" software. With the opening of the demo center, DKSH and KLINGELNBERG are creating a local meeting place for customers and partners to experience innovative solutions firsthand and further strengthen their cooperation.

KLINGELNBERG México celebrates its 25th anniversary

KLINGELNBERG México, S.A. de C.V. celebrated its 25th anniversary on 18 November 2025. Since its founding in November 2000, the company, based in Querétaro, Mexico, has developed into an important subsidiary of the KLINGELNBERG Group. The 25th anniversary represented an important milestone and underscored the continuous development of the location. Especially in the early years, the company faced the challenge of orienting itself and establishing itself in a new market environment. Through strategic action and dedicated teamwork, this phase was successfully mastered.

KLINGELNBERG welcomes Japanese industry association JGMA

On 25 November 2025, the KLINGELNBERG Group welcomed representatives of the Japan Gear Manufacturers Association (JGMA) to its sites on Gustav-Adolf-Klingelnberg-Straße in Hückeswagen-Winterhagen and on Peterstraße in Hückeswagen, Germany. The JGMA, based in Tokyo, Japan, is the leading association of Japanese gear manufacturers and stands for innovation, quality, and the further development of the industry – both nationally and internationally. The association attaches great importance to international cooperation and maintains close relationships with partners worldwide in order to drive innovation and set global standards. During the visit, inspiring discussions took place, providing new impetus for cooperation and exchange between the companies. The KLINGELNBERG Group took the opportunity to showcase its expertise and technologies and promote dialogue on future developments in the industry.

Innovation and knowledge sharing at the KLINGELNBERG Tech Workshop in Pune

From 26 to 28 February 2026, the KLINGELNBERG Tech Workshop India 2026 took place at the Technology Centre of KLINGELNBERG India Pvt. Ltd. in Pimpri, India. The three-day event offered experts and interested parties a platform to learn about the latest developments in Bevel Gear Technology, Digital Solutions, and trends in Electromobility. The varied program was complemented by exciting live demonstrations that promoted knowledge transfer and exchange between participants. The Technology Centre in Pimpri proved to be the ideal venue for dialogue between experts and industry stakeholders. Participants took advantage of the opportunity to further their education and learn about innovative approaches.

Company Profile

We make the world turn

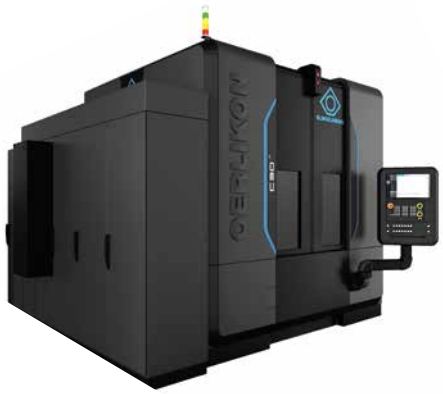
The KLINGELNBERG Group is one of the world's leading companies in developing and manufacturing machines for bevel gear and cylindrical gear machining and precision measuring centers for axially symmetrical components and gearing.

The origins of the engineering company date back to 1863. The KLINGELNBERG family remains an anchor shareholder of the Company. The path from the Company's origins to global market leadership has been shaped by continuous striving towards first-rate quality and absolute reliability, for both products and service. With numerous R&D engineers worldwide and more than 200 registered patents, the Company demonstrates its capacity for innovation each and every day.

KLINGELNBERG operates engineering and manufacturing facilities in Switzerland and Germany. The Company ensures a global presence with regional sales offices and service centers. In addition, its ISO 14001 certification and participation in the VDMA's (German Mechanical Engineering Industry Association) "Blue Competence" initiative give credence to the Company's sustainable, environmentally sound business practices.

The KLINGELNBERG segments:

OERLIKON Bevel Gear Technology



The OERLIKON Bevel Gear Technology segment makes economical, high-precision manufacturing of bevel gears a reality for customers. All machines in the system have been designed to work together to enable pre-machining and finishing of even the most complex gears. KLINGELNBERG offers the most advanced technology and efficient machines for each and every step in the process chain.

The production process chain for bevel gears includes tool preparation, cutting, measuring, hardening, grinding or lapping and testing. The KIMoS (KLINGELNBERG Integrated Manufacturing of Spiral Bevel Gears) software package supports every step in bevel gear design and optimization. Measurement results are converted to gear corrections with the software KOMET. As part of this process, all necessary data for the gear cutting process, tool preparation and quality control of the finished bevel gears is prepared in parallel. At the same time, a convenient data handling system offers the possibility of using development and production databases to access machine tools in production and quality assurance. The software package thus provides the optimum basis for ultra-modern bevel gear production according to the Closed Loop method, ensuring transparency and documented quality throughout the entire process chain.

KLINGELNBERG Precision Measuring Centers

Stringent accuracy requirements for gear tooth measurements and increasingly complex drive components demand the best measuring technology available and a machine and software concept optimized for these applications. That is why leading manufacturers put their trust in Precision Measuring Centers from KLINGELNBERG which represent the most widely used standard in the industry, while also serving as a reference for metrology institutes.

Today, KLINGELNBERG Precision Measuring Centers (P-Series) are ideally suited to handle most measurement tasks in a wide range of sectors: Users in the automotive and commercial vehicle industries, and the aerospace and aeronautical engineering industries, rely on this technology that replaces up to six different conventional measuring devices. This allows the following measurement tasks to be fully automated in a single setting:

- Gear measurement
- General coordinate measurement
- Form and position measurement
- Roughness measurement
- Contour measurement
- Optical measurement

HÖFLER Cylindrical Gear Technology

The HÖFLER Cylindrical Gear Technology segment is synonymous with efficient and flexible production of cylindrical gears. All machines have been perfectly designed to work as a system family, enabling pre-machining and finishing of even the most complex gears. Moreover, thanks to decades-long expertise and great innovative strength, we are able to maintain a leadership position not only through our high research and development standards, but also our in-house application engineering services.

KLINGELNBERG offers the most advanced technology and efficient machines in the cylindrical gear process chain. The production steps in the process chain include process design, grinding, deburring, measuring and quality control. HÖFLER Cylindrical Gear Machines stand out not just because of their advanced hardware; the Company's own Gear Production software also makes a key contribution to the successful execution of each step.

The software guarantees convenient machining of even the most complex topographies and ensures maximum efficiency in daily use. Only in this way is concentrated knowledge of state-of-the-art machining strategies and process sequences placed right in the user's hands. And with its numerous options, Gear Production plays an active role in achieving productivity gains.

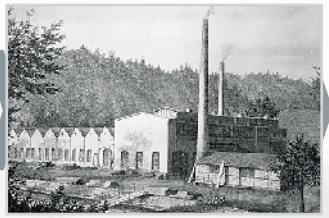
KLINGELNBERG HISTORY

1863 to 1897
FOUNDING

- The Company is founded in Remscheid, Germany.
- The founders of W. Ferd. Klingelnberg, Söhne (Julius and Ernst Klingelnberg).

1908 to 1916
PRODUCTION SITES

- Production of tools and machine blades begins on the Company's own production site in Remscheid, Germany.
- Tool production is relocated from Remscheid to Hückeswagen, Germany.



1922 to 1951
GEAR TECHNOLOGY

- Production of bevel gear machines for the Palloid method.
- First hobbing machine built at the Hückeswagen plant, model FK 150, construction year 1923.
- 1951: Internationalization begins. First subsidiary abroad.

1985 to 1996
EXPANSION

- First introduction of a CNC measuring device.
- Entry into bevel gear grinding business through acquisition of Dr.-Ing.-Wiener-Verzahntechnik-GmbH in Ettlingen, Germany.
- Takeover of Oerlikon Geartec AG - Zürich, Switzerland.
- Acquisition of ZEISS Industrial Metrology (Höfler) in Ettlingen, Germany.

1997 to 2003
INNOVATIONS

- Introduction of a dry cutting process for spiral bevel gears with the new generation of C machines: OERLIKON Spiral Bevel Gear Cutting Machine C 28.
- Introduction of a new series of OERLIKON Bevel Gear Grinding Machines G 27/G 60 with vertical concept.

2004 to 2012
EVOLUTION

- The Company enters its seventh generation with Jan Klingelnberg.
- Commissioning of the world's most advanced large bevel gear manufacturing facility in Hückeswagen-Winterhagen, Germany.
- Assumption of core business of Höfler Maschinenbau GmbH in Ettlingen, Germany.

2017 to 2021
KLINGELNBERG 2.0

- Premiere of HÖFLER Cylindrical Gear Grinding Machine Speed Viper for high-production generating grinding.
- KLINGELNBERG has been listed on the SIX Swiss Exchange since 20 June 2018.
- KLINGELNBERG receives numerous awards such as the iF Design Award, the Best of Industry and the German Innovation Award.
- Conquering new markets through development of innovative solutions for e-mobility and wind power.

2022 to present
EXPANSION

- After just ten months of construction, the new assembly hall covering a total area of 8.000 square meters was officially inaugurated in Hückeswagen-Winterhagen, Germany at the end of 2022.
- Acquisition of measurement technology expert VISPIRON ROTEC GmbH (now ROTEC Munich GmbH, Germany).

Management Report

Segments and markets

In the spring of 2026, the global economy was hit by a severe energy price shock triggered by the military conflict in the Persian Gulf. The blockade of the Strait of Hormuz – one of the key transport corridors for the global energy supply – led to a significant rise in energy prices and increased volatility in commodity and financial markets, with potentially serious consequences for economic activity. Nevertheless, the energy price shock struck a global economy that had proven remarkably resilient in recent years despite numerous uncertainties and vulnerable supply chains. Notwithstanding trade policy challenges, particularly an erratic U.S. tariff policy, global production expanded at a virtually unchanged pace in 2025. Global goods trade grew strongly over the course of the year, rising by 4,4%. Global production rose by an average of 3,4% in 2025 despite the elevated level of economic uncertainty triggered by the U.S. government.

In the United States, gross domestic product rose by 2,2% in 2025, marking the weakest annual growth since 2020. In the fourth quarter, overall economic output was held back by a sharp decline in government spending and grew by only 0,2%. Nevertheless, both gross private fixed investment and household consumption expanded noticeably. The technology sector, which is increasingly acting as an important driver of the global economy, provided further support for economic growth.

In 2025, economic growth in emerging markets was heterogeneous, particularly in Asia. China's gross domestic product growth accelerated slightly in the fourth quarter to 1,2% quarter-on-quarter. However, economic momentum remained subdued, and the year-over-year GDP growth rate slowed to 4,5%, the lowest level since 2022. Despite declining shipments to the United States, exports continued to serve as a pillar of the economy, while investments declined. Thanks to economic policy stimulus, India recorded sustained strong growth despite the ongoing trade dispute with the United States.

The economy in the eurozone continued its recovery at a moderate pace in 2025. Over the course of the year, economic output rose by 1,5%, a significantly stronger increase than in the previous year (+0,9%). In Germany, a recovery set in during 2025 following several years of decline. Price-adjusted gross domestic product increased by 0,2% compared to the previous year. Underutilization of aggregate economic capacity gradually eased, while the order situation in the manufacturing sector improved.

Despite these diverse global challenges, the KLINGELNBERG Group once again succeeded in achieving stable sales and earnings levels in the 2025/26 financial year. Net sales at the end of the 2025/26 financial year amounted to EUR 285,4 million, which was EUR 23,7 million lower than in the same period of the previous financial year. Nevertheless, the KLINGELNBERG Group managed to partially offset the decline in sales in the 2025/26 financial year. Although net sales went down, the KLINGELNBERG Group achieved a net profit of EUR 5,8 million at the end of the financial year, EUR 4,2 million below the previous financial year's level.

Approximately 53,2% of total revenue was generated in the Asia-Pacific region, with an additional 29,7% in the EMEA region and 17,1% in the Americas region.

Bevel Gear segment:

Building on the strong increase in order intake during the first half of the 2025/26 financial year, the Bevel Gear segment achieved order intake of EUR 85,3 million (including tools) by the end of the 2025/26 financial year, exceeding the prior financial year period by EUR 15,5 million. The KLINGELNBERG Group benefited from strong demand from the Indian automotive and commercial vehicle industries, followed by increasing demand from Mexico, Turkey, and Europe. In Europe in particular, the KLINGELNBERG Group participated in several new projects in the aerospace and defense sectors. Furthermore, replacement investments in bevel gear hobbing and grinding machines in the automotive sector were reflected in the order books. Thus, the Bevel Gear segment, with its streamlined and technologically advanced product portfolio, was able to withstand the manifold challenges of the global economy and maintain a solid market position in an environment of subdued investment activity.

In contrast, the global shift in production and demand structures shaped revenue trends in this segment. Net sales at the end of the 2025/26 financial year recorded a slight decline of EUR 1,3 million compared to the same period of the previous financial year, reaching EUR 81,9 million (including tools). While Asia continued to focus strongly on electromobility, a sustained trend toward hybrid vehicles emerged in the U.S., accompanied by increased competition and rising price pressure. In addition, erratic U.S. tariff policies, higher transportation costs, and a weak U.S. dollar weighed on the bevel gear business in the United States. At the same time, local suppliers in China increasingly turned away from imported equipment, while globally active companies continued to rely on imported key components from the KLINGELNBERG brand.

Despite a challenging competitive environment, the Bevel Gear segment continued to offer innovative product solutions thanks to its broad portfolio of machines designed for various technologies. Opportunities arising from the modernization of existing combustion and hybrid platforms in Europe, participation in defense-related investment programs, and infrastructure projects will continue to offer the potential, on the one hand, to grow in the field of traditional powertrain technology and, on the other hand, to partially offset the decline in demand in the automotive industry caused by electromobility. The continued expansion of market share in Turkey, India, Southeast Asia, Eastern Europe, and Central Asia will be accompanied by new momentum in the bevel gear business and supports the positive outlook.

Cylindrical Gear segment:

The strong performance of the Cylindrical Gear segment in the first half of the 2025/26 financial year weakened in the second half due to rapidly changing tariff agreements and the resulting economic uncertainty. At the end of the 2025/26 financial year, order intake totaled EUR 70,3 million,

down EUR 9,3 million (-11,7%) compared to the prior financial year period. In detail, however, performance in the cylindrical gear business varied significantly: While the automotive sector remained below the previous financial year's level, sales of cylindrical gear grinding machines in other industries grew compared to the previous financial year. In addition, significant order intake from China in the wind energy sector, as well as strong order intake from India, North America (particularly Canada), and Germany, contributed to an overall positive development. The order for a RAPID II 6000 from a major customer in Germany, as well as the signing of a contract for the development and delivery of the first RAPID machines with automatic tool changers, demonstrated increasing investment momentum from German industry following a prolonged period of restraint.

Net sales at the end of the 2025/26 financial year amounted to EUR 96,9 million, which was around EUR 4,3 million less than in the same period of the previous financial year. The Asian region continued to be a key growth driver, but was characterized by intense competition. A slight decline in investment willingness in the Chinese electric vehicle market had caused intense price and delivery schedule pressure, which the steadily growing demand from the Indian region could not fully offset. Nevertheless, the Cylindrical Gear segment succeeded in stabilizing the high level of interest in Speed Viper machines in the Asian region – which is strongly influenced by electromobility – and expanding it with an order for ten additional machines from a major Chinese customer. Another positive highlight was the successful placement of the first Speed Viper 300 in the Japanese automotive sector – a milestone of great strategic importance.

Sales prospects for the R 300, however, remained modest; nevertheless, the Company has secured key accounts with several automakers and their suppliers, thereby further expanding its global presence across all continents. Despite significant competition, the Cylindrical Gear segment is expected to benefit from the expansion of electromobility and increasing investments in wind power generation, particularly against the backdrop of a gradual economic stabilization in China.

Measuring Centers segment:

The Measuring Centers segment recorded order intake of EUR 79,0 million in the 2025/26 financial year, representing an increase of EUR 3,0 million compared to the same period of the previous financial year. Specifically, the Asian region, particularly China, contributed to this increase in orders through strong demand. Due to a significantly higher testing frequency in the quality processes of the Chinese electric vehicle supply chain, there was a sharp increase in demand for KLINGELNBERG Measuring Centers starting in the third quarter of the 2025/26 financial year. KLINGELNBERG's technically high-precision Measuring Centers and the GDA software package have been established for many years as the industry standard for measuring transmissions in electric vehicles and met the high-quality standards of electromobility. In addition, a repeat order for four P 26 units from the U.S. for the measurement of special bearings for aerospace applications contributed to this growth. Further orders from Germany and Eastern Europe, driven by investments in automotive, industrial, and aerospace applications, rounded out the diversified order portfolio.

A slowdown in the e-mobility sector, particularly in the U.S. and Europe – which had already begun to emerge in the previous financial year in the form of weak order intake – became evident by the end of the 2025/26 financial year. Net sales amounted to EUR 88,7 million, down EUR 12,0 million from the same period last financial year. In addition, competition in Asia has intensified noticeably due to a weak U.S. dollar and the relative strength of the euro against Asian currencies.

With the development of a new generation of Measuring Centers, the expansion of hybrid and automated measurement processes, and their integration into digital production systems based on data- and AI-driven analytics, the Measuring Centers segment will continue to have the potential to meet growing compliance requirements and serve as a pioneer in the field of high-precision measurement. In China, as well as among globally active OEMs and their Tier 2 and Tier 3 suppliers, demand for KLINGELNBERG's high-end measurement technology rose significantly, as GDA-compliant test reports and seamless quality documentation throughout the entire supply chain were required. With the stabilization of key economic conditions in major sales markets, growing demand is expected for integrated, automated KLINGELNBERG Measuring Centers.

Drive Technology segment:

Net sales in the Drive Technology segment reached EUR 11,8 million at the end of the 2025/26 financial year, down EUR 8,0 million from the comparable period of the previous financial year. The Drive Technology segment will in future be operated exclusively as a contract manufacturing business and will be integrated into the Machine Production division in the next financial year. Against this backdrop, the sales revenue generated from this segment will decline significantly compared to previous financial years and is therefore classified as not material. In line with this operational restructuring, order intake also decreased significantly by EUR 17,6 million to EUR 2,0 million.

Research and development

In the 2025/26 financial year, KLINGELNBERG recorded a series of further developments and innovations that offer additional sales and earnings potential in the future.

The introduction of hybrid metrology in 2020 was driven by a commitment to enhance measurement speeds while maintaining accuracy. Hybrid metrology offers a wealth of potential. KLINGELNBERG continuously develops this technology, working closely with customers to expand the range of functions, generate added value, and provide solutions for the market's growing demands. The latest optimizations include a new light source, the integration of new measurement methods, and a software release that offers new analysis options.

The new, powerful light source is based on a combination of a modern light source, the active cooling with regulated current already tried and tested in the previous version, optimized coupling into the optical fiber, and a status interface that can be read out via USB.

The light guide has approximately five times the light output, resulting in better reproducibility for polished or finely machined components. It also has significantly higher measurement speeds. Thanks to the modular design of the optical measuring system, the new light source can also be retrofitted to existing machines.

The Quiet Bevel Grinding (QBG) technology developed by KLINGELNBERG is a solution for optimizing the noise characteristics of ground bevel gears. It involves applying a low-frequency harmonic variation in machine kinematics from tooth space to tooth space to individually modify the topographies of each tooth flank. As a result, individual tonal frequencies are excited, and sound energy is distributed across other frequencies. The resulting sound resembles a multi-frequency noise similar to that of lapped gear sets, which is perceived as significantly more pleasant to the human ear. In production, the appealing feature of Quiet Bevel Grinding is that it can be implemented without affecting cycle times and does not interfere with gear measurement. Thanks to the targeted distribution of modifications around the component's perimeter, the tried-and-tested Closed Loop can easily be used.

With its Smart Factory software solution, KLINGELNBERG is revolutionizing how products are designed, built, and delivered. Through the integration of IoT, AI, and real-time data analytics, factories are becoming more intelligent, efficient, and adaptive than ever before. From predictive maintenance that minimizes downtime to digital workflows that streamline operations, Smart Factory unlocks higher productivity, reduced costs, and improved quality. The future of the industry is not just automated – it is connected, data-driven, and optimized for peak performance. Through efficient planning and allocation of resources, Smart Factory helps manufacturing companies optimize their production processes. Smart Factory helps companies understand their production flows, identify potential bottlenecks, and respond quickly to problems. Errors can be detected early on, and corrective measures can be taken. At the same time, Smart Factory suggests ways in which these can be avoided in the future. This results in faster, more efficient production and improves the quality of products overall.

The ratio of research and development expenses increased by 1,4 percentage points compared to the previous financial year and totaled 10,6% in the 2025/26 financial year. The increase is mainly due to both higher expenditures on research and development as well as lower net sales. R&D expenditures of EUR 30,2 million underline the importance of product development for the KLINGELNBERG Group.

Gross profit

In the 2025/26 financial year, the KLINGELNBERG Group achieved net sales from goods and services of EUR 285,4 million. This figure was EUR 23,7 million below the prior financial year.

The change in inventory of finished and unfinished goods as well as unbilled goods and services amounted to EUR +4,0 million in the financial year under review (prior financial year: EUR -10,7 million). As a result, total operating performance decreased by EUR 9,0 million to EUR 289,4 million compared to the 2024/25 financial year.

Despite the lower total operating performance, material expense increased mainly due to the product mix by EUR 1,4 million year over year, amounting to EUR 118,7 million. Primarily due to this factor as well as on the significant decline in sales, the materials ratio rose by 1,7 percentage points compared to the previous financial year, reaching 41,0% at the end of the 2025/26 financial year. Gross profit thus amounted to EUR 170,8 million, down EUR 10,3 million on the previous financial year.

Personnel expense and employees

Personnel expense amounted to EUR 118,1 million at the end of the 2025/26 financial year, down EUR 1,7 million on the previous financial year. The decline was primarily due to lower costs for external personnel.

Mainly due to the decline in total operating performance, the personnel expense ratio increased from 40,2% in the 2024/25 financial year to 40,8%. As at 31 March 2026, the KLINGELNBERG Group employed 1.293 people (FTE), representing a decrease of 55 employees compared to the previous financial year.

Other operating expense

At the end of the 2025/26 financial year, other operating expense amounted to EUR 42,5 million, which was EUR 1,1 million below the previous financial year's level. The decline was mainly related to performance, with commissions and other items decreasing.

The other operating expense ratio stood at 14,7% at the end of the 2025/26 financial year, remaining almost in line with the prior financial year.

Other operating income

Other operating income amounted to EUR 5,2 million at the end of the 2025/26 financial year, representing an increase of EUR 1,9 million compared to the previous financial year. This rise was primarily due to higher internally produced and capitalized assets.

Operating result

Despite a variety of crises, the KLINGELNBERG Group succeeded in emerging from them in a strengthened position over the subsequent years. For the fourth consecutive financial year, the KLINGELNBERG Group also achieved a double-digit million operating result (EBIT) in the 2025/26 financial year. In the reporting financial year, the operating result amounted to EUR 10,3 million, a decrease of EUR 5,9 million compared to the previous financial year, which was primarily attributable to the lower gross profit. The remaining solid order backlog of EUR 165,7 million - which, despite a significant decline in the Drive Technology segment, remains relatively high compared to the financial years prior to 2021/22 - provides a cautiously positive outlook for the new financial year.

The operating result as a percentage of net sales from goods and services was +3,6%, a decline of 1,6 percentage points year over year. Basic earnings per share amounted to EUR +0,66.

Financial result

In the 2025/26 financial year, the KLINGELNBERG Group reported a financial result of EUR -1,5 million, which was EUR 0,3 million below the previous financial year's figure. This development was primarily due to a rise in foreign currency losses.

Balance sheet

Current assets increased by EUR 9,3 million to EUR 210,2 million as at 31 March 2026, primarily due to an increase in cash and cash equivalents. Non-current assets rose slightly by EUR 1,1 million, mainly as a result of investments in intangible assets. Overall, the KLINGELNBERG Group's balance sheet total thus increased by EUR 10,4 million compared to 31 March 2025, amounting to EUR 290,5 million as at 31 March 2026.

Total liabilities increased by EUR 12,2 million (8,9%) compared to 31 March 2025 and amounted to EUR 148,9 million as at 31 March 2026. This increase was primarily attributable to a rise in short-term financial liabilities. Net debt increased by EUR 3,2 million and amounted to EUR 28,8 million at the end of the 2025/26 financial year.

Equity decreased by EUR 1,8 million compared to 31 March 2025 and amounted to EUR 141,6 million as of the balance sheet date. Net profit contributed EUR 5,8 million to equity, while the dividend payment reduced equity by EUR 4,7 million and currency translation differences by EUR 2,9 million. The equity ratio decreased by 2,5 percentage points compared to 31 March 2025, reaching 48,7% as at 31 March 2026. Thus, the 2025/26 financial year of the KLINGELNBERG Group was also characterized by a stable financial position.

Cash flow statement

Cash flow from operating activities decreased by EUR 9,2 million compared to the 2024/25 financial year, amounting to EUR +9,8 million. This decline was partly attributable to the reduction in net profit, which fell by EUR 4,2 million to EUR +5,8 million.

Cash flow from investing activities totaled EUR -7,1 million, which was EUR 5,4 million higher than in the previous 2024/25 financial year. This included outflows for investment in tangible fixed assets of EUR 7,3 million in the 2025/26 financial year. The main investments were internally produced machines and flood protection measures in Hückeswagen, Germany.

Cash flow from financing activities amounted to EUR 7,3 million, while change in short-term financial liabilities increased by EUR 15,1 million.

Taking into account currency translation effects of EUR -1,2 million, this resulted in a net change in cash of EUR +8,8 million.

Financial risk management

In 2018, KLINGELNBERG established a holistic risk management system to identify, evaluate and manage business risk. For further information about this system, please refer to Note 5.7.7 of the Corporate Governance Report. KLINGELNBERG has to deal with a variety of financial risks as described in the following.

Market risks

- Business cycle risks: The current economic environment continues to be shaped by significant risks. Geopolitical tensions, such as the wars in Iran and Ukraine and other global conflicts, remain a major source of uncertainty.

- Currency risks: KLINGELNBERG's primary exposure to currency risks relates to the CHF, USD, and JPY, and arises in the context of business transactions from the translation of the disclosed assets and liabilities. Typically, KLINGELNBERG uses foreign exchange forwards or currency options to hedge against USD and JPY currency risks in connection with current machinery transactions affecting open and, in some cases, expected production and purchase orders.

- Interest rate risks: Short-term bank account balances are subject to market fluctuations. These balances are not hedged. KLINGELNBERG has no long-term interest-bearing assets. Most of the long-term financial liabilities bear fixed interest rates. The short-term bank debt is not hedged.

- Sales risks: An increase in the intensity of competition can lead to a decrease in sales and profitability.

Credit risks

Credit risks affect cash and cash equivalents, account balances with financial institutions and receivables from goods and services. KLINGELNBERG's long-standing business relationships with well-known customers limit its overall credit risk. KLINGELNBERG does not expect significant losses on receivables from goods and services, and we do not believe that there are any concentration risks. Receivables that cannot be recovered in full are impaired.

Liquidity risks

Liquidity risk arises when KLINGELNBERG cannot meet its financial obligations. Diligent liquidity risk management requires sufficient available liquid funds as well as having financing options in place in the form of approved credit facilities for appropriate amounts with multiple banks.

Operational risks

- Supply chain: Supply bottlenecks can lead to delays in the delivery of products and services.
- Natural disasters: Potential physical risks include floods, storms, and heat waves that can lead to disruption of production.

Outlook

Machinery production has picked up in many European countries at the start of the calendar year. But the war in Iran poses new risks for the industry, making the outlook uncertain. The longer the conflict drags on – and if, for example, energy facilities in the Middle East are destroyed on a large scale – the greater the risks to the economy become.

In light of the current economic uncertainties, including geopolitical tensions, trade tariffs, and challenges in the automotive industry in Germany and the EU, it is difficult to provide a precise profit forecast. Nevertheless, we are confident that we will achieve a positive result.

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1 Introduction

This report describes the principles of corporate governance for the KLINGELNBERG Group (hereinafter also the "Group") and provides background information on the Group's Executive Management (hereinafter also the "EM") and the Board of Directors (hereinafter also the "BoD") as at 31 March 2026. The report contains the information that is stipulated by the Directive on Information relating to Corporate Governance of SIX Swiss Exchange AG.

The Articles of Association (hereinafter the "Articles") of KLINGELNBERG AG (hereinafter also the "Company") can be accessed on the corporate governance section of the Company's website at:

https://klingelnberg.com/en/investors/corporate-governance/articles-of-association

For clarity and transparency, the Compensation Report is presented as a separate chapter of the Annual Report.

2 Group structure

2.1 Operational group structure

Headquartered in Zürich, Switzerland, KLINGELNBERG AG is the parent company of the KLINGELNBERG Group with 13 subsidiaries in 10 countries and a network of independent distributors serving additional markets.

The KLINGELNBERG Group has effective oversight and efficient management structures at all levels. The operational Group structure as at 31 March 2026 is as follows:

The BoD acting collectively, has the ultimate responsibility for the conduct of business of the Company and for delivering sustainable shareholder and stakeholder value. The BoD sets the Company's strategic objectives, ensures that the necessary financial and human resources are in place to meet the Company's objectives, and supervises and controls the management of the Company. The BoD also has two committees: the Audit Committee (hereinafter the "Audit Committee" or "AC") and a Nomination and Compensation Committee (hereinafter the "Nomination and Compensation Committee" or "NCC") (together the "Committees").

In accordance with and subject to Swiss law, the Articles and the Organizational Regulations, the BoD has delegated the Executive Management of the Company's business to the EM, which is headed by the Chief Executive Officer (hereinafter the "CEO") pursuant to the Organizational Regulations. The EM comprises: the CEO, the Chief Financial Officer (hereinafter the "CFO"), and the Chief Sales Officer (hereinafter the "CSO"). The EM is supervised by the BoD and its Committees.

2.2 Listed companies

KLINGELNBERG AG, the ultimate parent company of the KLINGELNBERG Group, is listed on the SIX Swiss Exchange. Apart from KLINGELNBERG AG, no other company belonging to the consolidated KLINGELNBERG Group is listed on any stock exchange.

Registered office	Binzmühlestrasse 171, 8050 Zürich, Switzerland
Listed on	SIX Swiss Exchange
VALOR number	42046226
ISIN	CH0420462266
VALOR symbol	KLIN
Nominal share value	CHF 5

2.3 Non-listed companies

A list of the subsidiaries of the KLINGELNBERG Group as at 31 March 2026 can be found in Note 2.4 to the Consolidated Financial Statements.

3 Shareholders

3.1 Significant shareholders

According to the disclosure notifications received by the Company during the 2025/26 financial year and published by the Company via the electronic publishing platform on SIX Swiss Exchange, the following shareholders had holdings of 3 percent or more of the Company's voting rights as at 31 March 2026:

Date	Issuer	Beneficial owner / persons that can exercise the voting rights at their own discretion	Direct Shareholder	Position
25 February 2025	KLINGELNBERG AG	Jan Klingelnberg[1]	JK Invest AG	56,508%
26 November 2024	KLINGELNBERG AG	Dr. Jörg Wolle		3,348%
07 November 2019	KLINGELNBERG AG	UBS Fund Management (Switzerland) AG		3,14%
29 June 2018	KLINGELNBERG AG	Arndt Klingelnberg		4,86%

[1] *Please refer to Note 5.9 to the Statutory Financial Statements of KLINGELNBERG AG*

Notifications made in the 2025/26 financial year in accordance with Art. 120 et seqq. of the Financial Market Infrastructure Act ("FMIA") [Finanzmarktinfrastrukturgesetz, FinfraG] can be accessed using the following link:

https://www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html

With regards to the value of the percentage of voting rights shown, it should be noted that any changes in the percentage of voting rights between the notifiable threshold values are not subject to disclosure requirements.

As at 31 March 2026, the Company held no treasury shares.

3.2 Cross-shareholdings

As at 31 March 2026, the Company does not have any cross-shareholdings exceeding 5 percent of the holdings of capital or voting rights on both sides.

4 Capital

4.1 Share capital

As at 31 March 2026, the ordinary share capital of KLINGELNBERG AG as registered with the Register of Commerce of the Canton of Zürich amounts to CHF 44.200.000 fully paid up and divided into 8.840.000 registered shares with a par value of CHF 5 each.

As at 31 March 2026, the Company has not issued any participation certificates or profit sharing certificates, nor has it issued any preference shares within the meaning of Art. 654 et seq. of the Swiss Code of Obligations (hereinafter also "CO") [Schweizerisches Obligationenrecht, OR].

Subject to the provisions of Art. 5 of the Articles (provisions regarding entry into share register, see also Note 4.6 below) each share entitles to one vote (Art. 11 of the Articles).

https://klingelnberg.com/fileadmin/Investors/Statuten_Articles_of_Association_Klingelnberg.pdf

4.2 Authorized capital, conditional capital and capital band

4.2.1 Authorized share capital

The possibility of a capital increase by way of authorized capital expired on 09 June 2020.

4.2.2 Conditional capital

The General Meeting of 09 June 2018 approved the creation of conditional capital divided into

445.640 shares with a par value of CHF 5 per share to improve the Company's financial flexibility for financing, acquisitions, and other purposes. The conditional capital amounts to CHF 2.228.200, which equates to 5,04% of the existing share capital.

More information on the conditional share capital can be found in Art. 3A of the Articles available at:

https://klingelnberg.com/fileadmin/Investors/Statuten_Articles_of_Association_Klingelnberg.pdf

4.2.3 Capital band

The General Meeting of 20 August 2024 approved the creation of a capital band ranging from CHF 44.200.000 (lower limit) to CHF 52.156.000 (upper limit). Within the range of the capital band, the Board of Directors shall be authorized to increase the share capital of the Company in any amount once or several times until 20 August 2029 or until an earlier expiry of the capital band. The capital increase may be executed by issuing up to 1.591.200 fully paid-in registered shares with a nominal value of CHF 5 each or by increasing the nominal values of the issued registered shares within the limits of the capital band.

More information on the capital band can be found in Art. 3B and 3C of the Articles available at:
https://klingelnberg.com/fileadmin/Investors/Statuten_Articles_of_Association_Klingelnberg.pdf

4.2.4 Options

KLINGELNBERG AG has not granted any options.

4.2.5 Convertible bonds

KLINGELNBERG AG has not issued any convertible bonds.

4.3 Changes in capital

The capital of the Company was as follows:

	31.03.2026	31.03.2025	31.03.2024	31.03.2023
Ordinary capital (in CHF)	44.200.000	44.200.000	44.200.000	44.200.000
Share capital in units	8.840.000	8.840.000	8.840.000	8.840.000
Conditional capital (in CHF)	2.228.200	2.228.200	2.228.200	2.228.200
Conditional capital in units	445.640	445.640	445.640	445.640
Capital band (in CHF)	7.956.000	7.956.000	-	-
Capital band in units	1.591.200	1.591.200	-	-

The conditional share capital, which was created on 09 June 2018 as well as the capital band, which was created on 20 August 2024 to improve the Company's financial flexibility for financing, acquisitions and other purposes, have not yet been used.

4.4 Share buyback program

KLINGELNBERG has no ongoing share buyback program.

4.5 Convertible bonds and options

As outlined above, KLINGELNBERG has not issued any convertible bonds or options.

4.6 Limitations on transferability and nominee registration

The Company maintains a share register. Any person who acquires shares may submit an application to be registered in the share register as a shareholder with voting rights, provided such person expressly declares that he or she has acquired and holds such shares in his/her own name and for his/her own account. Entry into the share register with voting rights may be refused based on the grounds set forth in Art. 5 of the Articles described below under "Nominees". If the Company does not refuse to register the acquirer as shareholder with voting rights within 20 calendar days upon receipt of the application, the acquirer is deemed to be a shareholder with voting rights.

According to Art. 5 of the Articles, any person who does not expressly state in his/her application to the Company that the relevant shares were acquired for his/her own account (any such person, a "Nominee") may be entered in the share register as a shareholder with voting rights without further inquiry up to a maximum of 3,0 percent of the share capital outstanding at that time. Above this limit, shares held by Nominees shall be entered into the share register with voting rights only if the Nominee in question discloses the names, addresses and shareholdings of the persons for whose account he or she is holding 0,5 percent or more of the share capital outstanding at the time and provided that the disclosure requirement stipulated in the FMIA is complied with. The BoD has the right to conclude agreements with Nominees concerning their disclosure requirements. Subject to Art. 652b para. 3 CO, the abovementioned limit of registration also applies to the subscription for or acquisition of registered shares by exercising pre-emptive, option or convertible rights arising from shares or any other securities issued by the Company or third parties. Legal entities, partnerships, other associations or joint ownership arrangements that are linked in the form described in Art. 5 of the Articles are considered one shareholder or nominee.

Until an acquirer becomes a shareholder with voting rights for the shares in accordance with Art. 5 of the Articles, she/he may neither exercise the voting rights connected with the shares nor rights associated with the voting rights.

Details regarding legal entities or individuals acting in concert can be found in Art. 5 of the Articles available at:

https://klingelnberg.com/fileadmin/Investors/Statuten_Articles_of_Association_Klingelnberg.pdf

4.6.1 Admissibility of nominee registrations

The BoD has the right to conclude agreements with nominees concerning their disclosure requirements. In special cases, the Company may approve exceptions to the above restrictions. More information can be found in Art. 5 of the Articles (see link in Note 4.6 above).

4.6.2 Exceptions granted in the year under review

No exceptions under Art. 5 of the Articles were granted by the BoD during the reporting period.

4.6.3 Procedure and conditions for easement or abolition of the restriction of transferability

A resolution of the General Meeting passed by at least two thirds of the represented share votes and the absolute majority of the nominal value of the represented shares is required for the easement or abolition of the restriction of the transferability of the registered shares (Art. 12 para. 2 lit. 2 of the Articles).

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4.6.4 Blackout-Periods

Employees who have or may have insider knowledge must acknowledge the regulations of the insider trading directive of the Company and are also affected by the Company's trading blackout periods. The Company has implemented two fixed trading blackout periods. The first trading blackout period usually begins at the end of the financial year (31 March) and ends with the day after publication of the annual report. The second trading blackout period starts usually on 30 September and ends with the day after publication of the financial half-year results. Furthermore, the Company may also declare extraordinary trading blackout periods as required. In the 2025/26 financial year, the Company has not declared any extraordinary trading blackout period.

5 Board of Directors

5.1 Introduction

The BoD of KLINGELNBERG AG sets the overall direction and supervises the management (see Art. 716a para. 1 of the Swiss Code of Obligations). Its organization is reflected in the Organizational Regulations ("Organisationsreglement" as of 19 August 2020). Since the 2023 Annual General Meeting, the Company's former Chief Executive Officer, Mr. Jan Klingelnberg, held the position of CEO as a Delegate of the BoD until 31 August 2024, when he was succeeded as CEO by Mr. Philipp Kannengießer. No other member of the Board of Directors holds an executive position at KLINGELNBERG AG or any of its subsidiaries, nor has held such a position in the past three years.

In the 2025/26 financial year there were no significant business relations between a member of the BoD and KLINGELNBERG AG or one of its subsidiaries. For a list of other related party transactions, please refer to Note 6.2 of the Consolidated Financial Statements.

5.2 Other activities and vested interests

Except as disclosed in the biographies of the members of the BoD and in Note 5.5 of the Compensation Report, no member of the BoD holds a position in a governing or supervisory body of any significant private or public sector organization, institution or foundation, a permanent management or consultancy position with an important interest group, or any public or political office. For a detailed summary of all additional activities of the members of the BoD please refer to Note 5.5 of the Compensation Report.

5.3 Mandates outside KLINGELNBERG AG

The Articles stipulate that no member of the BoD may hold more than five additional mandates as a member of the Board of Directors, other top management or administrative body in listed companies and no more than ten mandates as a member of the Board of Directors, other top management or administrative body of legal entities that do not meet the abovementioned criteria.

In addition to the mandates permitted as described above, each Member of the BoD may have up to ten mandates in the top management or administrative bodies of legal entities that must be registered in a commercial register and that serve exclusively as entities for the private administration and management of real estate and other assets of the respective member of the BoD or such member's relatives. With respect to the additional activities, mandates in companies that are under uniform control or the same beneficial ownership are deemed to be one mandate.

For further details, in particular regarding mandates which are not subject to the abovementioned limitations please see Art. 23 of the Articles available at:

https://klingelnberg.com/fileadmin/Investors/Statuten_Articles_of_Association_Klingelnberg.pdf
All Members of the Board adhere to the aforementioned rules.

5.4 Board of Directors' competences and evaluation

The NCC/BoD evaluates current and prospective members of the EM according to their skills and experience to ensure that the Executive Management has an appropriate mix of relevant skills and experience.

The NCC/BoD identifies and evaluates prospective candidates for the BoD to ensure an appropriate mix of relevant skills and experience is represented in the BoD. Both the BoD and its Committees perform an annual self-assessment of their work.

5.5 Elections and terms of office

According to Art. 6 lit. 2 of the Articles of KLINGELNBERG AG the Annual General Meeting (hereinafter also the "AGM") has the non-transferable powers to elect and recall the members of the BoD, the Chairman of the BoD, the members of the NCC, the Auditors and the independent proxy. Art. 15 of the Articles of KLINGELNBERG AG states that the BoD must consist of a minimum of four members.

https://klingelnberg.com/fileadmin/Investors/Statuten_Articles_of_Association_Klingelnberg.pdf

All elections are made for a term of one year. In this context, a year means the period between two consecutive AGMs or, if a member is elected at an Extraordinary Shareholders' Meeting between the Extraordinary Shareholders' Meeting and the following AGM. Re-election is permitted. According to Art. 11 of the Articles, members of the BoD and the NCC are elected individually. There is no limit on the term in office.

5.6 Members of the BoD

The following chart provides an overview of the current members of the BoD:

Name	Position	Committee Membership	Year of Appointment
Dr. Jörg Wolle	Chairman	NCC (Chairman)	2018
Jan Klingelnberg	Member	-	2023
Dr. Hans-Martin Schneeberger	Member	NCC	2007
Prof. Dr. Michael Hilb	Member	AC	2018
Philipp Buhofer	Member	NCC	2022
Kalina Scott	Member	AC (Chairwoman)	2022

Dr. Jörg Wolle

is the Chairman of the BoD and a Swiss and German citizen born in 1957. He has been serving as Chairman of the Company's BoD since June 2018. Dr. Wolle has also served as Chairman of the Board of Directors of Kuehne + Nagel International AG since 2016 and is a member of the Board of Directors of Kuehne Holding AG. He has also been a member of the Board of Directors of OLAM Group Ltd. in Singapore since September 2019. Dr. Jörg Wolle was Chairman of DKSH Holding Ltd. from 2017 to March 2019 and President and CEO of DKSH from June 2002 to March 2017. Previously, he was President and CEO of Siber Hegner Holding Ltd. from early 2000. Dr. Wolle obtained his PhD in engineering in 1987 from the University of Technology in Chemnitz, Germany. He graduated from the Senior Executive Program at Stanford Business School, USA.

Jan Klingelnberg

is a BoD member and Swiss citizen born in 1971. Jan Klingelnberg has been a member of the Board of Directors of KLINGELNBERG AG since 2023. Furthermore, he was Chief Executive Officer of the Group since 2004 and continued to perform this position as Delegate of the Board of Directors since 2023. Mr. Klingelnberg has also been a member of the Supervisory Board of INDUS Holding AG since 2023. From 2002 to 2004, he was Director of the Cylindrical Gears business unit of KLINGELNBERG GmbH, Germany. Between 2000 and 2002, Mr. Klingelnberg held various positions at ZF Passau GmbH in Brazil and the USA. Prior to that, he was manager for strategic planning at SMS Demag AG in Germany. Mr. Klingelnberg was also a member of the Managing Board of the VDMA for machine tools and production systems, a trade association for the industrial sector in which the Company is active. Mr. Klingelnberg holds a degree in industrial management from Carnegie Mellon University in Pittsburgh, USA.

Dr. Hans-Martin Schneeberger

is a BoD member and Swiss citizen born in 1955. Dr. Schneeberger has been a member of the Board of Directors of the Company since 2007. Dr. Hans-Martin Schneeberger currently serves as Chairman of the Board of Directors of Schneeberger Holding AG since 2003, having been CEO between 1993 and 2018 and Managing Director and Head of Marketing and Sales between 1988 and 1993. From 1985 until 1988, he was an account and project manager with a European-based management consulting firm. Since 2006, he has served on the Board of Unitectra AG, an organization for technology transfer, between 2014 and 2018 as its Chairman. Between 2010 and 2012, Dr. Hans-Martin Schneeberger was a member of the Board of Swissmem, the association of Swiss companies in the mechanical and electrical engineering industries and related technology-oriented sectors, and he served for more than 20 years as a Swiss delegate to CECIMO, the European Machine Tool Builders Association in Brussels. Dr. Hans-Martin Schneeberger obtained a PhD from the Krannert Business School at Purdue University USA in 1984 and was Tenure-Track Assistant Professor at the Ross Business School at the University of Michigan from 1984 to 1985.

Prof. Dr. Michael Hilb

is a BoD member and Swiss citizen born in 1977. He has been a member of the BoD of the Company since June 2018. Prof. Hilb is founder of DBP Holding Ltd. and serves on the boards of Sigvaris Holding Ltd., the Board Foundation and the Foundation for Value Creation. From 2010 to 2018, he was with DKSH, most recently as Vice President Group Strategy and Digital Business. Before that, he was Project Manager with Roland Berger from 2005 until 2010 and with Holcim Commerce from 2001 until 2003. He is a titular professor at the University of Fribourg, Switzerland and holds a PhD and an MSc in Management from the University of St. Gallen. He was a visiting fellow at Harvard University and INSEAD and completed several executive education programs.

Philipp Buhofer

is a BoD member and Swiss citizen born in 1959. Mr. Buhofer studied Economics at HSLU Lucerne. After working for several years in procurement management at Metro International in Europe and Asia, he joined EPA AG in 1987, where he held various management positions in procurement and sales. From 1997, he was a member and later Chairman as well as Delegate of the Board of Directors of EPA AG until its transfer to COOP in 2003. Today, in addition to his activities at DAX Holding AG, he is active on the boards of several industrial companies, including as Member of the Board of Directors of Cham Swiss Properties AG as well as a member of the Board of Directors of the listed Kardex Holding AG.

Kalina Scott

is a BoD member and a Swiss citizen born in 1974. She is a seasoned professional with over 28 years of broad experience in finance, ranging from operational finance to mergers & acquisitions and capital markets. Ms. Scott is Chief Financial Officer of Ascom Holding AG since 2024. From 2019 to 2023 she was Chief Financial Officer of Duagon AG, a Swiss-based supplier for communication, computing and control technology. Prior to that, from 2017, she was a Chief Financial Officer of Polyphor AG (today Spexis). Ms. Scott started her career at UBS in 1997, focusing on structured finance and credit risk management, followed by leading roles in UBS's investment banking in Zürich and London, covering leveraged finance as well as mergers & acquisitions. From 2006 until 2008 Ms. Scott worked as Director of Corporate Finance at KPMG AG, Zürich, followed by a position as Managing Director for Bank am Bellevue. Ms. Scott holds a degree in Business Administration and has completed the Advanced Management Program at Harvard Business School.

5.7 Structure of the internal organization - Allocation of tasks within the Board of Directors

Except for the election of the Chairman of the BoD and the Chairman and members of the NCC by the AGM, the BoD organizes itself.

In case the office of the Chairman of the BoD is vacant, the BoD shall appoint a substitute that must be a member of the BoD for the period until the conclusion of the next AGM. In case of a vacancy on the NCC, the NCC shall appoint a substitute for the period until the conclusion of the next AGM (Art. 17, last paragraph):

https://klingelnberg.com/fileadmin/Investors/Statuten_Articles_of_Association_Klingelnberg.pdf

In accordance with the Regulations of the AC, the BoD appoints the members of the AC on an annual basis until the next AGM convenes. The Regulations of the Audit Committee can be accessed on the corporate governance section of the Company´s website at:

https://klingelnberg.com/en/investors/corporate-governance/regulations-of-the-company/

5.7.1 Tasks and areas of responsibility of the Board of Directors' committees

The BoD may delegate the preparation and execution of its decisions to committees or individual members. The duties and authorities of the committees are defined in the Articles (Art. 19, NCC only), the Organizational Regulations and the Committee Regulations of the BoD:

https://klingelnberg.com/fileadmin/Investors/Statuten_Articles_of_Association_Klingelnberg.pdf

The Committees usually meet before the BoD meetings and regularly report to the BoD on their activities and findings. The overall responsibility for duties delegated to the Committees remains with the BoD. The period of office of all committee members is one year. Re-election is possible.

5.7.2 Audit Committee

The Audit Committee consists of two or more members of the BoD who are appointed by the BoD. The term of office of the members of the Audit Committee is one year ending upon conclusion of the subsequent AGM. Re-election is possible. The current members of the Audit Committee are Kalina Scott and Prof. Dr. Michael Hilb. The organization, detailed responsibilities and reporting duties of the AC are stipulated in its Regulations. The Regulations of the Audit Committee can be accessed on the corporate governance section of the Company´s website at:

https://klingelnberg.com/en/investors/corporate-governance/regulations-of-the-company

Meetings of the AC are held as often as required, but at least three times a year, or upon request of its members.

The AC assists the BoD in fulfilling its supervisory responsibilities with respect to the accounting and financial reporting, the internal control system, and the statutory auditors of the Company. According to the AC Regulations, the AC's responsibilities include but are not limited to:

- review and assess the plans and the scope of the external audit, review the reports of the statutory auditors, discuss their content with the statutory auditors and the EM, and supervise the implementation of the recommendations issued by the statutory auditors;
- review and assess the performance of the statutory auditor;
- review and assess the qualifications and effectiveness of the statutory auditors in consultation with the EM and make recommendations to the BoD regarding proposals to the AGM for the appointment or removal of the statutory auditors;
- review and assess on an annual basis the independence of the statutory auditor and the compatibility of advisory mandates, if any, with their role as statutory auditors;
- approve, based upon the proposal of the CFO, the budget for auditing fees;
- review the annual and interim statutory and consolidated financial statements and discuss these with the EM and statutory auditor prior to making a proposal to the BoD with respect to these annual and interim statutory and consolidated financial statements;
- review, in cooperation with the statutory auditor and the EM, whether the accounting processes and the financial control mechanism of the Company and the Group are appropriate in terms of the size and complexity of the Group;
- review the effectiveness of the internal control system and assess on an ongoing basis the Group's compliance with applicable laws and regulations;
- assess whether the risk management established by the EM addresses all relevant risks and whether the appropriate measures have been implemented;
- assess the effectiveness of the Group's compliance systems.

The BoD may entrust the AC with additional duties in financial matters. In discharging its responsibilities, the AC has unrestricted and direct access to all relevant information in relation to the Company and the Group. The AC ensures that it is informed by the statutory auditors on a regular basis. The AC is required to report its activities to the BoD on a regular basis and make recommendations and propose appropriate measures to the BoD.

5.7.3 Nomination and Compensation Committee

As required by Swiss law the members of the NCC are elected by the AGM. As at 31 March 2026, the members of the NCC include Dr. Jörg Wolle, Philipp Buhofer and Dr. Hans-Martin Schneeberger. The organization, detailed responsibilities, and reporting duties of the NCC are stipulated in its Regulations and the Articles of Association.

Meetings of the NCC are held as often as required, but at least twice a year, or upon request of its members.

Pursuant to the Organizational Regulations and the Regulations of the NCC, a majority of the members of the NCC should be independent as defined in the Swiss Code of Best Practice for Corporate Governance and a majority of the members of the NCC, including its chairperson, should be experienced in the areas of succession planning, performance evaluation as well as the nomination and compensation of members of Boards of Directors and Executive Management boards. The Regulations of the NCC can be accessed on the corporate governance section of the Company´s website at:

https://klingelnberg.com/en/investors/corporate-governance/regulations-of-the-company

The NCC supports the BoD in the discharge of its duties in the field of personnel and compensation policies. The NCC's responsibilities include, but are not limited to:

- preparing and periodically reviewing the Group's compensation policy and principles and periodically reviewing their implementation as well as submission of related proposals and recommendations to the BoD;
- submitting proposals to the BoD regarding the approval by the AGM of the maximum aggregate compensation for the members of the BoD as well as the maximum aggregate compensation of the members of the EM;
- submitting proposals to the BoD regarding the determination of the individual compensation of the Chairman and the other members of the Board as well as of the CEO and, based upon a proposal of the CEO, the other members of the EM, in each case within the limits of the respective maximum amounts approved by the AGM;
- submitting proposals to the BoD regarding the determination of compensation-related performance metrics and targets for the EM and assessing the performance of the members of the EM on an annual basis;
- submitting proposals to the Board regarding the mandate or employment agreements with the members of the BoD and the EM;

- submitting proposals to the BoD regarding the approval of, and any amendments to, compensation plans and other compensation regulations and regarding the persons eligible for participation in compensation plans as well as assessing such compensation plans on a regular basis and submitting proposals to the BoD in connection with this;

- reviewing the Compensation Report prepared by the EM and submitting the Compensation Report to the BoD for approval;

- making recommendations on Board composition and balance, setting criteria for the assessment of the independence of BoD members as well as submitting proposals to the BoD regarding the criteria to be applied for the selection of the Chairman, other members of the Board and its committees as well as for the nomination of candidates for positions in the EM;

- identifying and assessing candidates for membership in the BoD and for the position of CEO and submitting proposals to the BoD regarding the appointment and removal of the CEO;

- assessing candidates proposed by the CEO for other positions in the EM and submitting proposals to the BoD regarding the appointment of such persons;

- informing the BoD at least annually on succession and contingency plans in relation to the members of the EM and other key employees;

- reviewing the acceptance of mandates outside the Group by members of the BoD or the EM;

- supporting and advising the BoD in matters of corporate governance.

The BoD may entrust the NCC with additional duties in related matters. The NCC is required to report its activities to the BoD on a regular basis and to make recommendations and propose appropriate measures to the BoD.

5.7.4 Working methods of the Board of Directors and its committees

Within the 2025/26 financial year the BoD held four meetings. The following table shows the individual members' attendance at BoD and Committee meetings and the average length of meetings:

Name	BoD	AC	NCC
Dr. Jörg Wolle	4		3
Jan Klingelnberg	4		
Dr. Hans-Martin Schneeberger	4		3
Prof. Dr. Michael Hilb	4	4	
Philipp Buhofer	3		2
Kalina Scott	4	4	
Average meeting duration	02:55	02:45	00:30

Urgent business matters were discussed in conference calls. In addition to formal meetings at which minutes were taken, members of the BoD or of the Committees also met informally for other issues and discussions that required additional time, such as preparations for formal meetings.

According to the Organizational Regulations, the BoD convenes at the invitation of the Chairman at least four times each year, or whenever a member or the CEO requests a meeting of the BoD indicating the reasons in writing. The Chairman or, if he is not available, another member of the BoD shall preside over BoD meetings. Meetings of the BoD may be held in person, by telephone or video conference, or similar means of live communication.

BoD resolutions may also be passed in writing by way of circular resolution, provided that no member of the BoD requests oral deliberation. In such cases, the Organizational Regulations require that the text of the resolution be provided to all members of the Board and that the majority of the members cast a vote and approve the matter.

The BoD is quorate to validly pass resolutions when a majority of its members is present. The Board passes resolutions by the majority of the votes cast. In case of a tie, the Chairman (but not any other member acting as chairman) has the casting vote.

The BoD works closely with the EM. In general, the meetings of the BoD and its Committees are also attended by the CEO and – as appropriate – by the CFO and the CSO. Meetings are also attended by the Corporate Secretary. The BoD consults external experts when necessary in connection with specific topics.

All four meetings of the BoD were attended by all members of the EM. All four meetings of the AC in the reporting period were attended by the CFO, whereas the Head of Finance attended two meetings of the Audit Committee and two meetings were also attended by the auditors of the Company.

5.7.5 Areas of responsibility

The BoD is entrusted with the ultimate direction of the Company and its subsidiaries and has ultimate responsibility for the business and affairs of the Company and its subsidiaries. Such responsibilities include the duty to carefully select, properly instruct and supervise the persons entrusted with the Company's management. It represents the Company towards third parties and attends to all matters that have not been delegated to or reserved for another corporate body of the Company by law, the Articles, the Organizational Regulations or by other internal regulations.

In accordance with Art. 16 of the Articles (https://klingelnberg.com/fileadmin/Investors/Statuten_Articles_of_Association_Klingelnberg.pdf) the BoD may delegate the Executive Management of the Company in full or in part.

Its non-transferable and irrevocable duties are set out in the Swiss CO (Code of Obligations - Schweizerisches Obligationenrecht - "OR") and Art. 17 of the Articles (https://klingelnberg.com/fileadmin/Investors/Statuten_Articles_of_Association_Klingelnberg.pdf), they include: (i) the ultimate direction of the Company and the power to issue the necessary directives; (ii) determining the organization of the Company; (iii) the organization of its accounting, its internal control system (ICS), its financial control and its financial planning as well as the performance of a risk assessment; (iv) the appointment and removal of the persons entrusted with the Executive Management and representation of the Company, as well as the determination of their signatory power; (v) the ultimate supervision of the persons entrusted with the management of the Company, in particular with respect to their compliance with the law, the Articles of Association, regulations and directives; (vi) the preparation of financial reports and the AGM, including the implementation of the resolutions adopted by the AGM; (vii) the preparation of the Compensation Report; (viii) the notification of the judge in case of over-indebtedness; (ix) the passing of resolutions regarding the subsequent payment of capital with respect to non-fully paid-in shares and the respective amendments of Articles of Association; (x) the passing of resolutions concerning an increase of the share capital and regarding the preparation of capital increase reports as well as the respective amendments to the Articles of Association; (xi) the examination of compliance with the legal requirements regarding the appointment, election and professional qualifications of the Company's auditors; (xii) the non-transferable and inalienable duties and powers of the Board of Directors pursuant to the Swiss Federal Merger Act on Merger, Demerger, Transformation and Transfer of Assets [Bundesgesetz über Fusion, Spaltung, Umwandlung und Vermögensübertragung (Fusionsgesetz, FusG)] of 01 July 2004, as amended; and (xiii) the passing of resolutions on other matters which, under mandatory law, are assigned to the Board of Directors for resolution or which are submitted to the Board of Directors for resolution.

In addition, Swiss law and the Organizational Regulations reserve the Board's powers, inter alia, (i) to approve the annual budget of the Company and the Group as well as any budget overrun of EUR 1,0 million or more per financial year, (ii) to approve certain major transactions exceeding specified thresholds, (iii) to appoint and remove the CEO and the other members of the EM of the Company, and (iv) to adopt or amend the Company's compensation and benefits strategy upon proposal by the NCC.

5.7.6 Information and controlling instruments for supervising the EM

The EM reports to the BoD and its Committees periodically every month with detailed written overviews. It informs the BoD of the status of business matters and financial results, presents relevant strategic initiatives as well as major business transactions. The BoD and the EM discuss the Company's strategy and the long-term financial plan. Committees receive information in the form of group reports relevant to their needs.

Conference calls are held as required between BoD members and the CEO and/or CFO. Furthermore, each member of the BoD may request information on all matters concerning the Company.

5.7.7 Risk and compliance

To identify and manage its risks, the KLINGELNBERG Group has implemented a holistic risk management system to identify and assess strategic, operational, financial, legal and compliance risks related to its activities. The risk management directive has been rolled out throughout the entire Group. A risk management software helps to analyze the impact of individual risks on the budget by using Monte-Carlo simulations. Furthermore, the top risks are determined by using sensitivity analysis.

The risks identified by the risk owners in the different business units and administrative departments are summarized in a Group wide risk map. The risk map contains the probability of occurrence and possible extent of damage. The risks are assessed in detail by the Risk Management Board and measures are defined to reduce the risk. The members of the Risk Management Board are the CFO, the CEO, and the Head of Controlling. They ensure continuous monitoring of the risks. Risk status reports are regularly submitted to the AC and, after discussion with and assessment by the AC to the BoD of the Company for review. For information about risks please refer to the Management Report.

The Head of Finance assumes responsibility for the internal control system (ICS) for financial reporting risks. The AC and the BoD receive updates on compliance with the ICS guidelines.

The AC approves the annual audit plan of the auditors and ensures that the relevant Group companies are adequately reviewed according to their risk scoring.

The Group Compliance Program supports KLINGELNBERG's core values of ethical behavior and unquestionable integrity. Compliance is overseen by both the CFO and the Head of Legal. If applicable, compliance reports are given to the AC as well as to the BoD. The Head of Legal reports to the Chairman of the BoD regarding compliance issues.

6 The Group Executive Management

6.1 Members of the Group Executive Management

The BoD has delegated the operative management to the EM headed by the CEO, subject to the duties and powers reserved to the Board by Swiss law, the Articles, and the Organizational Regulations. The EM is responsible for implementing and achieving the Company's corporate objectives and for the management and control of all Group companies. The EM is supervised by the BoD and its Committees.

The EM is responsible for the business of the Company and the preparation, implementation and monitoring of the strategic roadmap and the preparation, implementation and delivery of the annual plan and budget. The EM also prepares for and executes decisions made by the BoD. The EM is chaired by the CEO and comprises the CFO and the CSO.

Pursuant to the Organizational Regulations and the Regulations of the NCC, the CEO is appointed and removed by the BoD via a motion by the NCC. The other members of the EM are appointed and removed by the BoD via a motion by the CEO and the NCC. All members of the EM are evaluated on an annual basis by the NCC.

As at 31 March 2026, the members of the EM include:

Philipp Kannengießer

CEO and a German citizen born in 1973. Mr. Kannengießer has been the CEO of KLINGELNBERG Group since 2024. Previously, he served as the COO from 2022 to 2024. Prior to that, from 2016 to 2022, he was the COO of Rothenberger AG. Mr. Kannengießer launched his career in 2000 at SMS Group GmbH, where he started out as a member of the corporate staff working in internal consultancy. Still with the SMS Group, between 2003 and 2012, he was CFO at SMS Elotherm GmbH and between 2013 and 2016, CFO at SMS Concast AG. Philipp Kannengießer holds a degree in Business Administration from the University of Münster, Germany.

Christoph Küster

CFO and a German citizen born in 1974. Mr. Küster has been the CFO of the Group since 2015, after having been a Managing Director of KLINGELNBERG GmbH, Germany, since 2014. He serves as a member of the Advisory Council of HDI Global. From 2003 until 2013 he occupied various positions in finance and controlling at Salzgitter Group in Germany. Mr. Küster started his career in 1995 at V+M Tubes in Germany, where he stayed until he left for university studies in 1998. Mr. Küster holds a degree in Business Administration from Heinrich Heine University, Düsseldorf, Germany.

Prasad Kizhakel

CSO and an Indian citizen born in 1969. Mr. Kizhakel has been the CSO of the Group since 2021, after having been the Managing Director of KLINGELNBERG India Pvt. Ltd., since 2012. Mr. Kizhakel has been successfully handling various functions and different task profiles for KLINGELNBERG AG since 1998. Previously he worked in the Auto Planning division of Tata Motors in India between 1995 and 1998. Mr. Kizhakel started his career at Larsen & Toubro Ltd., in India, where he supported the Heavy Engineering Unit. Mr. Kizhakel holds a degree in Mechanical Engineering from the National Institute of Technology – Jaipur, India and completed a Finance Course for Senior Managers at the London Business School.

6.2 Other activities and functions

Except as disclosed in the biographies of the members of the EM and in Note 5.5 of the Compensation Report, no member of the EM holds any position in a governing or supervisory body of any important private or public sector organization, institution or foundation; none holds any permanent management or consulting position with an important interest group or any public or political office. For a detailed summary of all additional activities of the members of the EM please refer to Note 5.5 of the Compensation Report.

6.3 Mandates outside KLINGELNBERG AG

The Articles limit the number of functions in superior management or administrative bodies of legal units other than the Company or its subsidiaries that members of the EM are allowed to hold at one time.

Pursuant to Art. 23 of the Articles, members of the EM may hold up to two mandates in publicly traded companies and, in addition, up to three mandates in other legal entities, subject to the approval of the BoD.

In addition, each member of the EM may have up to ten mandates in the superior management or administrative bodies of legal entities obliged to register themselves in a Swiss commercial register or a foreign equivalent, which exclusively serve as entities for the private administration and management of real estate and other assets of the respective member of the EM. For further details, in particular regarding mandates which are not subject to the abovementioned limitations please see Art. 23 of the Articles available at:
https://klingelnberg.com/fileadmin/Investors/Statuten_Articles_of_Association_Klingelnberg.pdf

All members of the EM adhere to the aforementioned limitations.

6.4 Management contracts

The BoD and the EM conduct business directly and have not delegated any management tasks to companies outside the Group.

7 Compensation, shares and loans

All details of compensation, shareholdings and loans are listed in the Compensation Report.

8 Shareholders' participation rights

8.1 Voting rights restrictions

Except for the limitation on voting rights described under Note 4.6 et seqq. which concern the Company's share register and Nominees there are no other restrictions to voting rights in place. For rules regarding registration in the Company's share register and Nominees please see Art. 5 of the Articles

https://klingelnberg.com/fileadmin/Investors/Statuten_Articles_of_Association_Klingelnberg.pdf

and the detailed explanations under Note 4.6. As outlined above, no exceptions to the above-listed rules were granted during the reporting period.

8.2 Rules on participation in the AGM

In AGMs, each share carries one vote and each shareholder has equal rights, including equal voting rights. Such voting rights and rights associated therewith are only exercisable with respect to those shares for which a shareholder (or a usufructuary, as applicable) has been recorded in the share register with voting rights until a specific qualifying day designated by the BoD. According to the Articles, acquirers of shares will be recorded in the share register as shareholders with the right to vote, subject to certain conditions and restrictions (Note 4.6 and 8.1).

Each shareholder may personally participate in the AGM and cast his/her vote(s) or be represented by a proxy appointed in writing. According to Art. 11 of the Articles, such proxy does not need to be a shareholder. Each shareholder also has the possibility to be represented by independent proxy.

8.3 Independent Proxy and electronic voting

The AGM elects the Independent Proxy with the right of substitution. His/her term of office always terminates at the conclusion of the next AGM. Re-election is possible. Should the Company have no Independent Proxy, the BoD shall appoint a substitute for the period until the conclusion of the next AGM. Shareholders may issue their power of attorney and instructions to the Independent Proxy by post or electronically.

8.4 Statutory quorums

According to Art. 11 of the Articles, to the extent that neither the law nor the Articles provide otherwise, the AGM passes its resolutions and carries out its elections with the absolute majority of the votes cast, whereby abstentions, empty votes and invalid votes will not be taken into account for the calculation of the required majority. According to Art. 12 of the Articles a resolution of the General Meeting passed by at least two thirds of the represented share votes and the absolute majority of the nominal value of the represented shares is required for: (i) the cases listed in Art. 704 para. 1 CO and in Art. 18 and Art. 64 of the Swiss Federal Merger Act on Merger, Demerg-

er, Transformation and Transfer of Assets [Bundesgesetz über Fusion, Spaltung, Umwandlung und Vermögensübertragung (Fusionsgesetz, FusG)] of 01 July 2004, as amended; (ii) the easement or abolition of the restriction of the transferability of the registered shares; (iii) the amendment or cancellation of Art. 31 (opting-out); and (iv) any change to Art. 12 of the Articles.

8.5 Convening the AGM

The ordinary AGM shall be held annually within six months after the close of the financial year. The BoD determines the time and location of the AGM. The AGM is convened by the BoD or, if necessary, by the Company's statutory auditors. Extraordinary shareholders' meetings may be held when deemed necessary by the BoD or the Company's auditors. Liquidators may also call a shareholders' meeting. Extraordinary Shareholders' Meetings shall be called as often as necessary, in particular in all cases required by law. Extraordinary General Meetings shall be convened by the BoD within two months if shareholders representing at least five percent of the share capital request such meeting in writing, setting forth the items to be discussed and the proposals to be decided upon (Art. 7 of the Articles).

An AGM is convened by publishing a notice of such meeting in the Swiss Official Gazette of Commerce (Schweizerisches Handelsamtsblatt, SHAB) at least 20 calendar days before the date of the meeting. Registered shareholders may be invited by letter and/or e-mail. Such publication and letters of invitation must indicate the date, time and place of the meeting, the items on the agenda, the wording of any motions proposed by the BoD or by shareholders who have requested the convention of a shareholders' meeting or the inclusion of an item on the meeting's agenda.

For details regarding the form of notice please see Art. 8 of the Articles:
https://klingelnberg.com/fileadmin/Investors/Statuten_Articles_of_Association_Klingelnberg.pdf

8.6 Agenda

According to Art. 9 of the Articles, the BoD shall state the items on the agenda. Registered shareholders representing at least 0,5% of the share capital or the votes may request that an item be placed on the agenda or that proposals for items be included in the notice convening the General Meeting. Such demands have to be submitted to the Chairman of the BoD at least 45 calendar days before the date of the AGM and shall be in writing, specifying the item and the proposals.

8.7 Entry in the share register

Only shareholders who are registered in the share register as shareholders with voting rights at a specific qualifying date (record date) designated by the BoD are entitled to attend an AGM and to exercise their voting rights.

9 Changes of control and defense measures

9.1 Duty to make an offer

Art. 31 of the Articles contains the following provision regarding opting-out:
https://klingelnberg.com/fileadmin/Investors/Statuten_Articles_of_Association_Klingelnberg.pdf

The duty to submit a public takeover offer pursuant to Art. 135 FMIA shall be excluded in accordance with Art. 125 para. 2 FMIA.

9.2 Change of control clauses

In case of a change of control the BoD shall determine the consequences regarding the bonus plans of the EM (subject to the approval of the AGM, where applicable). For further provisions see Note 4.3 of the Compensation Report.

10 Auditors

10.1 Duration of mandate and term of office of the auditor-in-charge

PricewaterhouseCoopers AG (hereinafter "PwC") was elected auditor of KLINGELNBERG AG and the KLINGELNBERG Group at the AGM on 21 August 2025. PwC has served as auditor for the existing auditing mandate since the 2009/10 financial year. The lead auditor of PwC responsible for KLINGELNBERG changed in the 2023/24 financial year. The lead auditor is rotated after the maximum statutory period of seven years (for companies with registered office in Switzerland).

10.2 Fees

Auditing Fees:
For the 2025/26 financial year, PricewaterhouseCoopers AG invoiced the Company for EUR 315.075 in global audit fees.

Additional Fees:
In the 2025/26 financial year, PricewaterhouseCoopers AG invoiced the Company for EUR 20.268 in additional services. The additional fees included consultancy fees in the areas of direct and indirect taxes, transfer prices, customs duties, and subsidies.

10.3 Information instruments pertaining to the external audit

The AC assesses the professional qualification, independence, and expertise of the auditors (see duties of the AC above in Note 5.7.2).

Prior to the audit, the auditors agree the proposed audit scope and approach, staffing and fees for the audit with the AC.

The external auditors report their comprehensive findings in a detailed report to the BoD. The findings are discussed in detail with the CFO and the AC. In the 2025/26 financial year, the external auditors attended two out of the four AC meetings.

The AC reviews the performance, compensation, and independence of the external auditors on a regular basis. The AC reports its findings to the BoD.

Additional services or consulting assignments are delegated to the auditors only if they are permitted by law and the auditor's code of independence. PwC monitors its independence throughout the year and annually confirms its independence to the AC.

11 Information policy

The KLINGELNBERG Group pursues an open and active information policy. The Company complies with its obligations under the rules of the SIX Swiss Exchange, including the requirements on the dissemination of material and price-sensitive information.

The Group publishes an Annual Report that provides audited consolidated financial statements, audited financial statements and information about the Company including the business results, strategy, products and services, corporate governance, executive compensation, and sustainability. The Annual Report is published within four months after the 31 March balance sheet date. The annual results are also summarized in the form of a press release. In addition, the Company releases results for the first half of each financial year within three months after the 30 September balance sheet date. The published Financial Half-Year Statements and annual Consolidated Financial Statements comply with the requirements of Swiss company law, the listing rules of SIX Swiss Exchange and the Swiss GAAP FER.

The Company's Annual Report and Financial Half-Year Statements are distributed pursuant to the rules and regulations of the SIX Swiss Exchange and are announced via press releases and investor conferences in person or via telephone.

The Group reports in accordance with the disclosure requirements of Art. 124 FMIA and the ad hoc publication requirements of Art. 53 of the listing rules of SIX Swiss Exchange. Ad-hoc announcements may be viewed at https://klingelnberg.com/en/investors/news and https://klingelnberg.com/en/investors/ad-hoc-notices at the same time as notification to SIX Swiss Exchange and for two years thereafter.

All publications are made available to all shareholders, the media, and the stock exchange at the same time. All shareholders entered in the share register automatically receive an invitation to the AGM and a copy of the Annual Report of KLINGELNBERG AG on request. Notices to shareholders are made via publications in the Swiss Official Gazette of Commerce [Schweizerisches Handelsamtsblatt, SHAB].

KLINGELNBERG Group uses a news service that delivers finance-related press releases to interested stakeholders.

The website of the KLINGELNBERG Group contains information on the Company`s results and the financial calendar as well as current investor presentations: https://klingelnberg.com

On the KLINGELNBERG website https://klingelnberg.com/en/investors/financial-newsletter it is possible to subscribe to news alerts about the KLINGELNBERG Group via e-mail.

Compensation Report

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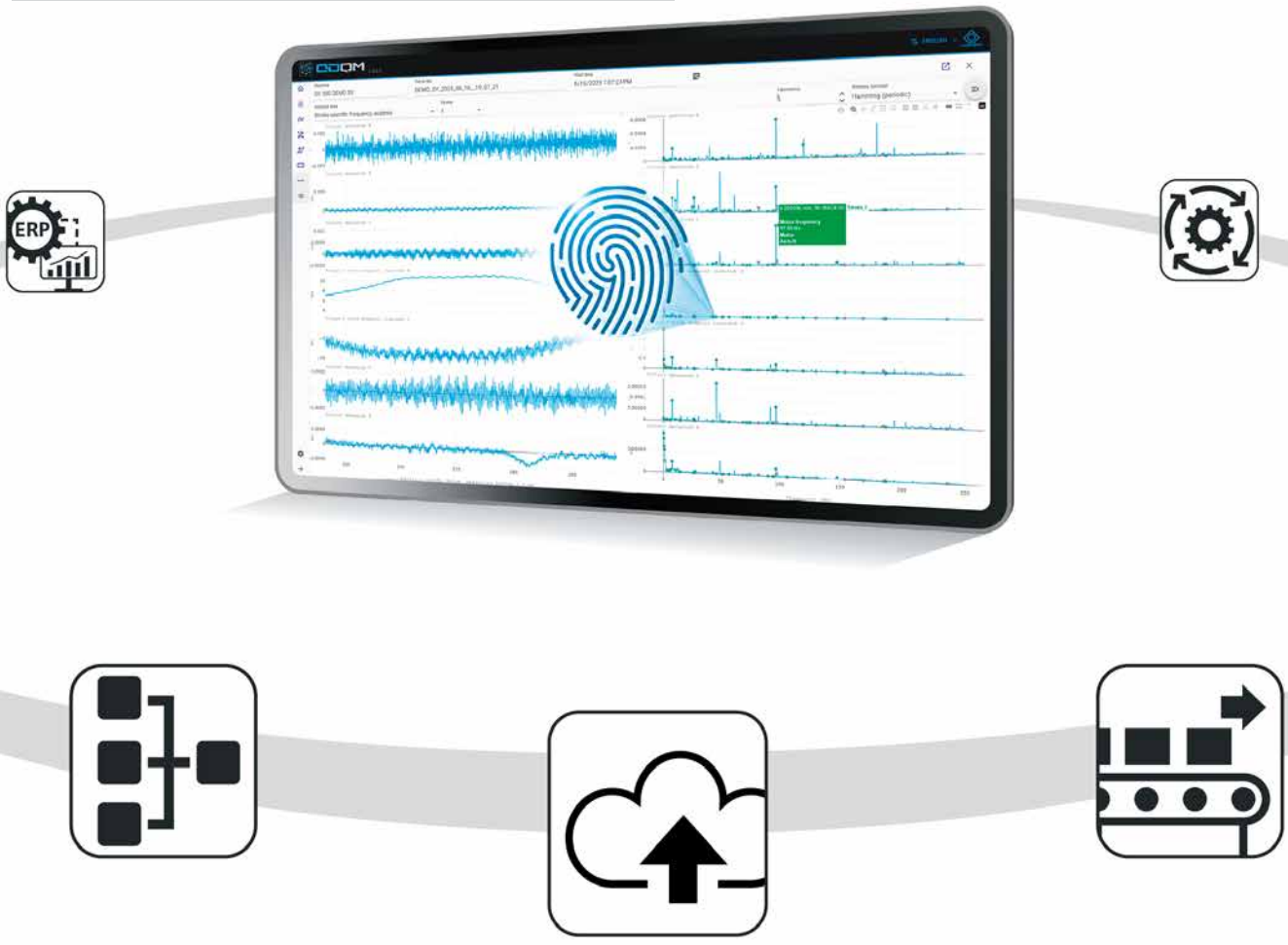

1 Introduction

This Compensation Report provides a summary of the compensation structure and the compensation paid to the Executive Management (EM) and the Board of Directors (BoD).

This Compensation Report contains all information required under the Swiss Code of Obligations in accordance with Art. 734a et sqq. and the SIX Exchange Regulations. The KLINGELNBERG Group has also observed the Swiss Code of Best Practice issued by economiesuisse, the umbrella organisation for Swiss business sector.

2 Compensation policy/guiding principles

The KLINGELNBERG Group's compensation approach is based on the following principles:

- reward employees for their contribution to the successful development of the KLINGELNBERG Group;
- motivate and retain qualified and talented professionals;
- be attractive in order to recruit professionals in the future; and
- strive to ensure that both employee and shareholder interests are aligned in a sustainable manner.

Pursuant to Art. 25 of the Articles of Association of KLINGELNBERG AG, the members of the BoD receive a fixed base fee and fixed fees for memberships in committees or for roles of the BoD, subject to and within the limits of the aggregate maximum amounts approved by the Annual General Meeting (AGM). BoD compensation can be awarded in cash or shares. Mandate agreements with members of the BoD have a fixed term until the conclusion of the next AGM (i.e. one year).

The total compensation for members of the EM consists of a fixed compensation component and a variable compensation (Art. 26 of the Articles of Association). The fixed compensation comprises the base compensation and additional compensation elements (pension, benefits in kind, etc.). All elements of the fixed compensation are settled in cash. The variable compensation consists of a short-term variable compensation in cash as well as a long-term variable compensation that can be settled in cash or in the form of shares or a combination of both. The maximum annual compensation for members of the EM is subject to approval by the AGM.

The base compensation of the EM ensures a regular and predictable salary paid out in cash in regular installments. The salary level is based on the scope and complexity of the position, market standards (comparable industry, geographical scope) and benchmarks (sales), and the individual's profile in terms of experience and skills. Salary progression depends primarily on the individual's performance, and also considers market developments and the economic environment.

The short-term variable compensation in cash (Short Term Incentive Plan, STIP) depends on the financial result of the KLINGELNBERG Group as well as the achievement of certain individual targets. Such targets are set in advance by the BoD upon recommendation by the NCC, typically for a one-year performance period, which generally corresponds with the financial year of KLINGELNBERG AG (the "Company"). The individual targets are determined for each member of the EM, taking into account his/her position, responsibilities, and tasks, as well as market conditions. These individual targets include, amongst others, implementation of extraordinary projects, sales, purchase prices and incoming orders. This determination process occurs prior to the start of the one-year performance period and is performed by the BoD upon recommendation of the NCC, to the extent decision-making power has been delegated. The maximum total amount of the short-term variable compensation is limited to 130% of the participant's base compensation.

The long-term variable compensation in the form of a Long-Term Incentive Plan (LTIP) for the Chief Executive Officer (CEO), the Chief Financial Officer (CFO), and the Chief Sales Officer (CSO) takes into account the sustainable long-term performance of the KLINGELNBERG Group. Upon recommendation by the NCC, the BoD defines the design of the LTIP as well as the grant to be made to eligible employees. The Long-Term Incentive Plan provides for a number of Performance Share Units ("PSU") annually. The allocated PSUs are deferred over a planning period of three financial years. The PSUs are thus vested at the end of the third financial year after allocation (i.e. on 31 March). The calculation of the long-term incentives paid out depends on the share price and the EBIT of the Group. The Company may procure any required shares or other securities through purchases in the market or by using conditional share capital. The maximum total amount of the granted long-term variable compensation is limited to 100% of the base remuneration. Compensation may be paid by the Company or companies controlled by it.

3 Organization and competences

According to the Organizational Regulation of KLINGELNBERG AG, one of the currently two permanent committees of the BoD is the Nomination and Compensation Committee (NCC). The members of the NCC are nominated by the BoD and individually elected on an annual basis by the AGM.

Art. 19 of the Articles of Association determines that the NCC shall consist of two or more members of the BoD. As required by Swiss Law, the term of office of the members of the NCC shall be one year and shall end at the conclusion of the next AGM. Re-election is possible. The NCC constitutes itself and has the following main duties based on the Articles of Association with regards to compensation matters:

- preparation and periodic review of the Company's compensation policy and principles, and performance criteria related to compensation, periodic review of their implementation, as well as submission of proposals and recommendations to the BoD;

- proposals to the BoD regarding the determination of compensation-related targets for the EM;
- proposals to the BoD regarding the approval of the individual compensation of all members of the BoD;
- proposals to the BoD regarding the individual maximum compensation (fixed and variable) as well as further terms of employment of the members of the EM.

The main duty of the NCC is to support the BoD in the area of personnel and compensation policy. The NCC has its own regulations that have been approved by the BoD (NCC Regulation) and that provide for further duties such as:

- submission of proposals to the BoD regarding the approval by the AGM of the maximum aggregate compensation for the members of the BoD until the next AGM as well as the maximum aggregate compensation of the members of the EM for the then-next following financial year;
- assessment of the performance of the members of the EM on an annual basis;
- submission of proposals to the BoD regarding the mandate or employment agreements with the members of the BoD and the EM;
- submission of proposals to the BoD regarding the approval of, and any amendments to, compensation plans and other compensation regulations, persons eligible for participation in compensation plans, as well as assessment of such compensation plans;
- review of the draft Compensation Report prepared by the EM and submission of the Compensation Report to the BoD for approval;
- issue of recommendations on BoD composition and balance, establishment of criteria for the assessment of the independence of BoD members, submission of proposals to the BoD regarding the criteria to be applied for the selection of the Chairman, other members of the BoD and its committees as well as for the nomination of candidates for positions in the EM;
- identification and assessment of candidates for membership in the BoD and for the position of Chief Executive Officer and submission of proposals to the BoD regarding the appointment and removal of the Chief Executive Officer;
- assessment of candidates proposed by the Chief Executive Officer for other positions in the EM and submission of proposals to the Board regarding the appointment of such persons;

- communication with the BoD at least annually on succession and contingency plans in relation to the members of the EM and other key employees;

- review of the acceptance of mandates outside the Group by members of the Board or the EM.

The Regulations of the Company can be accessed on the corporate governance section of the Company's website at:
https://klingelnberg.com/en/investors/corporate-governance/regulations-of-the-company

The current members of the NCC are Dr. Jörg Wolle, Dr. Hans-Martin Schneeberger, and Philipp Buhofer. The members of the NCC have suitable experience in the areas of succession planning, performance evaluation as well as the nomination and compensation of members of Boards of Directors. Pursuant to the Organizational Regulations and NCC Regulation meetings of the NCC are held as often as required but always at least twice a year. In the 2025/26 financial year, three NCC meetings were held (Note 5.7.4 of the Corporate Governance Report).

Recommendations regarding compensation for the EM and the BoD must comply with the Company´s regulations and must be approved by the BoD (and ultimately by the AGM). In any vote on the compensation to be determined for a particular member of the BoD, the Board member concerned must observe the relevant general withdrawal/abstention procedures. The EM does not participate in the determination of its own compensation. The CEO is, however, consulted on the compensation proposed for the other members of the EM.

The NCC utilizes independent external consultants when required. The criterion used for benchmarking essentially is the long-term financial development of the Group.

At the AGM, the BoD submits to the shareholders the maximum amount of compensation of the BoD and the EM for binding approval. The voting mechanism set forth by the Articles of Association provides for approval of the following items by the AGM:

- the maximum compensation of the BoD for the term of office until the next AGM;

- the maximum compensation of the EM (fixed and variable components) that may be paid or allocated in the subsequent financial year.

The following table illustrates the organization and competencies regarding the compensation of the EM and the BoD:

Decisions on maximum compensation	Proposed	Approved	Ultimate Approval
- of BoD, annually from AGM to AGM	NCC	BoD[2]	AGM
- of EM, annually for subsequent financial year	NCC	BoD[2]	AGM

[2] *Approval for submission to AGM and subsequent submission to AGM.*

4 Compensation components

4.1 General description of compensation components/architecture

As described in Note 2 above (with references to the Articles of Association), the members of the BoD are paid a fixed base fee. The maximum annual compensation of the Board is approved by the AGM. The compensation of the members of the BoD is subject to Swiss mandatory employee and employer social security contributions (Old-Age and Survivors Insurance/Unemployment Insurance) or VAT, depending on the individual situation.

Further information regarding the planned total compensation of the BoD for the period from the 2026 to the 2027 AGM is provided in the invitation to the 2026 AGM and is also subject to the Say on Pay (SoP) vote.

The members of the EM receive fixed compensation as well as variable compensation in the form of the STIP and the LTIP.

Further information regarding the planned total compensation of the EM for the subsequent financial year is provided in the invitation to the 2026 AGM and is also subject to SoP vote.

As outlined in Note 2 above, the STIP is paid out in cash only and depends on the achievement of personal targets as well as on the achievement of the financial results of the Group (% of the earnings before taxes (EBT)). For the EM, annual percentages of the EBT achievement are defined for the determination of the amounts to be paid out under the STIP, taking into account the achievement of the personal targets.

Individual target achievement is typically measured over a one-year performance period, which generally corresponds with the financial year of the Company and taking into account the relevant member's position, responsibilities and tasks as well as market conditions, i.e. the economic environment for mechanical engineering companies. The maximum total amount of the short-term variable compensation is limited to 130% of the participant's base compensation.

The aim of the STIP is to ensure participation of the EM in the respective results of the financial year on the one hand via a certain percentage of the respective EBT and on the other hand via annual individual targets that are selected based on relevant targets of the KLINGELNBERG Group to ensure that the fulfilment of those targets supports the achievement of the Group's overall aims and targets. Individual targets are chosen in alignment with the Company's general overall aims and business targets and focus on the most relevant areas of development of the Company. As described above, payments are not made in full unless targets of the individuals are fully met.

The above-mentioned individual targets are generally considered sensitive information. Disclosing those targets would allow confidential insight into the strategy of the KLINGELNBERG Group and therefore create a competitive disadvantage to the KLINGELNBERG Group. Consequently, such targets are not communicated at the time they are set but their achievement or non-achievement will be commented on in connection with the overall target achievement.

Individual targets are carefully chosen on an annual basis and in alignment with the Company's most relevant projects and targets in line with the Company's ambitious plans. Setting three to five demanding and ambitious targets helps the Company to deliver best-in-class performance.

As outlined in Note 2 above, the LTIP may be awarded in cash, shares or a combination of both. The Company may procure any required shares or other securities through purchases in the market (if possible) or by using conditional share capital. The maximum total amount of the granted long-term variable compensation is limited to 100% of the participant's base compensation.

The LTIP shall take account of the sustainable long-term performance of the Group. The BoD determines the detailed conditions of the LTIP. The LTIP was designed in cooperation with an external consultant, a leading independent firm with experience in the areas of compensation and value-based management. In the future, the BoD may extend participation in the LTIP to further key employees of the Group, excluding Non-Executive Board Members.

Each LTIP participant is granted a number of Performance Share Units (PSUs) on an annual basis. The number of PSUs to be granted is calculated as follows: amount granted to the relevant participant under the LTIP divided by the volume-weighted average price of the shares for the last 20 trading days before the end of the financial year of the Company preceding the financial year for which the grant is made. The amount granted to each participant will be determined on an annual basis and at the discretion of the BoD before the start of the relevant LTIP period. The grant amount is limited to an amount equal to 100% of the participant's base compensation for the relevant financial year. The PSUs are granted to each participant on the first day of the relevant financial year.

The LTIP period is three years and the PSUs vest on a cliff basis, i.e. the PSUs granted at the start of a three-year period vest on the last day of the third financial year after the award was granted.

The vesting of the PSUs is calculated as follows: number of PSUs multiplied by the volume-weighted average price of the shares for the last 20 trading days before the end of the financial year at which the PSUs have vested multiplied by an LTI factor. This LTI factor is determined by the BoD, who applies the LTI factor table that is calculated for each plan before the start of the respective LTIP period and takes into account the long-term operating and share-price performance of the Group. The vesting is approved by the BoD and may be settled in cash or shares or in a combination of cash and shares at its discretion.

In general, all unvested PSUs will be forfeited in the event of a participant's termination of employment. However, if a participant has not given cause for the termination of the employment, the BoD may approve an accelerated vesting of unvested PSUs on a pro rata basis, but no participant may claim rights to such a vesting.

Further details with respect to the LTI targets, such as the applied LTI factor table, are considered sensitive information. As in the case of the STIP targets, disclosing those targets would allow confidential insight into the strategy of the KLINGELNBERG Group and therefore create a competitive disadvantage to the KLINGELNBERG Group. Please refer to the compensation table of the EM with respect to the number of PSUs granted.

4.2 Loans/credits to the BoD/EM members

Art. 28 of the Articles of Association stipulates that the Company shall refrain from granting loans, credits, pension benefits (other than in the context of occupational pension) or securities in favor of the members of the BoD or the EM. Therefore, no loans and credits were granted to or are still outstanding with current and former members of the BoD, the EM, or their related parties.

4.3 Change of control clauses

Upon a change of control, it is at the discretion of the BoD to decide the effects on compensation. It may decide in particular that payments under the STIP and the LTIP shall be made prematurely, that individual targets are amended or assessed as achieved despite non-achievement, or that certain parameters under both plans are altered.

4.4 Information on notice periods

According to Art. 24 of the Articles of Association, mandate agreements of the members of the BoD have a fixed term expiring at the conclusion of the next AGM. The Company reserves the right to early termination or removal from office. The Articles of Association further provide that the employment agreements of the members of the EM shall in principle be concluded for an indefinite period.

With respect to employment agreements entered into for an indefinite period, the maximum notice period shall not exceed 12 months. If the BoD considers a fixed term appropriate, such fixed term shall not exceed one year. All individual agreements with the BoD and the EM comply with the aforementioned rules.

The Company may enter into non-compete agreements with members of the BoD and the EM for an agreed period of time after termination of employment to the extent that is justified from a business perspective. Pursuant to Art. 24 of the Articles of Association, the consideration paid for a non-compete undertaking must not exceed the average total annual compensation of such member during the last three years.

5 Compensation for financial year under review

As the Company is listed, it must comply with the obligations of the Swiss CO (Code of Obligations - Schweizerisches Obligationenrecht - "OR"), which include the publication of an annual compensation report. In this context, the compensation of the BoD and EM for the 2025/26 financial year is disclosed herewith.

5.1 Compensation of the members of the Board of Directors (audited)

The AGM of 21 August 2025 voted for a maximum compensation of the BoD in the amount of CHF 850.000 until the end of the next AGM.

Within the 2025/26 financial year the compensation of the members of the BoD comprised a fixed fee in the amount of CHF 60.000 per annum or CHF 180.000 per annum in the case of the Chairman, plus an additional amount of CHF 10.000 per annum for membership in a committee or CHF 20.000 per annum for the chairman of a committee. These fees do not apply to the member of the Board of Directors, Mr. Jan Klingelnberg (see compensation in the table below).

The Company has no outstanding loan or guarantee commitments to members of the Board of Directors or related parties. No severance payments have been made in the financial and previous financial year. No compensations, loans, or credits were paid to related persons.

The following table shows the compensation in the 2025/26 financial year:

	Committee Membership			Compensation in cash, CHF		
CHF	Board Membership	Audit	Nomination & Compensation	Fixed base fee	Fixed fees for memberships in committee/roles	Employer social security payments [4]
Dr. Jörg Wolle	Chair		Chair	180.000,00	20.000,00	12.302,95
Jan Klingelnberg	▪		▪	215.476,20[3]	not applicable	33.020,25
Dr. Hans-Martin Schneeberger	▪		▪	60.000,00	10.000,00	3.922,90
Prof. Dr. Michael Hilb	▪	▪		60.000,00	10.000,00	6.163,50
Philipp Buhofer	▪		▪	60.000,00	10.000,00	6.163,50
Kalina Scott	▪	Chair		60.000,00	20.000,00	6.530,45
Total				**635.476,20**	**70.000,00**	**68.103,55**

[3] *Including compensation chair supervisory board KLINGELNBERG GmbH.*
[4] *These values include value added tax and the employer contribution for social security.*

The following table shows the compensation in the 2024/25 financial year:

	Committee Membership			Compensation in cash, CHF		
CHF	Board Membership	Audit	Nomination & Compensation	Fixed base fee	Fixed fees for memberships in committee/roles	Employer social security payments [4]
Dr. Jörg Wolle	Chair		Chair	180.000,00	20.000,00	12.302,95
Jan Klingelnberg	▪		▪	185.008,45[3]	not applicable	20.829,40
Dr. Hans-Martin Schneeberger	▪		▪	60.000,00	10.000,00	3.922,90
Prof. Dr. Michael Hilb	▪	▪		60.000,00	10.000,00	6.163,50
Philipp Buhofer	▪		▪	60.000,00	10.000,00	6.163,50
Kalina Scott	▪	Chair		60.000,00	20.000,00	6.530,45
Total				**605.008,45**	**70.000,00**	**55.912,70**

[3] *Including other compensation/consultancy fees.*
[4] *These values include value added tax and the employer contribution for social security.*

5.2 Compensation of the members of the Executive Management (audited)

The AGM of 20 August 2024 voted for a maximum compensation of the EM in the amount of EUR 3.800.000 for the 2025/26 financial year.

The Company has no outstanding loan or guarantee commitments to members of the EM or related parties. No compensations, loans, or credits that were not at market conditions – were paid to related persons.

The following table shows the compensation of the financial year ended 31 March 2026:

CHF [5]	EM	of which Philipp Kannengießer, CEO
Base compensation	1.134.839,62	472.362,00
STIP	407.472,63	155.527,56
LTIP [6]	510.000,00	170.000,00
Other compensation [7]	70.334,18	29.343,67
Employer social security	129.749,34	27.293,28
Total	**2.252.395,77**	**854.526,51**

[5] All conversions from EUR to CHF in the above tables have been made at the balance sheet exchange rate (EUR 1/CHF 0,91800).
[6] This value represents not the current LTIP value paid out to the EM but the LTI-Amount allocated for later calculation of the LTI paid out in fact. Fair value PSU CHF 12,67, date of grant 01 April 2025 number of PSUs granted: 13.418
[7] Fringe benefits of all EM members.

The following table shows the compensation of the financial year ended 31 March 2025:

CHF [5]	EM	of which Philipp Kannengießer, CEO
Base compensation	1.292.219,20[6]	412.747,24
STIP	611.240,73	199.963,77
LTIP [7]	510.000,00	170.000,00
Other compensation [8]	116.028,14	29.895,99
Employer social security	176.513,20	28.590,08
Total	**2.706.001,27**	**841.197,08**

[5] All conversions from EUR to CHF in the above tables have been made at the balance sheet exchange rate (EUR 1/CHF 0,95395).
[6] This amount included the payment to Jan Klingelnberg for his term as CEO from 01 April 2024 to 31 August 2024 and does not include his remuneration as a member of the Board of Directors as disclosed in Note 5.1 above.
[7] This value represents not the current LTIP value paid out to the EM but the LTI-Amount allocated for later calculation of the LTI paid out in fact. Fair value PSU CHF 16,36, date of grant 01 April 2024 number of PSUs granted: 10.391.
[8] Fringe benefits of all EM members and consultancy fees for consultation of subsidiaries by CEO.

5.3 Share ownership information [CO 734d]

Please see Note 5.9 of the Statutory Financial Statement of KLINGELNBERG AG.

5.4 Transactions with members of the Board of Directors or the Executive Management

For information regarding related party transactions with members of the Board of Directors and Executive Management, see the „Transactions with related parties“ section in Note 6.2 to the Consolidated Financial Statements.

5.5 External Mandates (according to 734e of the Swiss code of Obligations) of members of the Board of Directors and the Executive Management (audited)

As at 31 March 2026 the members of the Board of Directors and the Executive Management have the following external mandates:

Board of Directors	Company	Function	Significant business relationships
Dr. Jörg Wolle	**Mandates in listed companies**		
	Kühne + Nagel International AG, Switzerland	Chair of the Board	
	Mandates in non-listed companies and organizations		
	Olam Group Ltd. Singapore	Member of the Board	
	Kühne-Stiftung, Switzerland	Member of the Board of Trustees	
	Temasek Holdings, Singapore	Member of the European Advisory Panel	
	Ariesco Ltd., Switzerland	Member of the Board	
Jan Klingelnberg	**Mandates in listed companies**		Lease agreement regarding Company headquarters in Zürich: The property at Binzmühlestrasse 171 in Zürich, Switzerland, where the Company is located, is the property of KLINGELNBERG Immobilien AG, Switzerland, an entity, which is indirectly majority-owned and controlled by Arndt Klingelnberg, a close relative of Jan Klingelnberg. JK Invest AG, Liechtenstein (fka. KLINGELNBERG Luxemburg A.G.) holds the remaining minority stake in KLINGELNBERG Immobilien AG. The Company and KLINGELNBERG Immobilien AG have entered into a lease agreement regarding the site with a remaining term until 31 March 2033. The Company pays market rent to KLINGELNBERG Immobilien AG. Takeover agreement between KLINGELNBERG GmbH and KLINGELNBERG Söhne GmbH & Co. KG: According to the takeover agreement of KLINGELNBERG GmbH/KLINGELNBERG Söhne GmbH & Co. KG, KLINGELNBERG GmbH has an obligation to meet the expense of adjustments to the pensions of the retired employees of KLINGELNBERG Söhne GmbH & Co. KG. Current account agreement between KLINGELNBERG Söhne GmbH & Co. KG as lender and KLINGELNBERG GmbH as borrower dated 30 September 2021. The amount of the overdraft facility is agreed individually between the parties and interest rate is fixed at 2,41% p.a. in accordance with the addendum dated 06 April 2023.
	INDUS Holding AG, Germany	Member of the Supervisory Board	
	Mandates in non-listed companies and organizations		
	Klingelnberg Immobilien AG, Switzerland	Member of the Board	

Board of Directors	Company	Function	Significant business relationships
Philipp Buhofer	**Mandates in listed companies** Kardex Holding AG, Switzerland Cham Swiss Properties AG, Switzerland **Mandates in non-listed companies and organizations** ADUR Management AG, Switzerland Lokremise AG, Switzerland DAX Holding AG, Switzerland BURU Holding AG, Switzerland	 Member of the Board Member of the Board Member of the Board President of the Board President of the Board Member of the Board	
Kalina Scott	**Mandates in listed companies** Ascom Holding AG, Switzerland	 Chief Financial Officer	
Prof. Michael Hilb	**Mandates in non-listed companies and organizations** DBP Holding AG, Switzerland Sigvaris Holding AG, Switzerland Board Foundation, Switzerland Foundation for Value Creation, Switzerland European Confederation of Directors' Associations, Belgium Global Network of Director Institutes	 Chair of the Board Member of the Board Chair Vice-Chair Vice-Chair Member of the Board	
Dr. Hans-Martin Schneeberger	**Mandates in non-listed companies and organizations** Schneeberger Holding AG, Switzerland	 Chairman of the Board	KLINGELNBERG GmbH, a wholly-owned subsidiary of the Company, has entered into a framework supply agreement with Schneeberger GmbH, a subsidiary of Schneeberger Holding AG, of which Dr. Hans-Martin Schneeberger is the controlling shareholder and chairman of the board of directors. Under that framework agreement, KLINGELNBERG GmbH purchases linear guidances and accessory parts from Schneeberger GmbH on a regular basis. In addition, the Group regularly sources materials, such as spindles, from A. Mannesmann Maschinenfabrik GmbH, another subsidiary of Schneeberger Holding AG. In the financial year ended on 31 March 2026, the goods supplied by Schneeberger GmbH and A. Mannesmann Maschinenfabrik GmbH together accounted for less than 1,0% of the Group's total raw material expenses in terms of purchasing volume.

Executive Management	Company	Function	Significant business relationships
Christoph Küster	**Mandates in non-listed companies and organizations** HDI Global SE, Germany	Member of the Advisory Board	

Klingelnberg AG
Zurich

**Report of the statutory auditor
to the General Meeting
on the compensation report 2025/26**

pwc

Report of the statutory auditor to the General Meeting of Klingelnberg AG, Zurich

Opinion

We have audited the compensation report of Klingelnberg AG (the Company) for the year ended 31 March 2026. The audit was limited to the information pursuant to article 734a-734f of the Swiss Code of Obligations (CO) in the tables marked 'audited' on pages 67 to 73 of the compensation report.

In our opinion, the information pursuant to article 734a-734f CO in the compensation report (pages 59 to 73) complies 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 compensation report' section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

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 tables marked 'audited' in the compensation report, the consolidated financial statements, the statutory financial statements and our auditor's reports thereon.

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

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

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

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Board of Directors' responsibilities for the compensation report

The Board of Directors is responsible for the preparation of a compensation report 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 a compensation report that is free from material misstatement, whether due to fraud or error. It is also charged with structuring the remuneration principles and specifying the individual remuneration components.

Auditor's responsibilities for the audit of the compensation report

Our objectives are to obtain reasonable assurance about whether the information pursuant to article 734a-734f CO is 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 this compensation report.

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

- Identify and assess the risks of material misstatement in the compensation report, 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.

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.

PricewaterhouseCoopers AG

Regina Spälti
Licensed audit expert
Auditor in charge

Patrick Balkanyi
Licensed audit expert

Zürich, 23 June 2026

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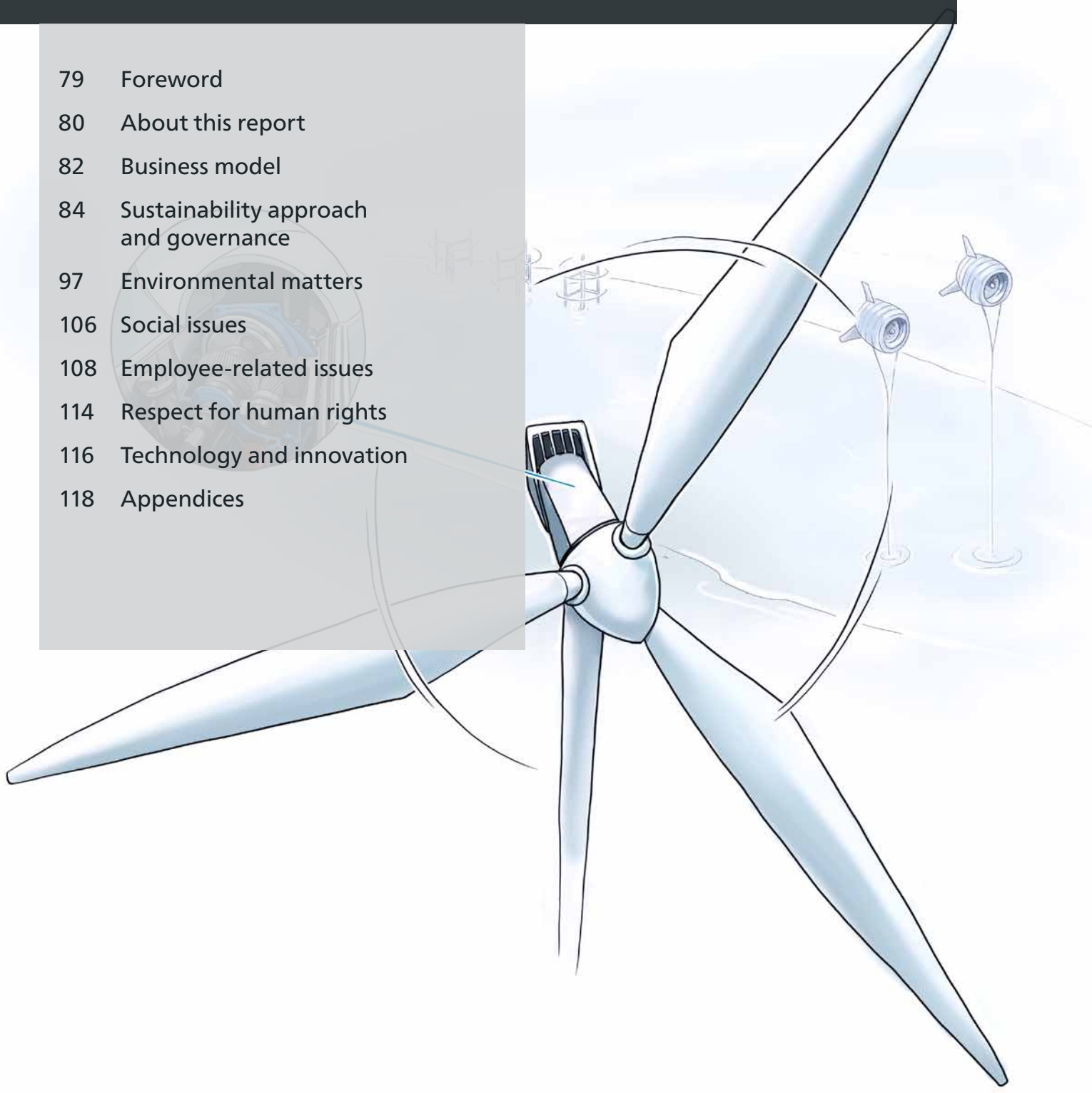


1 Foreword

The KLINGELNBERG Group (hereinafter also "KLINGELNBERG" or the "Group"), hereby presents its third Sustainability Report, building on the Group's ongoing commitment to promoting positive economic, environmental and social impacts. The report also incorporates, for the second time, the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). With this framework, we aim to further refine and transparently present our efforts in identifying, assessing, and managing climate-related risks and opportunities.

During the 2025/26 financial year, the focus was on the continued implementation and structural anchoring of our ESG activities. ESG considerations were systematically incorporated into relevant corporate processes, risk management, and strategic planning. Emphasis was placed on consolidating existing structures and ensuring internal consistency.

This report provides an overview of the current status of our sustainability activities, outlines the measures implemented during the year, and defines priorities for the coming periods.

The application of the TCFD recommendations supports a structured assessment of climate-related risks and opportunities. It enhances transparency regarding the potential financial implications of climate change and contributes to the systematic integration of these aspects into our risk management and strategic planning processes.

We recognize our responsibility toward customers, partners, employees, and investors. This report is intended to ensure transparency and to serve as a basis for ongoing dialogue and the gradual development of our sustainability performance.

We thank our stakeholders for their continued trust and constructive engagement. Sustainability remains an ongoing process, and we will continue to address relevant topics in a structured and proportionate manner.

2 About this report

The KLINGELNBERG Group is a global leader in the development, manufacturing and sale of gear machines. KLINGELNBERG AG, headquartered in Zürich, Switzerland, together with its 13 subsidiaries in 10 countries, constitutes the KLINGELNBERG Group. The Group operates engineering and manufacturing facilities in Switzerland and Germany and ensures a global presence with regional sales offices and service centers.

2.1 Scope of the report

This Sustainability Report covers all fully consolidated and controlled subsidiaries of the KLINGELNBERG Group as listed in the Annual Report (please refer to Note 2.4 of the Consolidated Financial Statements). The joint venture with DKSH, which is accounted at equity, is not included in this report. If disclosures relate only to individual parts of the organization, this is indicated in the report. The KLINGELNBERG Corporation (holding of KLINGELNBERG America, Inc.) and KLA Real Estate, LLC (real estate company of KLINGELNBERG America, Inc.) are not represented within quantitative Key Performance Indicators (hereinafter also "KPI") disclosed in the sections "Results from pursued concepts" because, due to their holding company structure, they do not engage in any operational activities.

2.2 Reporting period

The reporting period for this Sustainability Report is in line with the financial reporting period (from 01 April 2025 to 31 March 2026) of KLINGELNBERG.

This is the third Sustainability Report provided by KLINGELNBERG. The Sustainability Report is updated and published on an annual basis.

2.3 Restatements of information

Due to a change in the calculation approach for the Scope 2 emissions, the figures previously disclosed for this emissions category have been restated for alignment with the location-based approach under the GHG Protocol. Further information is provided in the Note 5.2 Climate change.

2.4 External assurance

No external assurance was obtained on the Sustainability Report. The Sustainability Report was prepared by the relevant subject matter experts and the sustainability expert group, reviewed by the CFO, and approved by the Board of Directors (see Note 4.2 Sustainability governance).

2.5 Reporting framework

As KLINGELNBERG falls under the scope of Art. 964a Swiss Code of Obligations (hereinafter also "CO"), it is required to prepare a report in accordance with Art. 964b on non-financial matters each year. The report has been prepared with reference to the Global Reporting Initiative (GRI)

Standards (please refer to GRI index). The Swiss CO index in the appendix provides an overview of the material non-financial matters mentioned in Art. 964b of the Swiss CO.

As stipulated by the Swiss Climate Ordinance, KLINGELNBERG has prepared climate-related disclosures by applying the Task Force for Climate-related Financial Disclosures (TCFD) recommendations. Those TCFD disclosures are integrated into the report. Please refer to the TCFD index in the appendix for an overview of the climate-related disclosures.

Besides the requirements on transparency on non-financial matters, the Ordinance on Due Diligence and Transparency in relation to minerals and metals from Conflict-Affected Areas and Child Labor (DDTrO) entered into force in January 2022. In 2025, the assessment of imported volumes of minerals and metals containing tin, tantalum, tungsten, or gold (so-called 3TG) did not identify any relevant import above the amounts mentioned in the Swiss CO Ordinance. Hence, no additional due diligence in relation to minerals and metals from Conflict-Affected Areas is required pursuant to Art. 964j of the Swiss CO. In terms of child labor, there were no indications of reasonable suspicion of child labor in the production/delivery of the Group's products or services according to KLINGELNBERG's assessment conducted in 2025.

2.6 Reporting outlook

Relevant processes are in place to ensure compliance with applicable national legislation. Furthermore, KLINGELNBERG is closely monitoring relevant non-financial reporting regulations, especially considering the current regulatory developments in the European Union affecting the new Corporate Sustainability Reporting Directive (CSRD).

As part of KLINGELNBERG's monitoring of relevant ESG regulations and efforts regarding upcoming reporting requirements, the impact of the EU taxonomy directive has been reviewed. As part of this review, no EU taxonomy eligible and hence no taxonomy aligned economic activities were identified within the Group.

2.7 Forward-looking statements

Certain statements and illustrations contained in the Sustainability Report 2025/26 are forward-looking (including objectives, targets, plans, and trends). These statements can be identified using the words "aim", "believe", "expect", "anticipate", "intend", "estimate", "project", "outlook", "forecast", and other expressions that indicate future events and trends. Forward-looking statements are based on the current beliefs and expectations of KLINGELNBERG regarding future events and are subject to significant known and unknown risks and uncertainties. These statements are not guarantees of future performance or developments. Further, actual results or other developments may differ materially from the expectations expressed in the forward-looking statements. Any forward-looking statement speaks only as of the date of such statement. KLINGELNBERG does not undertake any obligation to publicly update any forward-looking statement, whether because of new information, future events or otherwise.

3 Business model

KLINGELNBERG is one of the world's leading companies in developing and manufacturing machines for Bevel Gear, Cylindrical Gear, and Precision Measuring Centers for axially symmetrical components and gearing. The Group also manufactures spiral bevel gears to customer specifications, with ultimate precision using in-house technology.

KLINGELNBERG operates engineering and manufacturing facilities in Switzerland and Germany and ensures a global presence with regional sales offices and service centers.

KLINGELNBERG's Gear Cutting and Grinding Machines as well as Measuring Centers are used in a wide range of industries, including automotive, commercial vehicle, aerospace, wind power, mining and power generation, robotics, and shipbuilding.

KLINGELNBERG's range of products, solutions, and services is aimed at the high-end and premium segments of these industries, particularly in the automotive industry, which tends to be less affected by economic conditions and trends, as technical precision and quality are among the main determining factors. In recent years, the Group has been able to expand the transformation of its business model also towards electric mobility and has achieved a great deal of success.

To remain at the forefront of gear technology, KLINGELNBERG fosters an environment that supports, promotes, encourages, and effectively manages continuous innovation through targeted research and development (hereinafter also "R&D") efforts. The Group's output was and is therefore influenced by its investments in research and development.

KLINGELNBERG has structured its research and development organization so that each of the segments – Bevel Gears, Cylindrical Gears, and Measuring Centers – has its own dedicated R&D team. By conducting research and development within each of these segments, a strategic and focused approach, considering the characteristic differences of each business segment's products and fields of application, can be ensured. R&D initiatives are guided and inspired by the latest technological developments and challenging customer requirements. The strategy for each segment is viewed as an agile process guided by overarching objectives and iteratively refined through a three-year R&D roadmap, which is critically reviewed twice a year. These roadmaps cover a mixture of technology, machine hardware, tools, retrofits/overhauls, and software topics.

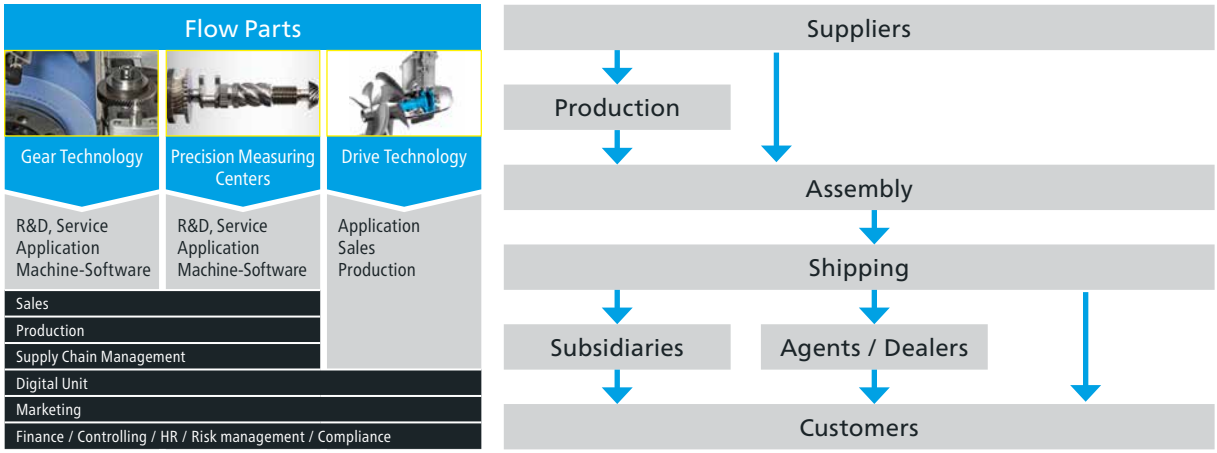
3.1 Raw materials, parts and components

KLINGELNBERG's material procurement includes raw materials, parts and components that are purchased for the production and assembly of machining centers, measuring centers and other products. From one year to the next, the mix of raw materials may vary due to several factors, including changes in inventory levels and product mix during a given year, which is highly dependent on the expectations of potential customer orders and the nature of customer orders.

The procurement strategy for raw materials, parts and components depends on market prices and the type and complexity of the part or component in question. As a rule, internally sourced products are those that fall within the scope of KLINGELNBERG's processing expertise. The Group therefore regularly sources certain mechanical drawing-based parts, drive technology, electrical components and other sub-assemblies from third-party suppliers. In addition, the Group purchases certain raw materials for manufacturing processes, including cast iron, cast aluminum, mineral castings, and oxyfuel-cut steel.

While KLINGELNBERG's main production and assembly facilities are located in Germany, a global presence of international subsidiaries with regional sales offices and service centers in Germany, Switzerland, France, Italy, Spain, Japan, India, China, Brazil, the USA and Mexico is maintained.

The flow of parts in the KLINGELNBERG Group can be visualized as follows:



The Group's primary outputs are high-precision machining centers that are specifically designed to meet the demanding production requirements of its customers, as well as the comprehensive, worldwide service for the same. These machines enable the Group's customers to achieve their manufacturing goals with maximum efficiency and precision, which is crucial in modern manufacturing environments. KLINGELNBERG's range of services complements its product line and in-

cludes customer service, maintenance and support to ensure a long service life and maximum performance of the machines.

KLINGELNBERG's production processes result in by-products and waste, including emissions, which the Group seeks to reduce through continuous process improvements and the use of clean technologies. It is KLINGELNBERG's aim to reduce the environmental impact of its activities and, where possible, feed waste materials back into the production cycle or recycle them as an alternative.

The impact of KLINGELNBERG's business activities on internal stakeholders is complex. The Group's investments in an inclusive and appreciative corporate culture result in increased employee satisfaction. This, along with many other aspects, contributes to the good reputation of KLINGELNBERG. Financial benefits manifest themselves in increased income and cash flows, which in turn enable reinvestment in research and development and in the optimization of the Group's production processes.

Outside the Company, the business activities and outputs contribute to increasing customer satisfaction and brand loyalty. This is the result of KLINGELNBERG's commitment to quality and customer service. In addition, the Group strives to promote positive social and environmental effects, for example by strengthening local vocational training and promoting sustainable practices in its supply chain. The Group's activities thus contribute to the creation of values that go far beyond the financial aspect and are intended to improve the quality of life for society.

4 Sustainability approach and governance

4.1 Sustainability approach

Being aware of its responsibility towards the environment, society, and stakeholders, KLINGELNBERG has developed a sustainability approach to establish a foundation for sustainability management. The Group's sustainability journey is guided by a comprehensive materiality assessment which systematically identifies and prioritizes the key environmental, social, and governance (ESG) issues pertinent to the Group's business and stakeholders. This analysis considers the impact of KLINGELNBERG's operations on society and the environment, as well as the potential risks and opportunities for the Group itself (please refer to Note 4.3 Double materiality assessment). With this insight, KLINGELNBERG is empowered to advance its sustainability approach in the future, considering both the Group's major impacts and the urgent challenges and opportunities KLINGELNBERG faces.

KLINGELNBERG's sustainability approach is built upon the following action areas that have emerged from the materiality assessment, thus significantly shaping the direction of the Group's sustainability management:

Environmental matters

As a manufacturing company, KLINGELNBERG is acutely aware of its special obligation to sustainable and environmentally friendly business development. KLINGELNBERG is therefore committed to responsible environmental stewardship and promotes resource-efficient, climate-friendly, and environmentally conscious behavior across all its locations.

Social issues

The safety and compliance of KLINGELNBERG's products are integral to the quality standards upheld by the Group. Ensuring product safety is crucial for maintaining customer trust and strengthening the long-term reputation of KLINGELNBERG.

Employee-related issues

KLINGELNBERG's employees are its most important asset. KLINGELNBERG is committed to an inclusive corporate culture that promotes diversity, ensures equal opportunities and supports the well-being of its employees in the workplace.

Respect for human rights

As a globally operating group of companies with far-reaching international ties, KLINGELNBERG and all its affiliated companies believe to have a special responsibility to work towards improving the human rights situation and are therefore committed to environmentally and socially responsible corporate governance.

Technology and innovation

KLINGELNBERG strives for continuous innovation to advance sustainable technologies and solutions. Investing in research and development, the Company endeavors to develop environmentally friendly products and services that help overcome ecological challenges and shape a sustainable future.

Looking ahead, KLINGELNBERG is committed to further integrating sustainability into the Company's corporate culture and operations.

The Group is committed to the continuous enhancement of its sustainability approach and regularly refines its ambitions. Further details about our goals and the ongoing actions undertaken to support them can be found in the corresponding focus area sections.

4.2 Sustainability governance

Combining the success of a business with a sense of responsibility for people, society, and the environment requires good corporate governance. KLINGELNBERG's policies and practices focus on business integrity, accountability, fairness, and transparency. In line with the Code of Conduct, KLINGELNBERG strives for loyal, trusting and non-discriminatory relationships with its customers, suppliers, employees, and the local communities in which it operates.

To achieve these goals and to ensure the sustainability of the Group's actions, KLINGELNBERG also uses process-oriented management systems in various areas of the business.

This enables a high level of compliance and continuous improvement ensuring that the Group's products, services and working practices comply with applicable laws and regulations.

The Board of Directors (BoD) of the KLINGELNBERG Group, whose members are presented in detail in section 5.6 of the Corporate Governance Report, is responsible for the non-delegable overall management of the Company and the control and supervision of the Executive Committee (EC). The Audit Committee of the BoD leads the Company's strategic direction in the area of sustainability and assumes overall responsibility for the management of sustainability activities. To ensure a targeted sustainability management approach, the Audit Committee has developed a schedule with a clear allocation of responsibilities.

Responsibility for sustainability management and the corresponding reporting duties was assigned to the Chief Financial Officer (CFO). The Audit Committee of the BoD is responsible for overseeing ESG activities. The Audit Committee meets at least twice a year to discuss sustainability-related topics including the alignment of the business strategy, major plans of actions and performance objectives with climate-related issues. KLINGELNBERG plans on concretizing their decarbonization and other climate-related targets in the coming years. Progress against these targets will be discussed and tracked by the Audit Committee during their meetings.

In addition, an expert group for sustainability management was established and tasked with preparing a Code of Conduct, that contains all ESG-based commitments, thereby laying the foundation of KLINGELNBERG's sustainability approach.

Furthermore, the sustainability expert group has the task of continuously determining the legal requirements in the area of sustainability reporting and implement them accordingly. Therefore,

in line with the Swiss Code of Obligations and the Swiss Climate Ordinance KLINGELNBERG has started reporting on climate-related issues based on the recommended disclosures of the Task-Force Climate-related Financial Disclosures (TCFD) in the 2024/25 financial year. Following the TCFD recommendations, the risk assessment conducted on a yearly basis by the Risk Management Board and approved by the CFO, has been expanded to include the required detail on climate-related risks and opportunities. The analysis of the climate-related risks and opportunities as well as other disclosures are described in more detail in Section 5 of the present report. As this is the second report based on the TCFD recommendations, KLINGELNBERG is still in the process of fully integrating the recommended disclosures and the development of new concepts and targets is an ongoing process. The Company is confident that the present report gives a comprehensive overview of the relevant disclosures and accomplished improvements with regards to previous financial years.

Overall responsibility for sustainability reporting lies with the CFO. The Sustainability Report is approved by the BoD, signed off by the Chairman of the Board of Directors and approved by the shareholders at the Annual General Meeting.

The expert group for sustainability management and reporting will continue to oversee and develop sustainability management and reporting for KLINGELNBERG in the future.

KLINGELNBERG's four-year plan including respective responsibilities for ESG management looks as follows:

	2023	2024	2025	2026+
Board of Directors	Approval of the new Code of Conduct; specification of the requirements for the Sustainability Report	Monitoring the implementation of the reporting; approval of the first Sustainability Report	Monitoring of legal requirements; monitoring the implementation of sustainability reporting; monitoring updated climate risks / opportunities matrix	Monitoring of progress against defined ESG targets and decarbonization initiatives; review of sustainability performance and KPIs; continued oversight of legal and regulatory developments; periodic review and update of climate risks and opportunities
Executive Committee	Finalization and submission of the new Code of Conduct for approval; approval of the concept for the first Sustainability Report	Monitoring the completion of the first Sustainability Report; submission to the Board of Directors for approval	Adaptation of the approach to the regulatory environment; approval of the approach for annual reporting; approval of the updated climate risks / opportunities matrix	Monitoring the implementation of ESG initiatives across the Group; approval of further development of the reporting approach in line with regulatory requirements; review of climate-related measures and performance indicators
Sustainability Management	Preparation of a concept for the first Sustainability Report; collection of information and data	Further development of sustainability approach and management of impacts, risks, and opportunities (IROs); preparation of the report; reporting and data collection also by subsidiaries	Management of IROs; annual preparation of a Sustainability Report in accordance with regulatory requirements; annual update of the climate risks / opportunities matrix	Further development of ESG data collection and KPI framework across all subsidiaries; continuous management of impacts, risks and opportunities (IROs); preparation of the annual Sustainability Report; support of the organization in implementing sustainability-related initiatives and requirements

4.2.1 Policy commitments

It is KLINGELNBERG's mission to ensure responsible business conduct not only for the Group's own business operations but throughout the entire supply chain. The Group has a Code of Conduct in place for its own business operations and a separate Code of Conduct that its suppliers are required to follow. Furthermore, a guideline for conflict-free raw materials is in place. The Group's statement on conflict minerals as part of its purchasing policy, as well as KLINGELNBERG's Code of Conduct and the Supplier Code of Conduct, and the declaration on respect for human rights are available on the Company's website.

Internally, there is a compliance policy in place which defines the Company's compliance management system.

In the area of environment, energy and safety, KLINGELNBERG has a Quality Assurance, Environmental Protection, Energy, and Work Safety Policy in place, which is available on the Company's website and provides information to customers, suppliers, authorities, associations, employees and other stakeholders about KLINGELNBERG's objectives in this field.

Concerns regarding potential misconduct can be reported anonymously through the barrier-free whistleblowing system which is also available on the Company's website.

4.2.2 Stakeholder engagement

It is important for KLINGELNBERG to inform its stakeholders and communicate with them, as their feedback helps the Group meet their expectations and supports the journey to improving sustainable development practices. In terms of sustainability, the below listed stakeholder groups were identified considering stakeholders who are affected by KLINGELNBERG's business activities as well as users of its sustainability information. Communication and engagement take place through different channels, and KLINGELNBERG aims to further expand these channels with sustainability-specific information and engagement.

Stakeholder group	Engagement and communication (selection)
Local communities	Annual reporting, press releases, regular exchange, sponsoring of local events, exchange with local politicians, exchange with other local companies
Employees	Press releases, KLINTERNA (internal employee magazine), staff meetings, notice boards, MS TEAMS channels, newsletters, workshops, company health management, performance reviews
Workforce in the value chain	Annual reporting, press releases, partnership-based development programs
Suppliers	Annual reporting, press releases, supplier audits
Civil society	Annual reporting, press releases

Stakeholder group	Engagement and communication (selection)
Investors and shareholders	Annual reporting, press releases, general meeting, investor relations, roadshows, conferences
Banks and other business partners	Annual reporting, press releases, general meeting, regular exchange
Competitors	Annual reporting, press releases
Customers	Annual reporting, press releases, GEARS inline (trade magazine for customers), audits, questionnaires, training centers, trade fairs, gear seminars

4.2.3 Membership associations

Shaping a sustainable future requires the cooperation and commitment of a range of stakeholders – in business, civil society, and the public sector.

KLINGELNBERG does not regard association memberships as a mere formality, but much more as strategic alliances through which the Group can intensify its commitment to environmental protection, social responsibility, and good corporate governance.

These partnerships reflect KLINGELNBERG's efforts to go beyond industry standards and create genuine added value for its stakeholders and for society as a whole.

It is the Group's conviction that by participating in networks and acting in concert with others, it can step up the transformation towards a more sustainable future. Through KLINGELNBERG's association memberships, KLINGELNBERG asserts its commitment to driving this transformation forward and working with other organizations to bring about change for the better. KLINGELNBERG's most important partnerships are listed below:

- VDMA (Association of German Mechanical and Plant Engineering)
- VDI (Association of German Engineers)
- VDW (German Machine Tool Builders' Association)
- IHK (Chamber of Industry and Commerce)
- Blue Competence (The sustainability initiative of the mechanical and plant engineering industry)
- Innovation Hub Bergisches RheinLand e.V.
- Arbeitgeberverband (Employers' association)
- Südwestmetall (employers' association in the metal and electrical engineering industry)
- FVA (Drive Technology Research Association)
- WZL Getriebekreis (Laboratory for Machine Tools and Production Engineering (WZL) of RWTH Aachen University)

4.3 Double materiality assessment

In 2026, the European Sustainability Reporting Standards (ESRS) aligned double materiality assessment (DMA) initially performed in 2023 was reviewed and updated accordingly. The review took into consideration any relevant changes in the Group's business activities, value chain and regulatory updates. Compared to the prior year, there were no significant changes in terms of business model, value chain and regulatory environment. The findings of the analysis were validated against the updated industry standard provided by the German Mechanical and Plant Engineering (VDMA) (2nd VDMA Benchmark Industry materiality according to ESRS), which builds upon and reinforces the initial 2024 VDMA benchmark. It is evident that the responses in this second survey predominantly relate to sustainability reports that have been formally audited. This benchmark therefore provides a highly valid representation of the material topics within the industry.

The DMA carried out takes into account results from due diligence and risk assessment processes to identify and assess the Group's potential and actual impacts, risks and opportunities related to sustainability matters. This process involved assessing sustainability related impacts that KLINGELNBERG has or could have on people and the environment in the short-, medium- and long-term (impact materiality) along its value chain. Additionally, the short-, medium- and long-term financial risks and opportunities for KLINGELNBERG associated with sustainability matters were assessed (financial materiality). The timeframes considered in the double materiality analysis are the following: short-term (less than a year), medium-term (one to five years), long-term (more than five years).

In line with the requirements set forth in the European Sustainability Reporting Standards (ESRS), actual and potential, negative and positive impacts as well as risks and opportunities related to the long-list of sustainability matters were determined and assessed according to their severity, respectively financial magnitude and likelihood.

Based on the resulting materiality of the sustainability matters, topics were mapped in a materiality matrix and internally validated. Internal experts from different specialist areas were consulted throughout the process in order to consider and incorporate the expectations and views of the internal and external stakeholders with whom they are in dialogue.

For the reporting in accordance with Art. 964b of the Swiss CO, KLINGELNBERG considers the topics that are material in terms of the Group's impact on the environment and people and in terms of their impact on KLINGELNBERG's business to be material for reporting.

The DMA was reviewed and validated in the 2025/26 financial year. There have been no changes made to the material topics in comparison with the previous year´s report.

The following materiality matrix, in which the matters are presented according to their financial relevance and impact, was created based on the assessment carried out.

Double Materiality Matrix

Impact Materiality	Not Material	Important	Significant	Critical
Critical			- Climate change mitigation	
Significant	- Water	- Resource inflow - Other work-related rights (VC) - Working conditions (OW) - Working conditions (VC)	- Energy	
Important	- Waste	- Resource outflow - Equal treatment and opportunities for all (OW) - Technology and innovation		
Not Material	- Pollution of air - Pollution of water - Pollution of soil - Substances of concern - Substances of very high concern - Microplastics - Marine resources - Direct impact drivers of biodiversity loss - Impacts on the state of species - Impacts on the extent and condition of ecosystems - Other work-related rights (OW) - Equal treatment and opportunities for all (VC) - Communities' economic, social and cultural rights - Communities' civil and political rights - Rights of indigenous people - Information-related impacts for consumers and/or end-users - Personal safety of consumers and/or end-users - Protection of whistleblowers - Corruption and bribery	- Management of relationships with suppliers - Corporate culture	- Climate change adaption	

Financial Materiality

Swiss CO relevant topics *ESRS relevant topics* *VC: Value chain* *OW: Own workforce*

The following table outlines the reconciliation of the topics in line with the sustainability matters stipulated by the Swiss CO, forming the basis for this Sustainability Report.

Sustainability matter according to Art. 964b Swiss CO	Topic assessed as material	Clustering of the material topics
Environmental matters (CO_2 in particular)	Climate change mitigation	Climate change
	Energy	Energy
	Resource inflow	Resource management
	Resource outflow	
Social matters	Working conditions (value chain)	Product safety
Employee-related issues	Working conditions (own workforce)	Labor relations and working conditions
		Health and safety
	Equal treatment and opportunities for all	People development
Respect for human rights	Other work-related rights (value chain)	Responsible supply chain
Other	Technology and innovation	Technology and innovation

In the reporting year, KLINGELNBERG has continued to work on fully integrating all material topics into its sustainability approach. The development of concepts and Key Performance Indicators as stipulated by Art. 964b of the Swiss CO is an ongoing process. During the reporting year, the Group concentrated on implementing the requirements under the Swiss Climate Ordinance. With this third Sustainability Report presented, KLINGELNBERG is still confident to provide a comprehensive overview on the topics that are integral to its sustainability approach and the progress made.

More information on the relevant disclosures according to the Art. 946b Swiss CO can be found in the Swiss CO index (refer to 10.1 Swiss CO index).

With regards to the sustainability matter “combating corruption” as referred to in the Swiss CO, the review of the DMA confirmed the topic as non-material. As such, it was decided, similar to last financial year, to not specifically address these matters in the Sustainability Report, although they are still deemed important as part of the Group’s understanding of responsible governance. Therefore, measures are implemented to prevent negative impacts and potential financial risks for KLINGELNBERG related to the topic, including the Code of Conduct for the business and the Supplier Code of Conduct which explicitly highlight the prohibition of corruption. Concerns regarding potential misconduct can be reported anonymously through the whistleblowing system.

In accordance with Art. 964b Swiss CO, the main risks in connection with non-financial matters should be disclosed, including the management of these risks. As part of the implementation of the TCFD recommendations, KLINGELNBERG is working on contextualizing the identified impacts, risks and opportunities within its overall business risks and opportunities. More details regarding the climate-related risks can be found in section 5.2 of this report.

The following risks were identified by KLINGELNBERG:

Sustainability matter as per Swiss CO	Material topic	Impacts on the non-financial topic	Financial risks and opportunities	Management of risks, opportunities and impacts
Environmental matters	Energy	• Impact on availability of limited natural resources through consumption of non-renewable energy	• Operational risks: Availability of energy and volatility of related costs	• Risk management: Developing energy efficiency programs and expanding the use of renewable energies • Opportunities management: Developing products that enable customers to use renewable energies, e.g. wind power
	Climate change	• Emissions of greenhouse gases along the value chain • Contribution to GHG reducing customer industries (e.g. e-mobility)	• Physical risks: Production and supply chain disruptions • Regulatory and transitional risks: Stricter environmental regulations • Operational opportunities: New market potential	• Risk management: Analyze GHG inventory (Scope 1, 2 & 3) and set reduction targets; invest in CO_2-neutral technologies • Opportunities management: Opening up new markets by offering low-carbon products and services, e.g. in the field of e-mobility
	Resource management	• Impact on the availability of limited natural resources through higher use of non-renewable resources for production • Positive impact regarding the deployment of resources through longevity of products	• Operational risks: Production downtime/ delivery delay due to material shortages and increased costs of materials • Regulatory and transitional risks: Stricter environmental regulations • Legal risks: Fines due to failing to meet stricter regulations • Operational opportunities: Opportunities through circular design	• Risk management: Strengthening the circular economy by recycling and reusing materials • Opportunities management: Development of long-lasting products and services to promote sustainability and increase customer loyalty

Sustainability matter as per Swiss CO	Material topic	Impacts on the non-financial topic	Financial risks and opportunities	Management of risks, opportunities and impacts
Social issues	Product safety	• Potential impacts on the health and safety of people in the (downstream) value chain	• Legal and operational risks: Litigations due to injury and health issues caused during use of KLINGELNBERG's products because they cannot ensure all users being fully compliant with product instructions • Reputational opportunities: Increased positive reputation, customer satisfaction and trust due to high product safety	• Risk management: Strict quality controls and safety tests for products; intensify customer communication and training on correct product use • Opportunities management: Strengthen trust through high security standards and use them as a selling point
Employee-related issues	Labor relations and working conditions	• Improvement of employees' living and economic conditions due to offering a secure employment, social protection, and benefits	• Operational risks: Loss of employees and productivity through inadequate working conditions	• Risk management: Ensure fairness in the organization of work and continuously improve working conditions • Opportunities management: Strengthen employer brand through exemplary work culture
	People development	• Further development of employees know-how and increasing their satisfaction	• Operational risks: Difficulty in securing know-how due to continuous development of own workforce	• Risk management: Provide further training and development opportunities for employees in order to retain know-how within the Company • Opportunities management: Promote a culture of innovation by continuously encouraging employee development
	Health and safety	• Impact on the health and safety of own employees	• Legal, regulatory and reputational risks: Sanctions and potential labor or product boycotts due to insufficient health and safety measures	• Risk management: Ensure safety standards in the workplace and offer preventive health programs • Opportunities management: Increase productivity and employee satisfaction through a healthy working environment

Sustainability matter as per Swiss CO	Material topic	Impacts on the non-financial topic	Financial risks and opportunities	Management of risks, opportunities and impacts
Respect for human rights	Responsible supply chain	• Potential impacts on workers in the value chain	• Legal sanctions, reputational damage, and potential labor or product boycotts due to insufficient (health and safety) measures for workers in the supply chain (child labor, forced labor etc.) • Legal and reputational risks if the Company does not adequately address ethical concerns – Loss of license to operate / loss of suppliers etc.	• Risk management: Introduction of strict policies and regular audits of suppliers to ensure observance of human rights • Opportunities management: Differentiation in the market by demonstrating an ethically responsible supply chain
Other company-specific topics	Technology and innovation	• Impact through enabling energy- and resource-efficient products and production processes	• Operational opportunities: More efficient, resource-saving production could lead to increased demand and resulting revenue	• Risk management: Investment in research and development to secure market leadership in efficient and precise technologies • Opportunities management: Market development by providing innovative solutions that help customers achieve their sustainability goals

5 Environmental matters

KLINGELNBERG is committed to an environmentally responsible approach promoting the efficient use of resources and fostering climate friendly and eco-conscious behavior at all its locations. As a manufacturing company, the Group is aware of its responsibility for sustainable and environmentally sound business development.

As climate change progresses and environmental pollution increases, environmental protection is becoming ever more important for companies and organizations worldwide. KLINGELNBERG is aware of its responsibility to not only be economically successful but also make a positive contribution to preserving the environment and the quality of life for future generations. An environmental and energy management system helps the Group to achieve this. The KLINGELNBERG GmbH, the largest company within the KLINGELNBERG Group, has been operating a successfully certified environmental management system according to ISO 14001 for several years. In a further step towards sustainability, the company also implemented and successfully certified an ISO 50001 energy management system since 2024.

In this section of the Sustainability Report, an overview is provided of the following material topics: energy, climate change, and resource management.

5.1 Energy

As part of KLINGELNBERG's efforts towards sustainability and environmental protection, particular importance is attached to the responsible use of energy. Ensuring a reliable energy supply is crucial for KLINGELNBERG to ensure the continuity of its operational processes. To achieve this, the Group invests in the development and use of environmentally friendly technologies.

5.1.1 Ambitions

An ISO 50001 certified energy management system has been in place at KLINGELNBERG´s main production sites since 2024. The most recent surveillance audit confirmed the continuous improvement of the energy performance, successfully achieving a previously set ambition. In order to continue its development further ambitions are pursued:

- KLINGELNBERG aims to implement a system for collecting and analyzing energy data.
- KLINGELNBERG aims to increase the consumption of renewable electricity year on year.

5.1.2 Concept and measures

The Group is constantly working on improving its energy efficiency. This includes optimizing production processes, implementing energy-efficient technologies and training employees in the conscious use of energy.

KLINGELNBERG is convinced that the design of its workplaces and production processes have a direct influence on its energy consumption. Efficient work processes and environmentally friendly technologies can help to reduce energy consumption. Through continuous monitoring and improvement process, not least in production and assembly, the Group aims to continuously identify and exploit energy-saving potential.

In the past, several energy audits have been completed at the main production site in Germany leading to the implementation of specific measures. In 2024, a certified energy management system according to ISO 50001 was successfully introduced at KLINGELNBERG's main production sites, which will help identify further measures for improvement. Energy consumption at the respective sites is recorded, regularly reviewed and presented below.

5.1.3 Results from pursued concepts

KLINGELNBERG collects Key Performance Indicators to measure the effectiveness of the measures taken and the progress in terms of the set ambitions regarding energy.

The following KPIs represent KLINGELNBERG's performance during the last three financial years.

With a similar order situation in the past three financial years, energy consumption has remained stable. Continuous efforts are being made to save energy.

Energy consumption within the organization	**Unit**	**2025/26**	**2024/25**	**2023/24**	**% Difference 2024/25 - 2025/26**
Electricity	MWh	9.975	10.357	10.210	(3,7%)
Heat	MWh	11.723	12.081	11.047	(3,0%)
Fuel	MWh	2.438	2.444	2.307	(0,2%)
Total energy consumption	**MWh**	**24.136**	**24.882**	**23.564**	**(3,0%)**
Energy intensity (based on total operating performance (TOP))	MWh Energy / EUR million TOP	83,4	83,4	77,1	0,0%

5.2 Climate change

Climate change is one of the greatest challenges of our time and requires companies in all sectors to rethink and act in the interests of sustainability. As a leading mechanical engineering company, it is KLINGELNBERG's responsibility to contribute to the fight against climate change and at the same time develop innovative solutions for a sustainable future.

The KLINGELNBERG Group is committed to actively participating in efforts to mitigate climate change. By producing machines for the wind power and e-mobility sectors, among others, KLINGELNBERG contributes to accelerating the transition to renewable energies and low-emission mobility. The Group's products make it possible to reduce the carbon footprint and make a positive contribution to climate protection.

Climate change is no longer an abstract threat, but a reality that is already evident today in the form of extreme weather events, rising temperatures, and changing environmental conditions. KLINGELNBERG has first-hand experience of the detrimental impacts of climate-related natural hazards, as in 2021 the Company's production site in Hückeswagen was flooded by high water, resulting in a production stop and trading in KLINGELNBERG shares to be temporarily suspended.

5.2.1 Ambitions

In support of Switzerland's objective to achieve Net Zero greenhouse gas emissions by 2050, KLINGELNBERG is dedicated to significantly reducing its corporate carbon footprint.

KLINGELNBERG has therefore formulated the following ambitions:

- KLINGELNBERG aims to reduce its corporate carbon footprint by initially focusing on addressing Scope 1 and Scope 2 greenhouse gas emissions (hereinafter also "GHG"). As part of this effort, the Company aims to gradually increase the proportion of green energy in its total energy consumption.
- In the coming years, KLINGELNBERG aims to conduct a thorough analysis of its value chain and associated emissions. Based on this, the Company plans to create a transition plan with concrete measures to effectively reduce GHG emissions across its entire value chain.

5.2.2 Concept and measures

Corporate GHG emissions and inventory

In the 2023/24 financial year, KLINGELNBERG conducted its first GHG inventory at the group level. Following the first evaluation, which focused on Scope 1 and 2 emissions, KLINGELNBERG extended the boundary of its GHG inventory to include selected material Scope 3 categories for the corporate carbon footprint of the 2024/25 financial year, continuing this approach through the 2025/26 financial year. The selected Scope 3 categories included in the GHG inventory are category 1 purchased goods and services, category 4 upstream transportation and distribution and category 11 use of sold products. The GHG emissions for the aforementioned categories have been calculated on an annual basis since the 2023/24 financial year. In the coming years, KLINGELNBERG will strive to expand the boundary further until all relevant categories according to the GHG Protocol are included.

To calculate their corporate carbon footprint, KLINGELNBERG applied the methodology outlined in the GHG Protocol and followed the operational control approach. In the first year the focus was set on the emissions resulting in KLINGELNBERG's own operations, namely Scopes 1 and 2. Scope 1 emissions refer to direct emissions from sources owned or controlled by KLINGELNBERG's facilities. In contrast, Scope 2 emissions are indirect emissions from purchased energy like electricity, steam, heat, or cooling. In previous financial years Scope 2 emissions related to electricity were calculated based on a mixture of the market-based and location-based approach depending on available data on site level. In the interest of a uniform approach KLINGELNBERG has incorporated the location-based approach across all sites. The numbers for the 2022/23 and 2023/24 financial year have been updated using the location-based approach. In the coming years KLINGELNBERG aims to include dual reporting in their Scope 2 calculation, by calculation electricity emissions both based on the location-based as well as the market-based approach.

The GHG inventory forms the basis for the Company to define targets and measures to reduce GHG emissions and foster stronger sustainable business practices.

According to KLINGELNBERG's outlined plan in the 2024/25 financial year, the Company expanded its efforts to better understand its total emissions throughout the value chain by including the most relevant Scope 3 categories in its corporate carbon footprint. The categories to be included were chosen based on financial materiality and industry sector-specific experience. The relevant categories are the Scope 3 categories concerning the manufacturing (3.1), transportation and distribution (3.4), and the use of KLINGELNBERG's products (3.11). The calculation of the aforementioned Scope 3 categories focused on the production sites in Switzerland and Germany, from where all machines and products are manufactured and transported. The calculation was conducted based on activity data for Scopes 1 & 2 as well as category 3.11 use of sold products. The energy consumption over the lifetime of the machines is based on a numerical model including technical assumptions regarding lifetime and yearly operating hours. The categories 3.1 purchased goods and services, and 3.4 upstream transportation and distribution were accounted for using the spend-based approach, as the Company aims to collect the activity data to increase the data quality in the future.

In the coming years, KLINGELNBERG aims to further enhance the data quality for the aforementioned categories and expand the GHG inventory until all material categories according to the GHG Protocol are included.

Strategy

By integrating climate-related risk management into the Company's governance structure, climate-related topics are henceforth evaluated and incorporated into the business decisions, activities, and planning processes if deemed material. The assessment of the risks included a discussion

on the potential impacts of a transition to a low-carbon economy. KLINGELNBERG evaluates the impact of climate-related risks and opportunities regularly and considers their potential financial costs and mitigation measures. In the coming years, KLINGELNBERG plans to incorporate additional scenario analysis into its risk management process.

The Company's product portfolio comprises a range of machines for bevel gear and cylindrical gear production as well as precision measuring centers to measure gearing and axially symmetrical components. In considering a 2°C scenario, transition risks, such as higher carbon pricing, regulatory compliance costs, and supply chain vulnerabilities arise.

KLINGELNBERG evaluates its product portfolio to be in a positive position to provide continued solutions for industries in the future, from e-mobility to wind power and the robotic industry. Furthermore, the Company is in a position that allows it to set mitigating activities to reduce the impact of the risks.

Climate-related risk management

Following the initial evaluation of climate-related risks and opportunities in the 2024/25 financial year, the Group successfully continued and further established these assessments throughout the 2025/26 period. The Risk Management Board is responsible for overseeing all climate-related issues, ensuring they are integrated into the overarching risk management processes to align with business priorities and sustainability goals.

KLINGELNBERG's risk management is built on strict adherence to risk policies, protecting business value and strengthening the Company's resilience against material risks. For this disclosure KLINGELNBERG assumes the risk terminology of the TCFD recommendations and differentiates between physical and transition climate-related risks. For the assessment of the climate-related risks, the time horizons were aligned with the ones used in the DMA. Material risks and their potential impact on the business will be regularly reviewed and assessed.

Physical and transition risks

Physical risks are defined as the direct consequences of climate change and differentiated between acute and chronic physical climate-related risks. Acute physical risks manifest as extreme weather events like hurricanes and floods. Long-term chronic hazards resulting from temperature increases, rising sea levels, and increasingly severe heat waves. Both acute and chronic physical risks can have a financial material impact on a company's business activities through disruptions to operations and supply chains worldwide.

TCFD defines transition risks as financial and operational challenges arising from new regulations, "greener" technological advancements, and evolving market dynamics. Transition risks arise from the uncertainties surrounding the global transition to a more sustainable, net-zero economy.

Physical risks

Climate change may present chronic and acute physical risks that can directly impact KLINGELNBERG's own operations. Furthermore, climate change may indirectly impact KLINGELNBERG's sourcing activities, namely various metals, electronics supply chain and others.

Risk description	Time horizon	Potential impacts	Mitigation actions (current and potential)
Physical risk - Fluvial flood	Short-term	Production downtime / delivery delay Whilst the risk in the short- and medium-term remains more or less the same, the risk may further increase on the long-term with rising temperatures	Insurance, possible construction measures for flood protection, increase current sum insured (property insurance); Regularly updating emergency contingency plans for our manufacturing and assembly facilities
Physical risk - Fire	Long-term	Production downtime / delivery delay The risk increases in the long-term with rising temperatures	Insurance, inspections, fire protection concept

Transition risks

Risk description	Time horizon	Potential impacts	Mitigation actions (current and potential)
Environmental regulations (German Supply Chain Due Diligence Act 2024)	Medium-term	Tightening of legislation due to political / social developments, penalties due to non-adherence	Implementation of required processes (e.g. procurement)
Increasing carbon price	Medium-term	High carbon prices can result in increased costs and greater declines in output and profits. In addition, it can result in additional direct and indirect costs, impacting revenues and operating costs	Development of a corporate decarbonization and climate transition plan
Handling water-polluting substances / proximity to the Wupper river	Short-term	Penalties due to water pollution and other environmental damages	Adherence to water protection measures; environmental liability insurance
Access to and demand for raw materials and electronic components	Medium-term	The transition to decarbonize will increase the demand for critical resources and potentially impact the supply chain This may result in commodity prices to rise and delivery reliability to decrease. Additional costs (e.g. urgent procurement, penalties, etc.), damage to company reputation and declining demand	Assess the potential for low-carbon materials and content
Energy costs	Short-term	Volatile or increasing energy price, e.g. through an energy crisis (previously war in Ukraine, recently Middle East conflict)	Reduce energy demand by increasing energy efficiency, increase independence by becoming energetically self-sufficient

Climate-related opportunities

Aside from the climate-related risks, the transition to a low-carbon economy brings growth in new markets and new opportunities. KLINGELNBERG sees opportunities in wind power, e-mobility and the extraction of raw materials for sustainable technologies. By providing high-precision, locally manufactured gears and machinery, KLINGELNBERG can expand its contribution to these specific sectors and support the transition to a low-carbon economy.

5.2.3 Results from pursued concepts

The following figures represent the development of KLINGELNBERG's corporate carbon footprint for Scope 1 and 2 over the last three financial years. Scope 3 emissions are reported since the 2024/25 financial year. The emissions across the years are comparable. The minor decrease in Scope 2 emissions is due to yearly fluctuation in the available energy mix as well as the efforts of countries to transition to a greener energy mix. Further, KLINGELNBERG's energy consumption decreased slightly compared to previous financial years as a result of the efforts to increase energy efficiency in own operations. Regarding the Scope 3 emissions, both categories 3.1 purchased goods and services and 3.11 use of sold product decreased slightly from 2024/25 financial year to 2025/26 financial year. This decrease lies within expected yearly fluctuation in production volume and product distribution. Category 3.11 use of sold products is further influenced by the efforts of different countries to improve the available electricity mix.

GHG Emissions	**Unit**	**2025/26**	**2024/25**	**2023/24**	**% Difference 2024/25 - 2025/26**
Scope 1 Emissions	t CO_2e	2.870	2.973	3.015	(3,5%)
Scope 2 Emissions (location-based) *	t CO_2e	3.475	3.525	3.813*	(1,4%)
Scope 3 Category 1: Purchased Goods and Services	t CO_2e	32.017	32.188	34.809	(0,5%)
Scope 3 Category 4: Upstream transportation and distribution	t CO_2e	6.459	6.925	6.844	(6,7%)
Scope 3 Category 11: Use of sold product	t CO_2e	92.143	108.273	124.119	(14,9%)
Total Emissions	**t CO_2e**	**136.964**	**153.884**	**172.600**	**(11,0%)**
GHG Emissions intensity (per total operating performance (TOP))	t CO_2e / EUR million TOP	473,2	515,7	564,4	(8,2%)
GHG Emissions intensity (per FTE)	t CO_2e / FTE	106	114	131	(7,2%)

* *The calculation of Scope 2 emissions has been adjusted (refer to Note 5.2.2 Concept and measures). The previous value for the 2023/24 financial year was 4.856.*

5.3 Resource management

The minimal use of resources for the manufacture of machines and measuring centers at KLINGELNBERG is prioritized from both an environmental and economic point of view. The most used resources are ferrous materials such as cast iron and steel. The challenge here is that these materials also guarantee the stability of the machines and measuring devices, which is important for the quality and cost-effectiveness of the processes. Therefore, a balance must always be struck following the principle: as much as necessary but as little as possible.

5.3.1 Ambitions

- KLINGELNBERG aims to ensure the availability of spare parts for at least ten years by using standard components.
- KLINGELNBERG's objective is to ensure machines have a long life cycle while also enhancing the availability of retrofit options.

5.3.2 Concept and measures

Modern calculation methods are important tools for reducing the use of resources. The finite element method (FEM) for calculating static strength and rigidity is a tried and tested method that KLINGELNBERG has been using for a long time. By using more refined methods, even better results can be achieved. In recent years, KLINGELNBERG has also systematically built-up expertise in the field of measuring and simulating the dynamic behavior of machining and measuring centers. It is important to continuously refine the simulation models using real measurements on machines. As a next step towards the goal "As few resources as possible but as many as necessary" KLINGELNBERG is working on combining the dynamics behaviour simulation with the controls behavior simulation while seeing the machine tool as a mechatronic system. This allows KLINGELNBERG to use only the required level of rigidity and therefore only the required minimum amount of resources for constructing its machines.

Another important aspect is the most efficient use of resources. To this end, the service life of KLINGELNBERG's machining and measuring centers is key. In addition to the wear of mechanical components such as guides, bearings and ball screws, the electronics of modern machines often determine their service life. If a central component of the control system is no longer offered on the market and no replacement component is available, the machine can no longer be operated. To avoid this, KLINGELNBERG pursues a multi-stage approach.

Firstly, KLINGELNBERG's aim is to ensure the availability of spare parts for at least 10 years by using standard components. This already achieves an excellent utilization of the resources used. If the machines are operated 24/7 in large-scale production, the end of their service life is reached after around 10 years. However, many machines are not operated in such intense production environments and can have a much longer service life. This is why KLINGELNBERG has developed a large number of retrofits in recent years that follow precisely this approach. Depending on the task, mechanical as well as electrical and electronic components are modernized to extend the service

life of a machine to 15 to 20 years. In many cases, the service life of KLINGELNBERG's measuring centers even exceeds 20 years.

In terms of an efficient use of resources, enabling a long service life for a machine is definitely the best way to go. In most cases, it is not possible to cut the resources used by 50% without unduly restricting functionality. However, with appropriate retrofit packages, the service life can easily be doubled or more than doubled. What's more: The vast majority of machines can be recycled. Cast iron and steel materials, for example, can be remelted and processed into new cast iron and steel materials without any loss of quality.

5.3.3 Results from pursued concepts

With retrofits and upgrades provided to its customers, KLINGELNBERG can prolong the service life of the machines in use. Since the introduction of retrofits and upgrades to the market, the overall number of marketed solutions is in general constant. The high number in 2024/25 financial year is mainly due to a single large order by one customer and in general to be seen as outlier. For the measuring machines it is mainly computer hardware retrofits with a reduction in numbers whereas the retrofits of machine tools has slightly increased.

Retrofits	Unit	2025/26	2024/25	%
Number of retrofits and upgrades marketed	Number	135	151	(10,6%)

6 Social issues

The KLINGELNBERG Group develops and sells machines and software solutions for the production and quality control of gears. Machining systems can pose a risk to people. On the one hand, it is important to consider the risk of injury. On the other hand, consideration must also be given to ergonomics during operation to prevent long-term physical or psychological damage. During development, KLINGELNBERG attaches great importance to ensuring that its machines are ergonomic and easy to operate. At the same time, however, any risk to human health must be excluded as far as possible given the current state of the art.

The topic product safety has been identified as material around social matters. Therefore, this section of the Sustainability Report focuses on the reporting of this material topic.

6.1 Product safety

The safety and conformity of KLINGELNBERG's products is part of the Group's quality standards. KLINGELNBERG's products meet all applicable legal safety requirements as well as any other applicable requirements such as the EU Regulation on the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) and the EU Directive on the Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment (RoHS).

6.1.1 Ambitions

- KLINGELNBERG is committed to consistently delivering safe products to its customers and end users.
- KLINGELNBERG aims to ensure that all products fully comply with applicable legal regulations and standards.
- KLINGELNBERG's objective is to have zero safety incidents.

6.1.2 Concept and measures

Conformity with applicable legal regulations and standards is constantly monitored as part of KLINGELNBERG's product development process. A key component of this is the knowledge of the applicable rules by every single R&D employee. Various tools are used to support employees in designing safe machines. The processes in place are part of our quality management system certified according to ISO 9001 and VDA 6, part 4.

Each machine prototype is audited by the machine safety department before delivery and compliance with the applicable regulations is checked. The safety inspections, relevant for achieving KLINGELNBERG's objective of zero security incidents, covers typically 100 checkpoints, depending on the complexity and size of the machine. At the same time, a detailed risk analysis is conducted. Risks are assessed and weighted according to the expected severity of the hazard and the probability of occurrence. The results of this assessment are then used to define and track measures.

Another important component of product safety is the observation of incidents in the field. For this purpose, KLINGELNBERG has a process in place in which both accidents and observed hazards are reported back by the departments involved, primarily by the service department. This feedback is examined in detail internally, evaluated and incorporated into the risk assessment process. Measures are then defined again using the updated risk assessment to eliminate hazards or reduce them to an acceptable level.

As part of KLINGELNBERG's safety strategy, training its customers how to safely use its machines is essential. The Group trains the production and maintenance teams of its customers in how to safely use the machines and which regular maintenance steps need to be taken to ensure a maximum of machine and operator safety.

6.1.3 Results from pursued concepts

KLINGELNBERG's products not only comply with all applicable legal safety requirements but also with any other relevant requirements. Additionally, the machine safety department conducts audits on each machine prototype before delivery to ensure compliance with applicable regulations. In 2023, the Group began improving the product safety data reporting processes. KLINGELNBERG continued the implementation of a new reporting system and launching uniform definitions,

which all KLINGELNBERG entities will be required to use in the future. Therefore, the Group is not yet externally reporting product safety figures for the current reporting period or prior financial years. KLINGELNBERG aims to report these figures in future reporting.

7 Employee-related issues

KLINGELNBERG aims to offer its employees an attractive workplace environment where safety, health, and employee satisfaction are prioritized. Furthermore, KLINGELNBERG strives to support its employees to develop their skills and competencies, creating added value for both them and the Company.

This section of the report covers the material topics of labor relations and working conditions, personnel development, and health & safety.

7.1 Labor relations and working conditions

As part of KLINGELNBERG's ongoing commitment to responsible corporate governance, the Group places special emphasis on labor relations and working conditions within the Company. Ensuring a fair and conducive workplace environment is integral to the Group's sustainability efforts and reflects KLINGELNBERG's dedication to the well-being of its employees.

7.1.1 Ambitions

- KLINGELNBERG aims to promote satisfactory working conditions at all its sites by offering a range of social protection programs, benefits, flexible working hour models, and measures to promote work-life balance to all its employees.
- KLINGELNBERG aims to sustain a balanced gender diversity in its workforce.

7.1.2 Concept and measures

Compliance with all relevant labor law regulations, including regulations on working hours and collective agreements, is mandatory among the entire KLINGELNBERG Group. The Group's remuneration is aligned with market standards and binding collective agreements. The connection between employment and labor relations intertwines closely with both national and local legal frameworks. As such, topics like collective bargaining agreements are mainly dealt with by local human resources departments.

Collective agreements provide a foundation for fair working conditions in terms of pay and working hours. They are possible in all KLINGELNBERG companies in accordance with national legislation, and most employees in the KLINGELNBERG Group benefit from the advantages of a collective agreement. Organizing employees is possible at all locations. For example, at KLINGELNBERG in Germany, many employees are organized in the "IG Metall- und Elektroindustrie" (Metal and

Electrical Industry Union). With this aspect, KLINGELNBERG aims to fulfill its responsibility and contribute to further strengthening employee satisfaction and commitment.

KLINGELNBERG's commitment to a healthy work-life balance not only contributes to the satisfaction and productivity of its employees but also to the long-term sustainability of the Company. Therefore, the Group adheres to the legal requirements regarding maximum working hours, and our employees are granted adequate vacation to recover. KLINGELNBERG makes sure that all employees take the vacation to which they are entitled, as the overall quality of work and job satisfaction are linked to a good balance between work and employees' lives outside of work. These measures are supported by the implementation of a benefits program, which offers for example bike leasing, employee discounts, and pension schemes. The workplace health promotion program launched in the previous year was expanded to the Zürich site and further established at the German sites in the 2025/26 financial year. This time, strategically coordinated health measures (health days, presentations, courses, consultation hours, etc.) focusing on exercise and the prevention of musculoskeletal disorders were offered in cooperation between the HR department and the local "Health Circles" (a strategic committee consisting of employer and employee representatives as well as other key functions such as the company doctor and the representative body for severely disabled employees). Preventive flu vaccinations and bowel cancer screening were also offered again.

Within human resources KLINGELNBERG intends to focus its attention on the interests and needs of its employees. The Group therefore encourages dialog with its employees, because KLINGELNBERG is convinced that good working relationships are fostered through dialog between managers and employees. Furthermore, KLINGELNBERG is confident that an open dialog and the opportunity to contribute ideas also encourages the development of innovative approaches and products.

The opportunities for exchange at KLINGELNBERG include, for example, a monthly direct exchange with the management over lunch, as well as regular events such as the "Company Night" (open house day), works council meetings with detailed reports from management and the works council, summer and Christmas events, and an interactive SharePoint platform, where employees are informed even more quickly and directly about the organization, key roles and processes and are kept transparently updated on topics and events through the regular publication of company news.

In KLINGELNBERG's understanding, a good leadership culture creates loyalty, reduces employee turnover, promotes dialogue and leads to continuous innovation. KLINGELNBERG has therefore focused on building a sustainable leadership culture through regular interdisciplinary management workshops. This culture was defined in joint guidelines on leadership and collaboration and has been established and continuously reviewed through subsequent management workshops and annual employee performance reviews. The joint guidelines define key pillars of KLINGELNBERG's

corporate culture, namely collaboration, leadership, communication and development. Based on these guidelines and the leadership culture, the first leadership talent program for junior managers was completed in the 2025/26 financial year.

KLINGELNBERG strives to provide an inclusive and supportive workplace that is free from harassment or discrimination and gives employees the opportunity to thrive and experience personal well-being. There were no reported incidents of discrimination, including harassment in the last three financial years.

7.1.3 Results from pursued concepts

The following KPIs represent the Group's employee structure during the last two financial years. Overall, the workforce structure remained stable compared to the prior reporting period. In terms of percentage of women in top management, top management is defined as direct reports within the KLINGELNBERG GmbH and general managers of the subsidiaries.

	Germany		Switzerland		Rest of the world		Total	
Employee structure	**2025/26**	**2024/25**	**2025/26**	**2024/25**	**2025/26**	**2024/25**	**2025/26**	**2024/25**
Number of permanent employees (FTE)	983	1.002	42	45	225	210	1.250	1.257
- thereof female	132	134	16	16	40	37	188	187
- thereof male	851	868	26	29	185	173	1.062	1.070
Number of temporary employees (FTE)	35	77	0	0	8	14	43	91
- thereof female	5	10	0	0	1	1	6	11
- thereof male	30	67	0	0	7	13	37	80
Total number of employees (FTE)	**1.018**	**1.079**	**42**	**45**	**233**	**224**	**1.293**	**1.348**
- thereof female	137	144	16	16	41	38	194	198
- thereof male	881	935	26	29	192	186	1.099	1.150
Percentage of women in top management							11,1%	9,7%
Rate of employee turnover	3,0%	2,2%	11,6%	14,9%	9,1%	9,1%		
Average age of employees	44	43	46	46	45	45	45	45

In the 2025/26 financial year, there were no incidents of discrimination, including harassment, reported within the own workforce or human rights issues or incidents connected to the own workforce. There were hence no fines, penalties or compensation related to such incidents.

There were further no complaints or concerns raised within the own workforce through available reporting channels, including the available whistleblowing system.

7.2 People development

KLINGELNBERG's investment in the development of its employees is a central component of the Group's sustainable business strategy, aiming to nurture talent and enable long-term career success.

7.2.1 Ambitions

- The aim of KLINGELNBERG is to foster the individual development of its employees and build a talented and committed employee pool in order to achieve its long-term goals and respond to demographic change.
- KLINGELNBERG has also set itself the goal of placing a central focus on the implementation of training courses and further increasing the rate of feedback and development meetings in order to establish a feedback culture and to prioritize employee development.

7.2.2 Concept and measures

KLINGELNBERG invests in the continuous training of its employees, communicates appreciation in the context of their cooperation and management culture, and offers development opportunities at various career levels.

The development of skills is managed centrally by the human resource department in collaboration with management staff.

The Group aims to ensure that every employee has a meeting with their manager at least once a year. The content of these meetings is mutual feedback, feedback on the application of the cooperation guidelines, as well as identification of training needs and development opportunities.

By investing in the training of young people as part of KLINGELNBERG's apprenticeship program, the Group assumes social responsibility for the professional socialization and development of young people. In this way, KLINGELNBERG also tries to counteract the shortage of skilled workers and ensure the availability of trained personnel.

7.2.3 Results from pursued concepts

The following KPIs reflect the Group's performance in relation to its commitment to investing in the development of its employees.

	Germany		Switzerland		Rest of the world		Total	
People development	**2025/26**	**2024/25**	**2025/26**	**2024/25**	**2025/26**	**2024/25**	**2025/26**	**2024/25**
Number of apprentices	45	51	0	0	0	0	45	51
- thereof female	10	9	0	0	0	0	10	9
- thereof male	35	42	0	0	0	0	35	42
Average number of training hours per employee	7	9	1	14	17	10	8	11
Proportion of employees with employee feedback discussion	32,9%	62,0%	70,7%	73,9%	45,0%	45,0%		

7.3 Health and safety

KLINGELNBERG takes its responsibility for the health and safety of its employees very seriously. Compliance with the legal requirements for occupational safety and plant safety is a prerequisite for the business activities and an integral part of KLINGELNBERG's corporate objectives.

7.3.1 Ambitions

- KLINGELNBERG strives for an ongoing promotion of a secure work environment, actively mitigating safety risks in pursuit of its vision of eliminating work-related injuries altogether.
- KLINGELNBERG's aim is to broaden the scope of its occupational health and safety management system in the coming years.

7.3.2 Concept and measures

KLINGELNBERG operates an occupational health and safety management system designed to ensure a safe and healthy working environment. Comprehensive measures are taken to identify risks, implement preventive measures and offer appropriate training. Although the Group's occupational health and safety management is not externally certified, KLINGELNBERG is determined to continuously improve its standards and ensure the health and safety of its employees.

The occupational health and safety management system operated by KLINGELNBERG is based on legal requirements, recognized standards or guidelines and covers the majority of employees.

Principles regarding best possible work safety and health protection form part of the Quality Assurance, Environmental Protection, Energy and Work Safety Policy which is available on the

Company's website. Furthermore, a health care concept was internally established. As part of KLINGELNBERG's occupational health and safety management system, all employees receive yearly training in occupational safety and accident prevention according to their assigned activities/ workplace. Each site is responsible for training its employees on health and safety topics to support site-specific needs. Through the Supplier Code of Conduct, KLINGELNBERG also anticipates that its suppliers will ensure a safe and healthy workplace for their own employees.

KLINGELNBERG always strives to promote healthy behavior and create a healthy working environment for its employees, in which everyone can perform at their best while maintaining their physical and mental health, from the office to the shop floor. Ergonomic workstations are an integral part when it comes to the health of its employees in the workplace. KLINGELNBERG's investment in ergonomic workspaces not only demonstrates its commitment to the well-being of its employees but also contributes to the sustainability of the Group by reducing injuries and increasing efficiency.

7.3.3 Results from pursued concepts

The number, respectively the rate of recordable work-related accidents within the Group serves as a relevant KPI in relation to health and safety within the workforce. The number of reportable accidents at work decreased slightly last financial year.

	Germany		Switzerland		Rest of the world		Total	
Health and safety	**2025/26**	**2024/25**	**2025/26**	**2024/25**	**2025/26**	**2024/25**	**2025/26**	**2024/25**
Number of recordable work-related accidents	24	26	0	0	1	0	25	26
Number of fatalities as result of work-related injuries or work-related ill health*	0	0	0	0	0	0	0	0
Number of hours worked	1.590.267	1.660.614	69.083	76.402	523.490	484.570	2.182.840	2.221.586
Rate of recordable work-related accidents (accidents / 1.000.000 working hours)	15	16	0	0	2	0	11	12

* *Considers fatalities in own workforce as well as other workers working on KLINGELNBERG's sites.*

8 Respect for human rights

Regarding human rights, KLINGELNBERG has identified responsible supply chain as material topic. Hence, this section focuses on the reporting of this material issue.

KLINGELNBERG's Code of Conduct provides the ethical and value-based foundation for its responsible conduct regarding human rights. With this code, KLINGELNBERG has committed itself to follow ethical values and principles. The Group firmly believes that integrity and honesty as well as respect for human dignity, as set out in the principles of the United Nations' Universal Declaration of Human Rights, the European Convention for the Protection of Human Rights and Fundamental Freedoms, the OECD Guidelines for Multinational Enterprises and the core labor standards of the International Labour Organization (ILO) as well as the United Nations Guiding Principles on Business and Human Rights, are the foundation of every business activity.

8.1 Responsible supply chain

KLINGELNBERG promotes responsible and sustainable procurement and regards compliance with ecological, social, and ethical principles throughout its supply chain as a fundamental obligation. This commitment is an integral part of the Group's Code of Conduct and is recognized by all employees of the KLINGELNBERG Group.

8.1.1 Ambitions

- KLINGELNBERG's goal is to ensure zero confirmed cases of human rights violations within both its supply chain and its own operations.
- KLINGELNBERG's goal is to achieve a continuous increase in the rate of confirmed Supplier Code of Conduct agreements.
- KLINGELNBERG strives to promptly investigate all whistleblowing incidents as they arise and take necessary actions accordingly.

8.1.2 Concept and measures

KLINGELNBERG GmbH, the largest company in the KLINGELNBERG Group with over 1.000 employees, has been subject to the provisions of the Act on Corporate Due Diligence Obligations in Supply Chains (Supply Chain Due Diligence Act / Lieferkettensorgfaltspflichtengesetz, LkSG) since 01 January 2024. In order to meet the resulting requirements, KLINGELNBERG has underpinned its focus on responsible and sustainable procurement with a separate Policy Statement on Respect for Human Rights and Environmental Protection in accordance with the Supply Chain Due Diligence Act. In addition, KLINGELNBERG has committed its direct suppliers to the Code of Conduct for Suppliers, thereby ensuring responsible and sustainable procurement. This document also includes the commitment of KLINGELNBERG's suppliers not to source raw materials from areas of conflict and high risk that contribute to human rights violations, corruption, the financing of armed groups or similar negative effects.

With these commitments by way of the Policy Statement on the Supply Chain and the commitment of suppliers by way of the Code of Conduct for Suppliers, KLINGELNBERG's aim is to continuously reduce risks relating to human rights and the environment and to further increase transparency in the supply chain. With the "Policy for Risk Analysis in accordance with the Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz, „LkSG") of the KLINGELNBERG Group", the Company has established an effective risk management system with regard to the environmental and human rights due diligence obligations under the Supply Chain Due Diligence Act which enables an efficient analysis of risks in the supply chain. This policy requires KLINGELNBERG to carry out an appropriate risk analysis in order to determine the risks relating to human rights and the environment in its own business area, in the business area of KLINGELNBERG's direct suppliers and – in the event of substantiated knowledge of possible violations or constellations for the purpose of evading the law – also in the business area of indirect suppliers. Each internal process, external supplier or service provider is subjected to a structured risk analysis and rated by risk potential. Based on this, measures are taken to ensure compliance with human rights within the supply chain.

Going forward, the relevant results of the risk analysis, if any, will be communicated annually to the Executive Management and Board of Directors. KLINGELNBERG's Human Rights Officer is responsible for monitoring the implementation of all measures in accordance with the Supply Chain Due Diligence Act in collaboration with the head of the purchasing department. To draw attention to grievances at suppliers, human rights violations or non-compliance with environmental regulations, KLINGELNBERG has set up a global whistleblower system that also allows third parties to report possible violations, even anonymously and barrier-free.

8.1.3 Results from pursued concepts

As KLINGELNBERG has been subject to the requirements of the Supply Chain Due Diligence Act since 01 January 2024, its risk management system regarding environmental and human rights due diligence obligations under said law was established in 2024. Various preventive measures have been established to prevent the aforementioned risks, both for the Company's own business operations and with regard to the business operations of suppliers. These include the KLINGELNBERG Group's Compliance Guidelines, our Code of Conduct and the Code of Conduct for suppliers among others. In addition, our direct suppliers were examined by means of an abstract risk analysis, particularly with regard to industry-specific risks and country-specific risks. The risk analysis in the reporting period did not identify any risks that could indicate a violation of human rights or environmental obligations.

The following table shows the regional distribution of suppliers with a turnover of more than EUR 50.000 annual revenue. The majority of suppliers are based in Germany and Europe. In the 2025/26 financial year, the percentage of suppliers with more than EUR 50.000 annual revenue that have confirmed the Supplier Code of Conduct rose from 52,5% to 79,2%. Our whistleblower system has not received any reports of possible human rights or environmental violations, neither within the KLINGELNBERG Group nor from direct or indirect suppliers.

2025/26

Supplier basis	Unit	Germany	Europe	Rest of World	Total
Number of suppliers by region > EUR 50.000	Number	258	28	27	313
Relative number of total suppliers by region > EUR 50.000	%	82,5%	8,9%	8,6%	100,0%

2024/25

Supplier basis	Unit	Germany	Europe	Rest of World	Total
Number of suppliers by region > EUR 50.000	Number	262	28	24	314
Relative number of total suppliers by region > EUR 50.000	%	83,5%	8,9%	7,6%	100,0%

9 Technology and innovation

KLINGELNBERG offers its customers machining centers for the production and measuring centers for the quality inspection of gears. This offer is complemented by a wide range of software solutions for product design and efficiency improvements in production. KLINGELNBERG has become an established technology leader in this highly demanding technical environment. Research and development is a key strategic component in maintaining and expanding technological leadership. KLINGELNBERG also promotes technology transfer to share knowledge and experience with other organizations and works on solutions jointly.

9.1 Development and patents

Within the development process relevant technologies and the potential to develop marketable products from said technologies, are identified. These can be completely new products and new options for products as well as further developments of existing products and options.

KLINGELNBERG's patent strategy is a key component of its development activities. The aim is to protect new innovative product ideas as far as possible from being copied by competitors.

9.1.1 Ambitions

- KLINGELNBERG's goal is to safeguard new innovative product ideas from being replicated by competitors to the greatest extent possible.
- KLINGELNBERG strives to continuously expand the Group-wide product portfolio with cutting-edge energy-saving and resource-conserving solutions, driven by the successful integration of sustainability principles into every stage of the product development process.

9.1.2 Concept and measures

To protect new innovative product ideas, two main approaches are used. On the one hand, developments are consistently checked for ideas worthy of protection and the corresponding property rights are then obtained for these. On the other hand, there is a low barrier to entry with a simple idea generation process where every employee can have possible further developments or innovations checked internally for their worthiness of protection. Both approaches regularly result in intellectual property rights to secure KLINGELNBERG's technological leadership.

The number of intellectual property rights applied for is an important indicator of the Group's innovative strength. Behind every patent is an innovative idea. Its implementation contributes to KLINGELNBERG's technological leadership. Within the KLINGELNBERG Group the number of patent families is monitored.

Each patent family consists of at least one, but often several, submissions of the same patent to the patent offices of different countries. To this end, each intellectual property right applied for is assessed to determine in which countries it would make a significant contribution to safeguarding the KLINGELNBERG Group's innovations. This assessment also includes a cost-benefit analysis.

9.1.3 Results from pursued concepts

The submission of patents is an important measure to protect knowledge and products developed within the Company.

The number of patent families filed remains consistent at around 15, which is a typical figure for the Group. Slight year-to-year variations are to be expected.

Patents	Unit	2025/26	2024/25	% Difference 2024/25 - 2025/26
New patent families submitted to patent offices	Number	14	15	(6,7%)

10 Appendices

10.1 Swiss CO index

The table below shows the disclosures reported in accordance with the requirements of Art. 964b of the Swiss Code of Obligations (Swiss CO).

General requirements

Topic	Location in Sustainability Report
Materiality assessment	4.3 Double materiality assessment
Business model	3 Business model
Concepts/policies (incl. due diligence applied), measures taken to implement policies and assessment of effectiveness of these measures	4 Sustainability approach and governance Outlined in the respective topic chapters
Risks related to non-financial matters	4.3 Double materiality assessment: Table outlining KLINGELNBERG's main material impacts, risks and opportunities
References to national, European or international regulations	2 About this report 10.2 GRI index
Coverage of subsidiaries	2 About this report 10.2 GRI index

Environmental matters

Topic	Location in Sustainability Report	KPIs
Energy	5.1 Energy	GRI 302-1: Energy consumption within the organization GRI 302-3: Energy intensity ratio
Climate change	5.2 Climate change	GRI 305-1: Direct (Scope 1) GHG emissions GRI 305-2: Energy indirect (Scope 2) GHG emissions GRI 305-3: Other indirect (Scope 3) GHG emissions GRI 305-4: GHG emissions intensity
Resource management	5.3 Resource management	Number of retrofits and upgrades marketed

Social issues

Topic	Location in Sustainability Report	KPIs
Product safety	6.1 Product safety	n/a

Employee-related issues

Topic	Location in Sustainability Report	KPIs
Labor relations and working conditions	7.1 Labor relations and working conditions	GRI 2-7: Number of total employees, by gender and by region GRI 401-1: New employee hires and employee turnover GRI 405-1: Diversity of governance bodies and employees
People development	7.2 People development	GRI 404-1: Average hours of training per year per employee GRI 404-3: Percentage of employees receiving regular performance and career development reviews Number of apprentices
Health and safety	7.3 Health and safety	GRI 403-9: Work-related injuries

Respect for human rights

Topic	Location in Sustainability Report	KPIs
Responsible supply chain	8.1 Responsible supply chain	GRI 204-1: Proportion of spending on local suppliers Percentage of Code of Conduct for suppliers signed

Entity specific topic

Topic	Location in Sustainability Report	KPIs
Technology and innovation	9 Technology and innovation	New patent families submitted to the patent offices

10.2 Task Force for Climate-related Financial Disclosures (TCFD) index

In this financial year, KLINGELNBERG has continued to produce an annual non-financial report in accordance with the Swiss Climate Reporting Ordinance. This report incorporates the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Pillar	Description	Reference
Governance	Disclosure of corporate governance with regard to climate-related risks and opportunities	Sustainability Report: 4.2 Sustainability governance
Strategy	Disclosure of the actual and potential impacts of climate-related risks and opportunities on the organization's business, strategy, and financial planning where such information is material.	Sustainability Report: 4.2 Sustainability governance 5.2.2 Concept and measures
Risk management	Disclosure how the organization identifies, assesses, and manages climate-related risks.	Sustainability Report: 5.2 Climate change 5.2.2 Concept and measures
Metrics and targets	Disclosure of the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	Sustainability Report: 5.2.1 Ambitions 5.2.2 Concept and measures

10.3 GRI index

GRI Standard/ Other source	Disclosure	Location in report
Statement of use KLINGELNBERG has reported the information cited in the GRI content index with reference to the GRI Standards GRI used: GRI 1: Foundation 2021		
General disclosures		
GRI 2: General disclosures	2-1 Organizational details	Sustainability Report: 2 About this report
	2-2 Entities included in the organization's sustainability reporting	Sustainability Report: 2.1 Scope of the report
	2-3 Reporting period, frequency and contact point	Sustainability Report: 2.2 Reporting period
	2-4 Restatements of information	Sustainability Report: 2.3 Restatements of information
	2-5 External assurance	Sustainability Report: 2.4 External assurance
	2-6 Activities, value chain and other business relationships	Sustainability Report: 3 Business model
	2-7 Employees	Sustainability Report: 7.1 Labor relations and working conditions
	2-8 Workers who are not employees	Sustainability Report: 7.1 Labor relations and working conditions
	2-9 Governance structure and composition	Corporate Governance Report: 5.7 Structure of the internal organization - Allocation of tasks within the Board of Directors
	2-10 Nomination and selection of the highest governance body	Corporate Governance Report: 5.4 Board of Directors' competences and evaluation 5.7.3 Nomination and Compensation Committee
	2-11 Chair of the highest governance body	Corporate Governance Report: 5.7 Structure of the internal organization - Allocation of tasks within the Board of Directors
	2-12 Role of the highest governance body in overseeing the management of impacts	Sustainability Report: 4.2 Sustainability governance

GRI Standard/ Other source	Disclosure	Location in report
Statement of use KLINGELNBERG has reported the information cited in the GRI content index with reference to the GRI Standards GRI used: GRI 1: Foundation 2021		
GRI 2: General disclosures	2-13 Delegation of responsibility for managing impacts	Sustainability Report: 4.2 Sustainability governance
	2-14 Role of the highest governance body in sustainability reporting	Sustainability Report: 4.2 Sustainability governance
	2-15 Conflicts of interest	Corporate Governance Report: 6.2 Other activities and functions
	2-16 Communication of critical concerns	Sustainability Report: 4.2.1 Policy commitments
	2-17 Collective knowledge of the highest governance body	Omission of disclosure on the grounds that the information is unavailable.
	2-18 Evaluation of the performance of the highest governance body	Compensation Report: 3 Organization and competences
	2-19 Remuneration policies	Compensation Report: 4.1 General description of compensation components/ architecture
	2-20 Process to determine remuneration	Compensation Report: 4.1 General description of compensation components/ architecture
	2-21 Annual total compensation ratio	Omission of disclosure on the grounds that the information is unavailable.
	2-22 Statement on sustainable development strategy	Sustainability Report: 1 Foreword

GRI Standard/ Other source	Disclosure	Location in report
Statement of use KLINGELNBERG has reported the information cited in the GRI content index with reference to the GRI Standards GRI used: GRI 1: Foundation 2021		
GRI 2: General disclosures	2-23 Policy commitments	Sustainability Report: 4.2.1 Policy commitments
	2-24 Embedding policy commitments	Sustainability Report: 4.2.1 Policy commitments
	2-25 Processes to remediate negative impacts	Sustainability Report: 4.2.1 Policy commitments
	2-26 Mechanisms for seeking advice and raising concerns	Sustainability Report: 4.2.1 Policy commitments
	2-27 Compliance with laws and regulations	Corporate Governance Report: 5.7.7 Risk and compliance
	2-28 Membership associations	Sustainability Report: 4.2.3 Membership associations
	2-29 Approach to stakeholder engagement	Sustainability Report: 4.2.3 Membership associations
	2-30 Collective bargaining agreements	Sustainability Report: 5.1.2 Concept and measures

GRI Standard/ Other source	Disclosure	Location in report
Material topics		
GRI 3: Material topics	3-1 Process to determine material topics	Sustainability Report: 4.3 Double materiality assessment
	3-2 List of material topics	Sustainability Report: 4.3 Double materiality assessment
Energy		
GRI 3: Material topics	3-3 Management of material topics	Sustainability Report: 5.1 Energy
GRI 302-1: Energy 2016	302-1 Energy consumption within the organization	Sustainability Report: 5.1.3 Results from the pursued concepts
	302-2 Energy intensity ratio	Sustainability Report: 5.1.3 Results from the pursued concepts

GRI Standard/ Other source	Disclosure	Location in report
Climate change		
GRI 3: Material topics	3-3 Management of material topics	Sustainability Report: 5.2 Climate change
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Sustainability Report: 5.2.3 Results from the pursued concepts
	305-2 Energy indirect (Scope 2) GHG emissions	Sustainability Report: 5.2.3 Results from the pursued concepts
	305-3 Other indirect (Scope 3) GHG emissions	Sustainability Report: 5.2.3 Results from the pursued concepts
	305-4 GHG emissions intensity	Sustainability Report: 5.2.3 Results from the pursued concepts
Resource management		
GRI 3: Material topics	3-3 Management of material topics	Sustainability Report: 5.3 Resource management
Self-developed KPIs	Number of retrofits and upgrades marketed	Sustainability Report: 5.3.3 Results from the pursued concepts
Product safety		
GRI 3: Material topics	3-3 Management of material topics	Sustainability Report: 6.1 Product safety
Labor relations and working conditions		
GRI 3: Material topics	3-3 Management of material topics	Sustainability Report: 7.1 Labor relations and working conditions
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Sustainability Report: 7.1.3 Results from the pursued concepts
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Sustainability Report: 7.1.3 Results from the pursued concepts

GRI Standard/ Other source	Disclosure	Location in report
People development		
GRI 3: Material topics	3-3 Management of material topics	Sustainability Report: 7.2 People development
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	Sustainability Report: 7.2.3 Results from the pursued concepts
	404-3 Percentage of employees receiving regular performance and career development reviews	Sustainability Report: 7.2.3 Results from the pursued concepts
Health and safety		
GRI 3: Material topics	3-3 Management of material topics	Sustainability Report: 7.3 Health and safety
GRI 403: Occupational health and safety 2018	403-9 Work-related injuries	Sustainability Report: 7.3.3 Results from the pursued concepts
Responsible supply chain		
GRI 3: Material topics	3-3 Management of material topics	Sustainability Report: 8.1 Responsible supply chain
GRI 204: Procurement practices 2016	204-1 Proportion of spending on local suppliers	Sustainability Report: 8.1.3 Results from the pursued concepts
Self-developed KPIs	Percentage of Code of Conduct for Suppliers signed	Sustainability Report: 8.1.3 Results from the pursued concepts
Technology and innovation		
GRI 3: Material topics	3-3 Management of material topics	Sustainability Report: 9 Technology and innovation
Self-developed KPIs	New patent families submitted to the patent offices	Sustainability Report: 9.1.3 Results from the pursued concepts

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Consolidated balance sheet

EUR 000	Note	31.03.2026	31.03.2025
Assets			
Current assets			
Cash and cash equivalents		24.848	16.008
Receivables from goods and services	4.1	65.699	70.183
Derivative financial instruments	4.2	167	16
Other short-term receivables	4.3	7.652	6.703
Inventories	4.4	108.444	104.385
Prepayments and accrued income		3.423	3.610
Total current assets		**210.233**	**200.905**
Non-current assets			
Tangible fixed assets	4.5	61.946	61.608
Loans and other receivables		27	0
Investments in joint ventures	4.6	2.781	3.131
Deferred tax assets	4.7	11.475	11.906
Other financial assets	4.8	1.716	1.131
Intangible assets	4.9	2.319	1.408
Total non-current assets		**80.264**	**79.184**
Total assets		**290.497**	**280.089**

The enclosed notes are part of the consolidated financial statements.

Consolidated balance sheet

EUR 000	Note	31.03.2026	31.03.2025
Liabilities			
Current liabilities			
Short-term financial liabilities	4.10	44.863	30.089
Payables from goods and services	4.11	21.360	17.441
Derivative financial instruments	4.2	15	27
Other short-term liabilities	4.12	39.436	42.741
Accrued liabilities and deferred income	4.13	17.379	17.109
Short-term provisions	4.14	4.572	4.336
Total current liabilities		**127.625**	**111.743**
Non-current (long-term) liabilities			
Long-term financial liabilities	4.10	8.787	11.533
Deferred tax liabilities	4.14	1.231	1.492
Long-term provisions	4.14	11.298	11.948
Total non-current (long-term) liabilities		**21.316**	**24.973**
Total liabilities		**148.941**	**136.716**
Equity			
Share capital	4.15	28.639	28.639
Capital reserves	4.15	36.581	38.946
Retained earnings		76.336	75.788
Total equity		**141.556**	**143.373**
Total liabilities and equity		**290.497**	**280.089**

The enclosed notes are part of the consolidated financial statements.

Consolidated income statement

EUR 000	Note	2025/26	2024/25
Net sales from goods and services	5.1/6.2	**285.390**	**309.069**
Other operating income	5.2/6.2	5.163	3.276
Change in inventory of finished and unfinished goods as well as unbilled goods and services	5.3	4.049	-10.680
Material expense	6.2	-118.658	-117.296
Personnel expense	5.4	-118.079	-119.825
Other operating expense	5.5/6.2	-42.455	-43.510
Depreciation on tangible fixed assets	4.5	-5.438	-5.263
Amortization on intangible assets	4.9	-394	-362
Share of result from joint ventures	4.6	684	807
Operating result		**10.262**	**16.216**
Financial result	5.6/6.2	-1.502	-1.193
Profit before income taxes		**8.760**	**15.023**
Income taxes	5.7	-2.967	-5.038
Net profit		**5.793**	**9.985**

Earnings per share

EUR			
Basic earnings per share	5.8	0,66	1,13
Diluted earnings per share	5.8	0,66	1,13

The enclosed notes are part of the consolidated financial statements.

Consolidated cash flow statement

EUR 000	Note	2025/26	2024/25
Net profit		**5.793**	**9.985**
Depreciation/amortization of tangible fixed assets and intangible assets	4.5/4.9	5.832	5.625
Change in provisions (including deferred taxes)	4.14	-674	-2.243
Net profit / loss from the disposal of tangible fixed assets and intangible assets	4.5/4.9	-164	197
Change in receivables from goods and services	4.1	3.876	10.077
Change in inventories	4.4	-5.006	10.913
Change in other receivables and prepayments and accrued income (including deferred tax)	4.3/4.7	-656	540
Share of profits from the application of the equity method	4.6	-684	-807
Change in payables from goods and services	4.11	3.650	-1.415
Change in other short-term liabilities and accrued liabilities and deferred income	4.12/4.13	-2.377	-13.487
Other non-cash items		220	-415
Cash flow from operating activities		**9.810**	**18.970**
Inflows for investment in financial assets (including loans, participations, securities, etc.)	4.6	1.034	17
Outflows for investment in financial assets (including loans, participations, securities, etc.)	4.8	-611	0
Outflows for investment in tangible fixed assets	4.5	-7.258	-8.537
Inflows from the sale of tangible fixed assets	4.5	1.029	57
Outflows for investment in intangible assets	4.9	-1.315	-487
Outflows for the acquisition of consolidated organisations (less cash taken over)	3	0	-3.526
Cash flow from investing activities		**-7.121**	**-12.476**

The enclosed notes are part of the consolidated financial statements.

EUR 000	Note	2025/26	2024/25
Dividend payments		-4.731	-4.674
Change in short-term financial liabilities	4.10	14.781	-304
Change in long-term financial liabilities	4.10	-2.734	-1.866
Cash flow from financing activities		**7.316**	**-6.844**
Currency translation effects		**-1.165**	**-148**
Net change in cash		**8.840**	**-498**
Opening balance of cash and cash equivalents at 01.04.		16.008	16.506
Closing balance of cash and cash equivalents at 31.03.		24.848	16.008
Net change in cash		**8.840**	**-498**

Consolidated statement of changes in equity

				Retained earnings				
EUR 000	Note	Share capital	Capital reserves	Goodwill offset with equity	Other retained earnings	Cumulative foreign currency differences	Total retained earnings	Total equity
Balance as at 01.04.2024		**28.639**	**41.283**	**-20.517**	**77.228**	**14.119**	**70.830**	**140.752**
Change in scope of consolidation		0	0	-1.766	0	0	-1.766	-1.766
Currency translation differences		0	0	0	0	-913	-913	-913
Net result from cash flow hedges		0	0	0	-11	0	-11	-11
Dividends		0	-2.337	0	-2.337	0	-2.337	-4.674
Net profit		0	0	0	9.985	0	9.985	9.985
Balance as at 31.03./01.04.2025		**28.639**	**38.946**	**-22.283**	**84.865**	**13.206**	**75.788**	**143.373**
Currency translation differences		0	0	0	0	-2.949	-2.949	-2.949
Net result from cash flow hedges		0	0	0	70	0	70	70
Dividends		0	-2.365	0	-2.365	0	-2.365	-4.731
Net profit		0	0	0	5.793	0	5.793	5.793
Balance as at 31.03.2026		**28.639**	**36.581**	**-22.283**	**88.363**	**10.257**	**76.336**	**141.556**

The enclosed notes are part of the consolidated financial statements.

Notes to the consolidated financial statements

1 General information

The KLINGELNBERG Group comprises KLINGELNBERG AG and its consolidated subsidiaries. KLINGELNBERG AG is a public limited company under Swiss law, incorporated and registered in Zürich, Switzerland. The shares of KLINGELNBERG AG are listed in Switzerland under the Swiss Reporting Standard of SIX Swiss Exchange.

The Consolidated Financial Statements as at and for the year ended 31 March 2026 were authorized for release by the Board of Directors on 23 June 2026 and are subject to approval by the Annual General Meeting.

2 Accounting principles

2.1 Basis for the preparation of the financial statements

The Consolidated Financial Statements of the KLINGELNBERG Group have been prepared in accordance with Swiss GAAP FER and give a true and fair view of the assets, liabilities, earnings and cash flows of KLINGELNBERG Group. In addition, the provisions of the Listing Rules of SIX Swiss Exchange and Swiss accounting law were complied with. The Consolidated Financial Statements were prepared applying the principle of historical cost accounting, with the exceptions of derivative financial instruments, which were measured at fair value. The preparation of the Consolidated Financial Statements requires the management to make estimates and assumptions. If in the future such estimates and assumptions, which are based on the management's best judgement, change, the original estimates and assumptions will be modified as appropriate in the year in which the change occurred.

2.2 Changes in accounting policies

No changes to the standards have been published.

2.3 Definition of alternative performance measures

EBITDA:
Earnings before interest, income tax, depreciation and amortization (EBITDA) as a subtotal includes the operating result (EBIT) plus depreciation on tangible fixed assets and amortization on intangible assets.

EBIT:
The operating result (Swiss GAAP FER) excluding non-operating and extraordinary results.

2.4 Scope and principles of consolidation

The Consolidated Financial Statements of KLINGELNBERG Group included KLINGELNBERG AG, as well as all entities as at 31 March of the current financial year for which the parent company held, directly or indirectly, the majority of the voting rights or had the power to govern their operating and financial policies in any other way. Consolidation ends when control by the parent company ceases.

Capital consolidation was based on the purchase method. Companies acquired by the Group were included in the Consolidated Financial Statements from the date of obtaining control. The net assets acquired were revalued at fair value at the acquisition date, using uniform Group accounting principles. Companies sold were excluded from the scope of consolidation as at the date on which control ceased, with any gain or loss recognized in the income statement.

All intragroup balances and transactions including accounts receivable, accounts payable, income, expenses, and any unrealized gains and losses resulting from transactions between Group companies were eliminated.

Investments in joint ventures in which KLINGELNBERG Group exercised joint control together with a joint venture partner (e.g., with 50% voting rights) were recognized using the equity method.

The financial statements of the Group companies were prepared using the same accounting and valuation methods and on the same balance sheet date as the parent company's financial statements.

The KLINGELNBERG Group had no minority interests.

For a list of consolidated companies and investments see the following table. Any changes to the scope of consolidation are outlined in Note 3.

			Share of capital and voting rights	
Company, head office	Currency	Capital	31.03.2026	31.03.2025
KLINGELNBERG AG, Zürich, Switzerland	CHF	44.200.000		
KLINGELNBERG GmbH, Hückeswagen, Germany	EUR	15.338.755	100%	100%
KLINGELNBERG (France) SAS, Saint Germain en Laye, France	EUR	215.000	100%	100%
KLINGELNBERG Imexma SA, Barcelona, Spain	EUR	750.000	100%	100%
KLINGELNBERG Italiana Srl., Milano, Italy	EUR	80.000	100%	100%
KLINGELNBERG (Japan) Ltd., Yokohama, Japan	JPY	50.000.000	100%	100%
KLINGELNBERG Mexico S.A. de C.V., Queretaro, Mexico	MXN	500.000	100%	100%
KLINGELNBERG America, Inc., Saline, USA	USD	200	100%	100%
The KLINGELNBERG Corporation, Cincinnati, Ohio, USA	USD	254	100%	100%
KLINGELNBERG India Private Ltd., Pune, India	INR	27.700.000	100%	100%
HÖFLER Yantai Service Co., Ltd., China	CNY	748.657	100%	100%
KLINGELNBERG do Brasil, Sao Paulo, Brazil *	BRL	5.450.000	100%	100%
KLA Real Estate, LLC., Saline, USA	USD	0	100%	100%
DKSH KLINGELNBERG Service Ltd., Shanghai, China **	CNY	5.393.815	50%	50%
ROTEC Munich GmbH, München, Germany ***	EUR	25.565	100%	100%

* *Capital increase from BRL 3.950.000 to BRL 5.450.000*
***Joint venture consolidated at equity*
*** *Formerly known as VISPIRON ROTEC GmbH*

2.5 Business combinations

Assets and liabilities acquired were revalued at fair value at the acquisition date. Any identifiable intangible assets, not previously recognized by the acquired company, are capitalized separately, if they are relevant to the decision to obtain control. Goodwill was calculated as the difference between the purchase price (incl. transaction costs) and the revalued net assets. The positive or negative goodwill resulting from business combinations was offset against equity at the date of acquisition. At the disposal of the Company, the goodwill previously offset in equity was transferred to the income statement. The consequences of the theoretical capitalization and amortization of goodwill are explained in Note 4.9.

2.6 Segment reporting

Notwithstanding the additional recommendations for listed companies (Swiss GAAP FER 31), the Board of Directors of the KLINGELNBERG Group decided not to publish any detailed segment results in order to protect the interests of its shareholders.

As a globally operating Group, KLINGELNBERG managed its activities based on a business unit approach on one side and on the optimization of synergies on the other. The reporting system reflected this structure, and the activities of KLINGELNBERG Group were split between four main business units:

- Bevel Gear
- Cylindrical Gear
- Measuring Centers
- Drive Technology

Disclosing operating results by business unit would lead to competitive disadvantages in terms of the profitability and distribution margins as well as the cost calculations. The KLINGELNBERG Group would be the only company in the industry showing detailed profitability information at business unit level. Most of the relevant competitors are privately held companies that do not have to follow international disclosure requirements and, therefore, do not publish any detailed financial information. Some other competitors are large, international corporations, which apply a broader definition of reporting segments where specific data relevant for the core industry is not accessible.

Therefore, the disclosure of business unit operating results would lead to significant competitive disadvantages for the KLINGELNBERG Group. Moreover, such information would negatively affect the KLINGELNBERG Group's negotiating power with various stakeholders such as clients, suppliers, etc. For all these reasons, the KLINGELNBERG Group firmly believes that disclosing operating results by business units would have a significant negative impact on its overall performance.

2.7 Conversion of foreign currency items and transactions

Translation of financial statements to be consolidated

In light of the significant share of the business operations taking place in Germany, the Consolidated Financial Statements of KLINGELNBERG Group are presented in Euros (EUR). The financial statements of Group companies were prepared in their respective functional currencies and translated into Euros as follows:

- Assets and liabilities were converted at the year-end exchange rate
- Income and expense were converted using the average exchange rate of the reporting year
- The conversion differences arising through the translation of the balance sheet items had no

effect on the income statement and were recognized in equity as cumulative foreign currency differences. When a subsidiary with a foreign currency was de-consolidated, the accumulated conversion differences recognized in the equity were reclassified to the income statement.

Foreign currency transactions in Group companies

Foreign currency effects on intragroup equity-like loans, which were a significant part of the Company's net investments in foreign subsidiaries, were recognized in equity as cumulative foreign currency differences until the disposal of the net investment. From this point in time, the foreign currency differences were recognized in the income statement as a profit or loss on the sale of investments.

Transactions in foreign currencies were converted at the average exchange rate of the month of the transaction. Exchange rate differences arising from financial transactions were recorded in the income statement. All monetary assets and liabilities in a foreign currency were converted at the exchange rate as at the balance sheet date and the resulting gains/losses were recognized in the income statement.

The table below outlines the main exchange rates used in the preparation of the Company's Consolidated Financial Statements as at and for the years ended 31 March 2026 and 31 March 2025.

	Year-end exchange rate		Average exchange rate	
	31.03.2026	31.03.2025	2025/26	2024/25
CHF/EUR	0,91800	0,95395	0,92985	0,95170
USD/EUR	1,14595	1,08205	1,15912	1,07379
JPY/EUR	183,04835	161,56630	174,75499	163,61665

2.8 Cash and cash equivalents

Cash and cash equivalents were measured at nominal value and comprised cash on hand, deposits in bank accounts and with similar institutions and fixed-term deposits with an original term of up to 90 days.

2.9 Receivables from goods and services and other short-term receivables

Receivables were measured at nominal value less any value adjustments for doubtful accounts. Value adjustments were established for cases where the Group faces a risk of not collecting the outstanding amount.

2.10 Derivative financial instruments

The Group used derivatives mainly to hedge against foreign currency risks. These derivatives were primarily foreign exchange forwards. Derivatives were recognized initially at acquisition cost and subsequently valued at fair value. Except for derivatives that were designated as hedging instruments for future cash flows, all changes in the fair values of derivatives were recognized in the result of the period.

Instruments for hedging future cash flows were recognized at fair value. Changes in the fair value of such cash flow hedges were recorded in equity. Changes in the fair value of hedges recorded in equity were recorded in the period in which the cash flows from the underlying hedged asset were recognized.

2.11 Inventories

Inventories were measured at the lower of acquisition and manufacturing cost and net realizable value. Acquisition cost was measured net of cash discounts. Manufacturing cost included direct labor and materials used, as well as a commensurate share of the related production overhead costs excluding any borrowing costs.

If the net realizable value of inventories was lower than the book value or if inventories had a low turnover rate, the necessary value adjustments were recognized.

2.12 Tangible fixed assets

Tangible fixed assets were measured at acquisition cost excluding any borrowing costs less accumulated depreciation and impairment. Depreciation was recognized on a straight-line basis over the following estimated useful life of the asset:

- Land: No depreciation
- Buildings: 40 years
- Machines and equipment: 10 years
- Other tangible fixed assets: 3 to 10 years

Assets under construction were not depreciated until completion.

Expenditures on maintaining and repairing tangible fixed assets were charged to the income statement. Capital expenditures for existing tangible fixed assets were capitalized if classified as value-adding and depreciated over the remaining useful life.

2.13 Loans and other receivables, other financial assets

Loans and other receivables as well as other financial assets were measured at nominal value less any value adjustments required.

2.14 Investments in joint ventures

Investments in joint ventures were recognized using the equity method.

2.15 Taxes

Current and deferred taxes were accrued for all tax obligations, irrespective of their due date. Current income taxes were calculated on the taxable profit for the financial year. Deferred taxes were calculated by applying the balance sheet method for any temporary difference between the carrying amount and the tax basis of assets and liabilities. For that calculation, the current tax rates applicable in each jurisdiction were used while already identified future changes in the tax rates were taken into consideration.

Deferred tax assets for tax loss carry-forwards were recognized to the extent that it is probable that they can be offset against future taxable profits.

Deferred taxes were calculated on the basis of the tax rates applicable in each country.

Current and deferred tax assets and liabilities were offset if they concern the same taxable entity or group of entities and tax jurisdiction and if the Group had a legally enforceable right to offset current tax assets and liabilities.

No deferred tax was provided for temporary differences on investments in subsidiaries where the timing of the reversal of the temporary difference was controlled by the Group and it was not probable that the temporary difference will be reversed in the foreseeable future.

2.16 Intangible assets

Acquired intangible assets were measured at acquisition costs less accumulated amortization and impairment. Intangible assets were amortized on a straight-line basis over their useful life as follows:

- Software: 3 to 5 years
- Licenses: 3 to 10 years
- Self-created intangible assets: 8 to 10 years

Internally in the Group generated intangible assets including research and development costs were recognized as a cost in the income statement in the financial year in which they occurred. In 2024/25 financial year, self-created intangible assets (relating to software and hardware develop-

ments) were included for the first time. This resulted from the acquisition of ROTEC Munich GmbH (formerly known as VISPIRON ROTEC GmbH) and the associated assets taken over.
Goodwill from the acquisition of consolidated entities was offset with equity at the date of acquisition. Goodwill is theoretically amortized on a straight-line basis over a useful life of 7 to 15 years.

2.17 Impairment of assets

Assets (especially tangible fixed assets, intangible assets and financial assets) were subject to an impairment test at each balance sheet date. If there was any indication of impairment, a detailed test was performed immediately. If the carrying amount exceeded the recoverable amount (higher of fair value less cost to sell and value in use), an impairment loss was recognized in the income statement. If, subsequently, an increase in the asset's value can be demonstrated, the impairment charge was reversed (no reversal for goodwill impairments) accordingly via the operating result.

As the goodwill was already offset with equity at the date of the acquisition, an impairment of the goodwill would not affect the income statement but led to a disclosure in the notes only.

2.18 Financial liabilities

Financial liabilities were measured at nominal values.

2.19 Payables from goods and services and other liabilities

Payables from goods and services and other liabilities were measured at nominal values.

2.20 Provisions

Provisions took into account all identifiable and measurable risks from warranties and penalties for non-performance, expected losses from pending transactions and process risks which management deemed likely to occur. Provisions were recognized when the Group had a present legal or constructive obligation as a result of past events and if it was more likely than not that an outflow of resources will be required to settle the obligation and the amount had been reliably estimated.

2.21 Revenue recognition

Revenue was recognized when the principal risks and rewards of ownership were transferred to the customer, the amount of the proceeds could be reliably determined and when it was sufficiently probable that the economic benefits from the sale will flow to the Group. Revenue from maintenance, service and warranty agreements was recognized over time during the contractual period in which the related services were provided.

Revenues were stated at the fair value of the consideration entitled to be received. This was after the deduction of discounts, rebates and credits and before value-added and sales tax.

2.22 Off-balance sheet transactions

Contingent liabilities as well as other non-recognized obligations were assessed at each balance sheet date and were disclosed in the notes to the financial statements. A provision was recorded if the relevant conditions were met.

2.23 Leases

Leases in which a significant portion of the risks and rewards of ownership were transferred from the lessor to the lessee were classified as finance leases. The leased assets were carried at cost not higher than the minimum lease payments and depreciated along with other tangible fixed assets.

The corresponding leasing obligations were shown as liabilities. Leasing payments were allocated accordingly as either capital repayments or interest expenses presented in the financial result. Leases in which a significant portion of the risks and rewards of ownership were retained by the lessor were classified as operating leases. Payments made under operating leases were charged to profit or loss on a straight-line basis over the period of the lease.

2.24 Share-based payments

Share-based payments were treated as a cash-settled plan. Provisions must be recognized as an expense over the vesting period. The fair value of the liability must be determined at each balance sheet date and the provision adjusted to this fair value. For further information refer to Note 4.1 of the Compensation Report.

2.25 Pension benefit obligation

The employee benefit plans of the KLINGELNBERG Group complied with the legislation in force in each country. Employee benefit plans were handled mostly by institutions and foundations that were legally independent of KLINGELNBERG Group. They were usually financed by both employee and employer contributions.

The economic impact of the employee benefit plans is assessed each year. Surpluses or deficits were determined by means of the annual statements of each specific benefit plan, which were based either on Swiss GAAP FER 26 (Swiss benefit plans) or on the accepted methods in each foreign country (foreign plans). An economic benefit was capitalized if it was permitted and intended to use the surplus to reduce the employee contributions. If employer contribution reserves existed, they were also capitalized. An economic obligation was recognized as a liability if the conditions for a provision were met. They were reported under “Provision for pension benefit obligation”. Changes in the economic benefit or economic obligation, as well as the contributions incurred for the period, were recognized in “Personnel expense” in the income statement.

3 Changes in the scope of consolidation

In the 2024/25 financial year, the Group acquired ROTEC Munich GmbH (formerly known as VISPIRON ROTEC GmbH), a Munich-based measurement technology company, on 02 September 2024. The acquisition strengthened the Group's supply chain. Goodwill of EUR 1,8 million arose from the transaction.

4 Substantial information on the consolidated balance sheet items

4.1 Receivables from goods and services

EUR 000	31.03.2026	31.03.2025
Receivables from third parties	65.691	70.165
Receivables from joint ventures	124	183
Value adjustments	-116	-165
Receivables from goods and services	**65.699**	**70.183**
Thereof:		
- not due and due up to 90 days	64.518	68.478
- overdue more than 90 days	1.181	1.705

Compared to the 2024/25 financial year, sales were lower, which is reflected in the receivables.

4.2 Derivative financial instruments

EUR 000	31.03.2026			31.03.2025		
Basic value:	Asset	Liability	Purpose	Asset	Liability	Purpose
Foreign exchange	167	15	Hedging	16	27	Hedging
Total	**167**	**15**		**16**	**27**	

4.3 Other short-term receivables

This position included receivables from taxes of EUR 3,5 million (as at 31 March 2025: EUR 2,7 million), Corona aid in the amount of EUR 1,1 million (as at 31 March 2025: EUR 1,1 million), research allowance EUR 0,8 million (as at 31 March 2025: 0), prepayments to suppliers of EUR 0,5 million (as at 31 March 2025: EUR 1,0 million), and insurance of EUR 0,5 million (as at 31 March 2025: EUR 0,8 million).

4.4 Inventories

EUR 000	31.03.2026	31.03.2025
Finished products	9.379	10.498
Work in progress	59.849	56.309
Acquired parts	50.750	50.206
Supplies	637	658
	120.615	**117.671**
Value adjustments	-12.171	-13.286
Inventories	**108.444**	**104.385**

4.5 Tangible fixed assets

	2025/26				
EUR 000	Land and buildings	Machines and equipment	Other assets	Tangible fixed assets under construction	Total
Acquisition cost					
Gross value as at 01.04.	**60.208**	**44.463**	**26.432**	**2.692**	**133.795**
Additions	1.903	3.182	1.778	692	7.555
Disposals and derecognitions	-300	-4.470	-1.495	0	-6.265
Foreign currency effects	-858	-334	-120	-32	-1.344
Reclassifications	683	1.168	68	-1.919	0
Gross value as at 31.03.	**61.636**	**44.009**	**26.663**	**1.433**	**133.741**
Accumulated depreciation as at 01.04.	**17.765**	**34.447**	**19.975**	**0**	**72.187**
Depreciation	1.581	1.729	2.128	0	5.438
Disposals and derecognitions	-300	-3.746	-1.360	0	-5.406
Foreign currency effects	-233	-109	-82	0	-424
Accumulated depreciation as at 31.03.	**18.813**	**32.321**	**20.661**	**0**	**71.795**
Net carrying amount as at 01.04.	**42.443**	**10.016**	**6.457**	**2.692**	**61.608**
Net carrying amount as at 31.03.	**42.823**	**11.688**	**6.002**	**1.433**	**61.946**

Construction of a new administration, assembly, and service building in India started in the 2025/26 financial year.

Other fixed assets are related to tools, office equipment including hardware, office furniture, and vehicles.

	2024/25				
EUR 000	Land and buildings	Machines and equipment	Other assets	Tangible fixed assets under construction	Total
Acquisition cost					
Gross value as at 01.04.	**57.855**	**42.487**	**25.267**	**1.304**	**126.913**
Additions	2.425	2.142	2.106	1.776	8.449
Changes in the scope of consolidation	0	14	48	0	62
Disposals and derecognitions	0	-253	-992	0	-1.245
Foreign currency effects	-72	-282	-27	-3	-384
Reclassifications	0	355	30	-385	0
Gross value as at 31.03.	**60.208**	**44.463**	**26.432**	**2.692**	**133.795**
Accumulated depreciation as at 01.04.	**16.135**	**33.088**	**18.897**	**0**	**68.120**
Depreciation and derecognitions	1.638	1.571	2.054	0	5.263
Disposals	0	-13	-978	0	-991
Foreign currency effects	-8	-199	2	0	-205
Accumulated depreciation as at 31.03.	**17.765**	**34.447**	**19.975**	**0**	**72.187**
Net carrying amount as at 01.04.	**41.720**	**9.399**	**6.370**	**1.304**	**58.793**
Net carrying amount as at 31.03.	**42.443**	**10.016**	**6.457**	**2.692**	**61.608**

4.6 Investments in joint ventures

In the 2025/26 financial year, our Chinese joint venture distributed a dividend in the amount of EUR 1,0 million (as at 31 March 2025: EUR 0). The share of the result from joint ventures amounted to EUR 0,7 million (as at 31 March 2025: EUR 0,8 million).

4.7 Deferred tax assets

In the financial year under review the deferred tax assets mainly resulted from divergent valuations of pension provisions as well as provisions for partial retirement obligations, service anniversaries, and provisions for warranties. Deferred taxes were calculated based on the tax rates applicable in each country. The average applied tax rate was 30,07% (previous financial year 25,71%).

In the current financial year capitalized tax loss carryforwards increased by EUR 0,2 million to EUR 7,7 million (as at 31 March 2025: EUR 7,5 million).

EUR 000

Tax loss carryforwards as at 31.03.2026	**Capitalized**	**Not capitalized**	**Total**
No expiry	22.982	36.094	59.076
Total losses carried forward	22.982	36.094	59.076
Potential deferred tax assets arising from unused tax loss carryforwards		11.651	
Deferred taxes capitalized	**7.744**		
Tax loss carryforwards as at 31.03.2025	**Capitalized**	**Not capitalized**	**Total**
No expiry	21.930	36.666	58.596
Total losses carried forward	21.930	36.666	58.596
Potential deferred tax assets arising from unused tax loss carryforwards		11.836	
Deferred taxes capitalized	**7.489**		

4.8 Other financial assets

In the financial year under review, this item mainly comprised an insolvency-protected life insurance policy to cover pension liabilities in connection with part-time phased retirement obligations in the amount of EUR 1,6 million (as at 31 March 2025: EUR 1,0 million). The amount was calculated in accordance with the local legal requirements of the company that recognizes these assets.

4.9 Intangible assets

	2025/26				2024/25			
EUR 000	Software	Self-created intangible assets	Other intangible assets	Total	Software	Self-created intangible assets	Other intangible assets	Total
Acquisition cost								
Gross value as at 01.04.	**7.874**	**644**	**209**	**8.727**	**7.527**	**0**	**78**	**7.605**
Additions	708	0	607	1.315	284	0	203	487
Changes in the scope of consolidation	0	0	0	0	35	644	0	679
Disposals and derecognitions	-1.015	0	-7	-1.022	-54	0	0	-54
Foreign currency effects	5	0	-1	4	10	0	0	10
Reclassifications	125	0	-125	0	72	0	-72	0
Gross value as at 31.03.	**7.697**	**644**	**683**	**9.024**	**7.874**	**644**	**209**	**8.727**
Accumulated amortization as at 01.04.	**7.242**	**76**	**1**	**7.319**	**7.001**	**0**	**0**	**7.001**
Amortization	314	80	0	394	286	76	1	363
Disposals and derecognitions	-1.015	0	0	-1.015	-54	0	0	-54
Foreign currency effects	7	0	0	7	9	0	0	9
Accumulated amortization as at 31.03.	**6.548**	**156**	**1**	**6.705**	**7.242**	**76**	**1**	**7.319**
Net carrying amount as at 01.04.	**632**	**568**	**208**	**1.408**	**526**	**0**	**78**	**604**
Net carrying amount as at 31.03.	**1.149**	**488**	**682**	**2.319**	**632**	**568**	**208**	**1.408**

As part of the acquisition of ROTEC Munich GmbH (formerly known as VISPIRON ROTEC GmbH) in the 2024/25 financial year, intangible assets relating to software and hardware development, with a carrying amount of EUR 0,6 million, were recognized.

Goodwill arising from this acquisition amounted to EUR 1,8 million and was consolidated as of 02 September 2024 through retained earnings. The goodwill is amortized over a period of 10 years.

A theoretical capitalization of goodwill would have the following effects on the consolidated financial statements.

EUR 000	2025/26	2024/25
Theoretical statement of changes in goodwill		
Acquisition cost		
Gross value as at 01.04.	22.283	20.517
Gross value as at 31.03.	22.283	22.283
Accumulated amortization at 01.04.	**19.360**	**18.717**
Amortization	717	643
Accumulated amortization at 31.03.	**20.077**	**19.360**
Theoretical impact on equity		
Theoretical net carrying amount at 31.03.	2.206	2.923
Effect on equity		
Equity according to balance sheet	141.556	143.373
Theoretical net carrying amount goodwill	2.206	2.923
Theoretical equity incl. net carrying amount of goodwill	**143.762**	**146.296**
Theoretical impact on net income		
Effect on income statement		
Net profit	5.793	9.985
Theoretical amortization of goodwill	-717	-643
Theoretical net profit	**5.076**	**9.342**

4.10 Financial liabilities

EUR 000	31.03.2026	31.03.2025
Short-term financial liabilities	44.863	30.089
Long-term financial liabilities	8.787	11.533
Total financial liabilities	**53.650**	**41.622**
Thereof in:		
- EUR	53.502	41.347
- USD	148	275
Thereof with maturity in:		
- 2 to 5 years	8.505	10.500
- > 5 years	282	1.033
Average interest rate	3,15%	3,82%
Unused credit facilities	17.374	32.149
Long-term financial liabilities include mortgages secured using mortgage notes		
Carrying amount of property	42.823	42.443
- thereof pledged	20.600	20.600
- thereof used	10.702	13.120

4.11 Payables from goods and services

EUR 000	31.03.2026	31.03.2025
Payables from goods and services		
- with third parties	20.787	16.691
- with joint ventures	502	719
- with other related parties	71	31
Payables from goods and services	**21.360**	**17.441**
Thereof:		
- not due and due up to 90 days	21.209	17.052
- overdue more than 90 days	151	389

4.12 Other short-term liabilities

This position contained mainly advance payments from customers amounting to EUR 31,6 million (as at 31 March 2025: EUR 33,2 million) as well as taxes and social insurance withholdings of EUR 4,9 million (as at 31 March 2025: EUR 4,7 million).

4.13 Accrued liabilities and deferred income

This item mainly included liabilities from personnel accruals (vacation, Christmas bonus, overtime, performance bonus) EUR 8,7 million (as at 31 March 2025: EUR 8,7 million), outstanding invoices for products sold (assembly, training, freight) EUR 5,6 million (as at 31 March 2025: EUR 5,5 million) and deferred income EUR 1,8 million (as at 31 March 2025: EUR 1,8 million).

4.14 Provisions

	2025/26				
EUR 000	Provision for warranties	Provision for pension benefit obligation	Other provisions	Total provisions excl. deferred tax	Deferred tax
Carrying amount as at 01.04.	**2.441**	**9.724**	**4.119**	**16.284**	**1.492**
Creation of provisions	2.247	15	1.158	3.420	51
Utilization of provisions	-1.853	-556	-364	-2.773	0
Release of provision recognized in the income statement	-419	-406	-163	-988	-302
Foreign currency effects	5	0	-78	-73	-10
Carrying amount as at 31.03.	**2.421**	**8.777**	**4.672**	**15.870**	**1.231**
of which, short-term	2.203	542	1.827	4.572	0
of which, long-term	218	8.235	2.845	11.298	1.231

	2024/25				
EUR 000	Provision for warranties	Provision for pension benefit obligation	Other provisions	Total provisions excl. deferred tax	Deferred tax
Carrying amount as at 01.04.	**4.428**	**9.392**	**4.284**	**18.104**	**1.548**
Creation of provisions	1.647	552	341	1.998	49
Utilization of provisions	-1.669	-529	-420	-2.618	0
Release of provision recognized in the income statement	-1.992	0	-140	-1.590	-300
Changes in the scope of consolidation	13	309	45	367	181
Foreign currency effects	14	0	9	23	14
Carrying amount as at 31.03.	**2.441**	**9.724**	**4.119**	**16.284**	**1.492**
of which, short-term	2.291	529	1.516	4.336	0
of which, long-term	150	9.195	2.603	11.948	1.492

The valuation of provisions in all categories was based on latest available data (e.g., claims that have occurred or been reported) or on the experience of recent years and management estimates.

Provision for pension benefit obligations

EUR 000

Economic benefit/ economic obligation and pension benefit expenses	Surplus/deficit	Economical part of the organization		Change to prior year period or recognized in the current result of the period, respectively	Contributions concerning the business period	Pension benefit expense as part of personnel expense	
	31.03.2026	31.03.2026	31.03.2025			2025/26	2024/25
Pension funds without deficit or surplus (1)	0	0	0	0	-442	-442	-454
Pension funds without own assets (2)	0	-8.777	-9.724	947	-556*	391	-552
Total	**0**	**-8.777**	**-9.724**	**947**	**-998**	**-51**	**-1.006**

* *Pension payments according to pension plan in the current financial year.*

(1) The Swiss entity was affiliated with a collective pension plan where the surplus/deficit could not be determined on the basis of the individual contract, but it could be stated that based on the audited figures of the pension fund as at 31 December 2025 the coverage of the collective plan as a whole amounted to 117,5% (as at 31.12.2024 the audited figures: 115,6%). The technical interest rate used amounted to 1,75% (prior year: 2,00%). The underlying mortality table remained unchanged (BVG 2020 GT). Furthermore, there was a supplementary pension plan, which did not bear risk due to full insurance as part of a collective insurance contract.

(2) The economic obligation from pension funds without own funds contained primarily the obligation from employee benefit plans in Germany. The discount rate used in the calculation was 4,19% (2024/25: 3,48%). A provision for pension benefit obligation at the level of the economic obligation had been recorded. Pension benefit expense as part of the personnel expense included the increase and decrease of provisions recorded in the income statement including changes of discount rates.

Other provisions

Other provisions included, among others, fire prevention measures of EUR 0,1 million (as at 31 March 2025: EUR 0,2 million), part-time phased retirement obligations of EUR 3,1 million (as at 31 March 2025: EUR 2,4 million) and for long service awards EUR 0,4 million (as at 31 March 2025: EUR 0,4 million).

Due to parameters influencing the value of the PSU, the provision for the LTIP in the financial year under review amounted to less than EUR 0,1 million (as at 31 March 2025: EUR 0,3 million). For further information refer to Note 4.1 of the Compensation Report.

4.15 Share capital and capital reserves

Share capital

The paid-in capital of KLINGELNBERG AG as at 31 March 2026 and the prior financial year was composed of 8.840.000 registered shares with a nominal value of CHF 5 each.

Capital reserves

The certification of the capital reserves as at 31 March 2025 has been available since 11 March 2026. According to the certificate, CHF 49.092.826,50 were recognized by the Swiss tax authorities.
This confirmation is subject to the submission of the annual Statutory Financial Statements of KLINGELNBERG AG as at 31 March 2026, which will be submitted after the Annual General Meeting in August 2026.

The statutory or legal reserves that may not be distributed amount to CHF 22.100.000.

5 Substantial information on the consolidated income statement items

5.1 Net sales from goods and services

EUR 000						2025/26
	Service location					
Segments	Germany	Switzerland	Japan	USA	Rest of the world	Total
Bevel Gear	19.619	35.153	3.340	12.055	11.724	81.891
Cylindrical Gear	66.734	11.473	7.036	6.767	4.904	96.914
Measuring Centers	65.662	3.096	4.600	10.178	5.200	88.736
Drive Technology	11.593	0	0	0	160	11.753
Other	4.178	0	185	0	1.733	6.096
Total	**167.786**	**49.722**	**15.161**	**29.000**	**23.721**	**285.390**

EUR 000						2024/25
	Service location					
Segments	Germany	Switzerland	Japan	USA	Rest of the world	Total
Bevel Gear	19.395	34.891	2.942	14.503	11.442	83.173
Cylindrical Gear	71.177	14.535	1.335	10.498	3.717	101.262
Measuring Centers	77.124	3.572	6.355	8.904	4.769	100.724
Drive Technology	19.727	0	0	0	41	19.768
Other	2.245	0	192	0	1.705	4.142
Total	**189.668**	**52.998**	**10.824**	**33.905**	**21.674**	**309.069**

For explanations regarding the segment reporting refer to Note 2.6.

5.2 Other operating income

Other operating income increased from EUR 3,3 million to EUR 5,2 million primarily due to capitalized goods manufactured on own account EUR 1,1 million and research allowance of EUR 0,9 million in the 2025/26 financial year.

5.3 Change in inventory of finished and unfinished goods as well as unbilled goods and services

The change in finished goods and unfinished goods as well as unbilled goods and services (Note 4.4) in the 2025/26 financial year amounted to EUR +4,0 million (previous financial year: EUR -10,7 million).

5.4 Personnel expense

Personnel expense amounted to EUR 118,1 million at the end of the 2025/26 financial year, EUR 1,7 million lower than the previous financial year. This was mainly due to lower costs for external personnel.

5.5 Other operating expense

In the financial year under review other operating expense decreased by EUR 1,1 million primarily incurred by lower IT services and commissions (EUR 0,7 million each), legal expense and travel costs (EUR 0,6 million each), partially compensated by higher warranty provisions (EUR 1,0 million).

In the financial year under review the largest positions of other operating expense were freight costs (EUR 8,2 million), travel and representation costs (EUR 5,8 million), IT expenses (EUR 4,5 million), maintenance expense (EUR 3,5 million), rent expense (EUR 3,5 million), as well as energy & water (EUR 2,6 million).

5.6 Financial result

EUR 000	2025/26	2024/25
Interest expense (-)	-1.690	-1.823
Financial expense	**-1.690**	**-1.823**
Interest income (+)	205	168
Financial income	**205**	**168**
Currency translation difference and hedging expense	-10.342	-8.994
- Thereof unrealized	-9.151	-7.409
Currency gains	10.325	9.456
- Thereof unrealized	9.063	7.371
Foreign currency (loss) gain	**-17**	**462**
Financial result	**-1.502**	**-1.193**

The foreign currency result was mainly due to the currency fluctuations of the CHF and USD against the EUR (Note 2.7).

5.7 Income taxes

EUR 000	2025/26	2024/25
Current tax expense	-2.911	-4.366
Deferred tax expense	-56	-672
Tax expense recognized on the income statement	**-2.967**	**-5.038**

The average applied tax rate for the Group was 30,07% (as at 31 March 2025: 25,71%) and was calculated based on the local tax rates of each local company weighted in proportion to the local company's earnings before tax in the financial year. Deferred taxes were calculated based on the tax rates applicable in each country.

As in the last financial year, local changes in income tax rates had no significant impact on the effective income tax rate. The change in the effective income tax rate resulted from the varying profit situations of individual Group companies at different local tax rates.

The other effects were EUR -0,3 million (as at 31 March 2025: EUR 0,1 million) mainly derived from non-taxable transactions, in particular from the distribution of profits between the companies as well as tax additions in accordance with local legislation.

EUR 000	2025/26	2024/25
Profit before taxes	8.760	15.023
Average applied tax rate	30,07%	25,71%
Expected income tax expense	**2.634**	**3.862**
Effect of non-recognition of tax losses in current year	665	1.039
Other effects	-332	137
Effective income tax expense	**2.967**	**5.038**
Effective income tax rate	33,87%	33,53%

5.8 Earnings per share

Basic earnings-per-share amounts were calculated by dividing net loss/profit for the year attributable to ordinary equity holders of the parent company by the average number of ordinary shares outstanding during the year.

EUR 000	2025/26	2024/25
Net profit	5.793	9.985
Average number of outstanding shares	8.840.000	8.840.000
Basic earnings per share (EUR)	0,66	1,13
Diluted earnings per share (EUR)	0,66	1,13

6 Additional information

6.1 Off-balance-sheet transactions

According to the takeover agreement of KLINGELNBERG GmbH/KLINGELNBERG Söhne GmbH & Co. Kommanditgesellschaft, KLINGELNBERG GmbH had an obligation to meet the expense of adjustments to the pensions of the retired employees of KLINGELNBERG Söhne GmbH & Co. Kommanditgesellschaft. In the financial year under review, the payments amounted to EUR 0,1 million (as at 31 March 2025: EUR 0,1 million) and were recognized in personnel expense.

Obligations due to operating leases – KLINGELNBERG Group as the lessee:

EUR 000	31.03.2026	31.03.2025
Up to 1 year	4.007	4.075
1 to 5 years	9.042	7.005
More than 5 years	2.942	31
Total obligations from operating leasing	**15.991**	**11.111**

This related mainly to the leasing of buildings used for operational purposes, motor vehicle and machine leasing, and office equipment leasing (rental).

The increase is mostly due to the rental contract extension for the office building in Switzerland.

6.2 Transactions with related parties

EUR 000	2025/26	2024/25
Net sales from goods and services	1.314	1.490
Other operating income	28	63
Material expense	-2.149	-6.022
Other operating expense	-30	-35
Financial result	-21	-11
Total	**-858**	**-4.515**

Transactions with related parties included transactions with shareholders, joint ventures, and other related parties.

6.3 Events after the balance sheet date

No significant events occurred after the balance sheet date. Events after the balance sheet date were considered until 23 June 2026. On this date, the financial statements were authorized for release by the Board of Directors.

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Klingelnberg AG
Zurich

**Report of the statutory auditor
to the General Meeting
on the consolidated financial statements 2025/26**

Report of the statutory auditor to the General Meeting of Klingelnberg AG, Zurich

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Klingelnberg AG and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 March 2026, and the consolidated income statement, the consolidated cash flow statement and the consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements (pages 127 to 156) give a true and fair view of the consolidated financial position of the Group as at 31 March 2026 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Swiss GAAP FER and comply with Swiss law.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the '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. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

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

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Our audit approach

Overview

Overall group materiality: EUR 1.5 million

The entities addressed by our full scope audit work as well as specific scope audit contribute to 86% of the Group's Net sales from goods and services.

As key audit matter the following area of focus has been identified:

Revenue recognition of goods and services in the appropriate period

Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the consolidated financial statements as a whole.

Overall group materiality	EUR 1.5 million
Benchmark applied	Net sales from goods and services
Rationale for the materiality benchmark applied	We chose net sales as the benchmark because, in our view, it is one of the appropriate benchmarks, which the users of the financial statements use to evaluate the financial performance of the Group. It is also a generally accepted benchmark when profit varies greatly between accounting periods.

We agreed with the Audit Committee that we would report to them misstatements above EUR 75'000 identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

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Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Key audit matters

Key audit matters are those matters that, in our professional judgement, 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 of goods and services in the appropriate period

Key audit matter	How our audit addressed the key audit matter
Klingelnberg Group recognizes net sales from goods and services in the period in which it transfers the risk and reward of ownership. In the financial year 2025/26 total net sales from goods and services of EUR 285.4 million were recognized. A significant portion of the net sales is usually recognized during the last quarter of the Group's financial year. We consider revenue recognition in the appropriate period at year-end to be a key audit matter because of the complexity involved when assessing and adhering to the contractually agreed incoterms as well as due to usual intra-year seasonal trends, which, in our view, increase the risk of material misstatement in revenue recognition in the appropriate period. Please refer to the Group's accounting principles in note 2.21.	We performed the following audit procedures to assess whether net sales from goods and services were recognized in the appropriate period: - We identified transactions occurring close to the balance sheet date and for the months of March 2026 and April 2026, tested, on a sample basis, whether revenue was appropriately recognized in the period in which the risk and reward of ownership was transferred. For the same sample, we assessed whether the revenue recognition was appropriate for the contractually agreed incoterms.

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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 statutory financial statements, the consolidated financial statements, the compensation report and our auditor's reports thereon.

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

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

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

Board of Directors' responsibilities for the consolidated financial statements

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

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

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 and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located on EXPERTsuisse's website: http://www.expertsuisse.ch/en/audit-report. This description forms an integral part of our report.

Report on other legal and regulatory requirements

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

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

PricewaterhouseCoopers AG

Regina Spälti
Licensed audit expert
Auditor in charge

Patrick Balkanyi
Licensed audit expert

Zürich, 23 June 2026

Statutory Financial Statements of KLINGELNBERG AG

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Statutory balance sheet

CHF	Note	31.03.2026	31.03.2025
Assets			
Current assets			
Cash and cash equivalents		5.175	38.766
Receivables from goods and services from third parties	3.1	16.315.020	10.184.566
Receivables from goods and services from group companies	3.3	1.018.067	482.285
Other short-term receivables from third parties	3.2	2.841.429	936.026
Other short-term receivables from group companies	3.3	58.282.961	55.346.519
Inventories	3.4	1.410.118	598.838
Prepayments and accrued income		271.698	219.713
Total current assets		**80.144.468**	**67.806.713**
Non-current assets			
Tangible fixed assets		449.746	644.013
Investments	3.5	103.058.189	102.819.593
Intangible assets		10.711	1.529
Total non-current assets		**103.518.646**	**103.465.135**
Total assets		**183.663.114**	**171.271.848**

Statutory balance sheet

CHF	Note	31.03.2026	31.03.2025
Liabilities			
Current liabilities			
Short-term financial liabilities to third parties	3.6	8.624.528	52.925
Short-term financial liabilities to group companies	3.3	15.594.202	20.478.632
Payables from goods and services to third parties	3.7	1.810.690	1.076.855
Payables from goods and services to group companies	3.3	16.554.132	4.743.333
Other short-term liabilities to third parties	3.8	8.475.510	6.413.779
Other short-term liabilities to group companies	3.9	1.367.504	963.445
Accrued liabilities and deferred income		3.635.322	3.775.640
Short-term provisions		273.680	179.430
Total current liabilities		**56.335.568**	**37.684.039**
Non-current (long-term) liabilities			
Long-term provisions		152.900	419.907
Total non-current (long-term) liabilities		**152.900**	**419.907**
Total liabilities		**56.488.468**	**38.103.946**
Equity			
Share capital	2.10/3.10	44.200.000	44.200.000
Statutory capital reserves	3.11	49.343.150	51.553.150
- thereof reserves from capital contributions		49.343.150	51.553.150
Statutory retained earnings		33.631.496	37.414.752
- thereof amount brought forward from the previous year		35.204.752	33.827.224
- thereof loss / profit		-1.573.256	3.587.528
Total equity		**127.174.646**	**133.167.902**
Total liabilities and equity		**183.663.114**	**171.271.848**

Statutory income statement

CHF	Note	2025/26	2024/25
Net sales from goods and services		**53.111.572**	**60.545.500**
Other operating income	4.1	1.827.894	1.904.532
Change in inventory of finished and unfinished goods as well as unbilled goods and services	4.2	811.279	-2.163.516
Material expense	4.2	-41.605.812	-41.688.775
Personnel expense	4.3	-7.201.427	-7.890.262
Depreciation on tangible fixed assets		-127.261	-155.578
Amortization on intangible assets		-3.430	-1.780
Other operating expense	4.4	-9.333.200	-9.970.205
Operating result		**-2.520.385**	**579.916**
Financial result	4.5	551.920	3.375.633
Loss / profit before income taxes		**-1.968.465**	**3.955.549**
Income taxes	4.6	395.209	-368.021
Loss / net profit		**-1.573.256**	**3.587.528**

Notes to the financial statements

1 General information

KLINGELNBERG AG is a limited liability company under Swiss law and is incorporated and domiciled in Zürich, Switzerland. These financial statements were prepared according to the provisions of Swiss accounting law (Title 32 of the Swiss Code of Obligations). Where not already prescribed by law, the significant accounting policies applied are described below.

KLINGELNBERG AG reported its Consolidated Financial Statements based on the recognized standard (Swiss GAAP FER). In accordance with the legal provisions, it had decided not to provide notes on the audit fees, a cash flow statement or a report on the business situation.

2 Accounting principles

KLINGELNBERG AG's financial statements were prepared in accordance with the provisions on commercial accounting of the Swiss Code of Obligations. The main accounting principles are described below.

2.1 Foreign currency translation

All assets and liabilities denominated in foreign currencies were translated according to the exchange rates as at the balance sheet date. Income and expenses denominated in foreign currencies and all foreign exchange transactions were translated at the monthly average exchange rates as at their respective transaction dates. Resulting foreign exchange differences were recognized in the income statement (financial result).

2.2 Cash and cash equivalents

Cash and cash equivalents included cash and bank balances. These were valued at market value.

2.3 Receivables from goods and services from third parties

Receivables from goods and services were recognized at nominal value. Individual impairment charges were applied to these items, while a general allowance of 20% (foreign) and 10% (domestic) was applied through 31 March 2025 and a 10% allowance was applied to both (foreign and domestic) starting from this financial year.

2.4 Other short-term receivables/liabilities from/to group companies

These positions contained euro cash-pool balances within the group. Participants in the euro cash-pool were all group companies with a significant transaction volume in Euro. Interest rates were applied at the market rate.

2.5 Inventories

Inventories were measured at the lower of acquisition or manufacturing cost and net realizable value. Production costs comprised all directly attributable material and manufacturing costs as well as indirect costs incurred to bring the inventories to their present location and get them into their current state. Acquisition and production costs were determined using the weighted average cost method. Net realizable value was the estimated proceeds from disposal minus estimated costs of production and selling expenses. Value adjustments were applied in cases of unsaleable inventory and inventory with low turnover rates.

2.6 Tangible fixed assets

Tangible fixed assets were measured at acquisition cost or production cost less accumulated depreciation. Depreciation was recognized on a straight-line basis over the following estimated useful life of the asset:

Machines and equipment:	10 years
Other tangible fixed assets:	3 to 10 years

2.7 Investments

Investments in subsidiaries were carried at historical cost less required impairments. An impairment was considered as soon as the net asset value of all investments falls below total carrying value. In order to evaluate the amount to be impaired, a recognized valuation method was used. Subsidiaries were consolidated as a group for valuation purposes due to their high economic and operational interdependence.

2.8 Revenue recognition

Revenue comprised all proceeds from the sale of the products of KLINGELNBERG AG. Revenue was calculated on the basis of the services rendered to clients as at the balance sheet date. Revenue was recognized when the amount of the proceeds can be reliably determined, when it was sufficiently probable that the economic benefits from the sale will flow to KLINGELNBERG AG and the risk and reward of ownership was transferred. Revenue from maintenance, service and warranty agreements was recognized over time during the contractual period in which the related services were provided.

2.9 Accrued expenses

Provisions were made when a legal or constructive obligation had arisen from past events as at the reporting date, the discharge of funds to fulfill this obligation was probable and a reliable estimate of the amount of the obligation was possible. The amount of the provision depended on the expected cash outflow to cover the obligation.

2.10 Share capital

The paid-in capital of KLINGELNBERG AG as at 31 March 2026 was composed of 8.840.000 registered shares with a nominal value of CHF 5 each (no changes to the previous financial year).

3 Substantial information on the balance sheet items

3.1 Receivables from goods and services from third parties

CHF	31.03.2026	31.03.2025
Receivables from goods and services (gross)	18.127.820	12.729.678
Receivables from joint ventures	0	1.088
Value adjustments	-1.812.800	-2.546.200
Receivables from goods and services	**16.315.020**	**10.184.566**
Thereof:		
- not due and due up to 90 days	16.252.903	10.069.742
- overdue more than 90 days	62.117	114.824

3.2 Other short-term receivables from third parties

The position mainly included refunds from VAT declarations from Germany and Switzerland in the amount of CHF 2,4 million (as at 31 March 2025: CHF 0,5 million).

3.3 Other short-term receivables/financial liabilities/payables from goods and services from/to group companies

The receivables of the cash pool account of KLINGELNBERG GmbH decreased from CHF 54,2 million to CHF 15,8 million in the 2025/26 financial year, as CHF 41,3 million was refinanced into a short-term loan agreement of KLINGELNBERG GmbH.

As at 31 March 2026, there is also a receivable of the cash-pool account from ROTEC Munich GmbH in the amount of CHF 1,1 million (as at 31 March 2025: CHF 1,1 million). At the same time, the liabilities under cash pool/short-term loan decreased from CHF 20,5 million to CHF 15,6 million.

Receivables from goods and services increased by CHF 0,5 million to CHF 1,0 million and payables from goods and services increased from CHF 4,7 million to CHF 16,6 million.

3.4 Inventories

CHF	31.03.2026	31.03.2025
Work in progress	1.459.907	648.627
Value adjustments	-49.789	-49.789
Inventories	**1.410.118**	**598.838**

3.5 Investments

As at 31 March 2026, KLINGELNBERG AG held the following investments:

			Share of capital and voting rights	
Company, head office	Currency	Capital	31.03.2026	31.03.2025
KLINGELNBERG GmbH, Hückeswagen, Germany	EUR	15.338.755	100%	100%
KLINGELNBERG (France) SAS, Saint Germain en Laye, France	EUR	215.000	100%	100%
KLINGELNBERG Imexma SA, Barcelona, Spain	EUR	750.000	100%	100%
KLINGELNBERG Italiana Srl., Milano, Italy	EUR	80.000	100%	100%
KLINGELNBERG (Japan) Ltd., Yokohama, Japan	JPY	50.000.000	100%	100%
KLINGELNBERG Mexico S.A. de C.V., Queretaro, Mexico	MXN	500.000	100%	100%
The KLINGELNBERG Corporation, Cincinnati, Ohio, USA	USD	254	100%	100%
KLINGELNBERG India Private Ltd., Pune, India	INR	27.700.000	100%	100%
KLINGELNBERG do Brasil, Sao Paulo, Brazil *	BRL	5.450.000	99%	99%
DKSH KLINGELNBERG Service Ltd., Shanghai, China **	CNY	5.393.815	50%	50%
ROTEC Munich GmbH, München, Germany ***	EUR	25.565	100%	100%

** Capital Increase from BRL 3.950.000 to BRL 5.450.000*
*** Joint venture consolidated at equity*
**** Formerly known as VISPIRON ROTEC GmbH*

3.6 Short-term financial liabilities to third parties

As at 31 March 2026, the existing credit line with Zürcher Kantonalbank was utilized with CHF 8,1 million (as at 31 March 2025: unused) and with UBS Switzerland AG with CHF 0,5 million (as at 31 March 2025: CHF 0,1 million).

3.7 Payables from goods and services to third parties

CHF	31.03.2026	31.03.2025
Payables from goods and services	1.784.986	851.875
Payables from joint ventures	25.704	224.980
Payables from goods and services to third parties	**1.810.690**	**1.076.855**
Thereof:		
- not due and due up to 90 days	1.748.885	1.076.004
- overdue more than 90 days	61.805	851

3.8 Other short-term liabilities to third parties

Other short-term liabilities included advance payments from customers, salaries and wages, commissions and taxes/social-insurance withholdings. The advance payments received increased from CHF 4,9 million to CHF 7,1 million and the provision decreased by CHF 0,3 million to CHF 1,0 million. Other liabilities remained at the previous financial year's level.

3.9 Other short-term liabilities to group companies

As in the previous financial year, these included only down payments received.

3.10 Share capital

The paid-in capital of KLINGELNBERG AG as at 31 March 2026 was composed of 8.840.000 registered shares with a nominal value of CHF 5 each (no changes to the previous financial year).

3.11 Statutory capital reserves

As at 31 March 2026, the Company had CHF 49,3 million (as at 31 March 2025: CHF 51,6 million) of reserves from capital contributions, of which CHF 49,1 million (as at 31 March 2025: CHF 51,3 million) had been recognized as such by the Swiss tax authorities. The reduction of CHF 2,2 million resulted from the distribution in August 2025 (further details Note 4.15 of the Consolidated Financial Statements).

4 Substantial information on the income statement items

4.1 Other operating income

This position included income of back charges of about CHF 1,0 million (as at 31 March 2025: CHF 0,8 million) and income from the reduction of the general value adjustments of the receivables from goods and services of about CHF 0,7 million (as at 31 March 2025: CHF 1,0 million).

4.2 Material expense/change in inventory of finished and unfinished goods as well as unbilled goods and services

The materials ratio increased from 71,4% to 77,2%. The materials ratio varies from year to year due to a changing product mix.

4.3 Personnel expense

The change compared with the previous financial year was due to various factors:

- The changed composition and associated changes to the fees of the Board of Directors. Reference is made to Note 5 of the Compensation Report.
- The number of employees (FTE) fell from 44,5 to 41,9.

4.4 Other operating expense

Other operating expenses included in particular rent expense, legal and consulting fees, travel and representation expense, freight charges, commissions, patent cost, capital tax and other expenses. The decrease of other operating expense was mainly due to the decline in commission expense by CHF 0,5 million. Other costs were in line with sales.

4.5 Financial result

CHF	2025/26	2024/25
Interest expense (-)	-652.795	-974.859
Interest income (+)	1.615.335	2.673.993
Financial income	**962.540**	**1.699.134**
Currency translation difference and hedging expense	0	-892.333
Currency gains	0	1.080.717
Foreign currency gain, realized	**0**	**188.384**
Currency translation difference and hedging expense	-4.088.018	-4.665.529
Currency gains	2.715.660	3.553.663
Foreign currency loss, unrealized	**-1.372.358**	**-1.111.866**
Investment income	**961.738**	**2.599.981**
Financial result	**551.920**	**3.375.633**

The change in interest income was due to the general decrease in interest rates. The floating of the EUR/CHF exchange rate was responsible for the foreign currency loss. Income from investments related to dividends from subsidiaries.

4.6 Income taxes

Capital tax was reported under other operating expenses (Note 4.4) in the same way as in the Consolidated Financial Statements.

5 Additional information

5.1 Employees

The number of full-time equivalents (FTEs) did not exceed 50 as an annual average (no changes to the previous financial year).

5.2 Lease liabilities

Operating leases applied mainly to vehicles and building rents.

CHF	31.03.2026	31.03.2025
Up to 1 year	1.406.042	1.389.356
1 to 5 years	5.565.717	2.768.106
More than 5 years	2.700.000	2.847
Total operating lease liabilities	**9.671.759**	**4.160.309**

Since 15 March 2026, a portion of the space we lease at Binzmühlestrasse 171 has been subleased. Our existing lease agreement has therefore been adjusted to match the minimum term (31 March 2033) of the sublease agreement. Our obligations have consequently increased accordingly.

5.3 Pension fund obligations

As at 31 March 2026, as well as at the end of the previous financial year, there were no liabilities to the occupational pension fund due.

5.4 Decrease of hidden reserves

During the period under review, hidden reserves decreased by CHF 0,7 million (prior financial year: decrease by CHF 1,0 million), in line with the general value adjustments for receivables from goods and services from third parties (Note 3.1).

5.5 Guarantees

KLINGELNBERG AG, as the parent company, had assumed joint liability for different subsidiaries and their bank contracts. The contracts were concluded in EUR and CHF. The conversion into CHF was made at the closing rate.

CHF 000	31.03.2026	31.03.2025
Guarantees and pledges to group companies in favor of third parties	83.834	90.740
Guaranteed maximum amount	**83.834**	**90.740**
Thereof utilized	49.134	41.852

5.6 Contingent liabilities

At the end of the financial year under review, there were no contingent liabilities (no changes to the previous financial year).

5.7 Significant shareholders

An overview can be found in section 3.1 of the Corporate Governance report.

5.8 Compensations

Compensations paid to the members of the Board of Directors and the Executive Committee are disclosed in section 5 of the Compensation Report.

5.9 Shareholdings of members of the Board of Directors and Executive Management

Only shares of the active members of the Board of Directors and Executive Management acting for KLINGELNBERG Group on the respective year-end date are shown, otherwise this is shown as n/a.

Number of shares	31.03.2026	31.03.2025
Jan Klingelnberg, Member of the Board of Directors	28.616	28.616
Christoph Küster, CFO	1.000	1.000
Philipp Kannengießer, CEO	2.000	2.000
Dr. Jörg Wolle, Member of the Board of Directors/Chairman	336.253	296.253
Kalina Scott, Member of the Board of Directors	1.500	1.500
Prof. Dr. Michael Hilb, Member of the Board of Directors	1.000	1.000

In addition 4.995.349 (as at 31 March 2025: 4.995.349) shares were held by JK Invest AG. The shares of JK Invest AG were indirectly held by Jan Klingelnberg. Therefore, Mr. Jan Klingelnberg held in total directly and indirectly 5.023.965 shares (as at 31 March 2025: 5.023.965).

5.10 Events after the balance sheet date

No significant events occurred after the balance sheet date. Events after the balance sheet date were considered until 23 June 2026. On this date, the financial statements were authorized for release by the Board of Directors.

Appropriation of retained earnings

Proposal by the Board of Directors for the appropriation of retained earnings:

CHF	31.03.2026	31.03.2025
Amount brought forward from prior year	35.204.752	33.827.224
Loss / net profit	-1.573.256	3.587.528
Statutory retained earnings	33.631.496	37.414.752
Distribution	0	-2.210.000
To be carried forward	33.631.496	35.204.752

Proposal of the Board of Directors for the appropriation of legal capital contribution reserves:

CHF	31.03.2026	31.03.2025
Capital contribution reserves	49.343.150	51.553.150
Withholding tax free distribution	0	-2.210.000
To be carried forward	49.343.150	49.343.150

The Board of Directors will propose to the Annual General Meeting on 27 August 2026 that no dividend will be paid out. In addition, the Board of Directors will propose that the retained earnings of CHF 33,6 million and capital distribution reserves of CHF 49,3 million will be carried forward.

In the previous financial year, a dividend of CHF 0,50 per registered share was paid out according to the decision of the Annual General Meeting on 21 August 2025.

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Klingelnberg AG
Zurich

**Report of the statutory auditor
to the General Meeting
on the financial statements 2025/26**

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Report of the statutory auditor to the General Meeting of Klingelnberg AG, Zurich

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Klingelnberg AG (the Company), which comprise the Statutory balance sheet as at 31 March 2026, and the Statutory income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 165 to 176) 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.

Our audit approach

Overview

Overall materiality: CHF 530'000

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

As key audit matters the following areas of focus have been identified:

Valuation of investments in subsidiaries and other short-term receivables from group companies

Revenue recognition of goods and services in the appropriate period

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Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

Overall materiality	CHF 530'000
Benchmark applied	Net sales from goods and services
Rationale for the materiality benchmark applied	We chose net sales as the benchmark because, in our view, it is one of the appropriate benchmarks, which the users of the financial statements use to evaluate the financial performance of the Group. It is also a generally accepted benchmark when profit varies greatly between accounting periods.

We agreed with the Audit Committee that we would report to them misstatements above CHF 26'500 identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key audit matters

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

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Valuation of investments in subsidiaries and other short-term receivables from group companies

Key audit matter	How our audit addressed the key audit matter
The balance sheet items 'Investments' and 'Other short-term receivables from group companies' amount to CHF 103.1 million and CHF 58.3 million respectively as of 31 March 2026. We consider the valuation of investments in subsidiaries and other short-term receivables from group companies to be a key audit matter due to the significance of the balance (56.1% and 31.7% of total assets respectively). An impairment of investments in subsidiaries or a loss allowance for other short-term receivables from group companies could have a significant impact on the equity of the company. Investments in subsidiaries are carried at historical cost less required impairments. Other short-term receivables from group companies are carried at nominal value less required loss allowances. Management considers an impairment as soon as the total net asset value falls below total carrying value. In order to evaluate the amount to be impaired, a recognised valuation method is used. Due to the high economic and operational interdependence of subsidiaries, Management considers the aggregation of the investments in subsidiaries as a group for valuation purposes to be appropriate. Please refer to the accounting principles for 'Investments' in note 2.7 as well as the details of investments held in note 3.5. For 'Other short-term receivables from group companies' refer to note 2.4 and note 3.3.	With regard to the valuation of investments and other short-term receivables in subsidiaries, we performed the following audit procedures: – We assessed the appropriateness of Management's applied valuation approach; – We challenged Management's considerations for applying portfolio valuation; – We tested the mathematical accuracy of the impairment assessment prepared by Management; – We compared the current year's business results with Management's prior period forecasts in order to assess in retrospect the accuracy of Management's forecasting process.

Revenue recognition of goods and services in the appropriate period

Key audit matter	How our audit addressed the key audit matter
Klingelnberg AG recognizes net sales from goods and services in the period in which it transfers the risk and reward of ownership. In the financial year 2025/26 total net sales from goods and services of CHF 53.1 million were recognized. A significant portion of the net sales is usually recognized during the last quarter of the Company's financial year. We consider revenue recognition in	We performed the following audit procedures to assess whether net sales from goods and services were recognized in the appropriate period: - We identified transactions occurring close to the balance sheet date and for the months of March 2026 and April 2026, tested, on a sample basis, whether revenue was appropriately recognized in the period in which the risk and reward of

the appropriate period to be a key audit matter because of the complexity involved when assessing and adhering to the contractually agreed incoterms as well as due to standard intra-year seasonal trends, which, in our view, increase the risk of material misstatement in revenue recognition in the appropriate period.

Please refer to the company's accounting principles in note 2.8.

ownership were transferred. For the same sample, we assessed whether the revenue recognition was appropriate for the contractually agreed incoterms.

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 statutory financial statements, the consolidated financial statements, 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 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.

A further description of our responsibilities for the audit of the financial statements is located on EXPERTsuisse's website: http://www.expertsuisse.ch/en/audit-report. This description forms an integral part of our report.

Report on other legal and regulatory requirements

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

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

PricewaterhouseCoopers AG

Regina Spälti
Licensed audit expert
Auditor in charge

Patrick Balkanyi
Licensed audit expert

Zürich, 23 June 2026

Alternative Performance Measures

Alternative Performance Measures

In addition to the key figures defined or specified in the Swiss GAAP FER financial reporting framework, KLINGELNBERG also provides key financial ratios derived from or based on the prepared financial statements. These are known as Alternative Performance Measures (APM).

KLINGELNBERG considers these key financial ratios to be important supplemental information for investors and other readers of the financial reports. The key financial ratios should therefore be seen as an addition to and not a replacement of the information prepared in accordance with Swiss GAAP FER.

With regard to the requirements of the SIX Swiss Exchange guidelines on Alternative Performance Measures (APM), KLINGELNBERG provides an overview of the Alternative Performance Measures used, their definition and their compilation:

EBITDA:

Earnings before interest, income tax, depreciation and amortization (EBITDA) as a subtotal includes the operating result plus depreciation on tangible fixed assets and amortization on intangible assets.

EUR 000	2025/26	2024/25
(1) Operating result	10.262	16.216
(2) Depreciation on tangible fixed assets	-5.438	-5.263
(3) Amortization on intangible assets	-394	-362
EBITDA (1) - (2) - (3)	**16.094**	**21.841**

EBIT:

The operating result (Swiss GAAP FER) excluding non-operating and extraordinary results.

EUR 000	2025/26	2024/25
Operating result	**10.262**	**16.216**

Total Operating Performance:

Total operating performance is the sum of net sales from goods and services and change in inventory of finished and unfinished goods as well as unbilled goods and services.

EUR 000	2025/26	2024/25
(1) Net sales from goods and services	285.390	309.069
(2) Change in inventory of finished and unfinished goods as well as unbilled goods and services	4.049	-10.680
Total operating performance (1) + (2)	**289.439**	**298.389**

Gross Profit:

Gross profit is the sum of total operating performance and material expense.

EUR 000	2025/26	2024/25
(1) Total operating performance	289.439	298.389
(2) Material expense	-118.658	-117.296
Gross profit (1) + (2)	**170.781**	**181.093**

Materials Ratio:

The materials ratio is derived from the division of material expense by total operating performance.

EUR 000	2025/26	2024/25
(1) Total operating performance	289.439	298.389
(2) Material expense	-118.658	-117.296
Materials ratio (-2) / (1)	**41,0%**	**39,3%**

Personnel Expense Ratio:

The personnel expense ratio is derived from the division of personnel expense by total operating performance.

EUR 000	2025/26	2024/25
(1) Total operating performance	289.439	298.389
(2) Personnel expense	-118.079	-119.825
Personnel expense ratio (-2) / (1)	**40,8%**	**40,2%**

Other Operating Expense Ratio:

The other operating expense ratio is derived from the division of other operating expense by total operating performance.

EUR 000	2025/26	2024/25
(1) Total operating performance	289.439	298.389
(2) Other operating expense	-42.455	-43.510
Other operating expense ratio (-2) / (1)	**14,7%**	**14,6%**

Ratio of Research and Development Expenses:

Research and development expenses divided by net sales from goods and services.

EUR 000	2025/26	2024/25
(1) Net sales from goods and services	285.390	309.069
(2) Research and development expenses	-30.161	-28.434
Ratio of research and development expenses (-2) / (1)	**10,6%**	**9,2%**

Net Debt:

The sum of financial liabilities (long- and short-term) less cash and cash equivalents.

EUR 000	31.03.2026	31.03.2025
(1) Short-term financial liabilities	44.863	30.089
(2) Long-term financial liabilities	8.787	11.533
(3) Cash and cash equivalents	24.848	16.008
Net debt (1) + (2) - (3)	**28.802**	**25.614**

Free Cash Flow:

Cash flow from operating activities plus cash flow from investing activities.

EUR 000	31.03.2026	31.03.2025
(1) Cash flow from operating activities	9.810	18.970
(2) Cash flow from investing activities	-7.121	-12.476
Free cash flow (1) + (2)	**2.689**	**6.494**

Financial Calendar

Dates in the coming financial year

24.06.2026	Publication of figures for the financial year ending 31 March 2026
27.08.2026	Annual General Meeting 2025/26
18.11.2026	Publication of results for the half-year ending 30 September 2026

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