UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 20-F

☐ **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

☒

For the fiscal year ended December 31, 2025

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☐ **SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission File Number: 001-40795

On Holding AG

(Exact name of registrant as specified in its charter)

n/a

(Translation of Registrant's name into English)

Switzerland

(Jurisdiction of incorporation or organization)

Förrlibuckstrasse 190
8005 Zurich, Switzerland

(Address of principal executive offices)

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Copies to:
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450 Lexington Avenue
New York, NY 10017

(212) 450-4000

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A ordinary shares, par value CHF 0.10 per share	ONON	New York Stock Exchange

Securities registered or to be registered pursuant to Section 12(g) of the Act.

None

_____
(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

None

_____
(Title of Class)

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

Class A ordinary shares: 296,873,353

Class B voting rights shares: 341,241,680

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. ☒ Yes ☐ No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. ☐ Yes ☒ No

Note—Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See the definition of “large accelerated filer,” “accelerated filer,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer ☒ Accelerated Filer ☐ Non-Accelerated Filer ☐ Emerging growth company ☐

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Exchange Act. ☐

† The term “new or revised financial accounting standard” refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant’s executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP ☐	International Financial Reporting Standards as issued by the International Accounting Standards Board ☒	Other ☐

If “Other” has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow. ☐ Item 17 ☐ Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

Table of Contents

2025 Memorable Moments



On athlete Hellen Obiri wins the marathon in New York City, breaking the 22-year-old course record by more than two minutes.

Table of Contents



On partners with Elmo for its 'Soft Wins' campaign and debuts its first-ever commercial at one of the world's most watched sporting events: the Super Bowl.



On athletes achieve major success on the court: Iga Świątek cements her legacy with a historic win on grass, completing her Grand Slam collection across all surfaces.

Table of Contents



On launches the Cloud 6, supercharging the brand’s most iconic franchise with its biggest product launch to date.



On takes Tokyo by storm - opening the Ginza flagship store, delivering immersive experiences at the 'On Labs' pop-up, and celebrating its first-ever outdoor World Championship medals.

Table of Contents



On athletes excel across several major stages including track, trail, and triathlon, in a record-breaking year for participation and podium finishes.

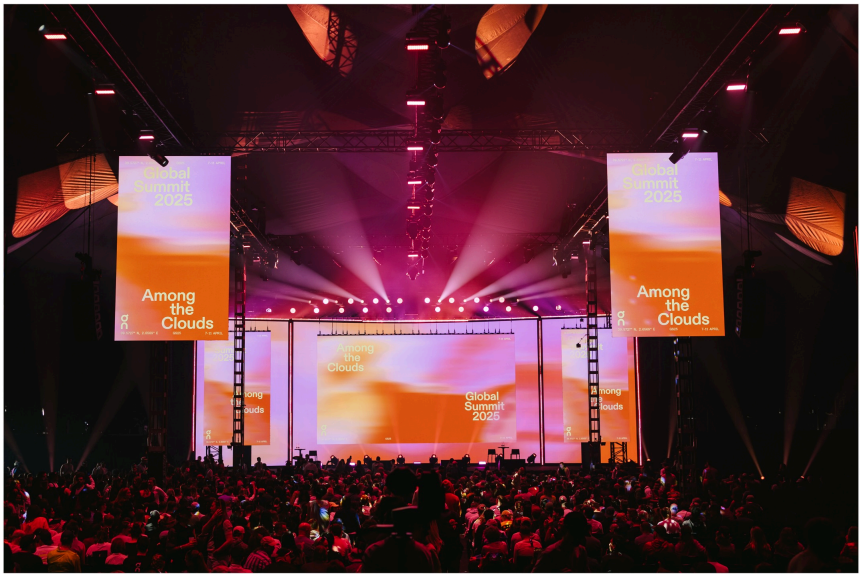


The future of manufacturing arrives as On opens the world's first LightSpray™ production facility at its home in Zürich.

Table of Contents



On elevates its global footprint with design-led, premium retail experiences, including openings in Singapore, Bangkok, and Seoul.



Teams across the globe unite to celebrate On’s 15th anniversary.

TABLE OF CONTENTS

PRESENTATION OF FINANCIAL AND OTHER INFORMATION
CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS
PART I
ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS
ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE
ITEM 3. KEY INFORMATION
A. [Reserved]
B. Capitalization and Indebtedness
C. Reason for the Offer and Use of Proceeds
D. Risk Factors
ITEM 4. INFORMATION ON THE COMPANY
A. History and Development of the Company
B. Business Overview
C. Organizational Structure
D. Property, Plants and Equipment
ITEM 4A. UNRESOLVED STAFF COMMENTS
ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS
A. Operating Results
B. Liquidity and Capital Resources
C. Research and Development, Patents and Licenses
D. Factors Affecting Performance and Trend Information
E. Critical Accounting Estimates
ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES
A. Directors and Senior Management
B. Compensation
C. Board Practices
D. Employees
E. Share Ownership
F. Disclosure of a Registrants Action to Recover Erroneously Awarded Compensation
ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS
A. Major Shareholders
B. Related Party Transactions
C. Interests of Experts and Counsel
ITEM 8. FINANCIAL INFORMATION
A. Consolidated Statements and Other Financial Information

B. Significant Changes
ITEM 9. THE OFFER AND LISTING
A. Offer and Listing Details
B. Plan of Distribution
C. Markets
D. Selling Shareholders
E. Dilution
F. Expenses of the Issue
ITEM 10. ADDITIONAL INFORMATION
A. Share Capital
B. Memorandum and Articles of Association
C. Material Contracts
D. Exchange Controls
E. Taxation
F. Dividends and Paying Agents
G. Statement by Experts
H. Documents on Display
I. Subsidiary Information
J. Annual Report to Security Holders
ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK
ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES
A. Debt Securities
B. Warrants and Rights
C. Other Securities
D. American Depositary Shares
PART II
ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES
ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS
ITEM 15. CONTROLS AND PROCEDURES
ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT
ITEM 16B. CODE OF ETHICS
ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES
ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES
ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS
ITEM 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT
ITEM 16G. CORPORATE GOVERNANCE

ITEM 16H. MINE SAFETY DISCLOSURE
ITEM 16I. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS
ITEM 16J. INSIDER TRADING POLICIES
ITEM 16K. CYBERSECURITY
PART III
ITEM 17. FINANCIAL STATEMENTS
ITEM 18. FINANCIAL STATEMENTS
ITEM 19. EXHIBITS
SIGNATURES
FINANCIAL STATEMENTS

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Certain Definitions

Unless otherwise indicated or the context otherwise requires, all references in this Annual Report on Form 20-F ("Annual Report") to the terms “On,” “On Holding AG,” the “Company,” “we,” “our,” “ours,” “us” or similar terms refer to On Holding AG and its consolidated subsidiaries. References to our “extended founder team,” unless otherwise noted, or our “executive officers,” or our "executive committee," are to (i) our “co-founders,” which consists of (a) our co-founders and executive co-chairmen, David Allemann and Caspar Coppetti, and (b) our co-founder and executive director Olivier Bernhard, and (ii) our chief executive officer and chief financial officer, Martin Hoffmann.

All references to “U.S. dollars,” “dollars” or “USD” are to the lawful currency of the United States of America ("US"). All references to “CHF” or “Swiss francs” are to the lawful currency of Switzerland. In this Annual Report, amounts that are converted from CHF to USD are converted at an exchange rate of USD 1.26 per CHF, the exchange rate as of December 31, 2025.

Financial Statements

We maintain our books and records in Swiss francs and prepare our consolidated financial statements in accordance with International Financial Reporting Standards as issued by the IASB (“IFRS Accounting Standards”).

Rounding

Certain numerical figures shown as totals in some tables in this Annual Report may not be an arithmetic aggregation of the figures that preceded them due to rounding. With respect to financial information set out in this Annual Report, a dash (“—”) signifies that the relevant figure is available but is or has been rounded to zero.

Reclassifications

Certain prior year comparative amounts have been reclassified to conform with current year presentation. These changes in presentation did not have any impact on our results of operations, financial condition, or any other financial statements.

Trademarks and Trade Names

We own registered and unregistered rights in trademarks, service marks, and trade names used in connection with the manufacturing, distribution and sale of our products, including, among others, On, the On Logo, On Running, Run On Clouds, Dream On, CloudTec, Speedboard, Helion, Missiongrip, Cyclon, LightSpray, Cloud, the Cloud Logo, CleanCloud, Cloud X, Cloudalpine, Cloudaway, Cloudboom, Cloudeclipse, Cloudflow, Cloudflyer, Cloudmonster, Cloudsurfer, Cloudwander, Cloudvista, Cloudultra, Cloudhero, Cloudroam, Cloudrock, Cloudventure, Cloudvista, Cloudswift, Cloudgo, Cloudstratus, Cloudrunner, Cloudneo, Cloudtilt, Cloudnova, Cloudrift, Cloudaway, Cloudspike, Cloudswift, Cloudeasy, Cloudspark, Cloudpulse, and Cloudhorizon. Solely for convenience, some of the trademarks, service marks, and trade names referred to in this Annual Report are listed without the ® and ™ symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights in and to such trademarks, service marks and trade names.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report contains statements that constitute forward-looking statements. Many of the forward-looking statements contained in this Annual Report can be identified by the use of forward-looking words such as “anticipate,” “believe,” “continue,” “could,” “expect,” “estimate,” “forecast,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “target,” “will,” “would,” and “should,” among others.

Forward-looking statements appear in a number of places in this Annual Report and include, but are not limited to, statements regarding our intent, belief or current expectations. Forward-looking statements are based on our management’s beliefs and assumptions and on information currently available to our management. Such statements are subject to risks and uncertainties, and actual results may differ materially from those expressed or implied in the forward-looking statements due to various factors, including, but not limited to, those identified under the section entitled “Risk Factors” in this Annual Report. These risks and uncertainties include factors relating to:

- the strength of our brand and our ability to maintain our reputation and premium brand image;
- our ability and the ability of our independent manufacturers and other suppliers to follow responsible business practices;
- our ability to implement our growth strategy;
- the concentration of our business in a single, discretionary product category, namely footwear, apparel and accessories;
- our ability to continue to innovate and meet consumer expectations;
- changes in consumer tastes and preferences including in products and sustainability, and our ability to connect with our consumer base;
- our ability to open new stores at locations that will attract customers to our premium products;
- our ability to compete and conduct our business in the future;
- health epidemics, pandemics and similar outbreaks;
- general economic, political, demographic and business conditions worldwide, including geopolitical uncertainty and instability, such as the on-going Russia-Ukraine or Israel-Hamas conflicts and on-going shipping disruptions in the Red Sea and surrounding waterways;
- the success of operating initiatives, including advertising and promotional efforts and new product and concept development by us and our competitors;
- our ability to successfully develop, implement, and scale our LightSpray technology and products developed using this technology;
- our ability to strengthen and grow our direct-to-consumer (“DTC”) channel;
- our ability to address climate related risks;
- our ability to execute and manage our sustainability strategy and achieve our sustainability-related goals and targets, including sustainable product offerings, including investor and customer scrutiny
- our third-party suppliers, manufacturers and other partners, including their financial stability and our ability to find suitable partners to implement our growth strategy;
- supply chain disruptions, inflation and increased costs in supplies, goods and transportation, customs and duty expenses, and foreign exchange rates;
- the availability of qualified personnel and the ability to retain such personnel, including our extended founder team;
- our ability to accurately forecast demand for our products and manage product manufacturing decisions;
- our ability to distribute products through our wholesale channel;

- changes in commodity, material, labor, distribution and other operating costs;
- our international operations;
- our ability to protect our intellectual property and defend against allegations of violations of third-party intellectual property by us;
- Cybersecurity incidents and other disruptions to our information technology ("IT") systems;
- increased hacking activity against the critical infrastructure of any nation or organization that retaliates against Russia for its invasion of Ukraine;
- our reliance on complex IT systems;
- our ability to adopt and monitor generative artificial intelligence ("AI") technologies in our operations;
- financial accounting and tax matters;
- changes and contemplation of changes to trade policies, tariffs and import/export regulations in the US and other jurisdictions;
- our ability to maintain effective internal control over financial reporting;
- the potential impact of, and our compliance with, new and existing laws and regulations;
- other factors that may affect our financial condition, liquidity and results of operations; and
- other risk factors discussed under “Risk Factors.”

Forward-looking statements speak only as of the date they are made, and we do not undertake any obligation to update them in light of new information or future developments or to release publicly any revisions to these statements in order to reflect later events or circumstances or to reflect the occurrence of unanticipated events.

PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3. KEY INFORMATION

A. [Reserved]

B. Capitalization and Indebtedness

Not applicable.

C. Reason for the Offer and Use of Proceeds

Not applicable.

D. Risk Factors

In addition to the other information contained in this Annual Report, the following risk factors, as well as additional factors not presently known to us or that we currently deem to be immaterial, should be considered in evaluating our business. Our business, financial condition, or results of operations could be materially adversely affected as a result of any of these risks.

Summary of Risk Factors

The following is a summary of the material risk factors associated with an investment in our Class A ordinary shares, which are more fully described below:

I. Risks Related to Our Business Industry and Economic Environment
   - i. Brand reputation and resilience
   - ii. Business strategy
   - iii. Innovation
   - iv. Competitors
   - v. Economic, political and market conditions

II. Risks Related to Our Operations, Distribution Network and Suppliers
   - i. Business operations
   - ii. Supply chain and distribution
   - iii. Third-party partners and suppliers
   - iv. Human capital
   - v. Climate

III. Risks Related to Our Intellectual Property and Information Technology
   - i. Protection of intellectual property and litigation
   - ii. Information technology security, laws, and systems

IV. Risks Related to Financial, Accounting and Tax Matters
   - i. Additional investments in our business
   - ii. Financial reporting and internal controls
   - iii. Foreign currency exchange rates
   - iv. Taxes

V. Risks Related to Legal and Regulatory Compliance
   - i. Trade policies, tariffs and import/export regulations
   - ii. Legal or regulatory requirements, proceedings and audits

VI. Risks Associated with Securities Markets and Ownership of our Class A Ordinary Shares
   - i. Dual class structure of our shares
   - ii. Foreign private issuer status
   - iii. Pricing volatility, dividends, and dilution
   - iv. Swiss corporate law

I. Risks Related to Our Business, Industry and Economic Environment

(i) Brand reputation and resilience

Our business depends on the strength of our reputation and premium brand image, and if we are not able to maintain and enhance our brand, our results of operations may be adversely impacted.

The "On" name, our claims (such as "Running on Clouds"), our product or technical-related trademarks (such as "Cloud," "Cloudsurfer," "Cloudswift," and "CloudTec," among others), our designs and technical patents (such as the "Speedboard") and our premium performance brand image are integral to our business, and to the implementation of our strategies for expanding our business. We believe that the strong reputation and brand image we have cultivated has significantly contributed to the success of our business and is critical to maintaining and expanding our customer base. Maintaining and enhancing our reputation and premium brand may require us to make substantial investments in areas such as product design, intellectual property (such as patents and trademarks), marketing and communications, operations, community building, employee training and our wholesale and DTC channels, such as investments in additional distribution partnerships, the opening of new physical and e-commerce stores and other e-commerce projects, and these investments may not be successful.

We anticipate that, as our business expands into new markets and new product categories, maintaining and enhancing our brand may become more difficult and may require the use of significant resources. If these or similar efforts in the future are not successful, our reputation may be adversely impacted. Even if such efforts are successful, they may dilute our image in our core running and performance markets. Conversely, as we penetrate these new markets and our brand becomes more widely available, it could potentially detract from the appeal stemming from the relative novelty and scarcity of our brand. Our brand may be adversely affected if our public image or reputation is tarnished by negative publicity, which may occur due to product quality issues, a lack of product acceptance, environmental or labor concerns related to production, customer service complaints or product delivery delays, among other reasons. Our exposure to social media platforms may accelerate and aggravate such negative publicity. In addition, ineffective marketing, product diversion to unauthorized distribution channels, counterfeit products, unfair labor practices and failure or legal limitations to protect the intellectual property rights in our brand are some of the potential threats to the strength of our reputation and brand, and those and other factors could diminish consumer confidence in us. Further, if there are product defects, failures in product quality and/or negative quality claims, then our reputation as a premium performance brand image and expectations on product performance may be negatively impacted. Maintaining and enhancing our brand will depend largely on our ability to be a leader in premium footwear, apparel and accessories industry and to continue to offer a range of high-quality products to our customers, which we may not execute successfully. Any of these factors could harm our sales, profitability, financial condition and the price of our Class A ordinary shares.

A key element of our growth strategy is innovation, product development and expansion of our product offerings into new product categories. However, we may be unsuccessful in designing products that meet our customers' expectations for our brand or that are attractive to new customers. If we are unable to anticipate customer preferences or industry changes, or if we are unable to modify our products on a timely basis or expand effectively into new product categories, we may lose customers and damage our reputation.

We may receive negative publicity if we do not meet expectations of transparency with respect to our business practices, which could harm our reputation and brand image. Additionally, if our independent contract manufacturers or other suppliers fail to implement socially and environmentally responsible business practices or fail to comply with applicable laws and regulations or our guidelines, we may be subject to fines, penalties or litigation and our reputation and brand image could also be harmed due to negative publicity.

Our core values, which include developing high-quality products in a socially and environmentally responsible manner are an important component of our brand image, which makes our reputation sensitive to allegations of unethical or improper business practices, whether real or perceived. Parties active in promoting ethical business practices, in addition to evaluating the substance of companies' practices, also often scrutinize companies' transparency as to such practices and the policies and procedures they use to ensure compliance by their suppliers and other business partners. As a general matter, we do not expect to publicly disclose information that we deem competitively sensitive, except as required by law. If we do not meet the transparency standards expected by parties active in promoting ethical business practices, we may be subject to negative publicity, regardless of whether the actual labor and other business practices adhered to by us and our independent manufacturers satisfy the substantive expectations of such parties. In addition, we may fail to, or only partially, achieve our sustainability and environmental commitments, which could also result in negative publicity. Such negative publicity could be accelerated through social media channels and harm our reputation, brand image, business, results of operations, financial condition and the price of our Class A ordinary shares.

While we are conscious and strategic with our choices of our business partners and require, as part of our supply contracts, compliance with our Supplier Code of Conduct and our standards, we do not control our manufacturing suppliers or their business practices. Accordingly, we cannot guarantee their compliance with our guidelines or applicable laws. A failure by our suppliers to comply with such requirements could, in turn, lead to reduced sales by us as the result of recalls or adverse consumer reactions, damage to our reputation or cause us to seek alternative suppliers, which could increase our costs and result in delayed delivery of our products, product shortages or other disruptions of our operations.

The expectations of consumers, NGOs, or any other third parties regarding socially and environmentally responsible business practices continually evolve and may be substantially more demanding than applicable legal requirements. We have also increasingly been receiving negative feedback from anti-environmental, social and governance stakeholders in opposition to such initiatives. Socially and environmentally responsible business practices are also driven in part by legal and political developments and by diverse groups active in publicizing and organizing public responses to perceived ethical shortcomings, which can quickly lead to negative publicity and boycotts. Stakeholders from both sides of this issue may view us negatively and take public action against us to the extent that we do not satisfy their conflicting views or expectations. Accordingly, we cannot predict how such regulations or expectations might develop in the future and cannot be certain that our guidelines or current practices would satisfy all parties who are active in monitoring our products or other business practices worldwide. Our exposure on social media platforms may accelerate and aggravate such negative publicity and boycott risks not only related to potential non-compliance, but also related to geopolitical developments and related controversial public discussions, such as recent discussions regarding brands sourcing their products from China, which NGOs and others are requesting to boycott due to China's handling of minorities. Also, China has previously placed pressure and obstacles on international companies who criticize Chinese politics, and may continue to do so in the future. A failure by our suppliers to comply with such requirements could, in turn, lead to reduced sales by us as the result of recalls or adverse consumer reactions, damage to our brand or cause us to seek alternative suppliers, which could increase our costs and result in delayed delivery of our products, product shortages or other disruptions of our operations.

If our marketing efforts or partnerships with other brands are not successful, our business, results of operations and financial condition could be harmed. Additionally, the costs and return on our investments for our sports marketing sponsorships may become more challenging and this could impact the value of our brand image.

We rely on marketing efforts to advertise our brand. Our marketing strategy consists of traditional grassroots efforts focused on building authentic consumer relationships within core communities. Additionally, we employ professional partner-based strategies that utilize high-profile sponsorship agreements and strategic associations to establish authenticity and promote the brand's premium performance image. These efforts include working with select premium brand partners, such as our co-entrepreneur, Roger Federer, athletes chosen by us, and influencers, who we refer to as our ambassadors. Our ambassadors assist us by introducing our brand and culture to various communities. Our marketing efforts must be tailored to each particular market, which may require substantial ongoing attention and resources. For instance, we must successfully identify suitable ambassadors in each of our new and existing markets. Our future growth and profitability and the vibrancy of our premium brand, will depend in part upon the effectiveness and efficiency of these marketing efforts. Additionally, we also partner with fashion brands on collaborative product collections. Partnering with fashion brands can also increase the risk of brand reputational damage if the brand we work with faces any negative publicity.

An element of our marketing strategy has been to create a link in the consumer market between our products and professional and Olympic athletes, such as with Roger Federer and various athletes and celebrities around the world, such as Zendaya, FKA Twigs, and Burna Boy, and we face additional risks as a result. If we lose our celebrity endorsers, or if our celebrity endorsers engage in activities that damage our reputation (whether actual or perceived), our brand and our business could be adversely impacted.

We have also developed sponsorship agreements with a variety of athletes. However, as competition in the footwear, apparel and accessories industry has increased, the costs associated with athlete sponsorships, including the costs of obtaining and retaining these sponsorships and agreements, have varied and at times increased greatly. If we are unable to maintain our current association with athletes, or to do so at a reasonable cost, we could lose the reputational benefit associated with such partnerships, and we may be required to modify and substantially increase our marketing investments. Moreover, a failure to continue to correctly identify promising public figures to use and endorse our products or a failure to enter into cost-effective endorsement arrangements with prominent public figures could adversely affect our brand, sales and profitability. While our partnerships and sponsorships of celebrities, athletes or events often aim to enhance brand visibility, credibility, and market reach, such investments may not always be successful. Additionally, the brand may face adverse consequences in the event of any scandals involving athletes endorsing or associated with our products or in the event of product quality failures or injuries while such persons use our product, impacting consumer trust and market reputation.

If our marketing efforts or sports marketing sponsorships are not successful, there may not be an immediately available alternative marketing channel for us to build awareness of our products in a successful manner. This may impair our ability to successfully integrate new stores into the surrounding communities, to expand into new markets at all or to maintain the strength or distinctiveness of our brand in our existing markets. Failure to successfully market our products and brand in new and existing markets could harm our premium brand and our business, results of operations, financial condition and the price of our Class A ordinary shares.

(ii) Business strategy

We may not be able to successfully implement our growth strategies on a timely basis or at all. Additionally, implementation of these plans may divert the attention of our operational, managerial and administrative resources, which could harm our competitive position and results of operations.

Our future success depends, in large part, on our ability to implement our growth strategies, including expanding our product offerings to earn more share of customers' closets, continuing to engage in customer acquisition and retention efforts that drive long-term customer relationships and continuing to grow our business. Our ability to implement these growth strategies depends, among other things, on our ability to:

- manage our risks associated with regard to third-party distribution and expand our product offerings;
- increase our brand recognition by effectively implementing our multi-channel strategy alongside our network of retail relationships without compromising our premium customer experience;
- increase customer engagement with our digital platforms;
- leverage our investments in our human capital and operational infrastructure to drive traffic and customer acquisition;
- expand and diversify our wholesale channel, accelerate partnerships with digital pure play retailers, and expand our owned retail stores; and
- enter into distribution and other strategic arrangements with potential distributors of our products in order to better influence customer experience with better cost efficiency.

We may not be able to successfully implement our growth strategies and may need to change them. If we fail to implement our growth strategies or if we invest resources in a growth strategy that ultimately proves unsuccessful, our business, results of operations, financial condition and the price of our Class A ordinary shares may be materially and adversely affected.

Because our business is highly concentrated on a single, discretionary product category, namely footwear, apparel and accessories, we are vulnerable to changes in consumer preferences that could harm our sales, profitability and financial condition.

Our business is not currently diversified and consists primarily of designing and distributing footwear, apparel and accessories, with footwear being the most concentrated among the three product groups. Consumer preferences often change rapidly, and demand for our products is substantially dependent on our ability to attract customers who are willing to pay a higher price for our premium products. We believe there are a number of factors that may affect the demand for our products, including:

- brand loyalty;
- consumer perceptions of, and preferences for, our products and brands, including, among other things, as a result of evolving ethical or social standards;
- seasonality;
- consumer acceptance of our new and existing products, including our ability to develop new products that address the needs and preferences of new consumers;
- consumer demand for products of our competitors;
- publicity, including social media, related to us, our products, our brands, our marketing campaigns and our celebrity endorsers;
- the extent to which consumers view certain of our products as substitutes for other products we manufacture;

- the life cycle of our products and consumer replenishment behavior;
- changes in consumer confidence and buying patterns, and other factors that impact discretionary income and spending;
- legislation restricting our ability to use certain materials in our products;
- changes in general economic, political, and market conditions;
- pandemics or other outbreaks of illness or disease; and
- any future shifts in consumer preferences away from retail spending for footwear, apparel and accessories would also have a material adverse effect on our business, results of operations, financial condition and the price of our Class A ordinary shares.

Sales of footwear, apparel and accessories may not continue to increase, and this could impair our ability to innovate and grow our business.

We believe that continued increases in sales of footwear, apparel and accessories will partly depend on customers continuing to demand footwear, apparel and accessories designed for specific athletic pursuits such as running. In addition, we believe that continued increases in sales of footwear, apparel and accessories will largely depend on customers continuing to demand technical superiority, and attractive, trend-setting design from their premium products. If the number of customers demanding footwear, apparel and accessories does not continue to increase, the trend of increased focus on health and wellness or the associated growth in exercise subsides, the appeal of high-technology footwear, apparel and accessories diminishes, the style of our footwear, apparel and accessories falls out of fashion with customers or customers engaging in athletic pursuits are not convinced that our footwear, apparel and accessories are a better choice than available alternatives, we may not achieve the level of sales necessary to support new growth platforms, our ability to innovate and grow our business will be severely impaired, and our business, results of operations, financial condition and the price of our Class A ordinary shares may be adversely impacted.

Our limited operating experience and brand recognition in new markets may limit our expansion strategy and cause our business and growth to suffer.

Our future growth depends, to a considerable extent, on our efforts to expand our markets and also on our success in entering new markets throughout the world that we deem attractive. While our headquarters are in Switzerland, we sell our footwear, apparel and accessories globally. For the year ended December 31, 2025, 57.7%, 25.3% and 17.0% of our sales were to customers in the Americas, Europe, Middle East and Africa ("EMEA"), and Asia-Pacific regions, respectively. We also have limited experience with regulatory environments and market practices outside of Europe and the US, and cannot guarantee that we will be able to penetrate or successfully operate in any such markets. In connection with our expansion efforts, especially in the US and Asia-Pacific, we have encountered increased costs of operations resulting from higher customs, payroll and other expenses and from new and different business requirements generally. In connection with our continued expansion efforts throughout the world, we have encountered, and expect to continue to encounter, a number of obstacles including cultural and linguistic differences, differences in regulatory environments and market practices, difficulties in keeping abreast of market, business and technical developments and foreign customers' tastes and preferences, as well as differences in employee expectations and working culture. We may also encounter difficulty expanding into new markets throughout the world because of limited brand recognition leading to delayed acceptance of our footwear, apparel and accessories by customers in these new markets.

In particular, we have no assurance that our marketing efforts will prove successful outside of the geographic regions in which they have been used in Europe and the US. The expansion into new markets may also present competitive, merchandising, forecasting and distribution challenges that are different from or more severe than those we currently face. Failure to develop new markets globally or disappointing growth outside of such markets may harm our business, results of operations, financial condition or the price of our Class A ordinary shares.

If we fail to adequately continue to connect with our consumer base, including through the use of social media platforms, it could have a material adverse effect on our business, results of operations and financial condition.

Our marketing and promotional programs, by focusing on the premium experience our products provide, are important in capturing the interest of consumers and attracting them to our products and encouraging purchases by consumers. If we fail to successfully develop and implement marketing, advertising and promotional strategies in new and existing markets, we may be unable to achieve and maintain brand awareness and consumer traffic to our sites or stores may be reduced.

We believe that much of the growth in our customer base to date has originated from our marketing strategy, including social media and other digital marketing efforts. If we are unable to cost-effectively use social media platforms as marketing tools, our ability to acquire new customers and our business and financial condition may suffer. Unauthorized or inappropriate use of our social media channels could result in harmful publicity or negative consumer experiences, which could have an adverse impact on the effectiveness of our marketing in these channels. In addition, substantial negative commentary by others on social media platforms could have an adverse impact on our ability to successfully connect with consumers. In addition, if our customers believe we have failed to live up to our stated goals (whether real or perceived), including those related to sustainability matters, they may use social media platforms to cause reputational damage to our brand and business. Furthermore, as laws and regulations rapidly evolve to govern the use of these platforms, the failure by us, our employees or third parties acting at our direction to comply with applicable laws and regulations could subject us to regulatory investigations, lawsuits (including class actions), liability, fines or other penalties. Moreover, if digital advertising platforms increase advertising expenses or change their policies in a manner that is inconsistent with our marketing strategy, our expenses may increase and the effectiveness of our digital advertising strategy may be diminished, and our growth may be harmed as a result. Furthermore, an increase in the use of social media platforms for product promotion and marketing may cause an increase in our burden to monitor compliance of such platforms, and increase the risk that such materials could contain problematic product or marketing claims in violation of applicable regulations. These and other risks could adversely affect our business, results of operations, financial condition and the price of our Class A ordinary shares.

Our ability to attract customers to our stores and premium products depends heavily on successfully locating our stores in suitable locations and any impairment of a store location, including any decrease in customer traffic, could cause our net sales, business and results of operations to be less than expected and adversely affect our financial condition and the price of our Class A ordinary shares.

Our approach to identifying locations for our stores and premium products typically favors street locations and lifestyle centers. As a result, our stores are typically located near retailers or fitness facilities that we believe are consistent with our customers' lifestyle choices. Our net sales, business and results of operations at these stores are derived, in part, from the volume of foot traffic in these locations. Store locations may become unsuitable due to, and our sales volume, customer traffic and profitability generally may be harmed by, among other things:

- economic downturns in a particular area;
- competition from nearby retailers selling athletic apparel;
- changing consumer demographics in a particular market;

- changing lifestyle choices of consumers in a particular market; and
- the closing or decline in popularity of other businesses located near our stores.

Changes in areas around our store locations that result in reductions in customer foot traffic or otherwise render the locations unsuitable could cause our sales, business and results of operations to be less than expected. While we currently sell our products through a limited number of stores that are owned and operated by us, we plan to open additional stores in the future. If our net sales, business and results of operations through stores owned and operated by us increase in the future, the risks described above may be exacerbated and may adversely affect our financial condition and the price of our Class A ordinary shares.

(iii) Innovation

We rely on technical innovation, unique designs and high-quality products to compete in the market for our products. If we fail to continue to innovate and provide consumers with design features, new technologies and environmentally sustainable products that meet consumer expectations, we may not be able to generate sufficient consumer interest in our footwear, apparel and accessories to remain competitive.

Innovation is at the core of our business, and we must continue to invest in research and development in connection with the innovation, intellectual property and design of our footwear, apparel and accessories in order to attract and retain consumers. If we are unable to anticipate consumer preferences or industry changes, or if we are unable to modify our products on a timely basis, we may lose customers or become subject to greater pricing pressures. Our operating results would also suffer if our innovations and designs do not respond to the needs and demands of our customers, are not appropriately timed with market opportunities or are not effectively brought to market. Any failure on our part to innovate and design new products or modify existing products will harm our brand image and could result in a decrease in our net sales and an increase in our inventory levels. In addition, we may not be able to generate sufficient consumer interest in our apparel and accessories to remain competitive.

The commercial success of our products is increasingly dependent on our ability to conduct and apply proprietary sports science research to drive performance-led innovation. In particular, sourcing novel high performance or sustainable materials, technical innovation, our unique designs and quality control in the design and manufacturing process of footwear, apparel and accessories is essential to the commercial success of our products. Research and development play a key role in technical and environmentally sustainable innovation. Over the last years, we have systematically redesigned and aligned many of our franchises across footwear, apparel and accessories. We rely upon specialists in the fields of biomechanics, chemistry, exercise physiology, engineering, digital technologies, industrial design, sustainability and related fields, as well as research and advisory boards made up of athletes, coaches, trainers, equipment managers, orthopedists, podiatrists and other experts to develop and test our performance products. While we strive to produce products that help to enhance performance and maximize comfort, consumer demand for our products could decline if we fail to introduce technical and environmentally sustainable innovations in our products. In addition, if we experience problems with the quality of our products, we may incur substantial expense to remedy such problems and lose consumer confidence and loyalty, which could negatively impact our reputation, business, results of operations, financial condition and the price of our Class A ordinary shares.

Our plans to innovate and expand our product offerings may not be successful, and implementation of these plans may divert the attention of our operational, managerial and administrative resources, which could harm our competitive position and reduce our net sales and profitability.

In addition to our DTC strategy and the expansion of our geographic footprint, we plan to grow our business by innovating and expanding our product offerings. The principal risks to our ability to successfully carry out our plans to expand our product offering include:

I. if our expanded product offerings fail to maintain and enhance our distinctive brand identity and premium quality, our brand image may be diminished, and our sales may decrease;

II. our innovations may fail to be financially viable at scale or may not be well received by our customers or the market;

III. implementation of our plans may divert management's attention from other aspects of our business and place a strain on our management, operational and financial resources, as well as our information systems; and

IV. incorporation of novel materials or features into our footwear, apparel and accessories may not be accepted by our customers or may be considered inferior to similar products offered by our competitors.

Moreover, our ability to successfully carry out our plans to expand our product offerings may be affected by economic and competitive conditions, changes in consumer spending patterns and changes in consumer preferences and styles. These plans could be abandoned, could cost more than anticipated, could impact the quality of our products and could divert resources from other areas of our business, any of which could negatively impact our competitive position, reduce our net sales and profitability or negatively impact the price of our Class A ordinary shares.

(iv) Competitors

We operate in a highly competitive market and the size and resources of some of our competitors may allow them to impose pricing pressures or compete more effectively than we can, resulting in a loss of our market share and a decrease in our net sales and profitability.

The market for footwear, apparel and accessories is highly fragmented and extremely competitive. We compete directly against wholesalers and brands that are direct retailers of footwear, apparel and accessories. Because of the fragmented nature of the marketplace, we also compete with other apparel sellers, including those who do not specialize in footwear, apparel and accessories. Many of our competitors have significant competitive advantages, including longer operating histories, larger and broader customer bases, more established relationships with a broader set of suppliers, greater brand recognition and greater financial, technological and engineering resources, research and development, store development, marketing, distribution and other resources than we do. We may face intense pressure with respect to competition for key customer accounts and distribution channels. Because of the highly competitive nature of our industry, we may face increased pressure from our competitors to lower our prices for our products, which may adversely impact consumer demand for our products, our brand image, our realized margins, our net sales and our results of operations. Furthermore, we believe that our key customers face intense competition from other department stores, sporting goods stores, retail specialty stores, and online retailers, among others, which could negatively impact the financial stability of their businesses and their ability to conduct business with us. These factors may result in a loss of our market share, a decrease in our net sales and profitability or negative impacts to our business, results of operations, financial condition and the price of our Class A ordinary shares.

Competitors have and will likely continue to attempt to imitate our premium products and technology and divert sales.

As our business has expanded, our competitors have imitated, and will likely continue to imitate, our premium product designs and branding, which could harm our business, results of operations, financial condition and the price of our Class A ordinary shares. Also, any theft, piracy or leaking, such as through industrial espionage, of our technologies, materials or trade secrets could cause harm to our brand and business. Competitors who flood the market with products seeking to imitate our products could divert sales and dilute the value of our brand. Continued sales of competing products by our competitors could harm our brand and adversely impact our business, financial condition and results of operations. While we rely on a variety of intellectual property laws and procedures to protect our competitive position, intellectual property protection has its limitations. For more information, refer to "—Risks Related to Our Intellectual Property and Information Technology—Protection of intellectual property and litigation."

(v) Economic, political and market conditions

We may be adversely affected by the financial health of our wholesale partners.

During the year ended December 31, 2025, net sales through our wholesale channel represented 58.2% of our total net sales. We extend credit to our wholesale partners based on an assessment of their financial condition, generally without requiring collateral. To assist in the scheduling of production and the shipping of our products, we offer certain customers the opportunity to place advance orders ahead of delivery. These advance orders may be canceled under certain conditions, and the risk of cancellation may increase when dealing with financially unstable wholesale partners, or wholesale partners struggling with economic uncertainty. In the past, some wholesale partners have experienced financial difficulties, including bankruptcies, which have had an adverse effect on our sales, our ability to collect on receivables and our financial condition. In addition, we and our wholesale partners could face risks from a decline in the overall level of consumer retail spending, and a weak retail environment could impact customer traffic in the stores of our wholesale partners and also adversely affect our net sales.

Moreover, shifts in consumer preferences and purchasing practices, such as a rise in online purchases, may increase the difficulty for us to retain our, and attract new, brick-and-mortar wholesale partners. If and when the retail economy weakens or as consumer behavior shifts, retailers may be more cautious with orders. A slowing or changing economy in our key markets could adversely affect the financial health of our wholesale partners, which in turn could have an adverse effect on our results of operations and financial condition. In addition, product sales in retail stores and online are dependent in part on high-quality merchandising and an appealing environment or website to attract consumers, which requires continuing investments by our wholesale partners. Wholesale partners that experience financial difficulties, or are negatively impacted by weak economic conditions, may fail to make such investments or delay them, resulting in lower sales and orders for our products. These and other risks could adversely affect our business, results of operations, financial condition and the price of our Class A ordinary shares.

An economic recession, depression, downturn, periods of inflation, or economic uncertainty may adversely affect consumer purchases of discretionary items, which could materially harm our sales, profitability and financial condition.

Many factors affect the level of consumer spending for discretionary items such as our footwear, apparel and accessories. These factors include general business conditions, inflation, interest and tax rates, the availability of consumer credit and consumer confidence in future economic conditions.

Consumer purchases of discretionary items, such as our premium footwear, apparel and accessories, tend to decline during recessionary periods when disposable income is lower, and during such periods consumers may tend to choose less costly products and turn away from our premium products.

Recent geopolitical events and general economic conditions have led to a slow-down in certain segments of the global economy and affected the amount of discretionary income available for certain consumers to purchase our products. Any downturn in the economy in markets in which we sell our products may adversely impact our sales, business, results of operations, financial condition and the price of our Class A ordinary shares.

Our international operations involve inherent risks which could result in harm to our business.

All of our premium footwear, apparel and accessories are manufactured outside of the US, and a significant amount of our products are sold outside of the US. Accordingly, we are subject to the risks generally associated with global trade and doing business abroad, which include foreign laws and regulations, varying consumer preferences across geographic regions, political unrest (for example national or international armed conflicts), disruptions or delays in cross-border shipments for various reasons and changes in economic conditions in countries in which our products are manufactured or where we sell products. This includes, for example, new and proposed changes affecting tax laws and trade policy in the US and elsewhere, as further described below under "—Risks Related to Financial, Accounting and Tax Matters— We could be subject to changes in tax laws, tax regulations and tax treaties, including their interpretation and application, in Switzerland, the US or any other country in which we operate, which could result in additional tax liabilities or increased volatility in our effective tax rate" and "—Risks Related to Legal and Regulatory Compliance—Changes to trade policies, tariffs and import/export regulations in the US, European Union ("EU"), and other jurisdictions, or our failure to comply with such regulations, may have a material adverse effect on our reputation, business, financial condition and results of operations." There could be legislative actions limiting outsourcing manufacturing and production activities to foreign jurisdictions, including through tariffs or penalties on goods manufactured outside the US, which may require us to change the way we conduct business and adversely affect our business, results of operations, financial condition and the price of our Class A ordinary shares.

In addition, disease outbreaks, pandemics, terrorist acts and political or military conflicts, including the ongoing conflicts between Russia and Ukraine and between Israel and Hamas, have increased the risks of doing business abroad. These factors, among others, could affect, among other things, our ability to manufacture products or procure materials in the future, our ability to import products, our ability to ship our products globally, our ability to sell products in international markets, and our cost of doing business. If any of these or other factors make the conduct of business in a particular country undesirable, unprofitable or impractical, our business and financial results could be adversely affected. In addition, many of our imported products are subject to duties, tariffs or quotas that affect the cost and quantity of various types of goods imported into the US and other countries. Any country in which our products are produced, imported or sold may eliminate, adjust or impose new quotas, duties, tariffs, safeguard or protectionist measures, anti-dumping duties, cargo restrictions to prevent terrorism, restrictions on the transfer of currency, climate change legislation, product safety regulations or other charges or restrictions, any of which could have an adverse effect on our business, results of operations, financial condition and the price of our Class A ordinary shares.

Furthermore, we are subject to the US Foreign Corrupt Practices Act as well as the anti-corruption laws of other countries in which we operate. Although we have implemented policies and procedures designed to promote compliance with these laws, our employees, contractors and agents, including the partners, suppliers and companies to which we outsource certain of our business operations, may take actions in violation of our policies or such laws. In addition, these policies and procedures might not be sufficient or adequate to prevent violations by our employees, contractors and agents of our policies or such laws. Any such violation could result in sanctions or other penalties and have an adverse effect on our reputation, business, results of operations, financial condition and the price of our Class A ordinary shares.

Political uncertainty or geopolitical tensions could have a material adverse effect on our business, results of operation and financial condition.

As a prominent Swiss brand, geopolitical events that involve Switzerland may have an impact on our business and share price. In addition, our brand and Swiss heritage may be detrimental to the Company in the context of geopolitical disputes aimed at Switzerland or actors or situations with significant actual or perceived connection to Switzerland. We sell a significant portion of our products to customers outside of Switzerland and changes, potential changes or uncertainties in regulatory and economic conditions or laws and policies governing foreign trade, manufacturing, and development and investment in the territories and countries where we operate, could adversely affect our business, results of operations, and financial condition.

The ongoing conflicts between Russia and Ukraine and hostilities in the Middle East, including the recent military conflict involving Iran, the United States and Israel, have resulted in worldwide geopolitical and macroeconomic uncertainty, and we cannot predict how these conflicts will evolve or the timing and effects thereof. Although our operations in the Middle East are limited, continued instability could adversely affect consumer demand and our sales in those markets. In addition, the conflict could disrupt regional trade routes.

As a result, any escalation or prolonged geopolitical tension could grow and bring about further disruption, instability and volatility in global markets, supply chains and logistics operations, such as the ongoing shipping disruptions in the Red Sea and surrounding waterways, which could in turn adversely affect our business operations and financial performance. If these conflicts continue for a significant time or further expand to other countries and depending on the ultimate outcomes of these conflicts, which remain uncertain, they could have additional adverse effects on macroeconomic conditions, including but not limited to, increased costs, constraints on the availability of materials, supply chain disruptions and decreased consumer spending. Furthermore, the potential continuation and expansion of these conflicts could give rise to disruptions to our or our business partners' global technology infrastructure, including through cybersecurity incidents; adverse changes in international trade policies and relations; regulatory enforcement; our ability to implement and execute our business strategy; terrorist activities; our exposure to foreign currency fluctuations; and constraints, volatility, or disruption in the capital markets, any of which could magnify the impact of other risks factors discussed in this Annual Report and have a material adverse effect on our business, results of operations, cash flows, financial condition and the price of our Class A ordinary shares.

Our financial condition and results of operations have been, and could in the future be, adversely affected by a pandemic, epidemic or other public health emergency.

Pandemics and other public health emergencies have caused, and may in the future cause disruptions to our business, including disruptions to sourcing, our supply chain, our manufacturing facilities and our distribution facilities.

The spread of pandemics has in the past, and may again in the future, cause public health officials to impose restrictions and recommend precautions in response, in an effort to mitigate such spread, which would negatively impact our business, results of operations, financial condition, and the price of our Class A ordinary shares.

Additionally, pandemics, epidemics or other health emergencies could increase the magnitude of many of the other risks described in "Item 3. Risk Factors" of this Annual Report and may have other material adverse effects on our operations that we are not currently able to predict. If our business and the markets in which we operate experience a prolonged occurrence of adverse public health conditions, it could materially adversely affect our business, financial condition, results of operations and the price of our Class A ordinary shares.

II. Risks Related to Our Operations, Distribution Network and Suppliers

(i) Business operations

We have grown rapidly in recent years and we have limited operating experience at our current scale of operations. If we are unable to manage our operations at our current size or to manage any future growth effectively, our brand image and financial performance may suffer.

We have expanded our operations rapidly since our inception in 2010 and have limited operating experience at our current scale of operations.

Our substantial growth to date has placed a significant strain on our management systems and resources. If our operations continue to grow, of which there can be no assurance, we will be required to continue to expand our sales and marketing, product development and distribution functions, to upgrade our management information systems and other processes, and to obtain more space for our expanding administrative support and other personnel. Moreover, our new innovations may require either new or different infrastructure, relationships or processes. Our continued growth could increase the strain on our resources, and we could experience serious operating difficulties, including difficulties in hiring, training and managing an increasing number of employees, difficulties in obtaining sufficient supplies, raw materials and manufacturing capacity to produce our products, and delays in production and shipments, all of which could impact our ability to bring the brand and our products to market as intended. These difficulties could negatively impact our business, results of operations, financial condition and the price of our Class A ordinary shares.

We may not be able to successfully execute our growth strategy on the continued expansion of our DTC channel, including our own retail stores and e-commerce platform.

Our business involves distributing products on a wholesale basis for resale through our wholesale partners and also includes a multi-channel experience, including physical and online retail stores that are owned and operated by us. Growing our e-commerce platforms and the number of physical stores owned by us is essential to our growth strategy, as is innovating and expanding our product offerings available through these channels. Sales in our DTC channel continue to grow, which may expose us to other risks, including those relating to continuing to grow brand awareness. This strategy has, and will continue to require significant investment in cross-functional operations and management focus, along with investment in supporting technologies and retail store spaces. Our accelerated growth within physical retail store spaces could impact our ability to obtain timely market insights to enable a change in investment and focus, if warranted. If we are unable to provide a convenient and consistent experience for our customers, our ability to compete and our results of operations could be adversely affected. If our physical retail store design does not appeal to our customers, or if we are unable to consistently meet our brand promise through premium customer service and product availability within these stores, we may experience a loss of customer confidence or sales as a result of losing repeat customers. In addition, if our e-commerce platform design does not appeal to our customers, function reliably and conveniently, or maintain the privacy and security of customer data, we may be exposed to fraudulent transactions, cybersecurity incidents or other issues which could adversely affect our reputation and results of operations.

As of December 31, 2025, we currently operate our e-commerce digital platforms in multiple countries globally, the majority of which are serviced by our physical retail stores and also our wholesale channel partners. Additionally, we are planning to expand the reach of our e-commerce platform to new geographies. Failure to implement a cohesive product and assortment distribution strategy could lead to sales cannibalization across our own and our wholesalers' omnichannel platforms, undermining our broader growth objectives. In addition, existing and additional countries may impose different and

evolving laws governing the operation and marketing of e-commerce websites, as well as the collection, storage and use of information on consumers interacting with those websites. We may incur additional costs and operational challenges in complying with these laws, and differences in these laws may cause us to operate our businesses differently in different territories, and not realize benefits from our investment in our international expansion. We are also exposed to the risk of fraudulent domains or websites pretending to sell our products, when they are in reality phishing sites or imitator domains, and we might be unable to stop those sites from operating in due time, or permanently due to regulatory or factual constraints. These collective risks could negatively impact our business, results of operations, financial condition and the price of our Class A ordinary shares.

Our business or our results of operations could be harmed if we or our wholesale partners are unable to accurately forecast demand for our products or if we are unsuccessful at managing product manufacturing decisions.

We have an extended design, development, manufacturing and logistics process. To ensure adequate inventory supply, we and our wholesale partners forecast inventory needs, which are subject to seasonal and quarterly variations, and are also subject to variation as a result of broader economic and social trends. If we or our wholesale partners fail to accurately forecast demand for our products, we may experience excess inventory levels which increases the risk of obsolescence and reduces liquidity flexibility. Conversely, it may lead to a shortage of product to deliver to our wholesale partners and through our DTC channels. This can result in distorted ordering patterns and may destabilize supply planning. Inventory management constitutes a critical component of the end-to-end supply chain. This vulnerability can be amplified by suboptimal replenishment strategies, limited visibility into in-transit inventory, and data inaccuracies, which can have an adverse effect on supply chain planning. Moreover, a potential increase of inventory stock level resulting from fluctuating supply/demand/logistics lead time and capacity may obscure service-level performance, limit valuable storage space, increase our operational costs such as rental costs, and may increase our cost of goods sold and decrease profit margin, if additional freight charges, including demurrage and detention costs, are incurred, and can negatively impact our business, brand and results of operations.

If we, or our wholesale partners, underestimate the demand for our products, we may not be able to produce products to meet our own or our wholesale partner requirements, and this could result in a halt in production or delays in the shipment of our products and accordingly, our failure to satisfy customer demand, as well as damage to our reputation and wholesale partner relationships. If we or our wholesale partners overestimate the demand for our products, we or our wholesale partners could face inventory levels in excess of demand, which could result in inventory write-downs or write-offs and the sale of excess inventory at discounted prices, which would harm our gross profit margins and our brand management efforts. These factors could cause a decline in net sales and harm our business, operating results, financial condition, cash flows and the price of our Class A ordinary shares.

We may not be able to successfully develop, implement, and scale our LightSpray technology and products developed using this technology.

Our business could be impacted by our ability to successfully develop, implement and scale our LightSpray technology and products developed with this technology. Our ability to do so will depend on many factors, including, but not limited to, our ability to:

- successfully establish a stable and efficient LightSpray manufacturing process that meets our quality standards and can be replicated;
- scale up the LightSpray production to meet growing demand, including establishing nearshore manufacturing facilities and managing potential delays or disruptions;
- achieve sufficient market traction and customer demand for LightSpray to justify the investment and scale-up plans;

- maintain consistent product quality, manage potential quality issues, and ensure timely production to meet customer demand;
- manage the financial risks associated with significant capital expenditures required for LightSpray manufacturing, as well as potential delays in production or lower-than-expected customer demand;
- manage execution risks (e.g., delays in project timelines, potential loss of critical resources, etc.); and
- address potential intellectual property risks, including potential infringement of our registered and unregistered intellectual property rights related to the LightSpray technology.

We have limited experience with our LightSpray technology and products developed using this technology, and there can be no assurance that we will be able to successfully implement, develop, and scale our LightSpray technology and products we develop using this technology. Any failure to do so would harm our business, results of operations, financial condition and the price of our Class A ordinary shares.

We may not be able to successfully open new retail stores owned and operated by us or by third parties in a timely manner, if at all, which could harm our results of operations.

Our future growth is highly dependent on our ability to successfully open new retail stores owned and operated by us or to attract third parties to operate those stores and sell our premium products on our behalf. Our ability to successfully open and operate new retail stores depends on many factors, including, among others, our ability to:

- identify suitable store locations, the availability of which is outside of our control;
- negotiate acceptable lease terms, including desired tenant improvement allowances;
- design a retail store that appeals to our customers;
- hire, train and retain store personnel and field management;
- integrate new store personnel and field management into our corporate culture and spirits;
- source sufficient inventory levels to meet demand and maintain efficient stock turnover; and
- successfully integrate new retail stores owned and operated by us into our existing operations and information technology systems.

Successful new store openings may also be affected by our ability to identify new and suitable markets for the opening of a potential new retail store. In addition, new retail stores owned and operated by us or by third parties will not always be immediately profitable, and will cause losses until these stores become profitable and such stores have required, and will continue to require, substantial fixed investment in equipment and leasehold improvements and personnel, and we have entered into substantial operating lease commitments for retail space. There can be no assurance that we will open our planned number of new stores in 2026 or thereafter, or that our estimates regarding the associated costs will be accurate. Any failure to successfully open and operate new stores operated by us would harm our business, results of operations, financial condition and the price of our Class A ordinary shares.

We are subject to risks associated with leasing retail and distribution, office and warehouse spaces subject to long-term and non-cancelable leases.

We enter into lease agreements for all of our stores, offices, and warehouses and our inability to secure appropriate real estate or lease terms could impact our ability to grow. Our leases have varying lease terms and can generally be extended. We generally cannot unilaterally terminate these leases at an earlier time without penalties. If an existing or new store owned and operated by us is not profitable, and we decide to close it, we may nonetheless be committed to perform our obligations under the applicable lease including, among other things, paying rent for the balance of the lease term, assigning the lease, or subleasing to new tenants.

Similarly, we may be committed to perform our obligations under the applicable leases even if current locations of our retail stores become unattractive as demographic patterns change, or if we have to close retail stores due to governmental orders. Moreover, as our operations expand, we may be unable to find additional office space to accommodate our needs. In addition, as each of our leases expire, we may fail to negotiate renewals, either on commercially acceptable terms or at all, which could require us to close retail stores owned and operated by us in desirable locations. We also lease all of our distribution centers and our inability to secure appropriate real estate or lease terms could impact our ability to deliver our products to the market.

(ii) Supply-chain and distribution

We have in the past and could in the future experience significant disruptions in supply from our current or future sources.

We have agreements with our suppliers that are on a purchase order basis and typically rely on inventory forecasts to help determine our quantities for purchase orders. We are highly dependent upon our suppliers, several of them representing a significant share of certain components or finished goods of our products and certain of our suppliers are concentrated in a single country. Interruption of components or finished goods from any of the Company's suppliers, or the loss of one or more key suppliers, could have a negative effect on the Company's business and operating results. In addition, any supply chain disruptions due to trade restrictions, political instability, severe weather and natural disasters, war, labor shortages, reduced freight availability and increased costs, shipping or port disruptions, and other factors, have in the past, and may in the future further complicate existing supply chain constraints.

Any delays, interruption or increased costs in the supply of fabric, raw materials or other subcomponents or manufacture of our products have in the past and could in the future have an adverse effect on our ability to meet customer demand for our products and result in lower net sales and operating income both in the short and long term, which could in turn negatively impact our business, financial condition and the price of our Class A ordinary shares.

Problems with our distribution system, including our partners' ability to scale warehouse and factory operations, could harm our ability to meet customer expectations, manage inventory, complete sales and achieve objectives for operating efficiencies.

We rely on distribution facilities in Australia, Belgium, Brazil, Canada, China, Hong Kong, Japan, Korea, Luxembourg, Switzerland, the United Kingdom ("UK"), and the US, all of which are operated by third-party vendors, for substantially all of our product distribution. Our contracts for these facilities expire at various times, and we may be unable to successfully renegotiate such agreements on terms attractive to us. In addition, we may be unable to terminate such contracts at our convenience. There can be no assurance that we will be able to enter into other contracts for distribution centers on acceptable terms, which could disrupt our operations. In addition, because substantially all of our products are distributed from these distribution centers, our operations could also be interrupted by workforce constraints, such as labor shortages, strikes, or public health crises, or by floods, fires or other natural disasters or force majeure events. Additionally, issues related to inbound transportation and distribution (e.g., freight disruptions, warehouse operational problems, etc.) may prevent the business from reaching operating performance targets.

We rely on third parties for the transportation involved in our distribution systems. Transportation risks in the distribution system include a range of factors that may cause significant disruption. Carrier capacity shortages, fuel price volatility, and driver shortages increase uncertainty and can lead to delays or higher transportation costs. Route disruptions caused by severe weather, accidents, geopolitical events, or infrastructure failures further threaten product delivery reliability. Poor fleet maintenance raises the likelihood of vehicle breakdowns, while regulatory changes such as customs requirements, emissions rules, or transportation permits may create unexpected delays or compliance challenges.

Our distribution facilities include computer controlled and automated equipment, and their operations are complicated and may be subject to a number of risks related to security or computer viruses, the proper operation of software and hardware, electronic or power interruptions or other system failures. Technology and data risks in supply chain operations are rising rapidly as systems become more interconnected and reliant on digital platforms. Data breaches and cyberattacks pose significant risks, potentially exposing sensitive operational information, disrupting critical systems like ERP, WMS, or TMS, and potentially halting supply chain planning activities. With the increasing use of AI for forecasting, optimization, and automation, the risk landscape increases. AI systems can amplify errors if trained on poor-quality data, be manipulated through malicious data injections, or create vulnerabilities if not properly governed. Additionally, fragmented systems and weak integrations can lead to inconsistent data flows, reduced visibility, and compromised decision-making. Altogether, these technology and data risks highlight the need for strong cybersecurity, robust data management, and responsible AI governance across the supply chain.

Our potential, anticipated growth will require further investments into our supply chain and operations capabilities, including but not limited to new warehouses or other facilities. For instance, we have entered into third party logistics and warehouse services agreements for new, highly-automated fulfillment centers. If our partners' ability to scale warehouse operations and automation is unsuccessful or if the warehouse automation does not provide the anticipated benefits or it does not meet market demands, our financial condition and results of operations can be adversely impacted. Overreliance on a limited number of third-party vendors can create vulnerabilities if disruptions occur.

In addition, the property damage, business interruption and other insurance policies held by us may not adequately protect us from the adverse effects that could result from significant disruptions to our business and distribution systems, such as the long-term loss of customers, chargebacks and penalties or an erosion of our brand image.

If we encounter problems with our distribution system, our ability to meet customer expectations, manage inventory, complete sales, achieve objectives for operating efficiencies and the price of our Class A ordinary shares could be harmed.

Fluctuations in the cost of raw materials and commodities we use in our products and our supply chain, including as a result of inflation, could negatively affect our operating results.

The fabrics and other subcomponents used by our suppliers and manufacturers are made of raw materials, including virgin and recycled petrol-based and bio-based polyester, polyamide and ethylene vinyl acetate, rubber and cotton. Significant raw material price fluctuations, such as oil prices, including as a result of inflation, or shortages in such raw materials could adversely impact our cost of goods sold. We are also subject to risks from price fluctuations due to our storage capacity restrictions at our warehouses for the raw materials that our suppliers and manufacturers use for production. Additionally, global sourcing prices may increase if tariffs are implemented on certain trade partners by the US and other countries. See "Changes and contemplation of changes to trade policies, tariffs and import/export regulations in the US, EU and other jurisdictions, or our failure to comply with such regulations, may have a material adverse effect on our reputation, business, financial condition and results of operations."

Furthermore, we and our manufacturers compete with other companies and industries for raw materials used in our products. In the event of heightened competition for such materials, we or our manufacturers might not be able to locate alternative suppliers of materials of comparable quality at an acceptable price or at all. In addition, all our manufacturers are subject to government regulations related to wage rates, and therefore the labor costs to produce our products may fluctuate. The cost of transporting our products for distribution and sale is also subject to fluctuation due in large part to the price of oil, but such costs are also subject to geopolitical and climate change impacts that may disrupt our global supply chains. Because most of our products are manufactured abroad, our products must be transported by third parties over large geographical distances and an increase in the price of oil can significantly increase costs.

Manufacturing delays or unexpected transportation delays can also cause us to rely more heavily on airfreight to achieve timely delivery to our customers, which significantly increases freight costs and impacts our carbon-dioxide reduction targets negatively. Price fluctuations, raw material inventory capacity restrictions and extended lead times in our supply chains reduce our ability to react to variances in our inventory forecasts and limit our operational flexibility. Our goal to reduce the carbon dioxide-footprint of our Company may cause us to forgo airfreight transport completely, or may result in increased freight and transportation costs. In addition, any disruptions or reductions of our shipments made through airfreight may increase shipment times. Any of these fluctuations may increase our cost of products and have an adverse effect on our profit margins, business, results of operations, financial condition and the price of our Class A ordinary shares.

(iii) Third-party partners and suppliers

Our financial success may be impacted by the strength of our relationships with our wholesale partners and is dependent on the success of these wholesale partners.

Our financial success is dependent on our wholesale partners continuing to carry our products and the success of these partners. A substantial amount of our net sales is made through our wholesale partners, either directly or indirectly, who may decide to emphasize products from our competitors, to redeploy their retail floor space to other product categories, or to take other actions that reduce or discontinue their purchases of our products. We do not have long-term contracts with any of our wholesale partners, and sales to our wholesale partners are generally on an order-by-order basis and are subject to rights of cancellation and rescheduling by the partner. If we cannot fill our wholesale partners' orders in a timely manner, the sales of our products and our relationships with those partners may suffer, and this could have a material adverse effect on our ability to grow our product lines and our results of operations.

Although we believe that our business relationships with our wholesale partners are satisfactory, we cannot assure that these business relationships will continue to generate satisfactory sales in the future. If any of our major wholesale partners experiences a significant downturn in their business or fails to remain committed to our products or brand, then these partners may reduce or discontinue purchases from us, which could adversely impact our business. Additionally, if any of our partners experience a significant downturn this could lead to potential losses given that we grant certain credit

limits to our partners. Although we have an insurance policy to limit and manage credit risk of certain wholesale partners, the insurance coverage does not insure us against all potential credit risks or all claims we may receive, and is subject to strict conditions. There is no guarantee that any claims made under such policies will ultimately be paid or that we will be able to maintain such insurance in the future.

Many of our wholesale partners compete with each other, and if they perceive that we are offering their competitors better pricing and support, they may reduce or discontinue purchases of our products. In addition, we compete directly with our wholesale partners by selling our products to consumers through our DTC channel. If our wholesale partners believe that our DTC channel diverts sales from their stores, this may weaken our relationships with our partners and cause them to reduce or discontinue purchases of our products. In addition, if we fail to accurately identify the needs of our partners, our partners fail to accept new products or product line expansions or attribute premium value to our new or existing products or product line expansions relative to competing products or if we fail to obtain shelf space from our wholesale partners (whether by our competitors introducing new products or otherwise), our sales, business, results of operations and financial condition may be adversely impacted.

We may fail to find suitable distribution partners to further expand our distribution network globally and this may cause our growth strategy to suffer and may harm our net sales and results of operations.

As part of our growth strategy, we plan to expand our distribution network and sales of our products into new locations. Our successful expansion in new locations and operation of new stores in those territories will depend on our ability to find suitable distribution partners and to successfully implement and manage joint relationships. Additionally, granting credit limits to our partners poses credit risks. As such, if our partners experience financial difficulties, this could lead to financial losses, disruption of cash flows, and potential write-offs of accounts receivable. Additionally, dependence on a few key customers or wholesale partners in certain markets increases vulnerability to market fluctuations and industry-specific challenges. Failure to find sufficient or capable distribution partners in a particular geographic region may delay the rollout of our products in that area. If we are unable to find suitable partners through distribution relationships, our growth strategy will suffer and our net sales, results of operations and the price of our Class A ordinary shares could be harmed.

The operations of many of our raw material suppliers, third-party manufacturers and other key third-party partners are subject to additional risks that are beyond our control and that could harm our business, financial condition and results of operations.

Almost all of our manufacturing partners and raw material suppliers are located outside the US. In addition, we work with selected third-party distributors, especially in the initial stages of expansion for highly complicated products and in new markets. We also rely on third-party partners to facilitate our customer service. Background checks on third parties and any "Know Your Customer" processes for negotiating and entering contracts with key counterparties may not always identify all risks associated with such parties, including risks of inadvertently engaging with parties with criminal backgrounds or ongoing legal proceedings, such as cases involving child and forced labor, health, safety, and environmental (HSE) violations, bribery, corruption, and sanctions. Moreover, entering into business relationships with third parties involved in lawsuits or criminal cases, or that are not compliant with local and international laws, could adversely affect our business performance and brand reputation, and because we ultimately do not control those third parties, we are subject to additional risks as a result of such relationships. Because we do not control the operations of our third-party suppliers, we face inherent limitations in validating their sustainability disclosures and reporting. This may impair our ability to verify supply chain compliance with our Environmental, Social, and Governance ("ESG") standards, potentially damaging our brand reputation and adversely affecting our business, financial condition, and the price of our Class A ordinary shares. Further, disruptions in service from any of our key third-party partners could harm our business, financial condition, results of operations and the price of our Class A ordinary shares

In 2025, approximately 90% of our footwear products were produced in Vietnam and approximately 10% of our footwear products were produced in Indonesia. In 2025, approximately 65% of our apparel and accessories units produced were manufactured in Vietnam, 29% in Turkey and 6% in China. Substantially all of our products are manufactured by third party manufacturers. As a result, we are subject to risks associated with doing business in multiple jurisdictions with third party manufacturers, including:

- political unrest, international or other conflicts, terrorism, labor disputes and economic instability resulting in the disruption of trade from foreign countries in which our products are manufactured;
- consumer boycotts due to ethical, environmental or political issues in certain countries we do business with, such as for example, human rights and labor concerns in Asia, or product-related environmental concerns;
- compliance with existing and new laws and regulations, including those relating to labor conditions and workplace safety, environmental protection, chemical regulation, quality and safety standards, imports, duties, taxes and other charges on imports, as well as trade restrictions and restrictions on currency exchange or the transfer of funds;
- reduced protection for intellectual property rights, including patent and trademark protection, in some countries;
- disruptions or delays in shipments, global container and capacity shortages, or port congestion; and
- changes in local economic conditions in countries where our manufacturers, suppliers or customers are located.

We also face risks from potential employment shortages for our supply operations as potential employees in certain geographies, including Vietnam, China and Indonesia, pursue opportunities outside of our and our suppliers' industries. Any potential employment shortages may increase costs for our supplier and manufacturing partners and may limit our ability to scale our warehouse and factory operations efficiently. Increased costs in production may limit our profitability and may adversely impact our business, results of operations and financial condition.

These and other factors beyond our control could interrupt our suppliers' production in offshore facilities, influence the ability of our suppliers to export our products cost-effectively or at all and inhibit our suppliers' ability to procure certain materials, any of which could harm our business, financial condition, results of operations and the price of our Class A ordinary shares.

We rely on third-party suppliers to provide fabrics and other subcomponents for and to produce our footwear, apparel and accessories, and we have limited control over them and may not be able to obtain quality products on a timely basis or in sufficient quantity.

We do not manufacture our products (excluding certain Lightspray products) or the raw materials used in our products and rely instead on third-party suppliers and contract manufacturers. Many of the specialty fabrics used in our products are technically advanced textile products developed by third parties and may be available from only one or a very limited number of sources. For example, our engineered warp knitting textiles, which are included in many of our products, are supplied to the manufacturers we use by a few major producers in Vietnam, China, Taiwan and Korea. In 2025, all of our products were produced by less than 30 manufacturing suppliers. In addition, in 2025, approximately 90% of our footwear products were manufactured in Vietnam, and each of our individual apparel and accessories styles were purchased from a single manufacturer. These factors increase the risk of supply disruption and cost inflation, and our efforts to expand our supplier base may fail or be delayed.

If we experience significant increased demand, or need to replace an existing manufacturer, there can be no assurance that additional supplies of fabrics, other subcomponents or raw materials or additional manufacturing capacity will be available when required on terms that are acceptable to us, or at all, or that any supplier or manufacturer would allocate sufficient capacity to us in order to meet our requirements or fill our orders in a timely manner or at all. Even if we are able to expand existing, or find

new, manufacturing or fabric and other subcomponent sources, we may encounter delays in production and added costs as a result of the time it takes to train our suppliers and manufacturers in our methods, products and quality control standards. Delays related to supplier changes could also arise due to an increase in shipping times if new suppliers are located farther away from our markets or from other participants in our supply chain. Any delays, interruption or increased costs in the supply of fabric and other subcomponents or manufacturing of our products could have an adverse effect on our ability to meet customer demand for our products and could result in lower net sales and income from operations, both in the short and long term.

In addition, there can be no assurance that our suppliers and manufacturers will continue to provide fabrics, other subcomponents and raw materials or manufacture products that are consistent with our standards. We have occasionally received, and may in the future continue to receive, shipments of products that fail to conform to our quality control standards. If this occurs, unless we are able to obtain replacement products in a timely manner, we risk the loss of net sales resulting from the inability to sell those products and related increased administrative and shipping costs. Further, as we continue our journey to eliminate petroleum-based materials, there is an increased use of recycled materials and other innovative new and sustainable materials. The use of innovative and sustainable materials without a long history of manufacture by our third-party suppliers increases the risk of higher manufacturing costs or that products that are manufactured may not be consistent with our standards.

(iv) Human capital

Our success is substantially dependent on the continued service of our senior management and broader leadership team.

Our success is substantially dependent on the continued service of our senior management, including the extended founder team, our board of directors and broader leadership team. The loss of the services of key individuals of our senior management, board of directors and broader leadership team could make it more difficult to successfully operate our business and achieve our business goals. We also may be unable to retain existing management, technical, sales and client support personnel that are critical to our success, which could harm our customer and employee relationships, result in loss of key information, expertise or know-how or cause us to incur unanticipated recruitment, training and other costs, which could in turn harm our business, operating results, financial condition and the price of our Class A ordinary shares.

Laws and regulations on executive compensation, including legislation in our home country, Switzerland, may restrict our ability to attract, motivate and retain the required level of qualified personnel. In Switzerland, legislation affecting public companies is in force that, among other things, (i) imposes an annual binding shareholders' "say on pay" vote with respect to the compensation of our executive committee and board of directors, (ii) generally prohibits severance, advances, transaction premiums and similar payments to members of our executive committee and board of directors, and (iii) requires companies to specify certain compensation-related matters in their articles of association, thus requiring them to be approved by a shareholders' vote.

If we are unable to attract and retain employees, we may not be able to grow or successfully operate our business.

Our success has largely been the result of significant contributions by our employees, including members of our current senior management, broader leadership and product design teams. Our future growth depends on our ability to attract, retain and motivate a diverse group of highly talented individuals and to maintain and continue to evolve our culture that reflects our core values. Certain geographies in which we operate, including the US, have experienced historically strong labor markets, which complicates our efforts to attract and retain new employees, and may also cause us to fail to retain existing employees. Competition for employees in our industry is intense and we have from time-to-time experienced difficulty in attracting the personnel necessary to support the growth of our business, and we may experience similar difficulties in the future.

Moreover, we have experienced occasional challenges obtaining work permits for potential employees and may experience similar challenges in the future. These problems could be further exacerbated as we continue to expand our business in the US and elsewhere over the next few years. In addition, if we fail to mitigate labor disputes, fail to properly hire and dismiss employees as needed or fail to comply with labor laws, which differ by location and jurisdiction and are rapidly changing, our risk of litigation may increase, which would cause us to incur additional costs. If we are unable to attract and retain additional employees with the necessary skills, we may not be able to grow or successfully operate our business, and our business, results of operation, financial condition and the price of our Class A ordinary shares may be adversely impacted.

Additionally, we have grown rapidly in recent years. If our hiring is not carefully managed and our processes and organizational design are not thoroughly reviewed and updated as needed, we may face increased management and organizational complexities, which may hinder the effective execution of our business strategy. These difficulties could negatively impact our business, results of operations, financial condition and the price of our Class A ordinary shares.

(v) Climate

Climate related risks such as extreme weather conditions and natural disasters could negatively impact our operations, operating results and financial condition. Additionally, the operations of many of our suppliers and third-party manufacturers, warehouses or distribution centers are subject to additional environmental risks that are beyond our control and that could harm our business, financial condition and results of operations.

Shifts in weather patterns or extreme weather conditions, including as a result of climate change, in the areas in which our retail stores, employees, suppliers, manufacturers, customers, warehouses or distribution centers, headquarters and vendors are located could adversely affect our operating results and financial condition. The emergence of longer summers and shorter winters poses challenges for sales forecasting and planning, especially for seasonal items, and the usual predictability of demand based on historical weather patterns is becoming less reliable. This uncertainty may impact inventory management and procurement and could have an adverse impact on consumer spending, which could in turn result in a decrease in sales of our products.

Moreover, natural disasters such as earthquakes, hurricanes and tsunamis, whether occurring in Switzerland, the US, Vietnam or elsewhere, and their related consequences and effects, including energy shortages and public health issues, have in the past temporarily disrupted and could in the future disrupt our operations, the operations of our vendors, manufacturers, warehouses or distribution centers and other suppliers or have in the past resulted in and could in the future result in economic instability (without adequate or any recourse on insurance coverage) that may negatively impact our operating results and financial condition. In particular, if a natural disaster were to occur in an area in which we or our suppliers, manufacturers, customers, warehouses or distribution centers and vendors are located, our continued success, including our ability to deliver product to our customers, would depend, in part, on the safety and availability of the relevant personnel and facilities and proper functioning of our or third parties' computer, telecommunication and other systems and operations.

In addition, the physical changes prompted by climate change have resulted in, and could in the future result in, changes in regulations, which could in turn affect our business, operating results and financial condition. Governmental authorities in various countries have proposed, and are likely to continue to propose, varying and, in some cases, conflicting legislative and regulatory initiatives to reduce or mitigate the impacts of climate change on the environment. If we, our suppliers or our manufacturers are required to comply with these laws and regulations, or if we choose to take voluntary steps to reduce or mitigate our impact on climate change, we may experience transition risks such as increases in energy, transportation and raw material costs, which could adversely impact our operations.

Substantially all of our products are manufactured by third-party manufacturers. While we are conscious and strategic with our choices of our business partners and require, as part of our supply contracts, compliance with our Supplier Code of Conduct and our standards, we do not control our manufacturing suppliers or their business practices. Accordingly, we cannot guarantee their compliance with our guidelines or applicable laws. A failure by our suppliers to comply with such requirements could, in turn, lead to fines, penalties or litigation, reduced sales by us as a result of recalls or adverse

consumer reactions, and damage to our brand and reputation or cause us to seek alternative suppliers, which could increase our costs and result disruptions.

Although we have sustainability-related goals, targets and initiatives, including CO2 reduction targets, there can be no assurance that our stakeholders, including non-governmental organizations and customers, will agree with our strategies, and any perception, whether or not valid, that we have failed to achieve, or to act responsibly with respect to, such matters. Execution of these strategies and achievement of our goals is subject to risks and uncertainties, which include, but are not limited to, our ability to execute our strategies and achieve our goals within the currently projected costs and the expected timeframes; the availability and cost of raw materials and renewable energy; unforeseen production, design, operational and technological difficulties; the outcome of research efforts and future technology developments, including the ability to scale projects and technologies on a commercially competitive basis such as recycling, carbon sequestration and/or other related processes; compliance with, and changes or additions to, global and regional regulations, taxes, charges, mandates or requirements relating to greenhouse gas emissions, carbon costs or climate-related goals; adapting products to customer preferences and customer acceptance of sustainable supply chain solutions; and the actions of competitors and competitive pressures. As a result, there is no assurance that we will be able to successfully execute our strategies and achieve our sustainability-related goals, which could damage our reputation and customer and other stakeholder relationships and have an adverse effect on our business, results of operations and financial condition.

We have committed to CO2 reduction targets that are approved by the Science Based Targets initiative (SBTi). If we are unable to achieve the CO2 reduction targets that we have committed to achieve, we could face reputational harm, which in turn could have an adverse effect on our business, results of operations, financial condition and the price of our Class A ordinary shares.

Increased scrutiny from investors, customers and others regarding our environmental, social, governance or sustainability responsibilities could result in additional costs or risks and adversely impact our reputation, employee retention and willingness of customers and suppliers to do business with us.

Investor advocacy groups, certain institutional investors, investment funds, other market participants, stockholders, current and prospective employees, and customers have focused increasingly on the ESG or "sustainability" practices of companies, including those associated with climate change. If our sustainability practices do not meet investor or other industry stakeholder expectations and standards, which continue to evolve, our brand, reputation and employee retention may be negatively impacted based on an assessment of our ESG practices. It is possible that stakeholders may not be satisfied with our ESG practices or the speed of their adoption. We could also incur additional costs and require additional resources to monitor, report, and comply with various ESG practices. Further, our failure, or perceived failure, to meet the standards included in any sustainability disclosure could negatively impact our reputation, employee retention, and the willingness of our customers and suppliers to do business with us.

Additionally, customers and investors increasingly prioritize businesses that are transparent about their operations, particularly regarding environmental sustainability. Failure to recognize and respond to these expectations may result in a negative impact on the Company's market share and revenue.

III. Risks Related to our Intellectual Property and Information Technology

(i) Protection of intellectual property and litigation

If we are unable to obtain, maintain, protect and enforce our intellectual property rights for the products we develop, or if the scope of our intellectual property protection is not sufficiently broad, others may be able to develop and commercialize products substantially similar to ours, and our business may be adversely affected.

Our intellectual property is an essential asset of our business. Failure to adequately protect our intellectual property rights could result in our competitors offering similar products, potentially resulting in the loss of our competitive advantage and a decrease in our net sales, which would adversely affect our business prospects, financial condition and results of operations. We place considerable emphasis on technological innovation, including, for example, our proprietary CloudTec, Speedboard, and LightSpray technologies. We rely on a combination of intellectual property rights, such as patents, trademarks, design rights, copyrights, trade secrets and domain names, in addition to confidentiality procedures and contractual provisions to establish, maintain, protect and enforce our rights in our brand, technologies, proprietary information and processes.

For example, we rely heavily upon our trademarks and related domain names and distinctive logos to market our premium brand and to build and maintain brand loyalty and recognition. Without adequate protection for our trademarks and trade names, we will not be able to build name recognition in our markets of interest and our business may be adversely affected. Effective trademark protection may not be available or may not be sought in every country in which our products are made available, and contractual disputes may affect the use of marks governed by private contract. Our registered or unregistered trademarks or trade names may be challenged, infringed, circumvented, declared generic or determined to be dilutive of or infringing on other trademarks, or may lapse. Further, at times, competitors may adopt trade names or trademarks similar to ours, thereby impeding our ability to build brand identity and possibly leading to market confusion. In addition, there could be potential trade name or trademark infringement claims brought by owners of other trademarks or trademarks that incorporate variations of our registered or unregistered trademarks or trade names. We have in the past entered, and may in the future enter, into trademark co-existence agreements to settle such claims. Such agreements may restrict the ways in which we are permitted to obtain, maintain, protect and enforce certain trademark rights. Over the long term, if we are unable to establish name recognition based on our trademarks and trade names, then we may not be able to compete effectively and our business may be adversely affected. Similarly, not every variation of a domain name may be available or be registered, even if available. The occurrence of any of these events could result in the erosion of our brand and limit our ability to market our brand using our various domain names, as well as impede our ability to effectively compete against competitors with similar products or technologies.

Additionally, we rely on patent laws for the protection of our products and product components such as, for example, our outsole, CloudTec, upper, Speedboard and lacing technologies. Any patents that may issue in the future from our pending or future patent applications may not provide us with competitive advantages, may be of limited territorial reach and may be held invalid or unenforceable if successfully challenged by third parties, which may lead to increased competition to our business, which could have a material adverse effect on our business, financial condition, results of operations and prospects. As our patents expire, the scope of our patent protection will be reduced for certain of our patented technology in those jurisdictions where such protection has existed, which may reduce or eliminate any competitive advantage afforded by our patent portfolio for products utilizing the protected technology or application in those jurisdictions. Additionally, certain of our patents are limited to certain jurisdictions and do not cover all of our key markets. As a result, our patent portfolio may not provide us with sufficient rights to exclude others from commercializing products similar or identical to ours. Furthermore, the issuance of a patent is not conclusive as to its inventorship, scope, validity or enforceability, and we may become party to adversarial proceedings regarding our patent portfolio. It is also possible that third parties, including our competitors, may obtain patents relating to technologies that overlap or compete with our technology, and they may assert that our technology infringes their patents and seek to charge us a licensing fee or otherwise preclude the use of certain of our technologies. Any successful third-party challenge to our patents could result in the unenforceability or invalidity of such patents, which may lead to increased competition to our business, which could harm our business. In addition, if the breadth or strength of protection provided by our patents and patent applications is threatened, regardless of the outcome, it could dissuade companies from collaborating with us to license, develop or commercialize current or future products.

We also rely on agreements under which we contract to own, or license rights to use, intellectual property developed by employees, contractors and other third parties. While we seek to enter into

agreements with all of our employees who develop intellectual property during their employment to assign the rights in such intellectual property to us, we may fail to enter into such agreements with all relevant employees, such agreements may be breached or may not be self-executing, and we may be subject to claims that our employees have misappropriated the trade secrets or other intellectual property or proprietary rights of their former employers or other third parties.

In addition, while we generally enter into confidentiality, intellectual property assignment and non-compete agreements with our employees and third parties, as applicable, to protect our trade secrets, know-how, business strategy and other proprietary information, such confidentiality agreements could be breached and our proprietary information could be disclosed, and we may not be able to obtain adequate remedies for such breaches. These agreements also may not provide meaningful protection for our trade secrets and know-how related to our products, including in the event of unauthorized use or disclosure or other breaches of the agreements, and we may not be able to prevent such unauthorized disclosure, which could adversely impact our ability to establish or maintain a competitive advantage in the market. If we are required to assert our rights against such parties, it could result in significant cost and distraction. Depending on the parties involved in such a breach, the available remedies may not provide adequate compensation for the value of the proprietary information disclosed to a third party.

We cannot guarantee that our efforts to obtain and maintain intellectual property rights are adequate or that we have secured, or will be able to secure, all necessary permissions and protections. Even if we obtain such rights, they may be challenged, invalidated, circumvented, infringed, misappropriated or otherwise violated. Any challenge to our intellectual property rights could result in them being narrowed in scope or declared invalid or unenforceable. In addition, other parties may independently develop substantially similar or superior products and technologies, and we may be unable to prevent them from using or commercializing those developments. If we fail to obtain and maintain our intellectual property rights adequately, we may lose a competitive advantage in our markets.

Some intellectual property rights associated with our products and manufacturing technologies are owned or controlled by our suppliers or partners and are generally not unique to us. This limits our ability to secure intellectual property protection and enables competitors to manufacture and sell products with similar performance characteristics, designs and styles. Because many of our competitors have greater financial, distribution, marketing, and other resources than we do, they may be able to manufacture and sell comparable products at lower prices, which could adversely affect our financial results.

Our ability to protect and enforce our intellectual property rights may be affected by developments or uncertainty in laws and regulations. Some of our brands, trademarks and logos might not be sufficiently distinctive for robust legal protection. Moreover, the legal systems of certain countries, particularly certain developing countries, do not favor the enforcement of patents, design rights, trademarks, trade secrets and other intellectual property protection, which could make it difficult for us to stop the infringement, misappropriation or other violation of our intellectual property or marketing of competing products in violation of our intellectual property rights generally. Proceedings to enforce our patent rights in foreign jurisdictions could result in substantial costs and divert our efforts and attention from other aspects of our business, could put our patents at risk of being invalidated or interpreted narrowly and our patent applications at risk of not issuing and could provoke third parties to assert claims against us.

We also may be forced to bring claims against third parties to determine the ownership of what we regard as our intellectual property or to enforce our intellectual property against its infringement, misappropriation or other violations by third parties. However, the measures we take to protect our intellectual property from unauthorized use by others may not be effective and there can be no assurance that our intellectual property rights will be sufficient to protect against others offering products that are substantially similar or superior to ours and that compete with our business. In intellectual property-related proceedings in court or before patent, trademark and copyright agencies, the defendant could claim that our asserted intellectual property is invalid or unenforceable and the

court may agree that our asserted intellectual property is invalid or unenforceable, in which case we could lose valuable intellectual property rights. The outcome following such intellectual property-related proceedings is often unpredictable. In addition, even if we are successful in enforcing our intellectual property against third parties, the damages or other remedies awarded, if any, may not be commercially meaningful. Regardless of whether any such proceedings are resolved in our favor, such proceedings could cause us to incur significant expenses and could distract our personnel from their normal responsibilities. In addition, if the strength of our intellectual property portfolio is threatened, regardless of the outcome, it could dissuade others from collaborating with us to license intellectual property, or develop or commercialize current or future products. Accordingly, our efforts to enforce our intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that we develop or license.

Over time we may increase our investment in protecting our intellectual property through additional patent, trademark and other intellectual property filings, which could be expensive and time consuming. Effective patent, trademark, trade secret, design right, copyright and other intellectual property protection is expensive to develop and maintain, both in terms of initial and ongoing registration requirements and the costs of defending our rights. Even so, these measures may not be sufficient to offer us meaningful protection. Furthermore, monitoring unauthorized use of our intellectual property is difficult and costly. From time to time, we seek to analyze our competitors' products, and may in the future seek to enforce our rights against potential infringement, misappropriation or other violation. However, the steps we have taken to protect our intellectual property rights may not be adequate to prevent infringement, misappropriation or other violations of our intellectual property. We may not be able to detect unauthorized use of, or take appropriate steps to enforce, our intellectual property rights, or pursue all counterfeiters who may seek to benefit from our brand. Any inability to meaningfully protect our intellectual property rights could result in harm to our ability to compete and reduce demand for our products. Moreover, our failure to develop and properly manage new intellectual property could adversely affect our market positions, business opportunities and the price of our Class A ordinary shares.

Third parties may initiate legal proceedings alleging that we are infringing, misappropriating or otherwise violating their intellectual property rights, the outcome of which would be uncertain and could have a material adverse effect on our business, financial condition and results of operations.

Our commercial success depends on our avoiding infringement, misappropriation or other violations of the intellectual property rights of third parties. As we face increasing competition and continue to gain greater public recognition, the possibility of intellectual property rights claims against us grows. Any claim or litigation alleging that we have infringed, misappropriated or otherwise violated intellectual property rights of third parties, with or without merit, and whether or not settled out of court or determined in our favor, could be time consuming and costly to address and resolve, and could divert the time and attention of our management and technical personnel. Such claims may be made by third parties seeking to obtain a competitive advantage, including non-practicing entities or individuals with no relevant product sales, and, therefore, our own issued and pending patents, registered designs, registered trademarks and other intellectual property rights may provide little or no deterrence to these rights holders in bringing intellectual property rights claims against us. Additionally, some third parties have substantially greater human and financial resources than we do and are able to sustain the costs and workload of complex intellectual property litigation to a greater degree and for longer periods of time than we could. The outcome of any litigation is inherently uncertain, and there can be no assurances that favorable final outcomes will be obtained in all cases. In addition, third parties may seek, and we may become subject to, preliminary or provisional rulings in the course of any such litigation, including potential preliminary injunctions requiring us to change our products or even cease the commercialization of our products entirely.

We may decide to settle such lawsuits and disputes on terms that are unfavorable to us. Similarly, if any litigation to which we are a party is resolved adversely, we may be subject to an unfavorable judgment that may not be reversed upon appeal, including being subject to a permanent

injunction and being required to pay substantial monetary damages, including treble damages and attorneys' fees, if we are found to have willfully infringed a party's intellectual property rights. The terms of such a settlement or judgment may require us to cease some or all of our operations or pay substantial amounts to the other party. Even if we have an agreement to indemnify us against such costs, the indemnifying party may be unable or unwilling to uphold its contractual obligations. Further, our liability insurance may not cover potential claims of this type adequately or at all. In addition, we may have to seek a license to continue practices found to be in violation of a third party's rights. If we are required, or choose to enter into royalty or licensing arrangements, such arrangements may not be available on reasonable terms, or at all, and may significantly increase our operating costs and expenses. Such arrangements may also only be available on a non-exclusive basis, such that third parties, including our competitors, could have access to use the same intellectual property to compete with us. We may also have to redesign our products so they do not infringe, misappropriate or otherwise violate third-party intellectual property rights, which may not be possible or may require substantial monetary expenditures and time, during which our products may not be available for commercialization or use. If we cannot redesign our products in a non-infringing manner or obtain a license for any allegedly infringing aspect of our business, we would be forced to limit our products and may be unable to compete effectively.

In addition, in any intellectual property proceeding against us or that we assert against a third party, there could be public announcements of the results of hearings, motions or other interim proceedings or developments, and if securities analysts or investors perceive these results to be negative, it could have a material adverse effect on the price of our Class A ordinary shares. Such litigation or proceedings could substantially increase our expenses and reduce the resources available for development activities or any future sales, marketing or distribution activities. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation. Any of the foregoing, and any unfavorable resolution of such disputes and litigation, could have an adverse effect on our business, financial condition, results of operations and prospects.

We license intellectual property rights from third-party owners. If we fail to comply with our obligations in any current or future agreements under which we license intellectual property rights from third parties or otherwise experience disruptions to our business relationships with our licensors, we could lose license rights that are important to our business.

We are and may become party to license agreements with third parties to obtain the rights to certain brands or to allow commercialization of our products. Such agreements may impose numerous obligations, such as development, payment, royalty, sublicensing, insurance, enforcement and other obligations on us in order to maintain the licenses. In spite of our best efforts, our licensors might conclude that we have materially breached such license agreements and might therefore terminate the license agreements, thereby removing or limiting our ability to use certain brands or develop and commercialize products covered by these license agreements. For example, we do not own "THE ROGER" brand and are dependent on a license from Tenro AG for certain trademarks and other rights related to Roger Federer's name, image and likeness. If our license agreement with Tenro AG were to terminate for any reason, we may be required to cease the development, advertisement, promotion and sale of certain of our products. Any termination of our licenses could result in the loss of significant rights and could harm our ability to commercialize our products, which could have a material adverse effect on our sales, profitability or financial condition.

Disputes may also arise between us and our licensors regarding intellectual property subject to a license agreement, including:

- the scope of rights granted under the license agreement and other interpretation-related issues;
- our compliance with reporting, financial or other obligations under the license agreement;
- the amounts of royalties or other payments due under the license agreement;

- whether and the extent to which we infringe, misappropriate or otherwise violate intellectual property rights of the licensor that are not subject to the license agreement;
- our right to sublicense applicable rights to third parties;
- our right to transfer or assign the license; and
- the ownership of intellectual property and know-how resulting from the joint creation or use of intellectual property by our future licensors and us and our partners.

If we do not prevail in such disputes, we may lose any or all of our rights under such license agreements, experience significant delays in the development and commercialization of our products and technologies, or incur liability for damages, any of which could have a material adverse effect on our business prospects, financial condition and results of operations. In addition, we may seek to obtain additional licenses from our licensors, and, in connection with obtaining such licenses, we may agree to amend our existing licenses in a manner that may be more favorable to the applicable licensor, including by agreeing to terms that could enable third parties, including our competitors, to receive licenses to a portion of the intellectual property that is subject to our existing licenses and to compete with our products.

In addition, the agreements under which we may license intellectual property from third parties are likely to be complex, and certain provisions in such agreements may be susceptible to multiple interpretations. The resolution of any contract interpretation disagreement that may arise could narrow what we believe to be the scope of our rights to the relevant intellectual property, or increase what we believe to be our financial or other obligations under the relevant agreement, either of which could have a material adverse effect on our sales, business, financial condition or results of operations. Moreover, if disputes over intellectual property that we license from third parties prevent or impair our ability to maintain our license agreements on acceptable terms, we may be unable to successfully commercialize the affected products, which could have a material adverse effect on our sales, business, financial conditions or results of operations.

(ii) Information technology security, laws, and systems

A security breach, including a cybersecurity incident or other disruption to our IT systems could result in adverse effects on the confidentiality, integrity, or availability of our IT systems or any information residing therein, including the loss, theft, misuse, unauthorized disclosure, or unauthorized access of customer, supplier, or sensitive company information or could disrupt our operations. Such cybersecurity threats could damage our relationships with customers, suppliers or employees, expose us to litigation or regulatory proceedings, or harm our reputation, any of which could materially adversely affect our business strategy, financial condition or results of operations.

Our business involves the storage, transmission and other processing of a significant amount of personal, confidential, proprietary, and sensitive information, including the personal information of our customers and employees, credit card information, information relating to customer preferences, and our proprietary financial, operational and strategic information. In addition, the utilization of various tools and platforms by teams within the organization involves the storage of a significant amount of confidential information, encompassing sensitive data such as supplier base, new product designs, product costs, etc. The potential exposure of such proprietary information could impact our business, including but not limited to competitive disadvantage, as unauthorized disclosure of proprietary information could provide competitors with insights into our strategic initiatives, product development plans, and supplier relationships, resulting in a loss of competitive advantage. Additionally, there is the risk of reputational damage, as public exposure of confidential data could affect our reputation. Furthermore, the risk of loss of intellectual property is significant, as leakage of new product designs or

proprietary technologies could result in unauthorized replication or exploitation by third parties, leading to diminished market share and revenue streams. The protection of this information is vitally important to us as the loss, theft, misuse, unauthorized disclosure, or unauthorized access of such information could lead to significant reputational or competitive harm, result in litigation involving us or our business partners, expose us to regulatory proceedings, and cause us to incur substantial liabilities, fines, penalties, or expenses. As a result, we believe our future success and growth depends, in part, on the ability of our key business processes and systems, including related technology and global communication systems, to prevent the theft, loss, misuse, unauthorized disclosure, or unauthorized access of this personal, confidential, proprietary and sensitive information, and to respond quickly and effectively if data security incidents do occur. In light of these risks, we acknowledge the critical importance of implementing appropriate data security measures, including but not limited to encryption protocols, access controls, user training programs, and regular audits, designed to mitigate the likelihood and impact of confidential information leakage. Furthermore, appropriate monitoring and evaluation of the efficacy of existing security controls and proactive risk management strategies are imperative to striving to safeguard our intellectual property and preserve our competitive position in the market.

The frequency, intensity, and sophistication of cybersecurity incidents, ransomware or any other malware attacks, and other data security incidents has significantly increased in recent years and, as with many other businesses, we have experienced, and are continually at risk of being subject to such attacks and incidents. Such threats may see their frequency increased, and effectiveness enhanced, by the use of AI. For example, the sophisticated nature of generative AI could be exploited in cybersecurity incidents, enhancing threats like convincing phishing campaigns or advanced social engineering tactics. This necessitates more robust cybersecurity measures, continuous monitoring, and specialized strategies to counteract these advanced cybersecurity threats. Due to the increased risk of these types of attacks and incidents, we allocate significant resources to information security tools, controls, and processes designed to protect our IT systems, as well as the personal, confidential, proprietary or sensitive information stored on, transmitted through or otherwise processed by those systems, and to ensure an effective detection and response to any information security incident. Despite the implementation of preventative and detective security controls, our IT systems are at risk of potential damage or interruption from a variety of sources, including telecommunications or network failures or interruptions, system malfunction, natural disasters, epidemics, malicious human acts, terrorism and war. Our ability to effectively manage and maintain our inventory and to ship products to customers on a timely basis depends significantly on the reliability of our IT systems. We also use these systems to process financial information and results of operations for internal reporting purposes and to comply with regulatory financial reporting, legal and tax requirements. IT systems provided by third parties may also be difficult to integrate with other tools due to their complexity, resulting in high data inconsistency and incompatibility, and also face similar cybersecurity threats.

IT systems used by On may also be subject to physical or electronic break-ins, security breaches from inadvertent or intentional actions by our employees, third-party service providers, contractors, consultants, business partners, and/or other third parties, from cybersecurity threats by malicious third parties or other data security incidents. These risks may also be exacerbated by the complicated supply chains involved with operating a cloud native environment to support our IT systems. In addition, because the techniques used to obtain unauthorized access to IT systems are constantly evolving and becoming more sophisticated, may not be recognized until launched, and can originate from a wide variety of sources, including outside groups such as external service providers, organized crime affiliates, terrorist organizations, or hostile foreign governments or agencies, we may be unable to anticipate all types of cybersecurity threats or implement adequate preventive measures in response.

We have experienced and may in the future experience, whether directly or through our supply chain or other channels, cybersecurity incidents. While prior incidents have not materially affected our business strategy, results of operations or financial condition, and although our processes are designed to help prevent, detect, respond to, and mitigate the impact of such incidents, there is no guarantee that a future cybersecurity incident would not materially affect our business strategy, results of operations or financial conditions. Cybersecurity or data security incidents could remain undetected for an extended

period, which could potentially result in significant harm to our systems, as well as unauthorized access to the information stored on and transmitted by our systems. Even when a security breach is detected, the full extent of the breach may not be determined immediately. The costs of mitigation measures could be significant and, while we have implemented security measures to protect our systems, our efforts to address these problems may not be successful. Further, despite our security efforts and training, our employees may purposefully or inadvertently cause security breaches that could harm our systems or result in the unauthorized disclosure of or access to information. Any measures we take to prevent security breaches have the potential to limit our ability to serve customers, harm relationships with our suppliers, or restrict our ability to meet our customers' expectations.

A cybersecurity or other data security incident could result in the significant and protracted disruption of our business, a material adverse effect on our financial condition and results of operations and result in harm to our reputation and the price of our Class A ordinary shares. Furthermore, our disaster recovery or business continuity plan may not adequately address such disruptions and we may not be able to adequately continue our business or return to operability within a reasonable period of time in the case of such an occurrence. Recovery of our IT systems may be additionally hampered where we have outsourced the operation of IT and data storage to third parties.

In addition, if a cybersecurity or other data incident results in the loss, theft, misuse, unauthorized disclosure, or unauthorized access of personal, confidential, proprietary or sensitive information belonging to our customers, suppliers, or employees, it could put us at a competitive disadvantage, result in the deterioration of our customers' confidence in our brand, cause our suppliers to reconsider their relationship with our Company or impose more onerous contractual provisions and subject us to potential litigation, liability, fines and penalties. For example, we could be subject to regulatory or other actions pursuant to domestic and international privacy laws, including regulations such as the California Consumer Privacy Act, as amended by the California Privacy Rights Act ("CCPA"), the General Data Protection Regulation ("GDPR") in the EU and its equivalent in the UK ("UK GDPR"), the Swiss Federal Act on Data Protection and the Personal Information Protection Law in China. This could result in costly investigations and litigation, civil or criminal penalties, operational changes, and negative publicity that could adversely affect our reputation, as well as our results of operations and financial condition. For more information regarding risks related to our data privacy and security practices, see risk factor titled "—Changes in laws or regulations relating to data privacy and security, or any actual or perceived failure by us to comply with such laws and regulations, or contractual or other obligations relating to data privacy and security, could lead to government enforcement actions (which could include civil or criminal penalties), private litigation or adverse publicity and could have a material adverse effect on our reputation, results of operations, financial condition and cash flows."

We currently maintain separate cybersecurity insurance. However, any insurance we maintain now or in the future against risks associated with cybersecurity threats and data incidents may be insufficient to cover all losses and would not, in any event, remedy damage to our reputation. In addition, we may face difficulties in recovering any losses from a provider and any losses we recover may be lower than we initially expect.

We are also reliant on the security practices of our third-party service providers, which may be outside of our direct control. If these third parties fail to adhere to adequate security practices, or experience a breach of their systems, the data of our employees, customers and business associates may be improperly accessed, used or disclosed. In addition, our providers have broad discretion to change and interpret the terms of service and other policies with respect to us, and those actions may be unfavorable to our business operations. Our providers may also take actions beyond our control that could harm our business, including discontinuing or limiting our access to one or more services, increasing pricing terms, terminating or seeking to terminate our contractual relationship altogether, or altering how we are able to process data in a way that is unfavorable or costly to us. Although we expect that we could obtain similar services from other third parties, if our arrangements with our current providers were terminated, we could experience interruptions in our business, as well as delays and additional expenses in arranging for alternative services. Any loss or interruption to our IT systems or the services provided by third parties could adversely affect our business, financial condition and results of operations. Further, the emergence or expansion of other geopolitical conflicts or war may further

increase the prevalence and severity of cybersecurity threats from a variety of actors. Any such increase in such attacks on our third-party service providers or other systems could adversely affect our network systems or other operations. We have measures in place that are designed to detect and respond to such cybersecurity and data security incidents, but there can be no assurance that our efforts will prevent or detect such cybersecurity and data security incidents.

Changes in laws or regulations relating to data privacy and security, or any actual or perceived failure by us to comply with such laws and regulations, or contractual or other obligations relating to data privacy and security, could lead to government enforcement actions (which could include civil or criminal penalties), private litigation or adverse publicity and could have a material adverse effect on our reputation, results of operations, financial condition and cash flows.

We are, and may increasingly become, subject to various laws, directives, industry standards and regulations, as well as contractual obligations, relating to data privacy and security in the jurisdictions in which we operate. The regulatory environment related to data privacy and security is increasingly rigorous, with new and constantly changing requirements applicable to our business, and enforcement practices are likely to remain uncertain for the foreseeable future. These laws and regulations may be interpreted and applied differently over time and from jurisdiction to jurisdiction, and it is possible that they will be interpreted and applied in ways that may have a material adverse effect on our results of operations, financial condition and cash flows.

In the US various federal and state regulators, including governmental agencies like the Consumer Financial Protection Bureau and the Federal Trade Commission, have adopted, or are considering adopting, laws and regulations concerning personal information and data security and have prioritized privacy and information security violations for enforcement actions. Certain state laws may be more stringent or broader in scope, or offer greater individual rights, with respect to personal information than federal, international or other state laws, and such laws may differ from each other, all of which may complicate compliance efforts. For example, the CCPA increases privacy rights for California residents and imposes obligations on companies that process their personal information. The CCPA provides for civil penalties for violations, as well as a private right of action for certain data breaches that result in the loss of personal information. This private right of action may increase the likelihood of, and risks associated with, data breach litigation. Numerous other states have enacted, or are considering enacting, comprehensive privacy laws and regulations that share similarities with the CCPA. In addition, laws in all 50 states in the US require businesses to provide notice to consumers (and, in some cases, to regulators) whose personal information has been accessed or acquired as a result of a data breach. Emerging federal and state laws may add additional complexity, variation in requirements, restrictions and potential legal risks. These regulations may require additional investment of resources in compliance programs, impact strategies and the availability of previously useful data and could result in increased compliance costs or changes in business practices and policies.

We are also subject to international laws, regulations and standards in many jurisdictions, which apply broadly to the collection, use, retention, security, disclosure, transfer and other processing of personal information. For example, in the EU, the GDPR imposes increased requirements for handling personal data. EU member states are tasked under the GDPR to enact, and have enacted, certain implementing legislation that adds to or further interprets the GDPR requirements and potentially extends our obligations and potential liability for failing to meet such obligations. The GDPR, together with national legislation, regulations and guidelines of the EU member states governing the processing of personal data, imposes strict obligations and restrictions on the ability to collect, use, retain, protect, disclose, transfer and otherwise process personal data. In particular, the GDPR includes obligations and restrictions concerning data transparency and consent, the overall rights of individuals to whom the personal data relates, the transfer of personal data out of the European Economic Area (“EEA”), security breach notifications and the security and confidentiality of personal data. The GDPR authorizes fines for certain violations of up to 4% of global annual net sales or €20 million, whichever is greater. Additionally, the UK's decision to leave the EU created uncertainty with regard to data protection regulation in the UK. While the UK GDPR currently imposes substantially the same obligations as the GDPR, the UK

GDPR will not automatically incorporate changes made to the GDPR going forward. The UK recently enacted the Data (Use and Access) Act 2025, which introduces reforms to the UK data protection regime that deviate from the EU GDPR. These divergences create a risk of parallel compliance obligations and regulatory uncertainty. Although the European Commission has extended the UK's adequacy decision until December 27, 2025, to assess these reforms, there is no assurance that adequacy will be renewed thereafter. A loss of adequacy would increase compliance costs by requiring alternative transfer mechanisms. Furthermore, while the EU-US. Data Privacy Framework and its UK extension currently facilitate data transfers to the US., these mechanisms face ongoing legal scrutiny and potential challenges that could reintroduce uncertainty regarding cross-border data flows. In particular, the durability of these adequacy decisions remains uncertain following an appeal filed on October 31, 2025 with the Court of Justice of the European Union challenging the EU-US. Data Privacy Framework. An adverse ruling in these proceedings could invalidate the framework, materially disrupting our ability to transfer personal data and increasing our compliance costs.

These recent developments will require us to review and amend the legal mechanisms by which we make or receive personal data transfers. As supervisory authorities issue further guidance on personal data export mechanisms or start taking enforcement action, we could suffer additional costs, complaints or regulatory investigations or fines, or if we are otherwise unable to transfer personal data between and among countries and regions in which we operate, it could affect the manner in which we do business, the geographical location or segregation of our relevant operations, and could adversely affect our financial results.

The Swiss Federal Act on Data Protection, or FADP, which came into effect in September 2023, also applies to the collection and processing of personal data by companies located in Switzerland, or in certain circumstances, by companies located outside of Switzerland. The revision aligned the FADP with international rules, which allowed the upholding of the European Commission's adequacy decision for Switzerland. The revised FADP largely follows the regime provided by the GDPR with some reliefs and very limited Swiss-specific statutory requirements and local deviations. This may lead to an increase in our costs of compliance, risk of noncompliance and penalties for noncompliance. In addition, we may also be subject to other international laws and regulations in jurisdictions in which we operate, including the Personal Information Protection Law in China.

All of these evolving compliance and operational requirements impose significant costs, such as costs related to organizational changes, implementing additional protection technologies, training associates and engaging consultants, which are likely to increase over time. In addition, such requirements may require us to modify our data processing practices and policies, distract management or divert resources from other initiatives and projects, all of which could have a material adverse effect on our results of operations, financial condition and cash flows. Any failure or perceived failure by us to comply with any applicable federal, state or similar foreign laws and regulations relating to data privacy and security could result in damage to our reputation and our relationship with our customers, as well as proceedings or litigation by governmental agencies or customers, including class action privacy litigation in certain jurisdictions, which could subject us to significant fines, sanctions, awards, penalties or judgments, any of which could result in costly investigations and litigation, civil or criminal penalties, operational changes, and negative publicity that could adversely affect our reputation, as well as our results of operations and financial condition.

We rely on a large number of complex IT systems. The integration of these IT systems may not be successful. Any failure to operate, maintain and upgrade our IT systems may materially and adversely affect our operations.

It is critical to our success that retailers, consumers and potential new customers within the countries we operate in are able to access our online services at all times. We operate on a combination of shared and individual, central or local IT systems and solutions. Any failure of either central or local IT systems and functions may disrupt the efficiency and functioning of all our operations. Updates or changes in the software or hardware technology may lead to failures of communication between our platforms and customers in the course of the order transmission or other processes. We therefore rely

on a large number of IT systems, such as local network and internet coverage, to manage the entire process, from the placing of and payment for orders online by customers to the receipt of and confirmation of those orders by our backend systems, which creates significant complexity and negatively affects our ability to scale our business and realize cost savings. We also rely on our complex IT landscape to provide us with quality operation and financial data and any disruption may lead to inconsistencies, errors, and delays in the reporting of operational and financial information, potentially compromising decision-making processes, regulatory compliance, and overall operational efficiency.

We have made and continue to make substantial investments into the development of our IT systems and related technology, which form the backbone of our business operations. Due to the complexity of these IT systems, we cannot rule out that they may cause or contribute to failures in the order transmission process or may prove less efficient than anticipated. In addition, a failure of any individual network carrier, IT system or IT service provider would impact our ability to receive and transmit orders or to accept payment for orders. The efficient operation and scalability of our own IT systems and third-party IT systems is therefore critical to maintain operations.

We have previously experienced service disruptions, and in the future, we may experience further service disruptions, outages, or other performance problems due to a variety of factors, including infrastructure changes, human or software errors or bugs, natural disasters, capacity constraints due to a significantly increased number of users accessing our platform simultaneously, and fraud, denial-of-service attacks or cybersecurity incidents. In some instances, we may not be able to identify the cause or causes of these performance problems within an acceptable period of time. It may become increasingly difficult to maintain and improve the availability of our platform, especially during peak usage times and as customer traffic increases. If our online marketplace is unavailable when users attempt to access it or does not load as quickly as customers expect, they may seek other services, and may not return to our online marketplace as often in the future, or at all. This would harm our ability to attract customers and decrease the frequency with which customers use our online marketplace. We expect to continue to make significant investments to maintain and improve the availability of our online marketplace and to enable rapid releases of new products. To the extent that we do not effectively address capacity constraints, respond adequately to service disruptions, upgrade our systems as needed or continually develop our technology and network architecture to accommodate actual and anticipated changes in technology, our business, results of operations and the price of our Class A ordinary shares would be harmed.

Additionally, if we fail to innovate and keep up with the rapidly evolving technological advancements, our processes, systems and services may become outdated, which could negatively impact our reputation, business, results of operations, overall company growth, financial condition and the price of our Class A ordinary shares.

The materialization of any of the risks described above could have a material adverse effect on our assets, financial condition, cash flows and results of operations.

Our marketing programs, e-commerce initiatives and use of customer personal data are governed by an evolving set of laws and enforcement trends and unfavorable changes in those laws or trends, or our failure to comply with existing or future laws, could substantially harm our business.

We collect, process, maintain and use personal data of individuals, available to us through online activities and other customer interactions in our business. Our current and future business operations (particularly our marketing and e-commerce activities) depend on our ability to collect, maintain and use this information, and our ability to do so is subject to evolving international, US, Swiss, EU, Chinese and other laws and enforcement trends. We strive to comply with all applicable laws and other legal obligations relating to data privacy, including those relating to the use of personal data for marketing purposes. It is possible, however, that these requirements may be interpreted and applied inconsistently from one jurisdiction to another, may change over time, may conflict with other rules, may conflict with our practices or fail to be observed by our employees or business partners. Any potential non-

compliance may: (i) require us to invest additional resources and costs to close identified gaps, (ii) result in damage to our reputation, and (iii) make us subject to proceedings, fines or actions by governmental entities or others. Any such proceeding or action could hurt our reputation and financial situation, diminish our customers' or employees' trust in our organization, force us to spend significant amounts to defend our practices and close identified gaps, or otherwise have an adverse effect on our business.

Certain of our marketing practices rely upon e-mail communication with consumers. If there are changes in the data privacy laws that prohibit this type of marketing, we may lose a very important communication channel and our ability to effectively reach and engage our customers. In addition, as data privacy and marketing laws change, we may require additional resources and incur costs to ensure we remain in compliance. If applicable data privacy laws become more restrictive at the international, federal or state levels, our compliance costs may increase, our ability to effectively engage customers through personalized marketing may decrease, our investment in our e-commerce platform may not be fully realized, our opportunities for growth may be curtailed by our compliance burden and our potential reputational harm or liability for breaches may increase. For more information regarding risks related to data privacy and security, see additional risks included in“—Risks Related to our Intellectual Property and Information Technology—Information technology security, laws, and systems."

We utilize AI, which could expose us to liability or adversely affect our business.

The adoption of generative AI technologies in our operations introduces distinct risks, notably in data management and data privacy. No assurance can be provided that our use of such AI technologies will enhance our products or operations or produce the intended results. Some AI systems, for example, are capable of synthesizing customer interactions and generating personalized recommendations, which could inadvertently use personal data to train future models. If this were to occur within a public model, this raises the possibility of reputational damage and legal challenges, especially if false or inaccurate information is disseminated. Additionally, the need for these systems to access extensive datasets heightens the risk of data breaches, potentially leading to unauthorized disclosure of personal customer data and company information. Such breaches could result in identity theft, financial fraud, and non-compliance with data privacy and security laws and regulations, thereby exposing the Company to regulatory penalties and legal liabilities. Further, AI algorithms may be flawed, insufficient, of poor quality, reflect unwanted forms of bias, or contain other errors or inadequacies, any of which may not be easily detectable; AI has been known to produce false or “hallucinatory” inferences or outputs; AI can present ethical issues and may subject us to new or heightened legal, regulatory, ethical, or other challenges; and inappropriate or controversial data practices by developers and end-users; or other factors adversely affecting public opinion of AI, could impair the acceptance of AI solutions, including those incorporated in our products and services. If the AI tools that we use are deficient, inaccurate or controversial, we could incur operational inefficiencies, competitive harm, legal liability, brand or reputational harm, or other adverse impacts on our business and financial results. If we do not have sufficient rights to use the data or other material or content on which the AI tools we use rely, we also may incur liability through the violation of applicable laws and regulations, third-party intellectual property, privacy or other rights, or contracts to which we are a party. Further, failure to attract or up-skill personnel to effectively manage our integration of AI could negatively impact our business.

In addition, regulation of AI is rapidly evolving worldwide as legislators and regulators are increasingly focused on these powerful emerging technologies. AI and its uses are subject to a variety of laws and regulations, including intellectual property, data privacy and security, consumer protection, competition, and equal opportunity laws, and are expected to be subject to increased regulation and new laws or new applications of existing laws and regulations. Certain provisions of the EU Artificial Intelligence Act became effective August 1, 2024, and the remainder will be effective by August 2, 2027. AI is the subject of ongoing review by various US governmental and regulatory agencies, and various US and other foreign jurisdictions are applying, or are considering applying, their platform moderation, cybersecurity, and data protection laws and regulations to AI or are considering general legal frameworks for AI. We may not be able to anticipate how to respond to these rapidly evolving frameworks, and we may need to expend resources to adjust our operations or offerings in certain jurisdictions if the legal frameworks are inconsistent across jurisdictions. Furthermore, because AI technology itself is highly complex and rapidly developing, it is not possible to predict all of the legal,

operational or technological risks that may arise relating to the use of AI. In essence, while generative AI offers significant opportunities for innovation and efficiency in our operations, it also demands stringent management to ensure the protection of data integrity, customer and employee safety, regulatory compliance, and the maintenance of our Company's reputation.

IV. Risks Related to Financial, Accounting and Tax Matters

(i) Additional investments in our business

We plan to primarily use cash from operations to finance our growth strategy, but may need to raise additional capital that may be required to grow our business, which we may not be able to raise on terms acceptable to us or at all.

While we intend to primarily finance our growth through the cash flows generated by our operations, we may need to seek additional capital, potentially through debt or equity financings, to fund our growth. We may not be able to raise the needed cash on terms acceptable to us or at all. In particular, there may be volatility in the financial markets or a lack of investor demand, which would negatively impact our ability to raise additional capital. In addition, macroeconomic conditions, such as increased volatility or disruption in the credit markets, could adversely affect our ability to incur indebtedness. Further, to combat rising inflation, central banks may deploy various strategies, including increasing interest rates, which may impact our borrowing costs and in turn, our financial condition should we incur more debt. Financing may be on terms that are dilutive or potentially dilutive to our shareholders, and the prices at which new investors would be willing to purchase our securities may be lower than the price per share of our Class A ordinary shares. The holders of any new securities may also have rights, preferences or privileges which are senior to those of existing holders of ordinary shares. If we raise additional capital through the sale of equity or convertible debt securities, our existing shareholders may experience substantial dilution, and the terms of these securities may include liquidation or other preferences that adversely affect the rights of holders of our Class A ordinary shares. If new sources of financing are required, but are insufficient or unavailable, we will be required to modify our growth and operating plans based on available funding, if any, which would harm our profitability, business, results of operation, financial condition and the price of our Class A ordinary shares. Moreover, obtaining additional debt financing could lead to increased debt service obligations and subject us to potential operating and financing covenants that may restrict our operations.

We have and expect to continue to incur expenses and devote resources and management time as a result of being a public company, which may negatively impact our financial performance, our results of operations, cash flows and financial condition.

As a public company, we are subject to laws, regulations and requirements, certain corporate governance provisions of the Sarbanes-Oxley Act, related regulations of the Securities and Exchange Commission ("SEC") and the requirements of the New York Stock Exchange ("NYSE"). Complying with these statutes, regulations and requirements occupies a significant amount of time of our board of directors and management and significantly increases our costs and expenses as compared to when we were a private company. For example, as a public company, we have had to institute a more comprehensive internal controls and financial reporting function, comply with rules promulgated by the NYSE, prepare and distribute periodic public reports in compliance with our obligations under the federal securities laws, maintain effective disclosure controls and procedures and internal controls for financial reporting, and involve and retain to a greater degree outside counsel and accountants in the above activities. As such, we have incurred and expect to continue to incur significant legal, accounting, insurance and other expenses. The rules implemented by the SEC, the NYSE, and the securities regulators in Switzerland have required changes in corporate governance practices of public companies. Compliance with these laws, rules and regulations has and will continue to substantially increase our expenses, including our legal, accounting and information technology costs and expenses, and make some activities more time consuming and costly. Compliance with these laws, rules and regulations also require attention from our senior management and could divert their attention away from the day-to-day

management of our business. As a public company, these laws, rules and regulations also make it more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. Due to increased risks and exposure it may be more difficult for us to attract and retain qualified persons to serve on our board of directors or as officers. As a result of the foregoing, we expect to continue to incur a substantial increase in legal, accounting, insurance and certain other expenses in the future, which will negatively impact our financial performance and could cause our results of operations and financial condition to suffer.

Furthermore, if we are unable to satisfy our obligations as a public company, we could be subject to the delisting of our Class A ordinary shares, fines, sanctions and other regulatory action and potentially civil litigation, which could adversely impact our business, results of operation, financial condition and the price of our Class A ordinary shares.

Our financial results may be adversely affected if substantial investments in businesses and operations fail to produce expected returns.

We are investing, and will continue to invest, in the expansion of our existing businesses, including our DTC channel, where we are investing in new retail stores and our e-commerce business, among others. Additionally, from time to time, we may invest in technology, business infrastructure, new businesses, product offering and manufacturing innovation, which require substantial cash investments and management attention. We believe cost-effective investments are essential to business growth and profitability; however, significant investments are subject to typical risks and uncertainties inherent in developing a new business or expanding an existing business. Additionally, our future potential will require further investments into our supply chain and operations capabilities, including but not limited to new warehouses or other facilities. For instance, we have entered into third party logistics and warehouse services agreements for new, highly-automated fulfillment centers in order to facilitate our future omnichannel growth in both Europe and North America, and lower our handling cost over time through automation. The failure of any significant investment to provide expected returns or profitability could adversely impact our financial results and results of operation, and divert our management's attention from more profitable business operations.

(ii) Financial reporting and internal controls

If our estimates or judgments relating to our critical accounting policies prove to be incorrect, our operating results could be adversely affected.

The preparation of financial statements in accordance with IFRS Accounting Standards requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. We base our estimates on historical experience and on various other assumptions we believe to be reasonable under the circumstances at the time of the estimate, as provided in "Item 5. Operating and Financial Review and Prospects - E. Critical Accounting Estimates." The results of these estimates form the basis for making judgments about the carrying values of assets, liabilities and equity, and the amount of net sales and expenses that are not readily apparent from other sources. Significant assumptions and estimates used in preparing our consolidated financial statements include those related to right-of-use assets, intangible assets, share-based compensation, employee benefits, provisions and income taxes. Our operating results may be adversely affected if our assumptions change or if actual circumstances differ from those in our assumptions, which could cause our operating results to fall below the expectations of securities analysts and investors, resulting in a decline in the price of our Class A ordinary shares.

If we identify material weaknesses in the future, or otherwise fail to maintain an effective system of internal control over financial reporting, we may not be able to accurately or timely report our

financial results, which may adversely affect our business, investor confidence, and as result, the price of our Class A ordinary shares.

Our management is responsible for establishing and maintaining adequate and effective internal controls over financial reporting, which are necessary for the Company to provide reliable financial reports and, together with adequate disclosure controls and procedures, are designed to prevent fraud. Any failure to maintain adequate internal controls over financial reporting, including any failure to implement new or improved controls, could cause the Company to fail to meet its reporting obligations.

We previously identified a material weakness in our internal control over financial reporting, which was fully remediated as of December 31, 2023. Although we believe the material weakness has since been remediated, there can be no assurance that the measures we have taken to date, or any measures we may take in the future, will be sufficient to identify or prevent future material weaknesses. If other material weaknesses or other deficiencies occur, our ability to accurately and timely report our financial position could be impaired, which could result in a material misstatement of our financial statements that would not be prevented or detected on a timely basis. This may require us to restate previously published financial information, which could adversely impact our operations, investor confidence, and the trading price of our Class A ordinary shares.

Further, if our internal controls over financial reporting are ineffective, or if our independent registered public accounting firm is unable to express an unqualified opinion on the effectiveness of our internal control, for example as a result of any identified material weakness, we could lose investor confidence in the accuracy and completeness of our financial reports.

(iii) Foreign currency exchange rates

Fluctuations in foreign currency exchange rates could harm our net sales, results of operations and the price of our Class A ordinary shares.

The reporting currency for our consolidated financial statements is the Swiss franc. We are subject to translational foreign exchange exposure risks that result from exchange rate fluctuations in the conversion of the different entities' functional currencies to the Swiss franc. For example, since we recognize net sales in the US in USD, if the USD weakens against the Swiss franc, it would have a negative impact on our net sales and operating results upon translation of those results into the Swiss franc in the consolidated financial statements. We face similar translational risks in other foreign jurisdictions that result from movements in the foreign exchange rate between the Euro, the UK pound sterling and other currencies against the Swiss franc.

We are additionally subject to transactional foreign exchange risks that are associated with transactions in currencies other than the entity's functional currency, including external and internal transactions in U.S dollars. Although we have foreign exchange risk mitigation actions in place, depending upon changes in future currency rates, such gains or losses could have a significant, and potentially adverse, effect on our results of operations. Foreign exchange variations (including the value of the Swiss franc relative to the USD) have been significant in the past and current foreign exchange rates may not be indicative of future exchange rates.

Our earnings per share are reported in Swiss francs, and accordingly may be translated into USD by analysts or our investors. As a result, the value of an investment in our Class A ordinary shares to a US shareholder will fluctuate as the USD rises and falls against the Swiss franc. Our decision to declare a dividend depends on results of operations reported in Swiss francs. As a result, shareholders in the US and other shareholders seeking USD total returns, including increases in the price of our Class A ordinary shares and dividends paid, are subject to foreign exchange risk as the USD rises and falls against the Swiss franc.

For more information, refer to “Item 5. Operating and Financial review and Prospect—Foreign Currency Risk” and to “Item 18. Financial Statements—Note 5.2 Foreign Currency Risk”.

(iv) Taxes

We could be subject to changes in tax laws, tax regulations and tax treaties, including their interpretation and application, in Switzerland, the US or any other country in which we operate, which could result in additional tax liabilities or increased volatility in our effective tax rate.

Our principal tax domicile is located in Zurich, Switzerland, making us subject to Swiss federal, cantonal and communal taxes based on the applicable rates. We are also subject to the tax laws in the US and numerous other jurisdictions, as we earn a substantial portion of our income in countries around the world. Current economic and political conditions make tax laws, tax regulations and tax treaties, including their interpretation and application, in any jurisdiction subject to significant change. The adoption or implementation of new or future tax proposals could significantly impact how we are taxed on our earnings from operations in these jurisdictions, and could have an adverse impact on our income tax expense and cash flows. Portions of our operations are subject to a reduced tax rate or are free of tax under various tax holidays and rulings. We also utilize tax rulings and other agreements to obtain certainty in treatment of certain tax matters. These holidays, agreements and rulings expire in whole or in part from time to time and may be extended when certain conditions are met or terminated if certain conditions are not met. The impact of any changes in conditions would be the loss of certainty in treatment thus potentially impacting our effective income tax rate.

The Organization Economic Co-operation and Development (“OECD”) introduced Base Erosion and Profit Shifting (“BEPS”) Pillar Two rules that impose a global minimum tax rate of 15%. The Company is within the scope of the OECD Pillar Two model rules. The Company operates in several jurisdictions where Pillar Two legislation has been enacted, or substantively enacted. In Switzerland, the enacted legislation includes the introduction of a Qualified Domestic Top-up Tax ("QDMTT") effective since January 1st, 2024, as well as the income inclusion rule ("IIR"), effective since January 1st, 2025. While the QDMTT will ensure that corporate income earned in Switzerland is taxed at an effective rate of at least 15%, the IIR mandates Swiss tax authorities to collect additional taxes on income derived by subsidiaries of Swiss corporations in other jurisdictions, if this income is below 15% and the relevant jurisdiction has not implemented a QDMTT. Some jurisdictions in which we operate also have a QDMTT in place, and some other jurisdictions introduced such a regulation in 2025.

Due to the ongoing discussions in many countries regarding the implementation and additional guidelines for interpreting the new global standards, including tax laws that may be enacted in reaction to the new global standards, the full impact of the OECD minimum tax framework on our financial position, income statement and cash flows cannot be reliably estimated in the longer term at present.

The OECD has published transitional Country-by-Country Report ("CbCR") Safe Harbour rules, with the purpose to remove the obligation of calculating the Pillar Two effective tax rate for operations in lower-risk jurisdictions during the initial years when the rules take effect. In applying the transitional CbCR Safe Harbour rules on the fiscal year end 2025 consolidated financial statements, the majority of jurisdictions in which we operate, to the extent such jurisdictions have implemented the OECD rules, qualify for the transitional CbCR Safe Harbour rules.

Effective January 31, 2026, we are subject to public Country-by-Country Reporting (“public CbCR”) rules in the EU and Australia that mandate public disclosure of key tax and high-level operational data for multinational groups exceeding EUR 750m or AUD 1bn in consolidated revenue. This tax transparency mandate requires per-country reporting for Switzerland, Hong Kong, Australia, and EU states with a taxable presence, with remaining countries reported on an aggregate basis.

For more information on income taxes, refer to “Item 18. Financial Statements-Note 6.4 Income Taxes”.

Adverse outcomes resulting from examination of our income or other tax returns could adversely affect our results of operations and financial condition.

We are subject to the examination of our tax returns by tax authorities in Switzerland, the US and numerous other jurisdictions. We regularly assess the likelihood of an adverse outcome resulting

from these examinations to determine the adequacy of its provision for income taxes. Although we believe our tax provisions are adequate, the final determination of tax audits and any related disputes could be materially different from our historical income tax provisions and accruals. The results of audits or related disputes could have an adverse effect on our financial statements for the period or periods for which the applicable final determinations are made. For example, we and our subsidiaries are engaged in a number of intercompany transactions across multiple tax jurisdictions. Although we believe that our transfer pricing policies and positions are correct under current law and we have clearly reflected the economics of these transactions and the proper local transfer pricing documentation is in place, tax authorities may propose and sustain adjustments that could result in changes that may result in material additional tax liabilities and impact our mix of earnings in countries with differing statutory tax rates. These factors could have a negative impact on our business, results of operation, financial condition and the price of our Class A ordinary shares.

If we are a "passive foreign investment company," or a PFIC, a US shareholder may be subject to adverse US federal income tax consequences.

Under the Internal Revenue Code of 1986, as amended, or the Code, we will be a PFIC for any taxable year in which, after the application of certain look-through rules with respect to our subsidiaries, either (i) 75% or more of our gross income consists of passive income or (ii) 50% or more of the average quarterly value of our assets consists of assets that produce, or are held for the production of, passive income (including cash). Passive income includes, among other things, dividends, interest, certain non-active rents and royalties, and capital gains. Based on the market price of our Class A ordinary shares during 2025 and the composition of our income and assets, including goodwill, we believe we were not a PFIC for our 2025 taxable year. However, the determination of whether we are a PFIC is a fact-intensive determination that must be made on an annual basis applying principles and methodologies that are in some circumstances unclear, and whether we were a PFIC in 2025 is uncertain in several respects. Moreover, our PFIC status for any taxable year will depend on the composition of our income and assets and the value of our assets from time to time (which may be determined, in part, by reference to the market price of our Class A ordinary shares, which may fluctuate substantially over time). Accordingly, there can be no assurance that we will not be a PFIC for any future taxable year.

Certain adverse US federal income tax consequences could apply to US investors if we are treated as a PFIC for any taxable year during which such investors hold our Class A ordinary shares. For further discussion, see "Taxation - US Tax Considerations."

V. Risks Related to Legal and Regulatory Compliance

(i) Trade policies, tariffs and import/export regulations

Changes and contemplation of changes to trade policies, tariffs and import/export regulations in the US, EU, China, Vietnam, and other jurisdictions, or our failure to comply with such regulations, may have a material adverse effect on our reputation, business, financial condition and results of operations.

Changes in US., EU, China, Vietnam, or other international social, political, regulatory and economic conditions could impact our business, financial condition, results of operations and the price of our Class A ordinary shares. In particular, political and economic instability, geopolitical conflicts, political unrest, civil strife, terrorist activity, acts of war, public corruption, expropriation and other economic or political uncertainties in these jurisdictions could interrupt and negatively affect the sale of our products or other business operations. In addition, any negative sentiment toward the US, EU., China, Vietnam, Switzerland or toward any country where we operate, sell or have our products manufactured as a result of any such changes could also adversely affect our business.

Changes or proposed changes in the trade policies of the US, the European Economic Area or any of its member states, China, Vietnam, or other jurisdictions may result in restrictions and economic

disincentives on international trade. Tariffs and other changes in the trade policies of the US and other countries have in the past and could in the future trigger retaliatory trade actions by affected countries. For example, certain foreign governments have instituted or could impose retaliatory trade actions on certain US goods following the announcement by the US of tariffs on goods from certain nations in 2025. Further, any emerging protectionist or nationalist trends either in the US, the European Economic Area, or any of its member states, China, Vietnam, or in other countries could negatively affect the trade environment. We, similar to many other multinational corporations, engage in a significant amount of business that would be impacted by changes to the trade policies of the US (including governmental action related to tariffs, international trade agreements, or economic sanctions). Such changes have the potential to adversely impact the US economy or certain sectors thereof or the economy of another country in which we conduct operations, our industry and the global demand for our products.

In August 2025, a fixed reciprocal import tariff by the US of 20% on Vietnam, applied in addition to the existing 20% import tariff in Vietnam, became effective, which has increased and is expected to increase the costs of products we source from outside the US and subsequently sell within the US. In 2025, we sourced approximately 90% of our shoes and approximately 65% of our apparel and accessories from Vietnam (compared to approximately 90% and approximately 60% in 2024). Further, in 2025 and 2024, we did not source any of our shoes from China and sourced approximately 6% of our apparel and accessories from China (compared to approximately 7% in 2024). In 2025 and 2024, we did not source any shoes, apparel, or accessories from Canada or Mexico.

In February 2026, the US Supreme Court ruled that certain tariffs imposed by the Trump administration under the International Emergency Economic Powers Act are invalid. While this ruling invalidated certain tariffs, it has added uncertainty and confusion to the business environment and to the broader US trade framework. The ruling may prompt additional executive or legislative action, including the imposition of new tariffs under alternative statutory authorities or modifications to existing trade measures. As a result, the future scope, duration and structure of US tariffs and trade restrictions remain uncertain, which could increase our costs, disrupt our sourcing strategy, or otherwise adversely affect our business, financial condition and results of operations.

Additionally, certain trade restrictions related to forced labor could impact our business. Imports or use of raw materials from certain regions could lead to our products being held for inspection by customs authorities (e.g., U.S Customs and Border Protection ("CBP") and delayed or rejected for entry, which could unexpectedly affect our inventory levels, result in other supply chain disruptions, or cause us to be subject to penalties, fines or sanctions. Even if we were not subject to penalties, fines or sanctions, if products we source are linked in any way to regulated regions, our reputation could be harmed.

Customs authorities, including the CBP, may in the future challenge or disagree with our customs classification of our imports, or our customs valuation or country of origin determinations. While we have not experienced tariff liabilities in such instances, such challenges could in the future result in material tariff liabilities, including tariffs on past imports, as well as penalties and interest.

Any changes related to the national customs regulations and trade agreements with countries we currently sell our products or conduct business in, tariffs on goods imported from or exported to such countries, and disagreements with customs authorities could have a negative impact on our business, financial condition, results of operations and the price of our Class A ordinary shares.

(ii) Legal or regulatory requirements, proceedings and audits

We are subject to comply with many laws and regulations which could expose us to criminal sanctions, civil penalties, contractual damages, and reputational harm that could substantially harm our business and results of operations.

Our business requires compliance with many laws and regulations, including, but not limited to, labor and employment, product safety, fair competition, insider trading, product labeling, sales and other taxes, customs, and consumer protection laws and ordinances that regulate our industry generally or govern the production, importation, promotion and sale of merchandise, and the operation of warehouse

facilities. For example, various jurisdictions worldwide have laws and regulations that aim to protect consumers, including by prohibiting advertising or marketing practices that may be deemed misleading or deceptive. Failure to comply with any laws or regulations could subject us to lawsuits and other proceedings, and could also lead to damage awards, fines and penalties. In addition, as a global company we operate in countries with different legal jurisdictions that pose various risks such as uncertain laws, potential bribery, civil unrest, economic instability, differing business practices, or consumer behaviors. To the extent we encounter such challenges, we could be subject to financial losses, criminal and civil penalties and reputation damage.

We may become involved in a number of legal proceedings and audits, including, but not limited to, government and agency investigations, and consumer, employment, tort and other litigation. In addition, we could become subject to potential antitrust claims, which may relate to anti-competitive behavior, pricing pressures on our distribution and/or wholesale partners or other allegations. The outcome of some of these legal proceedings, audits and other contingencies could require us to take actions, or refrain from taking actions, that could harm our operations or require us to pay substantial amounts of money, harming our financial condition. Additionally, defending against these lawsuits and proceedings could result in substantial costs and diversion of management's attention and resources, harming our financial condition.

Further, we may be subject to investigations, enforcement proceedings or claims arising from a supplier's actual or alleged noncompliance with regulations and statutes and/or to claims relating to alleged personal injury.

There can be no assurance that any pending or future legal or regulatory proceedings and audits will not harm our business, financial condition, reputation, results of operations and the price of our Class A ordinary shares.

VI. Risks Associated with Securities Markets and Ownership of Our Class A Ordinary Shares

(i) Dual class structure of our shares

The dual class structure of our shares and the existing ownership of Class B voting rights shares by our extended founder team have the effect of concentrating voting control with our extended founder team for the foreseeable future, which will limit or preclude the ability of Class A shareholders to influence corporate matters.

While each of our shares carries one vote at our general meeting of shareholders, irrespective of the par value of the shares, our Class A ordinary shares have a par value of CHF 0.10 and our Class B voting rights shares have a par value of CHF 0.01. As a result, on a capital-invested basis, each Class B voting rights share has ten times the voting power of each Class A ordinary share. Given the increased voting power of our Class B voting rights shares, members of our extended founder team, who are our only Class B shareholders and who also hold certain of our Class A ordinary shares, hold approximately 56.1% of total combined voting power of our outstanding shares as of December 31, 2025.

In addition, entitlements to dividends and other distributions are calculated based on par value. As a result of our dual class ownership structure, our extended founder team will be able to exert control over our management and affairs and over matters requiring shareholder approval, including the election of directors and mergers, and indirectly over acquisitions, asset sales, and other significant corporate transactions.

Further, our extended founder team owns shares representing approximately 13.8% of the economic interest as of December 31, 2025 and together with our other executive officers, directors and their affiliates, owns shares representing approximately 16.8% of the economic interest and 57.1% of total combined voting power of our outstanding shares as of December 31, 2025. Because of the 10-to-1 voting ratio between the Class B voting rights shares and Class A ordinary shares on a capital-invested basis, the holders of Class B voting rights shares collectively will continue to control a majority of the total combined voting power of our outstanding shares and therefore be able to control a

substantial number of matters submitted to our shareholders for approval, so long as the outstanding Class B voting rights shares represent at least 50% of the total voting power of our shares.

In addition, the members of our extended founder team have entered into a shareholders' agreement giving them a right of first refusal to purchase shares of Class B voting rights shares that are intended to be sold or transferred by other members of our extended founder team, subject to certain exceptions. This concentrated control will limit the ability of our Class A shareholders to influence corporate matters for the foreseeable future. For example, our extended founder team will be able to control elections of directors, dividend payments and other distributions, and certain amendments of our articles of association, for the foreseeable future. Additionally, the holders of our Class B voting right shares may cause the Company, through the election of the directors, to make strategic decisions or pursue acquisitions that could involve risks to our Class A shareholders, be contrary to their expectations, or otherwise not align with their interests. This control may materially adversely affect the market price of our Class A ordinary shares.

Our dual class structure may depress the trading price of our Class A ordinary shares.

Our dual class structure may result in a lower or more volatile market price for our Class A ordinary shares, or lead to adverse publicity or other negative consequences. For example, certain index providers have announced restrictions on including companies with dual or multiple class share structures in certain of their indexes. S&P Dow Jones, MSCI and FTSE Russell have announced changes to their eligibility criteria for inclusion of shares of public companies on certain indices, including the S&P 500. These changes exclude companies with multiple classes of shares from being added to these indices.

In addition, several stockholder advisory firms have announced their opposition to the use of dual or multiple class structures. As a result, the dual class structure of our shares may prevent the inclusion of our Class A ordinary shares in these indices and mutual funds, exchange-traded funds and other investment vehicles that attempt to passively track these indices will not invest in our stock. Any such exclusion from indices could result in a less active trading market for our Class A ordinary shares and depress the valuations of publicly traded companies excluded from the indices compared to those of similar companies that are included.

Our dual-class structure may cause stockholder advisory firms to publish negative commentary about our corporate governance practices or otherwise seek to cause us to change our capital structure. Any actions or publications by stockholder advisory firms critical of our corporate governance practices or capital structure could also adversely affect the value of our Class A ordinary shares.

(ii) Foreign private issuer status

We may lose our foreign private issuer status, which would then require us to comply with the Exchange Act's domestic reporting regime and cause us to incur significant legal, accounting and other expenses.

We qualify as a foreign private issuer ("FPI") under the Exchange Act and therefore we are not required to comply with all of the periodic disclosure and current reporting requirements of the Exchange Act applicable to US domestic issuers. In order to maintain our current status as a foreign private issuer a majority of our outstanding voting securities must be directly or indirectly held of record by nonresidents of the US and all of the following criteria must be met (i) a majority of our executive officers or directors may not be US citizens or residents, (ii) more than 50% of our assets cannot be located in the US and (iii) our business must be administered principally outside the US.

On June 4, 2025, the SEC published a concept release on FPI Eligibility, seeking public comment regarding potential amendments to the FPI definition. There is currently no indication of any timing on any related proposed rulemaking. The release highlights various possible approaches to

amending the FPI definition. If the SEC adopts rules amending the FPI definition to include requirements that we may not currently comply with, we may lose our status as a foreign private issuer.

If we lose our status as a foreign private issuer, we would be required to comply with the Exchange Act reporting and other requirements applicable to US domestic issuers, which are more detailed and extensive than the requirements for foreign private issuers. For example, we would be required to change our basis of accounting from IFRS Accounting Standards to US GAAP, which would be time consuming and costly, and could potentially result in changes in our historical financial statements prepared in accordance with IFRS Accounting Standards. We may also be required to make changes in our corporate governance practices in accordance with various SEC and stock exchange rules. The regulatory and compliance costs to us under US securities laws if we are required to comply with the reporting requirements applicable to a US domestic issuer may be significantly higher than the cost we would incur as a foreign private issuer. As a result, we expect that a loss of foreign private issuer status would increase our legal and financial compliance costs and would make some activities highly time consuming and costly. We also expect that if we are required to comply with the rules and regulations applicable to US domestic issuers, it would be more difficult and expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. These rules and regulations could also make it more difficult for us to attract and retain qualified members of our board of directors.

As a foreign private issuer and "controlled company" within the meaning of the NYSE corporate governance rules, we are permitted to, and we do, rely on certain exemptions from the NYSE corporate governance standards. Our reliance on such exemptions may afford less protection to holders of our Class A ordinary shares.

The corporate governance rules of the NYSE require listed companies to have, among other things, a majority of independent directors and independent director oversight of executive compensation, nomination of directors and corporate governance matters. As a FPI, we are permitted to, and we do, follow home country practice for certain requirements. As long as we rely on the FPI exemption to certain of the NYSE corporate governance standards, a majority of the directors on our board of directors are not required to be independent directors, our compensation committee is not required to be composed entirely of independent directors and director nominations are not required to be made, or recommended to our full board of directors, by a nominations committee that consists entirely of independent directors. As a result, the management oversight of our Company may be more limited than if we were subject to all of the NYSE corporate governance standards. We are also subject to certain reduced disclosure obligations as a result of being a FPI. As such, investors may not have access to the same information as for similar companies that are not FPI's.

In the event we no longer qualify as a FPI, we intend to rely on the "controlled company" exemption under the NYSE corporate governance rules. A "controlled company" under the NYSE corporate governance rules is a company of which more than 50% of the voting power is held by an individual, group or another company. Our extended founder team controls a majority of the combined voting power of our outstanding shares, making us a "controlled company" within the meaning of the NYSE corporate governance rules. As a controlled company, we are eligible to elect not to comply with certain requirements of the NYSE corporate governance standards, and we intend to do so if we no longer qualify as an FPI.

Accordingly, our shareholders will not have the same protection afforded to shareholders of companies that are subject to all of the NYSE corporate governance standards.

(iii) Pricing volatility, dividends, and dilution

Future sales, or the perception of future sales of our Class A ordinary shares in the public market could cause the market price of our Class A ordinary shares to decline.

Sales of a substantial number of our Class A ordinary shares in the public market, or the perception that these sales might occur, could depress the market price of our Class A ordinary shares and could impair our ability to raise capital through the sale of additional equity securities. Certain of our equity holders existing prior to our IPO in 2021 have substantial unrecognized gains on the value of the equity they hold, and therefore they may take steps to sell their shares or otherwise secure the unrecognized gains on those shares. We are unable to predict the timing of or the effect that such sales may have on the prevailing market price of our Class A ordinary shares. All of the Class A ordinary shares are freely tradable without restrictions or further registration under the Securities Act of 1933, as amended, or the Securities Act, except for any shares held by our affiliates as defined in Rule 144 under the Securities Act, or Rule 144.

We do not intend to pay dividends for the foreseeable future and, as a result, the ability of our Class A shareholders to achieve a return on their investment will depend on appreciation in the price of our Class A ordinary shares.

We have never declared or paid any cash dividends on our share capital, and we do not intend to pay any cash dividends in the foreseeable future.

Any future proposals to our shareholders' meeting to pay dividends in the future will be decided at the discretion of our board of directors, after taking into account various factors, including our business prospects, cash requirements, financial performance and new product development, and subject to approval at a general meeting of shareholders. In addition, payment of future dividends is subject to certain limitations pursuant to Swiss law. See "Item 10. Additional Information - Memorandum and Articles of Association - Dividend Rights." Accordingly, Class A shareholders may need to rely on sales of our Class A ordinary shares after price appreciation, which may never occur, as the only way to realize any future gains on their investment.

If securities analysts do not continue to publish research or reports about our business or if they publish negative evaluations of our Class A ordinary shares, the price of our Class A ordinary shares could decline.

The trading market for our Class A ordinary shares relies in part on the research and reports that industry or securities analysts publish about us or our business. If one or more of the analysts covering our business downgrade their evaluations of our Class A ordinary shares or publish inaccurate or unfavorable research about our business, the price of our Class A ordinary shares could decline. In addition, if our operating results fail to meet analyst forecasts, the price of our Class A ordinary shares would likely decline. If one or more of these analysts cease to cover our Class A ordinary shares, we could lose visibility in the market for our stock, which in turn could cause the price of our Class A ordinary shares to decline.

(iv) Swiss corporate law

We are a Swiss corporation. The rights of our shareholders may differ from the rights of shareholders in companies governed by the laws of US jurisdictions.

We are a corporation organized and incorporated under the laws of Switzerland, with our registered office and domicile in Zurich, Switzerland. Our corporate affairs are governed by our articles of association, organizational regulations, and by the laws governing companies, including listed companies, incorporated in Switzerland. The rights of our shareholders and the responsibilities of members of our board of directors may differ from the rights and obligations of shareholders and directors of companies governed by the laws of the US. In the performance of its duties, our board of directors is required by Swiss law to consider the interests of our Company, and may also have regard to the interests of our shareholders, our employees and other stakeholders, in all cases with due observance of the principles of reasonableness and fairness. It is possible that some of these parties will

have interests that differ from, or are in addition to, the interests of shareholders. Swiss corporate law limits the ability of our shareholders to challenge in court resolutions made or other actions taken by our board of directors.

Under Swiss law, our shareholders generally are not permitted to file a suit to reverse a decision or an action taken by our board of directors, but are instead only permitted to seek damages for breaches of fiduciary duty. As a matter of Swiss law, shareholder claims against a member of our board of directors for breach of fiduciary duty would have to be brought in the competent courts in Zurich, Switzerland, or where the relevant member of our board of directors is domiciled. In addition, under Swiss law, any claims by our shareholders against us must be brought exclusively in the competent courts in Zurich, Switzerland. US-style class actions and derivative actions are not available under Swiss law. A further summary of applicable Swiss corporate law is included in this Annual Report, see “Item 10. Additional Information - Memorandum and Articles of Association.” There can be no assurance that Swiss law will not change in the future, the occurrence of which could adversely affect the rights of our shareholders, or that Swiss law will protect our shareholders in a similar fashion as under US corporate law principles.

Our shares are not listed in Switzerland, our home jurisdiction. As a result, our shareholders will not benefit from certain provisions of Swiss law that are designed to protect shareholders in a public takeover offer or a change-of-control transaction.

Because our Class A ordinary shares are listed exclusively on the NYSE and not in Switzerland, our shareholders will not benefit from the protection afforded by certain provisions of Swiss law that are designed to protect shareholders in the event of a public takeover offer or a change-of-control transaction. For example, Article 120 of the Swiss Financial Market Infrastructure Act and its implementing provisions require investors to disclose their interest in our Company if they reach, exceed or fall below certain ownership thresholds. Similarly, the Swiss takeover regime imposes a duty on any person or group of persons who acquires more than one-third of a company’s voting rights to make a mandatory offer for all of the Company’s outstanding listed equity securities. In addition, the Swiss takeover regime imposes certain restrictions and obligations on bidders in a voluntary public takeover offer that are designed to protect shareholders. However, these protections are applicable only to issuers that list their equity securities in Switzerland, and because our Class A ordinary shares are listed exclusively on the NYSE, they will not be applicable to us. Furthermore, since Swiss law restricts our ability to implement rights plans or US-style “poison pills,” our ability to resist an unsolicited takeover attempt or to protect minority shareholders in the event of a change-of-control transaction may be limited. Therefore, our shareholders may not be protected to the same degree in a public takeover offer or a change-of-control transaction as are shareholders in a Swiss company listed in Switzerland.

Our status as a Swiss corporation means that our shareholders have certain rights that may limit our flexibility to raise capital, issue dividends and otherwise manage ongoing capital needs.

Swiss law reserves for approval by shareholders for certain corporate actions over which a board of directors would have authority in certain other jurisdictions. For example, the payment of dividends and the cancellation of treasury shares must be approved by shareholders. Swiss law also requires that our shareholders either resolve to increase our share capital, or authorize our board of directors to do so. For more information, refer to “Item 10.B. Memorandum and Articles of Association—Ordinary Capital Increase, Conditional Share Capital and Capital Band.”

Shareholders outside of the US may not be able to exercise preemptive rights in future issuances of equity or other securities that are convertible into equity.

Under Swiss corporate law, shareholders may receive certain preemptive rights to subscribe on a pro-rata basis for issuances of equity securities or other securities that are convertible into equity securities. Due to the laws and regulations in certain jurisdictions, however, shareholders who are not residents of the US may not be able to exercise such rights unless the Company takes action to register or otherwise qualify the rights offering, including, for example, by complying with prospectus

requirements under the laws of that jurisdiction. There can be no assurance that the Company will take any action to register or otherwise qualify an offering of subscription rights or shares under the laws of any jurisdiction other than the US where the offering of such rights is restricted. If shareholders in such jurisdictions were unable to exercise their subscription rights, their ownership in the Company would be diluted.

US shareholders may not be able to obtain judgments or enforce civil liabilities against us or our executive officers or our board of directors.

We are a corporation organized and incorporated under the laws of Switzerland with a registered office and domicile in Zurich, Switzerland, and a significant portion of our assets are located within Switzerland. Moreover, a number of our directors and executive officers are not residents of the US, and all or a substantial portion of the assets of such persons are or may be located outside the US. As a result, investors may not be able to enforce judgments obtained against the Company or such persons in US courts, including judgments in actions predicated upon the civil liability provisions of the federal securities laws of the US. There is doubt that a lawsuit based upon US federal or state securities laws could be brought in an original action in Switzerland and that a judgment of a US court based upon US securities laws would be enforced in Switzerland.

The US and Switzerland currently do not have a treaty providing for the reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Consequently, a final judgment for payment given by a court in the US, whether or not predicated solely upon US securities laws, may not be enforceable in Switzerland.

ITEM 4. INFORMATION ON THE COMPANY

A. History and Development of the Company

Our legal name is On Holding AG, but most people know us simply as On, our commercial name. We were founded as On AG in 2010. In 2012, On Holding AG, a limited company, was incorporated in Switzerland in accordance with Swiss law and became the ultimate holding company of our consolidated group. Our principal office is located at Förrlibuckstrasse 190, 8005 Zurich, Switzerland, and our telephone number is +41 44 225 1555. Our agent for service of process in the United States is Cogency Global Inc. located at 122 East 42nd Street, 18th Floor, New York, NY 10168.

More information about us can be explored on our website: www.on.com. The information contained on, or accessible through, our website is not incorporated by reference into this Annual Report on Form 20-F and should not be relied upon when making investment decisions regarding our Class A ordinary shares.

In 2021 we took a big step, we completed our initial public offering and listed our Class A ordinary shares on the New York Stock Exchange ("NYSE") under the symbol "ONON". Since then, we have continued to scale our premium brand and broaden our global presence across the Americas, EMEA and Asia-Pacific, supported by strong momentum across channels and product categories. Our reports filed with, or furnished to, the U.S. Securities and Exchange Commission ("SEC") are available, on the SEC's website at www.sec.gov and on our investor relations website at investors.on.com.

As described elsewhere in our Annual Report, On’s capital expenditures follow our strategic priorities and support our ambition to build the most premium global sportswear brand. For the fiscal years 2023, 2024 and 2025, our principal capital expenditures related to the expansion of our owned retail network, investments in innovation and IT, and the growth of our global office infrastructure. These expenditures were financed primarily with existing cash on hand and proceeds from our initial public offering.

We are also making significant investments in our distribution infrastructure, including advanced automation technology, as part of our broader effort to strengthen operational excellence. In previous years, we have signed lease agreements for highly-automated warehouses in Atlanta (USA) and Beringen (Belgium). A portion of these lease obligations has already been funded primarily through operating cash flow and existing cash on hand, and we expect the remaining lease obligations to be funded in the same manner. Our warehouse in Atlanta ("Atlanta warehouse") is fully operational and our Beringen warehouse ("Belgium warehouse") is expected to be fully operational in 2026. These agreements were entered into to facilitate our multi-channel growth in North America and Europe and lower our handling cost over time through automation.

B. Business Overview

Born in the Swiss Alps, On's mission is to ignite the human spirit through movement. From the products we make to the stories we tell, it comes down to a feeling.

Since our market launch in 2010, we have delivered innovative and premium footwear, apparel and accessories that elevate the sensation of movement across running, outdoor, training and tennis, as well as everyday activities. Today, millions of individuals around the world move with On because they feel the difference of our innovative technologies, such as our award-winning CloudTec and LightSpray. We believe we are among one of the fastest growing scaled sportswear brands globally. What sets us apart? Our premium products are built on athlete-validated performance, function-first design and a commitment to sustainability. Every step of our technical product innovation is guided by our belief that performance is a feeling. Whether it’s racing towards gold or powering through the everyday, On as a brand is built to inspire. Because we believe incredible things happen when people move.

With our mission guiding us forward, we remain committed to our vision to be the most premium global sportswear brand. We believe this positioning has supported sustained strong financial momentum. For the fiscal years 2025, 2024, and 2023 we generated net sales of CHF 3,014.0 million, CHF 2,318.3 million, and CHF 1,792.1 million, respectively, representing 30.0% and 29.4% year-over-year growth.

The following table presents net sales by sales channels:

(CHF in millions)	Fiscal year ended December 31, 2025	2024	2023
Wholesale	1,753.4	1,375.5	1,120.3
Direct-to-Consumer	1,260.5	942.8	671.8
Net sales	**3,014.0**	**2,318.3**	**1,792.1**

The following table presents net sales by region (based on the location of the customers):

(CHF in millions)	Fiscal year ended December 31, 2025	2024	2023
Americas	1,740.1	1,480.3	1,162.2
EMEA	762.7	577.8	488.7
Asia-Pacific	511.1	260.2	141.1
Net Sales	**3,014.0**	**2,318.3**	**1,792.1**

The following table presents net sales by product groups:

(CHF in millions)	Fiscal year ended December 31, 2025	2024	2023
Shoes	2,804.4	2,199.6	1,711.4
Apparel	169.9	101.0	68.9
Accessories	39.6	17.7	11.8
Net sales	**3,014.0**	**2,318.3**	**1,792.1**

Our products

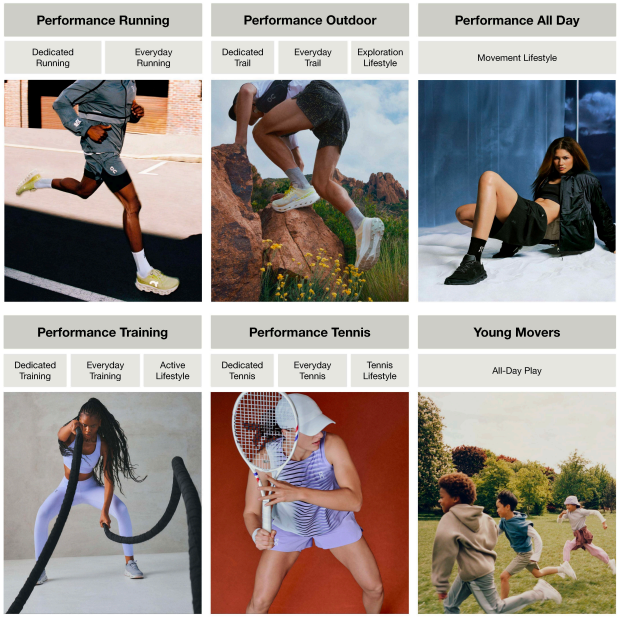
All our products are engineered in Switzerland, where our in-house research and development teams lead the innovation, engineering, design, development and testing of our footwear, apparel and accessories. Our products are designed for athletic performance across running, outdoor, training and tennis, and alongside these performance ranges we have built a strong all-day offering. This all-day range reflects the same Swiss design principles, heritage and aesthetic that define our brand and is grounded in our mission to ignite the human spirit through movement. Performance innovation remains central to our identity. Our proprietary technologies, including CloudTec, CloudTec Phase, Helion superfoam, Speedboard and LightSpray, play a key role in delivering distinctive performance benefits across our product range. We validate many of these technologies at the pinnacle of sport through athletes competing at the highest level. Insights from this elite testing flow directly into our broader footwear franchises, which serve millions of runners and active consumers around the world.

We continue to advance the use of renewable and recycled materials in our products. This includes recycled polyesters and polyamide, synthetic leather, and organic cotton. Our sustainability

focus is reflected in the introduction and now the scaling of our LightSpray™ technology, which fuses robotics and materials innovation to streamline manufacturing into a minimal-waste process.

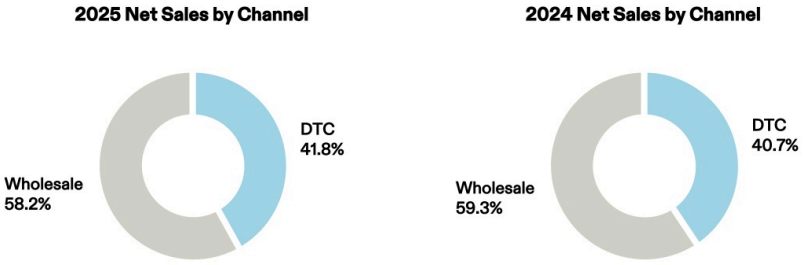
In recent years, we have expanded from a footwear-led business into a full sportswear brand. We aim to scale our apparel business significantly in the coming years, with each vertical offering complete head-to-toe looks. Our Training vertical is the first to be centered predominantly around apparel, underscoring our commitment to building a holistic and premium sportswear portfolio.

Our footwear, apparel and accessories span these verticals and are offered through a diverse range of distribution and marketing channels, including run specialty, general sporting goods, outdoor and lifestyle retailers, as well as our own DTC channels. Across all categories, our products are rooted in performance innovation and engineered to meet the needs of athletes and active consumers.



Our Channels

We connect with our global communities through our wholesale and direct-to-consumer (“DTC”) channels. Together, these channels expand our reach, build brand momentum and deepen engagement with our fans. For the fiscal years 2025 and 2024, our wholesale channel accounted for 58.2% and 59.3% of our net sales, respectively, while our DTC channel contributed 41.8% and 40.7% of our net sales, respectively.



Wholesale

Our wholesale channels let us meet new communities where they're already shopping, strengthening our presence and building brand awareness in key markets. Our approach to wholesale partnerships, both who we work with and how, is thoughtful. We focus on partners that share our values, so we can reach new consumers in a way that preserves and enhances our brand equity, and our expansion follows a controlled, disciplined approach.

Our network spans run specialty, general sporting goods, outdoor, luxury and street fashion retailers. With every partner, we seek to emphasize premium presentation with curated assortments, strong placement, and, where it makes sense, dedicated On shop-in-shops that bring the brand to life. We see it as teamwork. Our wholesale partnerships are close, collaborative relationships, which enable effective planning to support inventory management and strong sell-through – reflecting a shared commitment to delivering a high-quality consumer experience.

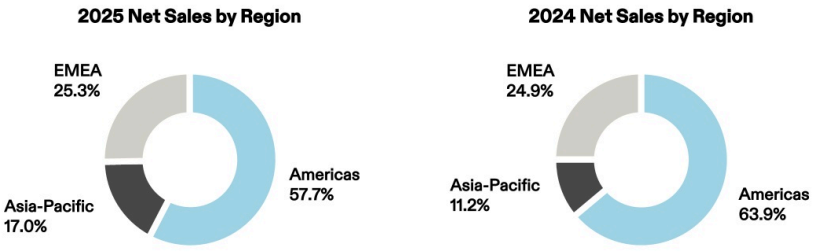
Direct-to-Consumer ("DTC")

When people step into our DTC channels, they get to experience On in its fullest expression. Our owned retail stores and our global e-commerce platform offer premium access to our products and stories that helps us build deeper relationships with our fans. Launched in 2012, our e-commerce platform brings On to consumers worldwide, offering a broad product assortment in a seamless digital environment. It also provides meaningful insight into their preferences, fueling our broader commercial and product strategies.

Our owned retail stores take this further with immersive physical environments where product, design and community come together in a premium experience. As of December 31, 2025, our global footprint consists of 67 retail locations across the Americas, EMEA and Asia-Pacific set-in premium, high-traffic areas. This includes 38 locations in China across key cities, including Hong Kong. In China, our stores are a mix of smaller format mall-based stores and standalone retail stores. We see each as an experiential hub where people can engage with and discover On, while also expanding our reach.

Our Markets

From day one, we built On with a global mindset. We expanded internationally within our first few years and now have a growing presence across major markets including China, Germany, Japan, the United Kingdom, and the United States. This early global expansion, combined with the scale of the global footwear and apparel market and the opportunity to further develop the premium segment within this, provides a strong foundation for our long-term growth ambitions.



Americas

We entered the US market in 2013 and opened our first US retail store in New York City in 2020. We have also expanded our footprint across the region, including Canada and Latin America. In 2025, the Americas represented 57.7% of our total net sales. The Americas is our largest region and a key driver of our global momentum. We are growing brand awareness and strengthening our omnichannel reach through top wholesale partnerships and expanding our network of owned retail stores. Cities like Austin, Miami, Palo Alto, and Washington, D.C. highlight our focus on hubs where demand for premium products is strong.

EMEA

We launched On in the EMEA region in 2010. After our start in Switzerland, we expanded across Europe, including Germany, the United Kingdom, France, Spain, Italy and other key markets. In 2025, it accounted for 25.3% of our total net sales. EMEA continues to offer substantial runway for growth. Over the past years, the region has seen accelerating brand awareness, with strong results in both established and newer markets. We seek to deepen our presence in underpenetrated areas such as the Nordics, as well as in the Middle East and Africa, where early consumer response has been encouraging.

APAC

We began building our presence in APAC through e-commerce and wholesale partners in 2013, followed by our first owned retail store in Tokyo in 2022. Today, the region includes China, Japan, South Korea and several Southeast Asian markets. In 2025, APAC accounted for 17.0% of our total net sales. The region has developed into one of our most dynamic growth engines, fueled by rising brand awareness and an expanding retail footprint. Specifically, China's market structure lets us operate a larger store network than elsewhere, with 38 locations across key cities, including Hong Kong. In this market, our stores are a mix of smaller format mall-based stores and standalone retail stores. We also connect with consumers through our WeChat mini program and leading third-party marketplaces like Tmall and JD.com. We expect APAC, and China in particular, to remain an important share of our global retail presence and a major driver of future growth.

Our Growth Strategies

Our mission is to ignite the human spirit through movement. It shapes our culture, guides our decisions, and sets the direction for where we're going next. From the products we make, to the stories we tell, to how we show up in our distribution channels, we bring performance, design, and impact together to inspire a feeling.

This ambition drives our long-term vision, which we first shared at our 2023 Investor Day: to be the most premium global sportswear brand. Our strategy to deliver on this vision is built around three strategic growth pillars, each supported by the capabilities we believe will position us well for sustained growth.

Our first pillar focuses on elevating our foundations. Running remains the heart of who we are. We're focused on growing our market share in this category by increasing brand awareness and deepening our connection with core running communities around the world. Here, product innovations like LightSpray remain central, reinforcing our performance credibility and advancing our sustainability progress.

The second pillar centers on areas where we see substantial potential to expand our reach and depth in the coming years. We see significant potential to reach new fans through our premium multi-channel distribution model. This includes significantly growing our own retail presence. We also plan to expand rapidly in China, which remains one of our fastest-growing and most strategically important markets.

The third pillar focuses on new areas where we can establish our brand to reach even more communities. We've seen our entrances into training and tennis significantly increase our addressable market and build on our authenticity in movement and performance. At the same time, we're building On into a full sportswear brand, delivering head-to-toe looks across both established and emerging product verticals.

Sourcing and manufacturing

We currently do not own or operate any significant manufacturing facilities. In 2025, we opened a production facility in Zurich, Switzerland to manufacture certain LightSpray products. Substantially all of our products, however, are currently supplied by third parties. We work with a focused network of fewer than 30 suppliers, with 6 partners accounting for approximately 70% of our production in 2025. Footwear is produced primarily by 10 suppliers, 8 of which are located in Vietnam and 2 in Indonesia. Our apparel and accessories are sourced from 16 suppliers across several countries including Vietnam, Turkey, China and Indonesia.

To manage supplier concentration risk, we regularly explore alternative suppliers and maintain contingency plans to address potential disruptions. For example, our most popular footwear models are always manufactured by at least two suppliers to diversify production and minimize supply risk, while also encouraging competition based on quality and cost. When it comes to purchase orders from our primary suppliers, we carefully prepare capacity forecasts and we maintain purchase commitments for goods, work-in-progress and components. Additionally, we monitor supplier performance on delivery, quality, and sustainability, allocating volumes according to their capabilities and track record.

We focus on long-term supplier relationships to ensure reliable manufacturing capacity and the technical know-how needed to produce our footwear, apparel and accessories at scale. All of our supplier agreements require adherence to our product specifications and quality assurance processes. To support, we have dedicated production and quality control teams present in the countries where we manufacture to identify and address any issues prior to shipment. Additionally, all suppliers must comply with our Supplier Code of Conduct, which covers working conditions as well as environmental, employment and sourcing practices.

Competition

We're in a competitive market driven by brand strength and recognition, product quality, technical innovation, design aesthetic, sustainability credentials, distribution strategy and price.

On stands out within this landscape through our commitment to premium brand identity and a relentless focus on technical product innovation. We believe our ability to fuse high-performance technology, such as CloudTec and LightSpray, with design that resonates with everyday life allows us to compete effectively against larger incumbents and new entrants alike.

We face direct competition from both wholesalers and direct sellers of athletic footwear and apparel. Primary competitors include established global sportswear companies and specialized performance brands, such as Nike, Inc., adidas AG, Under Armour, Inc., Brooks Sports Inc., Hoka One One (Deckers Outdoor Corporation), ASICS Corporation, New Balance Athletics, Inc., lululemon athletica Inc., Alo, LLC., Patagonia, Inc., Arc'teryx Equipment, Anta Sports Products Limited, and Li-Ning Company Limited.

We believe our established presence as a top running brand in major markets validates our strategy. By continuing to win in performance and expanding our connection with our community, we believe we are well-positioned to capture further market share and drive sustained future growth.

Intellectual Property

Our long-term commercial success is connected to our ability to obtain and maintain intellectual property protection for our brand, products and technology, defend and enforce our intellectual property rights, preserve the confidentiality of our trade secrets, operate our business without infringing, misappropriating or otherwise violating the intellectual property or proprietary rights of third parties and prevent third parties from infringing, misappropriating or otherwise violating our intellectual property rights. We seek to protect our investments made into the development of our products, technology, brand and design by relying on a combination of trademarks, patents, designs, copyrights, trade secrets, know-how, non-disclosure agreements, confidentiality agreements, invention assignment agreements, development agreements and other contractual rights.

We use registered trademarks on nearly all of our products and believe having distinctive marks that are readily identifiable is an important factor in creating a market for our goods, in identifying our brands, and in distinguishing our goods from the goods of others. As of December 31, 2025, we own approximately 1,900 trademark registrations in over 100 different jurisdictions. We consider our trademarks such as On, the On logo, On Running, Cloudtec, Cloud and the Cloud family of marks, and the Cloud logo to be among our most valuable assets.

The current registrations of these trademarks are effective for varying periods of time and may be renewed periodically, provided that we, as the registered owner, comply with all applicable renewal requirements including, where necessary, the continued use of the trademarks in connection with similar goods and services.

We own, maintain and file for numerous US and foreign utility and design patents relating to components, technologies, materials, features, functionality, and industrial and aesthetic designs used in and for the manufacture of various of our products. Assuming payment of all appropriate maintenance, renewal, annuity or other governmental fees, these issued patents and utility models, and any patents granted from such applications, if issued, are expected to expire between 2026 and 2050, without taking potential patent term extensions or adjustments into account. We continually review our development efforts to assess the existence and patentability of new intellectual property. The term of individual patents depends upon the legal term for patents in the countries in which they are granted. In most countries, including the US, the patent term is 20 years from the earliest claimed filing date of a non-provisional patent application in the applicable country. In the US, a patent's term may, in certain cases, be lengthened by patent term adjustment, which compensates a patentee for administrative delays by the US Patent and Trademark Office in examining and granting a patent. It may also be shortened if a patent is terminally disclaimed over a commonly owned patent or a patent naming a common inventor and having an earlier expiration date. We cannot be sure that our pending patent applications that we have filed or may file in the future will result in issued patents in any jurisdiction, and we can give no assurance that any patents that have been issued or might be issued in the future will protect our current or future products, will provide us with any competitive advantage, and will not be challenged, invalidated, or circumvented.

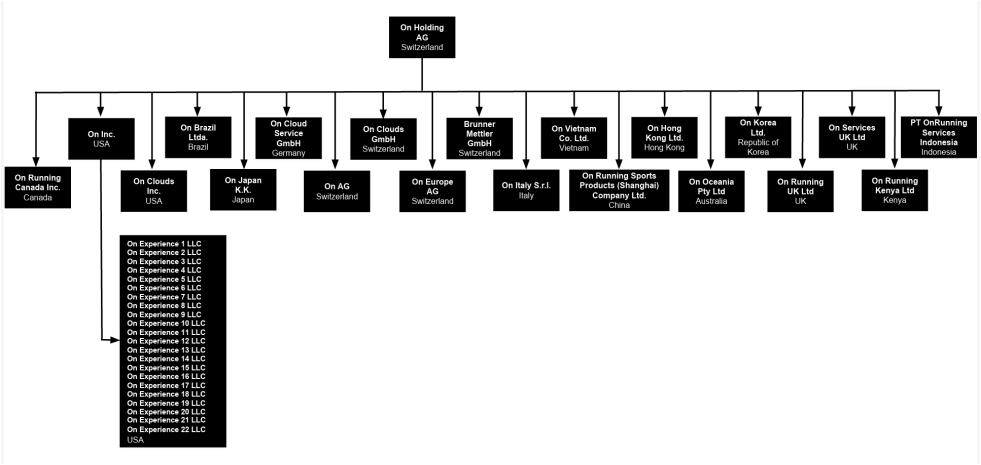
Moreover, we rely, in part, on trade secrets to protect aspects of our business that are not amenable to, or that we do not consider appropriate for, patent protection. However, trade secrets can be difficult to protect. While we take steps to protect and preserve our trade secrets and our know-how, unpatented technology and other proprietary information, including by entering into intellectual property assignment agreements, non-compete agreements and confidentiality agreements and by maintaining physical security of our premises and physical and electronic security of our information technology systems, such measures can be breached, and we may not have adequate remedies for any such breach. In addition, our trade secrets may otherwise become known or be independently discovered by competitors. As a result, we may not be able to meaningfully protect our trade secrets. For more information regarding the risks related to our intellectual property, refer to “Risk Factors—Risks Related to Our Intellectual Property and Information Technology.”

Government Regulations

Our business activities are global and are subject to various federal, cantonal, local, and foreign laws, rules and regulations. For example, substantially all of our import operations are subject to complex trade and customs laws, regulations and tax requirements such as sanctions orders or tariffs set by governments through mutual agreements or unilateral actions. In addition, the countries in which our products are manufactured or imported may from time to time impose additional duties, tariffs or other restrictions on our imports or adversely modify existing restrictions. Changes in tax policy or trade regulations, or the imposition of new tariffs on imported products, could have an adverse effect on our business and results of operations. For more information on the potential impacts of government regulations affecting our business, see "Item 3D—Risk Factors".

C. Organizational Structure

The following chart reflects our simplified organizational structure presenting main legal entities which are, directly or indirectly, 100% owned by On Holding AG (including the jurisdiction of formation or incorporation of the various entities).



D. Property, Plants and Equipment

Our tangible fixed assets are mainly comprised of trade and production tools, leasehold improvements in own retail locations and global corporate offices. We generally enter into long-term leases for our main facilities such as offices, warehouses and retail locations which we believe are in good condition and working order. The below table lists material tangible fixed assets, including leased properties.

Location (city, country)	Principal activity	Total square meters in each city	Range of lease expiration dates
Zurich, Switzerland	Corporate Headquarters / Innovation Lab	26,047	Dec.31, 2031 - Dec.31, 2035
Atlanta, USA	Warehouse	95,274	May 31, 2035
Los Angeles, USA	Warehouse	41,806	December 31, 2027
Beringen, Belgium	Warehouse	22,600	December 31, 2026
Contern, Luxembourg	Warehouse	6,000	December 31, 2026
Portland, USA	Regional Office	5,330	October 31, 2034
Shanghai, China	Regional Office	2,816	December 31, 2030
Berlin, Germany	Regional Office	2,569	January 31, 2031
London, Shoreditch, UK	Regional Office	1,841	March 13, 2034
New York, USA	Regional Office	1,296	April 30, 2035

As of December 31, 2025, our global footprint consists of 67 retail locations. This includes 14 retail stores in the Americas, 10 retail stores in Europe and 5 in Asia Pacific (excluding China). We also operate 38 locations in China, including Hong Kong. In this market, our stores are a mix of smaller format mall-based stores and standalone retail stores.

We are expanding our warehouse capabilities in Europe to facilitate our omnichannel growth and lower our handling cost over time through warehouse automation. As such, in the second quarter of 2023, On entered into a ten-year third-party logistics and warehouse services lease agreement in Belgium. This agreement will expand On's warehouse space in Europe by 40,000 square meters, which is expected to be ready for full use by the end of 2026. As such, On will move its warehouse operations to this new automated warehouse and decommission the current Luxembourg and Belgium locations.

The highly automated warehouse in Atlanta, US, became fully operational in 2025, with the remaining 47,637 square meters becoming ready for use.

ITEM 4A. UNRESOLVED STAFF COMMENTS

None.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The following discussion on our operating and financial review and prospects should be read in conjunction with the audited consolidated financial statements, including the notes thereto, included within this Annual Report (see “Item 18. Financial Statements”).

This discussion and analysis and other parts of this Annual Report contain forward-looking statements that reflect our plans, strategy, estimates and current expectations that involve risks and uncertainties. Our actual results and the timing of events could differ materially from those anticipated in the forward-looking statements as a result of several factors that could cause or contribute to these differences including, but not limited to those discussed below and elsewhere in this Annual Report, particularly in the sections titled “Risk Factors” and “Cautionary Statement Regarding Forward-Looking Statements.” The audited consolidated financial statements as of December 31, 2025, and 2024 and for the fiscal years ended December 31, 2025, 2024 and 2023 were prepared in accordance with IFRS Accounting Standards, as issued by the International Accounting Standards Board, and presented in Swiss Francs (CHF). For a comparative discussion and analysis related to the results of operations and changes in financial condition for fiscal years 2024 compared to 2023 refer to “Operating and Financial Review and Prospects” in our Annual Report on Form 20-F for the year ended December 31, 2024, filed on March 4, 2025, with the SEC and available at www.sec.gov.

A. Operating Results

Overview

On is a premium performance sportswear brand rooted in innovation, design, and sustainability. Since our founding in the Swiss Alps in 2010, we have built a distinctive global brand with a passionate community across more than 90 countries. Through our premium product and brand experience, we bring our mission—to ignite the human spirit through movement—to life for our fans worldwide.

We believe our premium positioning and our relentless focus on performance and design sets us apart within the global sportswear market. Our culture of innovation has enabled us to repeatedly introduce groundbreaking technologies designed to elevate the running experience and create enduring excitement around our brand. Anchored in our running heritage, we have extended this expertise into other performance categories, including performance outdoor, performance all-day, performance tennis, and performance training, connecting us with new communities across a full spectrum of movement.

On operates as a single-brand consumer products business and therefore has a single operating and reportable segment. In 2025, we continued to advance the long-term vision we first articulated at our 2023 Investor Day: to be the most premium global sportswear brand. Our journey towards this is built on three strategic growth pillars, each underpinned by foundational capabilities designed to scale our brand, deepen consumer engagement, and drive sustainable growth. (see “Item 4 — Information on the Company — Business Overview”).

By executing successfully against these pillars, On delivered strong results in 2025. Net sales increased by 30.0% to CHF 3,014.0 million compared to 2024. This momentum was driven by organic growth, fueled by strong consumer demand for our brand across sales channels, product categories, and geographic regions, and amplified by our strategic expansion into new products and markets.

We continued to expand our wholesale channel globally, partnering with some of the most reputable general sporting, specialty running, outdoor, fashion and lifestyle retailers to bring On to even more consumers. In 2025, we continued to scale and deepen our collaboration with global key accounts, including Dick's Sporting Goods, JD Sports and Foot Locker. The wholesale channel accounted for 58.2% of net sales in 2025.

With our community and brand awareness growing globally, we continued to scale our global e-commerce platform and grew our own-retail presence, opening new stores across all regions and in key cities like Madrid, Washington DC, Palo Alto, and Seoul. Our DTC channel as a whole, which includes our e-commerce sites and store revenue, represented 41.8% of net sales in 2025. As of December 31, 2025, our global footprint consists of 67 retail locations, including 14 retail stores in the Americas, 10 retail stores in Europe and 5 in Asia Pacific (excluding China). We also operate 38 locations in China, including Hong Kong. In China, our stores are a mix of smaller format mall-based stores and standalone retail stores.

Innovation is core to our brand. In 2025, we advanced our pioneering LightSpray technology, a process set to redefine the running experience and reimagine manufacturing. We introduced a portfolio of cutting-edge products, powered by our suite of proprietary technologies including CloudTec, CloudTec Phase, Helion superfoam, and Speedboard.

The growth and diversification of our product assortment was a significant driver of our net sales increase in 2025. This growth was led by iconic franchises, including performance running favorites like the Cloudsurfer and Cloudmonster; popular all-day styles like the Cloudtilt and the Cloud; and our Roger franchise in performance tennis. The expansion of our apparel and accessories collections brought new fans to the brand and further underscored our evolution from a footwear pioneer into a true "toe-to-head" sportswear brand.

Key Financial Metrics

Key financial metrics for fiscal year 2025 compared to fiscal year 2024 included:

- net sales increased by 30.0% to CHF 3,014.0 million, or by 35.6% on a constant currency basis;
- net sales through the DTC sales channel increased by 33.7% to CHF 1,260.5 million, or by 39.9% on a constant currency basis;
- net sales through the wholesale sales channel increased by 27.5% to CHF 1,753.4 million, or by 32.6% on a constant currency basis;
- net sales in Europe, Middle East and Africa (“EMEA”), Americas and Asia-Pacific ("APAC") increased by 32.0% to CHF 762.7 million, 17.6% to CHF 1,740.1 million and 96.4% to CHF 511.1 million, respectively;
- net sales in EMEA, Americas and APAC increased by 34.7%, 23.4% and 106.7% on a constant currency basis, respectively;
- net sales from shoes, apparel and accessories increased by 27.5% to CHF 2,804.4 million, 68.2% to CHF 169.9 million and 124.1% to CHF 39.6 million, respectively;
- net sales from shoes, apparel and accessories increased by 32.9%, 75.5% and 135.1% on a constant currency basis, respectively;
- gross profit increased by 34.7% to CHF 1,893.6 million from CHF 1,405.7 million;
- gross profit margin increased to 62.8% from 60.6%;
- net income decreased by 15.9% to CHF 203.7 million from CHF 242.3 million;
- net income margin decreased to 6.8% from 10.4%;
- basic earnings per share (“EPS”) Class A (CHF) decreased to 0.62 from 0.75;
- diluted EPS Class A (CHF) decreased to 0.61 from 0.74;
- adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA") increased by 46.3% to CHF 567.0 million from CHF 387.6 million;
- adjusted EBITDA margin increased to 18.8% from 16.7%;
- adjusted net income decreased to CHF 266.4 million from CHF 317.4 million;
- adjusted basic EPS Class A (CHF) decreased to 0.81 from 0.98; and

- adjusted diluted EPS Class A (CHF) decreased to 0.80 from 0.97.

Key highlights as of December 31, 2025 compared to December 31, 2024 included:

- cash and cash equivalents increased by 10.3% to CHF 1,019.9 million from CHF 924.3 million; and
- net working capital increased by 14.3% to CHF 570.3 million from CHF 498.9 million.

Adjusted EBITDA, adjusted EBITDA margin, adjusted net income, adjusted basic EPS, adjusted diluted EPS, net working capital and net sales on a constant currency basis are non-IFRS measures used by us to evaluate our performance. Furthermore, we believe these non-IFRS measures enhance investors' understanding of our financial and operating performance from period to period because they enhance the comparability of results between each period, help identify trends in operating results and provide additional insight and transparency on how management evaluates the business. Adjusted EBITDA, adjusted EBITDA margin, adjusted net income, adjusted basic EPS, adjusted diluted EPS, net working capital and net sales on a constant currency basis should not be considered in isolation or as a substitute for other financial measures calculated and presented in accordance with IFRS. For a detailed description and a reconciliation to the nearest IFRS measure, see section titled “Non-IFRS Measures.”

Summary of Financial Performance

The following table summarizes certain key operating measures derived from audited financial statements for the fiscal years ended December 31, 2025, 2024 and 2023, and derived from unaudited financial statements for the three-month periods ended December 31, 2025 and 2024. See “—Results of Operations” for additional details and for the comparison discussions between the years ended December 31, 2025 and 2024 (audited) and the three-month periods ended December 31, 2025 and 2024 (unaudited).

(CHF in millions)	Fiscal year ended December 31, 2025	2024	2023	Three-month period ended December 31, 2025	2024
Net sales	3,014.0	2,318.3	1,792.1	743.8	606.6
Gross profit	1,893.6	1,405.7	1,067.2	475.3	376.8
Operating result	377.0	211.6	180.2	82.5	53.1
Net income	203.7	242.3	79.6	69.1	89.5
Net income margin	6.8 %	10.4 %	4.4 %	9.3 %	14.8 %
Basic EPS Class A (CHF)	0.62	0.75	0.25	0.21	0.28
Diluted EPS Class A (CHF)	0.61	0.74	0.25	0.21	0.27
Other data[(1)]					
Adjusted EBITDA	567.0	387.6	276.9	131.0	99.4
Adjusted EBITDA margin	18.8 %	16.7 %	15.5 %	17.6 %	16.4 %
Adjusted net income	266.4	317.4	112.4	83.5	107.7
Adjusted basic EPS Class A (CHF)	0.81	0.98	0.35	0.25	0.33
Adjusted diluted EPS Class A (CHF)	0.80	0.97	0.35	0.25	0.33

(1) Adjusted EBITDA, adjusted EBITDA margin, adjusted net income, adjusted basic EPS, and adjusted diluted EPS are non-IFRS measures. See section titled “Non-IFRS Measures” for a description of these measures and a reconciliation to the nearest IFRS measure.

Components of our Results of Operations

Net Sales

Net sales are derived from selling On's premium performance products including shoes, apparel and accessories.

Net sales within the wholesale sales channel are recognized at the point in time at which control of the goods has been transferred from On to the customer, which is typically when goods have been shipped or delivered to the customer’s specified location. Net sales within the wholesale sales channel are sales, net of an estimated provision for sales returns, discounts, and volume rebates.

Net sales within the DTC sales channel are recognized when control of the goods has been transferred from On to the customer, primarily upon delivery for e-commerce customers or at the point the customer purchases the goods at the retail store. Payment of the transaction price is due immediately when the customer purchases the goods. Net sales within the DTC sales channel are sales, net of an estimated provision for sales returns.

Cost of Sales

We outsource substantially all of the manufacturing of our products. Therefore, cost of sales primarily consists of the cost of purchases of finished goods, the majority of which are sourced in USD. Other cost of sales relate to personnel expenses in connection with sourcing materials and quality control, depreciation charges for production tools and equipment, royalty expenses, in-bound freight expenses, custom duty and non-refundable taxes incurred in delivering the goods to distribution centers managed by third parties, and inventory provision expenses.

Gross Profit

Gross profit is net sales less cost of sales. Gross profit margin measures gross profit as a percentage of net sales.

Selling, General and Administrative Expenses

Our Selling, General and Administrative (“SG&A") expenses generally consist of selling, marketing, distribution, general and administrative expenses, and share-based compensation.

Selling expenses support our customer relationships and relate to selling our products to wholesale partners, and end customers through our e-commerce platform and our owned retail stores. These expenses primarily include personnel expenses for sales representatives, sales commissions, payment processing fees in the DTC sales channel, and depreciation expenses primarily related to our retail store right-of-use assets and leasehold improvements. Selling expenses are generally correlated to net sales.

Distribution expenses primarily relate to leasing and third-party expenses for warehousing inventories, and transportation costs associated with delivering products from distribution centers to wholesale partners, end customers and retail stores. Distribution expenses are generally correlated to net sales.

Marketing expenses consist primarily of advertising and marketing promotions (both offline and digital campaigns) of our products, as well as trade show and event costs, sponsorship costs, consulting and contractor expenses, marketing-related travel, product display expenses and overhead costs. We intend to continue to invest in our marketing capabilities in the future and expect this expense to increase in absolute dollars in future periods as we release new products and expand internationally. Marketing expense as a percentage of total net sales may fluctuate from period to period based on total net sales and the timing of our investments in marketing functions as these investments may vary in scope and scale over future periods.

General and administrative expenses represent costs incurred in our corporate offices, primarily related to personnel costs, including salaries, variable incentive compensation, benefits, other professional service costs, including SaaS ("software as a service") costs, depreciation, and amortization related to our offices and infrastructure. We have invested considerably in this area to support the growing volume and complexity of the business and anticipate continuing to do so in the future.

Share-based compensation costs represent expenses for compensation plans for selected employees and for third parties.

Operating Result

Operating result is gross profit less SG&A expenses.

Financial Result

Financial result includes income from interest earned on fixed deposits, less financial expenses consisting primarily of interest expenses as a result of our financial leases, commitment fees paid for bank overdraft facilities, bank charges and the net realized or unrealized impact of foreign exchange rate fluctuations in a given period.

Income Taxes

We are subject to income taxes in the jurisdictions in which we operate and, consequently, income tax expense is a function of the allocation of taxable income by jurisdiction and the various activities that impact the timing of taxable events. The primary regions that determine the effective tax rate are Switzerland, the US, China and Japan.

Results of Operations

For the Year Ended December 31, 2025 Compared to the Year Ended December 31, 2024

The following table summarizes results of operations and expresses the percentage relationship to net sales of certain financial statement captions.

	Fiscal year ended December 31,		
(CHF in millions)	**2025**	**2024**	**% Change**
Net sales	3,014.0	2,318.3	30.0 %
Cost of sales	(1,120.3)	(912.6)	22.8 %
Gross profit	**1,893.6**	**1,405.7**	**34.7 %**
Gross profit margin	62.8 %	60.6 %	
SG&A expenses	(1,516.6)	(1,194.2)	27.0 %
Operating result	**377.0**	**211.6**	**78.2 %**
Net financial result	(171.8)	68.1	(352.4)%
Income before taxes	**205.2**	**279.6**	**(26.6)%**
Income tax expense	(1.5)	(37.4)	(95.9)%
Net income	**203.7**	**242.3**	**(15.9)%**

Net sales

Net sales by sales channel

The following table presents net sales by sales channel:

(CHF in millions)	Fiscal year ended December 31, 2025	2024	% Change	Constant Currency % Change [1]
Wholesale	1,753.4	1,375.5	27.5 %	32.6 %
Direct-to-Consumer	1,260.5	942.8	33.7 %	39.9 %
Net sales	**3,014.0**	**2,318.3**	**30.0 %**	**35.6 %**
Wholesale % of Net sales	58.2 %	59.3 %		
Direct-to-Consumer % of Net sales	41.8 %	40.7 %		
Net sales %	**100.0 %**	**100.0 %**		

[1] The constant currency percent change represents changes to net sales on a constant currency basis, which is a non-IFRS financial measure. See section titled "Non-IFRS Measures" for a description of this measure. Reconciliation to the nearest IFRS measure is shown in table above.

Net sales for fiscal year 2025 increased by CHF 695.6 million, or 30.0%, compared to fiscal year 2024.

Net sales generated by the wholesale sales channel for fiscal year 2025 increased by CHF 377.9 million, or 27.5%, to CHF 1,753.4 million, compared to CHF 1,375.5 million in fiscal year 2024. The increase was attributable to sustained strong demand from our wholesale partners and our continued selective door expansion, particularly with global key accounts.

Net sales generated by the DTC sales channel for fiscal year 2025 increased by CHF 317.7 million, or 33.7%, to CHF 1,260.5 million, compared to CHF 942.8 million in fiscal year 2024. The increase was primarily driven by the continued increase in popularity and awareness of the On brand, resulting in high growth on our e-commerce platform and the expansion of our own retail store network across all regions. Additionally, increased traffic and transactions in our existing retail stores contributed to the growth.

As a result of the strength of our DTC channel and in line with the strategic ambition for our DTC sales channel to outgrow our wholesale sales channel, net sales generated from the DTC sales channel as a percentage of net sales increased to 41.8% for fiscal year 2025, compared to 40.7% in fiscal year 2024.

Net sales by geography

The following table presents net sales by geographic region (based on the location of the counterparty):

(CHF in millions)	Fiscal year ended December 31, 2025	2024	% Change	Constant Currency % Change [1]
Americas	1,740.1	1,480.3	17.6 %	23.4 %
EMEA	762.7	577.8	32.0 %	34.7 %
Asia-Pacific	511.1	260.2	96.4 %	106.7 %
Net Sales	**3,014.0**	**2,318.3**	**30.0%**	**35.6%**
Americas % of Net sales	57.7 %	63.9 %		
EMEA % of Net sales	25.3 %	24.9 %		
Asia-Pacific % of Net sales	17.0 %	11.2 %		
Net sales %	**100.0 %**	**100.0 %**		

[1] The constant currency percent change represents changes to net sales on a constant currency basis, which is a non-IFRS financial measure. See section titled "Non-IFRS Measures" for a description of this measure. Reconciliation to the nearest IFRS measure is shown in table above.

Net sales increased across all geographic regions in fiscal year 2025 compared to fiscal year 2024 with APAC showing particularly strong growth.

The 17.6% increase in net sales in Americas was driven by the ongoing rise in popularity and awareness of the On brand in the region and continued strength in both channels, particularly the collaboration with key account partners and the successful expansion of our retail stores. The 32.0% increase in net sales in EMEA was driven by the growth within our distributor network, the continued strength in the United Kingdom, particularly in our DTC channel, along with notable acceleration from France, Italy and Spain. The 96.4% increase in net sales in APAC was primarily driven by strong sales growth in China and Japan across both channels.

Net sales by product

The following table presents net sales by product group:

(CHF in millions)	Fiscal year ended December 31, 2025	2024	% Change	Constant Currency % Change [1]
Shoes	2,804.4	2,199.6	27.5 %	32.9 %
Apparel	169.9	101.0	68.2 %	75.5 %
Accessories	39.6	17.7	124.1 %	135.1 %
Net Sales	**3,014.0**	**2,318.3**	**30.0 %**	**35.6 %**
Shoes % of Net sales	93.0 %	94.9 %		
Apparel % of Net sales	5.6 %	4.4 %		
Accessories % of Net sales	1.3 %	0.8 %		
Net sales %	**100.0 %**	**100.0 %**		

[1] The constant currency percent change represents changes to net sales on a constant currency basis, which is a non-IFRS financial measure. See section titled "Non-IFRS Measures" for a description of this measure. Reconciliation to the nearest IFRS measure is shown in table above.

Net sales increased across all product groups during fiscal year 2025 compared to fiscal year 2024. The 27.5% increase in net sales for shoes was driven by new product launches, updates to existing models and the continuity of successful products carrying over from previous seasons. Growth was supported by the strong performance of the Cloud and Cloudtilt franchises, as well as contributions from the Cloudsurfer franchises. The 68.2% increase in net sales for apparel was driven primarily by our Performance Running and Performance Training verticals with additional contribution from our Performance All Day vertical. The 124.1% increase in net sales for accessories was driven by growth within the socks category with additional contributions from our headwear category.

Gross Profit

	Fiscal year ended December 31,		
(CHF in millions)	**2025**	**2024**	**% Change**
Gross profit	1,893.6	1,405.7	34.7 %
Gross profit margin	62.8 %	60.6 %	

Cost of sales for fiscal year 2025 increased by CHF 207.7 million, or 22.8%, to CHF 1,120.3 million, compared to CHF 912.6 million in fiscal year 2024. Gross profit was CHF 1,893.6 million in fiscal year 2025, representing a gross profit margin of 62.8%, compared with CHF 1,405.7 million in fiscal year 2024, representing a gross profit margin of 60.6%. The increase in gross profit margin was primarily attributable to ongoing operational efficiencies and improvements, particularly in freight, and a favorable foreign exchange impact during fiscal year 2025, compared to fiscal year 2024.

Selling, General and Administrative Expenses

(CHF in millions)	Fiscal year ended December 31, 2025	2024	% Change
Distribution expenses	(322.9)	(288.3)	12.0 %
Selling expenses	(260.1)	(168.2)	54.6 %
Marketing expenses	(376.5)	(276.6)	36.1 %
Share-based compensation	(62.6)	(71.5)	(12.5)%
General and administrative expenses	(494.5)	(389.5)	27.0 %
SG&A expenses	**(1,516.6)**	**(1,194.2)**	**27.0 %**
Less share-based compensation	(62.6)	(71.5)	(12.5)%
SG&A (excluding share-based compensation)	**(1,454.0)**	**(1,122.7)**	**29.5 %**
Distribution expenses % of Net sales	10.7 %	12.4 %	
Selling expenses % of Net sales	8.6 %	7.3 %	
Marketing expenses % of Net sales	12.5 %	11.9 %	
Share-based compensation % of Net sales	2.1 %	3.1 %	
General and administrative expenses % of Net sales	16.4 %	16.8 %	
SG&A expenses % of Net sales	**50.3 %**	**51.5 %**	
SG&A (excluding share-based compensation) % of Net sales	**48.2 %**	**48.4 %**	

SG&A expenses for fiscal year 2025 increased by CHF 322.4 million to CHF 1,516.6 million, compared to CHF 1,194.2 million in fiscal year 2024. Excluding share-based compensation, SG&A expenses as a percentage of net sales decreased to 48.2% in fiscal year 2025 from 48.4% in fiscal year 2024.

The drivers for the fluctuations in SG&A expenses, mostly denominated as a percentage of net sales, can be summarized as follows:

- Distribution expenses as a percentage of net sales, decreased to 10.7% in fiscal year 2025 compared to 12.4% in fiscal year 2024. This was primarily attributable to lower warehousing and delivery costs resulting from operational efficiency gains during the twelve-month period ended December 31, 2025.
- Selling expenses as a percentage of net sales, increased to 8.6% in fiscal year 2025 compared to 7.3% in fiscal year 2024. The increase was primarily driven by additional expenses incurred as a result of our expanding retail footprint, primarily due to retail store-related personnel costs and depreciation.
- Marketing expenses as a percentage of net sales increased to 12.5% in fiscal year 2025 compared to 11.9% in fiscal year 2024. The increase was driven by higher marketing spend on upper funnel brand building initiatives and brand partnerships, in line with our ambition to continue to prioritize meaningful brand building investments.
- Share-based compensation expenses decreased to CHF 62.6 million in fiscal year 2025 compared to CHF 71.5 million in fiscal year 2024.

- General and administrative expenses as a percentage of net sales, decreased to 16.4% in fiscal year 2025 compared to 16.8% in fiscal year 2024. This decrease is primarily driven by strong net sales growth, partially offset by higher personnel related expenses and higher IT and technology related expenses.

Depreciation and Amortization

	Fiscal year ended December 31,		
(CHF in millions)	**2025**	**2024**	**% Change**
Depreciation and amortization	(127.4)	(104.6)	21.8 %
Depreciation and amortization % of Net sales	4.2 %	4.5 %	

Depreciation and amortization expenses for fiscal year 2025 increased by CHF 22.8 million, or 21.8%, to CHF 127.4 million, compared to CHF 104.6 million in fiscal year 2024. Thereof, depreciation and amortization expenses attributable to right of use assets increased by CHF 18.6 million primarily as a result of the expansion of our retail stores and our enhanced warehouse and distribution facilities. In addition, depreciation and amortization expenses attributable to owned assets increased by CHF 4.1 million, as a result of retail expansion and warehouse investment, mainly related to leasehold improvements.

Net Financial Result

	Fiscal year ended December 31,		
(CHF in millions)	**2025**	**2024**	**% Change**
Financial income	30.9	23.5	31.8 %
Financial expenses	(29.6)	(23.1)	27.8 %
Foreign exchange gain / (loss)	(173.2)	67.7	(355.7)%
Net financial result	**(171.8)**	**68.1**	**(352.4)%**

Financial income for fiscal year 2025 increased by CHF 7.5 million to CHF 30.9 million when compared to fiscal year 2024. This was primarily driven by an increase in the underlying amount of short-term investments.

Financial expenses for fiscal year 2025 increased by CHF 6.4 million to CHF 29.6 million when compared to fiscal year 2024. This was primarily driven by higher interest expenses on lease contracts, resulting from additional leases outstanding throughout the twelve-month period ended December 31, 2025 compared to the twelve-month period ended December 31, 2024. Refer to note *3.4 Right-of-use assets and lease liabilities* for additional information on new leases.

Foreign exchange gain / loss for fiscal year 2025 resulted in foreign exchange loss of CHF 173.2 million, compared to a foreign exchange gain for fiscal year 2024 of CHF 67.7 million. The changes to foreign exchange gain / loss were primarily due to foreign exchange rate revaluation effects, primarily driven by the CHF/USD exchange rate. The total unrealized foreign exchange loss for the twelve-month period ended December 31, 2025, was CHF 116.0 million.

Income Tax Expense

(CHF in millions)	Fiscal year ended December 31, 2025	2024	% Change
Income tax expense	(1.5)	(37.4)	(95.9)%
Effective income tax rate	0.7 %	13.4 %	(92.3)%

Income tax expense for fiscal year 2025 decreased by CHF 35.8 million to CHF 1.5 million, compared to CHF 37.4 million for fiscal year 2024. Our effective income tax rate was 0.7% for fiscal year 2025, compared to 13.4% in fiscal year 2024. The decreases to the effective income tax rates were mainly due to deferred income tax benefits for the fiscal year 2025 related to the elimination of intercompany profits in inventory, as well as higher effectiveness of certain tax incentives and effects of prior year items.

Three-month period ended December 31, 2025 compared to the three-month period ended December 31, 2024 (Unaudited)

The following table summarizes results of operations and expresses the percentage relationship to net sales of certain financial statement captions.

(CHF in millions)	Three-month period ended December 31, 2025	2024	% Change
Net sales	743.8	606.6	22.6 %
Cost of sales	(268.5)	(229.8)	16.8 %
Gross profit	**475.3**	**376.8**	**26.1 %**
Gross profit margin	63.9 %	62.1 %	
SG&A expenses	(392.8)	(323.7)	21.3 %
Operating result	**82.5**	**53.1**	**55.4 %**
Net financial result	(12.5)	38.4	(132.4)%
Income before taxes	**70.0**	**91.5**	**(23.5)%**
Income tax expense	(1.0)	(2.0)	(51.8)%
Net income	**69.1**	**89.5**	**(22.9)%**

Net sales

Net sales by sales channel

The following table presents net sales by sales channel:

(CHF in millions)	Three-month period ended December 31, 2025	2024	% Change	Constant Currency % Change (1)
Wholesale	383.2	310.4	23.4 %	31.2 %
Direct-to-Consumer	360.6	296.2	21.7 %	30.0 %
Net sales	**743.8**	**606.6**	**22.6 %**	**30.6 %**
Wholesale % of Net sales	51.5 %	51.2 %		
Direct-to-Consumer % of Net sales	48.5 %	48.8 %		
Net sales %	**100.0 %**	**100.0 %**		

(1) The constant currency percent change represents changes to net sales on a constant currency basis, which is a non-IFRS financial measure. See section titled "Non-IFRS Measures" for a description of this measure. Reconciliation to the nearest IFRS measure is shown in table above.

Net sales for the three-month period ended December 31, 2025, increased by CHF 137.1 million, or 22.6%, compared to the three-month period ended December 31, 2024.

Net sales generated by the wholesale sales channel for the three-month period ended December 31, 2025, increased by CHF 72.7 million, or 23.4%, to CHF 383.2 million, compared to CHF 310.4 million for the three-month period ended December 31, 2024. The increase was attributable to growth within our distributor network, sustained strong demand from our wholesale partners, and our continued selective door expansion, particularly with global key accounts.

Net sales generated by the DTC sales channel for the three-month period ended December 31, 2025, increased by CHF 64.4 million, or 21.7%, to CHF 360.6 million, compared to CHF 296.2 million for the three-month period ended December 31, 2024. The increase was primarily driven by the continued increase in popularity and awareness of the On brand, resulting in increased traffic and transactions, both on our e-commerce platform and in our existing retail stores. Additionally, the expansion of our own retail store network in all regions further contributed to the growth.

Wholesale net sales as a percentage of total net sales increased slightly to 51.5% for the three-month period ended December 31, 2025, compared to 51.2% for the three-month period ended December 31, 2025, driven primarily by strong momentum with key accounts and the expansion of our distributor business.

Net sales by geography

The following table presents net sales by geographic region (based on the location of the counterparty):

(CHF in millions)	Three-month period ended December 31, 2025	2024	% Change	Constant Currency % Change [1]
Americas	434.3	385.1	12.8 %	21.3 %
EMEA	183.0	147.4	24.2 %	27.5 %
Asia-Pacific	126.5	74.1	70.8 %	85.1 %
Net Sales	**743.8**	**606.6**	**22.6%**	**30.6%**
Americas % of Net sales	58.4 %	63.5 %		
EMEA % of Net sales	24.6 %	24.3 %		
Asia-Pacific % of Net sales	17.0 %	12.2 %		
Net sales %	**100.0 %**	**100.0 %**		

[1] The constant currency percent change represents changes to net sales on a constant currency basis, which is a non-IFRS financial measure. See section titled "Non-IFRS Measures" for a description of this measure. Reconciliation to the nearest IFRS measure is shown in table above.

Net sales increased across all geographic regions for the three-month period ended December 31, 2025, with APAC showing particularly strong growth.

The 12.8% increase in net sales in Americas was driven by the ongoing rise in popularity and awareness of the On brand in the region and continued strength in both channels. The 24.2% increase in net sales in EMEA was driven by the continued strength in the United Kingdom, particularly in our DTC channel, the growth within our distributor network, as well as notable acceleration from France and Spain. The 70.8% increase in net sales in Asia-Pacific was primarily driven by growth within our distributor network and strong sales growth in Japan and China.

Net sales by product

The following table presents net sales by product group:

(CHF in millions)	Three-month period ended December 31, 2025	2024	% Change	Constant Currency % Change [1]
Shoes	687.3	568.8	20.8 %	28.8 %
Apparel	45.1	32.6	38.3 %	46.0 %
Accessories	11.4	5.2	117.7 %	131.3 %
Net Sales	**743.8**	**606.6**	**22.6 %**	**30.6 %**
Shoes % of Net sales	92.4 %	93.8 %		
Apparel % of Net sales	6.1 %	5.4 %		
Accessories % of Net sales	1.5 %	0.9 %		
Net sales %	**100.0 %**	**100.0 %**		

[1] The constant currency percent change represents changes to net sales on a constant currency basis, which is a non-IFRS financial measure. See section titled "Non-IFRS Measures" for a description of this measure. Reconciliation to the nearest IFRS measure is shown in table above.

Net sales increased across all product groups during the three-month period ended December 31, 2025, compared to the three-month period ended December 31, 2024. The 20.8% increase in net sales for shoes was driven by new product launches, updates to existing models and the continuity of successful products carrying over from previous seasons. Growth was supported by the strong performance of the Cloud and Cloudtilt franchises, with additional strong contributions from the Cloudsurfer franchise. The 38.3% increase in net sales for apparel was driven primarily by our Performance Running and Performance Training verticals. The existing and new collections within the apparel range continue to show strong momentum across both channels, with particularly strong performance in our DTC channel. Net sales in accessories increased by 117.7%.

Gross Profit

(CHF in millions)	Three-month period ended December 31, 2025	2024	% Change
Gross profit	475.3	376.8	26.1 %
Gross profit margin	63.9 %	62.1 %	

Cost of sales during the three-month period ended December 31, 2025, increased by CHF 38.7 million, or 16.8%, to CHF 268.5 million, compared to CHF 229.8 million during the three-month period ended December 31, 2024. Gross profit was CHF 475.3 million for the three-month period ended December 31, 2025, representing a gross profit margin of 63.9%, compared with CHF 376.8 million for the three-month period ended December 31, 2024, representing a gross profit margin of 62.1%. The gross profit margin increase was mainly driven by operational efficiencies and improvement (including reduced air freight), strong execution during the period, and a favorable foreign exchange impact during the three-month period ended December 31, 2025, compared to the three-month period ended December 31, 2024.

Selling, General and Administrative Expenses

	Three-month period ended December 31,		
(CHF in millions)	**2025**	**2024**	**% Change**
Distribution expenses	(75.1)	(70.5)	6.4 %
Selling expenses	(73.4)	(47.9)	53.2 %
Marketing expenses	(108.1)	(79.1)	36.6 %
Share-based compensation	(14.0)	(17.6)	(20.4)%
General and administrative expenses	(122.3)	(108.6)	12.6 %
SG&A expenses	**(392.8)**	**(323.7)**	**21.3 %**
Less share-based compensation	(14.0)	(17.6)	(20.4)%
SG&A (excluding share-based compensation)	**(378.8)**	**(306.1)**	**23.7 %**
Distribution expenses % of Net sales	10.1 %	11.6 %	
Selling expenses % of Net sales	9.9 %	7.9 %	
Marketing expenses % of Net sales	14.5 %	13.0 %	
Share-based compensation % of Net sales	1.9 %	2.9 %	
General and administrative expenses % of Net sales	16.4 %	17.9 %	
SG&A expenses % of Net sales	**52.8 %**	**53.4 %**	
SG&A (excluding share-based compensation) % of Net sales	**50.9 %**	**50.5 %**	

SG&A expenses for the three-month period ended December 31, 2025 increased by CHF 69.1 million to CHF 392.8 million, compared to CHF 323.7 million for the three-month period ended December 31, 2024. Excluding share-based compensation, SG&A expenses as a percentage of net sales increased to 50.9% in the three-month period ended December 31, 2025 compared to 50.5% for the three-month period ended December 31, 2024.

The drivers for the fluctuations in SG&A expenses, mostly denominated as a percentage of net sales, can be summarized as follows:

- Distribution expenses as a percentage of net sales decreased to 10.1% during the three-month period ended December 31, 2025, compared to 11.6% during the three-month period ended December 31, 2024. This was primarily attributable to lower delivery and logistics costs resulting from operational efficiency gains.

- Selling expenses as a percentage of net sales increased to 9.9% during the three-month period ended December 31, 2025 compared to 7.9% during the three-month period ended December 31, 2024. The increase was primarily driven by additional expenses incurred as a result of our expanding retail footprint, primarily due to retail store-related personnel costs and depreciation.
- Marketing expenses as a percentage of net sales increased to 14.5% during the three-month period ended December 31, 2025 compared to 13.0% during the three-month period ended December 31, 2024. This increase was driven by additional investments into digital marketing opportunities, enabled by our strong topline performance.
- Share-based compensation expenses decreased to CHF 14.0 million during the three-month period ended December 31, 2025 compared to CHF 17.6 million during the three-month period ended December 31, 2024.
- General and administrative expenses as a percentage of net sales decreased to 16.4% during the three-month period ended December 31 2025 compared to 17.9% during the three-month period ended December 31, 2024. This decrease is primarily driven by strong net sales growth, partially offset by higher IT and technology related expenses.

Depreciation and Amortization

	Three-month period ended December 31,		
(CHF in millions)	**2025**	**2024**	**% Change**
Depreciation and amortization	(34.5)	(28.7)	20.3 %
Depreciation and amortization % of Net sales	4.6 %	4.7 %	

Depreciation and amortization expenses during the three-month period ended December 31, 2025 increased by CHF 5.8 million to CHF 34.5 million, compared to CHF 28.7 million during the three-month period ended December 31, 2024. Thereof, depreciation and amortization expenses attributable to right of use assets increased by CHF 6.1 million primarily as a result of the expansion of our retail stores and our enhanced warehouse and distribution facilities. In addition, depreciation and amortization expenses attributable to owned assets decreased by CHF 0.3 million.

Net Financial Result

(CHF in millions)	Three-month period ended December 31, 2025	2024	% Change
Financial income	8.0	6.3	26.6 %
Financial expenses	(7.8)	(5.9)	32.3 %
Foreign exchange gain / (loss)	(12.7)	38.0	-133.4 %
Net financial result	**(12.5)**	**38.4**	**-132.4 %**

Financial income for the three-month period ended December 31, 2025 increased by CHF 1.7 million to CHF 8.0 million, compared to CHF 6.3 million for the three-month period ended December 31, 2024.

Financial expenses for the three-month period ended December 31, 2025 increased by CHF 1.9 million to CHF 7.8 million, compared to CHF 5.9 million for the three-month period ended December 31, 2024.

Foreign exchange gain / loss for the three-month period ended December 31, 2025 resulted in a foreign exchange loss of CHF 12.7 million, compared to a foreign exchange gain of CHF 38.0 million for the three-month period ended December 31, 2024. The changes to foreign exchange gain / loss were primarily due to foreign exchange rate revaluation effects (i.e., unrealized foreign exchange impacts), in particular the CHF/USD exchange rate.

Income Tax Expense / (Benefit)

(CHF in millions)	Three-month period ended December 31, 2025	2024	% Change
Income tax expense	(1.0)	(2.0)	(51.75)%
Effective income tax rate	1.4 %	2.2 %	(50.0)%

Income tax expense for the three-month period ended December 31, 2025 decreased by CHF 1.0 million to CHF 1.0 million, compared CHF 2.0 million for the three-month period ended December 31, 2024. Our effective income tax rate was 1.4% for the three-month period ended December 31, 2025, compared to 2.2% for the three-month period ended December 31, 2024.

Non-IFRS Measures

Adjusted EBITDA, adjusted EBITDA margin, adjusted net income, adjusted basic EPS, adjusted diluted EPS, net working capital, and net sales on a constant currency basis are financial measures that are not defined under IFRS.

We use these non-IFRS measures when evaluating our performance, including when making financial and operating decisions, and as a key component in the determination of variable incentive compensation for employees. We believe that, in addition to conventional measures prepared in

accordance with IFRS, these non-IFRS measures enhance investor understanding of our financial and operating performance from period to period, because they enhance the comparability of results between each period, help identify trends in operating results and provide additional insight and transparency on how management evaluates the business. In particular, we believe adjusted EBITDA, adjusted EBITDA margin, adjusted net income and net working capital are measures commonly used by investors to evaluate companies in the sportswear industry.

However, adjusted EBITDA, adjusted EBITDA margin, adjusted net income, adjusted basic EPS, adjusted diluted EPS, net working capital, and net sales on a constant currency basis should not be considered in isolation or as a substitute for other financial measures calculated and presented in accordance with IFRS and may not be comparable to similarly titled non-IFRS measures used by other companies. The tables below reconcile adjusted EBITDA, adjusted EBITDA margin, adjusted net income, adjusted basic EPS, adjusted diluted EPS, and net working capital to their most directly comparable IFRS measure. See section titled "Operating Results" for reconciliations of net sales on a constant currency basis, respectively, to their most directly comparable IFRS measure.

Adjusted EBITDA and Adjusted EBITDA Margin

The table below provides a reconciliation between net income / (loss) and adjusted EBITDA for the periods presented. Adjusted EBITDA margin is equal to adjusted EBITDA for the period presented as a percentage of net sales for the same period.

	Fiscal year ended December 31,			Three-month period ended December 31,		
(CHF in millions)	**2025**	**2024**	**% Change**	**2025**	**2024**	**% Change**
Net income	**203.7**	**242.3**	**(15.9)%**	**69.1**	**89.5**	**(22.9)%**
Exclude the impact of:						
Income taxes	1.5	37.4	(95.9)%	1.0	2.0	(51.8)%
Financial income	(30.9)	(23.5)	31.8 %	(8.0)	(6.3)	26.6 %
Financial expenses	29.6	23.1	27.8 %	7.8	5.9	32.3 %
Foreign exchange result [(1)]	173.2	(67.7)	(355.7)%	12.7	(38.0)	(133.4)%
Depreciation and amortization	127.4	104.6	21.8 %	34.5	28.7	20.3 %
Share-based compensation[(2)]	62.6	71.5	(12.5)%	14.0	17.6	(20.4)%
Adjusted EBITDA	**567.0**	**387.6**	**46.3 %**	**131.0**	**99.4**	**31.8 %**
Adjusted EBITDA margin	18.8 %	16.7 %		17.6 %	16.4 %	

[(1)] Represents the foreign exchange gain / (loss) line item within the consolidated statements of income / (loss).
[(2)] Management excludes share-based compensation expenses as we do not consider these expenses reflective of our ongoing operations and performance.

Adjusted Net Income, Adjusted Basic EPS and Adjusted Diluted EPS

We use adjusted net income, adjusted basic EPS and adjusted diluted EPS as measures of operating performance in conjunction with related IFRS measures.

For the purpose of operational performance measurement, we calculate adjusted net income, adjusted basic EPS and adjusted diluted EPS in a manner that fully excludes the impact of any costs related to share-based compensation and includes the tax effect on the tax-deductible portion of the non-IFRS adjustments, which we believe increases comparability of the metric from period to period, and makes it useful for management, our audit committee and investors to assess our financial performance over time.

Adjusted basic EPS is calculated by dividing adjusted net income by the weighted average number of ordinary shares outstanding during the period. Adjusted diluted EPS is calculated by dividing adjusted net income by the weighted average number of ordinary shares outstanding during the period on a fully diluted basis.

The table below provides a reconciliation between net income and adjusted net income, adjusted basic EPS and adjusted diluted EPS for the periods presented:

			Fiscal year ended December 31,	
(CHF in millions, except per share data)	2025	2025	2024	2024
	Class A	Class B	Class A	Class B
Net income	**182.7**	**21.0**	**216.3**	**25.9**
Exclude the impact of:				
Share-based compensation[(1)]	56.1	6.4	63.9	7.6
Tax effect of adjustments[(2)]	0.1	—	3.2	0.4
Adjusted net income	**239.0**	**27.5**	**283.4**	**33.9**
Weighted number of outstanding shares[(3)]	**295,550,380**	**339,541,070**	**288,465,380**	**345,437,500**
Weighted number of shares with dilutive effects[(3)]	3,228,817	11,251,482	3,787,481	12,822,456
Weighted number of outstanding shares (diluted and undiluted)[(3)]	**298,779,197**	**350,792,552**	**292,252,861**	**358,259,956**
Adjusted basic EPS (CHF)	**0.81**	**0.08**	**0.98**	**0.10**
Adjusted diluted EPS (CHF)	**0.80**	**0.08**	**0.97**	**0.09**

(1) Management excludes share-based compensation expenses as we do not consider these expenses reflective of our ongoing operations and performance.
(2) The tax effect has been calculated by applying the local tax rate on the tax-deductible portion of the respective adjustments.
(3) Weighted numbers of outstanding shares are presented herein in order to calculate adjusted basic EPS in relation to adjusted net income for such periods. Weighted numbers of outstanding shares (diluted and undiluted) are presented herein in order to calculate adjusted diluted EPS in relation to adjusted net income for such periods.

(CHF in millions, except per share data)	Three-month period ended December 31, 2025 Class A	2025 Class B	2024 Class A	2024 Class B
Net income	**62.0**	**7.0**	**80.0**	**9.6**
Exclude the impact of:				
Share-based compensation[1]	12.6	1.4	15.7	1.9
Tax effect of adjustments[2]	0.4	—	0.5	0.1
Adjusted net income	**75.0**	**8.5**	**96.2**	**11.5**
Weighted number of outstanding shares[3]	**296,739,035**	**336,932,339**	**289,063,973**	**345,437,500**
Weighted number of shares with dilutive effects[3]	2,885,416	8,726,618	4,135,300	13,504,922
Weighted number of outstanding shares (diluted and undiluted)[3]	**299,624,451**	**345,658,957**	**293,199,273**	**358,942,422**
Adjusted basic EPS (CHF)	**0.25**	**0.03**	**0.33**	**0.03**
Adjusted diluted EPS (CHF)	**0.25**	**0.02**	**0.33**	**0.03**

[1] Management excludes share-based compensation expenses as we do not consider these expenses reflective of our ongoing operations and performance.
[2] The tax effect has been calculated by applying the local tax rate on the tax deductible portion of the respective adjustments.
[3] Weighted numbers of outstanding shares (diluted and undiluted) are presented herein in order to calculate adjusted EPS as adjusted net income for such periods.

Net Working Capital

Net working capital is a financial measure that is not defined under IFRS Accounting Standards. We use and believe that certain investors and analysts use this information to assess liquidity and management use of net working capital resources. We define net working capital as trade receivables, plus inventories, minus trade payables. This measure should not be considered in isolation or as a substitute for any standardized measure under IFRS Accounting Standards.

Other companies in our industry may calculate this measure differently than we do, limiting its usefulness as a comparative measure.

(CHF in millions)	Fiscal year ended December 31, 2025	2024	% Change
Accounts receivables	305.4	246.1	24.1 %
Inventories	419.8	419.2	0.1 %
Trade payables	(154.8)	(166.5)	(7.0)%
Net working capital	**570.3**	**498.9**	**14.3 %**

Net Sales on a Constant Currency Basis

Net sales on a constant currency basis is a non-IFRS measure which represents current period results that have been retranslated using exchange rates used in the prior year comparative period. We provide constant currency percent change in net sales within our "Key Financial and Operating Metrics" and "Results of Operations" sections, to enhance the visibility of the underlying growth rate of net sales, excluding the impact of foreign currency exchange rate fluctuations.

B. Liquidity and Capital Resources

Our primary need for liquidity is to fund working capital requirements, capital expenditures, lease obligations and for general corporate purposes. Our future contractual obligations are further discussed in the “Contractual Obligations and Commitments” section below. We finance our liquidity needs using a combination of our existing cash and cash equivalents balances and cash arising from operating activities.

As of December 31, 2025, we had CHF 1,019.9 million of cash and cash equivalents and CHF 570.3 million of net working capital, compared to CHF 924.3 million of cash and cash equivalents and CHF 498.9 million of net working capital as of December 31, 2024. As of December 31, 2025 and 2024, 97.6% and 97.7% of our cash and cash equivalents, respectively, were held at banks that are deemed systemically important financial institutions. Movements in cash and net working capital are discussed in the “Cash Flows” section below.

We believe our existing cash and cash equivalent balances and cash flows from operations will be sufficient to meet our net working capital, lease obligations, capital expenditures and other general corporate needs for at least the next twelve months. Additionally, on July 7, 2023, we entered into a CHF 700 million multicurrency credit facility. As of December 31, 2025, and 2024, no amounts had been drawn under the credit facility. Refer to “—Indebtedness” for further details. Our long-term capital requirements may vary materially from those currently planned and will depend on many factors, including the rate of net sales growth, the timing and extent of spending on research and development efforts and other growth initiatives, such as our retail store expansion, the expansion of sales and marketing activities, the timing of new products, and overall economic conditions.

To the extent that current and anticipated future sources of liquidity are insufficient to fund our future business activities and requirements, we may be required to draw from our credit facility mentioned above, or seek additional equity or debt financing. For additional information regarding our ability to fund our future business activities and requirements, refer to Item 3.D, "Risk Factors," in this Annual Report, including the risk factor section "Additional investments in our business."

Cash Flows

(CHF in millions)	Fiscal year ended December 31, 2025	2024	Change
Cash inflow from operating activities	359.5	510.6	(151.1)
Cash (outflow) from investing activities	(78.6)	(64.9)	(13.7)
Cash (outflow) from financing activities	(78.5)	(55.4)	(23.1)
Change in net cash and cash equivalents	**202.2**	**390.4**	**(188.1)**
Net cash and cash equivalents at the beginning of the period	924.3	494.6	429.7
Net impact of foreign exchange rate differences	(106.7)	39.4	(146.1)
Net cash and cash equivalents at the end of the period[(1)]	**1,019.9**	**924.3**	**95.5**

[(1)] Net cash and cash equivalents included restricted cash in the amount of CHF 0.9 million as of December 31, 2025 and CHF 0.6 million as of December 31, 2024.

Operating activities

Cash inflow from operating activities for the twelve-month period ended December 31, 2025 decreased by CHF 151.1 million to CHF 359.5 million, compared to CHF 510.6 million for the twelve-month period ended December 31, 2024. This decrease is mainly driven by a decrease in cash flows from changes in working capital of CHF (233.8) million, primarily due to changes in inventories and trade receivables, and a decrease in cash flows from changes in other current assets / liabilities of CHF (70.7) million, partially offset by higher net income after adjustments of CHF 194.4 million, and various other offsetting decreases and increases.

Investing activities

Cash outflow from investing activities for the twelve-month period ended December 31, 2025, increased by CHF 13.7 million to CHF 78.6 million, compared to CHF 64.9 million for the twelve-month period ended December 31, 2024. The increase is driven by higher purchases of property, plant and equipment of CHF 12.4 million (refer to note *3.3 Property, plant and equipment* for additional information).

Financing activities

Cash outflow from financing activities for the twelve-month period ended December 31, 2025, increased by CHF 23.1 million to CHF 78.5 million, compared to CHF 55.4 million for the twelve-month period ended December 31, 2024. The increase is primarily driven by higher repayments of lease liabilities of CHF 18.7 million and higher interest expense of CHF 6.2 million mainly due to new leases becoming operational during the twelve-months ended December 31, 2025 (refer to note *3.4 Right-of-use assets and lease liabilities* for additional information on the increase to lease liabilities).

Capital Management

(CHF in millions)	Fiscal year ended December 31, 2025	2024	% Change
As of December 31, 2025: CHF 0.10 nominal value, 306,847,124 Class A Ordinary Shares issued of which 296,873,353 were outstanding **As of December 31, 2024:** CHF 0.10 nominal value, 302,455,664 Class A Ordinary Shares issued of which 289,296,343 were outstanding	30.7	30.2	1.5 %
As of December 31, 2025 : CHF 0.01 nominal value, 341,241,680 Class B voting rights shares issued and outstanding **As of December 31, 2024 :** CHF 0.01 nominal value, 345,437,500 Class B voting rights shares issued and outstanding	3.4	3.5	-1.2 %
Share capital	**34.1**	**33.7**	**1.2 %**
Treasury shares	**(26.7)**	**(26.8)**	**-0.6 %**
Share premium	760.8	756.9	0.5 %
Legal reserves	62.4	53.9	15.7 %
Equity transaction costs	(8.7)	(8.7)	— %
Tax impact on equity transaction costs	1.3	1.3	— %
Share-based compensation	473.2	406.7	16.4 %
Capital reserves	**1,289.0**	**1,210.0**	**6.5 %**
Other reserves	**(46.6)**	**(4.0)**	**1068.9 %**
Retained earnings	**382.6**	**178.9**	**113.9 %**
Equity	**1,632.4**	**1,391.8**	**17.3 %**

	Class A Shares	Class B Shares
Shares issued and outstanding as of January 1, 2025	**289,296,343**	**345,437,500**
Sale of treasury shares related to share-based compensation and capital increase from conditional capital and capital band[4]	6,529,167	6,325,000
Purchase of treasury shares	(4,239)	—
Conversion of Class B shares to Class A shares [3]	1,052,082	(10,520,820)
Shares issued and outstanding as of December 31, 2025[1]	**296,873,353**	**341,241,680**
Awards granted under various incentive plans not yet exercised or distributed at December 31, 2025[2]	**12,334**	**—**
Awards granted under various incentive plans with dilutive effects at December 31, 2025	**2,891,507**	**5,190,342**

(1) As of December 31, 2025, there were 9,973,771 treasury shares held by On (December 31, 2024: 13,159,321).

(2) These awards require little or no further consideration to be exercised, and as such, have been included in the weighted average number of ordinary shares outstanding used to calculate Basic EPS at December 31, 2025.

(3) As announced on Form 6-K filed with the SEC on May 23, 2025, 10,520,820 of Class B Shares were converted into 1,052,082 Class A Ordinary Shares.

(4) As announced on Form 6-K filed with the SEC on August 12, 2025, we amended and restated our memorandum and articles of association to increase the number of authorized Class A ordinary shares. Further, on December 3rd, 2025, we amended and restated our memorandum and articles of association to increase the number of authorized Class B ordinary shares (refer to our amended and restated articles of association filed as Exhibit 1.1 to this Annual Report). Refer to *4.5 Share capital* for additional information.

Share-based compensation

As a public company, we grant share-based compensation awards to members of senior management, certain selected employees based on their impact and contribution to On, our extended founder team, and to non-executive members of our board of directors. As of December 31, 2025, On has recognized an increase in shareholders' equity in the balance sheet of CHF 66.6 million for share-based compensation incurred during the twelve-month period ended December 31, 2025.

For the twelve-month period ended December 31, 2025, we have recognized a share-based compensation charge of CHF 62.6 million pursuant to the following share-based compensation plans and programs for select employees including our group executive team and senior management team, which account for a part of the increase:

- Long Term Incentive Plan 2021
- Compensation of non-executive members of our board of directors

Share-based payments are valued based on the grant date fair value of these awards and recorded over the corresponding vesting period.

Indebtedness

On July 7, 2023, we entered into a CHF 700 million multicurrency credit facility ("credit facility") agreement with On AG, as borrower and guarantor, On Inc., as guarantor, and UBS Switzerland AG, as lead arranger, bookrunner, agent, security agent and lender, and several other lenders party thereto, which replaced our bank overdraft facilities previously reported. We have an option to increase the total availability of borrowings under the facility in an aggregate amount of up to CHF 200 million subject to the satisfaction of certain customary conditions. We entered into the credit facility as part of our prudent financial planning strategy to create future financial flexibility to better align with the size and maturity of the Company. The proceeds of any borrowings under the credit facility may be used towards the financing of working capital requirements and for general corporate purposes, including the roll-in of certain existing bank guarantees and the issuance of new bank guarantees. The credit facility had an initial term of three years, which has subsequently been extended for a total period of two years. Subsequent to extensions, the credit facility will expire on July 7, 2028.

As of December 31, 2025 and December 31, 2024, no amounts have been drawn under this credit facility and we do not currently expect to do so in the near term. As of December 31, 2025, we are using the credit facility to provide guarantees and letters of credit, as further discussed in section titled "Off-Balance Sheet Arrangements."

The credit facility also contains financial covenants that depend on our consolidated equity as well as our net debt to adjusted EBITDA ratio. As of and during the years ended December 31, 2025 and December 31, 2024, we were in compliance with all covenants under the credit facility

The following assets have been pledged in relation to the credit facility:

(CHF in millions)	Fiscal year ended December 31, 2025	2024	% Change
Trade receivables	266.4	280.8	(5.1)%
Inventory	340.4	211.7	60.8 %
Assets pledged	**606.9**	**492.5**	**23.2 %**

Material Cash Requirements

The following summarizes our material cash requirements as of December 31, 2025:

(CHF in millions)	Fiscal year ended December 31, 2025 Total	Less than 1 year	1 to 5 years	More than 5 years
Product purchase obligations[1]	290.0	290.0	—	—
Endorsement contracts[2]	112.7	41.1	69.4	2.1
Lease liabilities[3]	615.6	100.6	299.0	216.0
Lease commitments[4]	153.8	7.8	67.7	78.3
Other purchase commitments[5]	92.7	78.8	13.8	—
Total material cash requirements	**1,264.7**	**518.4**	**449.9**	**296.5**

(1) We typically place product orders in advance based on forecasted quantities. Product purchase obligations refer to open purchase orders to purchase shoes, apparel and accessories, that are enforceable and legally binding, and that specifies all significant terms.

(2) We have endorsement contracts with future cash commitments we are obligated to pay to promoters of our products.

(3) Lease liabilities are related to storage spaces (e.g., warehouses), various offices, retail stores, showrooms and cars.

(4) Lease commitments represent commitments to new lease contracts, which have not yet commenced as of December 31, 2025, and are therefore not recognized on our balance sheet. The majority of the future lease commitments relate to contracts entered into for new highly-automated warehouse in Belgium (Beringen). The new warehouse in Belgium is expected to be fully operational by the end of 2026, and amounts to CHF 104.4 million (December 31, 2024: CHF 106.7 million) lease commitment. The remaining lease commitments relate to various new stores, offices and warehouses.

(5) Our other purchase obligations consist of non-cancellable minimum commitments for warehousing arrangements, IT services, indirect procurement contracts, and other commitments under service contracts.

Off-Balance Sheet Arrangements

As of December 31, 2025 and December 31, 2024, we provided guarantees and letters of credit in favor of third parties in the amount of CHF 153.2 million and CHF 168.3 million, respectively. Of these amounts, CHF 153.2 million (2025) and CHF 168.3 million (2024) relate to our credit facility, as discussed in the section titled "Indebtedness." Other than the items disclosed here and elsewhere in our document, we do not have any material off-balance sheet arrangements or commitments as of December 31, 2025.

Foreign currency risk

We are exposed to certain market risks arising from transactions in the normal course of business. The market risk we are principally exposed to is fluctuations in foreign currency exchange rates.

The functional currency of each individual entity is determined based on the primary economic environment in which the entity operates (generally the local currency). Our consolidated financial statements are presented in Swiss Francs ("CHF"). Therefore, the net sales, expenses, assets, and liabilities of our non-CHF denominated subsidiaries are translated from their functional currencies into CHF, as a result of which the reported amounts can be affected by fluctuations in the value of the CHF. Foreign exchange differences which arise on translation of our subsidiaries' balance sheets into CHF are recorded as a foreign currency translation adjustment in accumulated other comprehensive income or loss within shareholders' equity.

As a result of our multinational sales and operations, we are also exposed to fluctuations in foreign exchange at a transactional level. The majority of our transactional foreign exchange risk arises from products sourced in USD and sales denominated in the currencies of the respective destination markets. In 2025 and 2024, 99% and 98% of our net sales, respectively, were generated in currencies other than CHF.

Based on foreign currency sensitivity analysis of the consolidated balance sheets, a 10% fluctuation in On's main currencies would impact net income as shown in the table below. These reflect the effect of exchange rate changes on monetary assets and liabilities denominated in a currency other than the functional currency of the entity carrying them.

(CHF in millions)	**12/31/2025**	**12/31/2024**
Change in USD/CHF +10%	78.6	57.4
Change in USD/CHF -10%	(78.6)	(57.4)
Change in GBP/CHF +10%	9.0	7.1
Change in GBP/CHF -10%	(9.0)	(7.1)
Change in JPY/CHF +10%	4.7	4.1
Change in JPY/CHF -10%	(4.7)	(4.1)
Change in CNY/CHF +10%	9.0	5.1
Change in CNY/CHF -10%	(9.0)	(5.1)
Change in EUR/CHF +10%	2.2	3.0
Change in EUR/CHF -10%	(2.2)	(3.0)

Functional currency change

Effective January 1, 2026, On Holding AG (the Group's parent company) and On AG (the Group's main trading entity) have changed their functional currency from the Swiss Franc (CHF) to the US Dollar (USD). These changes will be accounted for prospectively in fiscal year 2026 and do not impact prior period financial statements. The Group's presentation currency will remain CHF.

As a result, in 2026, we expect the effect of exchange rate changes on USD-denominated monetary assets and liabilities, to be reduced, resulting in less impacts within line item foreign exchange gains/ (losses) in our consolidated profit or loss statements. Additionally, beginning in the first quarter of 2026, we will start recording adjustments in other comprehensive income / (loss) to translate these entities' financial statements from USD to CHF (our reporting currency), and expect the impacts to other comprehensive income / (loss) to increase.

Refer to note 6.6 Events after the balance sheet date for additional information on the aforementioned functional currency change.

C. Research and Development, Patents and Licenses

The central tenet of our product design philosophy is to fuse high performance, comfort, sustainable materials and aesthetics, in order to provide our customers with everything they need, and nothing they do not. Our innovations and the performance they deliver have established On as a trusted brand for world-class athletes, amateur runners and customers looking for performance-infused footwear, sportswear and accessories. Research and development plays a key role in driving technical innovation, patents and designs of our footwear, apparel and accessories which we believe is essential to the commercial success of our products. We incurred research, design, and development expenses of CHF 10.6 million, CHF 9.6 million and CHF 8.9 million for the years ended December 31, 2025, 2024 and 2023, respectively, which are expensed as incurred and reported in SG&A expenses in the consolidated statements of income. Additionally, we capitalize certain costs associated with software and intellectual property customized for internal use within the intangible assets line item on the consolidated balance sheets. For the years ended December 31, 2025, 2024 and 2023, capitalized intellectual property and in-house developed software were CHF 2.7 million and CHF 1.4 million; CHF 1.4 million and CHF 1.9 million; and CHF 1.2 million and CHF 0.9 million, respectively.

D. Factors Affecting Performance and Trend Information

Our growth, our financial condition and results have been, and will continue to be, affected by a number of factors, including the following:

Ability to grow into new geographies and to convert distributor markets

Entering new geographic markets or converting distributor markets requires us to invest in personnel, marketing, and infrastructure, including additional offices, showrooms, distribution networks and new retail stores. Our international expansion has resulted in, and will continue to result in, increased costs and is subject to a variety of risks, including local competition, inventory risks, risks related to operating retail stores, low initial brand awareness, multilingual customer service, potentially complex import and delivery logistics, and compliance with foreign laws and regulations. Increased costs include, but are not limited to, personnel expenses for sales and marketing teams to initially build a sales network, lacking economies of scale in distribution and supply chain and additional administration expenses. The duration of those additional costs, among others, depends on the geographical size and structure of the particular market, as well as the existing level of brand awareness. A significant portion

of the investment to grow net sales is reflected in SG&A. SG&A expenses, after removing share-based compensation expense, as a percentage of net sales were 48.2% for 2025 and 48.4% for 2024.

Ability to invest

We will continue to make investments across our business to drive growth, and therefore we expect expenses to increase. We will continue to invest significant resources in our people, sales and marketing to drive brand awareness and demand for our products. Marketing expenses as a percentage of net sales were 12.5% for 2025 and 11.9% for 2024. We intend to continue to increase marketing expenses in the future, focusing on elevating brand awareness across our markets, investment in digital customer acquisition and customer experience through our retail network alongside an exciting portfolio of elite athletes, influencers, and public figures.

To support our growth, we also intend to continue investing in our distribution network as well as into product inventory. For example, during 2025, distribution expenses increased to CHF 322.9 million, compared to CHF 288.3 million in 2024. Over the past years, we have entered into third party logistics and warehouse services agreements for new, highly-automated fulfillment centers, in order to facilitate our future omnichannel growth in both Europe and North America, and lower our handling cost over time through automation. We have also invested, and intend to continue investing, in successfully developing, implementing and scaling our LightSpray technology and products.

We intend to continue investing in new manufacturing partners, which has in the past partially resulted in, and may continue to result in, higher purchasing expenses. We also expect to continue to invest into research and development to drive innovations and product offerings. To support the expansion of our own retail network, we intend to invest into additional physical retail stores and store leases. We plan to continue to invest in our corporate infrastructure, which is essential to our ability to take data driven decisions, enhance customer experience, and enable an efficient and collaborative working environment for our global team

The investments made in the past, and those expected to be made in the future, can be expensive and may negatively impact our results of operations.

Ability to manage inventory

Our ability to grow has been, and will continue to be dependent on the availability of the right inventory at the right time and place. Our data driven approach to demand planning, together with an integrative approach between sales demand and supply planning, has enabled rapid growth, while maintaining a premium positioning. The ongoing transition of our Atlanta warehouse led to some product availability constraints and to delayed or missed deliveries during the first half of fiscal year 2024. While we have seen significantly improved operational execution during the second half of 2024, and in 2025, we may continue to experience operational constraints during the course of On's warehouse automation projects and may potentially incur incremental costs during the ramp-up phase. We remain focused on successfully scaling our global distribution capabilities while deploying enhanced inventory oversight across our network of new and existing logistics partners. Our current inventory balance reflects the purchasing of inventory for our 2026 sales. On continues to manage and mitigate supply chain risks by investing in our partner relationships and visibility of data across our supply network.

Customs and duty expenses

Most distribution markets that we operate in impose customs and duties on the importation of footwear, apparel, and accessories products manufactured in Vietnam, Turkey, Indonesia, China and most other countries. In 2025, approximately 90% and 10% of our footwear products were produced in Vietnam and Indonesia, respectively. Further, in 2025, approximately 65% of our apparel and accessories units produced were manufactured in Vietnam, 30% in Turkey and 5% in China.

In prior fiscal years, we experienced the impact of significant changes in global customs and duty rates for footwear and apparel products, including, but not limited to, higher tariffs for importing

apparel from China into the US and the implementation of the Vietnam-European Union Free Trade Agreement and customs impact from Brexit.

In August 2025, a fixed reciprocal import tariff by the US of 20% on Vietnam, applied in addition to the existing 20% import tariff in Vietnam, became effective, which has increased and is expected to continue to increase the costs of products we source from outside the US and subsequently sell within the US. New proposals to implement new tariffs or other trade restrictions in the US or other jurisdictions, or to increase global customs and duty rates could negatively impact our business. There remains significant uncertainty and confusion within the business environment and the broader US trade framework, and any judicial rulings or executive or legislative action, including the imposition of new tariffs under alternative statutory authorities or modifications to existing trade measures could increase our costs, disrupt our sourcing strategy, or otherwise adversely affect our business, financial condition and results of operations. In line with our ambition to be the most premium global sportswear brand, we continuously assess our global pricing strategy within the movements of the industry and take action where appropriate to maintain our premium brand positioning.

Seasonality

On operates two product seasons, spring-summer, which goes from January to June, and fall-winter, which goes from July to December. Each season is characterized by new product launches typically in the first quarter of a product season (i.e. Q1 and Q3). On generally has a higher proportion of net sales in the second half of the fiscal year compared to the first half of our fiscal year due to the phasing of our product seasons and seasonality of demand. In 2025 and 2024, the second half of our fiscal year represented 51% and 54% of our annual net sales, respectively.

Foreign exchange

We are exposed to fluctuation in foreign exchange on various transactions. We have experienced in fiscal year 2025, and expect to continue to experience, increased foreign exchange rate volatility, which we attribute, in part, to the uncertainty surrounding the global trade environment and to other macroeconomic conditions. In 2025 and 2024, we generated 99% and 98% of our net sales, respectively, in currencies other than CHF. Refer to "Item 5. Operating and Financial Review and Prospects - Liquidity and Capital Resources" section above, and to note *5.2 Foreign currency risk* below, for more details on foreign exchange and our foreign exchange exposure.

Share-based compensation expenses

As a public company, we granted and we will continue to grant share-based compensation awards to members of senior management, other selected employees, our extended founder team, and non-executive members of our board of directors. For the twelve-month periods ended December 31, 2025 and 2024, we recognized share-based compensation expenses of CHF 62.6 million and CHF 71.5 million, respectively, primarily in connection with our LTIP 2021 equity incentive plan.

Macroeconomic conditions

We are subject to risks and exposures from the evolving global macroeconomic environment, including supply chain disruptions, economic uncertainty, consumer spending, the imposition of tariffs or trade restrictions, including the tariffs imposed by the US, inflation, and resulting fears of potential economic slowdowns or recessions, all of which may increase the cost of our products and other operational costs, and negatively impact customer demand, consumer spending, and our ability to manage inventory.

Cost Inflation

We and other companies in our industry are and will continue to be affected by inflation rates across geographies, which impact manufacturing related costs, labor expenses, shipping costs, and other areas of our business. We continue to work to mitigate the price increases on products with our strong partner relationships. We seek to continue to diversify our production partners and supplier network to reduce our reliance on single-partner relationships, and provide further mitigation against inflationary price impacts. Labor expenses have also been subject to inflationary pressures due to various external factors, including a generally high interest rate environment, which On seeks to continue to proactively mitigate through long-term partner relationships, diversification of vendors, and assessing our global pricing strategy and taking action where appropriate to maintain our premium brand positioning.

E. Critical Accounting Estimates

On Holding AG prepares its consolidated financial statements in accordance with IFRS Accounting Standards. For more information about the critical accounting estimates and judgments, see note 1.5 Significant accounting judgments, estimates, and assumptions of our consolidated financial statements for the fiscal year ended December 31, 2025.

Recently Adopted Accounting Pronouncements

See note 1.4 New and amended standards and interpretations of the consolidated financial statements for the year ended December 31, 2025, included elsewhere in this Annual Report for more information on recently adopted accounting pronouncements.

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

A. Directors and Senior Management

This section presents information about our executive officers and directors at December 31, 2025. The current business addresses for our directors and executive officers is Förrlibuckstrasse 190, 8005 Zurich, Switzerland.

Name	Position	Age
David Allemann	Co-Founder and Executive Co-Chairman	56
Caspar Coppetti	Co-Founder and Executive Co-Chairman	50
Olivier Bernhard	Co-Founder and Executive Director	57
Martin Hoffmann	Chief Executive Officer and Chief Financial Officer	46
Alex Pérez	Director	55
Amy Banse	Director	66
Dennis Durkin	Director	55
Laura Miele	Director	54
Helena Helmersson	Director	52

Biographical information concerning the members of the executive officers and directors

David Allemann is a Co-Founder of On and has served as Executive Co-Chairman since April 2021. In partnership with the other Co-Founders and the CEO, David guides the Company's long-term strategy, product innovation, and brand development. Since On's inception in 2010, David has played a pivotal role in the Company's operational history, establishing the initial production and supply chain infrastructure in Asia. He was also instrumental in defining the brand's distinct design identity and driving the expansion of the Direct-to-Consumer (DTC) business. Prior to On, David served as Chief Marketing Officer for the design furniture brand Vitra (2006-2010). His earlier career includes leading the advertising agency Young & Rubicam in Switzerland as Managing Director and advising global clients in sports, internet, and media as a strategy consultant at McKinsey & Company. David currently serves on the board of the business association Economiesuisse, and the Swiss Institute for Contemporary Art in New York. He holds a Master of Law degree from the University of Zurich and completed the Advanced Management Program (AMP) at INSEAD.

Caspar Coppetti is a Co-Founder of On and has served as Executive Co-Chairman since April 2021. Previously serving as Chairman and Global Sales Director since the Company's inception, Caspar leads On as part of the Co-Founder and CEO partnership, driving strategic vision and operations. He has been instrumental in the Company's global expansion, building the global sales organization and distribution network during On's critical early growth phases. Currently, his leadership is focused on strategy, R&D, and the commercialization of new manufacturing technologies, such as LightSpray. Before co-founding On, Caspar served as Managing Partner and Chief Strategy Officer for the brand agency Young & Rubicam (2004-2010) and worked as a Management Consultant at McKinsey & Company. He serves as the President of the jury for the Swiss Economic Award and is the Chairman of the Board of InnHub La Punt AG. Caspar holds a Dr. Oec. Diploma from the University of St. Gallen.

Olivier Bernhard is a Co-Founder of On and has served as an Executive Board Member since January 2010. As a former world-class athlete, Olivier brings distinct athletic insight to the partnership leadership team, influencing product creation and marketing strategies. He was instrumental in conceptualizing the Company's initial "running on clouds" technology and developing the proprietary CloudTec® system. Today, his focus remains on exploring and prototyping future performance technologies and overseeing the Company's athlete partnership program and sports marketing initiatives. Prior to On, Olivier was a professional triathlete and duathlete (1993-2005), achieving three World Championship titles, one European title, and 15 Swiss Championship titles. This competitive background serves as the foundation for the Company's performance engineering and design philosophy.

Martin Hoffmann serves as Chief Executive Officer and Chief Financial Officer. He assumed the role of sole CEO in July 2025, following his tenure as Co-CEO since January 2021. Operating in partnership with the Co-Founders, Martin drives the Company's strategic vision and operational execution. Since joining On in 2013 as CFO, he has been instrumental in the Company's global expansion and financial strategy, playing a central role in delivering key milestones including the 2021 initial public offering on the NYSE and the scaling of global operations to support sustained growth. Prior to joining On, Martin served as the Chief Financial Officer of Valora Retail, a publicly traded European retail company (2009-2013), and worked in strategic business management consulting at CTcon GmbH. Martin holds a diploma in Business Management and Computer Science from the University of Kaiserslautern.

Alex Pérez has served as a member of the Board of Directors since December 2016. He currently chairs the Nomination and Compensation Committee (since May 2022) and has been a member of the Audit Committee since February 2017. Alex brings extensive business experience in the financial industry and capital management to the Board. He is the Founder and Managing Partner of Point Break Capital Management LLC, an investment management firm established in 2012. Prior to founding Point Break, Alex was a founding partner of the global investment firm 3G Capital (2002-2011).

His earlier executive experience includes serving as CFO of São Carlos Empreendimentos and as a Private Equity Analyst for GP Investments. Alex holds a B.S. in Economics from the University of Rio de Janeiro and an M.B.A. from the Fundação Getúlio Vargas.

Amy Banse has served as a member of the Board of Directors since September 2021 and sits on the Nomination and Compensation Committee. Amy brings extensive executive leadership experience to the Board, with a specific focus on investing in and building businesses within the global media and technology sectors. She spent over thirty years at Comcast Corporation, most recently serving as Senior Adviser to the executive committee, including its venture capital arm, Comcast Ventures. Previously, Amy held dual roles as Executive Vice President of Comcast Corporation and Managing Director and Head of Funds at Comcast Ventures (2011-2020). She also served as President of Comcast Interactive Media, where she led the company's digital strategy. Amy currently serves on the boards of Adobe Inc., Lennar Corporation, and Anchor Group, Inc. She holds a B.A. from Harvard University and a Doctor of Law degree from Temple University Law School.

Dennis Durkin became a member of the Board of Directors and Chairman of the Audit Committee in May 2022, having previously supported the Company's strategic direction as a Board Observer since September 2021. Dennis brings decades of experience in scaling global interactive entertainment and digital ecosystems to On. He joined the Board following a distinguished career at Activision Blizzard Inc. (ATVI), where he served as Chief Financial Officer and President of Emerging Businesses until his retirement in May 2021. During his tenure at ATVI, which began in 2012, Dennis played a pivotal role in the company's operational evolution, serving as Chief Corporate Officer (2017-2019) and Chief Financial Officer (2012-2017). Prior to Activision, Dennis spent over a decade at Microsoft Corporation (1999-2012), where he helped shape the digital landscape as Corporate Vice President and Chief Operating and Financial Officer of the Interactive Entertainment Business. In this role, he drove financial and operational strategy for the Xbox and Xbox Live businesses. He began his career as a financial analyst at Alex. Brown and Company. Dennis holds a B.A. in government from Dartmouth College and an M.B.A. from Harvard University.

Laura Miele became a member of the Board of Directors and the Audit Committee in May 2024, following her tenure as a board consultant (August 2023-April 2024). Laura brings extensive expertise in managing complex digital transformations and building large-scale consumer communities. She currently serves as President of Electronic Arts ("EA") Entertainment & Central Development, where she leads EA's vast portfolio of licensed and owned IP along with the company's central development services. Prior to her current role, Laura served as Chief Operating Officer for EA. Over the past decade, she has played a key role in executing several structural transformations, including leading the company's pivot to digital delivery, expanding into new consumer demographics, and actively growing EA's player network. She possesses broad international experience overseeing commercial, creative, and central technology teams. Laura is a Governor of the British Film Institute (appointed 2022), a member of the NAACP Entertainment Advocacy Council, and an Advisory Board Member for The Game Awards. She previously served on the board of the Silicon Valley Community Foundation.

Helena Helmersson has served as a member of the Board of Directors since May 2025 and sits on the Nomination and Compensation Committee. Helena brings profound leadership experience in global business operations, with a specific focus on sustainability and supply chain management within the fashion and retail industries - areas that are central to On's mission. Prior to joining the Board, Helena served as the Chief Executive Officer of H&M Group, a global fashion and design company, from January 2020 to January 2024. Her leadership path at H&M was defined by operational rigor and environmental advocacy; she served as Chief Operating Officer (2018-2020), Global Head of Production (2015-2018), and Head of Sustainability (2010-2014), where she led the company's environmental and social initiatives. She originally joined H&M in 1997, holding various positions of increasing responsibility in buying and production. Helena also serves as chairperson of the textile recycling company Circulose,

a board member of the digital training company Quizrr, and a board member of the global fashion retailer, Mango. She holds a Master of Science degree in International Business from Umeå University, Sweden.

B. Compensation

Principles of the Compensation of the Board of Directors and Executive Management

For the year ended December 31, 2025, the aggregate compensation accrued or paid to our executive officers for services in all capacities to the Company and its subsidiaries was CHF 19.3 million, including CHF 12.7 million in share-based compensation and CHF 1.7 million in short-term employee benefits including base salary, annual cash bonus as well as health care plans, insurance, car allowances or equivalent contributions. The amount set aside or accrued by us to provide pension, retirement or similar benefits to our executive officers amounted to a total of CHF 4.9 million in the year ended December 31, 2025.

For the year ended December 31, 2025, the aggregate compensation accrued or paid to the members of our board of directors for services in all capacities to the Company and its subsidiaries was CHF 1.2 million.

We incorporate by reference into this Annual Report the information included in the sections labeled “Board of Directors Compensation” and “Executive Officers Compensation” of Exhibit 99.2 to our report on Form 6-K filed with the SEC on March 3, 2026, which includes disclosure of compensation on an individual basis as well as information on the applicable equity incentive and cash bonus plans underlying the compensation accrued or paid to our executive officers.

Pursuant to Swiss law, we are required to submit the aggregate amount of compensation of our board of directors and the aggregate amount of compensation of our executive officers to a binding say-on-pay vote by our shareholders.

C. Board Practices

Board of Directors

Our board of directors is composed of eight members. Each director is elected for a term ending at the next annual general meeting of shareholders. The current term of all of our directors will end at our next annual general meeting of shareholders in May 2026, at which time reelection will be possible. There are no family relationships among any of our directors or executive officers. None of our non-executive directors have entered into service contracts with the Company or any of its subsidiaries providing for benefits beyond their elected term.

We are a foreign private issuer under the rules of the SEC and in accordance with the NYSE listing standards, we rely on home country governance requirements and certain exemptions thereunder rather than on the stock exchange corporate governance requirements. For an overview of our corporate governance principles, see “Item 10. Additional Information - Memorandum and Articles of Association.”

Committees

Audit Committee

The audit committee currently consists of Dennis Durkin (chairman of the audit committee), Alex Pérez and Laura Miele. The primary functions of the audit committee include overseeing our accounting and financial reporting processes, system of internal controls over financial reporting, risk management processes and the audits of our financial statements. In addition, the audit committee is also directly responsible for the selection and nomination of our independent registered public accounting firm for election by the general meeting of shareholders, as well as the supervision and compensation and oversight of the work of our external auditors, including evaluation regarding external auditors' fulfillment of the necessary qualifications and independence. The audit committee is also responsible for reviewing, approving or ratifying any related party transactions. The board of directors has determined that each of

Dennis Durkin, Alex Pérez and Laura Miele is considered an “audit committee financial expert,” as such term is defined in the rules of the SEC. Our board of directors has also determined that each of Alex Pérez, Dennis Durkin and Laura Miele satisfy the "independence" requirements set forth in Rule 10A-3 of the Exchange Act and NYSE listing standards.

Nomination and Compensation Committee

The nomination and compensation committee, which consists of Amy Banse, Helena Helmersson and Alex Pérez (chairman of the nomination and compensation committee), supports our board of directors by preparing and periodically reviewing our compensation policies and principles and the performance criteria related to compensation, as well as periodically reviewing their implementation. The nomination and compensation committee also submits proposals and recommendations to our board of directors regarding the individual compensation of members of our board of directors and our executive officers, and prepares proposals to the annual general meeting of shareholders regarding the aggregate compensation of the members of the board of directors and our executive officers. The nomination and compensation committee may submit proposals to the board of directors on other compensation-related matters as well. Swiss law requires that we have a compensation committee, so in accordance with the NYSE listing standards, we follow home country requirements with respect to the compensation committee. As a result, our practice varies from the NYSE listing standards, which set forth certain requirements as to the responsibilities, composition and independence of compensation committees for domestic issuers. Swiss law requires that our board of directors submit the aggregate amount of compensation of all members of our board of directors and of all executive officers to a binding shareholder vote every year. The members of the nomination and compensation committee were elected at our last AGM held on May 22, 2025, for a term until the next annual general meeting of shareholders, and the members of the nomination and compensation committee will be elected annually by our annual general meeting of shareholders. The board of directors appoints the chair of the nomination and compensation committee and fills any vacancies until the following annual general meeting of shareholders.

D. Employees

Our strongest asset is our team. We have been able to attract, retain and motivate individuals with a diverse background and skills that together build high performing teams. The exceptional individuals that work at On are carefully assessed through a robust interview process and developed throughout their journey at On. We endeavor to incentivize individuals based on their impact and contribution to On through a total rewards package and other incentives.

Our spirits call on each of our team members to care for each other and our customers. We believe that innovative solutions are best achieved by diverse teams collaborating together. Diversity of thoughts, backgrounds, perceptions and ideas helps us create the technologies and innovations and helps our business thrive.

We partner with suppliers who share our commitment to ethical business conduct, fair labor practices, proven environmental, health, and safety practices and environmental sustainability. We recognize the importance of eliminating forced labor within the supply chain. Our supplier code of conduct prohibits the use of forced labor, and we will not knowingly conduct business with vendors or factories that use forced labor. We condemn human trafficking and abuse of child labor. We expect all of our vendors and suppliers to conduct sufficient due diligence in their supply chains to ensure compliance with our vendor code of conduct. We continue to expand our due diligence activities and vendor engagement and training on this important issue. We are subject to, and comply with, local labor law requirements in all countries in which we operate. Within On, the relationship with our team members is considered positive and we have not experienced any work stoppages.

The number of employees by geographic location as of the end of the period for our fiscal years ended December 31, 2025, 2024 and 2023 was as follows:

in FTE	As of December 31, 2025	2024	2023
On Labs (Headquarters)	1,168	1,033	856
Europe, Middle East and Africa	888	762	511
Americas	811	720	483
Asia-Pacific	1,096	739	503
Total employees (full-time equivalents)	**3,963**	**3,254**	**2,353**
thereof females	*53.3 %*	*50.6 %*	*50.6 %*
thereof males	*46.2 %*	*49.0 %*	*48.9 %*
thereof others	*0.5 %*	*0.4 %*	*0.5 %*
Number of nationalities	107	104	94
Average age	35	33	33
Retail employees	1,230	808	320

E. Share Ownership

The information set forth under "Item 6. Directors, Senior Management and Employees - Compensation" and "Item 7. Major Shareholders and Related Party Transactions" is incorporated by reference.

F. Disclosure of a Registrant's Action to Recover Erroneously Awarded Compensation

Not applicable.

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

A. Major Shareholders

Security Ownership

The following table presents information relating to the beneficial ownership of our Class A ordinary shares and Class B voting rights shares as of December 31, 2025:

- each person, or group of affiliated persons, known by us to own beneficially 5% or more of our outstanding Class A ordinary shares or Class B voting rights shares;
- each of our executive officers and directors; and
- all executive officers and directors as a group.

Beneficial ownership is determined in accordance with SEC rules. The information is not necessarily indicative of beneficial ownership for any other purpose. In general, under these rules a beneficial owner of a security includes any person who, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise has or shares voting power or investment power with respect to such security. A person is also deemed to be a beneficial owner of a security if that person has the right to acquire beneficial ownership of such security within 60 days. Except as otherwise indicated, and subject to applicable community property laws, the persons named in the table have sole voting and investment power with respect to all shares held by that person.

The percentage of outstanding Class A ordinary shares and Class B voting rights shares beneficially owned is computed based on 296,873,353 Class A ordinary shares and 341,241,680 Class B voting rights shares outstanding as of December 31, 2025. Class A ordinary shares or Class B voting rights shares that a person has the right to acquire within 60 days of December 31, 2025 are deemed outstanding for purposes of computing the percentage ownership of the person holding such rights, but are not deemed outstanding for purposes of computing the percentage ownership of any other person, except with respect to the percentage ownership of all executive officers and directors as a group. Consequently, the denominator used for calculating such percentage may be different for each beneficial owner. The numbers and percentages below will not foot due to the unique calculus required by Rule 13d-3 of the Securities Exchange Act of 1934, as amended. Unless otherwise indicated below, the business address for each beneficial owner is On Holding AG, Förrlibuckstrasse 190, 8005 Zurich, Switzerland.

Shareholders	Class A Ordinary Shares	%	Class B Voting Rights Shares	%	% of Total Voting Power	% of Total Economic Ownership
Executives:						
Olivier Bernhard	4,860,086	1.6 %	115,620,840	33.9 %	18.9 %	5.0 %
Caspar Coppetti	2,072,758	0.7 %	109,370,840	32.1 %	17.5 %	3.9 %
David Allemann	2,538,011	0.9 %	103,162,500	30.0 %	16.5 %	3.9 %
Martin Hoffmann	1,411,105	0.5 %	19,412,500	5.6 %	3.2 %	1.0 %
5% or Greater Shareholders:						
FMR LLC[1]	29,680,136	10.0 %	—	— %	4.7 %	9.0 %
Carlos Alberto da Veiga Sicupira[2]	19,833,971	6.7 %	—	— %	3.1 %	6.0 %
Morgan Stanley[3]	19,166,610	6.5 %	—	— %	3.0 %	5.8 %
Marc Lemann[4]	18,002,457	6.1 %	—	— %	2.8 %	5.4 %
Other Directors:						
Alex Pérez	9,771,110	3.3 %	—	— %	1.5 %	3.0 %
Dennis Durkin	97,514	— %	—	— %	— %	— %
Amy Banse	76,056	— %	—	— %	— %	— %
Laura Miele	6,328	— %	—	— %	— %	— %
Helena Helmersson	1,856	— %	—	— %	— %	— %
All directors and executive officers as a group (ten persons)	20,834,824	7.0 %	347,566,680.00	100.0 %	57.1 %	16.8 %

(1) As of December 31, 2025, FMR LLC had sole voting and dispositive power over 29,680,136 Class A ordinary shares, based on a Form 13F filed with the SEC on February 17, 2026. Abigail P. Johnson is a Director, the Chairman and the Chief Executive Officer of FMR LLC. Members of the Johnson family, including Abigail P. Johnson, are the predominant owners, directly or through trusts, of Series B voting common shares of FMR LLC, representing 49% of the voting power of FMR LLC. The address of FMR LLC is 245 Summer Street, Boston, Massachusetts 02210. This information is based on a Schedule 13G/A filed with the SEC on July 8, 2025, except as otherwise noted.

(2) Consists of (i) 19,712,048 Class A ordinary shares held by CHL Investment Fund Ltd. ("CHL") and (ii) 121,923 Class A ordinary shares beneficially owned by Mr. Sicupira's spouse, of which Mr. Sicupira may be deemed to share beneficial ownership. CHL is an investment fund, which is ultimately beneficially owned by Mr. Sicupira. The address for Mr. Sicupira is Attn. Mr. Filipe Romao - Uria Menendez, Praca Marques de Pombal, 12, 1250-162 Lisbon, Portugal. The address for CHL is Goodman's Bay Corporate Centre, 2nd Floor, 309 West Bay Street, PO Box SP61567, Nassau, Bahamas. This information is based on a Schedule 13G filed with the SEC on October 31, 2024.

(3) As of December 31, 2025, (i) Morgan Stanley had shared voting power over 18,120,980 Class A ordinary shares and shared dispositive power over 19,166,610 Class A ordinary

shares and (ii) Morgan Stanley Investment Management Inc. had shared voting power over 17,838,580 Class A ordinary shares and shared dispositive power over 18,876,026 Class A ordinary shares. The securities reported on by Morgan Stanley as a parent holding company are owned, or may be deemed to be beneficially owned, by Morgan Stanley Investment Management Inc., a wholly-owned subsidiary of Morgan Stanley. The address of Morgan Stanley and Morgan Stanley Investment Management Inc. is 1585 Broadway New York, NY 10036. This information is based on a Schedule 13G filed with the SEC on February 12, 2026.

(4) Consists of 18,002,457 Class A ordinary shares held by MAAI Ltd. ("MAAI"). MAAI is a company controlled by Marc Lemann. The address for Marc Lemann is Rua Dr. Renato Paes de Barros, 1017, 15th floor, Sao Paulo – SP, Brazil CEP 04530-001. The address for MAAI is C/O BVC Services Ltd., Bahamas Financial Centre, 2nd Floor, Shirley & Charlotte Streets, PO Box N-1175, Nassau, The Bahamas. This information is based on a Schedule 13G filed with the SEC on December 30, 2021.

Significant Changes in Ownership

According to a Schedule 13G/A filed with the SEC on November 14, 2025, AllianceBernstein L.P. no longer beneficially own more than 5% of our Class A ordinary shares.

To our knowledge, and based on Section 13 filings with the SEC, other than as disclosed in the table above, our other filings with the SEC and this Annual Report, there have been no other significant changes in the percentage ownership held by any major shareholder during the past three years.

Holders

As of December 31, 2025, we had 7 shareholders of record. We estimate that as of December 31, 2025, approximately 96% of our outstanding Class A ordinary shares are held by 2 US record holders. This estimation takes into account that any Class A ordinary shares held by the executive officers shown in the table above are not held by a US holder. Since some of the shares are held by nominees, the number of shareholders may further not be representative of the number of beneficial owners.

B. Related Party Transactions

The following is a description of certain related party transactions we have entered into since January 1, 2023 with any of our executive officers, directors or their affiliates and holders of more than 5% of any class of our voting securities in the aggregate, which we refer to as related parties, other than compensation arrangements which are described under "Item 6. Directors and Senior Management."

Related Person Transaction Policy

Our related person transaction policy states that any related person transaction must be reviewed and approved or ratified by our audit committee or board of directors. In determining whether to approve or ratify a transaction with a related person, our audit committee or board of directors will consider all relevant facts and circumstances, including, without limitation, the commercial reasonableness of the terms of the transaction, the benefit and perceived benefit, or lack thereof, to us, the opportunity costs of an alternative transaction, the materiality and character of the related person's direct or indirect interest and the actual or apparent conflict of interest of the related person. Our audit committee or board of directors will not approve or ratify a related person transaction unless it has determined that, upon consideration of all relevant information, such transaction is in, or not inconsistent with, our best interests and the best interests of our shareholders.

Upon the effective date of the Swiss corporate law reform (see "Item 3 – Key Information – D. Risk Factors, - VI. Risk associated with securities market and ownership of our Class A ordinary shares – (iv) Swiss corporate law"), the members of the board of directors and the executive committee will be required to immediately and fully inform the board of directors about conflicts of interests concerning them. The board of directors will furthermore be required to take measures in order to protect our interests.

Employment Agreements

In connection with the completion of our public offering in 2021, we entered into employment agreements with certain of our executive officers. Each of these agreements provide for a base salary and annual performance cash bonus opportunity (with target and maximum bonus opportunities), as well as participation in certain pension and long-term equity incentive plans and certain other benefits. These agreements generally require 12 months advance notice of termination. The employment agreements also provide for covenants not to compete against us or solicit our employees or customers during employment and for a period of up to one year following termination of employment. We will be required to pay our executive officers compensation for their covenant not to compete with us following termination of employment.

In connection with the departure of (now former) Co-CEO Marc Maurer, the Company entered into a termination agreement under which the parties agreed to terminate his employment agreement effective March 31, 2026. Pursuant to this agreement, the one-year post-termination non-compete covenant was waived. Consequently, no compensation is required to be paid in consideration for this covenant.

Indemnification Agreements

We have entered into indemnification agreements with our executive officers and directors. The indemnification agreements and our amended and restated articles of association require us to indemnify our executive officers and directors to the fullest extent permitted by law.

Shareholders' Agreement

We have entered into a shareholders' agreement with our extended founder team[1] in connection with our IPO in 2021. Pursuant to the terms of the shareholders' agreement, the members of our extended founder team have agreed to vote together on those matters that will be put for a vote in our shareholders' meetings. In particular, if with regard to a specific matter at least 50% or more of the extended founder team and the simple majority of the voting rights of the extended founder team represented at the meeting of the extended founder team resolve to vote in a specific manner, each member of the extended founder team would be required to vote at the shareholders' meeting on such matter accordingly. If at the meeting of the extended founder team no such quorum is reached, the extended founder team would be required to vote (i) for the motions of the board of directors of the Company at the shareholders' meeting as set forth in the invitation to such meeting, or (ii) if a motion is requested by a shareholder, according to the recommendations of the board of directors (except for elections to the board of directors, as to which the extended founder team may vote individually).

Moreover, pursuant to the terms of the shareholders' agreement, the members of the extended founder team are required to vote for a conversion of all Class B voting rights shares into Class A ordinary shares no sooner than 13 months and no later than 24 months following the occurrence of any of the following events, which we refer to as the "general sunset events":

- the extended founder team ceases to hold at least 65% of the aggregate number of Class B voting rights shares held by them immediately following our IPO; or
- fewer than two of the initial holders of Class B voting rights shares continue to hold Class B voting rights shares.

In addition to the general sunset events, the shareholders' agreement includes additional restrictions that apply individually to each member of the extended founder team. In particular, the shareholders' agreement also provides for "individual sunset events," which include the following events:

- an individual member of the extended founder team ceases to hold at least 65% of the number of Class B voting rights shares held by such individual immediately following our IPO;
- a member of the extended founder team is subject to a final non-appealable conviction for fraud, theft, misappropriation and/or criminal mismanagement against the Company and/or its controlled affiliates; and
- a member of the extended founder team dies or is incapacitated in a manner that causes such member to permanently, but not temporarily, be unable to exercise such member's function as an executive or board member.

In each case, such member (or such member's heirs) would be required to offer his Class B voting rights shares for sale to the other members of the extended founder team, or request conversion of the Class B voting rights shares into Class A ordinary shares no sooner than 13 months and no later than 24 months following the occurrence of such individual sunset event.

The shareholders' agreement provides that as long as a co-founder continues to hold at least 65% of the number of Class B voting rights shares held immediately following our IPO, such co-founder shall be entitled to a seat on the board of directors of the Company and that the members of the extended founder team undertake to vote for such co-founder's election or re-election (as applicable) to the board of directors of the Company, subject to limited exceptions, including in the case of certain criminal convictions.

[1] Up until March 31, 2025, our extended founder team included Marc Maurer, former co-CEO.

In addition, the shareholders' agreement also provides members of our extended founder team with a right of first refusal to purchase shares of Class B voting rights shares that are intended to be sold or transferred by other members of our extended founder team, subject to certain exceptions.

Conversion of Class B voting rights shares into Class A ordinary shares requires approval at a general meeting of shareholders. If such conversion is approved, ten (10) Class B voting rights shares will be converted into one (1) Class A ordinary shares. The conversion ratio is strictly based on the different par value of the shares and there will be no separate consideration for the increased voting right power of the Class B voting rights shares. If the conversion is not approved at the general meeting of shareholders, the holder of the Class B voting rights shares may sell such shares to any third party (subject to compliance with applicable law).

Following his departure from an active role at the Company, Marc Maurer ceased to be a party to the shareholders' agreement following the Company's 2025 Annual General Shareholder's Meeting on May 22, 2025 ("2025 AGM"). A portion of his Class B shares were acquired by the other members of the extended founder team, and the remaining portion was converted into Class A ordinary shares following approval by shareholders at the 2025 AGM.

Other Related Party Transactions

For additional information on related party transactions, see *Note 6.5 Related parties* in the Company's annual consolidated financial statements contained in this Annual Report.

C. Interests of Experts and Counsel

Not applicable.

ITEM 8. FINANCIAL INFORMATION

A. Consolidated Statements and Other Financial Information

See "Item 18. Financial Statements".

Legal Proceedings

From time to time, we may be subject to legal proceedings and claims in the ordinary course of business. The results of litigation and claims cannot be predicted with certainty. As of the date of this Annual Report, we do not believe that we are party to any claim or litigation, the outcome of which would, individually or in the aggregate, be reasonably expected to have a material adverse effect on our business.

Dividends and Dividend Policy

We have never declared or paid cash dividends on our share capital. We currently intend to retain all available funds and future earnings, if any, to fund the development and expansion of our business and we do not anticipate paying any cash dividends in the foreseeable future. Any future proposals at our shareholders' meeting regarding the declaration and payment of dividends will be at the discretion of our board of directors and will depend on then-existing conditions, including our financial condition, results of operation, contractual restrictions, capital requirements, business prospects and other factors our board of directors may deem relevant. Under Swiss law, any dividend must be approved by our shareholders.

B. Significant Changes

No significant changes, other than as otherwise described in this Annual Report, have occurred in our operations since the date of our financial statements included in this Annual Report.

ITEM 9. THE OFFER AND LISTING

A. Offer and Listing Details

On Holding AG's Class A ordinary shares have been listed on the NYSE under the symbol "ONON" since September 15, 2021.

B. Plan of Distribution

Not applicable.

C. Markets

See “Item 9.A Offer and Listing Details.”

D. Selling Shareholders

Not applicable.

E. Dilution

Not applicable.

F. Expenses of the Issue

Not applicable.

ITEM 10. ADDITIONAL INFORMATION

A. Share Capital

As of December 31, 2025, we have a share capital of CHF 34.1 million, divided in 306,847,124 authorized Class A ordinary shares, CHF 0.10 par value, of which 296,873,353 are outstanding, and 341,241,680 authorized and outstanding Class B voting rights shares, CHF 0.01 par value. The Company is registered in the commercial register of the canton of Zurich.

B. Memorandum and Articles of Association

When we refer to our articles of association in this Annual Report, we refer to our amended and restated articles of association filed as Exhibit 1.1 to this Annual Report.

Stated objects or purposes

We are incorporated as a corporation (*Aktiengesellschaft*) under the laws of Switzerland and our affairs are governed by the provisions of our articles of association, as amended and restated from time to time, our organizational regulations and by the provisions of applicable Swiss law.

As provided in our articles of association, subject to Swiss law, we have full capacity to carry on or undertake any business or activity, do any act or enter into any transaction, and, for such purposes, have full rights, powers and privileges. Our registered office is Förrlibuckstrasse 190, 8005 Zurich, Switzerland.

Directors

The members of the board of directors and the co-chairmen are elected annually by the general meeting of shareholders for a period until the completion of the subsequent annual general meeting of shareholders and are eligible for re-election. Each member of the board of directors must be elected individually.

Powers

The board of directors has the following non-delegable and inalienable powers and duties:

- to ultimately manage the Company and issue the necessary directives;
- to determine the Company's organization;
- to structure the accounting systems, the reporting systems and financial controls, as well as the financial planning of the Company;
- to appoint and remove the persons entrusted with the management and representation of the Company;
- to exercise the ultimate supervision over the persons entrusted with the management, in particular with respect to compliance with the law and with the articles of association, organizational regulations or any directives, policies or guidelines;
- to prepare the annual report (including, to the extent required, the management report, the consolidated financial statements, the annual statements, and the compensation report), and receive the report of the statutory auditors, as well as of the reports of the board committees;
- to prepare the general meetings of shareholders and to implement the general meetings' resolutions;
- to file a moratorium request and notify the court in case of insolvency or over-indebtedness;
- to pass resolutions regarding the subsequent payment of capital with respect to non-fully paid-up shares;
- to pass resolutions confirming increases in share capital or changes of the currency of the share capital and amending the articles of association in that respect;
- to resolve on any other matter which is subject to board resolution pursuant to the articles of association or mandatory law.

The board of directors may, while retaining such non-delegable and inalienable powers and duties, delegate some of its powers, in particular the direct management, to a single or to several of its members, to committees or to third parties (such as executive officers) who need be neither members of the board of directors nor shareholders. The board of directors will ensure appropriate reporting to its members. Pursuant to Swiss law and our articles of association, details of the delegation and other procedural rules such as quorum requirements have been set in the organizational regulations established by the board of directors.

Shareholder rights

Pursuant to Swiss law and our articles of association, one or more shareholders whose combined shareholdings represent 0.5% of the voting rights or of our share capital may request that an item be included in the agenda for a general meeting of shareholders. To be timely, the shareholder’s request must be in writing and must be received by us at least 60 calendar days in advance of the meeting.

Our annual report, the compensation report and the auditors' report must be made available electronically for inspection by the shareholders no later than 20 days prior to the general meeting of shareholders. If such documents are not available electronically, a shareholder may request that a copy is sent to it.

Dividend Rights

Our board of directors may propose to shareholders that a dividend or other distribution be paid, but cannot itself authorize distributions. Dividend payments require a resolution passed by an absolute majority of the voting rights represented at a general meeting of shareholders. In addition, our auditors must confirm that the dividend proposal of our board of directors conforms to Swiss statutory law and

our articles of association. Dividends that have not been collected within five years after their payment date shall inure to the Company.

Voting Rights

Each of our shares entitles a holder to one vote in the general meeting of the shareholders, irrespective of the par value of such shares. Our shares are not divisible. The right to vote and the other rights of share ownership may only be exercised by shareholders (including any nominees) or usufructuaries who are entered in the share register prior to the applicable cut-off date to be determined by the board of directors. Those entitled to vote in the general meeting of shareholders may be represented by the independent proxy representative (annually elected by the general meeting of shareholders), by its legal representative or by a third party, who does not need to be a shareholder, with due authorization to act as proxy. The chairman of the general meeting of the shareholders has the power to decide whether to recognize a power of attorney.

Transfer of Shares

Shares in uncertificated form (*Wertrechte*) may only be transferred by way of written assignment. Shares or the beneficial interest in shares, as applicable, credited in a securities account may only be transferred when a credit of the relevant intermediated securities to the acquirer's securities account is made in accordance with applicable rules.

Voting rights may be exercised only after a shareholder (including nominee) or usufructuary has been entered in the share register with its name and address (in the case of legal entities, the registered office) as a shareholder with voting rights. For a discussion of the restrictions applicable to the control and exercise of voting rights, see "—Articles of Association—Voting Rights."

Inspection of Books and Records

Under the Swiss Code of Obligations (the "CO"), a shareholder has a right to inspect the share register with respect to its own shares and otherwise to the extent necessary to exercise its shareholder rights. No other person has a right to inspect the share register. Our books and correspondence may be inspected with the express authorization of the general meeting of shareholders or by resolution of the board of directors and subject to the safeguarding of our business secrets and other legitimate interests.

In addition, shareholders holding in the aggregate at least 5% of our nominal share capital or of our voting rights have the right to inspect at any time company ledgers and files. Furthermore, our board of directors is required to grant the inspection request within four months after receipt of such request. Denial of the request needs to be justified in writing.

Special Investigation

If the shareholders' inspection rights as outlined above prove to be insufficient in the judgment of the shareholder, any shareholder who has already exercised its inspection rights may propose to the general meeting of shareholders that specific facts be examined by a special examiner in a special investigation. If the general meeting of shareholders approves the proposal, we or any shareholder may, within 30 calendar days after the general meeting of shareholders, request a court at our registered office (currently Zurich, Canton of Zurich, Switzerland) to appoint a special examiner. If the general meeting of shareholders rejects the request, one or more shareholders representing at least 5 % of our share capital or the voting rights may request that the court appoint a special examiner. The court will issue such an order if the petitioners can demonstrate that the board of directors, any member of the board of directors or our executive committee infringed the law or our articles of association and thereby caused damages to the Company or the shareholders.

The costs of the investigation would generally be allocated to us and only in exceptional cases to the petitioners.

Shareholders' Rights to Bring Actions for the Benefit of the Company

According to the CO, an individual shareholder may bring an action, in its own name and for the benefit of the Company, against the Company's directors, officers or liquidators for the recovery of any losses we have suffered as a result of the intentional or negligent breach by such directors, officers or liquidators of their duties.

Compulsory Acquisitions; Appraisal Rights

Business combinations and other transactions that are governed by Switzerland's Federal Act on Mergers, Demergers, Transformations and the Transfer of Assets of October 3, 2003, as amended (the "Swiss Merger Act") are binding on all shareholders. A statutory merger or demerger requires approval of two-thirds of the shares represented at a general meeting of shareholders and the absolute majority of the par value of the shares represented.

If a transaction under the Swiss Merger Act receives all of the necessary consents, all shareholders are compelled to participate in such a transaction.

Swiss corporations may be acquired by an acquirer through the direct acquisition of the shares of the Swiss corporation. The Swiss Merger Act provides for the possibility of a so-called "cash-out" or "squeeze-out" merger with the approval of holders of 90% of the issued shares. In these limited circumstances, minority shareholders of the corporation being acquired may be compensated in a form other than through shares of the acquiring corporation (for instance, through cash or securities of a parent corporation of the acquiring corporation or of another corporation). For business combinations effected in the form of a statutory merger or demerger and subject to Swiss law, the Swiss Merger Act provides that if equity rights have not been adequately preserved or compensation payments in the transaction are unreasonable, a shareholder may request a competent court to determine a reasonable amount of compensation.

In addition, under Swiss law, the sale of "all or substantially all of our assets" by us may require the approval of two-thirds of the voting rights represented at a general meeting of shareholders and the absolute majority of the par value of the shares represented. Whether a shareholder resolution is required depends on the particular transaction, including whether the following test is satisfied:

- a core part of our business is sold without which it is economically impracticable or unreasonable to continue to operate the remaining business;
- our assets, after the divestment, are not invested in accordance with our corporate purpose as set forth in the articles of association; and
- the proceeds of the divestment are not earmarked for reinvestment in accordance with our corporate purpose but, instead, are intended for distribution to our shareholders or for financial investments unrelated to our corporate purpose.

A shareholder of a Swiss corporation participating in certain major corporate transactions may, under certain circumstances, be entitled to appraisal rights. As a result, such shareholder may, in addition to the consideration (be it in shares or in cash) receive an additional amount to ensure that the shareholder receives the fair value of the shares held by the shareholder. Following a statutory merger or demerger, pursuant to the Swiss Merger Act, shareholders can file an appraisal action against the surviving company. The action must be filed within two months after the merger or demerger resolution has been published in the Swiss Official Gazette of Commerce. The filing of the action will not prevent completion of the merger or demerger. If the consideration is deemed inadequate, the court will determine an adequate compensation payment.

Changes to shareholder rights

Ordinary Capital Increase, Conditional Share Capital and Capital Band

Under Swiss law, we may increase our share capital (*Aktienkapital*) with a resolution of the general meeting of shareholders (ordinary capital increase) that must be carried out by the board of directors within six months of the respective general meeting in order to become effective. Under our articles of association and Swiss law, in the case of subscription and increase against payment of contributions in cash, a resolution passed by an absolute majority of the voting rights represented at the general meeting of shareholders is required. In the case of subscription and increase against contributions in kind or by way of set-off with a debt of the Company, when shareholders' statutory pre-emptive subscription rights or advance subscription rights are limited or withdrawn, or where transformation of freely disposable equity into share capital is involved, a resolution passed by two-thirds of the voting rights represented at a general meeting of shareholders and the absolute majority of the par value of the shares represented is required.

Furthermore, under the CO, our shareholders, by a resolution passed by two-thirds of the voting rights represented at a general meeting of shareholders and the absolute majority of the par value of the shares represented, may:

- authorize our board of directors to issue shares of a specific aggregate par value up to a maximum of 50% of the existing share capital registered in the Commercial Register in the form of conditional share capital (*bedingtes Aktienkapital*) for the purpose of issuing shares in connection with, among other things, (i) option and conversion rights granted in connection with warrants and convertible bonds of the Company or one of our subsidiaries or (ii) grants of rights to employees, members of our board of directors or consultants or to our subsidiaries or other persons providing services to the Company or a subsidiary to subscribe for new shares (conversion or option rights); and/or
- create a capital band (*Kapitalband*) authorizing our board of directors at any time within 5 (five) years to increase or decrease the share capital of the Company by a maximum amount of 50% of the existing the share capital registered in the Commercial Register. As of January 1, 2023, the capital band has replaced the authorized share capital (*genehmigtes Aktienkapital*), which has been abolished. Existing authorized share capital may remain in place until it expires but it may no longer be renewed and no new authorized share capital may be created.

Pre-Emptive and Advance Subscription Rights

Pursuant to the CO, shareholders have pre-emptive subscription rights (*Bezugsrechte*) to subscribe for new issuances of shares. With respect to conditional capital in connection with the issuance of conversion rights, convertible bonds or similar debt instruments, shareholders have advance subscription rights (*Vorwegzeichnungsrechte*) for the subscription of such conversion rights, convertible bonds or similar debt instruments.

A resolution passed at a general meeting of shareholders by two-thirds of the voting rights represented and the absolute majority of the par value of the shares represented may authorize our board of directors to withdraw or limit pre-emptive subscription rights and/or advance subscription rights in certain circumstances.

If pre-emptive subscription rights are granted, but not exercised, the board of directors may allocate the unexercised pre-emptive subscription rights at its discretion.

Shareholder meetings

The general meeting of shareholders is our supreme corporate body. Under Swiss law, an annual general meeting of shareholders must be held annually within six months after the end of a corporation's financial year. In our case, this generally means on or before June 30. In addition, extraordinary general meetings of shareholders may be held.

The following powers are vested exclusively in the general meeting of shareholders:

- adopting and amending the articles of association, including changing the Company's purpose or registered seat;
- electing and de-selecting the members of the board of directors, the co-chairmen of the board of directors, the members of the nomination and compensation committee, the auditors and the independent proxy;
- approving the annual and management report, the annual statutory and consolidated financial statements and determining the allocation of profits shown on the balance sheet, in particular with regard to dividends;
- determining interim dividends and approving the interim financial statements required;
- passing resolutions on the repayment of the statutory capital reserve (*gesetzliche Kapitalreserve*);
- resolving to delist the Company's equity securities;
- approving the aggregate amount of compensation for the members of the board of directors, the executive committee and the advisory board;
- discharging the members of the board of directors and the executive committee from liability with respect to their conduct of business; and
- deciding matters reserved for the general meeting of shareholders by law or the articles of association or submitted by the board of directors.

An extraordinary general meeting of shareholders may be called by a resolution of the board of directors or the general meeting of shareholders or, under certain circumstances, by the Company's auditors, liquidator or the representatives of bondholders, if any. In addition, the board of directors is required to convene an extraordinary general meeting of shareholders if shareholders representing at least 5% of the share capital or of the voting rights of our share capital request such general meeting of shareholders in writing. Such request must set forth the items to be discussed and the proposals to be acted upon. In case of capital loss (*Kapitalverlust*), i.e. if, based on our stand-alone annual statutory balance sheet, the assets less the liabilities no longer cover half of the sum of our share capital, the statutory capital reserves (*gesetzliche Kapitalreserven*) not to be repaid to the shareholders and the statutory retained earnings (*gesetzliche Gewinnreserven*), our board of directors shall take measures to rectify such loss of capital. Where necessary, it shall take further measures to restructure the Company or shall request the general meeting to approve such measures, if they fall within the competence of the general meeting.

Voting and Quorum Requirements

Shareholder resolutions and elections (including elections of members of the board of directors) require the affirmative vote of the absolute majority of voting rights represented at the general meeting of shareholders, unless otherwise stipulated by law or our articles of association.

Under Swiss law and our articles of association, a resolution of the general meeting of the shareholders passed by two-thirds of the voting rights represented at the meeting and the absolute majority of the par value of the shares represented is required for:

- amending the Company's corporate purpose;
- creating or cancelling of voting right shares;
- a consolidation of shares, unless the consent of all the shareholders concerned is required;
- cancelling or amending the transfer restrictions of shares;
- creating conditional share capital or a capital band;
- increasing share capital out of equity, against contributions in-kind or through contribution by set-off and granting specific benefits;
- a change of the currency of the share capital;

- a conversion of participation certificates into shares;
- introducing a provision in the articles of association regarding the holding of the shareholders' meeting abroad;
- an introduction in the articles of association of the casting vote of the chairperson at the general meeting of the shareholders;
- limiting or withdrawing shareholders' pre-emptive subscription rights;
- changing the Company's registered office;
- dissolving or liquidating the Company;
- delisting of the shares; and
- introduction of an arbitration clause in the articles of association.

The same voting requirements apply to resolutions regarding transactions among corporations based on the Swiss Merger Act. See "—Articles of Association — Compulsory Acquisitions; Appraisal Rights."

In accordance with Swiss law and generally accepted business practices, our articles of association do not provide quorum requirements generally applicable to general meetings of shareholders.

Hybrid, Multilocal and Virtual Shareholders' Meeting

A shareholders' meeting may take place at several locations simultaneously, if the votes of the participants are immediately transmitted in sound and image to all meeting venues (multilocal shareholders' meeting). Furthermore, if the board of directors designates an independent proxy representative in the invitation to the general meeting of shareholders and the articles of association contain the necessary provisions in accordance with Swiss law, a shareholders' meeting may be held abroad. The board of directors may previse that shareholders, which are not present at the meeting venue of the shareholders' meeting may exercise their rights electronically (hybrid shareholders' meeting). A virtual shareholders' meeting without a physical meeting venue but using electronic means (virtual shareholders' meeting) is possible if the articles of association include the necessary provisions and the board of directors designates an independent proxy representative in the invitation to the general meeting of shareholders. The board of directors must regulate the use of electronic means and ensure that *(i)* the identity of the participants is established; *(ii)* the votes cast are immediately transmitted; *(iii)* each participant may submit requests and participate in the discussion; and *(iv)* the results cannot be forged.

Convocation

General meetings of shareholders must be convened by the board of directors at least 20 days before the date of the meeting. The general meeting of shareholders is convened by way of an invitation appearing in our official publication medium, currently the Swiss Official Gazette of Commerce.

Registered shareholders may also be informed by ordinary mail or e-mail. The invitation to a general meeting of shareholders must state (i) the date, the beginning, the type and the place of the general meeting, (ii) the items on the agenda, (iii) the motions to be decided by the shareholders together with a brief statement of the reasons therefor and, in case of elections, the names of the nominated candidates, and (iv) the name and address of the independent proxy representative. A resolution on a matter that is not on the agenda may not be passed at a general meeting of shareholders, except for motions to convene an extraordinary general meeting of shareholders, to initiate a special investigation or to elect the auditors, regarding which the general meeting of shareholders may vote at any time. No previous notification is required for motions concerning items included in the agenda or for debates that do not result in a vote.

All of the owners or representatives of our shares may, if no objection is raised, hold a general meeting of shareholders without complying with the formal requirements for convening general meetings of shareholders (a universal meeting). This universal meeting of shareholders may discuss and pass

binding resolutions on all matters within the purview of the general meeting of shareholders, provided that the owners or representatives of all the shares are present at the meeting. Shareholders may also pass resolutions in written or electronic form without complying with the formal requirements for convening general meetings of shareholders provided no shareholder requests the deliberation at a general meeting of shareholders.

Limitations

There are no limitations under the CO or our articles of association on the right of non-Swiss residents or nationals to own or vote shares other than the restrictions applicable to all shareholders.

Disclosure of shareholdings

The disclosure obligations generally applicable to shareholders of Swiss corporations under the Swiss Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading, or the Financial Market Infrastructure Act (the "FMIA"), do not apply to us since our shares are not listed on a Swiss exchange and there is no longer a requirement under Swiss law to disclose significant shareholders and their shareholdings in the notes to their statutory annual financial statements.

Differences in the law

The Swiss laws applicable to Swiss corporations and their shareholders differ from laws applicable to US corporations and their shareholders. The following table summarizes significant differences in shareholder rights between the provisions of the Swiss Code of Obligations (*Obligationenrecht*) applicable to our Company and the Delaware General Corporation Law applicable to companies incorporated in Delaware and their shareholders. Note that this is only a general summary of certain provisions applicable to companies in Delaware. Certain Delaware companies may be permitted to exclude certain of the provisions summarized below in their charter documents. For a more complete discussion, refer to the Delaware General Corporation Law, Swiss law, and our governing articles of association, organizational regulations, and committee charters.

DELAWARE CORPORATE LAW	SWISS CORPORATE LAW
Mergers and similar arrangements	

Under the Delaware General Corporation Law, with certain exceptions, a merger, consolidation, sale, lease or transfer of all or substantially all of the assets of a corporation must be approved by the board of directors and a majority of the outstanding shares entitled to vote thereon. A shareholder of a Delaware corporation participating in certain major corporate transactions may, under certain circumstances, be entitled to appraisal rights pursuant to which such shareholder may receive cash in the amount of the fair value of the shares held by such shareholder (as determined by a court) in lieu of the consideration such shareholder would otherwise receive in the transaction. The Delaware General Corporation Law also provides that a parent corporation, by resolution of its board of directors, may merge with any subsidiary, of which it owns at least 90.0% of each class of capital stock without a vote by the shareholders of such subsidiary. Upon any such merger, dissenting shareholders of the subsidiary would have appraisal rights.	Under Swiss law, with certain exceptions, a merger or a demerger of the corporation or a sale of all or substantially all of the assets of a corporation must be approved by two-thirds of the voting rights represented at the respective general meeting of shareholders as well as the absolute majority of the par value of shares represented at such general meeting of shareholders. A shareholder of a Swiss corporation participating in a statutory merger or demerger pursuant to the Swiss Merger Act (*Fusionsgesetz*) can file a lawsuit against the surviving company. If the consideration is deemed "inadequate," such shareholder may, in addition to the consideration (be it in shares or in cash) receive an additional amount to ensure that such shareholder receives the fair value of the shares held by such shareholder. Swiss law also provides that if the merger agreement provides only for a compensation payment, at least 90.0% of all members in the transferring legal entity, who are entitled to vote, shall approve the merger agreement.
Shareholders' suits	
Class actions and derivative actions generally are available to shareholders of a Delaware corporation for, among other things, breach of fiduciary duty, corporate waste and actions not taken in accordance with applicable law. In such actions, the court has discretion to permit the winning party to recover attorneys' fees incurred in connection with such action.	Class actions and derivative actions as such are not available under Swiss law. Nevertheless, certain actions may have a similar effect. A shareholder is entitled to bring suit against directors for breach of their duties and claim the payment of the company's losses or damages to the corporation and, in some cases, to the individual shareholder. Likewise, an appraisal lawsuit won by a shareholder may indirectly compensate all shareholders. Only to the extent that US. laws and regulations provide a basis for liability and US courts have jurisdiction, a class action may be available. Under Swiss law, the winning party is generally entitled to recover a limited amount of attorneys' fees incurred in connection with such action. The court has discretion to permit the shareholder who lost the lawsuit to recover attorneys' fees incurred to the extent that he or she acted in good faith.
Shareholder vote on board and management compensation	

Under the Delaware General Corporation Law, the board of directors has the authority to fix the compensation of directors, unless otherwise restricted by the certificate of incorporation or bylaws.	Pursuant to the Swiss Code of Obligations, the general meeting of shareholders has the non-transferable right, amongst others, to vote separately and bindingly on the aggregate amount of compensation of the members of the board of directors, of the executive board and of the advisory boards.
Annual vote on board renewal	
Unless directors are elected by written consent in lieu of an annual meeting, directors are elected in an annual meeting of shareholders on a date and at a time designated by or in the manner provided in the bylaws. Re-election is possible. Classified boards are permitted.	The general meeting of shareholders elects the members of the board of directors, the (co-)chairperson(s) of the board of directors and the members of the compensation committee individually and annually for a term of office until the end of the following general meeting of shareholders. Re-election is possible. Terms of office until the next ordinary general meeting of shareholders are mandatory under Swiss law for listed companies. Classified boards are therefore not permitted.

Indemnification of directors and executive officers and limitation of liability

The Delaware General Corporation Law provides that a certificate of incorporation may contain a provision eliminating or limiting the personal liability of directors or officers of the corporation for monetary damages for breach of a fiduciary duty as a director or officer, except no provision in the certificate of incorporation may eliminate or limit the liability of:

- a director or officer for any breach of a director's or officer's duty of loyalty to the corporation or its shareholders;
- a director or officer for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law;
- a director for statutory liability for unlawful payment of dividends or unlawful share purchase or redemption;
- a director or officer for any transaction from which the director or officer derived an improper personal benefit; or
- an officer in any action by or in the right of the corporation.

A Delaware corporation may indemnify any person who was or is a party or is threatened to be made a party to any proceeding, other than an action by or on behalf of the corporation, because the person is or was a director or officer, against liability incurred in connection with the proceeding if the director or officer acted in good faith and in a manner reasonably believed to be in, or not opposed to, the best interests of the corporation; and the director or officer, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful.

Under Swiss corporate law, an indemnification by the corporation of a director or member of the executive committee in relation to potential personal liability is not effective to the extent the director or member of the executive committee intentionally or grossly negligently violated his or her corporate duties towards the corporation. Furthermore, the general meeting of shareholders may discharge (release) the directors and members of the executive committee from liability for their conduct to the extent the respective facts are known to shareholders. Such discharge is effective only with respect to claims of the company and of those shareholders who approved the discharge or who have since acquired their shares in full knowledge of the discharge. Most violations of corporate law are regarded as violations of duties towards the corporation rather than towards the shareholders. In addition, indemnification of other controlling persons is not permitted under Swiss corporate law, including shareholders of the corporation.

The articles of association of a Swiss corporation may also set forth that the corporation shall indemnify and hold harmless, to the extent permitted by the law, the directors and executive managers out of assets of the corporation against threatened, pending or completed actions. Our articles of association provide for such indemnification.

Also, a corporation may enter into and pay for directors' and officers' liability insurance, which may cover negligent acts as well.

Unless ordered by a court, any foregoing indemnification is subject to a determination that the director or officer has met the applicable standard of conduct:

- by a majority vote of the directors who are not parties to the proceeding, even though less than a quorum;
- by a committee of directors designated by a majority vote of the eligible directors, even though less than a quorum;
- by independent legal counsel in a written opinion if there are no eligible directors, or if the eligible directors so direct; or
- by the shareholders.

Moreover, a Delaware corporation may not indemnify a director or officer in connection with any proceeding in which the director or officer has been adjudged to be liable to the corporation unless and only to the extent that the court determines that, despite the adjudication of liability but in view of all the circumstances of the case, the director or officer is fairly and reasonably entitled to indemnity for those expenses which the court deems proper.

Directors' fiduciary duties

A director of a Delaware corporation has a fiduciary duty to the corporation and its shareholders. This duty has two components:

- the duty of care; and
- the duty of loyalty.

The board of directors of a Swiss corporation manages the business of the corporation, unless responsibility for such management has been duly delegated to the executive board based on organizational regulations. However, there are several non-transferable duties of the board of directors:

The duty of care requires that a director act in good faith, with the care that an ordinarily prudent person would exercise under similar circumstances. Under this duty, a director must inform himself or herself of, and disclose to shareholders, all material information reasonably available regarding a significant transaction.

The duty of loyalty requires that a director act in a manner he or she reasonably believes to be in the best interests of the corporation. He or she must not use his or her corporate position for personal gain or advantage. This duty prohibits self-dealing by a director and mandates that the best interest of the corporation and its shareholders take precedence over any interest possessed by a director, officer or controlling shareholder and not shared by the shareholders generally. In general, actions of a director are presumed to have been made on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the corporation. However, this presumption may be rebutted by evidence of a breach of one of the fiduciary duties.

Should such evidence be presented concerning a transaction by a director, a director must prove the procedural fairness of the transaction, and that the transaction was of fair value to the corporation.

- the overall management of the corporation and the issuing of all necessary directives;
- determination of the corporation's organization;
- the organization of the accounting, financial control and financial planning systems as required for management of the corporation;
- the appointment and dismissal of persons entrusted with managing and representing the corporation;
- overall supervision of the persons entrusted with managing the corporation, in particular with regard to compliance with the law, articles of association, operational regulations and directives;
- compilation of the annual report, preparation for the general meeting of the shareholders, the compensation report and implementation of its resolutions; and
- filing of a moratorium request and notifying the court in the event that the company is over-indebted.

The members of the board of directors must perform their duties with all due diligence and safeguard the interests of the corporation in good faith. They must afford the shareholders equal treatment in equal circumstances.

The duty of care requires that a director act in good faith, with the care that an ordinarily prudent director would exercise under like circumstances.

The members of the board of directors and the executive committee are also required to immediately and fully inform the board of directors about conflicts of interests concerning them. The board of directors is furthermore required to take measures in order to protect the interests of the company.

	The duty of loyalty requires that a director safeguard the interests of the corporation and requires that directors act in the interest of the corporation and, if necessary, put aside their own interests. If there is a risk of a conflict of interest, the board of directors must take appropriate measures to ensure that the interests of the company are duly taken into account. The burden of proof for a violation of these duties is with the corporation or with the shareholder bringing a suit against the director. The Swiss Federal Supreme Court established a doctrine that restricts its review of a business decision if the decision has been taken following proper preparation, on an informed basis and without conflicts of interest.
Shareholder action by written consent	
A Delaware corporation may, in its certificate of incorporation, eliminate the right of shareholders to act by written consent.	Shareholders of a Swiss corporation may exercise their voting rights in a general meeting of shareholders. Shareholders can only act by written consent if no shareholder requests a general meeting of shareholders. The articles of association must allow for (independent) proxies to be present at a general meeting of shareholders. The instruction of such (independent) proxies may occur in writing or electronically.

Shareholder proposals

A shareholder of a Delaware corporation has the right to put any proposal before the annual meeting of shareholders, provided it complies with the notice provisions in the governing documents. A special meeting may be called by the board of directors or any other person authorized to do so in the governing documents, but shareholders may be precluded from calling special meetings.

At any general meeting of shareholders any shareholder may put proposals to the meeting if the proposal is part of an agenda item. No resolution may be taken on proposals relating to the agenda items that were not duly notified. Unless the articles of association provide for a lower threshold or for additional shareholders' rights:

- one or several shareholders together representing at least 5% of the share capital or the voting rights may request in writing that a general meeting of shareholders be called for specific agenda items and specific proposals; and
- one or several shareholders together representing shares with a par value of at least 0.5% of the share capital or representing at least 0.5% of the voting rights, may request in writing that an agenda item including a specific proposal be put on the agenda for a scheduled general meeting of shareholders, provided such request is made with appropriate lead time.

Any shareholder can propose candidates for election as directors or make other proposals within the scope of an agenda item without prior written notice.

In addition, any shareholder is entitled, at a general meeting of shareholders and without advance notice, to (i) request information from the board of directors on the affairs of the company (note, however, that the right to obtain such information is limited), (ii) request information from the auditors on the methods and results of their audit, (iii) request that the general meeting of shareholders resolve to convene an extraordinary general meeting, or (iv) request that the general meeting of shareholders resolve to appoint an examiner to carry out a special examination (*Sonderuntersuchung*).

Cumulative voting	
Under the Delaware General Corporation Law, cumulative voting for elections of directors is not permitted unless the corporation's certificate of incorporation provides for it.	Cumulative voting is not permitted under Swiss corporate law. Pursuant to Swiss law, shareholders can vote for each proposed candidate, but they are not allowed to cumulate their votes for single candidates. An annual individual election of (i) all members of the board of directors, (ii) the (co-)chairperson(s) of the board of directors, (iii) the members of the compensation committee, (iv) the independent proxy for a term of office of one year (i.e., until the following annual general meeting of shareholders), as well as the vote on the aggregate amount of compensation of the members of the board of directors, of the executive committee and of the members of any advisory board, is mandatory for listed companies.
Removal of directors	
A Delaware corporation with a classified board may be removed only for cause with the approval of a majority of the outstanding shares entitled to vote, unless the certificate of incorporation provides otherwise.	A Swiss corporation may remove, with or without cause, any director at any time with a resolution passed by a majority of the voting rights represented at a general meeting of shareholders where a proposal for such removal was properly set on the agenda.
Transactions with interested shareholders	
The Delaware General Corporation Law generally prohibits a Delaware corporation from engaging in certain business combinations with an "interested shareholder" for three years following the date that such person becomes an interested shareholder. An interested shareholder generally is a person or group who or which owns or owned 15.0% or more of the corporation's outstanding voting shares within the past three years.	No such rule applies to a Swiss corporation.
Dissolution; Winding up	
Unless the board of directors of a Delaware corporation approves the proposal to dissolve, dissolution must be approved by shareholders holding 100.0% of the total voting power of the corporation. Only if the dissolution is initiated by the board of directors may it be approved by a simple majority of the corporation's outstanding shares. Delaware law allows a Delaware corporation to include in its certificate of incorporation a supermajority voting requirement in connection with dissolutions initiated by the board.	A dissolution of a Swiss corporation requires the approval by two-thirds of the voting rights represented at the respective general meeting of shareholders as well as the absolute majority of the par value of shares represented at such general meeting of shareholders. The articles of association may increase the voting thresholds required for such a resolution.

	Dissolution by law or court order is possible if, for example, a corporation becomes bankrupt. Under Swiss law, any surplus arising out of a liquidation (after the settlement of all claims of all creditors) is distributed to shareholders in proportion to the paid up par value of shares held. The articles of association may provide for different form of distribution.
Variation of rights of shares	
A Delaware corporation may vary the rights of a class of shares with the approval of a majority of the outstanding shares of such class, unless the certificate of incorporation provides otherwise.	The general meeting of shareholders of a Swiss corporation may resolve that preference shares be issued or that existing shares be converted into preference shares with a resolution passed by a majority of the shares represented at the general meeting of shareholders. Where a company has issued preference shares, further preference shares conferring preferential rights over the existing preference shares may be issued only with the consent of both a special meeting of the adversely affected holders of the existing preference shares and of a general meeting of all shareholders, unless otherwise provided in the articles of association. Shares with preferential voting rights (such as our Class B voting rights shares) are not regarded as preference shares for these purposes.
Amendment of governing documents	
A Delaware corporation's governing documents may be amended with the approval of a majority of the outstanding shares entitled to vote, unless the certificate of incorporation provides otherwise.	The articles of association of a Swiss corporation may be amended with a resolution passed by a majority of the voting rights represented at a general meeting of shareholders, unless otherwise provided in the articles of association. There are a number of resolutions, such as an amendment of the stated purpose of the corporation, the introduction of conditional capital and of a capital band and the introduction of shares with preferential voting rights, that require the approval by two-thirds of the voting rights and an absolute majority of the par value of the shares represented at such general meeting of shareholders. The articles of association may increase these voting thresholds. Subject to certain requirements, shareholders may submit a proposal to amend the articles of association to be voted on at a general meeting of shareholders.

Inspection of books and records

Shareholders of a Delaware corporation, upon written demand under oath stating the purpose thereof, have the right during the usual hours for business to inspect for any proper purpose, and to obtain copies of list(s) of shareholders and other books and records of the corporation and its subsidiaries, if any, to the extent the books and records of such subsidiaries are available to the corporation.

Under Swiss law, a shareholder may request to inspect a corporation's minutes of general meetings of shareholders. A corporation's annual report, compensation report and the auditors' reports must be made available for inspection by shareholders at the corporation's registered office at least 20 calendar days prior to each annual general meeting of shareholders. Shareholders registered in the share register of a corporation must be notified of the availability of these documents in writing. Any shareholder may request a copy of these reports in advance of, or after, the relevant annual general meeting of shareholders.

Shareholders holding in the aggregate at least 5% of the nominal share capital or of the voting rights of a Swiss corporation may only inspect books and records if the general meeting of shareholders or the board of directors approved such inspection. The information may be refused where providing it would jeopardize the corporation's trade secrets or other interests warranting protection. A shareholder is only entitled to receive information to the extent required to exercise his or her rights as a shareholder, subject to the interests of the corporation. A shareholder's right to inspect the share register is limited to the right to inspect his or her own entry in the share register.

Furthermore, the board of directors is required to grant the inspection request within four months after receipt of such request. Denial of the request will need to be justified in writing. In case an inspection or information request is denied by the board of directors, shareholders may request the order of an inspection or information right by the court within thirty days.

Payment of dividends

The board of directors may approve a dividend without shareholder approval. Subject to any restrictions contained in its certificate of incorporation, the board may declare and pay dividends upon the shares of its capital stock either: • out of its surplus, or • in case there is no such surplus, out of its net profits for the fiscal year in which the dividend is declared and/or the preceding fiscal year. Shareholder approval is required to authorize capital stock in excess of that provided in the charter. Directors may issue authorized shares without shareholder approval.	Dividend payments are subject to the approval of the general meeting of shareholders. The board of directors may propose to shareholders that a dividend shall be paid but cannot itself authorize the distribution. Payments out of a Swiss corporation's share capital (in other words, the aggregate par value of the corporation's registered share capital) in the form of dividends are not allowed and may be made only by way of a share capital reduction. Dividends may be paid only from the profits of the previous business year or brought forward from previous business years or if the corporation has freely distributable reserves, each as evidenced by the corporation's audited stand-alone statutory balance sheet prepared pursuant to Swiss law, after allocations to reserves required by Swiss law and the articles of association have been deducted and the corporation's statutory auditors have confirmed that the dividend proposal complies with Swiss law and the corporation's articles of association. Swiss corporations are permitted to pay interim dividends out of the current business year's profits, provided that an interim audited stand-alone statutory balance sheet is drawn-up in addition to the general dividend requirements.

Creation and issuance of new shares

All creations of shares require the board of directors to adopt a resolution or resolutions, pursuant to authority expressly vested in the board of directors by the provisions of the company's certificate of incorporation.	All creations of shares require a shareholders' resolution. A capital band (*Kapitalband*), if resolved by the general meeting of shareholders, will authorize the board of directors at any time within 5 (five) years to increase or decrease the share capital by a maximum amount of 50% of the current share capital. The creation of conditional share capital requires at least two-thirds of the voting rights represented at the general meeting of shareholders and an absolute majority of the par value of shares represented at such meeting. Shares are created and issued out of conditional share capital through the exercise of options or of conversion rights that the board of directors may grant in relation to, e.g., debt instruments or employees.

Changes in capital

The requirements of the articles of association regarding changes in capital are not more stringent than the requirements of Swiss law.

C. Material Contracts

Neither the Company nor its subsidiaries has been a party, within the two years immediately preceding this Annual Report, to a contract that is material to the Company, other than (i) contracts entered into in the ordinary course of business and (ii) the credit facility described under “Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources—Indebtedness.”

D. Exchange Controls

There are no Swiss governmental laws, decrees or regulations that affect – in a manner material to On Holding AG – the export or import of capital, including the availability of cash and cash equivalents for use by the Company or the remittance of dividends, interest or other payments to non-residents or non-citizens of Switzerland who hold On Holding AG securities, other than tax withholding requirements as discussed below (see *"Taxation").*

E. Taxation

The following summary contains a description of certain Swiss and US federal income tax consequences of the acquisition, ownership and disposition of Class A ordinary shares, but it does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase Class A ordinary shares. The summary is based upon the tax laws of Switzerland and regulations thereunder and upon the tax laws of the US and regulations thereunder as of the date hereof, which are subject to change.

Swiss Tax Considerations

Withholding Tax

Under present Swiss tax law, dividends due and similar cash or in-kind distributions made by the Company to a shareholder of Class A ordinary shares (including liquidation proceeds, bonus shares and taxable repurchases of Class A ordinary shares as described above) are subject to Swiss federal withholding tax (“Withholding Tax”), currently at a rate of 35% (applicable to the gross amount of taxable distribution). The Company is obliged to deduct the Withholding Tax from the gross amount of any taxable distribution and to pay the tax to the Swiss Federal Tax Administration within 30 days of the due date of such distribution. The repayment of the par value of the Class A ordinary shares and any repayment of qualifying additional paid-in capital (capital contribution reserves confirmed by Swiss Federal Tax Administration, *Reserven aus Kapitaleinlagen bestätigt durch die Eidgenössische Steuerverwaltung*), within the limitations accepted by the legislation in force when such dividend becomes due and the respective administrative practice, are not subject to the Withholding Tax.

Swiss resident individuals who hold their Class A ordinary shares as private assets (“Resident Private Shareholders”) are in principle eligible for a full refund or credit against income tax of the Withholding Tax if they duly report the underlying income in their income tax return. In addition, (i) corporate and individual shareholders who are resident in Switzerland for tax purposes, (ii) corporate and individual shareholders who are not resident in Switzerland, and who, in each case, hold their Class A ordinary shares as part of a trade or business carried on in Switzerland through a permanent establishment with fixed place of business situated in Switzerland for tax purposes and (iii) Swiss resident private individuals who, for income tax purposes, are classified as “professional securities dealers” for reasons of, inter alia, frequent dealing, or leveraged investments, in shares and other

securities (collectively, "Domestic Commercial Shareholders") are in principle eligible for a full refund or credit against income tax of the Withholding Tax if they, inter alia, duly report the underlying income in their income statements or income tax return, as the case may be.

Shareholders who are not resident in Switzerland for tax purposes, and who, during the respective taxation year, have not engaged in a trade or business carried on through a permanent establishment with fixed place of business situated in Switzerland for tax purposes, and who are not subject to corporate or individual income taxation in Switzerland for any other reason (collectively, "Non-Resident Shareholders") may be entitled to a total or partial refund of the Withholding Tax if the country in which such recipient resides for tax purposes maintains a bilateral treaty for the avoidance of double taxation with Switzerland and further conditions of such treaty are met. Non-Resident Shareholders should be aware that the procedures for claiming treaty benefits (and the time required for obtaining a refund) may differ from country to country. Non-Resident Shareholders should consult their own legal, financial or tax advisors regarding receipt, ownership, purchases, sale or other dispositions of Class A ordinary shares and the procedures for claiming a refund of the Withholding Tax.

Swiss Federal Stamp Taxes

Any transactions in Class A ordinary shares in the secondary markets are subject to Swiss securities turnover tax at an aggregate rate of 0.15% of the consideration paid for such Class A ordinary shares, however, only if a bank or other securities dealer in Switzerland or Liechtenstein, as defined in the Swiss Federal Stamp Tax Act (Stempelabgabengesetz), is a party or an intermediary to the transaction and no exemption applies.

Swiss Federal, Cantonal and Communal Individual Income Tax and Corporate Income Tax

Non-Resident Shareholders

Non-Resident Shareholders are not subject to any Swiss federal, cantonal or communal income tax on dividend payments and similar distributions because of the mere holding of Class A ordinary shares. The same generally applies for capital gains on the sale of Class A ordinary shares. For Withholding Tax consequences, see "—Swiss Tax Considerations—Withholding Tax."

Resident Private Shareholders and Domestic Commercial Shareholders

Resident Private Shareholders who receive dividends and similar cash or in-kind distributions (including liquidation proceeds as well as bonus shares or taxable repurchases of Class A ordinary shares as described above), which are not repayments of the par value of Class A ordinary shares or, within the limitations accepted by the legislation in force and the respective administrative practice, qualifying additional paid-in capital, are required to report such distributions in their individual income tax returns. A gain or a loss by Resident Private Shareholders realized upon the sale or other disposition of Class A ordinary shares to a third party will generally be a tax-free private capital gain or a not tax-deductible capital loss, as the case may be.

Domestic Commercial Shareholders who receive dividends and similar cash or in-kind distributions (including liquidation proceeds as well as bonus shares) are required to recognize such payments in their income statements for the relevant tax period and are subject to Swiss federal, cantonal and communal individual or corporate income tax, as the case may be, on any net taxable earnings accumulated (including the dividends) for such period. Domestic Commercial Shareholders who are corporate taxpayers may qualify for participation relief on dividend distributions (Beteiligungsabzug), if the criteria listed in the law apply. For cantonal and communal income tax purposes, the regulations on participation relief are broadly similar, depending on the canton of residency.

Domestic Commercial Shareholders are required to recognize a gain or loss realized upon the disposal of Class A ordinary shares in their income statement for the respective taxation period and are

subject to Swiss federal, cantonal and communal individual or corporate income tax, as the case may be, on any net taxable earnings (including the gain or loss realized on the sale or other disposition of ordinary shares) for such taxation period.

Swiss Wealth Tax and Capital Tax

Non-Resident Shareholders

Non-Resident Shareholders holding Class A ordinary shares are not subject to cantonal and communal wealth or annual capital tax because of the mere holding of Class A ordinary shares.

Resident Private Shareholders

Resident Private Shareholders are required to report the market value of their Class A ordinary shares at the end of each tax period as part of their private wealth and which is subject to cantonal and communal wealth tax.

Domestic Commercial Shareholders

Domestic Commercial Shareholders are required to report their ordinary shares as part of their business wealth or taxable capital, as defined, and which is subject to cantonal and communal wealth or annual capital tax.

Automatic Exchange of Information in Tax Matters

On November 19, 2014, Switzerland signed the Multilateral Competent Authority Agreement. The Multilateral Competent Authority Agreement is intended to ensure the uniform implementation of Automatic Exchange of Information (the "AEOI"). The Swiss Federal Act on the International Automatic Exchange of Information in Tax Matters (the "AEOI Act") entered into force on January 1, 2017. The AEOI Act is the legal basis for the implementation of the AEOI standard in Switzerland.

The AEOI is being introduced in Switzerland through bilateral agreements or multilateral agreements. The agreements have been, and will be, concluded on the basis of guaranteed reciprocity, compliance with the principle of specialty (i.e., the information exchanged may only be used to assess and levy taxes (and for criminal tax proceedings)) and adequate data protection.

Based on such multilateral and bilateral agreements and the implementing laws of Switzerland, Switzerland collects data in respect of financial assets, which may include Class A ordinary shares of the Company, held in, and income derived thereon and credited to, accounts or deposits with a paying agent in Switzerland for the benefit of individuals resident in a EU member state or in a treaty state since 2017, and exchanges it since 2018. Switzerland has signed and is expected to sign AEOI agreements with other countries. A list of such agreements of Switzerland in effect or signed and becoming effective can be found on the website of the State Secretariat for International Finance.

In addition to financial account data, Switzerland has implemented the automatic exchange of information regarding the OECD/G20 Global Minimum Tax (Pillar 2). Following the approval of the Multilateral Competent Authority Agreement on the Exchange of GloBE Information Returns ("GIR MCAA"), the Federal Council amended the Minimum Tax Ordinance effective January 1, 2026. Under this framework, Switzerland will automatically exchange GloBE Information Returns ("GIR") containing data on the effective tax rate and top-up tax calculations of in-scope multinational enterprise groups with partner jurisdictions.

Swiss Facilitation of the Implementation of the US Foreign Account Tax Compliance Act

Switzerland has concluded an intergovernmental agreement with the US to facilitate the implementation of US Foreign Account Tax Compliance Act. The agreement ensures that the accounts held by US persons with Swiss financial institutions are disclosed to the US tax authorities either with the consent of the account holder or by means of group requests within the scope of administrative assistance. Information will not be transferred automatically in the absence of consent, and instead will be exchanged only within the scope of administrative assistance on the basis of the double taxation agreement between the US and Switzerland. On October 8, 2014, the Swiss Federal Council approved a mandate for negotiations with the US on changing the current direct-notification-based regime to a regime where the relevant information is sent to the Swiss Federal Tax Administration, which in turn provides the information to the US tax authorities.

US Tax Considerations

The following section describes the material US federal income tax consequences to US Holders, as defined below, of owning and disposing of Class A ordinary shares. It does not set forth all tax considerations that may be relevant to a particular person's decision to acquire Class A ordinary shares.

This section applies only to a US Holder that holds Class A ordinary shares as capital assets for US federal income tax purposes. This section does not include a description of the state, local or non-US tax consequences that may be relevant to US Holders, nor does it address US federal tax consequences (such as gift and estate taxes) other than income taxes. In addition, it does not set forth all of the US federal income tax consequences that may be relevant in light of the US Holder's particular circumstances, including alternative minimum tax consequences, rules conforming the timing of income accruals with respect to the Class A ordinary shares to financial statements under Section 451(b) of the Code, the potential application of the provisions of the Code known as the Medicare contribution tax and tax consequences applicable to US Holders subject to special rules, such as:

- certain financial institutions;
- dealers or traders in securities who use a mark-to-market method of tax accounting;
- persons holding Class A ordinary shares as part of a hedging transaction, straddle, wash sale, conversion transaction or other integrated transaction or persons entering into a constructive sale with respect to the Class A ordinary shares;
- persons whose functional currency for US federal income tax purposes is not the USD;
- entities classified as partnerships or S corporations for US federal income tax purposes;
- persons who acquire our Class A ordinary shares through the exercise of an option or otherwise as compensation;
- tax-exempt entities, including an "individual retirement account" or "Roth IRA";
- real estate investment trusts or regulated investment companies;
- former US citizens or long-term residents of the US;
- persons that own or are deemed to own 10% or more of our shares (by vote or value); or
- persons holding Class A ordinary shares in connection with a trade or business conducted outside of the US or in connection with a permanent establishment or other fixed place of business outside of the US.

If an entity or arrangement that is classified as a partnership for US federal income tax purposes holds Class A ordinary shares, the US federal income tax treatment of a partner will generally depend on the status of the partner and the activities of the partnership. Partnerships holding Class A ordinary

shares and partners in such partnerships should consult their tax advisers as to the particular US federal income tax consequences of owning and disposing of the Class A ordinary shares.

This section is based on the Code, administrative pronouncements, judicial decisions, final, temporary and proposed Treasury regulations, and the income tax treaty between the Switzerland and the US, or the "Treaty", all as of the date hereof, any of which is subject to change or differing interpretations, possibly with retroactive effect. Any change or different interpretation could alter the tax consequences to US Holders described in this section. In addition, there can be no assurance that the Internal Revenue Service, or IRS, will not challenge one or more of the tax consequences described in this section.

A "US Holder" is a holder who, for US federal income tax purposes, is a beneficial owner Class A ordinary shares, who is eligible for the benefits of the Treaty and who is:

- a citizen or individual resident of the US;
- a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the US, any state therein or the District of Columbia; or
- an estate or trust the income of which is subject to US federal income taxation regardless of its source.

US Holders should consult their tax advisers concerning the US federal, state, local and non-US tax consequences of owning and disposing of Class A ordinary shares in their particular circumstances.

Taxation of Distributions

We do not currently expect to make distributions on our Class A ordinary shares. In the event that we do make distributions of cash or other property, subject to the passive foreign investment company rules described below, distributions paid on Class A ordinary shares, other than certain pro rata distributions of Class A ordinary shares, will be treated as dividends to the extent paid out of our current or accumulated earnings and profits (as determined under US federal income tax principles). To the extent that the amount of the distribution exceeds our current and accumulated earnings and profits (as determined under US federal income tax principles), such excess amount will be treated first as a tax-free return of a US Holder's tax basis in the Class A ordinary shares, and then, to the extent such excess amount exceeds such holder's tax basis in the Class A ordinary shares, as capital gain. However, we currently do not, and we do not intend to calculate our earnings and profits under US federal income tax principles. Therefore, a US Holder should expect that any distribution will generally be reported as a dividend even if that distribution would otherwise be treated as a non-taxable return of capital or as capital gain under the rules described above.

Subject to certain holding-period requirements and the passive foreign investment company rules described below, for so long as our Class A ordinary shares are listed on the NYSE or another established securities market in the US or we are eligible for benefits under the Treaty, dividends paid to certain non-corporate US Holders will generally be eligible for taxation as "qualified dividend income," which, subject to applicable limitations, is taxable at rates not in excess of the long-term capital gain rate applicable to such US Holders. US Holders should consult their tax advisers regarding the availability of the reduced tax rate on dividends in their particular circumstances.

The amount of a dividend will include any amounts withheld by us or an applicable withholding agent in respect of Swiss income taxes. The amount of the dividend will be treated as foreign-source dividend income to US Holders and will not be eligible for the dividends-received deduction available to US corporations under the Code. Dividends will be included in a US Holder's income on the date of the US Holder's receipt of the dividend. The amount of any dividend income paid in Swiss francs will be the USD amount calculated by reference to the exchange rate in effect on the date of actual or constructive receipt, regardless of whether the payment is in fact converted into USD at that time. A US Holder may have foreign currency gain or loss if the dividend is converted into USD after the date of receipt.

Subject to applicable limitations, some of which vary depending upon the US Holder's particular circumstances, Swiss income taxes withheld from dividends on Class A ordinary shares (at a rate not

exceeding the rate provided by the Treaty, in the case of a US Holder eligible for a reduced rate under the Treaty) will be creditable against the US Holder's US federal income tax liability. The rules governing foreign tax credits are complex and US Holders should consult their tax advisers regarding the creditability of foreign taxes in their particular circumstances. In lieu of claiming a foreign tax credit, US Holders may, at their election, deduct foreign taxes, including any Swiss income tax, in computing their taxable income, subject to generally applicable limitations under US law. An election to deduct foreign taxes instead of claiming foreign tax credits applies to all foreign taxes paid or accrued in the taxable year.

Sale or Other Disposition of Class A ordinary shares

Subject to the passive foreign investment company rules described below, gain or loss realized on the sale or other disposition of Class A ordinary shares will be capital gain or loss, and will be long-term capital gain or loss if the US Holder held the Class A ordinary shares for more than one year. The amount of the gain or loss will equal the difference between the US Holder's tax basis in the Class A ordinary shares disposed of and the amount realized on the disposition, in each case as determined in USD. This gain or loss will generally be US-source gain or loss for foreign tax credit purposes. The deductibility of capital losses is subject to various limitations. US Holders should consult their tax advisers regarding the proper treatment of gain or loss in their particular circumstances, including the effects of any applicable income tax treaties.

Passive Foreign Investment Company Rules

Under the Code, we will be a PFIC for any taxable year in which, after the application of certain "look-through" rules with respect to subsidiaries, either (i) 75% or more of our gross income consists of "passive income," or (ii) 50% or more of the average quarterly value of our assets consist of assets that produce, or are held for the production of, "passive income" (including cash). For purposes of the above calculations, we will be treated as if we hold our proportionate share of the assets of, and receive directly our proportionate share of the income of, any other corporation in which we directly or indirectly own at least 25%, by value, of the shares of such corporation. Passive income includes, among other things, interest, dividends, rents, certain non-active royalties and capital gains.

Based on the market price of our Class A ordinary shares during 2024 and the composition of our income and assets, including goodwill, we believe that we were not a PFIC for our 2024 taxable year. Even if we have determined that we are not a PFIC for a taxable year, there can be no assurance that the IRS will agree with our conclusion or that the IRS would not successfully challenge our position. The determination of whether we are a PFIC is a fact-intensive determination that must be made on an annual basis applying principles and methodologies that are in some circumstances unclear, and whether we were a PFIC in 2024 is uncertain in several respects. Moreover, our PFIC status for any taxable year will depend on the composition of our income and assets and the value of our assets from time to time (which may be determined, in part, by reference to the market price of our Class A ordinary shares, which may fluctuate substantially over time). Accordingly, there can be no assurance that we will not be a PFIC for any future taxable year. If we are a PFIC for any year during which a US Holder holds Class A ordinary shares, we would continue to be treated as a PFIC with respect to that US Holder for all succeeding years during which the US Holder holds Class A ordinary shares, even if we ceased to meet the threshold requirements for PFIC status, unless the US Holder makes a valid deemed sale or deemed dividend election under the applicable Treasury regulations with respect to its Class A ordinary shares. If the deemed sale election is made, the US Holder will be deemed to sell the Class A ordinary shares it holds at their fair market value on the "qualification date," which may result in recognition of gain (but not loss) without the receipt of any corresponding cash. If the deemed dividend election is made, the US Holder must include in income its pro rata share of our post-1986 earnings and profits attributable to the Class A ordinary shares held on the "qualification date" without the receipt of any corresponding cash. After the deemed sale or deemed dividend election, the US Holder's Class A ordinary shares would not be treated as shares of a PFIC unless we subsequently again become a PFIC.

If we are a PFIC for any taxable year during which a US Holder holds Class A ordinary shares and one of our subsidiaries or other entity in which we held a direct or indirect equity interest is also a PFIC (i.e., a Lower-tier PFIC), such US Holder would be treated as owning a proportionate amount (by value) of the shares of the Lower-tier PFIC and would be subject to US federal income tax under the PFIC excess distribution regime on certain distributions by the Lower-tier PFIC and on gain from the disposition of shares of the Lower-tier PFIC, even though such US Holder would not receive the proceeds of those distributions or dispositions. In addition, any mark-to-market election (as described below) made for Class A ordinary share will not apply to shares of the Lower-tier PFIC. US Holders should consult their tax advisers regarding the application of the PFIC rules to our non-US subsidiaries.

If we were a PFIC for any taxable year during which a US Holder held Class A ordinary shares (assuming such US Holder has not made a timely mark-to-market or QEF Election, as described below), gain recognized by a US Holder on a sale or other disposition (including certain pledges) of the Class A ordinary shares would be allocated ratably over the US Holder's holding period for the Class A ordinary shares. The amounts allocated to the taxable year of the sale or other disposition and to any year before we became a PFIC would be taxed as ordinary income. The amount allocated to each other taxable year would be subject to tax at the highest rate in effect for individuals or corporations, as appropriate, for that taxable year, and an interest charge would be imposed on the amount allocated to that taxable year. Further, to the extent that any distribution received by a US Holder on its Class A ordinary shares exceeds 125% of the average of the annual distributions on the Class A ordinary shares received during the preceding three years or the US Holder's holding period, whichever is shorter, that distribution would be subject to taxation in the same manner as gain, described immediately above.

A US Holder can avoid certain of the adverse rules described above by making a mark-to-market election with respect to its Class A ordinary shares, provided that the Class A ordinary shares are "marketable." Our Class A ordinary shares will be marketable if they are "regularly traded" on a "qualified exchange" or other market within the meaning of applicable Treasury regulations. If a US Holder makes the mark-to-market election, it will recognize as ordinary income any excess of the fair market value of the Class A ordinary shares at the end of each taxable year over their adjusted tax basis, and will recognize an ordinary loss in respect of any excess of the adjusted tax basis of the Class A ordinary shares over their fair market value at the end of the taxable year (but only to the extent of the net amount of income previously included as a result of the mark-to-market election). If a US Holder makes the election, the US Holder's tax basis in the Class A ordinary shares will be adjusted to reflect the income or loss amounts recognized. Any gain recognized on the sale or other disposition of Class A ordinary shares in a year when we are a PFIC will be treated as ordinary income and any loss will be treated as an ordinary loss (but only to the extent of the net amount of income previously included as a result of the mark-to-market election).

In addition, in order to avoid the application of the foregoing rules, a US person that owns shares in a PFIC for US federal income tax purposes may make a QEF Election with respect to such PFIC if the PFIC provides the information necessary for such election to be made. If a US person makes a QEF Election with respect to a PFIC, the US person will be currently taxable on its pro rata share of the PFIC's ordinary earnings and net capital gain (at ordinary income and capital gain rates, respectively) for each taxable year that the entity is classified as a PFIC and will not be required to include such amounts in income when actually distributed by the PFIC. We do not intend to provide information necessary for US Holders to make QEF Elections.

In addition, if we were a PFIC or, with respect to a particular US Holder, were treated as a PFIC for the taxable year in which we paid a dividend or for the prior taxable year, the preferential dividend rates discussed above with respect to dividends paid to certain non-corporate US Holders would not apply.

If a US Holder owns Class A ordinary shares during any year in which we are a PFIC or in which we hold a direct or indirect equity interest is a Lower-tier PFIC, the US Holder generally must file annual reports, containing such information as the US Treasury may require on IRS Form 8621 (or any successor form) with respect to us, with the US Holder's federal income tax return for that year, unless otherwise specified in the instructions with respect to such form.

US Holders should consult their tax advisers concerning our potential PFIC status and the potential application of the PFIC rules.

Information Reporting and Backup Withholding

Payments of dividends and sales proceeds that are made within the US or through certain US-related financial intermediaries are subject to information reporting, and may be subject to backup withholding, unless (i) the US Holder is a corporation or other exempt recipient or (ii) in the case of backup withholding, the US Holder provides a correct taxpayer identification number and certifies that it is not subject to backup withholding. The amount of any backup withholding from a payment to a US Holder will be allowed as a credit against the holder's US federal income tax liability and may entitle it to a refund, provided that the required information is timely furnished to the IRS.

Reporting with Respect to Foreign Financial Assets

Certain US Holders who are individuals and certain entities may be required to report information relating to an interest in our Class A ordinary shares by filing a Form 8938 with their US federal income tax return, subject to certain exceptions (including an exception for Class A ordinary shares held in accounts maintained by certain US financial institutions). Failure to file a Form 8938 where required can result in monetary penalties and the extension of the relevant statute of limitations with respect to all or a part of the relevant US tax return. US Holders should consult their tax advisers regarding this reporting requirement.

F. Dividends and Paying Agents

Not applicable.

G. Statement by Experts

Not applicable.

H. Documents on Display

We are required to file or furnish reports and other information with the SEC under the Exchange Act and regulations under that act. As a foreign private issuer, we are exempt from the rules under the Exchange Act prescribing the form and content of proxy statements, and our officers, directors and principal shareholders are exempt from short swing profit recovery provisions contained in Section 16 of the Exchange Act.

Our website is www.on.com. We make available, free of charge, on our website our Annual Reports on Form 20-F, Reports on Form 6-K and amendments to those reports as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. No information contained on our website is intended to be included as part of, or incorporated by reference into, this Annual Report.

In addition, the SEC maintains an internet site at http://www.sec.gov that contains reports and other information regarding issuers that file electronically with the SEC.

I. Subsidiary Information

Not applicable.

J. Annual Report to Security Holders

Not applicable.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to certain market risks arising from transactions in the normal course of business. Such risk is principally associated with foreign currency exchange rates. See further discussion in "Item 5. Operating and Financial Review and Prospects."

The information set forth under “Item 18. Financial Statements—Note 5. Risk management" is incorporated by reference.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

A. Debt Securities

Not applicable.

B. Warrants and Rights

Not applicable.

C. Other Securities

Not applicable.

D. American Depositary Shares

Not applicable.

PART II

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

None.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

During 2025, we have increased the number of authorized Class A and Class B ordinary shares, as reflected in our amended and restated memorandum and articles of association. When we refer to our articles of association in this Annual Report, we refer to our amended and restated articles of association filed as Exhibit 1.1 to this Annual Report. See Item 10, “A. Share Capital” for additional information.

ITEM 15. CONTROLS AND PROCEDURES

(a) Disclosure Controls and Procedures

We maintain disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) designed to ensure that information required to be disclosed in the Company's reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures.

Our management, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures as of December 31, 2025. Based on such evaluation the Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective as of December 31, 2025.

(b) Management's Annual Report on Internal Controls Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Internal control over financial reporting is a process designed by, or under the supervision of, our Company’s Chief Executive Officer and Chief Financial Officer, and effected by our board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS Accounting Standards as issued by the IASB and includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS Accounting Standards, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate. Our management assessed the effectiveness of our internal control over financial reporting as of December 31, 2025. This assessment was performed under the direction and supervision of our Chief Executive Officer and our Chief Financial Officer, and based on criteria established in “*Internal Control - Integrated Framework (2013)*” issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on such

assessment, management, including our Chief Executive Officer and our Chief Financial Officer, has concluded that our internal control over financial reporting was effective as of December 31, 2025.

(c) Attestation Report of the Registered Independent Public Accounting Firm

Refer to the report of PricewaterhouseCoopers AG, Switzerland, an independent registered public accounting firm, see “Item 18. Financial Statements—Report of independent registered public accounting firm.”

(d) Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under Exchange Act) that occurred during the fiscal year ended December 31, 2025 covered by this Annual Report that have materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

Audit Committee

Our board of directors has determined that Dennis Durkin, Laura Miele and Alex Pérez are all considered an “audit committee financial expert” as such term is defined in the rules of the SEC. Our board of directors has also determined that Dennis Durkin, Laura Miele and Alex Pérez satisfy the “independence” requirements set forth in Rule 10A-3 of the Exchange Act and NYSE listing standards. We have a fully independent audit committee.

For information relating to the qualifications and experience of each audit committee member, see “Item 6. Directors, Senior Management and Employees,” incorporated herein by reference.

ITEM 16B. CODE OF ETHICS

Code of Business Conduct and Ethics

We have adopted a Code of Business Conduct and Ethics (the “Code of Conduct”) that is applicable to all of our employees, executive officers and directors. The Code of Conduct is available to the general public on our website https://investors.on.com under Governance (Governance Documents - On Code of Conduct). The information on our website is not incorporated into this Annual Report. Our board of directors is responsible for overseeing the Code of Conduct and is required to approve any waivers of the Code of Conduct.

In November 2025, we amended our Code of Conduct to, among other things: enhance specific reporting procedures; expand the external communications guidelines and policy; and enhance details on obligations and accountability.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

For the year ended December 31, 2025 and 2024, PricewaterhouseCoopers AG (PwC) was the Company's auditor for the IFRS Accounting Standards and statutory accounts.

The following table sets forth the amount of fees, by type of service category, charged by PwC to our Company during fiscal 2025 and fiscal 2024.

(CHF in millions)	Fiscal year ended December 31, 2025	2024
Audit fees[1]	2.1	1.5
Audit-related fees[2]	—	—
Tax fees[3]	0.4	0.1
All other fees[4]	—	—
Total	**2.6**	**1.6**

(1) "Audit fees" means the aggregate fees billed in each of the fiscal years for professional services rendered by PwC for the audit of our annual financial statements and review of our interim financial statements.

(2) "Audit-related fees" means the aggregate fees billed in each of the fiscal years for professional services rendered by PwC for assurance or other services reasonably related to, but not directly a part of, the performance of the audit.

(3) "Tax fees" means the aggregate fees billed in each of the fiscal years for professional services rendered by PwC for tax compliance and tax advice.

(4) "All other fees" includes the aggregate fees billed in each of the fiscal years for non-audit services rendered which were not listed above.

Audit Committee Pre-Approval Policies and Procedures

In accordance with the requirements of the US Sarbanes-Oxley Act of 2002 and rules issued by the SEC, our audit committee reviews and pre-approves all audit services and permissible non-audit services provided to us that are performed by PwC. All of the services related to our Company provided by PwC listed above have been pre-approved by the audit committee.

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

Not applicable.

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

During the year ended December 31, 2025, no purchases of our equity securities were made by or on behalf of On Holding AG or any affiliated purchaser.

ITEM 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

Not applicable.

ITEM 16G. CORPORATE GOVERNANCE

Corporate Governance Practices

As a "foreign private issuer," as defined by the SEC, we are permitted to follow home country corporate governance practices, instead of certain corporate governance standards required by the NYSE for US companies. Accordingly, we follow Swiss corporate governance rules in lieu of certain of the corporate governance requirements of the NYSE. The significant differences between our Swiss

corporate governance rules and the corporate governance requirements of the NYSE are set forth below:

- Exemption from the requirement that a majority of the board of directors be comprised of independent directors and that there be regularly scheduled meetings with only the independent directors present. Swiss law does not have such a requirement.
- Exemption from the requirements that the compensation committee and the nomination and corporate governance committee be comprised of independent directors. Swiss law does not have such requirements.
- Exemption from quorum requirements applicable to meetings of shareholders. Swiss law does not have such quorum requirements.
- Exemption from the requirement that independent directors meet at regularly scheduled executive sessions. Swiss law does not have such a requirement.
- Exemption from the requirement that listed companies adopt and disclose corporate governance guidelines that cover certain minimum specified subjects related to director qualifications and responsibilities. Swiss law does not require the adoption or disclosure of such guidelines.
- Exemption from the requirement to disclose within four business days of any determination to grant a waiver of the Code of Conduct to directors and executive officers. Although we will require approval by our board of directors for any such waiver, we may choose not to disclose the waiver in the manner set forth in the NYSE listing standards.
- Exemption from the requirement to obtain shareholder approval for certain issuances of securities, including shareholder approval of share option plans. Our amended and restated articles of association provide that our board of directors is authorized, in certain instances, to issue a certain number of Class A ordinary shares without pre-approval by our shareholders, as well as Class B voting rights shares to members of our extended founder team under employee participation plans.

ITEM 16H. MINE SAFETY DISCLOSURE

Not applicable.

ITEM 16I. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

ITEM 16J. INSIDER TRADING POLICIES

Our board of directors has adopted an Insider Trading Policy which governs the purchase, sale, and/or other dispositions of our securities by our directors, officers, other key employees, and covered persons which we believe is reasonably designed to ensure compliance with applicable insider trading rules, regulations, and listing standards. A copy of our Insider Trading Policy is filed as Exhibit 19.1 to this Annual Report.

ITEM 16K. CYBERSECURITY

Risk management and strategy

The Company has cybersecurity risk management processes in place to identify, assess, and manage material risks from cybersecurity threats to protect the confidentiality, integrity, and availability of our IT systems and information. The Company's risk assessment process also includes an established process of due diligence for third-party suppliers, assessing potential privacy and security risks

occurring both before and after integration. Our cybersecurity risk management process is part of the Company's overall enterprise risk management ("ERM") process.

We engaged an independent, third-party certified audit firm to perform a comprehensive cybersecurity assessment based on the National Institute of Standards and Technology cybersecurity framework. We continuously perform independent IT security assessments of our key IT assets including web application and network infrastructure. The Company also performs continuous bug bounty programs focused on identifying and rectifying vulnerabilities on our key applications and has a centralized identity and provisioning management system. We are regularly conducting phishing simulations across our employees to provide "experiential learning" on how to recognize phishing attempt. We also manage employee devices through a centralized Mobile Device Management ("MDM"), allowing us to enforce policies within our network. MDM solutions also allow the Company to remotely configure settings, deploy apps, enforce security protocols, and monitor device usage. Employee devices are also protected against malicious activities and threats through the deployment of an automated and behavior-based Endpoint Detection and Response ("EDR"). Additionally, our engineering teams leverage advanced security tools to identify and address potential security issues during the build and deployment process. We maintain a dedicated Security Operations Center ('SOC') that provides continuous, 24/7 monitoring and response capabilities. The SOC is designed to identify and mitigate potential threats through proactive vulnerability management and the ongoing assessment of the cybersecurity threat landscape to prevent unauthorized access to our systems and data. On also maintain engagements with third-party cybersecurity experts to ensure immediate access to forensic and technical support for the remediation of significant security incidents.

While On maintains cybersecurity insurance, coverage may not fully mitigate all financial impacts associated with cybersecurity threats or disruptions. While prior incidents have not materially affected our business strategy, results of operations or financial condition, and although our processes are designed to help prevent, detect, respond to, and mitigate the impact of such incidents, there is no guarantee that a future cybersecurity incident would not materially affect our business strategy, results of operations or financial conditions

For additional information regarding whether any risks from cybersecurity threats, including as a result of any previous cybersecurity incidents, have materially affected or are reasonably likely to materially affect our Company, including our business strategy, results of operations, or financial condition, refer to Item 3.D, "Risk Factors," in this Annual Report, including the risk factor titled "A security breach, including a cybersecurity incident or other disruption to our IT systems could result in adverse effects on the confidentiality, integrity, or availability of our IT systems or any information residing therein, including the loss, theft, misuse, unauthorized disclosure, or unauthorized access of customer, supplier, or sensitive company information or could disrupt our operations. Such cybersecurity threats could damage our relationships with customers, suppliers or employees, expose us to litigation or regulatory proceedings, or harm our reputation, any of which could materially adversely affect our business strategy, financial condition or results of operations."

Governance

While every individual at the Company contributes to managing cybersecurity risks, our board of directors is responsible for overseeing our ERM activities, including material risks related to cybersecurity threats. The board of directors receives an update on the Company's ERM process and the risk trends related to cybersecurity at least annually. To help ensure effective oversight, the board of directors also receives reports on information security and cybersecurity from the Chief Technology Officer ("CTO") periodically throughout the year.

On's CTO is responsible for the assessment and management of material risks from cybersecurity threats, sits on the Company's senior leadership board and reports directly to On's CEO and CFO. The Company's information security function, which reports directly to our CTO, performs ongoing assessments to identify and mitigate cybersecurity threats. Our information security function has the required expertise with cybersecurity, as demonstrated by prior work experience, possession of a cybersecurity certification or degree, or other cybersecurity experience. The CTO and information

security function also monitor the prevention, detection, and remediation of cybersecurity incidents and work closely with the Company's ERM team to ensure a consistent risk management process. This includes periodic reporting to the extended founder team, board of directors, and to the Company's group reporting team when any cybersecurity incidents identified are deemed material.

PART III

ITEM 17. FINANCIAL STATEMENTS

We have elected to provide financial statements and related information pursuant to Item 18.

ITEM 18. FINANCIAL STATEMENTS

The consolidated financial statements and the related notes required by Item 18 are in included in this Annual Report, beginning on page F-1. The report of PricewaterhouseCoopers AG (PCAOB ID: 1358), the Company's independent registered accounting firm with respect to the referenced financial statements is included on page F-2.

ITEM 19. EXHIBITS

Exhibit	Description	Schedule/ Form	File Number	Exhibit	File Date
1.1	Amended and Restated Articles of Association of On Holding AG***				
2.1	Description of Securities**				
4.1	Shareholders' Agreement by and among On Holding AG and the extended founder team of On Holding AG*	Form F-1/A	333-258998	10.1	September 7, 2021
4.2	On Holding AG Long Term Incentive Plan 2020-2023*	Form F-1	333-258998	10.2	August 23, 2021
4.3	Amendment 2021 to the Long Term Incentive Plan 2020-2023*	Form F-1	333-258998	10.3	August 23, 2021
4.4	Second Amendment 2021 to the On Holding AG Long Term Incentive Plan 2018*	Form F-1	333-258998	10.7	August 23, 2021
4.5	On Holding AG Level Two Participation Plan*	Form F-1	333-258998	10.8	August 23, 2021
4.6	Amendment 2021 to Level Two Participation Plan*	Form F-1	333-258998	10.9	August 23, 2021
4.7	Second Amendment 2021 to Level Two Participation Plan*	Form F-1	333-258998	10.10	August 23, 2021
4.8	Form of On Holding AG Long Term Incentive Plan 2021*	Form F-1/A	333-258998	10.14	September 7, 2021
4.9	On Holding AG Founders' Grants Plan*	Form F-1	333-258998	10.15	August 23, 2021
4.10	On Holding AG Tax Recognition Grants Plan*	Form S-8	333-268853	99.1	December 16, 2022
4.11	Form of Indemnification Agreement*	Form F-1	333-258998	10.16	August 23, 2021
4.12	Amendment 2023 to On Holding AG Long Term Incentive Plan 2021*	Form 20-F	001-40795	4.18	March 21, 2023

4.13	Credit Facility Agreement, dated as of July 7, 2023, by and among On Holding AG, as guarantor, On AG, as borrower and guarantor, and On Inc., as guarantor, and UBS Switzerland AG, as lead arranger, bookrunner, agent, security agent and lender, and the other lenders party thereto*	Form 20-F	001-40795	4.13	March 4, 2024
4.14	Amendment 2025 to On Holding AG Long Term Incentive Plan 2021**				
8.1	List of subsidiaries**				
12.1	Certification of Martin Hoffman, Chief Executive Officer and Chief Financial Officer of On Holding AG, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**				
13.1	Certification of Chief Executive Officer and Chief Financial Officer of On Holding AG Pursuant to Section 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**				
15.1	Consent of PricewaterhouseCoopers AG**				
19.1	Insider Trading Policy*	Form 20-F	001-40795	19.1	March 4, 2024
97.1	On Holding AG Financial Statement Compensation Recoupment Policy*	Form 20-F	001-40795	97.1	March 4, 2024
101.INS 101.SCH	Inline XBRL Instance Document Inline XBRL Taxonomy Extension Schema Document				
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document				
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document				
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document				
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document				
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)				

* Incorporated by reference

** Filed herewith

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on Form 20-F filed on its behalf.

On Holding AG

Dated: March 3, 2026

By: /s/ Martin Hoffmann
Name: Martin Hoffmann
Chief Executive Officer and Chief Financial Officer

Index to financial statements

Audited consolidated financial statements - On Holding AG

Report of Independent Registered Public Accounting Firm	F-2
Consolidated statements of income for the years ended December 31, 2025, 2024 and 2023	F-4
Consolidated statements of comprehensive income for the years ended December 31, 2025, 2024 and 2023	F-5
Consolidated balance sheets as of December 31, 2025 and 2024	F-6
Consolidated statements of cash flows for the years ended December 31, 2025, 2024 and 2023	F-7
Consolidated statements of changes in equity for the years ended December 31, 2025, 2024, and 2023	F-8
Notes to the consolidated financial statements	F-9

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of On Holding AG

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of On Holding AG and its subsidiaries (the "Company") as of December 31, 2025 and 2024, and the related consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2025, including the related notes (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025 in conformity with IFRS Accounting Standards as issued by the International Accounting Standards Board. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Annual Report on Internal Control over Financial Reporting appearing under Item 15(b). Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely

detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Accounting for lease contracts

As described in Note 3.4 to the consolidated financial statements, the Company's right-of-use assets balance was CHF 494.1 million (net) and lease liabilities amounting CHF 521.5 million as of December 31, 2025. Management uses judgement to determine the lease term for some lease contracts which include extension options. The assessment of whether the Company is reasonably certain to exercise such options impacts the lease term which significantly affects the amount of right-of-use assets and lease liabilities recognized. A reassessment only happens when a significant event or change in circumstance occurs that is within the control of the Company and affects whether it is reasonably certain to exercise an option.

The principal considerations for our determination that performing procedures relating to accounting for lease contracts is a critical audit matter are (i) the significant judgment by management in developing the lease term when extension options are present and (ii) a high degree of auditor judgment and effort in performing procedures and evaluating management's assumptions.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's analyses over the accounting for lease contracts, including controls over the determination of the lease term. These procedures also included, among others, obtaining lease contracts including extension options and evaluating the reasonableness of the lease term. Evaluating the reasonableness of the lease term included assessing whether the extension options were reasonably certain to be exercised considering management's historical past practices, long-term plans and economic incentives and market-based factors.

/s/ PricewaterhouseCoopers AG
Zurich, Switzerland

March 3, 2026
We have served as the Company's auditor since 2013.

Consolidated statements of income

(CHF in millions)	Notes	Year ended December 31, 2025	2024	2023
Net sales	2.1	3,014.0	2,318.3	1,792.1
Cost of sales		(1,120.3)	(912.6)	(724.8)
Gross profit		**1,893.6**	**1,405.7**	**1,067.2**
Selling, general and administrative expenses	2.3	(1,516.6)	(1,194.2)	(887.0)
Operating result		**377.0**	**211.6**	**180.2**
Financial income	4.4	30.9	23.5	11.5
Financial expenses	4.4	(29.6)	(23.1)	(11.3)
Foreign exchange gain / (loss)	4.4	(173.2)	67.7	(111.4)
Income before taxes		**205.2**	**279.6**	**69.1**
Income tax benefit / (expense)	6.4	(1.5)	(37.4)	10.5
Net income		**203.7**	**242.3**	**79.6**
Earnings per share	4.6			
Basic EPS Class A (CHF)		0.62	0.75	0.25
Basic EPS Class B (CHF)		0.06	0.07	0.02
Diluted EPS Class A (CHF)		0.61	0.74	0.25
Diluted EPS Class B (CHF)		0.06	0.07	0.02

Consolidated statements of comprehensive income

(CHF in millions)	Notes	Year ended December 31, 2025	2024	2023
Net income		**203.7**	**242.3**	**79.6**
Net actuarial result from defined benefit plans	6.2	7.2	(1.2)	(3.4)
Taxes on net actuarial result from defined benefit plans	6.4	(1.4)	0.2	0.7
Items that will not be reclassified to income statement		**5.8**	**(1.0)**	**(2.7)**
Foreign currency translation effect		(54.9)	6.9	(7.0)
Taxes on foreign currency translation effect		6.5	(0.1)	—
Items that will be reclassified to income statement when specific conditions are met		**(48.4)**	**6.8**	**(7.0)**
Other comprehensive income / (loss), net of tax		**(42.6)**	**5.8**	**(9.7)**
Total comprehensive income		**161.1**	**248.0**	**69.8**

Consolidated balance sheets

(CHF in millions)	Notes	12/31/2025	12/31/2024
Cash and cash equivalents	4.1	1,019.9	924.3
Trade receivables	3.1	305.4	246.1
Inventories	3.2	419.8	419.2
Other current financial assets	4.2	59.2	56.4
Other current operating assets	3.6	158.2	113.7
Current assets		**1,962.4**	**1,759.7**
Property, plant and equipment	3.3	148.8	127.2
Right-of-use assets	3.4	494.1	323.6
Intangible assets	3.5	54.2	58.3
Deferred tax assets	6.4	175.9	107.8
Non-current assets		**873.0**	**617.0**
Assets		**2,835.4**	**2,376.7**
Trade payables		154.8	166.5
Current lease liabilities	3.4	81.2	59.1
Other current financial liabilities	4.3	56.7	51.3
Other current operating liabilities	3.6	355.4	299.3
Current provisions	6.3	13.0	21.7
Income tax liabilities		63.2	62.5
Current liabilities		**724.4**	**660.4**
Employee benefit obligations	6.2	5.5	8.6
Non-current provisions	6.3	20.7	14.9
Non-current lease liabilities	3.4	440.3	288.5
Other non-current financial liabilities	4.3	2.8	1.7
Deferred tax liabilities	6.4	9.3	10.8
Non-current liabilities		**478.6**	**324.5**
Share capital	4.5	34.1	33.7
Treasury shares	4.5	(26.7)	(26.8)
Capital reserves	4.7	1,289.0	1,210.0
Other reserves	4.7	(46.6)	(4.0)
Retained earnings		382.6	178.9
Equity		**1,632.4**	**1,391.8**
Equity and liabilities		**2,835.4**	**2,376.7**

Consolidated statements of cash flows

(CHF in millions)	Notes	Year ended December 31, 2025	2024	2023
Net income		**203.7**	**242.3**	**79.6**
Adjustments for:				
Share-based compensation	6.1	66.6	57.5	27.3
Employee benefit expenses	6.2	4.0	5.2	(7.5)
Depreciation and amortization	3.3,3.4,3.5	127.4	104.6	64.9
Loss on disposal of assets and impairment	3.3,3.4	3.7	0.7	0.6
Interest income and expenses		(8.5)	(7.2)	(4.5)
Net exchange differences		165.6	(70.9)	102.9
Income taxes	6.4	1.5	37.4	(10.5)
Change in working capital		(187.7)	46.1	(101.2)
Trade receivables		(96.1)	(30.1)	(46.9)
Inventories		(82.4)	(27.8)	(10.0)
Trade payables		(9.2)	104.0	(44.3)
Change in other current assets / liabilities	3.6	25.0	95.7	93.4
Change in provisions	6.3	(7.8)	18.0	4.8
Interest received		30.1	22.5	11.0
Income taxes paid		(64.0)	(41.2)	(28.6)
Cash inflow from operating activities		**359.5**	**510.6**	**232.1**
Purchase of property, plant and equipment	3.3	(72.9)	(60.5)	(42.8)
Proceeds from disposal of tangible assets		—	0.1	—
Purchase of intangible assets	3.5	(5.7)	(4.5)	(4.4)
Cash (outflow) from investing activities		**(78.6)**	**(64.9)**	**(47.1)**
Payments of lease liabilities	3.4	(69.9)	(51.3)	(25.5)
Proceeds from issuance of shares	4.5	4.3	0.2	—
Proceeds on sale of treasury shares related to share-based compensation	4.5	8.6	10.9	10.1
Interest paid	4.4	(21.5)	(15.3)	(6.5)
Cash (outflow) from financing activities		**(78.5)**	**(55.4)**	**(21.8)**
Change in net cash and cash equivalents	4.1	**202.2**	**390.4**	**163.2**
Net cash and cash equivalents as of January 1		924.3	494.6	371.0
Net impact of foreign exchange rate differences		(106.7)	39.4	(39.6)
Net cash and cash equivalents as of December 31		1,019.9	924.3	494.6

Consolidated statements of changes in equity

(CHF in millions)	Share capital	Treasury shares	Capital reserves	Other reserves	Retained earnings / (losses)	Total equity
Balance as of January 1, 2023	**33.5**	**(26.1)**	**1,105.1**	**—**	**(142.9)**	**969.5**
Net income	—	—	—	—	79.6	79.6
Other comprehensive loss	—	—	—	(9.7)	—	(9.7)
Comprehensive income / (loss) 2023	**—**	**—**	**—**	**(9.7)**	**79.6**	**69.8**
Tax impact on equity transaction costs	—	—	(1.9)	—	—	(1.9)
Share-based compensation	—	—	27.3	—	—	27.3
Purchase of treasury shares	—	(0.8)	—	—	—	(0.8)
Sale of treasury shares	—	0.2	10.4	—	—	10.7
Balance as of December 31, 2023	**33.5**	**(26.7)**	**1,140.8**	**(9.8)**	**(63.3)**	**1,074.5**
Net income	—	—	—	—	242.3	242.3
Other comprehensive income	—	—	—	5.8	—	5.8
Comprehensive income 2024	**—**	**—**	**—**	**5.8**	**242.3**	**248.0**
Capital increase	0.2	—	—	—	—	0.2
Share-based compensation	—	—	57.5	—	—	57.5
Purchase of treasury shares	—	(0.4)	—	—	—	(0.4)
Sale of treasury shares	—	0.3	11.7	—	—	11.9
Balance as of December 31, 2024	**33.7**	**(26.8)**	**1,210.0**	**(4.0)**	**178.9**	**1,391.8**
Net income	—	—	—	—	203.7	203.7
Other comprehensive loss	—	—	—	(42.6)	—	(42.6)
Comprehensive income / (loss) 2025	**—**	**—**	**—**	**(42.6)**	**203.7**	**161.1**
Capital increase	0.4	—	3.8	—	—	4.2
Share-based compensation	—	—	66.6	—	—	66.6
Purchase of treasury shares	—	(0.2)	—	—	—	(0.2)
Sale of treasury shares	—	0.3	8.5	—	—	8.8
Balance as of December 31, 2025	**34.1**	**(26.7)**	**1,289.0**	**(46.6)**	**382.6**	**1,632.4**

Notes to the consolidated financial statements

1 Basis for preparation

1.1 Corporate information

On Holding AG and its consolidated subsidiaries (together "On" or the "Company") is engaged in developing and distributing innovative premium performance sports products. On sells products worldwide through our Wholesale ("WHS") sales channel and our Direct-to-Consumer ("DTC") sales channel (i.e., On's e-commerce platform and On's owned and operated retail stores).

On is a publicly traded company on the New York Stock Exchange, trading under the ticker symbol "NYSE: ONON."

These annual consolidated financial statements (the "financial statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") (the "IFRS Accounting Standards") and present the financial position and the results of operations of On. On Holding AG is a limited company incorporated in accordance with Swiss law under a private statute and is domiciled at Förrlibuckstrasse 190, Zurich, Switzerland.

The financial statements for the year ended December 31, 2025, were authorized for issuance by the board of directors of the Company on March 3, 2026.

1.2 About the financials

The financial statements of On:

- have been prepared in accordance with IFRS Accounting Standards,
- include the values of On Holding AG and its domestic and foreign subsidiaries as of December 31, 2025, over which On Holding AG exercised direct or indirect control,
- present fiscal years which correspond to the calendar year,
- present note disclosures related to the consolidated balance sheets as of December 31 and consolidated statements of income, comprehensive income, cash flows, and changes in equity for the respective year,
- are published in Swiss Francs (CHF), the presentation currency of On Holding AG, rounded to millions, unless otherwise stated,
- contain certain numerical figures shown as totals in some tables that may not be an arithmetic aggregation of the figures that preceded them due to rounding,
- with respect to financial information, a dash ("—") signifies that the relevant figure is available but is or has been rounded to zero,
- include prior year comparative amounts that have been reclassified to conform with current year presentation, none of which had any impact on the Company's results of operations, financial condition, or any other financial statement,
- use the historical cost convention except for items that are required to be accounted for at fair value, and
- present the applicable accounting policy within the respective note disclosures.

1.3 Oniverse

Entity	Domicile	Equity interest 12/31/2025	Equity interest 12/31/2024
On Holding AG	Zurich, CH		
On AG	Zurich, CH	100%	100%
On Brazil Ltda.	Sao Paulo, BR	100%	100%
On Cloud Service GmbH	Berlin, DE	100%	100%
On Clouds GmbH	Zurich, CH	100%	100%
On Clouds Inc.	Delaware, USA	100%	100%
On Europe AG	Zurich, CH	100%	100%
On Experience 1-22, LLC[1]	Delaware, USA[1]	100%	100%
On Hong Kong Ltd.	Hong Kong, SAR of CN	100%	100%
On Inc.	Oregon, USA	100%	100%
On Italy S.r.l.	Milan, IT	100%	100%
On Japan K.K.	Yokohama, JP	100%	100%
On Korea Ltd.	Seoul, Korea	100%	100%
On Oceania Pty Ltd.	Melbourne, AU	100%	100%
On Running Canada Inc.	Vancouver, CA	100%	100%
On Running Kenya Limited	Nairobi, KE	100%	—%
On Running Sports Products (Shanghai) Company Ltd.	Shanghai, CN	100%	100%
On Running UK Ltd.	London, UK	100%	100%
On Services UK Ltd.	London, UK	100%	100%
On Vietnam Co. Ltd.	Ho Chi Minh City, VN	100%	100%
PT OnRunning Services Indonesia	Jakarta, ID	100%	—%
Brunner Mettler GmbH	Zurich, CH	100%	100%

[1] On Experience 1-22, LLC consists of twenty-two entities (retail stores). They are all 100% owned as of December 31, 2025 and are all 100% owned as of December 31, 2024, excluding On Experience 13-22, LLC entities, which were established during fiscal year 2025 and therefore did not exist as of December 31, 2024.

Accounting policies

"Oniverse" represents the legal group structure of On. Entities are fully consolidated from the date in which control is transferred to On Holding AG, the parent company of the group. Control is achieved when On is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

For the consolidated entities, all assets, liabilities, income, and expenses are included in the financial statements. All intercompany balances and transactions (including unrealized profits on inventories) are fully eliminated in the process of consolidation.

1.4 New and amended standards and interpretations

On has adopted the following amendment for fiscal year 2025. The amendment did not have a material impact on the consolidated financial statements.

Description	Standard Reference	IASB Effective Date
The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability	Amendments to IAS 21	January 1, 2025

On has not applied any of the following new and revised IFRS Accounting Standards that have been issued by the IASB but are not yet effective:

Description	Standard Reference	IASB Effective Date
Contracts Referencing Nature-dependent Electricity	Amendments to IFRS 8 and IFRS 7	January 1, 2026
Amendments to the Classification and Measurement of Financial Instruments	Amendments to IFRS 9 and IFRS 7	January 1, 2026
Presentation and Disclosure in Financial Statements	IFRS 18	January 1, 2027
Amendments for translating financial information into hyperinflationary currencies	Amendments to IAS 21	January 1, 2027

On does not expect that the adoption of the new and revised standards listed above, excluding IFRS 18, will have a material impact on the financial statement and disclosures of On in the current or future reporting periods.

IFRS 18 – Presentation and Disclosures in Financial Statements that will replace International Accounting Standards ("IAS") 1 – Presentation of Financial Statements from its effective date, was issued on April 9, 2024, by the IASB. IFRS 18 introduces new requirements for information presented in the primary financial statements and disclosed in the notes. The accounting standard introduces three new defined categories for income and expenses - operating, investing and financing, and requires all companies to provide certain new defined subtotals. IFRS 18 also requires companies to disclose explanations of company-specific measures that are related to the income statement, referred to as management-defined performance measures. Moreover, the accounting standard sets out enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes and requires companies to provide more transparency about operating expenses. IFRS 18 will be retroactively effective for annual reporting periods beginning on or after January 1, 2027, but early adoption is permitted.

The Company’s preliminary assessment of IFRS 18 impacts indicates that certain income and expense amounts are expected to be reclassified within the consolidated statements of income. For example, portions of foreign exchange gain / (loss) will move from non-operating to operating income and expense. These expected presentation changes will not affect reported net income. The consolidated statements of cash flows presentation will change. It will start with operating income instead of net income, and certain cash flows are expected to be reclassified among the operating, investing, and financing activities categories. For example, interest received is expected to be reclassified from operating activities to investing activities. These presentation changes will not affect the net change in cash and cash equivalents reported for the period. On is currently finalizing its assessment of the impact of adopting IFRS 18, which will be effective January 1, 2027.

1.5 Significant accounting judgments, estimates, and assumptions

The preparation of financials in conformity with IFRS Accounting Standards requires management to make judgments, estimates, and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses, and related disclosures. This includes judgments, estimates, and assumptions in the ordinary course of business as well as non-operating events. Uncertainty about these judgments, assumptions, and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The judgments, estimates, and assumptions are continuously evaluated and are based on experience and other factors, including expectations of future events that are believed to be reasonable. Actual results may differ from these judgments, estimates, and assumptions. The main significant judgments, estimates, and assumptions are described in the following notes:

- 3.4 Right-of-use assets and lease liabilities
- 3.5 Intangible assets
- 6.1 Share-based compensation
- 6.2 Employee benefit obligations
- 6.4 Income taxes

2 Operational performance

2.1 Net sales

Net sales by sales channels:

	Year ended December 31,		
(CHF in millions)	**2025**	**2024**	**2023**
Wholesale	1,753.4	1,375.5	1,120.3
Direct-to-Consumer	1,260.5	942.8	671.8
Net sales	**3,014.0**	**2,318.3**	**1,792.1**

Net sales by product groups:

	Year ended December 31,		
(CHF in millions)	**2025**	**2024**	**2023**
Shoes	2,804.4	2,199.6	1,711.4
Apparel	169.9	101.0	68.9
Accessories	39.6	17.7	11.8
Net sales	**3,014.0**	**2,318.3**	**1,792.1**

On generates net sales primarily from the sale of premium performance shoes, apparel, and accessories through its WHS and DTC sales channels. The WHS sales channel involves larger volumetric sales to wholesale partners (e.g., large retailers or retail associations) and international distributors (i.e. in markets where On does not have local sales teams) with the intention of re-selling the products. The DTC sales channel includes sales to end customers directly through On's e-commerce platform and retail stores.

Net sales by geographic regions (based on location of customers):

(CHF in millions)	Year ended December 31, 2025	2024	2023
Americas	1,740.1	1,480.3	1,162.2
thereof the United States	*1,550.5*	*1,367.7*	*1,082.1*
Europe, Middle East and Africa	762.7	577.8	488.7
thereof Switzerland	*39.3*	*38.7*	*46.0*
Asia-Pacific	511.1	260.2	141.1
Net sales	**3,014.0**	**2,318.3**	**1,792.1**

The revenue generated from the largest single customer represents 11.0% of total net sales for the year-ended December 31, 2025, with no other customers individually accounting for more than 10% of total net sales. For the year-ended December 31, 2024 and 2023, no single customer accounted for more than 10% of total net sales. For details on assets and liabilities related to contracts with customers, refer to note *3.1 Trade receivables* and note *3.6 Other current operating assets and liabilities*, respectively. Trade receivables as shown in the consolidated balance sheets relate to the sale of the Company`s products.

Accounting policies

Revenue is measured based on the total consideration On expects to be entitled in exchange for transferring promised products and excludes amounts collected on behalf of third parties. Consideration promised is variable due to anticipated reductions from sales returns, discounts and volume rebates. While limited judgments and estimates are required for discounts and volume rebates, as the reduction in revenue is largely known by year end, relevant judgments and estimates are required for sales returns as referenced below.

On sells innovative premium performance products through its WHS and DTC sales channels.

Sales within the WHS sales channel
For sales of goods to the wholesale channel, revenue is recognized, and a receivable is established, when On transfers control of the product to the wholesale partner. Payment terms for wholesale transactions depend on the country of sale or agreement with the customer and payment is generally required within 30 to 90 days or less of the shipment to, or receipt by, the wholesale partner.

On has several consignment arrangements with wholesale partners whereby control of the goods is retained by On. For such arrangements, revenue is recognized when the goods have been sold by the wholesale partner to the final consumer.

Sales within the DTC sales channel
For sales of goods to end consumers and retail customers, revenue is recognized when control of the goods has transferred, which is typically upon delivery for e-commerce customers or at the point the customer purchases the product at the retail store. Payment of the transaction price is due immediately at the point the customer purchases the goods.

Relevant judgments and accounting estimates

Estimation is required to determine the expected amount On will be entitled to receive in connection with anticipated sales returns. Estimates of sales returns are based on (1) accumulated historical experience within the respective geographical markets, and (2) specific identification of estimated sales returns not yet finalized with customers.

At the point when the control has transferred, a refund liability (other current financial liabilities) and a corresponding adjustment to revenue is recognized for those products expected to be returned. At the same time, On has a right to recover the product when customers exercise their right of return so consequently recognizes a right to returned goods (other current operating assets) and a corresponding adjustment to cost of sales.

Actual returns in any future period are inherently uncertain and thus may differ from estimates recorded. If actual or expected future returns significantly differ than the refund liability established, a corresponding adjustment to net sales and cost of sales is recorded in the period in which such determination was made.

2.2 Segment information

Operating segments are defined as components of an entity that engage in business activities from which they may earn revenues and incur expenses, whose operating results are reviewed regularly by the entity's chief operating decision maker ("CODM") to assess performance and make resource allocation decisions, and for which discrete financial information is available.

On's CODM are the Executive Officers, which consist of the three Co-Founders and one individual currently serving as both the CEO and the CFO. The financial information is regularly reviewed by the CODM to assess performance, make resource allocation decisions, and set compensation targets, is based on financial information presented on a group consolidated basis, accompanied by disaggregated revenue.

On operates as single-brand consumer products business. This is primarily due to On's business activities which focus on driving sales growth by increasing overall brand awareness and market share. The key operating expenditures related to cost of sales, distribution, selling, marketing and general and administrative expenses are either not differentiated across individual components, or are managed to benefit the entire On brand irrespective of the impact on the potential profitability of a particular component. These key operating expenditures are regularly reviewed by the CODM at the group consolidated level. Accordingly, On has determined that it has a single operating and reportable segment.

The following table reports the carrying amount of On's non-current assets by geographic area:

(CHF in millions)	12/31/2025	12/31/2024
Europe, Middle East and Africa	319.6	273.7
thereof Switzerland	*184.5*	*194.1*
Americas	292.4	196.6
thereof the United States	*289.4*	*195.1*
Asia-Pacific	85.0	38.9
Non-current assets	**697.1**	**509.2**

2.3 Selling, general and administrative expenses

(CHF in millions)	Year ended December 31, 2025	2024	2023
Distribution expenses	(322.9)	(288.3)	(239.5)
Selling expenses	(260.1)	(168.2)	(133.3)
Marketing expenses	(376.5)	(276.6)	(195.8)
Share-based compensation	(62.6)	(71.5)	(31.8)
General and administrative expenses	(494.5)	(389.5)	(286.6)
Selling, general and administrative expenses	**(1,516.6)**	**(1,194.2)**	**(887.0)**

The increase in selling expenses was primarily driven by additional expenses incurred as a result of our expanding retail footprint, primarily due to retail store-related personnel costs and depreciation. The increase was driven by higher marketing spend on upper funnel brand building initiatives and brand partnerships. The increase in general and administrative expenses is in line with higher net sales and is driven by higher personnel related expenses and higher IT and technology related expenses.

In 2025, selling, general and administrative expenses include depreciation and amortization of non-current assets in the amount of CHF 115.9 million (2024: CHF 95.1 million, 2023: CHF 57.1 million). Depreciation charges recognized within cost of sales amount to CHF 11.4 million (2024: CHF 9.4 million, 2023: CHF 7.7 million), and primarily consist of the depreciation of production equipment.

Total personnel expenses, excluding any costs related to share-based compensation, amount to CHF 377.9 million in 2025, CHF 285.7 million in 2024 and CHF 206.6 million in 2023, respectively.

3 Operating assets and liabilities

3.1 Trade receivables

Trade receivables are generally due within a payment period of between 30 to 90 days. Due to their short-term nature, the carrying amount is considered to be the same as their fair value.

(CHF in millions)	12/31/2025	12/31/2024
Not yet due	231.5	182.2
Past due 1 - 90 days	71.4	58.5
Past due 91 - 180 days	2.0	5.4
Past due > 181 days	6.2	10.8
Gross Carrying Amount	**311.1**	**257.0**
Expected credit loss	(5.7)	(10.7)
Trade receivables	**305.3**	**246.2**

Certain trade receivables have been pledged as collateral in relation to the credit facility, refer to note *5.4 Liquidity risk*.

The expected credit loss allowance for trade receivables reconciles as follows:

(CHF in millions)	2025	2024
Expected credit loss at January 1	**10.7**	**13.3**
Amounts settled or written off during the year	(4.9)	(1.9)
Income statement impact for the year	0.1	(0.8)
Exchange Difference	(0.2)	0.1
Expected credit loss at December 31[1]	**5.7**	**10.7**

[1] As of December 31, 2025, the individual loss allowance amounted to CHF 5.5 million (December 31, 2024: CHF 9.6 million).

Refer to note *5.3 Credit risk* for additional information.

Accounting policies

Trade receivables are amounts due from customers for products sold during the ordinary course of business. Trade receivables represent On's right to an amount of consideration that is unconditional and only a passage of time is required before payment of the consideration is due.

Trade receivables are initially recognized at the original invoice amount and subsequently measured at amortized cost less the expected credit loss allowance. The credit loss allowance represents On's estimate of individually impaired trade receivables as well as expected credit losses on trade receivables that are not individually impaired. Trade receivables are written off when there is no reasonable expectation of recovery. Changes in the expected credit loss allowance are recognized as expense (or income) within selling, general and administrative expenses in the consolidated statements of income.

Relevant judgments and accounting estimates

On applies the simplified approach in calculating expected credit losses, considering collective exposures using historical loss rates per region and forward-looking quantitative and qualitative information (such as the global economy outlook). Individual exposures are also considered when there are objective indications for missing collectability, such as legal procedures, insolvency or bankruptcy.

3.2 Inventories

(CHF in millions)	12/31/2025	12/31/2024
Shoes	344.3	371.7
Apparel	88.1	65.8
Accessories	12.8	12.5
Allowances	(25.5)	(30.8)
Inventories[1]	**419.8**	**419.2**

[1] Inventories are comprised of finished goods.

In 2025, inventories of CHF 914.8 million (2024: CHF 719.7 million) and valuation allowances of CHF (5.1) million (2024: CHF 23.0 million) were recognized in cost of sales. As of December 31, 2025, inventories held on consignment amounted to CHF 6.9 million (December 31, 2024: CHF 7.8 million). The decrease to inventory allowances is primarily driven by a one-off write down of certain apparel products in 2024.

Certain inventories have been pledged as collateral in relation to the credit facility, refer to note *5.4 Liquidity risk*.

Accounting policies	Inventories include finished goods purchased from third parties. Cost of inventories include expenditures incurred in acquiring the products and bringing them to their current location and condition, including allocated conversion costs such as depreciation of production equipment. Inventories are subsequently measured at the lower of cost or net realizable value. Cost is determined using the standard cost method.
Relevant judgments and accounting estimates	Net realizable value is the estimated selling price of each specific item in the ordinary course of business less freight and selling expenses. If the net realizable value is below the cost, an allowance is recognized for the remaining items on stock. On regularly assesses its inventory for excess, obsolescence, and impairment to determine write-downs to the lower of cost or net realizable value.

3.3 Property, plant and equipment

(CHF in millions)	Leasehold improvements	Trade tools	Production equipment	Furniture and fixtures	Other	Total
Cost as of January 1, 2024	61.2	13.6	21.7	19.9	18.1	134.5
Accumulated Depreciation as of January 1, 2024	(11.6)	(7.5)	(12.3)	(3.4)	(6.2)	(41.0)
Net book value as of January 1, 2024	**49.6**	**6.1**	**9.4**	**16.5**	**11.9**	**93.6**
Twelve-month period ended December 31, 2024						
Opening net book value	49.6	6.1	9.4	16.5	11.9	93.6
Additions	35.1	0.9	10.7	11.2	7.2	65.1
Disposals	(0.5)	—	—	(0.2)	(0.1)	(0.7)
Depreciation	(14.1)	(2.9)	(8.4)	(4.0)	(3.6)	(33.1)
Exchange difference	1.5	0.2	—	0.6	—	2.3
Net book value as of December 31, 2024	**71.7**	**4.3**	**11.8**	**24.1**	**15.4**	**127.2**
Cost as of December 31, 2024	97.3	14.9	32.4	31.5	25.0	201.2
Accumulated Depreciation as of December 31, 2024	(25.7)	(10.6)	(20.7)	(7.4)	(9.6)	(74.0)
Net book value as of December 31, 2024	**71.7**	**4.3**	**11.8**	**24.1**	**15.4**	**127.2**
Twelve-month period ended December 31, 2025						
Opening net book value	**71.7**	**4.3**	**11.8**	**24.1**	**15.4**	**127.2**
Additions	34.2	0.6	24.1	6.8	3.5	69.2
Disposals	(0.3)	(0.4)	(0.1)	(0.4)	(0.1)	(1.2)
Impairment	(0.5)	—	—	(0.2)	—	(0.8)
Depreciation	(18.3)	(1.9)	(10.1)	(4.3)	(3.7)	(38.2)
Exchange difference	(5.0)	(0.3)	—	(1.6)	(0.5)	(7.4)
Net book value as of December 31, 2025	**81.7**	**2.3**	**25.7**	**24.5**	**14.6**	**148.8**
Cost as of December 31, 2025	124.0	11.3	53.3	35.7	27.3	251.6
Accumulated Depreciation as of December 31, 2025	(42.3)	(9.0)	(27.7)	(11.2)	(12.7)	(102.8)
Net book value as of December 31, 2025	**81.7**	**2.3**	**25.7**	**24.5**	**14.6**	**148.8**

Additions of CHF 69.2 million for the year ended December 31, 2025 primarily comprised leasehold improvements and furniture and fixtures for new retail stores and regional offices, as well as production equipment for our Lightspray production machines.

During the years ended December 31, 2025 and December 31, 2024, non-cash additions of property, plant and equipment amounted to CHF 0.0 million and CHF 4.6 million respectively.

Other is comprised of IT equipment and fixed assets that are not yet in use. As of December 31, 2025, fixed assets that are not yet in use amounted to CHF 7.9 million (December 31, 2024: CHF 7.3 million).

Accounting policies

Property, plant and equipment ("PPE") is stated at cost less accumulated depreciation and any impairment losses. Costs include expenditures that are directly attributable to the acquisition of the asset. Leasehold improvements include costs incurred to enhance and expand offices, own retail stores and showrooms.

Depreciation is primarily calculated on a straight-line basis over the expected useful life of the individual assets or asset categories:

- Leasehold improvements: 3 to 8 years (or the lease term, whichever is shorter)
- Trade tools (e.g. point-of-sale): 3 years
- Production equipment (e.g. molds at the factory sites and machines): 2 years
- Furniture and fixtures: 5 to 8 years
- Other: 3 to 8 years

For certain production equipment related to Lightspray, depreciation is calculated using the units of production method.

At each reporting date, the residual values, useful lives and method of depreciation are reviewed and adjusted prospectively, if applicable. Furthermore, On assesses whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amount (being the higher of fair value less cost of disposal or value in use) of the individual asset is determined. If the recoverable amount is lower than the carrying amount, an impairment loss is recognized in the consolidated statements of income.

PPE is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition is included in the income statement.

3.4 Right-of-use assets and lease liabilities

Right-of-use assets

(CHF in millions)	Storage	Stores & showrooms	Offices	Cars	Total
Cost as of January 1, 2024	87.5	70.5	116.9	8.1	283.1
Accumulated Depreciation as of January 1, 2024	(22.1)	(15.4)	(26.1)	(5.4)	(69.1)
Net book value as of January 1, 2024	**65.3**	**55.1**	**90.8**	**2.8**	**214.0**
Twelve-month period ended December 31, 2024					
Opening net book value	65.3	55.1	90.8	2.8	214.0
Lease modification	0.1	4.4	1.9	—	6.4
Additions	57.4	76.2	18.7	1.4	153.8
Disposals	—	(0.2)	—	(0.1)	(0.2)
Depreciation	(28.0)	(19.3)	(11.6)	(1.8)	(60.8)
Exchange Difference	5.8	3.1	1.3	—	10.3
Net book value as of December 31, 2024	**100.7**	**119.4**	**101.1**	**2.5**	**323.6**
Cost as of December 31, 2024	152.8	154.4	139.1	9.6	455.9
Accumulated Depreciation as of December 31, 2024	(52.1)	(35.0)	(38.0)	(7.1)	(132.3)
Net book value as of December 31, 2024	**100.7**	**119.4**	**101.1**	**2.5**	**323.6**
Twelve-month period ended December 31, 2025					
Opening net book value	100.7	119.4	101.1	2.5	323.6
Lease modification	2.2	2.6	1.6	0.1	6.4
Additions	143.4	137.8	9.2	0.8	291.2
Disposals	—	—	—	(0.1)	(0.1)
Depreciation	(33.5)	(30.9)	(13.4)	(1.6)	(79.4)
Impairment	—	(1.7)	—	—	(1.7)
Exchange Difference	(26.1)	(16.3)	(3.5)	(0.1)	(45.9)
Net book value as of December 31, 2025	**186.7**	**210.8**	**95.0**	**1.6**	**494.1**
Cost as of December 31, 2025	265.0	272.3	144.9	9.8	692.0
Accumulated Depreciation as of December 31, 2025	(78.3)	(61.5)	(49.9)	(8.2)	(197.9)
Net book value as of December 31, 2025	**186.7**	**210.8**	**95.0**	**1.6**	**494.1**

During 2025, right-of-use assets additions increased to CHF 291.2 million, compared to CHF 153.8 million in 2024. The additions in 2025 mainly relate to the highly-automated warehouse in the US ("Atlanta Warehouse") due to the commencement of the remaining warehouse lease space in 2025, and to various retail store leases across the APAC, EMEA, and Americas regions.

For the year ended December 31, 2025 and 2024, we had lease modifications of CHF 2.6 million and CHF 4.4 million, respectively, related to retail store extensions.

Lease Liabilities

Reconciliation of lease liabilities:

(CHF in millions)	2025	2024
Lease liability balance at January 1,	**347.5**	**228.9**
thereof current	*59.1*	*38.7*
thereof non-current	*288.5*	*190.3*
Payments	(65.9)	(51.3)
Interest expenses paid	(21.3)	(15.2)
Disposals	(0.1)	(0.2)
Additions	281.4	153.7
Lease modification	6.0	5.4
Accrued interest	21.3	15.2
Exchange differences	(47.4)	10.9
Lease liability balance at December 31,	**521.5**	**347.5**
thereof current	*81.2*	*59.1*
thereof non-current	*440.3*	*288.5*

Accounting policies

At the inception of a contract, On assesses whether it is a lease or contains a lease component. A right-of-use asset and a lease liability is recognized at the lease commencement date. Short-term leases with a lease term of 12 months or less and low-value leases are recognized as an expense in the income statement on a straight-line basis over the lease term.

The right-of-use asset is initially measured at cost, which is comprised of the lease liability, any lease payments made at or before the commencement date (less any lease incentives received), initial direct costs, and an estimate of costs to dismantle and remove the underlying asset. It is subsequently measured at cost less accumulated depreciation, impairment losses as well as lease liability remeasurements.

Depreciation is calculated on a straight-line basis over the shorter of the assets or asset categories' useful life and the respective lease term:

- Storage: 2 to 11 years
- Offices: 2 to 14 years
- Stores and showrooms: 1 to 10 years
- Cars: 1 to 4 years

The lease liability is initially measured at the present value of any lease payments not paid at the commencement date and are discounted using the interest rate implicit in the lease or, if that rate is not readily determinable, On's incremental borrowing rate. The lease liability is subsequently increased by the interest cost and decreased by lease payments made. A lease liability is remeasured upon changes to the lease term, expected residual value guarantee, index or rate used to determine future lease payments or a change in the assessment of a purchase option.

At each reporting date, On assesses whether there is any indication that an asset may be impaired. If any such indication exists, the asset is written down to its recoverable amount if the carrying amount exceeds it. The recoverable amount is the higher of its fair value less costs of disposal and its value in use.

Significant judgments and accounting estimates

On uses judgment to determine the lease term for some lease contracts which include extension and or termination options. The assessment of whether On is reasonably certain to exercise such options impacts the lease term which significantly affects the amount of right-of-use assets and lease liabilities recognized. A reassessment only happens when a significant event or change in circumstance occurs that is within the control of On and affects whether it is reasonably certain to exercise an option.

Furthermore, lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If the rate implicit in the leases is not readily determinable, On uses the company's incremental borrowing rate, adjusted to reflect the contract currency-specific risk, and the lease term.

3.5 Intangible assets

(CHF in millions)	Patents, licenses and other rights	Software	Goodwill	Total
Cost as of January 1, 2024	70.4	29.0	1.8	101.2
Accumulated Amortization as of January 1, 2024	(19.6)	(17.1)	—	(36.6)
Net book value as of January 1, 2024	**50.9**	**11.9**	**1.8**	**64.6**
Twelve-month period ended December 31, 2024				
Opening net book value	50.9	11.9	1.8	64.6
Additions	1.4	3.0	—	4.5
Amortization	(4.7)	(6.0)	—	(10.8)
Net book value as of December 31, 2024	**47.5**	**9.0**	**1.8**	**58.3**
Cost as of December 31, 2024	71.8	32.1	1.8	105.7
Accumulated Amortization as of December 31, 2024	(24.3)	(23.1)	—	(47.4)
Net book value as of December 31, 2024	**47.5**	**9.0**	**1.8**	**58.3**
Twelve-month period ended December 31, 2025				
Opening net book value	47.5	9.0	1.8	58.3
Additions	2.7	3.1	—	5.7
Amortization	(5.1)	(4.7)	—	(9.8)
Net book value as of December 31, 2025	**45.1**	**7.3**	**1.8**	**54.2**
Cost as of December 31, 2025	74.5	35.0	1.8	111.3
Accumulated Amortization as of December 31, 2025	(29.4)	(27.7)	—	(57.1)
Net book value as of December 31, 2025	**45.1**	**7.3**	**1.8**	**54.2**

Patents, licenses and other rights include patents, domain names, and license rights for trademarks.

As of December 31, 2025, software includes capitalized development costs not yet in use in the amount of CHF 0.3 million (December 31, 2024: CHF 0.4 million). In 2025, costs recognized in the selling, general and administrative expenses line item within the consolidated statements of income for research and development amounts to CHF 10.6 million (2024: CHF 9.6 million).

Goodwill is allocated and monitored at the reportable segment level. Based on the annual impairment assessments performed as of December 31, 2025 and 2024, there was no need to recognize any impairment of goodwill in 2025 nor 2024. None of the goodwill is expected to be deductible for tax purposes.

Accounting policies

Intangible assets acquired are valued at purchase cost less accumulated amortization and any impairment in value. On capitalizes software development costs when the identifiable asset is cumulatively commercially and technically feasible, can and will be completed, its costs can be measured reliably, and will generate probable future economic benefits. All other research and development costs are expensed as incurred within the selling, general, and administrative expense line item within the consolidated statements of income.

Goodwill is measured at cost less any impairment in value. Goodwill is not amortized but is assessed for impairment annually using values at the reporting date, or whenever events or changes in circumstances indicate that its value might be impaired.

Except for goodwill, On has no intangible assets with an indefinite useful life.

Amortization is calculated on a straight-line basis over the expected useful life of the individual assets or asset categories:

- Patents, licenses and other rights: Determined separately for each asset, varies from 4 to 20 years
- Software acquired or developed in-house : 4 years
- Other development costs capitalized: 4 years

For capitalized development costs, amortization starts when the asset is ready for use. Capitalized development costs not yet in use are tested annually for impairment or whenever events or changes in circumstances indicate that its value might be impaired.

Intangible assets are derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition is included in the income statement.

Significant judgments and accounting estimates

On uses judgment to determine commercial and technical feasibility when capitalizing software development costs. In calculating the respective costs, both planning and actual data are taken into consideration. The judgments related to commercial and technical feasibility are reviewed annually or when changes in circumstances arise.

The intangible asset corresponding to license rights was initially determined using the relief from royalty method, based on royalty data for comparable license agreements and businesses in the sporting goods and sports apparel sector.

At each reporting date, the residual values, useful lives and method of amortization are reviewed and adjusted prospectively, if applicable. Furthermore, On assesses whether there is any indication, that an asset may be impaired. If any such indication exists, the recoverable amount (the higher of fair value less cost of disposal or value in use) of the asset is estimated. The recoverable amounts are measured based on value-in-use calculations which are impacted by projected cash flows, discount rates and other parameters. These estimates, subject to management judgment, could vary significantly from future actuals. If the recoverable amount is lower than carrying amount, an impairment loss is recognized.

3.6 Other current operating assets and liabilities

(CHF in millions)	12/31/2025	12/31/2024
Prepaid expenses	33.6	29.0
Indirect taxes (VAT/GST) receivables	72.8	45.4
Anticipated net sales returns	10.8	6.3
Income tax receivables	1.6	6.7
Other current operating assets	39.3	26.3
Other current operating assets	**158.2**	**113.7**

(CHF in millions)	12/31/2025	12/31/2024
Accrued expenses	204.3	184.4
Accrued personnel expenses	39.6	17.1
Indirect taxes (VAT/GST) payables	55.7	42.5
Social security payables	8.8	17.1
Other payables	17.2	25.4
Other current operating liabilities	29.7	12.8
Other current operating liabilities	**355.4**	**299.3**

Accrued expenses mainly comprise accruals for outstanding vendor invoices related to marketing, freight, customs, selling and distribution. Increase in accrued expenses is in line with higher cost of sales and selling, general and administrative expenses. Accrued personnel expenses mainly comprise accruals for costs related to bonus, vacation and participation plans.

4 Capital and financial management

4.1 Net cash and cash equivalents

(CHF in millions)	12/31/2025	12/31/2024
Current bank accounts	382.6	500.9
Digital wallets	13.5	10.9
Fixed deposit	623.7	412.5
Cash and cash equivalents	**1,019.9**	**924.3**
Current bank overdrafts	—	—
Net cash and cash equivalents[1]	**1,019.9**	**924.3**

[1] Net cash and cash equivalents included restricted cash in the amount of CHF 0.9 million as of December 31, 2025, and CHF 0.6 million as of December 31, 2024.

Fixed deposits are comprised of short-term highly liquid investments which are readily convertible into cash with maturity of three months or less and are subject to an insignificant risk of change in value. Digital wallets mainly include deposit account balances at online payment platforms, primarily PayPal.

Accounting policies

Cash and cash equivalents include short-term highly liquid assets with a maturity of three months or less. On measures cash and cash equivalents at amortized costs. On does not recognize any credit impairment losses on these assets as the related credit risk is considered to be insignificant due to their short-term maturity and the external counterparties' credit ratings.

4.2 Other current financial assets

(CHF in millions)	12/31/2025	12/31/2024
Credit cards	23.4	12.7
Deposits	19.9	18.1
Other current financial assets	15.9	25.5
Other current financial assets at amortized cost	**59.2**	**56.4**
Other current financial assets at fair value through profit and loss	**—**	**—**
Total other current financial assets	**59.2**	**56.4**

Due to their short-term nature, the carrying amount of other current financial assets at amortized cost corresponds to their fair value.

Accounting policies

On's financial assets, which include trade receivables and other current financial assets, are initially recognized at fair value. Subsequent measurement depends on the business model for managing these assets and the contractual terms of the resulting cash flows, On classifies financial assets as follows:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, are measured at amortized cost. Interest income from these financial assets is included in financial result, and any gain or loss arising on derecognition is recognized directly in the income statement.

Assets that do not meet the criteria above for amortized cost are measured at fair value through profit and loss. Changes in fair value are recognized immediately in the income statement.

4.3 Other financial liabilities

(CHF in millions)	12/31/2025	12/31/2024
Customer refund liability returns	55.8	40.9
Other financial liabilities	0.9	10.4
Total other current financial liabilities at amortized cost	**56.7**	**51.3**
Other non-current financial liabilities	2.8	1.7
Total other non-current financial liabilities at amortized cost	**2.8**	**1.7**
Total other current and non-current financial liabilities	**59.5**	**53.1**

The carrying amount of other current and non-current financial liabilities at amortized cost correspond to their fair value.

Accounting policies

On's financial liabilities include trade payables, current and non-current lease liabilities, other current and non-current financial liabilities, which are initially recognized at fair value. Subsequently, financial liabilities are measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the income statement. Refer to *3.4 Right-of-use assets and lease liabilities* for additional information on lease liabilities.

Customer refund liabilities are recognized for the estimated amount of returns and are updated at the end of each reporting period based on historical data (refer to note *2.1 Net sales* for additional information).

Financial liabilities are derecognized when the contractual obligations are discharged, cancelled, or expired.

4.4 Financial result

(CHF in millions)	Year ended December 31, 2025	2024	2023
Interest income	30.9	23.5	11.5
Financial income	**30.9**	**23.5**	**11.5**
Bank charges	(7.6)	(7.3)	(4.3)
Interest expenses: leases	(21.4)	(15.3)	(6.5)
Interest expenses: employee benefits	(0.5)	(0.5)	(0.5)
Financial expenses	**(29.6)**	**(23.1)**	**(11.3)**
Foreign exchange gain / (loss)	(173.2)	67.7	(111.4)
Foreign exchange gain / (loss)	**(173.2)**	**67.7**	**(111.4)**
Financial result	**(171.8)**	**68.1**	**(111.1)**

Interest income primarily relates to interest earned on our short-term investments. As of December 31, 2025 and December 31, 2024, bank charges mainly included fees paid for the credit facility entered into on July 7, 2023. Refer to *5.4 Liquidity risk* for additional information.

The foreign exchange loss during the period ended December 31, 2025 is primarily due to foreign exchange rate revaluation effects (i.e., unrealized foreign exchange impacts), in particular the CHF/USD exchange rate.

4.5 Share capital

The share capital amounts to CHF 34.1 million and is divided into 306,847,124 registered shares with a nominal value of CHF 0.10 each (the "Class A Shares") and 341,241,680 registered shares with a nominal value of CHF 0.01 each (voting right shares) (the "Class B Shares"). No preference shares and no restrictions with Class A ordinary shares exist. The share capital is paid in at 100%.

	Class A Authorized registered shares	Class A Shares held by On in treasury	Class A Outstanding shares	Class B Authorized and outstanding registered shares
Shares issued and outstanding as of January 1, 2024	**299,998,125**	**(15,782,848)**	**284,215,277**	**345,437,500**
Capital increase from conditional capital[4]	2,457,539	—	2,457,539	—
Sale of treasury shares related to share-based compensation	—	2,633,847	2,633,847	—
Purchase of treasury shares	—	(10,320)	(10,320)	—
Shares issued and outstanding as of December 31, 2024	**302,455,664**	**(13,159,321)**	**289,296,343**	**345,437,500**
Shares issued and outstanding as of January 1, 2025	**302,455,664**	**(13,159,321)**	**289,296,343**	**345,437,500**
Capital increase from conditional capital[1]	3,339,378		3,339,378	
Capital increase from capital band[2]				6,325,000
Conversion of Class B shares to Class A shares[3]	1,052,082		1,052,082	(10,520,820)
Sale of treasury shares related to share-based compensation		3,189,789	3,189,789	—
Purchase of treasury shares	—	(4,239)	(4,239)	—
Shares issued and outstanding as of December 31, 2025	**306,847,124**	**(9,973,771)**	**296,873,353**	**341,241,680**

(1) As announced on Form 6-K filed with the SEC on August 12, 2025, we amended and restated our memorandum and articles of association to increase the number of authorized Class A ordinary shares.

(2) On December 3rd, 2025, we amended and restated our memorandum and articles of association to increase the number of authorized Class B ordinary shares.

(3) As announced on Form 6-K filed with the SEC on May 23, 2025, 10,520,820 of Class B Shares were converted into 1,052,082 Class A Ordinary Shares.

(4) On November 12, 2024, we amended and restated our memorandum and articles of association to increase the number of authorized Class A ordinary shares.

In 2025, 3,189,789 Class A shares held in treasury have been issued to employees and members of the Board of Directors. This transaction resulted in a cash inflow of CHF 8.6 million.

4.6 Earnings per share

Basic earnings per share ("EPS") is calculated by dividing On's net income for the period by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is calculated by dividing On's net income for the period by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would have been outstanding when assuming the conversion of all potentially dilutive share-based awards. Dilutive effects arise from equity settled shares associated with share-based compensation.

	2025 Class A	2025 Class B	2024 Class A	2024 Class B	2023 Class A	2023 Class B
Weighted number of outstanding shares	295,550,380	339,541,070	288,465,380	345,437,500	284,262,802	345,437,500
Weighted number of shares with dilutive effects	3,228,817	11,251,482	3,787,481	12,822,456	3,306,122	11,446,403
Weighted number of outstanding shares (diluted and undiluted)	298,779,197	350,792,552	292,252,861	358,259,956	287,568,924	356,883,903
Net income (CHF in millions)	**182.7**	**21.0**	**216.3**	**25.9**	**70.9**	**8.6**
Basic EPS (CHF)	**0.62**	**0.06**	**0.75**	**0.07**	**0.25**	**0.02**
Diluted EPS (CHF)	**0.61**	**0.06**	**0.74**	**0.07**	**0.25**	**0.02**

4.7 Capital and other reserves

(CHF in millions)	12/31/2025	12/31/2024
Share premium	760.8	756.9
Statutory reserves	62.4	53.9
Equity transaction costs	(8.7)	(8.7)
Tax impact on equity transaction costs	1.3	1.3
Share-based compensation	473.2	406.7
Capital reserves	**1,289.0**	**1,210.0**
Foreign currency translation effect	(56.0)	(1.1)
Taxes on foreign currency translation effect	6.3	(0.1)
Actuarial gains and losses	3.8	(3.4)
Taxes on actuarial gains and losses	(0.7)	0.7
Other reserves	**(46.6)**	**(4.0)**

4.8 Commitments and contingencies

As of December 31, 2025 and December 31, 2024, bank guarantees and letters of credit in the amount of CHF 153.2 million and CHF 168.3 million, respectively, were provided in favor of third parties. Thereof, as of December 31, 2025, CHF 105.5 million and CHF 27.9 million related to contracts entered into for highly-automated warehouses in the US (Atlanta) and Belgium (Beringen), respectively.

The Swiss On entities form a VAT group and, hence, every entity participating in the group is jointly and severally liable for VAT debt of other group participants. Further, On entities participating in central cash pooling are jointly and severally liable for any debit position or outstanding overdraft. In that context, gross intercompany balances in the amount of CHF 271.7 million and CHF 64.9 million have been offset as of December 31, 2025 and December 31, 2024, respectively.

On has several new lease contract commitments, which have not yet commenced as of December 31, 2025, and are therefore not yet recognized on balance sheet. The total committed future outflow resulting of these lease contracts amounts to:

(CHF in millions)	12/31/2025	12/31/2024
Due < 1 year	7.8	16.9
Due 1 - 5 years	67.7	135.8
Due > 5 years	78.3	178.5
Commitments for future lease obligations	**153.8**	**331.1**

The majority of the future lease commitments relate to contracts entered into for new highly-automated warehouse in Belgium (Beringen). The new warehouse in Belgium is expected to be fully operational by the end of 2026, and amounts to CHF 104.4 million in lease commitments (December 31, 2024: CHF 106.7 million). The remaining lease commitments relate to various new stores, offices and warehouses.

5 Risk management

On is exposed to market risk, foreign currency risk, credit risk and liquidity risk. On's senior management oversees and monitors these risks supported by the Audit Committee that assures proper identification, measurement and management of these financial risks by implementing and maintaining a financial governance framework. The Audit Committee reviews and agrees policies for managing each of these risks at least once a year.

5.1 Market risk

On is exposed to certain market risks in the ordinary course of business. Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises of three types of risk: interest risk, currency risk and other price risk. Financial instruments affected by market risk include cash and cash equivalents. The market risk that On is principally exposed to is fluctuations in foreign currency exchange rates (see note *5.2 Foreign currency risk*).

In order to minimize the risks associated with supply chain constraints and the availability of raw materials, On adopts a multi-sourcing strategy of diversifying suppliers and purchase plans with a medium-term time horizon. The price for raw materials is generally fixed for a six-month period, in the absence of significant exchange rate and commodity price fluctuations.

There were no material changes in the On's market risk exposures or changes in the way risk is managed and valued during the period.

5.2 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. On's exposure to the risk of changes in foreign currency rates is a direct result of multi-currency cash flows within the company. The majority of our transactional foreign exchange risk arises from products sourced in USD and sales denominated in the currencies of the respective destination markets. The currencies in which these transactions are mainly denominated are USD, EUR, GBP, JPY and CNY.

On regularly assesses its exposure to foreign currency risks and manages these risks centrally by reviewing foreign exchange exposures and future commitments, and selectively holding foreign currency in our cash to offset future foreign currency exposures (e.g., lease obligations). To the extent practicable, we centralize foreign currency risk in our main Group entities, and incur operating and financing expenses in the local currencies of the countries in which we operate. Additionally, we have in the past, and may again in the future, enter into derivative financial instruments, such as forward exchange contracts, to further manage our foreign currency risk.

The following table sets forth the foreign exchange rate against the Swiss Franc at the closing dates:

Currency	12/31/2025	12/31/2024
CNY 100	11.35	12.44
EUR 1	0.93	0.94
GBP 1	1.07	1.14
JPY 100	0.51	0.58
USD 1	0.79	0.91

The following table sets forth the average annual foreign exchange rate against the Swiss Franc:

Currency	12/31/2025	12/31/2024	12/31/2023
CNY 100	11.78	12.33	13.03
EUR 1	0.95	0.95	0.99
GBP 1	1.11	1.14	1.13
JPY 100	0.57	0.58	0.66
USD 1	0.85	0.88	0.92

Accounting policies

On’s consolidated financial statements are presented in CHF, which is On’s presentation currency.

The functional currency of each individual entity is determined based on the primary economic environment in which the entity operates (normally the local currency). Once an entity's functional currency is determined, it is not changed unless there is a significant change to the underlying transactions, events, and conditions that determine the entity's primary economic environment. A change in functional currency is accounted for prospectively from the date of change.

Foreign currency transactions are translated into the respective functional currency using the average monthly exchange rate of the month in which the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the exchange rate at the closing date. The resulting exchange differences are recognized in the consolidated income statement within financial result. Non-monetary items measured at historical cost are translated using the historical exchange rate.

Foreign currency exchange differences arising from intercompany receivables or payables relating to foreign operations, the settlement of which is neither planned nor likely to occur in the foreseeable future, are considered to form part of net investment in foreign operations and are recognized in the foreign currency translation effect reserve.

The group entities’ foreign currency financial statements are translated into On’s presentation currency CHF as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing exchange rates at the reporting date.
- Income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates.
- All resulting foreign currency translation effect are recognized in other comprehensive income in equity.
- On disposal of a group entity, the related cumulative translation adjustment is transferred from equity to the income statement.

Financial assets and liabilities held in foreign currencies as of December 31, 2025 and 2024, are shown below. These include monetary assets and liabilities denominated in a currency other than the functional currency of the entity carrying them.

(CHF in millions)					12/31/2025
	USD	**GBP**	**JPY**	**CNY**	**EUR**
Cash and cash equivalents	761.7	6.3	0.1	—	12.4
Trade payables and other financial liabilities[1]	(249.8)	(8.5)	(0.1)	(2.9)	(30.8)
Trade receivables and other financial assets[1]	466.2	114.3	59.0	114.7	45.4
Total assets and liabilities	**978.1**	**112.1**	**58.9**	**111.8**	**26.9**

(CHF in millions)					12/31/2024
	USD	**GBP**	**JPY**	**CNY**	**EUR**
Cash and cash equivalents	629.3	7.7	1.6	—	24.1
Trade payables and other financial liabilities[1]	(145.3)	(0.8)	—	(1.4)	(21.4)
Trade receivables and other financial assets[1]	229.6	81.4	50.0	65.1	34.5
Total assets and liabilities	**713.6**	**88.2**	**51.5**	**63.8**	**37.2**

(1) The majority of these balances are comprised of intercompany positions.

As a result of our multinational sales and operations, On is exposed to fluctuation in foreign exchange at a transactional level, primarily in the USD, GBP, JPY, CNY, and EUR. A change in the foreign exchange rate of the Swiss Franc against the USD, GBP, JPY, CNY, and EUR as of December 31, 2025, and 2024, would have affected the valuation of assets and liabilities denominated in these foreign currencies. This analysis assumes that all other variables remain constant. The exposure is disclosed net of income tax. A 10% increase or decrease in the USD, GBP, JPY, CNY, and EUR foreign currency exchange rates against the Swiss Franc would have impacted On's consolidated statements of income for the period as presented below. These reflect the effect of exchange rate changes on monetary assets and liabilities denominated in a currency other than the functional currency of the entity carrying them.

(CHF in millions)	12/31/2025	12/31/2024
Change in USD/CHF +10%	78.6	57.4
Change in USD/CHF -10%	(78.6)	(57.4)
Change in GBP/CHF +10%	9.0	7.1
Change in GBP/CHF -10%	(9.0)	(7.1)
Change in JPY/CHF +10%	4.7	4.1
Change in JPY/CHF -10%	(4.7)	(4.1)
Change in CNY/CHF +10%	9.0	5.1
Change in CNY/CHF -10%	(9.0)	(5.1)
Change in EUR/CHF +10%	2.2	3.0
Change in EUR/CHF -10%	(2.2)	(3.0)

5.3 Credit risk

Credit risk is the possibility of a loss resulting from a counterparty's failure to meet its contractual obligation. On is exposed to credit risks from its operating activities and from certain financing activities. A potential concentration in credit risk mainly arises from trade receivables and other financial assets, such as credit cards and deposits. The maximum exposure is limited to the respective carrying amounts.

The Company's credit risk is primarily driven by individual customer characteristics. At December 31, 2025, two customers individually represented more than 10% of the trade receivables balance. We have subsequently collected the majority of these outstanding amounts.

New customers are assessed for creditworthiness before standard payment and delivery terms and conditions are offered, and individual tolerance limits are established. Creditworthiness as well as customers receivable limits are monitored on an ongoing basis. Customers that fail to meet On's minimum creditworthiness may, in general, order only on a prepayment basis. Further, in 2025, the Company implemented credit insurance for certain wholesale customer balances to reduce potential loss exposure.

Core banking relationships are maintained with investment grade rated financial institutions.

5.4 Liquidity risk

Liquidity risks arise from not having the necessary resources available to meet maturing liabilities with regard to timing, volume and currency structure. On's finance department is centrally managing the net cash and cash equivalent position to mitigate liquidity risk and to ensure On's obligations can be settled on time.

Main procedures in place to mitigate liquidity risks comprise:

- Centralized control system to manage the net financial position of On and its subsidiaries;
- Obtaining and maintaining forward-looking credit lines to create an adequate debt structure optimizing the liquidity provided by the credit system;
- Continuous monitoring of future cash flows based on rolling forecast and budget data.

Contractual maturities of On's undiscounted financial liabilities:

(CHF in millions)	Not specified[1]	Due < 3 months	Due 4 to 12 months	Due 1 to 5 years	Due > 5 years	12/31/2025
Trade payables	**—**	**154.8**	**—**	**—**	**—**	**154.8**
Accrued expenses	**204.3**	**—**	**—**	**—**	**—**	**204.3**
Current lease liabilities	—	24.8	75.7	—	—	100.6
Other financial liabilities	—	38.3	18.4	—	—	56.7
Other current financial liabilities	**—**	**63.1**	**94.2**	**—**	**—**	**157.3**
Non-current lease liabilities	—	—	—	299.0	216.0	515.0
Other non-current financial liabilities	—	—	—	2.8	—	2.8
Other non-current financial liabilities	**—**	**—**	**—**	**301.8**	**216.0**	**517.8**

(CHF in millions)	Not specified[1]	Due < 3 months	Due 4 to 12 months	Due 1 to 5 years	Due > 5 years	12/31/2024
Trade payables	**—**	**166.5**	**—**	**—**	**—**	**166.5**
Accrued expenses	**184.4**	**—**	**—**	**—**	**—**	**184.4**
Current lease liabilities	—	19.1	25.1	—	—	44.2
Other financial liabilities	—	36.5	14.8	—	—	51.3
Other current financial liabilities	**—**	**55.7**	**39.8**	**—**	**—**	**95.5**
Non-current lease liabilities	—	—	—	211.4	123.7	335.1
Other non-current financial liabilities	—	—	—	1.7	—	1.7
Other non-current financial liabilities	—	—	—	**213.1**	**123.7**	**336.8**

[1] This category includes accrued expenses for which the due date is not specified. These are expected to be settled within the next twelve months. Refer to note *3.6 Other current operating assets and liabilities* for additional information on accrued expenses.

On July 7, 2023, On entered into the CHF 700 million multicurrency credit facility. On has an option to increase the total availability of borrowings under the facility in an aggregate amount of up to CHF 200 million, subject to the satisfaction of certain customary conditions. The credit facility had an initial term of three years, which has been subsequently extended for a total period of two years. Subsequent to extensions, the credit facility will expire on July 7, 2028. As of December 31, 2025 and 2024, no amounts had been drawn under the credit facility.

Of the total guarantees and letters of credit outstanding as of December 31, 2025 and 2024, which are discussed in note *4.8 Commitments and contingencies*, CHF 153.2 million and CHF 168.3 million, respectively, relate to the credit facility.

The credit facility also contains financial covenants that depend on our consolidated equity as well as our net debt to adjusted EBITDA ratio. As of and during the twelve-month periods ended December 31, 2025 and 2024, we were in compliance with all covenants under the credit facility.

The following assets have been pledged in relation to the credit facility:

(CHF in millions)	2025	2024
Trade receivables	266.4	280.8
Inventory	340.4	211.7
Assets pledged	**606.9**	**492.5**

5.5 Capital risk management

To uphold investor, creditor, and market confidence and to sustain future development of the business, On focuses on maintaining a strong capital base. On manages its capital structure and makes adjustments in line with changes in general economic conditions and according to its strategic objectives.

6 Other disclosures

6.1 Share-based compensation

Over the current and previous years, On has granted share-based awards to selected employees. These grants have come out of various equity plans, designed to reward long-term and valued employees for their individual

performance by giving them the opportunity to participate in any growth in the value of On by receiving a bonus in the form of share-based awards.

All share-based awards granted under the different share-based compensation plans were classified as equity-settled share-based payments. In addition to the share-based compensation plans for selected employees, On granted share-based compensation in connection with a service, license, and investment agreement. As of December 31, 2025, the following two share-based incentive plans remain active with additional grants expected in future periods: the Long Term Incentive Plan 2021 ("LTIP 2021") and the Board of Directors of On 2019 ("BoD 2019"). These plans provide for grants either in the form of performance stock units ("PSU's"), tied to certain performance criteria and service requirements or restricted stock units ("RSU's"), that are only conditional on the provision of services by the plan participant during the vesting period.

As of December 31, 2025, the Service, License, and Investment Agreement 2019 ("SLIA"), and Tax Recognition Plan 2022 ("TRP 2022") are no longer active, and no further grants are expected. Share-based compensation expenses for these plans, in addition to LTIP 2021 and BoD 2019, were recognized in the consolidated statements of income during the periods presented. Awards under LTIP 2020 remain outstanding as of December 31, 2025.

Overview of the different programs:

Long Term Incentive Plan 2021 ("LTIP 2021")	In 2021, the LTIP 2021 was implemented to replace the existing share-based compensation plans in place at the time and is the currently active share-based compensation plan for equity compensation to On's team members. Awards under the LTIP 2021 are granted as RSU's or PSU's and are subject to time-based and in the case of PSU's performance-based vesting conditions. In March 2025, the LTIP 2021 was amended to modify the vesting schedule of new RSU grants and to revise the performance cycle allocation for new PSU grants beginning in the fiscal year 2025. These amendments only apply to new grants issued in March 2025 and onwards. RSU grants issued subsequent to the March 2025 amendment will vest in 12 equal quarterly tranches, commencing one quarter following the date of grant, subject to a participant's continuous employment and unless otherwise agreed in a participant's award agreement. This amendment eliminates the one-year cliff vesting schedule previously in effect. Prior to the amendment in March 2025, 34% of RSU's granted vested on the first anniversary of the grant date, with the remaining balance vesting in eight equal quarterly tranches of 8.25% each, commencing at the end of first quarter following the first anniversary of the grant date. PSU grants issued subsequent to the March 2025 amendment are allocated across two performance cycles: a two year performance cycle and a three year cycle. Subject to a participant's continuous employment, the achievement of the performance conditions as well as the resulting vesting factor and unless otherwise agreed in a participant's award agreement, the PSU's vest in full 24 months following the grant date (for a two year performance cycle) and 36 months following the granting date (for a three year performance cycle). PSU's granted to members of On's Executive Board are subject to a market-based award multiplier, based on the achievement of On's total shareholder return relative to a broad market index measured over the same two year and three year performance cycle. Prior to the amendment in March 2025, PSU awards were split equally, with 50% subject to a two-year performance cycle and 50% subject to a three-year performance cycle. The amendment approved in March 2025 resulted in a shift in the allocation of PSU awards. For grants issued during the 2025 fiscal year, the allocation shifted to 25% of the granted PSUs being subject to a two-year performance cycle and 75% being subject to a three-year performance cycle. For all PSU grants issued in 2026 and subsequent years, 100% of the granted PSUs will be subject solely to a three-year performance cycle. Regardless of the applicable performance cycle, the vesting of PSU awards remains subject to the achievement of the performance conditions, measured over the respective performance cycle, and the resulting vesting factor, as well as the participant's continuous employment, unless otherwise agreed in a participant's award agreement. Upon vesting, the awards are distributed to participants in the form of shares as soon as operationally feasible.
Compensation of non-executive members of the Board of Directors of On 2019 ("BOD 2019")	Awards under the share-based compensation program for non-executive members of the Board of Directors are granted as RSU's. These awards are granted to On's non-executive board members that receive equity compensation for their services as members of On's Board of Directors on a quarterly basis. The RSU's are not subject to vesting requirements and immediately vest upon grant, subject to an administrative period to allow for the acceptance of awards by participants.

Tax Recognition Plan 2022 ("TRP 2022")

In 2022 and 2023, RSU's were granted to certain employees of On who were subject to elevated tax obligations in connection with prior grants of equity incentive awards or RSU's vesting in connection with the Company's IPO. In 2024 and 2025, no RSU's were granted pursuant to this plan.

The RSU's immediately vested upon grant, subject to an administrative period to allow for the acceptance of awards by participants.

Service, License, and Investment Agreement 2019 ("SLIA")

In 2019, a “service, license and investment agreement” was negotiated between On and third parties, including the payment of share-based compensation in exchange for the services provided by the third parties. Awards under the SLIA 2019 were granted as options. The milestone-based vesting criteria include the achievement of certain Net Sales thresholds for the fiscal year ended December 31, 2023 as well as the fiscal year ended December 31, 2024. The respective milestones were reached, and the formal vesting of the options occurred upon publication of the annual report for the fiscal year ended December 31, 2023, as well as the fiscal year ended December 31, 2024, respectively.

Vested options were exercised within the six month anniversary of the applicable vesting date.

The fair value of all equity compensation awards granted to employees is estimated at grant date and recorded as an expense over the vesting period. Total expenses arising from share-based payment transactions during the period were as follows:

	Year ended December 31,		
(CHF in millions)	**2025**	**2024**	**2023**
LTIP 2021	61.5	51.9	24.4
Other[1]	1.0	19.6	7.4
Total share-based compensation expense[2]	**62.6**	**71.5**	**31.8**

[1] Other includes social charges attributable to the respective plans, and share-based compensation expense associated with BOD 2019 and other plans. Social charges are settled in cash and consider any costs related to local legal requirements related to share-based compensation. Refer to note *6.3 Provisions* for additional information on social charges.
[2] Share-based compensation is recorded within line item selling, general and administrative expenses in the consolidated statements of income. As of December 31, 2025, On has recognized an increase in shareholders' equity in the balance sheet of CHF 66.6 million and CHF 57.5 million for share-based compensation incurred during the twelve-month periods ended December 31, 2025 and December 31, 2024.

A summary of activity under the plan types as of December 31, 2025, December 31, 2024, and changes during the years ending on those dates, is presented below:

Plan type	Stock options (Class A Shares)[1]		Stock options (Class B Shares)[2]		RSU's[3]	PSU's[4]
	Number of options	Weighted average exercise price US$	Number of options	Weighted average exercise price US$	Number of shares	Number of shares
Awards outstanding at January 1, 2024	**9,102,323**	**3.46**	**15,812,500**	**0.77**	**849,504**	**1,067,215**
Awards granted	—	n/a	—	*n/a*	629,831	834,743
Awards forfeited / expired	(3,940)	11.69	—	*n/a*	(71,220)	(21,962)
Awards exercised / vested	(4,588,738)	5.92	—	*n/a*	(519,510)	—
Awards outstanding at December 31, 2024	**4,509,645**	**4.13**	**15,812,500**	**0.77**	**888,605**	**1,879,996**
weighted average contractual life remaining (years)	*0.4*	*n/a*	—	*n/a*	*0.9*	*1.1*
maximum term (years)	*0.8*	*n/a*	—	*n/a*	*3.0*	*2.2*
exercisable	*4,509,645*	*4.13*	*15,812,500*	*0.77*	*2,000*	—
Awards outstanding at January 1, 2025	**4,509,645**	**4.13**	**15,812,500**	**0.77**	**888,605**	**1,879,996**
Awards granted	—	n/a	—	n/a	782,575	1,508,630
Awards forfeited / expired	(4,766)	11.33	—	n/a	(103,891)	(67,211)
Conversion of Class B to Class A shares	316,250	7.77	(3,162,500)	0.77	—	—
Awards exercised / vested	(3,460,373)	2.81	(6,325,000)	0.77	(723,546)	(1,228,218)
Awards outstanding at December 31, 2025	**1,360,756**	**8.30**	**6,325,000**	**0.77**	**843,743**	**2,093,197**
weighted average contractual life remaining (years)	—	*n/a*	—	*n/a*	*0.4*	*0.7*
maximum term (years)	—	*n/a*	—	*n/a*	*4.3*	*2.2*
exercisable	*1,360,756*	*8.30*	*6,325,000*	*0.77*	*262*	—

(1) The following plans are included within Stock options (Class A shares): LTPP 2018, LTIP 2018, LTIP 2020 (Class A Shares), and SLIA 2019.

(2) The following plan is included within Stock options (Class B shares): LTIP 2020 (Class B Shares).

(3) The following plans are included within RSU's: BoD 2019, LTIP 2021 RSUs, and Founders' Plan 2021.

(4) The following plan is included within PSU's: LTIP 2021 PSU.

Inputs used in the measurement of the fair values at grant date of the equity compensation plans were as follows:

For the year ended December 31, 2025

Plan	Grant Date	Share price on measurement date (CHF)
LTIP 2021 (PSU's and RSU's) & BOD 2019	March 24, 2025	42.73
LTIP 2021 (PSU's and RSU's) & BOD 2019	June 23, 2025	43.18
LTIP 2021 (PSU's and RSU's) & BOD 2019	September 22, 2025	36.18
LTIP 2021 (RSU's)	October 1, 2025	32.65
LTIP 2021 (PSU's and RSU's) & BOD 2019	December 15, 2025	38.00

For the year ended December 31, 2024

Plan	Grant Date	Share price on measurement date (CHF)
LTIP 2021 (PSU's and RSU's) & BOD 2019	March 25, 2024	31.07
LTIP 2021 (PSU's and RSU's) & BOD 2019	June 24, 2024	34.88
BOD 2019	July 10, 2024	32.94
LTIP 2021 (PSU's and RSU's) & BOD 2019	September 23, 2024	42.74
LTIP 2021 (PSU's and RSU's) & BOD 2019	December 16, 2024	51.65

Accounting policies

Employees and others providing similar services to On receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions). All share-based plans of On have been identified to be equity-settled.

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognized as personnel expenses, together with a corresponding increase in equity (other capital reserves), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expenses recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the On's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the income statement for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

Significant judgments and accounting estimates

PSU's and RSU's granted during the twelve month period ended December 31, 2025 were valued on the basis of the observable share price on grant date.

When determining the expense recognition, the expected fluctuation has been set to 10% per annum. The expected fluctuation level was determined by On based on historical fluctuation and management estimates. Measuring the fair values of PSU's with TSR performance criteria requires the use of estimates. The Monte Carlo simulation applied to determine this fair value incorporates assumptions, including the correlation of On's total shareholder return relative to a broad market index.

6.2 Employee benefit obligations

On globally maintains defined benefit pension plans and defined contribution pension plans in accordance with local regulations and practices. The Company's only and most significant defined benefit pension plan is in Switzerland. Current pension arrangements for On employees in Switzerland are made through plans governed by the Swiss Federal Occupational Old Age, Survivors and Disability Pension Act (BVG). These plans are funded by regular employee and employer contributions and are administered by an independent third party. On's estimated contributions for the next reporting period is CHF 9.4 million.

Final benefits are contribution-based with certain minimum guarantees. Due to these minimum guarantees, On's Swiss plan (excluding the 1e pension plan) is treated as a defined benefit plan for the purpose of these financial statements. The plan is invested in a diversified range of assets in accordance with law, the investment strategy, and the common criteria of an asset and liability management.

All other plans are treated as defined contribution plans. The contributions of those plans are recognized as personnel expenses in the period during which the related services are rendered by employees. Expenses during the year ended December 31, 2025 amounted to CHF 5.8 million (December 31, 2024: CHF 4.5 million).

The result of the Swiss defined benefit plans is summarized in the tables below:

Employee benefit obligations (amount recognized in the consolidated balance sheets)

(CHF in millions)	December 31, 2025	December 31, 2024
Present value of defined benefit obligation	(65.4)	(52.9)
Fair value of plan assets	59.9	44.3
Employee benefit obligations	**(5.5)**	**(8.6)**

As of December 31, 2025, the defined benefit obligation has a weighted average duration of 14.0 years (December 31, 2024: 15.7 years). Employee benefit obligations reconcile as follows:

(CHF in millions)	2025	2024
Employee benefit obligations at January 1	**(8.6)**	**(2.2)**
Amounts recognized in income statement	(8.3)	(5.3)
Amounts recognized in other comprehensive income	7.2	(1.2)
Contributions by the employer	4.3	0.2
Employee benefit obligations at December 31	**(5.5)**	**(8.6)**

Amounts recognized in the consolidated statements of income

(CHF in millions)	2025	2024	2023
Current service cost	(8.6)	(5.3)	(3.8)
Past service cost	0.3	—	—
Employee benefit expenses	**(8.3)**	**(5.3)**	**(3.8)**

Remeasurements recognized in equity (other comprehensive income)

(CHF in millions)	2025	2024	2023
Actuarial (losses)/gains from			
changes in financial assumptions	4.2	(2.5)	(3.6)
changes in experience adjustments	(0.7)	(2.1)	0.2
Return on plan assets excluding interest income	3.7	3.4	—
Net actuarial result from defined benefit plans	**7.2**	**(1.2)**	**(3.4)**

Defined benefit obligation

(CHF in millions)	2025	2024
Present value of defined benefit obligation at January 1	**52.9**	**35.3**
Current service cost	8.6	5.3
Contributions by the employees	5.5	4.3
Interest expenses	0.5	0.5
Past service cost	(0.3)	—
Benefits paid	1.7	2.8
Actuarial losses/(gains) from		
changes in financial assumptions	(4.2)	2.5
changes in experience adjustments	0.7	2.1
Present value of defined benefit obligation at December 31	**65.4**	**52.9**

Plan assets

(CHF in millions)	2025	2024
Fair value of plan assets at January 1	**44.3**	**33.1**
Contributions by the employer	4.3	0.2
Contributions by the employees	5.5	4.3
Interest income	0.5	0.5
Benefits paid	1.7	2.8
Return on plan assets (excluding interest income)	3.7	3.4
Fair value of plan assets at December 31	**59.9**	**44.3**

The plan assets consist of (all with quoted market prices):

	12/31/2025	12/31/2024
Cash and cash equivalents	4.1 %	5.9 %
Debt instruments	20.3 %	21.9 %
Equity instruments	33.8 %	33.5 %
Real estate	22.5 %	21.3 %
Mortgages	4.2 %	3.6 %
Alternative assets	15.1 %	13.8 %
Total	**100.0 %**	**100.0 %**

Principal actuarial assumptions

	12/31/2025	12/31/2024
Discount rate	1.4 %	1.0 %
Expected rate of salary increase	1.0 %	1.0 %
Expected rate of pension increase	0.0 %	0.0 %
Demographic assumptions	BVG 2020 generation table	BVG 2020 generation table

Sensitivity analysis: Impact on defined benefit obligation

(CHF in millions)	12/31/2025	12/31/2024
Discount rate		
-0.5%	4.9	4.5
+0.5%	(4.2)	(3.8)
Expected rate of salary increase		
-0.5%	(1.4)	(1.2)
+0.5%	1.0	0.9
Life expectancy		
-1 year	(0.3)	(0.5)
+1 year	0.4	0.5

Accounting policies

Accounting and reporting of the Swiss defined benefit plans are based on annual actuarial valuations. Defined benefit obligations and service costs are assessed using the projected unit credit method, with the cost of providing pensions charged to the income statement so as to spread the regular cost over the service lives of employees participating in these plans. The pension obligation is measured as the present value of the estimated future outflows using interest rates of government securities, which have terms to maturity approximating the terms of the related liability. Service cost from defined benefit plans are charged to the consolidated statements of income within the selling, general and administrative expenses line item. If the fair value of the plan assets exceeds the present value of the defined benefit obligation, only a net pension asset is recorded in the consolidated balance sheets, taking account of the asset ceiling. If the present value of the defined benefit obligation exceeds the fair value of the plan assets, only a defined benefit obligation is recorded in the consolidated balance sheets.

The net interest component is calculated by applying the discount rate to the employee benefit obligations (net defined benefit asset or liability) and is recognized in the income statement in the selling, general and administrative expenses line item within the consolidated statements of income. Actuarial gains and losses, resulting from changes in actuarial assumptions and differences between assumptions and actual experiences, are recognized the equity (other comprehensive income) in the period in which they occur.

Significant judgments and accounting estimates

The carrying amounts of defined benefit pension plans are based on actuarial valuations. These valuations are calculated based on statistical data and assumptions about discount rates, expected rates of return on plan assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

6.3 Provisions

(CHF in millions)	Social charges	Long-service leave	Other	Total
Balance at January 1, 2024	**6.8**	**5.8**	**4.5**	**17.1**
thereof current	*6.3*	*0.7*	*0.1*	*7.1*
thereof non-current	*0.5*	*5.1*	*4.3*	*10.0*
Additions	22.9	2.6	3.8	29.3
Release	(1.0)	(0.5)	—	(1.6)
Utilization	(8.2)	—	—	(8.2)
Unwinding of discount	—	—	0.1	0.1
Exchange differences	(0.1)	0.1	0.1	—
Balance at December 31, 2024	**20.3**	**8.0**	**8.4**	**36.6**
thereof current	*20.3*	*1.0*	*0.4*	*21.7*
thereof non-current	*—*	*7.0*	*8.0*	*14.9*
Additions	5.1	4.7	3.8	13.6
Release	(6.1)	(0.8)	(0.1)	(7.0)
Utilization	(8.2)	—	—	(8.2)
Unwinding of discount	—	—	0.1	0.1
Exchange differences	(0.4)	(0.4)	(0.6)	(1.4)
Balance at December 31, 2025	**10.7**	**11.5**	**11.6**	**33.7**
thereof current	*10.7*	*1.8*	*0.6*	*13.0*
thereof non-current	*—*	*9.7*	*11.0*	*20.7*

Provisions for social charges are related to share-based compensation to fulfil local legal requirements. Provisions for long-service leave are related to jubilee bonus for long-serving employees. Other provisions primarily relate to provisions for asset retirement obligations, which mainly relates to the dismantling costs for the Zurich headquarters and other retail stores in different locations, and amounts to CHF 11.4 million as of December 31, 2025 (CHF 5.9 million as of December 31, 2024). Other further includes provisions for legal matters, which represent the current best estimate of a probable economic outflow.

Accounting policies

Provisions are recognized when On has a present obligation (legal or constructive) as a result of a past event, where it is probable that an outflow of resource will be required to settle the obligation, and where a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows.

From time to time, we are subject to potential litigation. Provisions for legal matters are recorded when an economic outflow for the legal matter or other dispute is probable and when a reliable estimate of the economic outflow can be made. Provisions for legal matters where an economic outflow is less than probable, or when it is considered probable but cannot be reliably estimated, would be disclosed unless the possibility of an economic outflow is remote.

Relevant judgments and accounting estimates	Provisions are recognized when a past event gives rise to a present legal or constructive obligation, it is probable that an outflow of economic resources will be required for settlement, and a reliable estimate can be made of the amount of the obligation. Provisions are based upon management's best estimate of the expenditure required to settle the obligation, incorporating historical data, expert evaluations, and currently available information. Due to the inherent judgment required to determine the timing, magnitude and probability of such obligations, actual results may differ from these estimates.

6.4 Income taxes

(CHF in millions)	2025	2024	2023
Current income taxes	76.0	74.0	35.7
Deferred income taxes	(74.5)	(36.6)	(46.2)
Income tax expense (benefit)	**1.5**	**37.4**	**(10.5)**

The income taxes reflected in the financial statements and the amount calculated at the expected tax rate (starting with On Holding AG's statutory corporate income tax rate in Switzerland) reconcile as follows:

(CHF in millions)	2025		2024		2023	
Income before taxes		**205.2**		**279.6**		**69.1**
Expected tax rate / tax expense	**19.6 %**	**40.2**	**19.6 %**	**54.8**	**19.7 %**	**13.6**
Income taxed at different tax rate	(2.7)%	(5.6)	0.5 %	1.4	(1.8)%	(1.3)
Non-deductible expenses	5.9 %	12.2	3.1 %	8.8	10.3 %	7.1
Non-taxable income and tax incentives	(17.2)%	(35.2)	(4.0)%	(11.1)	(22.4)%	(15.5)
Effects of (de-)recognition of tax losses	— %	—	(0.2)%	(0.6)	(2.4)%	(1.7)
Effects of tax rate changes	0.3 %	0.7	(0.1)%	(0.2)	0.7 %	0.5
Effect of prior-year items	(5.8)%	(11.9)	(0.9)%	(2.6)	(20.5)%	(14.2)
Other effects	0.5 %	1.1	(4.7)%	(13.3)	1.3 %	0.9
Effective tax rate / income tax expense (benefit)	**0.7 %**	**1.5**	**13.4 %**	**37.4**	**(15.1)%**	**(10.5)**

In 2025 and 2024, the effective tax rate was 0.7% and 13.4%, respectively. The decreases to the effective income tax rates were mainly due to deferred income tax benefits for the fiscal year 2025 related to the elimination of intercompany profits in inventory, as well as higher effectiveness of certain tax incentives and prior year items.

Change of net deferred tax assets and liabilities:

(CHF in millions)	2025	2024
Net amount at January 1	**97.1**	**59.1**
thereof deferred tax assets	*107.8*	*69.5*
thereof deferred tax liabilities	*(10.8)*	*(10.5)*
Taxes charged		
to income statement	74.5	36.6
to other comprehensive income	5.1	0.1
Exchange differences	(10.1)	1.3
Net amount at December 31	**166.6**	**97.1**
thereof deferred tax assets	*175.9*	*107.8*
thereof deferred tax liabilities	*(9.3)*	*(10.8)*

Deferred tax assets and liabilities relate to the following items:

(CHF in millions)	12/31/25 Assets	Liabilities	Net amount	12/31/24 Assets	Liabilities	Net amount
Inventories	134.4	(7.3)	**127.2**	81.5	(9.9)	**71.6**
Property, plant and equipment	0.9	(5.4)	**(4.5)**	0.3	(6.2)	**(5.9)**
Right-of-use assets	—	(87.8)	**(87.7)**	—	(50.6)	**(50.6)**
Intangible assets	—	(2.6)	**(2.6)**	—	(2.9)	**(2.9)**
Other current financial liabilities	73.7	—	**73.7**	46.7	—	**46.7**
Other current operating liabilities	17.2	(1.0)	**16.1**	17.2	(0.7)	**16.5**
Other non-current financial liabilities	22.6	—	**22.6**	12.8	—	**12.8**
Tax loss and tax credit carryforwards	18.5	—	**18.5**	4.6	—	**4.6**
Other assets and liabilities	6.0	(2.9)	**3.2**	5.3	(1.2)	**4.1**
Deferred tax assets (liabilities)	**273.4**	**(106.9)**	**166.6**	**168.5**	**(71.4)**	**97.1**
Offsetting	(97.5)	97.5	—	(60.6)	60.6	—
Deferred tax assets (liabilities) on balance sheet	**175.9**	**(9.3)**	**166.6**	**107.8**	**(10.8)**	**97.1**

Pillar Two income tax disclosure

In December 2021, the OECD published key parameters and model rules on a global minimum tax rate of 15% (Pillar Two) for multinational enterprises with revenue of more than EUR 750 million. Many jurisdictions in which we are subject to income taxes, global minimum tax rules have been enacted, or substantively enacted, which can impose detailed reporting obligations and increase compliance and systems-related costs on our businesses. In Switzerland, where the company is headquartered, the enacted legislation includes the introduction of a Qualified Domestic Top-up Tax effective January 1, 2024, as well as the income inclusion rule that became effective January 1, 2025.

We have applied the temporary exception issued by the IASB in May 2023 from the accounting requirements for deferred taxes in IAS 12. Accordingly, we neither recognize nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

As an integral part of the rule set, the OECD has published transitional Country-by-Country Report ("CbCR") Safe Harbor rules, with the purpose to remove the obligation of calculating the Pillar Two effective tax rate for operations in lower-risk jurisdictions during the initial years when the rules take effect. In applying the transitional CbCR Safe Harbor rules on the 2025 consolidated financial statements, most jurisdictions in which we operate, to the extent such jurisdictions have implemented the OECD rules, qualify for the transitional CbCR Safe Harbor rules.

On has recorded CHF 0.9 million in respect of Pillar Two top up taxes in fiscal year 2025.

Accounting policies

The income tax expense recognized for the period consists of current and deferred tax.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recorded on the valuation differences (temporary differences) between the tax bases of assets and liabilities and their carrying values in the consolidated balance sheet. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the temporary differences and tax losses can be offset. Deferred tax liabilities are provided for on taxable temporary differences arising from investments in subsidiaries, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by On and it is probable that the temporary difference will not reverse in the foreseeable future.

Current and deferred tax assets and liabilities are offset only if they relate to the same taxing authority and taxable entity.

For interim periods, Income tax (expense) / benefit is determined using an estimate of our annual effective tax rate, which is subject to several factors, including our ability to accurately forecast our annual pre-tax income, foreign currency fluctuations, tax incentives, implications related to the elimination of intercompany profits in inventory, and the subjectivity of the geopolitical and macroeconomic situations.

Significant judgments and accounting estimates

On is subject to income taxes in numerous jurisdictions and significant judgment is required in determining the worldwide provision for income taxes. The multitude of transactions and calculations implies estimates and assumptions. On recognizes liabilities on the basis of amounts expected to be paid to the tax authorities.

Deferred tax assets relate to deductible differences and, in certain cases, tax loss carry forwards, provided that their utilization is considered probable. The recoverable value is based on management's forecasts of the corresponding taxable On entity over a period of several years. The capitalized tax loss carryforwards are primarily related to transfer price arrangements in place, which will lead to a profit before tax. Therefore, the assumption is that the On entities can use the tax losses. As actual results may differ from these forecasts, the deferred tax assets may need to be adjusted accordingly.

6.5 Related parties

A legal or natural person is related to an On entity if the party directly or indirectly controls, is controlled by, or is under common control with the entity, has an interest in or role at the entity that gives it significant influence over the entity, has joint control over the entity or is an associate or a joint venture of the entity.

On has identified the following related parties:

- Executive officers
- Members of the Board of Directors of On
- Shareholders that have significant influence by delegating a member into the Board of Directors of On

In 2025, total share-based compensation of the non-executive members of the Board of Directors of On amounts to CHF 1.2 million (2024: CHF 1.2 million, 2023: CHF 1.1 million).

There were no further transactions with related parties for the relevant financial years except for the following transactions with On's extended founder team[1]:

(CHF in millions)	2025	2024	2023
Short-term employee benefits	1.7	3.4	4.2
Post-employment benefits	4.9	1.1	0.3
Share-based compensation	12.7	13.8	13.8
On's extended founder team[(1)]	**19.3**	**18.2**	**18.3**

(1) Up until March 31, 2025, our extended founder team included Marc Maurer, former co-CEO. Transactions with Marc Maurer until March 31, 2025 are included in the above table.

6.6 Events after the balance sheet date

There were no material events after the balance sheet date, excluding the below.

Effective January 1, 2026, in accordance with IAS 21, On Holding AG (the Group's parent company) and On AG (the Group's main trading entity) have changed their functional currency from the Swiss Franc (CHF) to the US Dollar (USD), as a result of significant changes to the underlying transactions, events, and conditions that determine On AG's and On Holding AG's primary economic environment.

On AG, incorporated and domiciled in Switzerland, has historically determined CHF as its functional currency. In recent years, however, its revenues and operating expenses have shifted increasingly toward USD, with additional future plans expected to further increase revenues and expenses in USD. Specifically, the Audit Committee has adopted a new Treasury policy, which establishes USD as the preferred currency for On AG and On Holding AG operating, investing and financing activities from January 1, 2026 and onwards. This policy is expected to expose On AG and On Holding AG to an increasing predominance of USD-denominated activities. As a result of these significant changes to the underlying transactions, events, and conditions that determine On AG's primary economic environment, management determined that a change in functional currency was appropriate.

On Holding AG, has also seen a stronger orientation of its financing and investing activities toward USD. Additionally, the amended Treasury policy discussed above, and On AG’s functional currency change, will further orient its financing and investing activities towards the USD. As a result of these significant changes to the underlying transactions, events, and conditions that determine On Holding AG's primary economic environment, management determined that a change in functional currency was appropriate.

These changes will be accounted for prospectively and do not impact prior period financial statements. The Group’s presentation currency will continue to be the CHF, the lawful currency of Switzerland, where On Holding AG is headquartered and domiciled, and where it is incorporated under Swiss law. Beginning in the first quarter of 2026, we will start recording adjustments in other comprehensive income / (loss) to translate these entities' financial statements from USD to CHF (our presentation currency).

STATUTEN

der

On Holding AG

mit Sitz in Zürich

ARTICLES OF ASSOCIATION

of

On Holding AG

with registered office in Zurich

I. GRUNDLAGE

Artikel 1 – Firma und Sitz

Unter der Firma

On Holding AG
(On Holding SA)
(On Holding Ltd)

besteht mit Sitz in Zürich auf unbestimmte Dauer eine Aktiengesellschaft gemäss Art. 620 ff. des schweizerischen Obligationenrechts (OR) (die "**Gesellschaft**").

Artikel 2 – Zweck

Die Gesellschaft bezweckt den Erwerb, das Halten, die Verwaltung und die Veräusserung von Beteiligungen an Gesellschaften aller Art in der Schweiz und im Ausland.

Die Gesellschaft kann ausserdem alle Geschäfte abschliessen und Vereinbarungen eingehen, die dem Gesellschaftszweck dienen oder in direktem Zusammenhang damit stehen.

Die Gesellschaft kann ihren direkten oder indirekten Muttergesellschaften sowie deren oder ihren direkten oder indirekten Tochtergesellschaften Darlehen oder andere Finanzierungen gewähren und für Verbindlichkeiten von solchen anderen Gesellschaften Sicherheiten aller Art stellen, einschliesslich mittels Pfandrechten an oder

I. INTRODUCTION

Article 1 – Company Name and Registered Office

Under the company name of

On Holding AG
(On Holding SA)
(On Holding Ltd)

a stock corporation according to art. 620 et seqq. of the Swiss Code of Obligations (CO) with registered office in Zurich exists for an unlimited period of time (the "**Company**").

Article 2 – Purpose

The purpose of the Company is the acquisition, holding, management and sale of participations in companies of all kinds in Switzerland and abroad.

The Company may also carry out any and all transactions and enter into any and all agreements which directly or indirectly serve its corporate purpose or are directly related thereto.

The Company may grant loans or provide other kind of financing to its direct or indirect parent company and its or the parent company's direct or indirect subsidiaries and may grant security of all kind for obligations of those companies, including by means of pledges over or fiduciary transfers of assets of the Company or by

fiduziarischen Übereignungen von Aktiven der Gesellschaft oder Garantien jedwelcher Art, ob gegen Entgelt oder nicht.

Die Gesellschaft kann Zweigniederlassungen und Tochtergesellschaften in der Schweiz und im Ausland errichten und Grundstücke erwerben, halten, verwalten und veräussern.

Die Gesellschaft kann Patente, Lizenzen, Marken und technische und industrielle Kenntnisse erwerben, verwalten, übertragen, veräussern und lizenzieren.

means of guarantees of any kind, with or without compensation.

The Company may set up branch offices and subsidiaries in Switzerland and abroad and acquire, manage, hold and sell real estate.

The Company may acquire, manage, transfer, sell and license patents, licenses, trademarks and technical and industrial knowledge.

II. KAPITAL

Artikel 3 – Aktienkapital und Aktien

Das Aktienkapital beträgt CHF 34'097'129.20 und ist eingeteilt in 306'847'124 Namenaktien mit einem Nennwert von je CHF 0.10 (die "**Klasse A Aktien**") und in 341'241'680 Namenaktien mit einem Nennwert von je CHF 0.01 (Stimmrechtsaktien) (die "**Klasse B Aktien**").

Das Aktienkapital ist zu 100 % liberiert.

Artikel 3a – Bedingtes Aktienkapital

Das Aktienkapital der Gesellschaft wird im Maximalbetrag von CHF 670'308.30 erhöht durch Ausgabe von höchstens 6'703'083 vollständig zu liberierenden Namenaktien mit einem Nennwert von je CHF 0.10 (Klasse A Aktien), durch Ausübung von Rechten, die den Verwaltungsräten und externen Beratern, Dienstleistern und Vertriebspartnern der Gesellschaft oder der Konzerngesellschaften gewährt werden.

Das Bezugsrecht der Aktionäre ist ausgeschlossen. Der Erwerb der Klasse A Aktien durch die Ausübung von Rechten und die weitere Übertragung der Klasse A Aktien unterliegen den Übertragungs-beschränkungen gemäss Art. 5 der Statuten.

Artikel 3b – Kapitalband für Klasse A Aktien

II. SHARE CAPITAL

Article 3 – Share Capital and Shares

The share capital amounts to CHF 34,097,129.20 and is divided into 306,847,124 registered shares with a nominal value of CHF 0.10 each (the "**Class A Shares**") and in 341,241,680 registered shares with a nominal value of CHF 0.01 each (voting right shares) (the "**Class B Shares**").

The share capital is paid in at 100 %.

Article 3a – Conditional Share Capital

The share capital of the Company may be increased by the maximum amount of CHF 670,308.30 by issuing up to 6,703,083 fully paid-up registered shares with a nominal value of CHF 0.10 each (Class A Shares), upon exercise of rights that are given to members of the board of directors or independent consultants, service partners or sales agents of the Company or of affiliated companies.

The shareholders' statutory subscription rights are excluded. The acquisition of Class A Shares through the exercise of rights and the further transfer of the Class A Shares are subject to the transfer restrictions pursuant to Art. 5 of the articles of association.

Article 3b – Capital Band for Class A Shares

Die Gesellschaft verfügt über ein Kapitalband für Klasse A Aktien zwischen CHF 28’184’712.40 (untere Grenze) und CHF 33’184’712.40 (obere Grenze). Der Verwaltungsrat ist im Rahmen des Kapitalbands für Klasse A Aktien ermächtigt, bis zum 25. Mai 2028 oder bis zu einem früheren Dahinfallen des Kapitalbands für Klasse A Aktien das Aktienkapital einmal oder mehrmals und in beliebigen Beträgen zu erhöhen oder herabzusetzen. Die Kapitalerhöhung oder -herabsetzung kann durch Ausgabe von bis zu 25'000'000 voll zu liberierenden Namenaktien mit einem Nennwert von je CHF 0.10 (Klasse A Aktien) bzw. Vernichtung von bis zu 25'000'000 Namenaktien mit einem Nennwert von je CHF 0.10 (Klasse A Aktien) oder durch eine Erhöhung bzw. Herabsetzung der Nennwerte der bestehenden Namenaktien im Rahmen des Kapitalbands oder durch gleichzeitige Herabsetzung und Wiedererhöhung erfolgen.

The Company has a capital band for Class A Shares between CHF 28,184,712.40 (lower limit) and CHF 33’184’712.40 (upper limit). Within the capital band for Class A Shares, the board of directors is authorized to increase or reduce the share capital once or several times and in any amounts until May 25, 2028 or until an earlier expiry of the capital band for Class A Shares. The capital increase or reduction may be effected by issuing up to 25,000,000 fully paid registered shares with a par value of CHF 0.10 each (Class A Shares) or by cancelling up to 25,000,000 registered shares with a par value of CHF 0.10 each (Class A Shares) or by increasing or reducing the par value of the existing registered shares within the capital band or by a combined capital reduction and capital increase.

Im Falle einer Kapitalerhöhung legt der Verwaltungsrat die Anzahl Aktien, den Ausgabebetrag, die Art der Einlagen, den Zeitpunkt der Ausgabe, die Bedingungen der Bezugsrechtsausübung und den Beginn der Dividendenberechtigung fest. Dabei kann der Verwaltungsrat neue Aktien mittels Festübernahme durch eine Bank oder einen anderen Dritten und anschliessendem Angebot an die bisherigen Aktionäre ausgeben. Der Verwaltungsrat ist ermächtigt, den Handel mit Bezugsrechten zu beschränken oder auszuschliessen. Nicht ausgeübte Bezugsrechte kann der Verwaltungsrat verfallen lassen oder diese bzw. die Aktien, für welche Bezugsrechte eingeräumt, aber nicht ausgeübt werden, zu Marktkonditionen platzieren oder anderweitig im Interesse der Gesellschaft verwenden.

In the event of a capital increase, the board of directors shall determine the number of shares, the issue price, the type of contributions, the time of issue, the conditions for exercising subscription rights and the start of dividend entitlement. The board of directors may issue new shares by means of a firm underwriting by a bank or another third party and a subsequent offer to the existing shareholders. The board of directors is authorized to restrict or exclude trading in subscription rights. The board of directors may allow subscription rights which have not been exercised to lapse or place them or the shares for which subscription rights have been granted but not exercised at market conditions or use them otherwise in the interest of the Company.

Der Verwaltungsrat ist ermächtigt, die Bezugsrechte der Aktionäre in Bezug auf die unter diesem Art. 3b auszugebenden Aktien zu entziehen oder zu beschränken und einzelnen Aktionären, Dritten, der Gesellschaft oder Konzerngesellschaften zuzuweisen:

(a) wenn der Ausgabebetrag der neuen Aktien unter Berücksichtigung des Marktpreises festgesetzt wird; oder

(b) für die Übernahme von Unternehmen, Unternehmensteilen oder

The board of directors is authorized to withdraw or restrict subscription rights of existing shareholders with regard to shares to be issued according to this Art. 3b and to allocate such rights to single shareholders, third parties, the Company or any of its group companies:

(a) if the issue price of the new shares is determined by reference to the market price; or

(b) for the acquisition of companies, part(s) of companies or participations,

Beteiligungen oder für die Finanzierung oder Refinanzierung solcher Transaktionen oder die Finanzierung von neuen Investitionsvorhaben der Gesellschaft oder ihrer Konzerngesellschaften, einschliesslich dem Erwerb von Produkten, Immaterialgüterrechten, oder Lizenzen; oder

or for the financing or refinancing of any of such transactions or the financing of new investment projects of the Company or any of its group companies, including the acquisition of products, intellectual properties or licenses; or

(c) zum Zwecke der Erweiterung des Aktionärskreises in bestimmten geographischen, Finanz- oder Investoren-Märkten, zur Beteiligung von strategischen Partnern, oder im Zusammenhang mit der Kotierung von neuen Aktien an inländischen oder ausländischen Börsen; oder

(c) for purposes of broadening the shareholder constituency of the Company in certain geographic, financial or investor markets, for purposes of the participation of strategic partners, or in connection with the listing of new shares on domestic or foreign stock exchanges; or

(d) für die Einräumung einer Mehrzuteilungsoption (*Greenshoe*) oder einer Option zur Zeichnung von zusätzlichen Aktien an die betreffenden Erstkäufer oder Festübernehmer im Rahmen einer Aktienplatzierung oder eines Aktienverkaufs; oder

(d) for purposes of granting an over-allotment option (Greenshoe) or an option to subscribe for additional shares in a placement or sale of shares to the respective initial purchaser(s) or underwriter(s); or

(e) für die Beteiligung von Mitgliedern des Verwaltungsrates, Mitgliedern der Geschäftsleitung, Mitarbeitern, Beauftragten, Beratern oder anderen Personen, die für die Gesellschaft oder eine ihrer Konzerngesellschaften Leistungen erbringen; oder

(e) for the participation of members of the board of directors, members of the executive committee, employees, contractors, consultants, or other persons performing services for the benefit of the Company or any of its group companies; or

(f) für eine rasche und flexible Kapitalbeschaffung, welche ohne den Ausschluss der Bezugsrechte der bisherigen Aktionäre nicht, oder nur mit grossen Umständen oder Verspätung oder zu wesentlich schlechteren Bedingungen möglich wäre.

(f) for raising capital in a fast and flexible manner, which would not be possible, or might only be possible with great difficulty or delays or at significantly less favorable conditions, without the exclusion of the pre-emptive rights of existing shareholders.

Die Zeichnung und der Erwerb der Klasse A Aktien und die weitere Übertragung der Klasse A Aktien unterliegen den Übertragungs-beschränkungen gemäss Art. 5 der Statuten.

The subscription and acquisition of Class A Shares and the further transfer of the Class A Shares are subject to the transfer restrictions pursuant to Art. 5 of the articles of association.

Erhöht sich das Aktienkapital aufgrund einer bedingten Kapitalerhöhung aus dem bedingten Kapital für Klasse A Aktien, so erhöhen sich die obere und die untere Grenze des Kapitalbands für Klasse A Aktien

If the share capital is increased out of the conditional capital for Class A Shares, the upper and lower limits of the capital band for Class A Shares shall increase in an extent

entsprechend dem Umfang der Erhöhung des aus Klasse A Aktien bestehenden Aktienkapitals.

Bei einer Herabsetzung des Aktienkapitals im Rahmen des Kapitalbands für Klasse A Aktien legt der Verwaltungsrat, soweit erforderlich, die Verwendung des Herabsetzungsbetrages fest. Der Verwaltungsrat kann den Herabsetzungsbetrag auch zur teilweisen oder vollständigen Beseitigung einer Unterbilanz im Sinne von Art. 653p OR verwenden oder das Aktienkapital im Sinne von Art. 653q OR gleichzeitig herabsetzen und mindestens auf den bisherigen Betrag erhöhen.

Artikel 3c – Kapitalband für Klasse B Aktien

Die Gesellschaft verfügt über ein Kapitalband für Klasse B Aktien zwischen CHF 3'349'166.80 (untere Grenze) und CHF 3'507'291.80 (obere Grenze). Der Verwaltungsrat ist im Rahmen des Kapitalbands für Klasse B Aktien ermächtigt, bis zum 25. Mai 2028 oder bis zu einem früheren Dahinfallen des Kapitalbands für Klasse B Aktien das Aktienkapital einmal oder mehrmals und in beliebigen Beträgen zu erhöhen. Die Kapitalerhöhung kann durch Ausgabe von bis zu 9'487'500 voll zu liberierenden Namenaktien mit einem Nennwert von je CHF 0.01 (Stimmrechtsaktien) (Klasse B Aktien) oder durch eine Erhöhung der Nennwerte der bestehenden Namenaktien im Rahmen des Kapitalbands erfolgen.

Der Verwaltungsrat legt die Anzahl Aktien, den Ausgabebetrag, die Art der Einlagen, den Zeitpunkt der Ausgabe, und den Beginn der Dividendenberechtigung fest. Dabei kann der Verwaltungsrat neue Aktien mittels Festübernahme durch eine Bank oder einen anderen Dritten und anschliessenden Angebots an die bisherigen Aktionäre ausgeben.

Der Verwaltungsrat ist ermächtigt, die Bezugsrechte der Aktionäre in Bezug auf die unter diesem Art. 3c auszugebenden Aktien zu entziehen oder zu beschränken und einzelnen Aktionären, Dritten, der Gesellschaft oder Konzerngesellschaften zuzuweisen für die Beteiligung von

corresponding to the increase of the share capital consisting of Class A Shares.

In the event of a reduction of the share capital within the capital band for Class A Shares, the board of directors shall, if necessary, determine the use of the reduction amount. The board of directors may also use the reduction amount for the partial or complete elimination of a negative net worth within the meaning of art. 653p CO or reduce the share capital within the meaning of art. 653q CO and increase it simultaneously at least to the previous amount.

Article 3c – Capital Band for Class B Shares

The Company has a capital band for Class B Shares between CHF 3,349,166.80 (lower limit) and CHF 3,507,291.80 (upper limit). Within the capital band for Class B Shares, the board of directors is authorized to increase the share capital once or several times and in any amounts until May 25, 2028 or until an earlier expiry of the capital band for Class B Shares. The capital increase may be effected by issuing up to 9,487,500 fully paid registered shares with a par value of CHF 0.01 each (voting right shares) (Class B Shares) or by increasing the par value of the existing registered shares within the capital band.

The board of directors shall determine the number of shares, the issue price, the type of contributions, the time of issue, the conditions for exercising subscription rights and the start of dividend entitlement. The board of directors may issue new shares by means of a firm underwriting by a bank or another third party and a subsequent offer to the existing shareholders.

The board of directors is authorized to withdraw or restrict subscription rights of existing shareholders with regard to shares to be issued according to this Art. 3c and to allocate such rights to single shareholders, third parties, the Company or any of its group companies for the participation of members

Mitgliedern des Verwaltungsrates und Mitgliedern der Geschäftsleitung der Gesellschaft oder einer ihrer Konzerngesellschaften.
Die Zeichnung und der Erwerb der Klasse B Aktien und die weitere Übertragung der Klasse B Aktien unterliegen den Übertragungsbeschränkungen gemäss Art. 6 der Statuten.

of the board of directors or members of the executive committee of the Company or any of its group companies.

The subscription and acquisition of Class B Shares and the further transfer of the Class B Shares are subject to the transfer restrictions pursuant to Art. 6 of the articles of association.

Erhöht sich das Aktienkapital aufgrund einer bedingten Kapitalerhöhung aus bedingtem Kapital für Klasse B Aktien, so erhöht sich die Obergrenze des Kapitalbands für Klasse B Aktien entsprechend dem Umfang der Erhöhung des aus Klasse B Aktien bestehenden Aktienkapitals.

If the share capital is increased out of any conditional capital for Class B Shares, the upper limit of the capital band for Class B Shares shall increase in an extent corresponding to the increase of the share capital consisting of Class B Shares.

Artikel 4 – Form der Aktien

Article 4 – Form of the Shares

Die Gesellschaft kann ihre Namenaktien als Einzelurkunden, Globalurkunden, einfache Wertrechte im Sinne des OR (in der jeweils geltenden Fassung), oder als Bucheffekten ausgestalten.

The Company may issue its registered shares in the form of single certificates, global certificates, simple uncertificated securities within the meaning of the CO (as amended from time to time), or intermediated securities.

Bucheffekten und Sicherheiten an Bucheffekten können nicht mittels Abtretung übertragen oder begründet werden. Werden nicht verurkundete Aktien durch Abtretung übertragen, bedarf diese zur Gültigkeit der Anzeige an die Gesellschaft.

Intermediated securities and security interest in any such intermediated securities, cannot be transferred or granted by way of assignment. If uncertificated securities are transferred by way of assignment, such assignment must be notified to the Company to be valid.

Nachdem er im Aktienbuch eingetragen worden ist, kann der Aktionär von der Gesellschaft jederzeit die Ausstellung einer Bescheinigung über die in seinem Eigentum stehenden Aktien verlangen. Der Aktionär hat jedoch keinen Anspruch auf Druck und Auslieferung von Aktienurkunden oder Aktienzertifikate oder auf die Umwandlung der Namenaktien von einer Form in eine andere. Die Gesellschaft kann demgegenüber jederzeit Urkunden für Namenaktien (Einzelurkunden oder Zertifikate über eine Mehrzahl von Aktien) ausstellen und ausliefern und mit der Zustimmung des Aktionärs ausgegebene Urkunden, die bei ihr eingeliefert werden, ersatzlos annullieren.

Upon its registration with the share register, a shareholder may at any time request from the Company to issue a written confirmation of the registered shares held by such shareholder. However, the shareholder has no right to request the issue and delivery of share certificates nor the conversion of the registered shares issued in one form into another form. The Company may, however, at any time issue and deliver certificates for registered (single certificates or global certificates) and, with the consent of the shareholder, delete without replacement issued share certificates, which have been returned to it.

Vorbehältlich des anwendbaren Rechts, kann die Gesellschaft jederzeit ohne Zustimmung der Aktionäre ihre Namenaktien von einer Form in eine andere Form umwandeln. Die

Subject to applicable law, the Company may convert its registered shares from one form into another form at any time and without the approval of the shareholders. The Company

Gesellschaft trägt alle mit einer solchen Umwandlung verbundenen Kosten.

shall bear the cost associated with any such conversion.

Artikel 5 – Aktienbuch und Beschränkung der Eintragung, Nominees

Article 5 – Share Register and Restrictions on Registration, Nominees

Die Gesellschaft führt ein Aktienbuch, in welches die Eigentümer, Nutzniesser und Nominees der Namenaktien mit Namen, Adresse und Staatsangehörigkeit (bei juristischen Personen der Sitz) eingetragen werden.

The Company shall maintain a share register that lists the shareholders, usufructuaries and nominees of the registered shares with name, address and citizenship (registered office in case of a legal entity).

Im Verhältnis zur Gesellschaft wird als Aktionär, Nutzniesser oder Nominee nur anerkannt, wer im Aktienbuch eingetragen ist. Die Gesellschaft anerkennt nur einen Vertreter pro Namenaktie.

In relation to the Company, only those shareholders, usufructuaries or nominees registered in the share register shall be recognized as shareholders, usufructuaries or nominiees. The Company recognizes only one representative per registered share.

Erwerber von Aktien werden auf Gesuch hin gegen Nachweis des Erwerbes oder der Begründung einer Nutzniessung als Aktionär mit Stimmrecht im Aktienbuch eingetragen, falls sie ausdrücklich erklären, dass sie die Aktien in eigenem Namen und für eigene Rechnung halten, dass keine Vereinbarung über die Rücknahme oder die Rückgabe entsprechender Aktien besteht und dass sie das mit den Aktien verbundene wirtschaftliche Risiko tragen. Das Gesuch um Eintragung im Aktienbuch kann auf elektronischem Weg gestellt werden.

Acquirers of shares shall be registered in the share register as shareholders with voting rights upon their request if they expressly declare to have ac-quired these shares in their own name and for their own account, that there is no agreement on the redemption or the return of corresponding shares and that they bear the economic risk associated with the shares. The application for entry in the share register can be submitted electronically.

Personen, die im Eintragungsgesuch nicht ausdrücklich erklären, die Aktien für eigene Rechnung zu halten (*Nominees*) werden ohne Weiteres bis maximal 3 % des im Handelsregister eingetragenen Aktienkapitals als Aktionär mit Stimmrecht im Aktienbuch eingetragen. Über diese Eintragungsgrenze hinaus werden Nominees als Aktionäre mit Stimmrecht im Aktienbuch eingetragen, wenn der betroffene Nominee die Namen, Adressen, Nationalitäten und Aktienbestände derjenigen wirtschaftlichen Berechtigten bekannt gibt, für deren Rechnung er 0.5 % oder mehr des ausstehenden Aktienkapitals hält.

Persons, who do not expressly declare in the registration application, to hold the shares on their own account (Nominees) shall be registered as shareholders with voting rights in the share register up to a maximum of 3 % of the share capital set forth in the commercial register. For any shares in excess this registration threshold, Nominees shall be registered as shareholders with voting rights in the share register, if the concerned Nominee declares the names, addresses, nationalities and shareholdings of such beneficial owners for whose account it holds 0.5 % or more of the share capital set forth in the commercial register.

Der Verwaltungsrat ist ermächtigt, mit Nominees Vereinbarungen über deren Meldepflichten abzuschliessen und im Einzelfall Ausnahmen von der Regelung im vorstehenden Abs. 4 dieses Artikels zu gewähren.

The board of directors is authorized to enter into agreement with the Nominees regarding their notifications obligations and to grant exceptions from the provision of paragraph 4 of this article in singular cases.

Der Verwaltungsrat kann Eintragungen im Aktienbuch mit Rückwirkung auf das Datum der Eintragung streichen, wenn diese durch falsche oder irreführende Angaben zustande gekommen sind. Er kann den betroffenen Aktionär oder Nominee vorgängig anhören. Der betroffene Aktionär oder Nominee ist über die Streichung umgehend zu informieren.

The board of directors may cancel registrations in the share register with retroactive effect as of the date of registration if such registration was made based on false or misleading information. The board of directors may hear the concerned shareholder or Nominee. The relevant shareholder or Nominee shall be promptly informed of the cancellation.

Der Verwaltungsrat trifft die zur Führung des Aktienbuches notwendigen Anordnungen und kann entsprechende Reglemente oder Richtlinien erlassen. Er kann seine Aufgaben delegieren.

The board of directors shall regulate all issue the instructions necessary for the maintenance of the share register and may issue corresponding regulations or guidelines. The board of directors may delegate its duties.

Der Verwaltungsrat gibt in der Einladung zur Generalversammlung das für die Teilnahme- und Stimmberechtigung massgebende Stichdatum der Eintragung im Aktienbuch bekannt.

The board of directors states in the invitation to the general meeting the cut-off date of the registration with the share register relevant for the participation and voting rights.

Artikel 6 – Übertragung der Aktien

Article 6 – Transfer of Shares

Die Übertragung der Namenaktien mit einem Nennwert von je CHF 0.01 (Stimmrechtsaktien) (Klasse B Aktien) oder die Begründung einer Nutzniessung daran bedarf der Genehmigung durch den Verwaltungsrat.

The transfer of ownership in, or the establishment of a usufruct in, registered shares with a nominal value of CHF 0.01 (voting right shares) (Class B Shares) is subject to the approval by the board of directors.

Der Verwaltungsrat kann die Zustimmung aus wichtigen Gründen ablehnen. Als wichtiger Grund gilt das Fernhalten von Erwerbern, die ein Unternehmen betreiben, das mit der Gesellschaft in Konkurrenz steht, oder die an einem solchen Unternehmen beteiligt sind, von einem solchen angestellt oder sonst wie dafür tätig sind.

The board of directors may refuse consent for good cause. Good cause shall be deemed to be the refraining of acquirers who operate a competing business with the Company or who have an interest in, are employed by or otherwise work for such a business.

Der Verwaltungsrat kann die Zustimmung ohne Angabe von Gründen verweigern, wenn er im Namen der Gesellschaft dem Veräusserer der Aktien anbietet, die Aktien für deren Rechnung, für Rechnung anderer Aktionäre oder für Rechnung Dritter zum wirklichen Wert im Zeitpunkt des Gesuches zu übernehmen.

The board of directors may refuse its approval without indication of reasons if the board of directors resolves in the name of the Company to acquire the shares for the account of the Company, certain shareholders or third parties at their real value at the time of the request for approval.

Die Zustimmung kann überdies verweigert werden, wenn der Erwerber nicht ausdrücklich erklärt, dass er die Aktien im eigenen Namen und auf eigene Rechnung erworben hat, dass keine Vereinbarung über die Rücknahme oder Rückgabe der entsprechenden Aktien besteht, und dass er

Moreover, consent may be refused if the acquirer does not expressly declare that it has acquired the shares in his own name and for his own account, that there is no agreement on the redemption or the return of corresponding shares and that he bears the economic risk associated with the shares.

das mit den Aktien verbundene wirtschaftliche Risiko trägt.

Sind die Klasse B Aktien durch Erbgang, Erbteilung, eheliches Güterrecht oder Zwangsvollstreckung erworben worden, so kann der Verwaltungsrat das Gesuch um Zustimmung nur ablehnen, wenn er im Namen der Gesellschaft dem Erwerber die Übernahme der Klasse B Aktien zum wirklichen Wert anbietet. Der wirkliche Wert ist im Verhältnis zum Marktpreis der Klasse A Aktien zu bestimmen.

If the Class B Shares have been acquired by inheritance, division of an estate, matrimonial property law or execution, the board of directors may only refuse the request for approval if it offers to take over the Class B Shares at their real value on behalf of the Company. The real value shall be determined in relation to the market value of the Class A Shares.

III. ORGANISATION DER GESELLSCHAFT

III. ORGANIZATION OF THE COMPANY

A. Generalversammlung

A. General Meeting

Artikel 7 – Befugnisse

Article 7 – Powers

Oberstes Organ der Gesellschaft ist die Generalversammlung der Aktionäre. Ihr stehen folgende unübertragbare Befugnisse zu:

The supreme body of the Company is the general meeting. It has the following non-transferable powers:

1. die Festsetzung und Änderung der Statuten;
2. die Wahl und Abberufung des Präsidenten bzw. der Co-Präsidenten und der übrigen Mitglieder des Verwaltungsrates sowie der Mitglieder des Nominierungs- und Vergütungsausschusses;
3. die Wahl und Abberufung des unabhängigen Stimmrechtsvertreters;
4. die Wahl und Abberufung der Revisionsstelle;
5. die Genehmigung des Geschäfts- bzw. Lageberichtes und der Konzernrechnung;
6. die Genehmigung der Jahresrechnung sowie die Beschlussfassung über die Verwendung des Bilanzgewinnes, insbesondere die Festsetzung der Dividende;

1. the adoption and amendment of the articles of association;
2. the election and de-selection of the Chairman or the Co-Chairmen, respectively, and the other members of the board of directors and the members of the nomination and compensation committee;
3. the election and de-selection of the independent voting rights representative;
4. the election and de-selection of the statutory auditors;
5. the approval of the annual and management report and the consolidated accounts;
6. the approval of the annual accounts and the resolution on the allocation of the retained earnings, and in particular the determination of the dividend;

7. die Festsetzung der Zwischendividende und die Genehmigung des dafür erforderlichen Zwischenabschlusses;

8. die Beschlussfassung über die Rückzahlung der gesetzlichen Kapitalreserve;

9. die Dekotierung der Beteiligungspapiere der Gesellschaft;

10. die Entlastung der Mitglieder des Verwaltungsrates sowie der Geschäftsleitung;

11. die Genehmigung der Vergütungen an den Verwaltungsrat und die Geschäftsleitung und gemäss Art. 21 der Statuten;

12. die Beschlussfassung über die Gegenstände, die der Generalversammlung durch das Gesetz oder die Statuten vorbehalten sind.

Artikel 8 – Einberufung und Traktandierung

Die ordentliche Versammlung findet alljährlich innerhalb sechs Monaten nach Schluss des Geschäftsjahres statt, ausserordentliche Versammlungen werden je nach Bedürfnis einberufen.

Die Einberufung zu einer Generalversammlung erfolgt spätestens 20 Tage vor dem Versammlungstag durch Brief oder elektronische Datenübertragung (inkl. E-Mail) an die im Aktienbuch eingetragenen Aktionäre, Nutzniesser und Nominees oder durch Publikation im Schweizerischen Handelsamtsblatt. Die Einberufung erfolgt durch den Verwaltungsrat, nötigenfalls durch die Revisionsstelle. Das Einberufungsrecht steht auch den Liquidatoren und den Vertretern der Anleihensgläubiger zu.

Die Einberufung einer ausserordentlichen Generalversammlung kann auch von einem oder mehreren Aktionären, die zusammen mindestens 5 % des Aktienkapitals oder der Stimmen vertreten, schriftlich unter Angabe des Verhandlungsgegenstandes und des Antrages, bei Wahlen der Namen der vorgeschlagenen Kandidaten, verlangt werden.

7. the determination of the interim dividend and the approval of the interim financial statements required therefor;

8. the passing of resolutions on the repayment of the statutory capital reserve;

9. the delisting of the Company's equity securities;

10. the discharge of the members of the board of directors and the executive committee;

11. the approval of the compensation of the board of directors and of the executive committee according to Art. 21 of the articles of association; and

12. the adaption of resolutions on matters reserved to the general meeting by law or the articles of association.

Article 8 – Convocation and Agenda

The annual general meeting takes place every year within six months of the end of the financial year, and extraordinary general meetings are convened as and when required.

The convocation to the general meeting shall be made by letter or electronic data transmission (incl. email) to the shareholders, usufructuaries and nominees or by way of announcement in the Swiss Commercial Gazette at least 20 days prior to the date of the meeting. The general meeting is convened by the board of directors or, where necessary, by the statutory auditors. The liquidators and the representatives of bond creditors also have the right to convene general meetings.

The convocation of an extraordinary general meeting may also be requested in writing, indicating the agenda items and the proposals and, in case of elections, the names of the nominated candidates, by one or more shareholders together representing at least 5 % of the share capital or the voting rights.

Aktionäre, die zusammen mindestens über 0.5 % des Aktienkapitals oder der Stimmen vertreten, können die Traktandierung eines Verhandlungsgegenstandes verlangen. Dies hat mindestens 60 Tage vor der Versammlung schriftlich unter Angabe der Verhandlungsgegenstände und Anträge zu erfolgen.

In der Einberufung sind bekanntzugeben:

1. das Datum, der Beginn, die Art und der Ort der Generalversammlung;

2. die Verhandlungsgegenstände;

3. die Anträge des Verwaltungsrates mit kurzer Begründung;

4. gegebenenfalls die Anträge der Aktionäre samt kurzer Begründung; und

5. der Name und die Adresse des unabhängigen Stimmrechtsvertreters.

Spätestens 20 Tage vor der ordentlichen Generalversammlung sind der Geschäftsbericht, der Vergütungsbericht und ein allfälliger Revisionsbericht den Aktionären elektronisch zugänglich zu machen. Sofern die Unterlagen nicht elektronisch zugänglich sind, kann jeder Aktionär verlangen, dass ihm rechtzeitig eine Ausfertigung dieser Unterlagen zugestellt wird.

Über Anträge zu nicht gehörig angekündigten Verhandlungsgegenständen können keine Beschlüsse gefasst werden; ausgenommen sind Anträge auf Einberufung einer ausserordentlichen Generalversammlung, auf Durchführung einer Sonderuntersuchung und auf Wahl einer Revisionsstelle infolge Begehrens eines Aktionärs.

Zur Stellung von Anträgen im Rahmen der Verhandlungsgegenstände und zu Verhandlungen ohne Beschlussfassung bedarf es keiner vorgängigen Ankündigung.

Artikel 9 – Universalversammlung

Die Eigentümer oder Vertreter sämtlicher Aktien können, falls kein Widerspruch erhoben wird, eine Generalversammlung ohne Einhaltung der für die Einberufung vorgeschriebenen Formvorschriften abhalten.

Shareholders, together representing more than 0.5 % of the share capital or the voting rights, may demand that an item be placed on the agenda. Such request must be made in writing at least 60 days prior to the meeting by indicating the agenda items and the proposals.

The notice convening the meeting shall state:

1. the date, the beginning, the type and the place of the general meeting;

2. the agenda items;

3. the motions of the board of directors and a brief statement of the reasons for these motions;

4. if applicable, the motions of the shareholders together with a brief statement of the reasons therefor; and
5. the name and address of the independent proxy.

The annual report, the compensation report and any auditors' report shall be made available electronically for inspection by the shareholders no later than 20 days before the ordinary general meeting. If such documents are not available electronically, any shareholder may request that a copy of these documents be sent to him in due time.

No resolutions may be made on motions relating to agenda items that were not duly notified; exceptions to this are motions to convene an extraordinary general meeting or to carry out a special audit and to appoint an auditor at the request of a shareholder.

No advance notice is required to propose motions on duly notified agenda items and to debate items without passing resolutions.

Article 9 – Universal Meeting

The owners or representatives of all shares may hold a general meeting without observing the formalities applicable to the convocation of a general meeting, provided that no objection is raised.

In dieser Versammlung kann über alle in den Geschäftskreis der Generalversammlung fallenden Gegenstände gültig verhandelt und Beschluss gefasst werden, solange die Eigentümer oder Vertreter sämtlicher Aktien anwesend sind.

As long as the owners or representatives of all shares are present or represented at such meeting, all items which fall within the competence of the general meeting may validly be discussed and resolved upon.

Artikel 10 – Vorsitz und Protokoll

Den Vorsitz in der Generalversammlung führt der Präsident oder der zuständige Co-Präsident des Verwaltungsrates, in dessen Verhinderungsfalle der Vize-Präsident bzw. der andere Co-Präsident. Ist auch dieser verhindert, so übernimmt ein anderes vom Verwaltungsrat bestimmtes Mitglied desselben den Vorsitz. Ist kein Mitglied des Verwaltungsrates anwesend, wählt die Generalversammlung einen Tagesvorsitzenden.

Article 10 – Chair and Minutes

The Chairman or the responsible Co-Chairman of the board of directors takes the chair of the general meeting, if he is hindered the vice-Chairman or the other Co-Chairman, respectively. If also the latter is hindered, another member of the board of director appointed by the board of directors takes the chair. If no member of the board is present, the general meeting appoints the Chairman of the meeting.

Der Vorsitzende bezeichnet den Protokollführer und die Stimmenzähler, die nicht Aktionäre zu sein brauchen. Das Protokoll ist vom Vorsitzenden und dem Protokollführer zu unterzeichnen.

The Chairman appoints the secretary and the scrutineers, who do not need to be shareholders. The minutes are to be signed by the Chairman and the secretary.

Jeder Aktionär kann verlangen, dass ihm das Protokoll innerhalb von 30 Tagen nach der Generalversammlung zugänglich gemacht wird.

The minutes must be made available at the request of a shareholder within 30 days of the general meeting.

Der Vorsitzende hat sämtliche Leitungsbefugnisse, die für die ordnungsgemässe Durchführung der Generalversammlung nötig sind.

The Chairman shall have all powers and authority necessary to ensure the orderly conduct of the general meeting.

Artikel 11 – Stimmrecht und Vertretung; Unabhängiger Stimmrechtsvertreter

Article 11 – Voting Rights and Representation; Independent Voting Rights Representative

Jede im Aktienbuch der Gesellschaft mit Stimmrecht eingetragene Aktie berechtigt zu einer Stimme. Vorbehalten bleibt Art. 693 Abs. 3 OR.

Each share registered in the share register of the Company with voting rights entitles the holder to one vote. Art. 693 para. 3 CO remains reserved.

Jeder Aktionär kann seine Aktien in der Generalversammlung selbst vertreten oder vertreten lassen durch *(i)* einen Dritten, der nicht Aktionär zu sein braucht, mittels schriftlicher Vollmacht, *(ii)* den gesetzlichen Vertreter, oder *(iii)* den unabhängigen Stimmrechtsvertreter.

Each shareholder may represent his shares at the general meeting himself or have them represented by *(i)* a third party who do not need to be a shareholder, based on a written power of attorney, *(ii)* its legal representative, or *(iii)* the independent voting rights representative.

Die Generalversammlung kann physisch, an einem oder an mehreren Tagungsorten

The general meeting may be held physically, at one or several locations at the same time,

gleichzeitig, virtuell, oder in einer Kombination davon stattfinden. Ausserdem kann die Generalversammlung auch an einem ausländischen Tagungsort stattfinden.

virtually, or as a combination thereof. Additionally, the general meeting may also be held abroad.

Der Verwaltungsrat bestimmt die Anforderungen an Vollmachten und Weisungen und kann Vorschriften darüber erlassen.

The board of directors determines the requirements as to power of attorney and instructions and may issue the respective rules.

Die Generalversammlung wählt jedes Jahr einen unabhängigen Stimmrechtsvertreter. Die Amtsdauer endet mit dem Abschluss der nächsten ordentlichen Generalversammlung. Wiederwahl ist möglich. Hat die Gesellschaft keinen von der Generalversammlung gewählten unabhängigen Stimmrechtsvertreter so ernennt der Verwaltungsrat einen solchen für die nächste Generalversammlung.

The general meeting shall elect each year an independent voting rights representative. The term of office shall end at the completion of the next ordinary general meeting. Re-election is possible. If the Company does not have an independent voting rights representative, the board of directors shall appoint the independent voting rights representative for the next general meeting.

Artikel 12 – Beschlussfassung

Article 12 – Resolutions

Die Generalversammlung fasst ihre Beschlüsse und vollzieht ihre Wahlen, soweit das Gesetz oder die Statuten es nicht anders bestimmen, mit der Mehrheit der vertretenen Aktienstimmen, unter Ausschluss der Stimmenthaltungen sowie der leeren und ungültigen Stimmen. Bei Stimmengleichheit hat der Vorsitzende einen Stichentscheid.

Except where the law or the articles of association provide otherwise, the general meeting passes its resolutions and executes elections with the majority of the share votes represented, excluding the abstentions and the empty and void votes. In the event of a tie, the Chairman has a casting vote.

Der Vorsitzende der Generalversammlung bestimmt das Verfahren der Stimmabgabe (inkl. offene oder geheime Stimmabgabe, schriftliche Stimmabgabe, elektronische Stimmabgabe). Er kann eine Abstimmung oder Wahl jederzeit wiederholen lassen, sofern nach seiner Meinung Zweifel am Abstimmungsergebnis bestehen. In diesem Fall gilt die vorausgegangene Abstimmung oder Wahl als nicht geschehen.

The Chairman of the general meeting determines the voting procedure (incl. open ballot, secret ballot, in writing, by electronic means). The Chairman may at any time order that a resolution or election be repeated, if he/she considers the vote to be in doubt. The resolution or election previously held shall then be deemed not to have taken place.

Ein Beschluss der Generalversammlung, der mindestens zwei Drittel der vertretenen Stimmen und die Mehrheit der vertretenen Aktiennennwerte auf sich vereinigt, ist erforderlich für:

A resolution of the general meeting passed with a majority of at least two thirds of the votes represented and the majority of the nominal values of shares represented shall be required for:

1. die Änderung des Gesellschaftszweckes;
2. die Einführung oder Aufhebung von Stimmrechtsaktien;
3. die Zusammenlegung von Aktien;

1. any amendment of the Company's corporate purpose;
2. any creation or deletion of voting right shares;
3. the consolidation of shares;

4. die Beschränkung der Übertragbarkeit von Namenaktien und jede Änderung und Aufhebung einer solchen Beschränkung;

5. die bedingte Kapitalerhöhung oder die Einführung eines Kapitalbands;

6. die Kapitalerhöhung aus Eigenkapital, gegen Sacheinlage oder durch Verrechnung mit einer Forderung und die Gewährung von besonderen Vorteilen;

7. den Wechsel der Währung des Aktienkapitals;

8. die Umwandlung von Partizipationsscheinen in Aktien;

9. die Einführung einer Statutenbestimmung zur Durchführung der Generalversammlung im Ausland;

10. die Einführung des Stichentscheids des Vorsitzenden in der Generalversammlung;

11. die Einschränkung oder Aufhebung des Bezugsrechtes;

12. die Verlegung des Sitzes der Gesellschaft;

13. die Auflösung der Gesellschaft;

14. die Dekotierung der Beteiligungspapiere; und

15. die Einführung einer statutarischen Schiedsklausel.

Die Beschlussfassung über die Fusion, Spaltung und Umwandlung richtet sich nach den Bestimmungen des Fusionsgesetzes.

Statutenbestimmungen, die für die Fassung bestimmter Beschlüsse grössere Mehrheiten als die vom Gesetz vorgeschriebenen festlegen, können nur mit dem erhöhten Mehr eingeführt und aufgehoben werden.

B. <u>Verwaltungsrat</u>

Artikel 13 – Wahl und Zusammensetzung

4. any restrictions of the transferability of registered shares and each amendment or the cancelation of such restrictions;

5. the introduction of conditional share capital or of a capital band;

6. any increase of capital against the Company's equity, against a contribution in kind, or by way of set-off with a debt of the Company as well as the granting of special benefits;

7. the change of the currency of the share capital;

8. the conversion of participation certificates into shares;

9. the introduction of a provision in the articles of association regarding the holding of the general meeting abroad;

10. the introduction of the casting vote of the chairperson of the general meeting;

11. any limitation or withdrawal of subscription rights;

12. any change of the registered office of the Company;

13. the dissolution of the Company;

14. the delisting of the shares; and

15. the introduction of a statutory arbitration clause.

The adaption of resolutions on mergers, demergers, and conversions is governed by the provisions of the Swiss Merger Act.

Provisions of the articles of association, which require larger majorities for passing certain resolutions than those provided for by the law, may only be adopted with the proposed majority.

B. <u>Board of Directors</u>

Article 13 – Appointment and Constitution

Der Verwaltungsrat der Gesellschaft besteht aus mindestens drei Mitgliedern.

The board of directors is composed by at least three members.

Die Mitglieder des Verwaltungsrates, der Präsident bzw. die Co-Präsidenten des Verwaltungsrates und die Mitglieder des Nominierungs- und Vergütungsausschusses werden je einzeln von der Generalversammlung für die Amtsdauer von einem Jahr gewählt, endend nach Abschluss der nächsten ordentlichen Generalversammlung. Wiederwahl ist möglich.

The members of the board of directors, the Chairman or the Co-Chairmen, respectively, and the members of the nomination and compensation committee are appointed by the general meeting individually and for a term of office of one year, ending at the completion of the next ordinary general meeting. Re-election is possible.

Wird das Amt des Präsidenten vakant, ernennt der Verwaltungsrat für die verbleibende Amtsdauer aus seiner Mitte einen neuen Präsidenten des Verwaltungsrates. Wird das Amt eines Co-Präsidenten des Verwaltungsrates vakant, handelt der andere Co-Präsident als alleiniger Präsident für die verbleibende Amtszeit.

If the office of the Chairman becomes vacant, the board of directors shall appoint a new Chairman, from among its members for the remaining term of office. If the office of a Co-Chairman becomes vacant, the other Co-Chairman shall act as sole Chairman for the remaining term of office.

Mit Ausnahme der Wahl des Präsidenten bzw. der Co-Präsidenten und der Wahl der Mitglieder des Nominierungs- und Vergütungsausschusses durch die Generalversammlung, konstituiert sich der Verwaltungsrat selbst.

Except for the election of the Chairman or the Co-Chairmen, respectively, and the members of the nomination and compensation committee by the general meeting, the board of directors constitutes itself on its own.

Der Verwaltungsrat wählt nach Bedarf einen oder mehrere Vizepräsidenten, Delegierte sowie den Sekretär, der nicht Mitglied des Verwaltungsrates sein muss.

The board of directors may elect one or several vice-chairmen, directors and a secretary, who need not be a member of the board of directors.

Jeder Co-Präsident kann nach aussen einzeln alle Kompetenzen eines Präsidenten ausüben und die Gesellschaft wie ein Präsident unter der Bezeichnung Co-Präsident vertreten.

Each Co-Chairman can exercise all competences of a Chairman against the outside and represent the Company like a Chairman under the title Co-Chairman.

Die Aufgaben des Präsidenten bzw. der Co-Präsidenten sind im Organisationsreglement der Gesellschaft zu regeln. Im Übrigen verständigen sich die Co-Präsidenten über die Erfüllung ihrer Aufgaben.

The duties of the Chairman or of the Co-Chairmen are to be regulated in the organizational regulations of the Company. Otherwise, the Co-Chairmen agree on the execution of their duties.

Bestehen in Bezug auf das Stimmrecht oder die vermögensrechtlichen Ansprüche verschiedene Aktienkategorien, so haben die Aktionäre jeder Aktienkategorie Anspruch auf Vertretung im Verwaltungstrat durch ein Mitglied. Der Verwaltungsrat trifft die notwendigen Anordnungen.

If different share categories exist with regard to voting rights or pecuniary rights, then the shareholders of each share category have the right to be represented on the board of directors by one member. The board of directors issues the instructions.

Artikel 14 – Erstattung von Spesen und Schadloshaltung

Die Mitglieder des Verwaltungsrates haben Anspruch auf Erstattung aller im Interesse der Gesellschaft entstandenen Spesen.

Soweit nicht durch Versicherungen gedeckt oder von Dritten bezahlt, hält die Gesellschaft soweit gesetzlich zulässig, die gegenwärtigen und bisherigen Mitglieder des Verwaltungsrates und der Geschäftsleitung sowie deren Erben, Testamentsvollstrecker und Verwalter aus dem Vermögen der Gesellschaft von allen angedrohten, hängigen, und abgeschlossenen Klagen, Prozessen oder Verfahren – ob zivil-, straf-, verwaltungs- oder untersuchungsrechtlich – schadlos, sowie von allen Kosten, Gebühren, Verlusten, Schäden und Ausgaben, die ihnen oder einem/einer von ihnen, ihren Erben, Testamentsvollstreckern oder Verwaltern durch
oder aufgrund von tatsächlichen oder vermeintlichen Handlungen, Zustimmungen oder Unterlassungen im Zusammenhang mit der Ausübung ihrer Pflicht oder vermeintlichen Pflicht oder aufgrund der Tatsache, dass er/sie ein Mitglied des Verwaltungsrates oder der Geschäftsleitung der Gesellschaft oder des Verwaltungsrates (oder eines gleichwertigen Gesellschaftsorgans) oder der Geschäftsleitung einer ihrer Konzerngesellschaften ist oder war, oder dass er/sie während seiner/ihrer Tätigkeit als Mitglied des Verwaltungsrates oder der Geschäftsleitung der Gesellschaft, auf Ersuchen der Gesellschaft, als Mitglied des Verwaltungsrates oder der Geschäftsleitung, Angestellter oder Beauftragter einer anderen Kapitalgesellschaft, Personengesellschaft, eines Joint Ventures, eines Trusts oder eines anderen Unternehmens tätig ist oder war, entstanden sind, entstehen oder entstehen könnten, jedoch unter der Voraussetzung, dass sich diese Schadloshaltung nicht auf eine Angelegenheit erstreckt, in der eine der genannten Personen gemäss einem rechtskräftigen Urteil oder Beschluss eines Gerichts oder einer zuständigen Regierungs- oder Verwaltungsbehörde, gegen den kein Rechtsmittel eingelegt werden kann, eine vorsätzliche oder grobfahrlässige Verletzung ihrer gesetzlichen Pflichten als Mitglied des

Article 14 – Reimbursement of Expenses, Indemnification

The members of the board of directors shall be entitled to the reimbursement of all expenses incurred in the interest of the Company.

To the extent not included in insurance coverage or paid by third parties, the Company shall indemnify and hold harmless, to the extent permitted by law, the existing and former members of the board of directors, the executive committee, and their heirs, executors and administrators, out of the assets of the Company from and against all threatened, pending or completed actions, suits or proceedings – whether civil, criminal, administrative or investigative – and all costs, charges, losses, damages, and expenses which they or any of them, their heirs, executors or administrators, shall or may incur or sustain by or by reason of any actual or alleged actions, consents or omissions in or about the execution of their duty, or alleged duty, or by reason of the fact that he/she is or was a member of the board of directors or executive committee of the Company or the board of directors (or equivalent corporate body) or the management of one of its subsidiaries, or, while serving as a member of the board of directors or executive committee of the Company, is or was serving at the request of the Company as a director, member of the executive committee, employee or agent of another corporation, partnership, joint venture, trust or other enterprise; provided, however, that this indemnity shall not extend to any matter in which any of said persons is found, in a final judgment or decree of a court or governmental or administrative authority of competent jurisdiction not subject to appeal, to have committed an intentional or grossly negligent breach of his statutory duties as a member of the board of directors or executive committee.

Verwaltungsrates oder der Geschäftsleitung begangen hat.

Ohne den vorstehenden Absatz 2 dieses Art 14 einzuschränken, hat die Gesellschaft den gegenwärtigen und ehemaligen Mitgliedern des Verwaltungsrates und der Geschäftsleitung die Kosten und Auslagen zu erstatten, die nach diesem Artikel erstattungsfähig sind, soweit sie nicht durch Versicherungen gedeckt sind oder von Dritten vorab erstattet werden. Die Gesellschaft kann jedoch diese vorausbezahlten Kosten zurückfordern, wenn eine der genannten Personen in einem rechtskräftigen Urteil oder Beschluss eines Gerichts oder einer zuständigen Regierungs- oder Verwaltungsbehörde, gegen das kein Rechtsmittel eingelegt werden kann, wegen vorsätzlicher oder grobfahrlässiger Verletzung ihrer gesetzlichen Pflichten als Mitglied des Verwaltungsrates oder der Geschäftsleitung verurteilt wird.

Without limiting the foregoing paragraph 2 of this Art. 14, the Company shall advance costs and expenses indemnifiable thereunder to the existing and former members of the board of directors and executive committee to the extent not included in insurance coverage or advanced by third parties. The Company may however recover such advanced costs if any of said persons is found, in a final judgment or decree of a court or governmental or administrative authority of competent jurisdiction not subject to appeal, to have committed an intentional or grossly negligent breach of his statutory duties as a member of the board of directors or executive committee.

Artikel 15 – Sitzungen und Beschlussfassung

Article 15 – Meetings and Resolutions

Sofern das Organisationsreglement nichts Anderes vorsieht, ist der Verwaltungsrat nur beschlussfähig, sofern die Mehrheit seiner Mitglieder anwesend ist oder sich an einer per Telefon, Videokonferenz oder mittels anderer Mittel der elektronischen Datenübertragung durchgeführten Diskussion und Beschlussfassung mit oder ohne Sitzungsort beteiligt. Dieses Quorum ist nicht notwendig für die Feststellung der Kapitalerhöhung und die zugehörige Statutenänderung sowie für diejenigen Beschlüsse des Verwaltungsrats, die der öffentlichen Beurkundung bedürfen.

Unless the organizational regulations provide otherwise, the board of directors may only pass resolutions if the majority of its members are present or attending the discussion and resolution with or without a meeting place by phone, videoconference or other means of electronic data transmission. Such quorum is not necessary for the implementation of a capital increase and the related amendment to the articles of association or for resolutions of the board of directors that have to be officially authenticated.

Verwaltungsratssitzungen werden vom Präsidenten bzw. vom zuständigen Co-Präsidenten einberufen und bei dessen Verhinderung durch den Vize-Präsidenten bzw. den anderen Co-Präsidenten. Jedes Mitglied des Verwaltungsrates kann unter Angabe der Gründe vom Präsidenten bzw. vom zuständigen Co-Präsidenten die unverzügliche Einberufung einer Sitzung verlangen.

The meetings of the board of directors are convened by the Chairman or by the responsible Co-Chairman, respectively, and, if he/she is hindered, by the vice-Chairman or the other Co-Chairman. Each member of the board of directors may by indicating the reasons request that the Chairman or the responsible Co-Chairman immediately convenes a meeting without delay.

Sofern das Organisationsreglement nichts Anderes vorsieht, fasst der Verwaltungsrat seine Beschlüsse mit der Mehrheit der abgegebenen Stimmen. Der Präsident bzw.

Unless the organizational regulations provide otherwise, the board of directors passes its resolutions with the majority of the votes casted. The Chairman or the responsible

der zuständige Co-Präsident hat einen Stichentscheid.

Beschlüsse können auch schriftlich oder mittels elektronischer Datenübertragung (inkl. E-Mail) zu einem gestellten Antrag gefasst werden, sofern nicht ein Mitglied die mündliche Beratung verlangt. Im Falle der Beschlussfassung auf elektronischem Weg ist keine Unterschrift erforderlich.

Über die Verhandlungen und Beschlüsse ist ein Protokoll zu führen, das vom Präsidenten bzw. vom zuständigen Co-Präsidenten und einem Protokollführer unterzeichnet wird.

Der Verwaltungsrat regelt im Organisationsreglement die Einzelheiten zur Beschlussfähigkeit, Beschlussfassung und Geschäftsführung

Artikel 16 – Recht auf Auskunft und Einsicht

Jedes Mitglied des Verwaltungsrates kann Auskunft über alle Angelegenheiten der Gesellschaft verlangen.

In den Sitzungen sind alle Mitglieder des Verwaltungsrates und der Geschäftsleitung zur Auskunft verpflichtet.

Ausserhalb der Sitzungen kann jedes Mitglied von den mit der Geschäftsführung betrauten Personen Auskunft über den Geschäftsgang und, mit Ermächtigung des Präsidenten bzw. des zuständigen Co-Präsidenten, auch über einzelne Geschäfte verlangen.

Soweit es für die Erfüllung einer Aufgabe erforderlich ist, kann jedes Mitglied beim Präsidenten bzw. beim zuständigen Co-Präsidenten beantragen, dass ihm Bücher und Akten vorgelegt werden.

Weist der Präsident bzw. der zuständige Co-Präsident ein Gesuch auf Auskunft, Anhörung oder Einsicht ab, so entscheidet der Verwaltungsrat.

Regelungen oder Beschlüsse des Verwaltungsrates, die das Recht auf Auskunft und Einsichtnahme der Verwaltungsräte erweitern, bleiben vorbehalten.

Co-Chairman, respectively, has a casting vote.

Resolutions may also be passed in writing or by means of electronic data transmission (incl. email), if no member requests an oral discussion. In the event of resolutions being passed electronically, no signature shall be required.

The meetings and resolutions shall be recorded in minutes, which are to be signed by the Chairman or the responsible Co-Chairman, respectively, and the minute taker.

The board of directors shall regulate the details of the attendance quorum, the adaption of resolutions and the management in the organizational regulations.

Article 16 – Information and Inspection Rights

Each member of the board of directors may request information on all matters of the Company.

At the meetings, all members of the board of directors and executive committee are obliged to provide information.

Outside of the meetings, each member may request from the persons entrusted with the management information on the business, and, with the authorization of the Chairman or the responsible Co-Chairman, respectively, also on individual transactions.

As far as necessary for the fulfilment of a duty, each member may request from the Chairman or the responsible Co-Chairman, respectively, that he/she is granted access to the books and records.

If the Chairman or the responsible Co-Chairman, respectively, rejects an information, hearing or inspection request, then the entire board of directors resolves on it.

Regulations and resolutions of the board of directors, which broaden the information and inspection rights of the members of the board of directors, remain reserved.

Artikel 17 – Aufgaben

Der Verwaltungsrat kann in allen Angelegenheiten Beschluss fassen, die nicht nach Gesetz, Statuten oder Organisations-reglement der Generalversammlung oder einem anderen Gesellschaftsorgan übertragen oder vorbehalten sind.

Der Verwaltungsrat hat folgende unübertragbare und unentziehbare Aufgaben:

1. die Oberleitung der Gesellschaft und die Erteilung der nötigen Weisungen;
2. die Festlegung der Organisation;
3. Ausgestaltung des Rechnungswesens, der Finanzkontrolle sowie der Finanzplanung;
4. die Ernennung und Abberufung der mit der Geschäftsführung und der Vertretung betrauten Personen;
5. die Oberaufsicht über die mit der Geschäftsführung betrauten Personen, namentlich im Hinblick auf die Befolgung der Gesetze, Statuten, Reglemente und Weisungen;
6. die Erstellung des Geschäfts- bzw. Lageberichtes, des Vergütungsberichts sowie die Vorbereitung der Generalversammlung und die Ausführung ihrer Beschlüsse;
7. die Einreichung eines Gesuches um Nachlassstundung und Benachrichtigung des Gerichts im Falle der Überschuldung.

Der Verwaltungsrat kann die Vorbereitung und die Ausführung seiner Beschlüsse oder die Überwachung von Geschäften Ausschüssen oder einzelnen Mitgliedern zuweisen. Er hat für eine angemessene Berichterstattung an seine Mitglieder zu sorgen.

Artikel 18 – Übertragung der Geschäftsführung und der Vertretung

Article 17 – Tasks

The board of directors may pass resolutions on all matters, which are not delegated or reserved to the general meeting or other corporate bodies of the Company by law, by the articles of association or the organizational regulations.

The board of directors has the following non-transferable and inalienable duties:

1. the overall management of the Company and the issuing of all necessary directives;
2. determination of the Company's organisation;
3. the organization of the Company's accounting, financial control and financial planning systems;
4. the appointment and dismissal of persons entrusted with managing and representing the Company;
5. overall supervision of the persons entrusted with managing, in particular with regard to compliance with the law, the articles of association, operational regulations and directives;
6. compilation of the annual and management report, compensation report and preparation for the general meeting and implementation of its resolutions;
7. filing of a moratorium request and notification of the court in the event of the Company's over-indebtedness.

The board of directors may assign the preparation and execution of its resolutions or the supervision of transactions to committees or individual members. It shall ensure appropriate reporting to its members.

Article 18 – Delegation of Management and Representation

Der Verwaltungsrat kann die Geschäftsführung nach Massgabe eines Organisationsreglements ganz oder zum Teil an einzelne Mitglieder oder an Dritte übertragen.

Das Organisationsreglement ordnet die Geschäftsführung, bestimmt die hierfür erforderlichen Stellen, umschreibt deren Aufgaben und regelt insbesondere die Berichterstattung.

Soweit die Geschäftsführung nicht übertragen worden ist, steht sie allen Mitgliedern des Verwaltungsrates gesamthaft zu.

Artikel 19 – Nominierungs- und Vergütungsausschuss

Der Nominierungs- und Vergütungsausschuss besteht aus mindestens drei Mitgliedern des Verwaltungsrates.

Die Mitglieder des Nominierungs- und Vergütungsausschusses werden je einzeln jährlich durch die Generalversammlung gewählt. Die Amtsdauer endet nach Abschluss der nächsten ordentlichen Generalversammlung. Wiederwahl ist möglich.

Bei Vakanzen kann der Verwaltungsrat aus seiner Mitte Ersatzmitglieder für eine Amtsdauer bis zum Abschluss der nächsten ordentlichen Generalversammlung ernennen.

Der Vorsitzende des Nominierungs- und Vergütungsausschusses wird vom Verwaltungsrat bestimmt.

Der Nominierungs- und Vergütungsausschuss hat folgende Aufgaben und Zuständigkeiten:

1. Vorbereitung und periodische Überarbeitung des Vergütungssystems und der Leistungskriterien im Bereich Vergütung;

2. Periodische Überprüfung der Umsetzung derselben sowie diesbezügliche Antragsstellung und Abgabe von

The board of directors may delegate the management of the Company entirely or in part to individual members or to third parties in accordance with organizational regulations.

The organizational regulations shall regulate the management of the Company, determine the offices required for this purpose, define their duties and, in particular, regulate the reporting.

Where the management of the Company's business has not been delegated, it is the responsibility of all the members of the board of directors.

Article 19 – Nomination and Compensation Committee

The nomination and compensation committee shall consist of at least three members of the board of directors.

The members of the nomination and compensation committee shall be elected individually and annually by the general meeting. The term of office ends at completion of the next ordinary general meeting. Re-election is possible.

If there are vacancies, the board of directors may appoint substitute members from among its members for a term of office extending until completion of the next ordinary General Meeting.

The Chairman of the nomination and compensation committee shall be appointed by the board of directors.

The nomination and compensation committee has the following duties and powers:

1. Preparation and periodical review of the compensation system and performance criteria relating to compensation;

2. Periodic review of their implementation as well as submitting related motions and recommendations to the board of directors; and

Empfehlungen an den Verwaltungsrat; und

3. Vorbereitung aller relevanten Entscheide des Verwaltungsrates betreffend die Vergütung der Mitglieder des Verwaltungsrates und der Geschäftsleitung sowie diesbezügliche Antragsstellung und Abgabe von Empfehlungen an den Verwaltungsrat.

Die Organisation, Arbeitsweise und Berichterstattung des Nominierungs- und Vergütungsausschusses werden vom Verwaltungsrat in einem Reglement, welches Teil des Organisationsreglements sein kann, geregelt.

Der Verwaltungsrat kann dem Nominierungs- und Vergütungsausschuss weitere Aufgaben zuweisen.

Artikel 20 – Allgemeine Grundsätze der Vergütung des Verwaltungsrates und der Geschäftsleitung

Die Vergütung der Mitglieder des Verwaltungsrates kann aus fixen und variablen Vergütungselementen bestehen. Bei der Gesamtvergütung wird die Position und die Verantwortung des Empfängers beachtet.

Die Vergütung der Mitglieder der Geschäftsleitung kann aus fixen und variablen Vergütungselementen bestehen. Die fixe Vergütung besteht aus einem Basissalär und weiteren Vergütungselementen. Die variable Vergütung kann von der Erreichung von spezifischen Leistungszielen abhängig gemacht werden. Bei der Gesamtvergütung wird die Position und die Verantwortung des Empfängers beachtet.

Bei den Leistungszielen kann es sich um individuelle Ziele, um Ziele der Gesellschaft, des Konzerns oder von Teilen davon oder um Ziele in Bezug auf den Markt, andere Unternehmen oder vergleichbare Vergleichswerte handeln, wobei die Position und die Verantwortungsstufe des Empfängers berücksichtigt werden. Der Verwaltungsrat oder, soweit an ihn delegiert, der Nominierungs- und Vergütungsausschuss legt das relative Gewicht der Leistungsziele und die jeweiligen Zielwerte fest.

3. Preparation of all relevant resolutions of the board of directors on the compensation of the members of the board of directors and of the executive committee as well as submitting related motions and recommendations to the board of directors.

The organisation, functioning and reporting of the nomination and compensation committee shall be regulated by the board of directors in regulations, which may be part of the organizational regulations.

The board of directors may delegate further tasks to the nomination and compensation committee.

Article 20 – General Principles of the Compensation of the Board of Directors and the Executive Committee

The compensation of the members of the board of directors may consist of fixed and variable compensation elements. Total compensation shall take into account the position and level of responsibility of the recipient.

The compensation of the members of the executive committee may consist of fixed and variable compensation elements. Fixed compensation comprises the base salary and may consist of other compensation elements. Variable compensation may take into account the achievement of specific performance targets. Total compensation shall take into account the position and level of responsibility of the recipient.

The performance targets may include individual targets, targets of the Company, group or parts thereof or targets in relation to the market, other companies or comparable benchmarks, taking into account the position and level of responsibility of the recipient. The board of directors or, to the extent delegated to it, the nomination and compensation committee shall determine the relative weight of the performance targets and the respective target values.

Die Vergütung kann in Form von Bargeld, Aktien, Optionen oder anderen aktienbasierten Instrumenten oder Einheiten oder in Form von anderen Arten von Leistungen ausgerichtet werden. Der Verwaltungsrat oder, soweit an diesen delegiert, der Nominierungs- und Vergütungsausschuss legt die Zuteilung-, Vesting-, Ausübungs-, Beschränkungs- und Verfallsbedingungen und -fristen fest. Diese können vorsehen, dass aufgrund im Voraus bestimmter Ereignisse, wie eines Kontrollwechsels oder der Beendigung eines Arbeits- oder Mandatsvertrages, Vesting- und/oder Ausübungsbedingungen und -fristen weitergelten, verkürzt oder aufgehoben werden, sowie Vergütungen unter Annahme der Erreichung der Zielwerte ausgerichtet werden oder Vergütungen verfallen. Die Gesellschaft kann die erforderlichen Aktien am Markt erwerben oder aus dem Bestand eigener Aktien oder unter Verwendung von bedingtem Kapital oder des Kapitalbands bereitstellen.

Compensation may be paid in the form of cash, shares, options or other share-based instruments or units, or in the form of other types of benefits. The board of directors or, to the extent delegated to it, the nomination and compensation committee shall determine grant, vesting, exercise, restriction and forfeiture conditions and periods. They may provide for continuation, acceleration or removal of vesting and/or exercise conditions and periods, for payment or grant of compensation based upon assumed target achievement, or for forfeiture, in each case in the event of pre-determined events such as a change of control or termination of an employment or mandate agreement. The Company may procure the required shares through purchases in the market, from treasury shares or by using conditional share capital or the capital band.

Die Entschädigung kann von der Gesellschaft oder von ihr kontrollierten Unternehmen geleistet werden.

Compensation may be paid by the Company or companies controlled by it.

Artikel 21 – Genehmigung der maximalen Gesamtbeträge der Vergütungen des Verwaltungsrates und der Geschäftsleitung

Article 21 – Approval of the maximum Compensation of the Board of Directors and the Executive Committee

Die Generalversammlung stimmt jährlich wie folgt gesondert über die Genehmigung der Anträge des Verwaltungsrates zum Gesamtbetrag der Vergütungen ab:

The general meeting shall resolve annually and separately on the approval of the proposals of the board of directors in relation to the aggregate compensation amounts as follows:

1. des Verwaltungsrates für die Dauer bis zum Abschluss der nächsten ordentlichen Generalversammlung; und

1. of the board of directors for the period until the completion of the next annual general meeting; and

2. der Geschäftsleitung für das kommende Geschäftsjahr.

2. of the executive committee for the coming business year.

Der Verwaltungsrat kann den jeweiligen maximalen Gesamtbetrag in einen maximalen Gesamtbetrag für fixe und für variable Vergütungen unterteilen und die entsprechenden Anträge der Generalversammlung separat zur Genehmigung vorlegen.

The board of directors may divide the respective maximum aggregate amount into a maximum aggregate amount for fixed and for variable compensation and submit the respective proposals to the general meeting separately for approval.

Verweigert die Generalversammlung die Genehmigung, kann der Verwaltungsrat einen neuen Antrag an derselben oder an einer nachfolgenden Generalversammlung stellen und die Gesellschaft oder ihre Konzerngesellschaften darf Vergütungen unter dem Vorbehalt der nachträglichen Genehmigung durch die Generalversammlung ausrichten.

If the general meeting refuses the approval, the board of directors may submit a new proposal at the same or a subsequent general meeting and the Company or its group companies may pay out compensations subject to the subsequent approval by the general meeting.

Artikel 22 – Zusatzbetrag für die Geschäftsleitung

Article 22 – Supplementary Amount for the Executive Committee

Reicht der von der Generalversammlung bereits genehmigte maximale Gesamtbetrag der Vergütungen nicht aus, um auch die Vergütungen einer oder mehrerer Personen abzudecken, die nach der Genehmigung der Vergütungen der Geschäftsleitung durch die Generalversammlung für die betreffende Periode Mitglied der Geschäftsleitung werden, so ist die Gesellschaft oder von ihr kontrollierte Gesellschaften ermächtigt, diesen Mitgliedern während der bereits genehmigten Vergütungsperiode(n) einen Zusatzbetrag zu bezahlen.

If the maximum aggregate amount of compensation already approved by the general meeting is not sufficient to also cover the compensation of one or more persons who become members of the executive committee after the general meeting has approved the compensation of the executive committee for the relevant period, then the Company or companies controlled by it shall be authorized to pay such member(s) a supplementary amount during the compensation period(s) already approved.

Die Vergütung eines Mitglieds der Geschäftsleitung, welches nach dem Zeitpunkt der Generalversammlung innerhalb der Geschäftsleitung befördert wird, wird an der nächsten Generalversammlung genehmigt, sofern und soweit der bereits genehmigte maximale Gesamtbetrag nicht ausreicht.

If and to the extent that the approved maximum total amount is not sufficient for the remuneration of a member of the executive committee who is promoted within the executive committee after the date of the general meeting, the amount shall be approved at the next general meeting.

Der Zusatzbetrag darf je Vergütungsperiode 40 % des Gesamtbetrages des zuletzt von der Generalversammlung genehmigten maximalen Gesamtbetrages der Vergütung der Geschäftsleitung nicht übersteigen.

The supplementary amount per compensation period shall not exceed 40 % of the maximum aggregate amount of compensation of the executive committee last approved.

Artikel 23 – Mandate ausserhalb der Gruppe

Article 23 – Mandates outside of the Group

Die Anzahl der Mandate von Mitgliedern des Verwaltungsrates oder der Geschäftsleitung in vergleichbaren Funktionen bei anderen Unternehmen mit wirtschaftlichem Zweck ausserhalb des Konzerns, ist beschränkt:

The number of mandates for members of the board of directors or of the executive committee in comparable functions at other companies with an economic purpose outside the group is limited:

1. auf 15 Mandate, davon nicht mehr als 5 in börsenkotierten Unternehmen für Mitglieder des Verwaltungsrates; und

1. for members of the board of directors, to 15 mandates, of which no more than 5 in listed companies; and

2. auf 10 Mandate, davon nicht mehr als 2 in einer börsenkotierten Gesellschaft für Mitglieder der Geschäftsleitung.

Mandate in verschiedenen juristischen Personen, die demselben Konzern angehören oder für denselben Konzern tätig sind, gelten als ein Mandat.

Mandate, die ein Mitglied des Verwaltungsrates oder der Geschäftsleitung in Ausübung dieser Funktion auf Anordnung der Gesellschaft oder einer ihrer Konzerngesellschaften in vergleichbarer Funktion bei Unternehmen ausserhalb der On Gruppe wahrnimmt, unterliegen nicht der oben genannten Beschränkung. Kein Mitglied des Verwaltungsrates oder der Geschäftsleitung darf mehr als 15 solche Mandate wahrnehmen.

Mandate, die ein Mitglied des Verwaltungsrates oder der Geschäftsleitung in vergleichbarer Funktion bei Vereinen, gemeinnützigen Organisationen, Familienstiftungen und Stiftungen, Trusts, sowie Personalfürsorgestiftungen ohne wirtschaftlichen Zweck ausübt, unterliegen nicht den oben genannten Beschränkungen. Kein Mitglied des Verwaltungsrates oder der Geschäftsleitung darf mehr als 15 solche Mandate wahrnehmen.
Die Annahme durch Mitglieder des Verwaltungsrates oder der Geschäftsleitung von Mandaten in vergleichbarer Funktion in Unternehmen mit wirtschaftlichem Zweck ausserhalb des Konzerns erfordert die vorgängige Genehmigung des Verwaltungsrates oder, sofern an diesen delegiert, des Nominierungs- und Vergütungsausschusses.

Mitglieder des Verwaltungsrates oder der Geschäftsleitung, welche im Zeitpunkt ihrer Wahl bei der Gesellschaft oder welche durch die Annahme eines Mandates bei einer Rechtseinheit ausserhalb der On Gruppe, die Anforderung dieses Artikels nicht oder nicht mehr erfüllen, haben bis zum ordentlichen Rücktrittsdatum eines überzähligen Mandates, längstes aber innert zwölf Monaten seit dieser Wahl oder Annahme, ihre Anzahl Mandate auf das erlaubte Mass zu reduzieren. Während dieser Zeit sind sie Mitglied des Verwaltungsrates oder der Geschäftsleitung mit allen Rechten und Pflichten.

2. for members of the executive committee, to 10 mandates, of which no more than 2 in a listed company.

Mandates in different legal entities being part of the same group or for the same group are deemed to be one mandate.

Mandates by members of the board of directors or of the executive committee in comparable functions at other companies with an economic purpose outside the On Group held by instruction of the Company or one of its group companies are not subject to the above restriction. No member of the board of directors or the executive committee shall hold more than 15 such mandates.

Mandates by members of the board of directors or of the executive committee in comparable functions of associations, charitable organizations, family trusts and foundations, trust and employees' benefit foundations without an economic purpose are not subject to the above limitations. No member of the board of directors or the executive committee shall hold more than 15 such mandates.

The acceptance of mandates by members of the board of directors or of the executive committee in comparable functions at other companies with an economic purpose outside the On Group requires the prior approval of the board of directors or, if delegated to it, of the nomination and compensation committee.

Members of the board of directors or of the executive committee who, at the time of their election by the Company or who, by accepting a mandate with a legal entity outside the On Group, do not or no longer fulfill the requirements of this article, shall reduce their number of mandates to the permitted level until the ordinary resignation date of a surplus mandate, but at the latest within twelve months of such election or acceptance, during which time they shall remain a member of the board of directors or of the executive committee with all rights and duties.

Artikel 24 – Verträge über die Vergütung

Die Gesellschaft oder von ihr kontrollierte Gesellschaften können mit Mitgliedern des Verwaltungsrates Verträge über deren Vergütung abschliessen. Die Dauer und Beendigung richtet sich nach der Amtsdauer und dem Gesetz.

Die Gesellschaft oder von ihr kontrollierte Unternehmen können mit Mitgliedern der Geschäftsleitung befristete oder unbefristete Arbeitsverträge abschliessen. Befristete Verträge haben eine Höchstdauer von einem Jahr. Eine Erneuerung ist möglich. Unbefristete Verträge haben eine Kündigungsfrist von maximal zwölf Monaten.

Vereinbaren die Gesellschaft oder von ihr kontrollierte Gesellschaften ein nachvertragliches Konkurrenzverbot mit Mitgliedern des Verwaltungsrates oder der Geschäftsleitung für die Zeit nach Beendigung des Arbeitsverhältnisses, so darf die Entschädigung für ein solches Konkurrenzverbot den Durchschnitt der Vergütungen der letzten drei Geschäftsjahre nicht übersteigen.

Artikel 25 – Darlehen und Kredite

Den Mitgliedern des Verwaltungsrates und der Geschäftsleitung können Darlehen und Kredite in der maximalen Höhe von CHF 1'000'000 und nur zur marktüblichen Bedingungen gewährleistet werden.

Artikel 26 – Vorsorgeleistungen

Die Gesellschaft oder von ihr kontrollierte Gesellschaften können den Mitgliedern des Verwaltungsrates und der Geschäftsleitung über die berufliche Vorsorge hinausgehende Vorsorgeleistungen gewähren, welche die zuletzt ausbezahlte jährliche Vergütung des jeweiligen Mitglieds des Verwaltungsrates oder der Geschäftsleitung nicht übersteigen.

C. Revisionsstelle

Artikel 27 – Revision

Die Generalversammlung wählt jährlich ein staatlich beaufsichtigtes Revisionsunternehmen im Sinne des

Article 24 – Agreement on the Compensation

The Company or companies controlled by it may enter into agreements with members of the board of directors relating to their compensation. The duration and termination are subject to the term of office and the law.

The Company or companies controlled by it may enter into employment agreements with members of the executive committee for a fixed term or for an indefinite term. Fixed term agreements may have a maximum duration of one year. Renewal is possible. Agreements for an indefinite term shall have a notice period of maximum twelve months.

If the Company or companies controlled by it enter into non-compete agreements with members of the board of directors or the executive committee for the time after termination of employment, the consideration paid for such non-compete agreements shall pro rata not exceed the average of the remunerations of the last three business years.

Article 25 – Loans and Credits

The members of the board of directors and the executive committee may be granted loans and credits up to a maximum amount of CHF 1,000,000 and only at arm's length conditions.

Article 26 – Post-Retirement Benefits

The Company or companies controlled by it may grant to members of the board of directors and the executive committee post-retirement benefits beyond the occupational benefit schemes, which do not exceed the annual compensation of the respective member of the board of directors or the executive committee last paid.

C. Statutory Auditors

Article 27 – Audit

The general meeting shall annually elect a state-supervised auditing company within the meaning of the Audit Supervision Act (as

Revisionsaufsichtsgesetzes (in der jeweils gültigen Fassung) als Revisionsstelle für eine Amtsdauer von einem Jahr bis zum Abschluss der nächsten ordentlichen Generalversammlung. Wiederwahl ist möglich.

Die Revisionsstelle hat die ihr gesetzlich zugewiesenen Befugnisse und Pflichten.

IV. RECHNUNGSABSCHLUSS UND GEWINNVERTEILUNG

Artikel 28 – Geschäftsjahr und Buchführung

Das Geschäftsjahr wird vom Verwaltungsrat festgelegt.

Die Rechnungslegung erfolgt nach Massgabe der anwendbaren gesetzlichen Vorschriften sowie des anwendbaren Standards zur Rechnungslegung.

Artikel 29 – Reserven und Gewinnverwendung

Die Generalversammlung beschliesst im Rahmen der zwingenden gesetzlichen Bestimmungen über die Verwendung des Bilanzgewinns.

Neben den gesetzlichen Reserven kann die Generalversammlung weitere Reserven bilden.

Dividenden, die nicht innerhalb von fünf Jahren nach ihrer Fälligkeit bezogen worden sind, verfallen zugunsten der Gesellschaft.

Artikel 30 – Auflösung und Liquidation

Die Auflösung der Gesellschaft kann durch einen Beschluss der Generalversammlung, über den eine öffentliche Urkunde zu errichten ist, erfolgen.

Die Liquidation wird durch den Verwaltungsrat besorgt, falls sie nicht durch einen Beschluss der Generalversammlung anderen Personen übertragen wird. Die Liquidation erfolgt gemäss Art. 742 ff. OR.

Das Vermögen der aufgelösten Gesellschaft wird nach Tilgung ihrer Schulden nach

amended from time to time) as statutory auditors for a term of office of one year until the completion of the next ordinary general meeting. Re-election is possible.

The statutory auditors have the powers and duties assigned to them by law.

IV. FINANCIAL REPORTING AND PROFITS DISTRIBUTION

Article 28 – Business Year and Financial Statements

The fiscal year is determined by the board of directors.

The financial statements are prepared in accordance with the applicable legal requirements and the applicable accounting standards.

Article 29 – Reserves and Appropriation of Profit

The general meeting shall resolve on the allocation of the profit as shown on the balance sheet in accordance with applicable law.

In addition to the reserves required by law, the general meeting may create other reserves.

Dividends that have not been collected within five years after their payment date shall inure to the Company.

Article 30 – Dissolution and Liquidation

The dissolution of the Company may be effected by a resolution of the general meeting, on which a public deed shall be drawn up.

Liquidation shall be carried out by the board of directors, unless it is assigned to other persons by a resolution of the general meeting. The liquidation shall be carried out in accordance with Art. 742 et seqq. CO.

The assets of the dissolved Company shall be distributed among the shareholders after

Massgabe der einbezahlten Beträge unter die Aktionäre verteilt.

repayment of its debts in proportion to the amounts paid in.

V. BENACHRICHTIGUNG

Artikel 31 – Mitteilungen und Bekanntmachungen

Mitteilungen an die Aktionäre erfolgen per Brief oder E-Mail an die im Aktienbuch eingetragene Adresse bzw. an die letzte der Gesellschaft bekanntgegebene E-Mail-Adresse oder mittels Publikation im Schweizerischen Handelsamtsblatt.

Publikationsorgan der Gesellschaft ist das Schweizerische Handelsamtsblatt.

V. NOTIFICATION

Article 31 – Notices and Announcements

Notices to shareholders shall be made by letter or email to the addresses recorded in the share register or to the last address communicated to the Company or by publication in the Swiss Official Gazette of Commerce (SOGC).

The official means of publication of the Company shall be the Swiss Official Gazette of Commerce.

Artikel 32 – Sacheinlage und Sachübernahme

Die Gesellschaft übernimmt bei der Kapitalerhöhung vom 20. Januar 2020 gemäss Sacheinlage- und Sachübernahmevertrag vom 20. Januar 2020 von Thilo Brunner, von Hemberg, in Zürich, und Jörg Mettler, von Hemberg, in Niederlenz, sämtliche Stammanteile mit einem Nennwert von je CHF 1'000 der Brunner Mettler GmbH, Zürich, im Wert von mindestens und zum Preis von CHF 929'660, wofür die Einleger insgesamt 366 neue Namenaktien der Gesellschaft mit einem Nennwert von je CHF 10 erhalten sowie CHF 926'000 in bar.

Article 32 – Contribution in Kind and Acquisition in Kind

In the course of the capital increase on January 20, 2020 and pursuant to agreement related to the contribution in kind and acquisition in kind dated January 20, 2020, the Company acquires from Thilo Brunner, from Hemberg, in Zurich, and Jörg Mettler, from Hemberg, in Niederlenz, all quotas with a nominal value of CHF 1,000.-- each in Brunner Mettler GmbH, Zurich, with a value of at least and at a price of CHF 929,660.--, for which the contributors receive a total of 366 new registered shares in the Company with a nominal value of CHF 10.-- each, as well as CHF 926,000.-- in cash.

* * * * *

Die englische Fassung der Statuten ist eine Übersetzung des deutschen Originaltextes und ist rechtlich nicht verbindlich.

The English version of the articles of association is a translation of the German original and shall not have legal binding effect.

Zürich, den 3. Dezember 2025
Zurich, 3 December 2025

sig.

David Allemann

sig.

Zlatina Iliev

Exhibit 2.1

Description of the registrant's securities
registered pursuant to Section 12 of the Securities Exchange Act of 1934

The following description of our share capital is a summary and does not purport to be complete. It is subject to and qualified in its entirety by reference to our articles of association, which are incorporated by reference as an exhibit to the Annual Report on Form 20-F of which this exhibit is a part. We encourage you to read the articles of association for additional information.

General

We are incorporated as a corporation (*Aktiengesellschaft*) under the laws of Switzerland and our affairs are governed by the provisions of our articles of association, as amended and restated from time to time, our organizational regulations and the provisions of applicable Swiss law.

As provided in our articles of association, subject to Swiss law, we have full capacity to carry on or undertake any business or activity, do any act or enter into any transaction, and, for such purposes, full rights, powers and privileges. Our registered office is Förrlibuckstrasse 190, 8005 Zürich, Switzerland.

Our Class A ordinary shares are listed on the NYSE under the symbol "ONON."

The following is a summary of the material provisions of our share capital and our articles of association.

Share Capital

Issued Share Capital

As of December 31, 2025, 306,847,124 Class A ordinary shares were issued and registered with the Commercial Register, thereof 296,873,353 Class A ordinary shares were outstanding, and 341,241,680 Class B voting rights shares were issued, fully paid and outstanding.

Holders of our Class A ordinary shares who are nonresidents of Switzerland may freely hold and vote their shares.

Dual Share Class Structure

Our articles of association provide for two share classes, Class A ordinary shares with a par value of CHF 0.10 each and Class B voting rights shares with a par value of CHF 0.01 each. Because each of our shares carries one vote in our general meeting of shareholders, irrespective of the par value of the shares, Class B voting rights shares provide for ten times the voting power of Class A ordinary shares for each CHF of capital invested in the Company.

Class B voting rights shares are subject to transfer restrictions both under our articles of association as well as under the shareholders' agreement between the extended founder team and the Company (see "—Shareholders' Agreement"). Pursuant to the shareholders' agreement, Class B voting rights shares are only transferable among members of the extended founder team or trusts, non-profit or other corporations or partnerships controlled by them (a "founder family entity").

If a member of the extended founder team wishes to sell Class B voting rights shares to any person or entity other than a member of the extended founder team or a founder family entity, the members of the extended founder team are required to first vote for the conversion of the relevant number of Class B voting rights shares into Class A ordinary shares. Under Swiss law, any such conversion requires

approval of a general meeting of shareholders and a corresponding amendment of the articles of association.

Pursuant to the terms of the shareholders' agreement, the members of the extended founder team are required to vote for the conversion of all the Class B voting rights shares into Class A ordinary shares no sooner than 13 months and no later than 24 months following the occurrence of any of the following events, which we refer to as the "general sunset events":

- the extended founder team ceases to hold at least 65% of the aggregate number of Class B voting rights shares held by them since the date immediately following our initial public offering; or

- fewer than two of the initial holders of Class B voting rights shares continue to hold Class B voting rights shares.

In addition to the general sunset events, the shareholders' agreement includes additional restrictions that apply individually to each member of the extended founder team (see "—Shareholders' Agreement"). In particular, the shareholders' agreement also provides for "individual sunset events," which include the following events:

- an individual member of the extended founder team ceases to hold at least 65% of the number of Class B voting rights shares held by such individual since the date immediately following our initial public offering;

- a member of the extended founder team is no longer acting as a member of the executive committee of the Company or serving in an advisory role with the Company or its controlled affiliates;

- a member of the extended founder team is subject to a final non-appealable conviction for fraud, theft, misappropriation and/or criminal mismanagement against the Company and/or its controlled affiliates; and

- a member of the extended founder team dies or is incapacitated in a manner that causes such member to permanently, but not temporarily, be unable to exercise such member's function as an executive or board member.

In each case, such member (or such member's heirs) is required to offer his Class B voting rights shares for sale to the other members of the extended founder team or request conversion of the Class B voting rights shares into Class A ordinary shares no sooner than 13 months and no later than 24 months following the occurrence of such individual sunset event. See "—Shareholders' Agreement."

Conversion of Class B voting rights shares into Class A ordinary shares requires approval at a general meeting of shareholders. If such conversion is approved, ten (10) Class B voting rights shares will be converted into one (1) Class A ordinary share. The conversion ratio is strictly based on the different par value of the shares and there will be no separate consideration for the increased voting right power of the Class B voting rights shares.

No additional Class B voting rights shares may be issued except (i) in connection with a share split or share dividend on the Class B voting rights shares in which the Class A ordinary shares are similarly split or receive a similar dividend, or (ii) to members of the extended founder team under the Company's equity participation and incentive plans.

Shareholders' Agreement

The Company and the extended founder team entered into a shareholders' agreement in connection with the initial public offering. Pursuant to the terms of the shareholders' agreement, the members of our extended founder team have agreed to vote together on those matters that will be put for a vote in our general meeting of shareholders. In particular, if with regard to a specific matter at least 50% or more of the extended founder team and the simple majority of the voting rights of the extended founder team represented at the meeting of the extended founder team resolve to vote in a specific manner, each member of the extended founder team would be required to vote at the shareholders' meeting on such matter accordingly. If at the meeting of the extended founder team no such quorum is reached, the extended founder team would be required to vote (i) for the motions of the board of directors of the Company at the general meeting of shareholders as set forth in the invitation to such meeting, or (ii) if a motion is requested by a shareholder, according to the recommendations of the board of directors (except for elections to the board of directors, in which the extended founder team may vote individually).

Moreover, pursuant to the terms of the shareholders' agreement, the members of the extended founder team are required to vote for a conversion of all Class B voting rights shares into Class A ordinary shares no sooner than 13 months and no later than 24 months following the occurrence of any of the following events, which we refer to as the "general sunset events":

- the extended founder team ceases to hold at least 65% of the aggregate number of Class B voting rights shares held by since the date immediately following our initial public offering; or
- fewer than two of the initial holders of Class B voting rights shares continue to hold Class B voting rights shares.

In addition to the general sunset events, the shareholders' agreement includes additional restrictions that apply individually to each member of the extended founder team. In particular, the shareholders' agreement also provides for "individual sunset events," which include the following events:

- an individual member of the extended founder team ceases to hold at least 65% of the number of Class B voting rights shares held by such individual since the date immediately following our initial public offering;
- a member of the extended founder team is no longer acting as a member of the executive committee of the Company or serving in an advisory role with the Company or its controlled affiliates;
- a member of the extended founder team is subject to a final non-appealable conviction for fraud, theft, misappropriation and/or criminal mismanagement against the Company and/or its controlled affiliates; and
- a member of the extended founder team dies or is incapacitated in a manner that causes such member to permanently, but not temporarily, be unable to exercise such member's function as an executive or board member.

In each case, such member (or such member's heirs) would be required to offer his Class B voting rights shares for sale to the other members of the extended founder team, or request conversion of the Class B voting rights shares into Class A ordinary shares no sooner than 13 months and no later than 24 months following the occurrence of such individual sunset event.

The shareholders' agreement provides that as long as a co-founder continues to hold at least 65% of the number of Class B voting rights shares held since the date immediately following our initial public offering, such co-founder shall be entitled to a seat on the board of directors of the Company and that the members of the extended founder team undertake to vote for such co-founder's election or re-election (as applicable) to the board of directors of the Company, subject to limited exceptions, including in the case of certain criminal convictions.

In addition, the shareholders' agreement also provides members of our extended founder team with a right of first refusal to purchase shares of Class B voting rights shares that are intended to be sold or transferred by other members of our extended founder team, subject to certain exceptions.

Conversion of Class B voting rights shares into Class A ordinary shares requires approval at a general meeting of shareholders. If such conversion is approved, ten (10) Class B voting rights shares will be converted into one (1) Class A ordinary shares. The conversion ratio is strictly based on the different par value of the shares and there will be no separate consideration for the increased voting right power of the Class B voting rights shares. If the conversion is not approved at the general meeting of shareholders, the holder of the Class B voting rights shares may sell such shares to any third party (subject to compliance with applicable law).

Articles of Association

Our amended and restated articles of association are filed as Exhibit 1.1 to this Annual Report. We encourage you to read our articles of association for additional information.

Ordinary Capital Increase, Conditional Share Capital and Capital Band

Under Swiss law, we may increase our share capital (*Aktienkapital*) with a resolution of the general meeting of shareholders (ordinary capital increase) that must be carried out by the board of directors within six months of the respective general meeting in order to become effective. Under our articles of association and Swiss law, in the case of subscription and increase against payment of contributions in cash, a resolution passed by an absolute majority of the voting rights represented at the general meeting of shareholders is required. In the case of subscription and increase against contributions in kind or by way of set-off with a debt of the Company, when shareholders' statutory pre-emptive subscription rights or advance subscription rights are limited or withdrawn, or where transformation of freely disposable equity into share capital is involved, a resolution passed by two-thirds of the voting rights represented at a general meeting of shareholders and the absolute majority of the par value of the shares represented is required.

Furthermore, under the Swiss Code of Obligations (the "CO"), our shareholders, by a resolution passed by two-thirds of the voting rights represented at a general meeting of shareholders and the absolute majority of the par value of the shares represented, may:

- authorize our board of directors to issue shares of a specific aggregate par value up to a maximum of 50% of the existing share capital registered in the Commercial Register in the form of conditional share capital (*bedingtes Aktienkapital*) for the purpose of issuing shares in connection with, among other things, (i) option and conversion rights granted in connection with warrants and convertible bonds of the Company or one of our subsidiaries or (ii) grants of rights to employees, members of our board of directors or consultants or to our subsidiaries or other persons providing services to the Company or a subsidiary to subscribe for new shares (conversion or option rights); and/or

- create a capital band (*Kapitalband*) authorizing our board of directors at any time within 5 (five) years to increase or decrease the share capital of the Company by a maximum amount of 50% of the existing share capital registered in the Commercial Register. As of January 1, 2023 the capital band has replaced the authorized share capital (*genehmigtes Aktienkapital*), which has been abolished. Existing authorized share capital may remain in place until it expires but it may no longer be renewed and no new authorized share capital may be created.

Pre-emptive and Advance Subscription Rights

Pursuant to the CO, shareholders have pre-emptive subscription rights (*Bezugsrechte*) to subscribe for new issuances of shares. With respect to conditional capital in connection with the issuance of conversion rights, convertible bonds or similar debt instruments, shareholders have advance subscription rights (*Vorwegzeichnungsrechte*) for the subscription of such conversion rights, convertible bonds or similar debt instruments.

A resolution passed at a general meeting of shareholders by two-thirds of the voting rights represented and the absolute majority of the par value of the shares represented may authorize our board of directors to withdraw or limit pre-emptive subscription rights and/or advance subscription rights in certain circumstances.

If pre-emptive subscription rights are granted, but not exercised, the board of directors may allocate the unexercised pre-emptive subscription rights at its discretion.

Our Capital Band

Capital Band for Class A Ordinary Shares

Under our articles of association, our board of directors is authorized to increase or reduce the share capital within the capital band for Class A ordinary shares between CHF 28,184,712.40 (lower limit) and CHF 33,184,712.40 (upper limit), once or several times and in any amounts until May 25, 2028 or until an earlier expiration of the capital band for Class A ordinary shares, through the issuance of up to 25,000,000 Class A ordinary shares, which would have to be fully paid-in, each with a par value of CHF 0.10, or by cancelling up to 25,000,000 Class A ordinary shares, each with a par value of CHF 0.10, or by increasing or reducing the par value of the existing Class A ordinary shares within the capital band or by a combined capital reduction and capital increase.

The board of directors has the power to determine the type of contributions, the issue price and the date on which the dividend entitlement starts.

With respect to the capital band, the board of directors is authorized by our articles of association to withdraw or to limit the pre-emptive subscription rights of shareholders, and to allocate them to third parties or to us, in the event that the newly issued shares are issued under the following circumstances:

- if the issue price of the new registered shares is determined by reference to the market price;

- for the acquisition of companies, part(s) of companies or participations, or for the financing or refinancing of any of such transactions or the financing of new investment projects of the Company or any of its group companies, including the acquisition of products, intellectual property or licenses;

- for purposes of broadening the shareholder constituency of the Company in certain geographic, financial or investor markets, for purposes of the participation of strategic partners, or in connection with the listing of new shares on domestic or foreign stock exchanges;

- for purposes of granting an over-allotment option or an option to purchase additional shares in a placement or sale of shares to the respective initial purchaser(s) or underwriter(s);

- for the participation of members of the board of directors, members of the executive committee, employees, contractors, consultants, or other persons performing services for the benefit of, the Company or any of its group companies; or

- for raising capital (including private placements) in a fast and flexible manner, which would not be possible, or might only be possible with great difficulty or delays or at significantly less favorable conditions, without the exclusion of the statutory pre-emptive subscription rights of existing shareholders.

New Class A ordinary shares issued under this authorization will be subject to the applicable transfer restrictions under our articles of association.

If our share capital is increased out of the conditional share capital for Class A ordinary shares, the upper and lower limits of the capital band for Class A ordinary shares shall increase in an extent corresponding to the increase of the share capital consisting of Class A ordinary shares.

In the event of a reduction of the share capital within the capital band for Class A, our board of directors is authorized to determine the use of the reduction amount. Our board of directors may also use the reduction amount for the partial or complete elimination of a negative net worth within the meaning of Article 653p CO or reduce the share capital within the meaning of Article 653q CO and increase it simultaneously at least to the previous amount.

Capital Band for Class B Voting Rights Shares

Further, under our articles of association, our board of directors is authorized to increase the share capital within the capital band for Class B voting rights shares between CHF 3,349,166.80 (lower limit) and CHF 3,507,291.80 (upper limit), once or several times and in any amounts until May 25, 2028 or until and earlier expiration of the capital band for Class B voting rights shares, through the issuance of up to 9,487,500 Class B voting rights shares, which would have to be fully paid-in, each with a par value of CHF 0.01, or by increasing the par value of the existing Class B voting rights shares within the capital band.

The board of directors has the power to determine the type of contributions, the issue price and the date on which the dividend entitlement starts.

With respect to the capital band for Class B voting rights shares, the board of directors is authorized by our articles of association to withdraw or to limit the pre-emptive subscription rights of shareholders, and to allocate them to third parties or to us, for the participation of members of the board of directors or members of the executive committee of the Company or any of its group companies.

New Class B voting rights shares issued under this authorization will be subject to the applicable transfer restrictions under our articles of association.

Our Conditional Share Capital

Our nominal share capital may be increased by the maximum amount of CHF 1,004,246.10 by issuing up to 10,042,461 fully paid-up Class A ordinary shares, upon exercise of rights that are given to members of the board of directors or independent consultants, service partners or sales agents of the Company or of affiliated companies.

With respect to the issuance of new shares out of our conditional capital, the shareholders' statutory advance subscription rights are excluded. The acquisition of Class A ordinary shares through the exercise of option rights and the further transfer of registered shares is subject to the applicable transfer restrictions under our articles of association.

Form of Shares

Our shares are in the form of uncertificated securities (*Wertrechte*) within the meaning of Article 973c of the CO. In accordance with Article 973c of the CO, we will maintain a non-public register of uncertificated securities (*Wertrechtebuch*). Following entry in the share register, a shareholder of record may at any time request from us a written confirmation regarding his or her shares. Shareholders are not entitled, however, to request the conversion and/or printing and delivery of share certificates.

General Meeting of Shareholders

Ordinary/Extraordinary Meetings, Powers

The general meeting of shareholders is our supreme corporate body. Under Swiss law, an annual general meeting of shareholders must be held annually within six months after the end of a corporation's financial year. In our case, this generally means on or before June 30. In addition, extraordinary general meetings of shareholders may be held.

The following powers are vested exclusively in the general meeting of shareholders:

- adopting and amending the articles of association, including changing the company's purpose or registered seat;
- electing and de-selecting the members of the board of directors, the co-chairmen of the board of directors, the members of the nomination and compensation committee, the auditors and the independent proxy representative;
- approving the annual and management report, the annual statutory and consolidated financial statements and determining the allocation of profits shown on the balance sheet, in particular with regard to dividends;
- determining interim dividends and approving the interim financial statements required;
- passing resolutions on the repayment of the statutory capital reserve (gesetzliche Kapitalreserve);
- resolving to delist the Company's equity securities;
- approving the aggregate amount of compensation for the members of the board of directors, the executive committee and the advisory board;
- discharging the members of the board of directors and the executive committee from liability with respect to their conduct of business; and

- deciding matters reserved for the general meeting of shareholders by law or the articles of association or submitted by the board of directors.

An extraordinary general meeting of shareholders may be called by a resolution of the board of directors or the general meeting of shareholders or, under certain circumstances, by the company's auditors, liquidators or the representatives of bondholders, if any. In addition, the board of directors is required to convene an extraordinary general meeting of shareholders if shareholders representing at least 5% of the share capital or of the voting rights of our share capital request such general meeting of shareholders in writing. Such request must set forth the items to be discussed and the proposals to be acted upon. In case of a capital loss (*Kapitalverlust*), i.e. if, based on our stand-alone annual statutory balance sheet, the assets less the liabilities no longer cover half of the sum of our share capital, the statutory capital reserves (*gesetzliche Kapitalreserven*) not to be repaid to the shareholders and the statutory retained earnings (*gesetzliche Gewinnreserven*), our board of directors shall take measures to rectify such loss of capital. Where necessary, it shall take further measures to restructure the Company or shall request the general meeting of shareholders to approve such measures, if they fall within the competence of the general meeting of shareholders.

Voting and Quorum Requirements

Shareholder resolutions and elections (including elections of members of the board of directors) require the affirmative vote of the absolute majority of voting rights represented at the general meeting of shareholders, unless otherwise stipulated by law or our articles of association.

Under Swiss law and our articles of association, a resolution of the general meeting of the shareholders passed by two-thirds of the voting rights represented at the meeting and the absolute majority of the par value of the shares represented is required for:

- amending the Company's corporate purpose;
- the consolidation of shares, unless the consent of all the shareholders concerned is required;
- creating or cancelling voting right shares;
- cancelling or amending the transfer restrictions of shares;
- creating conditional share capital or a capital band;
- increasing share capital out of equity, against contributions in-kind or through contribution by set-off and granting specific benefits;
- changing the currency of the share capital;
- converting participation certificates into shares;
- introducing a provision in the articles of association regarding the holding of the general meeting of shareholders abroad;

- introducing in the articles of association the casting vote of the chairperson at the general meeting of shareholders;
- limiting or withdrawing shareholders' pre-emptive subscription rights;
- changing the Company's registered office;
- dissolving or liquidating the Company;
- delisting the shares; and
- introducing an arbitration clause in the articles of association.

The same voting requirements apply to resolutions regarding transactions among corporations based on Switzerland's Federal Act on Mergers, Demergers, Transformations and the Transfer of Assets of October 3, 2003, as amended (the "Swiss Merger Act"). See "—Compulsory Acquisitions; Appraisal Rights."

In accordance with Swiss law and generally accepted business practices, our articles of association do not provide quorum requirements generally applicable to general meetings of shareholders.

Hybrid, Multilocal and Virtual Shareholders' Meeting

A shareholders' meeting may take place at several locations simultaneously, if the votes of the participants are immediately transmitted in sound and image to all meeting venues (multilocal shareholders' meeting). Furthermore, if the board of directors designates an independent proxy representative in the invitation to the general meeting of shareholders and the articles of association contain the necessary provisions in accordance with Swiss law, a shareholders' meeting may be held abroad. The board of directors may previse that shareholders, which are not present at the meeting venue of the shareholders' meeting, may exercise their rights electronically (hybrid shareholders' meeting). A virtual shareholders' meeting without a physical meeting venue but using electronic means (virtual shareholders' meeting) is possible if the articles of association include the necessary provisions and the board of directors designates an independent proxy representative in the invitation to the general meeting of shareholders. The board of directors must regulate the use of electronic means and ensure that (i) the identity of the participants is established; (ii) the votes cast are immediately transmitted; (iii) each participant may submit requests and participate in the discussion; and (iv) the results cannot be forged.

Convocation

General meetings of shareholders must be convened by the board of directors at least 20 days before the date of the meeting. The general meeting of shareholders is convened by way of an invitation appearing in our official publication medium, currently the Swiss Official Gazette of Commerce. Registered shareholders may also be informed by ordinary mail or e-mail. The invitation to a general meeting of shareholders must state the (i) the date, the start time, the type and the place of the general meeting, (ii) items on the agenda, (iii) the motions to be decided by the shareholders together with a brief statement of the reasons therefor and, in case of elections, the names of the nominated candidates and (iv) the name and address of the independent proxy representative. A resolution on a matter that is not on the agenda may not be passed at a general meeting of shareholders, except for motions to convene an extraordinary general meeting of shareholders to initiate a special investigation or to elect the auditors, regarding which the general meeting of shareholders may vote at any time. No previous

notification is required for motions concerning items included in the agenda or for debates that do not result in a vote.

All of the owners or representatives of our shares may, if no objection is raised, hold a general meeting of shareholders without complying with the formal requirements for convening general meetings of shareholders (a universal meeting). This universal meeting of shareholders may discuss and pass binding resolutions on all matters within the purview of the general meeting of shareholders, provided that the owners or representatives of all the shares are present at the meeting. Shareholders may also pass resolutions in written or electronic form without complying with the formal requirements for convening general meetings of shareholders provided no shareholder requests the deliberation at a general meeting of shareholders.

Agenda Requests

Pursuant to Swiss law and our articles of association, one or more shareholders whose combined shareholdings represent 0.5% of the voting rights or of our share capital may request that an item be included in the agenda for a general meeting of shareholders. To be timely, the shareholder's request must be in writing and must be received by us at least 60 calendar days in advance of the meeting.

Our annual report, the compensation report and the auditor's report must be made available for inspection by the shareholders no later than 20 days prior to the general meeting of shareholders. If such documents are not available electronically, a shareholder may request that a copy is sent to it.

Voting Rights

Each of our shares entitles a holder to one vote in the general meeting of the shareholders, irrespective of the par value of such shares. Our shares are not divisible. The right to vote and the other rights of share ownership may only be exercised by shareholders (including any nominees) or usufructuaries who are entered in the share register prior to the applicable cut-off date to be determined by the board of directors. Those entitled to vote in the general meeting of shareholders may be represented by the independent proxy representative (annually elected by the general meeting of shareholders), by its legal representative or by a third party, who does not need to be a shareholder, with written authorization to act as proxy. The chairman of the general meeting of the shareholders has the power to decide whether to recognize a power of attorney.

Transfer of Shares

Shares in uncertificated form (*Wertrechte*) may only be transferred by way of written assignment. Shares or the beneficial interest in shares, as applicable, credited in a securities account may only be transferred when a credit of the relevant intermediated securities to the acquirer's securities account is made in accordance with applicable rules.

Voting rights may be exercised only after a shareholder (including any nominees) or usufructuary has been entered in the share register with his or her name and address (in the case of legal entities, the registered office) as a shareholder with voting rights. For a discussion of the restrictions applicable to the control and exercise of voting rights, see "—Voting Rights."

Inspection of Books and Records

Under the CO, a shareholder has a right to inspect the share register with respect to his or her own shares and otherwise to the extent necessary to exercise his or her shareholder rights. No other person has a right to inspect the share register. Our books and correspondence may be inspected with the express authorization of the general meeting of shareholders or by resolution of the board of directors and subject to the safeguarding of our business secrets and other legitimate interests.

In addition, shareholders holding in the aggregate at least 5% of our nominal share capital or of our voting rights have the right to inspect at any time company ledgers and files. Furthermore, our board of directors is required to grant the inspection request within four months after receipt of such request. Denial of the request needs to be justified in writing. In the event an inspection or information request is denied by the board of directors, shareholders may request the order of an inspection or information right by the court within thirty days.

Special Investigation

If the shareholders' inspection rights as outlined above prove to be insufficient in the judgment of the shareholder, any shareholder who has already exercised his or her inspection rights may propose to the general meeting of shareholders that specific facts be examined by a special examiner in a special investigation. If the general meeting of shareholders approves the proposal, we or any shareholder may, within 30 calendar days after the general meeting of shareholders, request a court at our registered office (currently Zurich, Canton of Zurich, Switzerland) to appoint a special examiner. If the general meeting of shareholders rejects the request, one or more shareholders representing at least 5% of our share capital or voting rights may request that the court appoint a special examiner. The court will issue such an order if the petitioners can demonstrate that the board of directors, any member of the board of directors or our executive committee infringed the law or our articles of association and thereby caused damages to the Company or the shareholders. The costs of the investigation would generally be allocated to us and only in exceptional cases to the petitioners.

Shareholders' Rights to Bring Actions for the Benefit of the Company

According to the CO, an individual shareholder may bring an action, in its own name and for the benefit of the Company, against the Company's directors, officers or liquidators for the recovery of any losses we have suffered as a result of the intentional or negligent breach by such directors, officers or liquidators of their duties.

Compulsory Acquisitions; Appraisal Rights

Business combinations and other transactions that are governed by the Swiss Merger Act (i.e., mergers, demergers, transformations and certain asset transfers) are binding on all shareholders. A statutory merger or demerger requires approval of two-thirds of the shares represented at a general meeting of shareholders and the absolute majority of the par value of the shares represented.

If a transaction under the Swiss Merger Act receives all of the necessary consents, all shareholders are compelled to participate in such a transaction.

Swiss corporations may be acquired by an acquirer through the direct acquisition of the shares of the Swiss corporation. The Swiss Merger Act provides for the possibility of a so-called "cash-out" or "squeeze-out" merger with the approval of holders of 90% of the issued shares. In these limited circumstances, minority shareholders of the corporation being acquired may be compensated in a form other than through shares of the acquiring corporation (for instance, through cash or securities of a parent corporation of the acquiring corporation or of another corporation). For business combinations effected in the form of a statutory merger or demerger and subject to Swiss law, the Swiss Merger Act provides that if equity rights have not been adequately preserved or compensation payments in the transaction are unreasonable, a shareholder may request a competent court to determine a reasonable amount of compensation.

In addition, under Swiss law, the sale of "all or substantially all of our assets" by us may require the approval of two-thirds of the voting rights represented at a general meeting of shareholders and the

absolute majority of the par value of the shares represented. Whether a shareholder resolution is required depends on the particular transaction, including whether the following test is satisfied:

- a core part of our business is sold without which it is economically impracticable or unreasonable to continue to operate the remaining business;
- our assets, after the divestment, are not invested in accordance with our corporate purpose as set forth in the articles of association; and
- the proceeds of the divestment are not earmarked for reinvestment in accordance with our corporate purpose but, instead, are intended for distribution to our shareholders or for financial investments unrelated to our corporate purpose.

A shareholder of a Swiss corporation participating in certain major corporate transactions may, under certain circumstances, be entitled to appraisal rights. As a result, such shareholder may, in addition to the consideration (be it in shares or in cash) receive an additional amount to ensure that the shareholder receives the fair value of the shares held by the shareholder. Following a statutory merger or demerger, pursuant to the Swiss Merger Act, shareholders can file an appraisal action against the surviving company. The action must be filed within two months after the merger or demerger resolution has been published in the Swiss Official Gazette of Commerce. The filing of the action will not prevent completion of the merger or demerger. If the consideration is deemed inadequate, the court will determine an adequate compensation payment.

Board of Directors

Our articles of association provide that the board of directors shall consist of at least three members.

The members of the board of directors and the co-chairmen are elected annually by the general meeting of shareholders for a period until the completion of the subsequent annual general meeting of shareholders and are eligible for re-election. Each member of the board of directors must be elected individually.

Powers

The board of directors has the following non-delegable and inalienable powers and duties:

- the ultimate direction of the business of the Company and the issuance of the relevant directives;
- determining the organization of the Company;
- formulating accounting procedures, financial controls and financial planning;
- nominating and removing persons entrusted with the management and representation of the Company and regulating the power to sign for the Company;
- the ultimate supervision of those persons entrusted with the management of the Company, with particular regard to adherence to law, our articles of association, and regulations and directives of the Company;

- issuing the annual and the management report and the compensation report, and preparing for the general meeting of shareholders and carrying out its resolutions;

- the non-transferable and inalienable powers and duties of the board of directors pursuant to the Swiss Merger Act; and

- filing of a moratorium request and informing the court in case of over-indebtedness.

The board of directors may, while retaining such non-delegable and inalienable powers and duties, delegate some of its powers, in particular direct management, to a single or to several of its members, committees or to third parties (such as executive officers) who need be neither members of the board of directors nor shareholders. Pursuant to Swiss law and our articles of association, details of the delegation and other procedural rules such as quorum requirements have been set in the organizational rules established by the board of directors.

Indemnification of Executive Officers and Directors

Subject to Swiss law, our articles of association provide for indemnification of the existing and former members of the board of directors and the executive committee and their heirs, executors and administrators against liabilities arising in connection with the performance of their duties in such capacity, and permit us to advance the expenses of defending any act, suit or proceeding against our directors and executive officers to the extent not included in insurance coverage or advanced by third parties.

In addition, under general principles of Swiss employment law, an employer may be required to indemnify an employee against losses and expenses incurred by such employee in the proper execution of his or her duties under the employment agreement with the employer.

We have entered into indemnification agreements with each of the members of our board of directors and executive officers.

Conflict of Interest, Management Transactions

Swiss law does not have a general provision defining conflicts of interest. However, the CO contains a provision that requires our directors and executive committee members to safeguard the Company's interests and imposes a duty of loyalty and duty of care on our directors and executive officers. This rule is generally understood to disqualify directors and executive officers from participation in decisions that directly affect them. Members of the board of directors and the executive committee must inform the board of directors of any conflicts of interest that concern them and the board of directors has to take the appropriate measures to safeguard the interest of the company.

Our directors and executive officers are personally liable to us for breaches of these obligations. In addition, Swiss law contains provisions under which directors and all persons engaged in the Company's management are liable to the Company, each shareholder and in certain circumstances, the Company's creditors for damages caused by an intentional or negligent violation of their duties. Furthermore, Swiss law contains a provision under which payments made to any of the Company's shareholders or directors or any person related to any such shareholder or director, other than payments made at arm's length, must be repaid to the Company if such shareholder or director acted in bad faith.

If in connection with entering into a contract (except relating to daily business matters for a value of up to CHF 1,000) we are represented by the person with whom we are entering into the contract with, such contract must be in writing.

Principles of the Compensation of the Board of Directors and the Executive Committee

Pursuant to Swiss law, our shareholders must annually approve the aggregate amount of compensation of the board of directors and the persons whom the board of directors has, fully or partially, entrusted with the management (which we refer to as our "executive committee") of the Company.

The board of directors must issue, on an annual basis, a written compensation report that must be reviewed by our auditors. The compensation report must disclose all compensation granted by the Company, directly or indirectly, to current members of the board of directors and the executive committee and, to the extent related to their former role within the Company or not on customary market terms, to former members of the board of directors and former executive officers.

The disclosure concerning compensation, loans and other forms of indebtedness must include the aggregate amount for the board of directors and the executive committee, respectively, as well as the particular amount for each member of the board of directors and for the highest-paid executive officer, specifying the name and function of each of these persons.

We are prohibited from granting certain forms of compensation to members of our board of directors and executive committee, such as:

- severance payments (compensation due until the termination of a contractual relationship does not qualify as severance payment);
- compensation related to a ban of competition that (i) exceeds the average remuneration for the last three financial years, or (ii) is not justified on business grounds;
- remuneration that is not at customary market conditions connected with a previous activity as corporate body of the Company;
- advance compensation;
- incentive fees for the acquisition or transfer of companies, or parts thereof, by the Company or by companies being directly or indirectly controlled by us;
- loans, other forms of indebtedness, pension benefits not based on occupational pension schemes and performance-based compensation not provided for in the articles of association; and
- equity-based compensation not provided for in the articles of association.

Compensation to members of the board of directors and the executive committee for activities in entities that are directly or indirectly controlled by the Company is prohibited if (i) the compensation would be prohibited if it were paid directly by the Company, (ii) the Company's articles of association do not provide for it or (iii) the compensation has not been approved by the general meeting of shareholders.

The general meeting of shareholders vote annually on the proposals of the board of directors with respect to:

- the maximum aggregate amount of compensation of the board of directors for the term of office until the next annual general meeting of shareholders;
- the maximum aggregate amount of fixed compensation of the executive committee (including our executive directors) for the following financial year; and
- the maximum aggregate amount of variable compensation of the executive committee (including our executive directors) for the current financial year.

The board of directors may submit for approval at the general meeting of shareholders deviating or additional proposals relating to the same or different periods.

If at the general meeting of shareholders the shareholders do not approve a compensation proposal of the board of directors, the board of directors must prepare a new proposal, taking into account all relevant factors, and submit the new proposal for approval by the same general meeting of shareholders at a subsequent extraordinary general meeting of shareholders or the next annual general meeting of shareholders.

In addition to fixed compensation, members of the executive committee (including executive directors) may be paid variable compensation depending on the achievement of certain performance criteria. The performance criteria may include individual targets, targets of the Company or parts thereof and targets in relation to the market, other companies or comparable benchmarks, taking into account the position and level of responsibility of the recipient of the variable compensation. The board of directors or, where delegated to it, the nomination and compensation committee shall determine the relative weight of the performance criteria and the respective target values.

Compensation may be paid or granted in kind or in the form of cash, shares, financial instruments or other types of benefits. The board of directors or, where delegated to it, the nomination and compensation committee shall determine grant, vesting, exercise, restriction and forfeiture conditions and periods.

Dividends

Our board of directors may propose to shareholders that a dividend or other distribution be paid, but cannot itself authorize distributions. Dividend payments require a resolution passed by an absolute majority of the voting rights represented at a general meeting of shareholders. In addition, our auditors must confirm that the dividend proposal of our board of directors conforms to Swiss statutory law and our articles of association.

Under Swiss law, we may pay dividends only if we have sufficient distributable profits from the previous business year or have brought forward profits from previous business years, or if we have distributable reserves, each as evidenced by the Company's audited stand-alone statutory balance sheet prepared pursuant to Swiss law and after allocations to reserves required by Swiss law and by the articles of association have been deducted. The Company may also pay interim dividends out of the current business year's profits, which requires in addition to the general dividend requirements that an interim audited stand-alone statutory balance sheet is drawn-up. Dividends are paid to shareholders in proportion to the par value of the relevant shares held.

The distributable reserves have to be booked either as "reserves from retained earnings" (*gesetzliche Gewinnreserve*) or as "statutory capital reserves" (gesetzliche Kapitalreserve) and 5% of our annual profit has to be retained as "reserves from retained earnings" until such "reserves from retained earnings", when taken together with the "statutory capital reserves", reach 20% of our share capital registered with the Commercial Register. Also, in particular subscription premiums and contributions into the reserves of the Company have to be allocated to the "statutory capital reserves".

The CO permits us to accrue additional "voluntary reserves from retained earnings". Furthermore, a purchase of our own shares (whether by us or a subsidiary) reduces the distributable reserves in an amount corresponding to the purchase price of such shares. Finally, the CO under certain circumstances requires the creation of revaluation reserves, which are not distributable.

Distributions out of issued share capital (i.e., the aggregate par value of our issued shares) are not allowed and may be made only by way of a share capital reduction. Such a capital reduction requires a resolution passed by an absolute majority of the shares represented at a general meeting of

shareholders. The resolution of the shareholders must be recorded in a public deed and a special audit report must confirm that claims of our creditors remain fully covered despite the reduction in our share capital recorded in the Commercial Register. Our share capital may be reduced below CHF 100,000 only if and to the extent that at the same time the statutory minimum share capital of CHF 100,000 is reestablished by sufficient new, fully paid-up capital. Upon approval by the general meeting of shareholders of the capital reduction, the board of directors must give public notice of the capital reduction resolution in the Swiss Official Gazette of Commerce and notify creditors that they may request, within 30 days of the publication, satisfaction of or security for their claims to the extent that the previous cover has been reduced by the capital reduction. The reduction of our share capital may be implemented only after expiration of this time limit. The obligation to secure claims lapses if we satisfy the claim or demonstrate that there is no risk that the claim will not be satisfied as a result of reducing the share capital, which will be presumed if confirmed in an audit confirmation.

Dividends are usually due and payable shortly after the shareholders have passed the resolution approving the payment, but shareholders may also resolve at the annual general meeting of shareholders to pay dividends in quarterly or other installments.

We may not make any dividend or distribution to any holder of either class of shares unless simultaneously with such dividend or distribution we make the same dividend or distribution (adjusted only *pro rata* to the par value of the relevant shares) with respect to each outstanding share of the other class of shares. In the case of a dividend or other distribution payable in shares of a class of ordinary shares, including distributions pursuant to share splits or divisions of ordinary shares, only Class A ordinary shares may be distributed with respect to Class A ordinary shares and only Class B voting shares may be distributed with respect to Class B voting rights shares.

Borrowing Powers

Neither Swiss law nor our articles of association restrict our power to borrow and raise funds. The decision to borrow funds is made by or under the direction of our board of directors, and no approval by the shareholders is required in relation to any such borrowing.

Repurchases of Shares and Purchases of Own Shares

The CO limits our ability to repurchase and hold our own shares. We and our subsidiaries may repurchase shares only to the extent that (i) we have freely distributable reserves in the amount of the purchase price; and (ii) the aggregate par value of all shares held by us does not exceed 10% of our registered share capital. Pursuant to Swiss law, where shares are acquired in connection with a transfer restriction set out in the articles of association or an action for dissolution of the company, the foregoing upper limit is 20%. If we own shares that exceed the threshold of 10% of our share capital, the excess must be sold or cancelled by means of a capital reduction within two years.

Shares held by us or our subsidiaries are not entitled to vote at the general meeting of shareholders but are entitled to the economic benefits applicable to the shares generally, including dividends and pre-emptive subscription rights in the case of share capital increases.

In addition, selective share repurchases are only permitted under certain circumstances. Within these limitations, as is customary for Swiss corporations, we may, subject to applicable law, purchase and sell our own shares from time to time in order to meet imbalances of supply and demand, to provide liquidity and to balance variances in the market price of shares.

Notification and Disclosure of Substantial Share Interests

The disclosure obligations generally applicable to shareholders of Swiss corporations under the Swiss Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives

Trading, or the Financial Market Infrastructure Act (the "FMIA"), do not apply to us since our shares are not listed on a Swiss exchange.

Mandatory Bid Rules

The obligation of any person or group of persons that acquires more than one third of a company's voting rights to submit a cash offer for all the outstanding listed equity securities of the relevant company at a minimum price pursuant to the FMIA does not apply to us since our shares are not listed on a Swiss exchange.

Transfer Agent and Registrar of Shares

Computershare Trust Company, N.A. acts as our transfer agent and registrar. The share register reflects only holders of record of our Class A ordinary shares, usufructuaries therein and/or nominees subject to the limitations set forth in Article 5 of our articles of association. See "—Voting Rights" for further information. Swiss law does not recognize fractional share interests.

Exhibit 4.14

ON HOLDING AG

LONG TERM INCENTIVE PLAN 2021

Approved by the Board of Directors with effective dates 13 September 2021,
15 March 2023 and 15 March 2025

David Allemann
Co-Chairman of the Board

Caspar Coppetti
Co-Chairman of the Board

1. Purpose

The purpose of this Long Term Incentive Plan 2021 of On Holding AG is to attract, retain and motivate high quality personnel by providing them with equity ownership opportunities and performance-based incentives to increase their commitments for and in the best interest of the Company and the On Group.

2. Definitions

Unless otherwise defined in an Award Agreement, capitalized terms used herein shall have the meaning set forth in this section 2:

Award	shall mean a grant of Restricted Stock Units, Performance Stock Units or any or both of them.
Award Agreement	shall mean the agreement evidencing and specifying the individual grant of an Award executed by the Company and the Participant.
Bad Leaver	shall mean a Participant (i) whose employment relationship with the Company or a Subsidiary is terminated for Cause by the Company or the respective Subsidiary or (ii) who is or becomes a Competitor or (iii) whose employment relationship with the Company or a Subsidiary is terminated and who is not qualifying as a Good or Medium Leaver.
Bad Leaver Event	shall mean the occurrence of an event, matter, fact, circumstance or behavior giving rise to a Participant qualifying immediately or with the lapse of time as Bad Leaver, in each case irrespective of whether such event, matter, fact, circumstance or behavior is actually known at that time by or disclosed to the Company, its Subsidiaries or its or their directors, officers, or employees.
Board	shall mean the board of directors of the Company.
Cause	shall mean (i) any material violation of law or (ii) grave misconduct or egregious acts (such as wilful disregard for instructions or company policy, falsifying records, stealing, violence, criminal wrongdoings and similar acts or behaviour) to the extent it would justify a termination of the employment relationship for cause according to art. 337 CO (irrespective of whether the employment relationship is actually governed by Swiss law or not).
Change of Control	shall mean the occurrence of any of the following events in one or a series of related transactions: (i) any person or any group of persons acting in concert (other than the Extended Founder Team) directly or

acting in concert (other than the Extended Founder Team) directly or

indirectly acquiring or becoming the beneficial owner of voting securities (including by way of subscribing new voting securities in the Company) representing 50 % or more of the combined voting power of all outstanding voting securities of the Company, (ii) the consummation of an agreement or plan to merge or consolidate the Company with or into another company or entity as a result of which less than 50% of the voting power of all outstanding voting securities of the surviving or resulting entity are, or are to be owned by, the former shareholders of the Company, or (iii) the consummation of a sale or other disposal of all or substantially all of the business or assets of the On Group taken as a whole to a person or entity that is not a Subsidiary, provided, however, that none of following events constitute a "Change of Control": (1) a transaction where the result of which is to sell all or substantially all of the assets of the On Group to another corporation (the "**Surviving Corporation**"), provided that such Surviving Corporation is owned directly or indirectly by the same shareholders of the Company immediately following such transaction in substantially the same proportions as their ownership of the Company immediately preceding such transaction, and further provided that the Surviving Corporation expressly assumes this Plan, (2) a General Sunset Event and/or any Individual Sunset Event (as such terms are defined in the shareholders' agreement by and between the Company and the Extended Founder Team dated as of September 6, 2021, as may be amended from time to time), (3) any sale of registered shares (voting rights shares) of the Company with a nominal value of CHF 0.01 (the "**Class B Shares**") among the Extended Founder Team, (4) a conversion of any number of Class B Shares into Shares by any number of members of the Extended Founder Team, and/or (5) the Extended Founder Team holding directly or indirectly or becoming the beneficial owner of voting securities (including by way of subscribing new voting securities in the Company) representing 50 % or more of the combined voting power of all outstanding voting securities of the Company at any point of time.

CO shall mean the Swiss Code of Obligations from time to time in effect.

Company shall mean On Holding AG with registered seat in Zurich, Switzerland.

Committee shall mean the nomination and compensation committee of the Company as elected by the Company's annual general shareholders' meeting and as instructed by the Board to administrate the Plan and to perform the functions set forth herein.

Competitor	shall mean a Participant who engages with or starts, within 365 days of the Termination Date, any company, entity or activity which competes or would reasonably be expected to compete with the Company and/or the On Group, in particular in the performance/outdoor/running shoe and/or apparel business.
Executive Committee	shall mean the executive committee of the On Group as set forth in the organizational regulations of the On Group.
Extended Founder Team	shall mean David Allemann, Olivier Bernhard, Caspar Coppetti, Marc Maurer and Martin Hoffmann.
Fair Market Value	shall mean, with respect to one Share: the closing sale price (or the closing bid, if no sales were reported) on such date, as quoted on such stock exchange and reported in any source the Committee deems reliable, or if such Share is not listed or admitted for trading, the value established by the Board in good faith.
Good Leaver	shall mean a Participant whose employment relationship with the Company or a Subsidiary is terminated (i) due to death, (ii) Permanent Disability, (iii) retirement at legal age, (iv) by the Participant for Good Reasons, or who is otherwise considered as a Good Leaver by the Company.
Good Reasons	shall mean (i) a significant decrease in duties or responsibilities, (ii) a material reduction in compensation or (iii) a material change in the geographic location at which the Participant provides the services; provided that any of the events or conditions described in subsections (i) through (iii) will only constitute Good Reasons if the Company or Subsidiary fails to cure such event or condition (if susceptible to cure by the Company or Subsidiary) within thirty (30) days after the Company has received written notice from the Participant of the event which constitutes Good Reasons; provided, further, that the Participant provides notice of Good Reasons within ninety (90) days of the initial existence of the event or condition constituting Good Reasons specifying the particular events or conditions which constitute Good Reasons and the specific cure requested by the Participant.
Granting Date	shall mean the date on which an Award has been granted to a Participant pursuant to the Award Agreement.
Medium Leaver	shall mean a Participant whose employment relationship with the Company or a Subsidiary is terminated (i) by the Company or a Subsidiary without Cause or (ii) by the Participant.

Notification Date	shall mean the date when notice of termination of employment of a Participant is given by the Participant, the Company or a Subsidiary.
On Group	shall mean On Holding AG and all its Subsidiaries.
Participants	shall mean the members of the Executive Committee as well as the employees of the On Group that are participating in the Plan (each a **"Participant"**).
Performance Cycle	shall mean a two or three year time period, beginning at January 1 of the year (n) in which an Award is granted and ending at December 31 of year (n+1) or (n+2).
Performance Conditions	shall mean the conditions relevant for the vesting of the Performance Stock Units at the end of a Performance Cycle as set out in (an annex to) the Award Agreement.
Performance Stock Units	shall mean an unsecured conditional right to receive a number of Shares in the future pursuant to the Performance Conditions, terms and conditions of this Plan and the Award Agreement. Performance Stock Units do not provide the Participant with any shareholder rights such as dividends, voting rights or alike.
Permanent Disability	shall mean the incapacity to perform a majority of work-related duties during at least six consecutive months and no reasonable expectation to returning to work, as a result of disability and as attested by qualified physician entrusted by the Committee.
Plan	shall mean this Long Term Incentive Plan 2021, dated as of 13 September, 2021 as amended from time to time in accordance with its terms, and all annexes, as applicable, incorporated by reference hereto.
Restricted Stock Units	shall mean an unsecured conditional right to receive a number of Shares in the future pursuant to the terms and conditions of this Plan and the Award Agreement. Restricted Stock Units do not provide the Participant with any shareholder rights such as dividends, voting rights or alike.
Share	shall mean a registered common share of the Company with a nominal value of CHF 0.10 (class A share).

Subsidiary	shall mean any legal entity in which the Company directly or indirectly owns shares representing 50% or more of the total combined voting rights of all classes of shares or securities with voting rights (collectively, the "**Subsidiaries**").
Tax Withholding	shall mean any income/payroll taxes and/or social security contributions legally applicable to the Participant, which are due upon vesting or settlement of an Award and for which the Company or a Subsidiary has a withholding and payment obligation under applicable Swiss or foreign laws.
Termination Date	shall mean the effective date of the termination of employment of a Participant.
Vesting Date	shall mean the date on which an Award vests in accordance with sections 5.2 and 6.3 of the Plan.
Vesting Factor	shall mean the percentage of payout as set out in (an annex to) the Award Agreement. It is determined based on the overall target achievement and a straight line interpolation curve within the threshold, target and maximum values and may range between 0% - 200%.

3. Eligibility

Throughout the term of the Plan, the Board shall determine from time to time the conditions to be satisfied by a Participant to be eligible for Awards at its sole discretion, taking into consideration the Participant's role, function, individual performance as well as the best interest and the overall business development of the On Group.

A prerequisite for receiving a grant of an Award under the Plan is an ongoing employment relationship under which no notice of termination has been given by either the Participant or the Company or a Subsidiary on the Granting Date.

4. Awards

Awards will be granted to Participants in accordance with the terms of the Plan. Any Award to a Participant having his/her residence or work place in Switzerland shall always be deemed a gratuity or special reward (*Gratifikation/Sondervergütung*) within the meaning of art. 332d CO and not an element of salary.

5. Restricted Stock Units

5.1. Grant

Each grant of Restricted Stock Units to a Participant shall be valid only if evidenced in an Award Agreement.

5.2. Vesting

Subject to the Participant's continuous employment and the non-occurrence of a Bad Leaver Event in respect of such Participant, and unless otherwise agreed in the Participant's Award Agreement, 8.33% (1/12) of the Restricted Stock Units (rounded up to the next whole number) granted to such Participant shall vest on the fifth day of the last month of each quarter following the Granting Date, so that on the fifth day of the month of the third anniversary of the Granting Date the last 8.33% (or such lower percentage, as the case may be, to account for any earlier upward rounding) of the Restricted Stock Units shall vest.

5.3. Settlement

The Shares resulting from the vesting of the Restricted Stock Units will be issued/ transferred to the Participant at or as soon as practicable after the Vesting Date, free of charge, subject to Tax Withholding according to section 12.2, into an individual account of the Participant with a bank chosen by the Company. Upon receipt of the Shares, Participants are entitled to shareholder rights, including voting rights and receipt of dividends on their Shares (for the first time for the then current financial year of the Company).

With the participation in the Plan, the Participant grants to the Company, a Subsidiary, or to the responsible Company or Subsidiary representative, respectively, a power of attorney to perform in the name of the Participant all acts and sign all documents required in order to execute the Plan.

With the participation in the Plan, the Participant explicitly consents to be registered in the Company's share register and declares that the Participant acquires and will hold the Shares in the Participants own name and for the Participant's own account.

6. Performance Stock Units

6.1. Grant

Each grant of Performance Stock Units to a Participant shall be valid only if evidenced in an Award Agreement.

Any grant of Performance Stock Units awarded in 2025 shall be split one quarter (25% of the Award) into a two-year Performance Cycle and three quarters (75% of the Award) into a three year Performance Cycle.

Any grant of Performance Stock Units awarded as of 2026 shall have a three year Performance Cycle.

6.2. Establishment of Performance Conditions and Vesting Factor

For each grant of Performance Stock Units, the Committee shall establish the applicable Performance Conditions (including type and weighting) and Vesting Factor (including threshold, target and maximum values). The Performance Conditions and Vesting Factor shall be established by the Committee. Once established, the Performance Conditions and Vesting Factor shall not be changed during the Performance Cycle.

6.3. Vesting

Subject to the Participant's continuous employment and the non-occurrence of a Bad Leaver Event in respect of such Participant, and unless agreed otherwise in the Participant's Award Agreement, the Performance Stock Units granted to such Participant shall vest in full on the fifth calendar day of the 24th month following the Granting Date (for a two year Performance Cycle), fifth calendar day of the 36th month following the Granting Date (for a three year Performance Cycle), respectively, subject to the achievement of the Performance Conditions, measured over the relevant Performance Cycle, and the resulting Vesting Factor, as further described in the Participant's Award Agreement.

6.4. Settlement

The Shares resulting from the vesting of the Performance Stock Units will be issued/ transferred to the Participant at or as soon as practicable after the Vesting Date, free of charge, subject to Tax Withholding according to section 12.2, into an individual account of the Participant with a bank chosen by the Company. Upon receipt of the Shares, Participants are entitled to shareholder rights, including voting rights and receipt of dividends on their Shares (for the first time for the then current financial year of the Company).

With the participation in the Plan, the Participant grants to the Company, a Subsidiary, or to the responsible Company or Subsidiary representative, respectively, a power of attorney to perform in the name of the Participant all acts and sign all documents (e.g. subscription form) required in order to execute the Plan.

With the participation in the Plan, the Participant explicitly consents to be registered in the Company's share register and declares that the Participant acquires and will hold the Shares in the Participants own name and for the Participant's own account.

7. Restrictions as to transferability of Awards and Shares

No Awards granted under this Plan shall be sold, pledged, assigned, encumbered, transferred, or disposed of in any manner other than by will or inheritance laws.

Shares issued/transferred to Participants under the Plan are subject to customary limitations in terms of transferability, such as a black out period, insider information and other applicable selling restrictions.

8. Effect of Change of Control

Upon occurrence of a Change of Control and unless decided otherwise by the Board in its discretion, this Plan shall terminate as of the date of Change of Control and all Awards granted under this Plan shall – in deviation from sections 5.2 and 6.3 - vest as follows:

(i) The next tranche(s) of Restricted Stock Units scheduled to vest after the Change of Control shall vest in full as of the date of Change of Control. Any other unvested Restricted Stock Units shall forfeit, without any indemnification, as of the Change of Control;

(ii) The target number of Performance Stock Units as set forth in the Participant's Award Agreement shall vest on a pro-rated basis as of the date of Change of Control. The pro-ration will be calculated based on the number of days of the Participant's participation in the relevant Performance Cycle, divided by the total number of days contained in the Performance Cycle. Any other unvested Performance Stock Units shall forfeit, without any indemnification, as of the date of Change of Control.

9. Effect of Termination of Employment

In case of termination of employment between a Participant and the Company or a Subsidiary, the following rules shall apply:

9.1. Good Leaver

9.1.1. Death of a Participant

In case of death of a Participant,

(i) All unvested Restricted Stock Units shall immediately and fully vest as of the Termination Date;

(ii) The target number of Performance Stock Units as set forth in the Participant's Award Agreement shall vest on a pro-rated basis as of the Termination Date. The pro-ration

will be calculated based on the number of days of the Participant's participation in the relevant Performance Cycle, divided by the total number of days contained in the Performance Cycle. Any other unvested Performance Stock Units shall forfeit, without any indemnification, as of the Termination Date.

9.1.2. Permanent Disability or Retirement at legal age

If the employment relationship is terminated due to Permanent Disability or retirement at legal age,

(i) The Participant may keep all unvested Restricted Stock Units which shall continue to vest in accordance with the vesting schedule of section 5.2 of the Plan or as agreed otherwise in the Award Agreement;

(ii) The Participant shall benefit from a pro-rated vesting of Performance Stock Units as of the Vesting Date. The pro-ration will be calculated based on the number of Performance Stock Units that would have become vested if no termination had occurred, multiplied by a percentage equal to the number of days of the Participant's employment during the Performance Cycle divided by the total number of days contained in the Performance Cycle.

9.1.3. Any other Good Leaver

A Participant qualifying as Good Leaver for any reasons other than 9.1.1 or 9.1.2 above

(i) Shall automatically and immediately forfeit all unvested Restricted Stock Units, without any indemnification, as of the Termination Date;

(ii) Shall automatically and immediately forfeit all unvested Performance Stock Units, without any indemnification, as of the Termination Date if the Termination Date occurs more than 12 months before the end of a Performance Cycle;

(iii) If the Termination Date occurs within twelve months before the end of a Performance Cycle, a Participant qualifying as a Good Leaver shall benefit from a pro-rated vesting of Performance Stock Units as of the Vesting Date. The pro-ration will be calculated based on the number of Performance Stock Units that would have become vested if no termination had occurred, multiplied by a percentage equal to the number of days of the Participant's employment during the Performance Cycle divided by the total number of days contained in the Performance Cycle.

9.2. Medium Leaver

A Participant qualifying as a Medium Leaver shall automatically and immediately forfeit all unvested Restricted Stock Units and/or Performance Stock Units, without any indemnification, as of the Termination Date.

9.3. Bad Leaver

Upon and with effect as per the occurrence of a Bad Leaver Event, a Participant qualifying as a Bad Leaver shall automatically and immediately forfeit all unvested Restricted Stock Units and/or Performance Stock Units, without any indemnification, as of the Notification Date.

10. Clawback Provision

If a Participant has engaged in any acts of criminal conduct, fraud, ethical misconduct or other wrongdoing (irrespective of such wrongdoing being intentional or not), which results in material harm to the Company or any Subsidiary or otherwise negatively affects legitimate interests of the Company, the Company has the right, but not the obligation, to revoke granted but unvested Awards and if vested or transferred, demand repayment in cash or retransfer of Shares to the Company of all or any portion of any Awards that have been granted, vested and settled under this Plan during the previous three financial years.

All actions taken under this clawback provision shall be determined and approved by the Board in its sole discretion. This provision shall not preclude any other remedies available to the Company or a Subsidiary, including without limitation disciplinary or legal actions taken in accordance with respective law, company policy and regulations, as well as employment terms and conditions.

11. Adjustment upon Changes in Capital Structure

In the event of a change, other than a share capital increase, relating to the Shares through reclassification, recapitalization, subdivision, stock dividend, stock split-up or otherwise in the Company's corporate structure, the Committee shall, to the extent permissible by law, determine the appropriate adjustments, if any, regarding the terms of this Plan and the Awards then outstanding with respect to the Performance Conditions, the number and class of Shares which are and thereafter will be subject to the Awards to ensure that the Participants receive in respect of each Award, upon vesting, the same value that each Participant would have been entitled to receive without such change.

12. Taxation and Social Security

12.1. In general

Awards may be subject to income tax and/or social security. In Switzerland, Restricted Stock Units and Performance Stock Units will be subject to Swiss income tax and Swiss social security contributions upon vesting. Social security contributions legally due will be borne by the relevant Subsidiary and the Participant in accordance with applicable law and regulations.

Depending on the Participant's residence, place of work or nationality, Awards may be subject to income tax and/or social security contributions in jurisdictions other than Switzerland. Each Participant is responsible for a proper declaration and payment of his/her personal income taxes, including capital gains taxes, if any, that may arise from participation in the Plan in any relevant jurisdiction.

12.2. Tax Withholding

The Company or relevant Subsidiary may make such arrangements as it considers necessary to satisfy any Tax Withholding, including withholdings of the Participant's salary or the withholding and selling of Shares to meet such requirements. In any case, the Participant is and remains liable for any employee social security contributions and taxes arising from participation in this Plan and shall pay such employee social security contributions and taxes (or accept any corresponding payroll deduction) when due and indemnify the Company or relevant Subsidiary for any liability or expenses incurred by them related to the Tax Withholding.

13. No Entitlements

13.1. No Right to Future Grants

The participation in this Plan shall not confer any right or entitlement to be granted any Awards in the future or to participate in any future employee participation plan.

13.2. No Right to Continued Employment

This Plan does not constitute an employment agreement. Nothing contained herein shall modify the terms of the Participants' respective employment or restrict the Company's or Subsidiary's right to terminate the employment relationship of any Participant at any time, with or without Cause, or to adjust the compensation of any Participant.

14. Administration

The Plan shall be administrated by the Committee. The Committee is authorized and shall have full power and authority, subject to the provisions of the Plan, to establish such rules and regulations and nominate such persons or bodies as it may deem appropriate for the proper administration and operation of the Plan, and to make such determinations under, and such interpretations of, and to take such steps in connection with, the Plan and the Awards granted thereunder as it may deem necessary or advisable.

The Committee's decisions, determinations and interpretations shall be final and binding on all Participants and any other holders of Awards hereunder.

15. Amendment

The Board may make any amendments to the Plan that may be necessary to comply with or conform to applicable laws. Furthermore, the Board shall have the power to modify the Plan and to amend the terms of any Awards granted under the Plan to the extent such modifications and amendments would not adversely affect the Participant's rights.

16. Effective Date and Term

This Plan has been approved by the Board on 13 September 2021, amended as of 15 March 2023 and 15 March 2025. Amendments made to plans are applied prospectively. The Plan shall be effective as of the initial public offering of the Company and shall remain effective until the later of termination by the Board or all Awards granted under the Plan have been vested, settled or have been forfeited, or otherwise canceled or lapsed.

17. Governing Law

The Plan shall be subject to and governed by substantive Swiss law.

* * *

Exhibit 8.1

Subsidiaries of On Holding AG

Name of Subsidiary	Jurisdiction of Organization
On AG	Zurich, CH
On Brazil Ltda.	Sao Paulo, BR
On Cloud Service GmbH	Berlin, DE
On Clouds GmbH	Zurich, CH
On Clouds Inc.	Delaware, USA
On Europe AG	Zurich, CH
On Experience 1 LLC	Delaware, USA
On Experience 2 LLC	Delaware, USA
On Experience 3 LLC	Delaware, USA
On Experience 4 LLC	Delaware, USA
On Experience 5 LLC	Delaware, USA
On Experience 6 LLC	Delaware, USA
On Experience 7 LLC	Delaware, USA
On Experience 8 LLC	Delaware, USA
On Experience 9 LLC	Delaware, USA
On Experience 10 LLC	Delaware, USA
On Experience 11 LLC	Delaware, USA
On Experience 12 LLC	Delaware, USA
On Experience 13 LLC	Delaware, USA
On Experience 14 LLC	Delaware, USA
On Experience 15 LLC	Delaware, USA
On Experience 16 LLC	Delaware, USA
On Experience 17 LLC	Delaware, USA
On Experience 18 LLC	Delaware, USA
On Experience 19 LLC	Delaware, USA
On Experience 20 LLC	Delaware, USA
On Experience 21 LLC	Delaware, USA
On Experience 22 LLC	Delaware, USA
On Hong Kong Ltd.	Hong Kong, SAR of CN
On Inc.	Oregon, USA
On Italy S.r.l.	Milan, IT
On Japan K.K.	Yokohama, JP
On Korea Ltd.	Seoul, Korea
On Oceania Pty Ltd.	Melbourne, AU
On Running Canada Inc.	Vancouver, CA
On Running Kenya Limited	Nairobi, KE
On Running Sports Products (Shanghai) Company Ltd.	Shanghai, CN
On Running UK Ltd.	London, UK
On Vietnam Co. Ltd.	Ho Chi Minh City, VN
On Services UK Ltd.	London, UK
PT OnRunning Services Indonesia	Jakarta, ID
Brunner Mettler GmbH	Zurich, CH

Refer to Note 1.3 of the consolidated financial statements for additional information.

Exhibit 12.1

Certification of Martin Hoffman, Chief Executive Officer and Chief Financial Officer of On Holding AG, Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Martin Hoffman, certify that:

1. I have reviewed this annual report on Form 20-F of On Holding AG (the "Company");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;

4. The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and

5. The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Dated: March 3, 2026
By: /s/ Martin Hoffmann
Name: Martin Hoffmann
Chief Executive Officer and Chief Financial Officer

Exhibit 13.1

Certification of Chief Executive Officer and Chief Financial Officer of On Holding AG Pursuant to Section 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

I, Martin Hoffmann, to the best of my knowledge certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Annual Report on Form 20-F of On Holding AG for the year ended December 31, 2025, fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 and that the information contained in such report fairly presents, in all material respects, the financial condition and results of operations of the On Holding AG.

Dated: March 3, 2026

By: /s/ Martin Hoffmann
Name: Martin Hoffmann
Title: Chief Executive Officer and Chief Financial Officer

Exhibit 15.1

Consent of Independent Registered Public Accounting Firm

We hereby consent to the incorporation by reference in the Registration Statements on Form F-3 (No. 333-291559) and Form S-8 (No. 333-268853 and No. 333-259533) of On Holding AG of our report dated March 3, 2026 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 20-F.

/s/ PricewaterhouseCoopers AG
Zurich, Switzerland
March 3, 2026