

2025 Annual Report

Building a better
future together

etex

About this report

This fourth combined annual report marks another step towards an integrated report, equally emphasising our economic, social and environmental footprint and performance. It outlines our value chain and illustrates how our strategy enables us to make a positive impact. This year once again, the non-financial reporting aims to align with the European Sustainability Reporting Standards (ESRS), in preparation for the Corporate Sustainability Reporting Directive (CSRD). See the chapter on Sustainability statements for more information.

Disclaimers

Etex NV is a private company and its securities are not traded on a regulated market. It is headquartered in Zaventem, Belgium (company registration number RPM: 0400.454.404). The financial reporting under this 2025 annual report has been audited by the statutory auditor PwC Reviseurs d'Entreprises SRL / PwC Bedrijfsrevisoren BV. It may contain forward-looking statements. Such statements reflect the current views of the management regarding future events and involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. Etex is providing the information in this report as of this date and does not undertake any obligation to update any forward-looking statements contained in this report in the light of new information, future events or otherwise. Etex disclaims any liability for statements made or published by third parties and does not undertake any obligation to correct inaccurate data, information, conclusions or opinions published by third parties in relation to this or any other report or press release issued by Etex.

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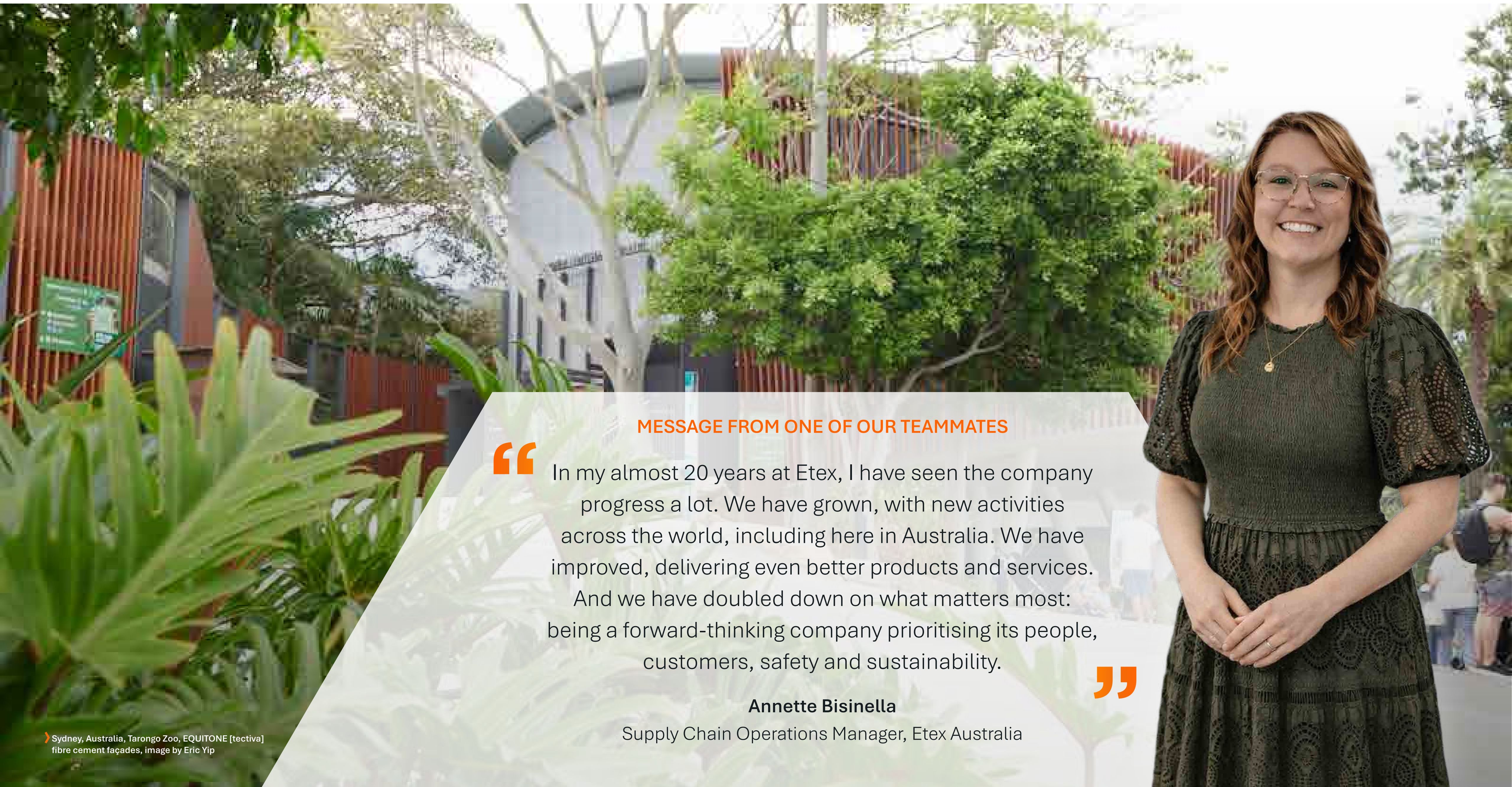
Directors' report and financial statements

Management insights

Etex in 2025

- Message to stakeholders
- Key performance indicators
- Key financial results
- Highlights

In 2025, we delivered strong results and set the stage for future growth acceleration.



MESSAGE FROM ONE OF OUR TEAMMATES

“

In my almost 20 years at Etex, I have seen the company progress a lot. We have grown, with new activities across the world, including here in Australia. We have improved, delivering even better products and services. And we have doubled down on what matters most: being a forward-thinking company prioritising its people, customers, safety and sustainability.

”

Annette Bisinella

Supply Chain Operations Manager, Etex Australia



‹ Hans Van Bylen

Chairman
of the Board of Directors

Bernard Delvaux ›

CEO

“2025 confirmed the strength of Etex’s fundamentals, setting the stage for future growth acceleration.”

Message to stakeholders

In 2025, we delivered strong results and set the stage for future growth acceleration.

With continuing economic and political uncertainty, both new build and renovation activities remain under pressure in almost all parts of the world. For Etex, the impact was particularly notable in Europe, where volumes stayed low, as well as in the depressed economies of Nigeria and Argentina. While this has negatively impacted some local performance, for the company as a whole we managed to deliver strong results and improved profitability thanks to the remarkable work of all our 13,500 teammates.

Revenue reached EUR 3,747 million, a 1.7% increase like-for-like. In absolute terms, this is a 0.8% decrease compared with 2024, negatively impacted by unfavourable exchange rates. We improved our REBITDA to EUR 698 million (+4.8% like-for-like, +0.4% in absolute terms compared to 2024) as well as our REBITDA margin (18.6% versus 18.4% in 2024). The net recurring profit (Group share) also increased to EUR 269 million (+1.8% versus 2024).

2025 confirmed the strength of Etex’s fundamentals, setting the stage for future growth acceleration.

Customers as partners

One of the dimensions driving growth is the deepening of our partnerships with our customers. This is a strategic driver for us and, in 2025, we further refined our customer segmentation and approach across all our activities. In addition, the Net Promoter Score (NPS) - reflecting customers' experiences with Etex and their likelihood of recommending us - in our largest division, Building Performance, improved by three points compared to 2024.

Strategic acquisition and partnership

To better provide more tailored solutions to our customers, we acquired the Dutch fire protection marine panels specialist Drumarkon. In early 2026, we joined forces with the Oman-based mining company Kunooz Oman Holding to serve new gypsum customers on the region.

Manufacturers in heart and soul

Our close to 100 factories around the world are at the core of everything we do. In 2025, we continued to improve manufacturing performance and strengthened our competitiveness. We invested almost EUR 300 million in capital expenditure projects to maintain factories, increase production capacity and make plants safer and more sustainable. We also decided to reinforce our near century-long commitment to Latin America through strategic plasterboard investments in Peru, Chile and Argentina, totalling EUR 65 million. As regards safety, everyone at Etex takes responsibility daily for ensuring that we improve constantly. Thanks to all

teammates' active engagement, we strengthened our proactive safety culture through close to 2,000 improvement actions.

Innovation and sustainability go hand in hand

2025 was also a very innovative and sustainable year for Etex. Among many developments, we launched new products for our customers, including 100% recycled and carbon negative plasterboards. We also set up a partnership with Heidelberg Materials for a revolutionary fibre cement recycling approach to produce low-carbon cement. At the same time, we are making significant progress on our own 2030 sustainability targets, including by further reducing CO₂ emissions and waste sent to landfill.

Engaged teammates

Our strong 2025 performance and progress across our strategic priorities would not have been possible without engaged teammates. Throughout the year, everyone, from Chile to Australia and from South Africa to Belgium, was focused on delivering on our objectives. We feel proud of the results achieved and we are convinced that we have the right people, in the right markets, with the right products and solutions.

Growth acceleration in 2026

We are cautiously optimistic about the construction sector's possible gradual return to satisfactory sales levels in an environment that is expected to continue to be marked by economic and political uncertainty. In Europe,

the renewed focus on housing needs should, however, lead to progressively improved volumes. Moreover, our innovative and complementary portfolio of products and solutions is uniquely positioned to play a role in answering today's living spaces challenges through modern methods of construction that are faster, greener and less expensive. Given all this, in 2026, we aim to show an acceleration of our growth trajectory, backed by further efficiency gains, commercial excellence initiatives and other growth opportunities.

With our customers, teammates and all other partners, we are building a better world, together.

Hans Van Bylen

Chairman of the Board of Directors

Bernard Delvaux

CEO

“We feel proud of the results achieved and we are convinced that we have the right people, in the right markets, with the right products and solutions.”

Key performance indicators

Financial

Revenue	Recurring operating cash flow (REBITDA)	Net recurring profit (Group share)	Capital expenditure	Net financial debt
> EUR 3,747 million	> EUR 698 million	> EUR 269 million	> EUR 299 million	> EUR 1,027 million
(-0.8% vs. 2024, +1.7% like-for-like)	(+0.4% vs. 2024, +4.8% like-for like)	(+1.8% vs. 2024)		(-7.4% vs. 2024)

Non-financial

				
GHG emission intensity (Scopes 1 and 2, market-based)	Circular input	Waste sent to landfill	Water withdrawal intensity	Total accident frequency rate
> 0.126	> 13.5%	> -6.1%	> 0.821	> 3.4
(-7.75% vs. 2024)	Excluding water	vs. 2024 in absolute values	(+4% vs. 2024)	(+3.7% vs. 2024)
2030 goal: Reduce greenhouse gas emissions intensity (m³/t of sellable goods produced) by 35%	2030 goal: Use >20% of circular input as raw materials	2030 goal: Zero waste to landfill	2030 goal: Reduce water withdrawal intensity (m³/t of sellable goods produced) by 20%	Frequency of lost-time and medical aid accidents per one million hours worked

Key financial results

EUR million	2021	2022	2023	2024	2025	% var. 2025 vs 2024
Revenue	2,972	3,714	3,808	3,777	3,747	-0.8%
Recurring operating income (REBIT)	398	431	466	422	425	+0.7%
Recurring operating cash flow (REBITDA)	570	645	712	695	698	+0.4%
% of revenue	19.2%	17.4%	18.7%	18.4%	18.6%	
Non recurring items	-83	-70	-67	-88	-58	
Operating cash flow (EBITDA)	522	592	657	619	654	+5.7%
Operating income (EBIT)	315	361	399	334	367	+9.9%
% of revenue	10.6%	9.7%	10.5%	8.8%	9.8%	
Net profit (Group share)	194	210	267	166	237	+42.9%
Net recurring profit (Group share)	278	285	272	264	269	+1.8%
Capital expenditure	199	302	371	264	299	+13.3%
Net financial debt	214	1,031	1,039	1,109	1,027	-7.4%

EUR per share	2021	2022	2023	2024	2025	% var. 2025 vs 2024
Net recurring profit (Group share)	3.56	3.65	3.48	3.38	3.44	+1.8%
Net profit (Group share)	2.48	2.69	3.41	2.12	3.03	+42.9%
Gross dividend	0.84	0.93	1.03	1.03	1.03 ⁽¹⁾	0.0%
Growth rate of dividend	20.0%	10.7%	10.8%	0.0%	0.0%	
Recurring distribution rate	23.6%	25.5%	29.6%	30.5%	29.9%	

Personnel	2021	2022	2023	2024	2025	% var. 2025 vs 2024
Number of employees (full-time equivalent)	12,214	13,712	13,553	13,432	13,037	



Saint-Avoid, France,
Etex factory

NB: Definitions of the alternative performance measures are included in the glossary.

(1) Subject to the approval of the General Shareholders meeting of 27 May 2026.

Highlights

Solid financial results with improved profitability

We delivered a robust financial performance with stable revenues and slightly improved REBITDA and profitability, showing resilience in a global construction market still marked by significant challenges. [Read more here](#)

Customers' recognition

We further improved our Net Promoter Score (NPS) - reflecting customers' experiences with Etex and their likelihood of recommending us - in our largest division, Building Performance, by three points compared to 2024. [Read more here](#)

Breakthrough in fibre cement recycling

We launched CEMLOOP XL, an EU LIFE Programme co-funded project, in partnership with Heidelberg Materials. The project aims to recycle fibre cement and create a new cementitious material. As a result, fibre cement waste can be turned into new products. [Read more here](#)



Responding to customer expectations with sustainable innovations

We launched two breakthrough plasterboard solutions in 2025: VivaCycle, a plasterboard made from 100% recycled post-consumer gypsum, and VivaPure, a plasterboard with a negative carbon footprint, storing more CO₂ than is emitted during manufacturing. [Read more here](#)

Decarbonisation progresses

We achieved a 7.75% reduction in CO₂ emissions intensity in Scopes 1 and 2 (market-based) compared to 2024. All technologies continued rolling out decarbonisation programmes throughout 2025, combining breakthrough innovations and continuous improvement. [Read more here](#)



Aiming for zero waste

We decreased waste sent to landfill in absolute values by 6.1% in 2025 and by 43.6% since 2018. In 2025, 24 of our manufacturing sites also sent zero waste to landfill. [Read more here](#)

Strengthening our safety culture

78% of all of Etex's almost 200 sites were completely injury-free. Most importantly, with all 13,500 teammates' active engagement we strengthened our proactive safety culture through close to 2,000 improvement actions called safety kaizens. [Read more here](#)



Unifying our brands to accelerate global growth

Since 2025, our brands now adopt a prominent "by Etex" endorsement in their logos. This underlines the strength and cohesion of Etex worldwide - for our customers, teammates and all other stakeholders. [Read more here](#)

Sustainable and responsible business practices

We earned an EcoVadis Silver medal for our commitment to sustainability and responsible business practices, placing Etex among the top 9% of companies assessed worldwide and in the top 7% within the concrete, cement and plaster industry. [Read more here](#)

About Etex

- › Our activities at a glance
- › Profile
- › Our brands
- › Lightweight construction solutions
- › Innovation
- › Manufacturing

We are an innovative and sustainable building materials company and a pioneer in lightweight construction. We are 13,500 teammates operating on more than 190 sites and at seven Innovation Technology Centres (ITC) in 46 countries globally.



MESSAGE FROM ONE OF OUR CUSTOMERS

“

For an organisation like Cmem, the notion of win-win partnerships is crucial. Our aim is to increase the volume of purchases from suppliers such as Etex and to obtain more advantageous terms for builders' merchant companies. All this is done while promoting ecoresponsible products and energy renovation solutions. With its portfolio of sustainable, innovative and complementary products and solutions, Etex is a partner of choice for delivering the best products in the field to craftsmen and building professionals.

”

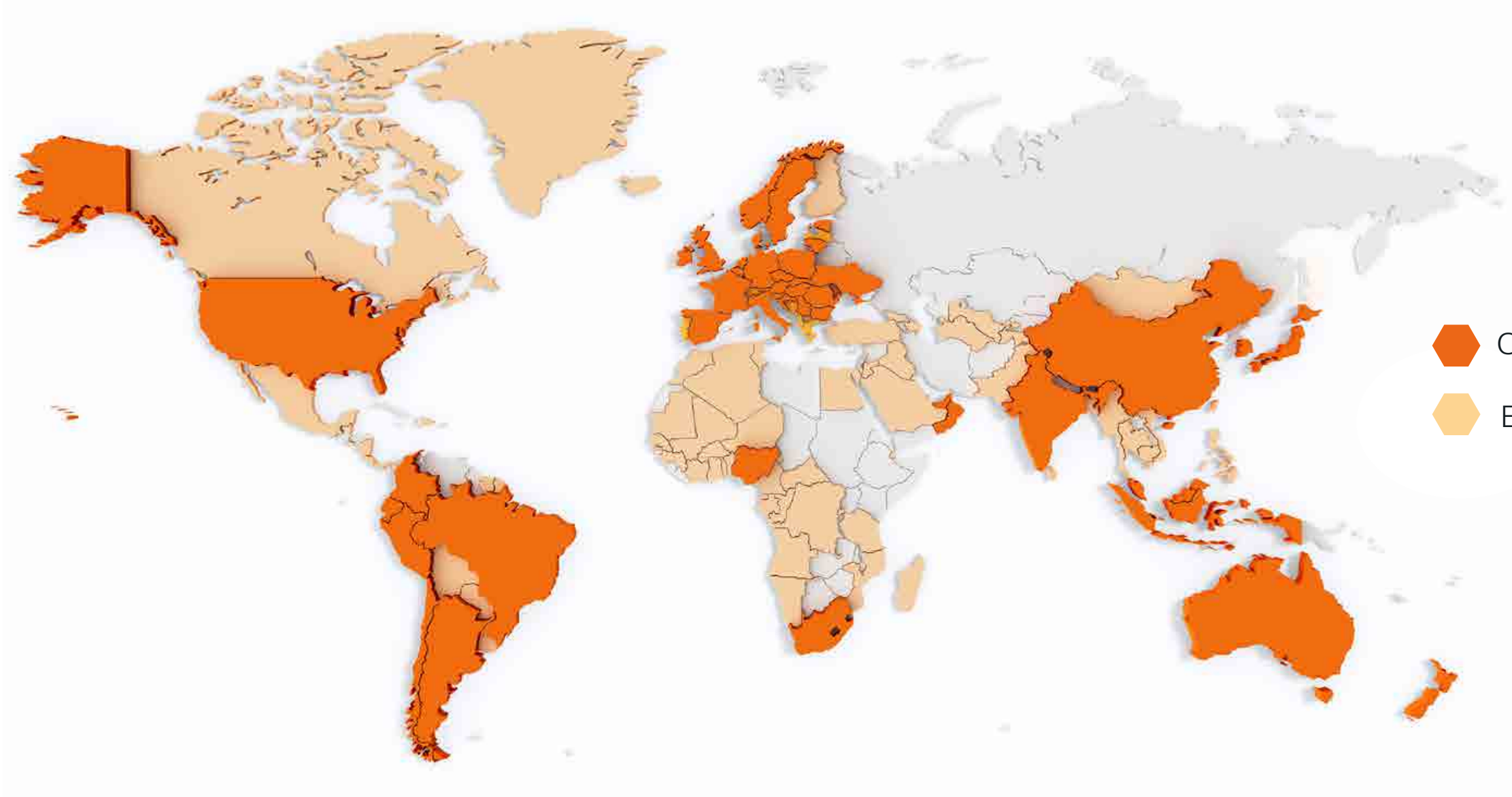
Patrick Schaeffer

Managing Director, Cmem

Cmem, short for Centrale multi-enseignes matériaux in French, is a purchasing centre leader in wood and building materials referencing.

Our activities at a glance

Etex around the world



Etex businesses

Four divisions serve the market globally with our leading commercial brands, supported and challenged by four platforms.

- Building Performance
- Fibre Cement
- Industry
- Insulation

> [Read more about our divisions in our Business performance chapter](#)

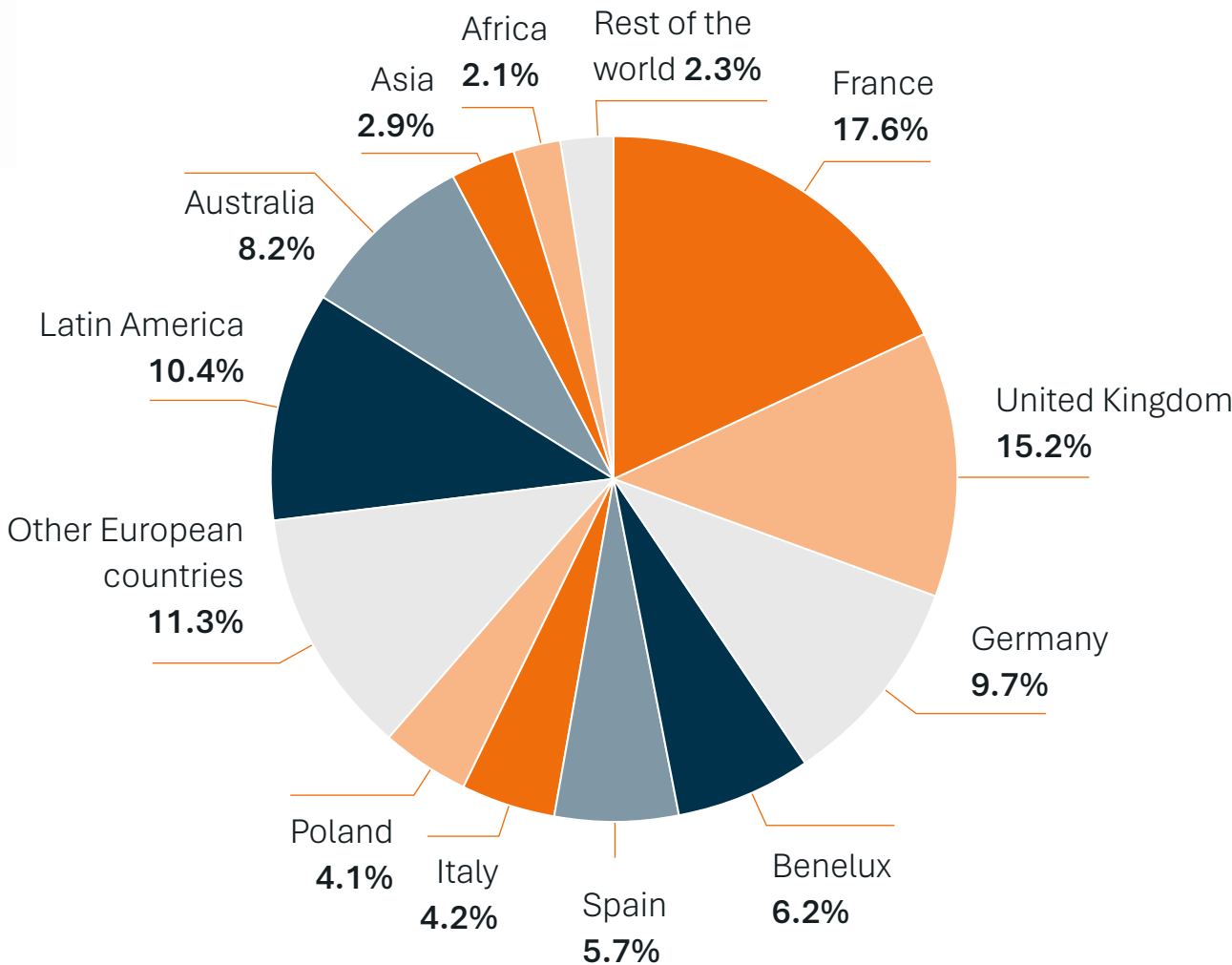
› 46
Countries

› ~13,500
Teammates

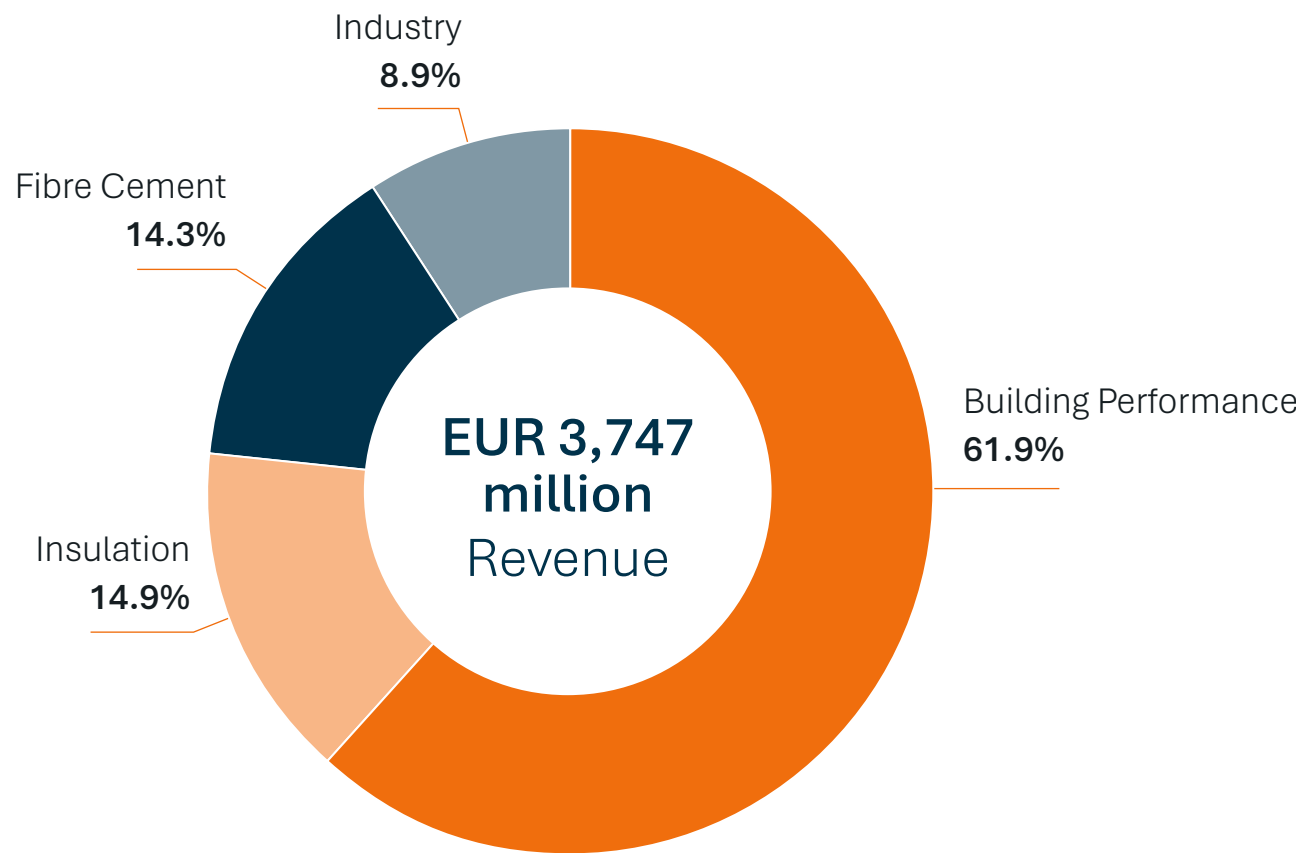
› >190
Sites: plants,
quarries, offices

› 7
Innovation Technology
Centres (ITC)

2025 revenue breakdown by geography



2025 revenue breakdown by division



Profile

Our Purpose

Through partnership and collaboration, we are shaping a new future for our industry and helping build a better future for all. We go beyond developing and manufacturing construction materials: we create ecosystems that connect customers, partners and teams to develop solutions.

We design, build and lead with innovation and smart technologies. Our sustainable products and solutions improve efficiency, reduce environmental impact and enable affordable and climate-resilient housing, unlocking new possibilities tailored to the needs of those we work with.

We build a better future together: better for customers and partners, better for communities, and nurturing everyone to grow today and tomorrow.

For Etex there is only one way forward:
Building better together.

Our values

- 

CONNECT AND CARE
We focus on developing our people and fostering meaningful relationships.
- 

PASSION FOR EXCELLENCE
We are committed to doing the right thing and achieving outstanding performance.
- 

PIONEER TO LEAD
We drive valuable change and innovation.



Anderlecht, Belgium, EQUITONE fibre cement

Our brands

Our brands represent the way we design, build and lead with innovation and smart technologies.



In June 2025, we improved our global brand strategy to strengthen our awareness and reputation, drive market performance and create greater synergy across Etex's brand portfolio. Our brands now adopt a prominent "by Etex" endorsement in their logos and visual communications. Underlining the strength and cohesion of Etex worldwide - for our customers, teammates and all other stakeholders. This also demonstrates our increased focus on offering complementary products to provide solutions and systems to our customers.



Lightweight construction solutions

Advancing towards net-zero with our products

At Etex, we go further than manufacturing innovative and high-performing building materials.

Our lightweight solutions provide modular building options, allowing to construct faster and more affordably, all while meeting the highest quality standard.

Light on the environment and heavy on efficiency, our solutions have a smaller ecological footprint, saving water, energy and raw materials in production, transportation and application.

Lightweight construction solutions are:



~15-45%

less emission-intensive to produce



~7 times better

insulated than traditional materials



2 times

faster to build



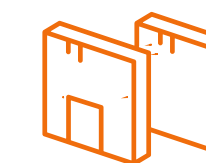
Fire safety

improved fire safety



Recyclable

more recyclable: for example, gypsum is indefinitely recyclable



Flexible

more flexible and adaptable, increasing the useful life of existing buildings

Innovation

Innovation is an essential lever for business growth. We innovate in line with our customers' needs and evolving market demands, constantly prioritising sustainability. We focus our innovation efforts on four key pillars: circularity, decarbonisation, industrial excellence and portfolio leadership.

We work with more than 160 teammates across seven Innovation Technology Centres (ITCs), supporting our four global divisions.

Each of our research and development projects undergoes a rigorous sustainability impact assessment conducted by a team of experts. Since 2024, we have implemented eco-design principles across our organisation, and all research and development (R&D) teammates have received comprehensive training in this area.

We actively support external collaboration and are involved in two EU-funded collaborative projects. We also continuously engage with external innovators and partners through our open innovation platform.

Highlights

- More than **EUR 25 million** invested in R&D and innovation
- **42% of our resources dedicated to sustainability**, focusing on the continuous substitution of virgin materials with recycled-based alternatives and the reduction of our CO₂ footprint
- Network of external collaborations expanded, working with both start-ups and large industrial players. A total of **150 opportunities were evaluated, with 38 still being actively pursued**

Achievements in 2025

- In France, we introduced **VivaCycle**, the **first plasterboard made from 100% recycled gypsum**, launched in July 2025 in France and currently patent pending
- In France, we pre-launched **VivaPure** in July 2025. This is a **plasterboard with a negative carbon footprint** at the factory gate, which means it stores more CO₂ than it emits during its production
- We introduced **PROMATECT LT**, manufactured using a new dryer technology that enables thinner ducting boards and reduces CO₂ emissions by up to 66%

“In 2025, we reached a defining moment in our journey as sustainability and innovation aligned to unlock new possibilities. The solutions we delivered this year reduce our footprint while helping our customers build better, faster and more sustainably, inspiring meaningful change across our industry.”

Eric Bertrand
Chief Innovation Officer

Closing the loop in fibre cement recycling

In 2025, we launched **CEMLOOP XL**, an EU LIFE Programme co-funded project, in partnership with Heidelberg Material. The project aims to recycle fibre cement to produce a valuable powder using our patented technology. Heidelberg Materials will capture CO₂ from its kiln stack and use this powder to generate a reaction in order to create a new reactive cementitious material. This material can then be reused in a closed loop in our factories. As a result, fibre cement waste can be turned into new products instead of going to landfill.



Fibre cement waste, CEMLOOP XL

Manufacturing

As manufacturers in heart and soul, we focus on reinforcing safety, health and well-being, and strive for competitiveness through technical expertise, capital investments and a strong continuous improvement culture. Across our close to 100 manufacturing sites in almost 30 countries, we aim to create a company culture that allows our teammates' autonomy and opportunities to grow, to manufacture valuable products and solutions for our customers and to achieve long-term sustainable growth.

Highlights

- Significant improvement in manufacturing performance, with a strong impact on Etex's results as a whole
- EUR 57 million reduction in manufacturing costs
- Lower energy intensity across all technologies

Trends, results and developments

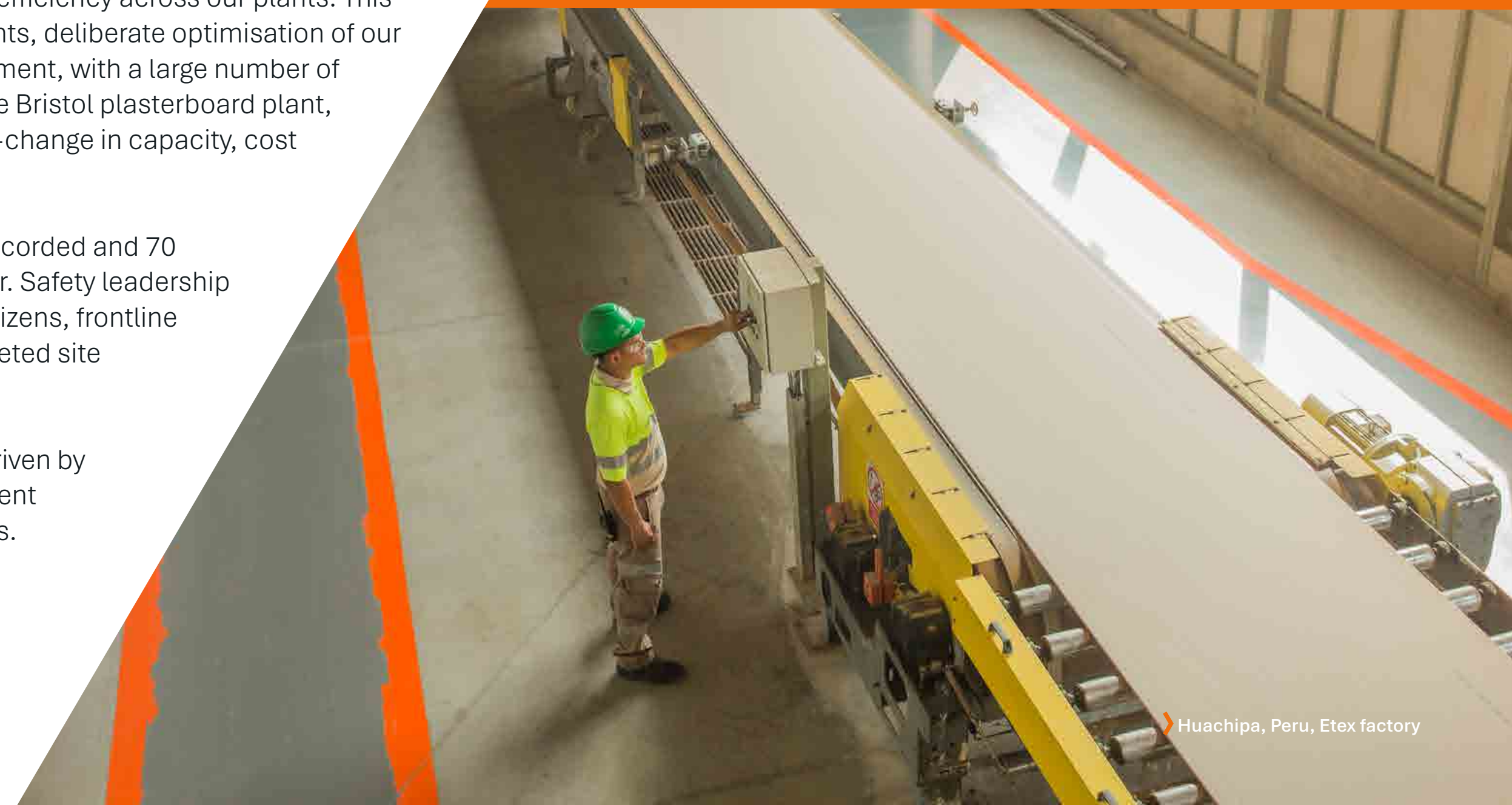
We delivered a EUR 57 million manufacturing cost reduction in 2025, driven by lower energy consumption, less scrap and waste and improved operational efficiency across our plants. This was supported by stringent cost control, technical improvements, deliberate optimisation of our industrial footprint and a strong culture of continuous improvement, with a large number of projects managed by each plant. In parallel, we inaugurated the Bristol plasterboard plant, our largest production investment ever, delivering a major step-change in capacity, cost competitiveness and market service.

Health and safety remains our first priority. No fatalities were recorded and 70 manufacturing sites operated without accidents during the year. Safety leadership was reinforced across all management levels through safety kaizens, frontline observations, and strengthened local initiatives, alongside targeted site investments. Read more [here](#).

We continued to reduce energy intensity across all divisions, driven by continuous improvement initiatives such as optimised equipment settings, reduced water consumption and process adjustments.

“By boosting manufacturing performance throughout 2025, we strengthened Etex's competitiveness, delivering sizeable cost improvements and reducing our CO₂ footprint.”

Christophe David
Chief Manufacturing Officer



Huachipa, Peru, Etex factory



Our capital expenditure focused on safety, sustainability, competitiveness and growth. Key investments to reduce energy consumption were delivered or launched, including in Bristol, UK, Tisselt, Belgium and Mériel, France. The production infrastructures of several sites were upgraded, including in El Pla, Spain, and Desselgem, Belgium. Finally, we reinforced our long-standing commitment to Latin America through strategic investments in Peru, Chile and Argentina, set to total EUR 65 million by early 2027.

Factory digitalisation progressed with the rollout of computerised maintenance management systems (CMMS) and performance management tools, improving maintenance reliability, process stability and quality.

People engagement remained strong, with a continued focus on first-line managers and positive internal survey results (Me & Etex) in manufacturing environments. We increased investment in future capabilities by attracting and developing young engineering talent through dedicated programmes, reinforcing the long-term strength of our operations.

A strong and innovative partnership to cut energy on key drying process by up to 66%

The most energy-intensive aspect of the fire-protection boards manufacturing process is the drying stage on a major production line, which is responsible for around 60% of the manufacturing stage carbon footprint. Etex's passive fire-protection brand Promat has therefore introduced new technology to reduce the energy needed to dry board systems.

Working with long-standing cleantech partner CEE, Promat has introduced the new drying system on one of its production lines at its Tisselt factory in Belgium. The new line uses energy far more efficiently, with heat recovered and reused throughout the process via an industrial heat pump.

In addition to reducing the environmental impact of its existing products and processes, new Promat products are designed with higher circular content and lower water and energy consumption in mind.

> **EUR 299 million**
capital expenditure in 2025

> **70**
manufacturing sites
with 0 accidents

> **32%**
reduction in fibre cement
scrap in the past two years

Strategy

- > Trends in the construction sector
- > Risk assessment
- > Our strategy
- > Value creation
- > Value chain
- > Stakeholders
- > Social engagement

We are committed to delivering a best-in-class experience to our customers through four technology platforms that provide lightweight, innovative and sustainable solutions.



MESSAGE FROM ONE OF OUR TRADE ASSOCIATIONS

“

There is a significant societal need for the construction sector, including for the gypsum industry, to deliver reliable and resource efficient solutions. Etex's initiatives in recycling practices, product innovation and offsite construction play an important role in helping progress towards these goals.

Tristan Suffys
Secretary General Eurogypsum

”

European federation representing
the gypsum product manufacturing industry

Trends in the construction sector



Rapid urbanisation

The rapid growth of cities is driving higher demand for housing and commercial spaces, especially in emerging economies.

Our lightweight solutions make it possible to build or renovate structures more quickly, cost-effectively and sustainably than traditional construction methods.



Productivity lag and skill gap

The construction sector's productivity lags behind due to slow technology adoption and a skill gap, causing inefficiencies and higher project costs.

We address this challenge by developing our workforce, offering or supporting training programmes, partnering with technical institutions to attract and develop the next generation of skilled professionals, and introducing new products and solutions to drive progress.



Technological disruption

Productivity in the construction sector is hindered by slow technology adoption, labour intensity, and limited standardisation, resulting in inefficiencies and higher project costs.

To address these challenges, we embrace technological and digital innovations, such as offsite construction, along with a systems- and solutions-based approach to scale operations effectively.



Housing shortage

There is an urgent need for good-quality, cost-efficient housing and buildings. This requires faster progress in the building sector and facilitation by governments.

We believe that house building is in need of an overhaul. Our products and solutions facilitate and accelerate the building process. They are easy to carry, cut, assemble and handle. These inherent advantages support a future-proof economy.



Changing regulations

Governments worldwide are accelerating energy and resource efficiency through increasingly stringent regulations, demanding high energy performance in both renovations and new builds, as well as materials circularity.

We provide global access to our lightweight construction materials and solutions, which are designed with built-in circularity and sustainability. We comply with regulations and continuously enhance our portfolio to meet the latest building performance standards.



Climate change and resource scarcity

Population growth and increased resource consumption are contributing to climate change and resource scarcity worldwide.

We focus on clear targets, innovation and collaboration to enhance our products and solutions, reducing material, water and energy usage while recovering resources throughout the value chain. Our goal is to maximise recyclability, minimise waste, and reduce our impact on biodiversity and the climate.



Ageing infrastructure

There is a critical need to renovate and modernise ageing living spaces, buildings and infrastructure to meet contemporary demands for sustainability, safety and capacity.

Our lightweight approach helps address this challenge by offering innovative, sustainable, durable and efficient products and solutions, enabling faster and more resource-efficient renovations.

Risk assessment

Our company has implemented a risk management and control system, thereby identifying and mitigating critical risks.

Our risk management process, together with our internal control framework, is designed to determine risks in relation to business objectives and to develop appropriate risks responses.

Risks are analysed through a combined evaluation and scoring of impact and vulnerability, based on scenarios designed to assess their financial consequences.

The Risk and Audit Committee assists the Board of Directors with the oversight of risks to which Etex is exposed, and with the monitoring and reviewing of the risk management cycle and processes.

In 2025, the risk management process was expanded to include a comprehensive assessment of climate-related risks. This covers physical risks, such as weather-driven disruptions to sites and supply chains. In addition, Etex monitors transition risks, including exposure to emissions price volatility, regulatory changes and the shift towards low-carbon construction.

Main risks

Etex's business, financial results, operations or reputation could be materially and adversely affected by one or more of the risks listed below.

Name	Definition
Risks related to mounting geopolitical instability	Exposure to geopolitical instability due to presence in countries/regions prone to insecurity, social unrest, political uncertainty. Increasing risk of trade wars resulting in import tariffs or barriers to free trade.
Cyber security related risks	Threats in relation to cyber security include the following scenarios: large-scale cyber attacks or malware penetration, outage of critical infrastructure (including third-party services) and malicious use of sensitive/personal information.
Risks related to a slowing global economy and lasting volume decline	Steadiness in EU construction market impacting industrial capacity output, with adverse financial consequences.
Sustainability related risks	Achieving Etex's sustainability ambitions, more especially emissions reduction targets, may be hampered by shifting assumptions with respect to costs, or to governmental or societal support.
Risks related to strategic production plants	Continuity of Etex's manufacturing operations jeopardised due to accidental disruption of activities at its strategic production plants. Production interruption scenarios cover the usual industrial losses and are extended to physical risks related to climate change.
Raw materials, water and energy sourcing	Adverse price fluctuation and volatility in the supply of raw materials and commodities; high dependency on unique suppliers for some raw materials.
Asbestos legacy	Demands related to the consequences of past use of asbestos in the manufacturing process.

Our strategy

Our purpose is “Building better together” and we bring this vision to life through our strategic framework that guides our actions and helps build a more sustainable future.

We are committed to delivering a best-in-class experience to our customers through four technology platforms that provide lightweight, innovative and sustainable solutions. We enable this strategy by nurturing internal talents, fostering innovation and acquiring companies that share our vision.

Sustainability is at the core of our strategic framework and our “Road to Sustainability 2030” is our commitment to society to have the most positive, meaningful and lasting social and environmental impact in everything we do.

Four platforms



Fibre cement



Gypsum



Insulation



Passive fire protection and High-performance insulation

Role of platforms

- Provide direction
- Articulate growth strategy organically and inorganically
- Drive go-to-market, including pricing strategy
- Accelerate innovation and develop solutions
- Develop a sustainability and innovation roadmap

Four strategic drivers



Engaged people:
Our teammates are the starting point of everything we do, guided daily by shared values. We encourage them to develop their full potential and we welcome new talent. We create a safe environment where all teammates feel included.



Customer orientation:
We are deeply committed to our customers and build strong ties with partners. We improve our business effectiveness by aligning models and enhancing digital solutions across all markets.



Operational excellence:
We are manufacturers in heart and soul. We focus on continuous improvement and safety and ensure that our factories are future-proof to meet the needs of the world with high-quality solutions.



Sustainability and Innovation:
Our lightweight solutions are designed to be sustainable at their core. We take responsibility to innovate while reducing our footprint and integrating circularity wherever we can.

Road to Sustainability 2030

These are the workstreams for which we have dedicated goals:



Circularity



Customer engagement



Decarbonisation



Diversity, Equity and Inclusion



Health, Safety and Well-being



Water and Biodiversity

Value creation

RESOURCES (UPSTREAM)

Teammates

~13,500 across 46 countries

Operations

- >190 sites: plants, quarries, offices
- Capital expenditure: EUR 299 million

Suppliers

30,000 active vendors

Natural resources

Raw materials (paper and fibres, gypsum and minerals, cement, steel, others) account for 30% of Etex's total purchasing spend

Financial resources

Equity:
EUR 2,093 million

BUSINESS MODEL

Purpose

Building better together

Strategic drivers

- Engaged people
- Operational excellence
- Customer orientation
- Sustainability and Innovation

Platforms

- Gypsum
- Fibre cement
- Passive fire protection and High-performance insulation
- Insulation

Divisions

- Building Performance
- Fibre Cement
- Industry
- Insulation

Road to Sustainability 2030

IMPACTS (DOWNSTREAM)

Teammates

- 81% sustainable engagement
- DE&I policy for all teammates

Operations

- 78% sites achieved zero lost-time accidents, including all sites in Latin America
- Zero fatalities
- Advanced safety standards

Suppliers

- New Sustainable Procurement policy for suppliers
- 1,362 suppliers assessed by EcoVadis, representing 54% of purchasing spend

Society

- Effective tax rate: 25.9%
- Engage with local communities through local and global partnerships

Customers

- Greater customer satisfaction (improved Net Promoter Score)
- 81% European turnover covered by Environmental Product Declarations (EPDs)

Environment

- 7.75% GHG emission intensity vs. 2024 (Scopes 1 and 2, market-based)
- 13.5% circular input (excluding water)
- 11% virgin plastic usage vs. 2024
- 6.1% waste to landfill vs. 2024 (absolute value)
- +4% water withdrawal intensity vs. 2024

Financial results

- Revenue: EUR 3,747 million
- REBITDA: EUR 698 million



Value chain

As part of the construction and building sector value chain, we recognise our responsibilities towards people and the planet. By its nature, the industry relies on raw materials, energy, water and other ecosystem services, resulting in a significant environmental footprint.

We anticipate a growing market focus on the sustainability features of our solutions. In line with our strong commitment to the future and our customer-oriented approach, we assess how our products and solutions can help our customers achieve their own sustainability goals. Collaboration is essential to tackling social and environmental sustainability challenges. As illustrated by various examples, sustainability opportunities and challenges exist throughout the entire value chain. Etex adheres to leading global initiatives, including the UN Global Compact and its related Business Principles and Sustainability Development Goals (SDGs).



Positive impacts (PI)

- 1 Decarbonisation of own operations
- 2 Responsible supply chain management
- 3 Responsible use of raw materials
- 4 Skilled and trained workforce
- 5 Safe workplace

Negative impacts (NI)

- 1 Generation of CO₂ emissions
- 2 Irreversible impact on land
- 3 Impact of own raw materials on environment

Stakeholders

Teammates

Why do we interact with each stakeholder?

To maximise safety, promote engagement, maintain transparency on key business decisions, encourage cocreation and cooperation, share information and best practices, and offer training to facilitate personal and professional development.

How do we create value?

- By engaging with teammates via Viva Engage and our Etex Core platform, which contains events, webinars and communication campaigns; we also hold team meetings and information sessions to support personal and professional development
- By hosting live events called Etex Team Talks for all teammates, where we celebrate team achievements, share results, provide updates on company developments, and discuss plans and prospects
- By enabling everyone to share their stories, whose successes and experiences inspire others in their work and personal lives
- By having 800 managers share information and updates on Etex Insights and 125 senior leaders participate in the annual Etex Global Summit, focusing on innovation, sustainability, growth and customer orientation

Suppliers

To acquire goods and services from our suppliers and collaborate with them to ensure efficient production and service, as well as sustainable solutions.

- By actively engaging with suppliers in commercial, technical, innovation and sustainability discussions to enhance our products and services for customers
- By collaborating with our suppliers, we continuously improve their offerings and products to support long-term success
- By working with active vendors aligned with our sustainability ambitions; we assess them through EcoVadis

Customers

To proactively meet customers' evolving needs, address their requests, and deliver high-quality, sustainable products and services.

- By reaching out to customers with tailored information on products, solutions and services; they are increasingly seeking not only proof of technical performance and guarantees, but also sustainability credentials
- By continuously enhancing our offering and striving to provide higher-performing products and systems that are both technically advanced and sustainable; this allows us to adapt our solutions to customers' evolving needs
- By educating customers on market trends, new regulatory requirements and the technical features of our products through training courses and seminars

Public authorities

To comply with applicable regulations in the countries where we operate (e.g. permits, taxation, exploitation licences, etc.), and to go beyond compliance and achieve best practices, where possible.

To share our insights on the challenges and opportunities in the construction sector, to support policy-makers to develop policies that address these.

- By pro-actively engaging with public authorities of the countries where we operate, at national, regional and municipal levels
- By ensuring transparency and accountability through our website and public reports, including half-year and full-year financial and non-financial reports

Stakeholders



Trade associations

Why do we interact with each stakeholder?

To support these associations in conveying industry positions on public policies affecting the construction sector.



Media, non-governmental organisations, academic institutions, local communities and the public

To facilitate the exchange of information on our products' strengths and their benefits for people and the planet; to raise awareness of our key systems and solutions.



Shareholders, investors and financial institutions

To balance sustainable growth with transparent communication on performance and outlook.

How do we create value?

- By participating in trade associations to make sure the industry's voice is heard, enabling them to hold constructive dialogues with authorities on various regulatory topics to address challenges faced by the construction sector
- Etex is active in various national and EU trade associations such as the Construction Products Europe, Efficient Buildings Europe, Eurogypsum, Eurima (European Insulation Manufacturers Association), European Federation of Fibre Cement Manufacturers (EFFCM) and Fire Safe Europe. In 2025, Efrén del Pino, Head of Division for Insulation, was elected President of Eurima and Tanguy Vanderborght, Head of Division for Industry, was elected President of Fire Safe Europe, reinforcing our contribution to the EU's energy efficiency and fire safety policies
- By engaging in the framework of the European Committee for Standardisation (CEN) in Europe and of the International Organisation for Standardisation (ISO) globally
- By supporting demand for sustainable cement, as member of the World Economic Forum's First Movers Coalition Cement and Concrete, thereby boosting sustainability developments in this crucial sector

- By using digital engagement tools to interact with external stakeholders
- By building stronger press relationships locally and globally
- By partnering with the private foundation Selavip and its global network, which supports housing projects for underprivileged people; we donate to the charity Habitat for Humanity to help families build and improve their homes; we also take multiple other local initiatives in the countries where we operate
- By being a signatory of the UN Global Compact since 2019 and reporting our contributions to the Sustainable Development Goals (SDGs)

- By informing them about strategic developments through half-year and full-year reports, press releases, online publications and annual meetings

Social engagement

At Etex, we channel our commitment to the communities in which we operate into tangible actions and contributions. By partnering with non-profit organisations and their affiliates, we help build homes, shelters and educational spaces for families and communities in need. In 2025, we launched Etex Inspires, our Corporate Social Responsibility (CSR) framework, providing guidance and governance for CSR activities at Etex.

We registered 46 actions globally, joined by more than 500 teammates, and collaborated with 26 different partners, including NGOs and foundations, to empower better living in the communities where we operate. Some of the communities and lives we supported in 2025 are described below.



Leuven, Belgium

85 teammates from our headquarters joined 10 community activities organised by Give a Day Belgium, such as renovating spaces with Etex materials, supporting local charities.



Lima, Peru

A new community centre now serves 61 families, thanks to a collaboration between Etex Perú, the Pontificia Universidad Católica del Perú - with 80 architecture students and professors - NGO Mano a Mano Perú, and the local community. Etex contributed materials and expertise in lightweight construction.



Kiev, Ukraine

Trainers from technical schools gained hands-on skills in plasterboard installation through a collaboration between Etex, Enabel - the Belgian agency for international cooperation - and local partners. These lightweight construction skills will help rebuild homes and communities.



Nasarawa, Nigeria

20 families now live in safe two-bedroom homes, built through a partnership between Etex, The Millard Fuller Foundation and the SELAVIP Foundation. This project combines quality construction with social impact, offering stability and hope for a better future.



South Africa

To support communities in need, teammates provided warm blankets after floods in Eastern Cape, rebuilt a fire-damaged home in Cape Town in three days using Siniat products, and donated clothes, blankets and food vouchers in Johannesburg.



Argentina

We promoted sustainable construction at two environmental events in General Acha and Malargüe. Our talks highlighted the environmental benefits of the drywall system, aiming to raise awareness, share technical knowledge, and inspire responsible practices among students, companies and the local community.



Jurbarkas, Lithuania

After a fire destroyed an uninsured parish centre, Etex helped the people of Crailsheim, Germany, rebuild it. We donated standard plasterboards, moisture-resistant panels and fillers to support reconstruction.



Semarang, Indonesia

The new SMK Setiabudhi Green School opened for 330 students, providing a safer and more comfortable place to learn. Built with the Colruyt Group Foundation and sustainable Etex materials, it offers a welcoming environment for the community.

Business performance

- › Building Performance
- › Fibre Cement
- › Industry
- › Insulation

Our four divisions experienced different levels of success and performance in 2025. Together, we delivered strong results and all divisions made clear progress towards future growth.



MESSAGE FROM ONE OF OUR TEAMMATES

“

Now more than ever, Etex is focused on strong business ambitions, and these are closely linked to our collaboration with customers. Our SHINE programme, launched in 2025, turns strategy into practical implementation across markets and shows how we keep customers at the centre of our work. With clear processes such as segmentation, structured account planning and project specification, supported by strong data insights and committed teams, we deepen customer engagement, improve performance and create sustainable value.

”

Jonathan Pizarro

Regional Commercial Excellence Manager Latin America, Etex Chile

Building Performance

“We are becoming a truly performance- and customer-driven organisation, aligning all 7,000 Building Performance teammates around one mission to help our customers grow.”



Jochen Friedrichs
Head of Division
Building Performance



Global reference in lightweight construction solutions, combining plasterboards, fibre cement and fire protection.

Highlights

- Mission-led transformation programmes delivered substantial impact
- Continuous cost improvement programme generated EUR 91 million in savings
- Customer growth programme created impact in revenues across the division's countries and further improved its Net Promoter Score (NPS)
- Sustainable innovation programme led to successful launches, including 100% recycled and carbon negative plasterboards

Category breakdown

- Plasterboards and fibre cement solutions for internal and external applications
- Passive fire-protection systems

Market drivers

- New-build markets and interest rates
- Renovation and modernisation
- Growth in sustainable construction

Industry trends

- Growing demand for construction that is sustainable, fire-safe, fast and affordable
- Increasing focus on customer-centred, segment-specific products, solutions and value-creating services
- Expanded use of digitalisation and artificial intelligence



Revenue

The Building Performance division registered a like-for-like revenue increase of 1.6% to reach EUR 2,320 billion thanks to solid growth outside Europe.

Trends, insights and performance

Overall, markets in the Building Performance division reached a low point in the first half of 2025. However, tangible results thanks to its mission-led programmatic transformation generated growth compared with 2024 in revenues, REBITDA and REBITDA margin, particularly in the second half of the year, reflecting a strong management focus and rigorous implementation across the division. This includes year-on-year increases in sales across all regions apart from France, the UK and South Africa, as well as improved REBITDA and REBITDA margins in all regions except Argentina compared with 2024.

This performance was driven by two core programmes. SHAPE generated EUR 91 million in savings and supported profitability in a difficult market environment thanks to continuous cost improvements. SHINE accelerated revenue growth by systematically addressing customer needs by segment across the countries in which Building Performance operates thanks to customer growth plans. This resulted in a higher sales momentum and a three-point improvement in the Net Promoter Score (NPS), supported by greater use of digital tools.

› **EUR 91 million**

generated by the division's continuous cost improvement programme, SHAPE

› **+3**

Net Promoter Score (NPS) points compared with 2024, driven by the division's customer development programme, SHINE

Sustainability performance also progressed, with CO₂ savings of more than 2% and increased recycling rates.

Remagin, Etex's modular construction business, was successfully integrated into the division, with a streamlined European business model and several new projects delivered in Spain and Italy. Remagin's development embodies how Etex contributes to shaping the future of construction by offering complete single-source modular solutions, thereby reducing building time and cost.

Progress was made in the field of innovation. This included the launch of Viva, the industry's most sustainable plasterboard range, featuring 100% recycled content and carbon-negative performance. In parallel, the Bristol plant was inaugurated in March, delivering in line with expectations as Etex's most efficient and sustainable plasterboard site and receiving the Global Gypsum Plant of the Year 2025 award.

Responding to customer expectations with sustainable plasterboard innovations

As customer expectations increasingly focus on sustainability, circularity and carbon reduction - without compromising on performance - Etex has placed customer needs at the heart of its innovation strategy. Through its brand Siniat, the company launched two breakthrough plasterboard solutions in 2025, VivaCycle and VivaPure, addressing the key environmental challenges customers face today.

VivaCycle is a standard plasterboard made from 100% recycled post-consumer gypsum, using almost exclusively circular materials while delivering the same performance as a conventional plasterboard. This patent-pending innovation meets growing customer demand for circular products that integrate seamlessly into existing building practices. Building on this, VivaPure responds to expectations as regards carbon reduction. By integrating bio-sourced, plant-based materials from responsible supply chains, it is the first plasterboard with a negative carbon footprint at the factory gate, storing more CO₂ than is emitted during manufacturing.

Together, these innovations demonstrate how Etex translates evolving customer expectations into tangible, high-performance and sustainable solutions, reinforcing its role as a pioneer in responsible construction.



Fibre Cement

Formerly the Exteriors Division, now renamed the Fibre Cement Division to better reflect its focus and the markets in which it aims to operate.

“By strengthening our customer and market focus, we have built a stronger and more agile business. Now we are using that momentum to drive performance, spark innovation and create sustainable growth.”



Hans Van Der Steen
Head of Division
Fibre Cement



Provider of innovative, durable, high-performance and aesthetic fibre cement exterior and interior solutions for architectural, residential and agricultural projects.

Highlights

- Transformation of the business is well underway, shifting towards a market-focused organisation
- Redefined the long-term strategy to accelerate growth in new regions, markets, and products and solutions
- Launched CEMLOOP XL to close the fibre cement recycling loop
- Enhanced the manufacturing platform to ensure efficiency, flexibility and cost-competitiveness

Category breakdown

- Ventilated façade solutions for residential and commercial buildings
- Roofing materials for agricultural and residential applications
- Interior solutions for residential and non-residential buildings

Market drivers

- Decline in new residential construction in several European countries
- Increasing use of ventilated façades in medium to large architectural projects in mature markets
- Strong demand for low-cost housing in emerging markets
- Stricter European regulations on fire resistance for commercial buildings

Industry trends

- Increased demand for transparent and verified information on environmental impact
- Customer-focused, value-added solutions and services
- Increased digitalisation
- Lightweight and easy-to-install building solutions



Revenue

The revenue of the Fibre Cement division fell by 1.2% like-for-like, year-on-year to EUR 534 million. It was impacted in particular by a significant drop in revenue in Nigeria, which saw a decline in volume driven by market affordability challenges, while sales and performance improved in other regions.

Trends, insights and performance

2025 was a year of transformation in the Fibre Cement division. It established a strategic marketing team, set a clear direction for the future and continued its transition towards a more market-focused organisation. Market conditions in Nigeria remained difficult throughout the year, although the division began to see early signs of improvement in Europe and the Rest of the World region.

In operational terms, the Sobota plant in Poland continued to ramp up, strengthening Fibre Cement's production footprint. Good progress was also made with preparations for the introduction of new façade products, including EQUITONE [coloura] and EQUITONE [inspira], which are scheduled to launch in 2026.

During the year, the Fibre Cement division launched a programme to improve delivery performance and product quality. At the same time, the commercial organisation progressed with its shift from diffuse sales towards an application-focused approach and project-driven sales.

This contributed to growth in backerboards, wet area interior boards and corrugated sheets across residential and industrial applications in Europe. In the interiors segment, the division worked closely with customers to define a new range of decorative panels that offer both aesthetic and technical benefits.

The division also continued to scale up its customer-centred system solutions and broadened its technical services to support project specification and installation. These developments further strengthened its position as a solutions provider and helped deliver greater value and reduced total cost for customers across façade, roofing and interior applications.

~80%

Environmental Product Declarations (EPDs) coverage for European sales

-50%

in the use of plastic for Cedral sidings at the Lithuania and Chile plants

-27%

in the use of virgin plastic vs. 2022 baseline

Sobota plant supporting large-scale façade developments

As demand grows for reliable and high-quality façade materials for large and technically complex developments, Etex continued to strengthen its ability to meet customer expectations with consistent, high-performance fibre cement solutions. In 2025, this was reflected in two major projects in Poland that selected EQUITONE [coloura] panels produced at the new Sobota plant.

The Lower Silesian Oncology Centre in Wrocław, one of the largest facilities of its kind in Europe, will feature 32,000 m² of EQUITONE [coloura] on its façade. The Pomeranian Medical University in Szczecin is adding a further 10,000 m² of the same material. Both projects are being delivered by the international contractor PORR and Etex solutions were selected from a wide range of ventilated façade technologies.

The selection of EQUITONE materials reflects growing confidence in the capabilities of the Sobota plant. Key factors included consistent technical engagement throughout the specification process, established relationships with project partners, the ability to customise panel colours so as to meet architectural expectations and Etex's strong portfolio of hospital references in Poland.

Completion of these two significant references will reinforce the position of the Sobota plant in the local market and internationally. The projects also mark an important step in demonstrating Etex's ability to deliver dependable fibre cement solutions for large-scale and demanding applications.



Industry

“We are back on the growth path thanks to a very focused customer-centric organisation.”



Tanguy Vanderborght
Head of
Division Industry



Advancing the future of high-performance temperature insulation and passive fire protection in the industrial, transportation, construction and energy sectors.

Highlights

- Growth - particularly outside Europe - despite a difficult environment, demonstrating the division's strong value proposition for customers
- Significant plant investments for sustainability and energy efficiency

Category breakdown

- Calcium silicates
- Microporous materials
- Intumescent and fire-stopping materials
- Serving construction and industrial customers with passive fire protection and high-temperature insulation

Market drivers

- Transparent and verified information on environmental impact
- Customer-focused, value-added and technical service

Industry trends

- Regulatory safety standards
- Increased personnel and process safety
- Sustainability and net zero target

Revenue

The revenue of the Industry division increased by 5.1% like-for-like compared to 2024, reaching EUR 334 million. This growth was driven both by recovery observed across most markets and geographies and by the division's strategic focus on key priority markets, where targeted commercial efforts delivered strong volume gains.

Trends, insights and performance

The Industry division delivered solid growth in 2025 despite a difficult market. Performance was particularly strong outside Europe, especially in China and the United States. As regards the latter, this is encouraging for the future, as Industry's footprint and value proposition are well aligned with strong demand for energy-saving and fire-protection solutions.

The structure of the business segments was further developed across the division throughout 2025. This was key to better understanding customer needs in various segments and played a key role in generating robust growth.

Customer needs are evolving in many segments, including original equipment manufacturers (OEMs) in Europe, which are operating in an increasingly industrialised construction market. The division also saw strong momentum in tunnels, aluminium and marine applications, as well as growth in excess of 20% in indoor climate solutions under its Skamol brand. In the tunnel segment, the Fehmarn Belt tunnel project signed in 2025 represents the largest tunnel contract in Promat's history. Industry also strengthened its portfolio of industrial solutions with the acquisition of Drumarkon, a Dutch specialist in marine fire-protection panels.

Innovation remained a major driver. Following new investments in Tisselt, Belgium, the division launched PROMATECT LT for the ducting and smoke-exhaust segment. Additional progress included enhancing PROMASEAL intumescent solutions for sandwich panels and PLURATECT Marine for the marine sector, introducing AEROGUARD 2.0 to reduce energy consumption and fire risks in the aeronautical sector, and launching Paraflam Ultra to address façade fire risks with advanced cavity-barrier solutions. A total of seven new solutions were launched by the division in 2025, bringing the number to 25 over the last five years.

Industry also inaugurated significant sustainability and energy-saving projects in its plants in Tisselt, Belgium, and Branden, Denmark, and is investing in new capacity in Bulgaria and China. In addition, the division worked extensively on bringing down energy consumption, achieving an energy-intensity reduction of 3.6%. Added to this, it launched new processes to recover customer waste for reuse in production and made strong progress on Environmental Product Declarations, which now cover 50% of Industry's whole portfolio.

> -3.6%

in energy intensity across the division compared with 2024

> 7

new products or solutions launched by the division in 2025, and 25 over the last five years

Enabling more sustainable and efficient industrial construction methods

The construction world is changing. Companies are seeking to reduce complexity and costs, and better manage waste on the jobsite. This is driving new methods that are being deployed on construction jobsites, including industrialised pre-fabrication.

Industry's brand Promat passive fire-protection solutions are increasingly tailored to enable customers to prefabricate entire systems with a range of components. This is the case, for instance, for companies developing air ducts for sports stadiums and commercial buildings, or for oil and gas businesses relying on cementitious sprays to protect complex steel and concrete structures. In many regions around the world, customers are seeking to own performance through partnerships with Promat, which necessitates a deep understanding of evolving market needs.

Cost and sustainability benefits go hand in hand with these projects. By industrialising prefabrication, Promat reduces waste and manages it away from the jobsite. And by reducing complexity and scaling solutions, jobsites avoid labour and the need for expensive technical know-how, which is now applied directly in factories where it benefits from a more controlled and guided environment.

Thanks to a global industrial footprint, extensive fire testing and a strong sustainability programme, Promat is able to partner with customers bringing new and novel approaches to the construction market, solving pain points and creating lasting value.



Insulation

“Our teams showed remarkable resilience, navigating a very complex building market in Europe while strengthening the fundamentals for future growth.”



Efrén Del Pino
Head of Division
Insulation



Key provider of insulation materials, glass mineral wool and extruded polystyrene (XPS), for residential and non-residential buildings.

Highlights

- Conducted a strategic review of the Insulation businesses, establishing a clear growth approach for the historical market of Europe and global expansion
- Enhanced approach for several key products and solutions such as white blowing wool and URSA AIR for air-conditioning ducts

Category breakdown

- Glass mineral wool
- Extruded polystyrene (XPS)

Market drivers

- Energy efficiency and decarbonisation roadmaps in Europe
- Increased awareness in developing countries of insulation's thermal comfort and cost savings
- Noise as a health issue that can be addressed with acoustic insulation
- Renovation of ageing buildings

Industry trends

- Increased demand for green and premium products
- Heavily regulated construction industry
- Specific focus on providing systems and solutions, not only products

Revenue

The revenue of the Insulation division increased by 3.1% like-for-like versus last year to EUR 559 million. This is mostly explained by volume gains driven by commercial focus and a tailored strategy for key markets across the division's geographies.

Trends, insights and performance

2025 was a challenging year, with little growth in key building markets such as the UK across both renovation and new housing. Despite this, the division delivered a resilient performance for both glasswool and extruded polystyrene (XPS), supported in some instances by European countries' regulation or decarbonisation programmes such as that implemented in Hungary.

Insulation strengthened its strategy and laid solid foundations for growth through a new programme based on clear market segments and technologies. This includes organic growth in Europe and global expansion. Key investments were made in manufacturing capacity, including at El Pla, Spain and Desselgem, Belgium.

The division enhanced its approach to several key products and solutions, laying the groundwork for future market growth. This includes white blowing wool (PUREFLOC) for insulating cavity walls and attics, URSA AIR for air-conditioning ducts, and URSA TECTONIC, a very recent innovation, for external walls and flat roofs.

When it comes to sustainability, Insulation made noticeable breakthroughs in landfill avoidance, continuing to reuse all the XPS production leftovers to make new high-quality XPS products, and reducing the glass mineral wool production leftovers sent to landfill by 12% compared to 2024 through strong internal valorisation processes and new recycling partners. In parallel, the division further reduced its consumption of virgin plastic packaging per ton of product by 6% versus last year and almost 20% compared with 2022, in line with Etex's packaging reduction ambition. Insulation also rolled out a configurator for the French market to help customers generate Environmental and Health Product Declarations (FDES) to measure buildings' environmental and health performance.

16.3%

innovation rate
i.e. percentage of sales in
one year from products
and solutions launched in
the past five years

-19%

virgin plastic packaging
in 2025 compared to
2022 (average of all
production plants)

5

countries across
Europe with a pallet
return service

Collaborating with other Etex brands to offer the best solutions for customers

Today, construction projects decision-makers are tired of dealing with different sales representatives who offer only individual products. What they really need are comprehensive and simple systems and solutions.

In Spain, the Insulation brand URSA, together with the other Etex brands EQUITONE in fibre cement, Promat in fire-protection, Pladur in gypsum and Remagin for modular construction, set up a collaborative approach to address the needs of these customers: offer an exclusive personalised support service for cross-functional prescription, aligning the customers' decisions with the best solutions on the market.

The approach includes several concrete activities, in particular organising joint workshops for architects and other technicians, visiting customers and prospects together and attending business events and fairs as one single team.

This is proving to be successful, with many workshops already held and several joint projects delivered. This includes collaborations with Pladur and Promat for the *Ciudad de la Justicia* project in Madrid, Spain, which comprises 350,000 square metres of built area, and partnerships with various customers across five projects, totalling 65,000 square metres of external wall.



Governance

We are committed to the principles of corporate governance and we take a robust approach to managing and steering the company in line with our strategic drivers and the best interests of both internal and external stakeholders. For us, governance is fundamental to achieving superior performance.

- > Board of Directors
- > Executive Committee
- > Etex's governance universe
- > Carefully managing our asbestos past



MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

“

Our industrial mindset and long-term vision keep us focused on sustainable value creation, year after year.

With solid governance at our core, we steer Etex with the discipline, responsibility and ambition required to build a better future for all.

”

Hans Van Bylen

Chairman of the Board of Directors

Board of Directors

As of publication date

- In 2025, the Board of Directors said goodbye to Bernadette Spinoy, Director and formerly member of the Sustainability Committee
- The Board of Directors welcomed Yves Kerstens and Inge Boets (permanent representative of Inge Boets BV) as new directors



ViaBylity BV
Permanent representative
Hans Van Bylen
Chairman
Strategy Committee, Sustainability Committee, People Committee, Risk and Audit Committee



BCCONSEIL SRL
Permanent representative
Bernard Delvaux
CEO
Strategy Committee, Sustainability Committee



Inge Boets BV
Permanent representative
Inge Boets
Director
Chair of the Risk and Audit Committee



MucH BV
Permanent representative
Muriel De Lathouwer
Director
Chair of the Strategy Committee



FFGP Holding BV
Permanent representative
Gabriel de l'Escaille
Director
Risk and Audit Committee



ARGALI CAPITAL BV
Permanent representative
Pascal Emsens
Director
Strategy Committee



Yves Kerstens
Director
People Committee



Ines Kolmsee
Director
Chair of the Sustainability Committee



OSICS BV
Permanent representative
Fabrice Le Garrec
Director
Sustainability Committee



CT Impact BV
Permanent representative
Caroline Thijssen
Director
People Committee, Sustainability Committee



JoVB BV
Permanent representative
Johan Van Biesbroeck
Director
Chair of the People Committee, Risk and Audit Committee, Strategy Committee

Diversity by age



Diversity by gender



Executive Committee

As of publication date

- Etex’s Executive Committee members are entrusted by the Board of Directors with managing day-to-day business operations
- Their comprehensive knowledge, diverse experience and hands-on leadership approach ensure a strong operational focus on Etex’s values and strategic framework
- In February 2026, after more than seven years at Etex, Louise Cail stepped down as Chief Human Resources Officer and was succeeded by Olivier Lambrecht



Bernard Delvaux
Chief Executive Officer
Joined Etex in 2021
[Full CV](#)



Patrick Balemans
Chief Sustainability and CSR Officer
Joined Etex in 2005
[Full CV](#)



Christophe David
Chief Manufacturing Officer
Joined Etex in 2000
[Full CV](#)



Efrén Del Pino
Head of Division Insulation
Joined Etex in 2022
[Full CV](#)



Mel de Vogue
Chief Financial Officer
Joined Etex in 2015
[Full CV](#)



Jochen Friedrichs
Head of Division Building Performance
Joined Etex in 2022
[Full CV](#)



Olivier Lambrecht
Chief People Officer
Joined Etex in 2026
[Full CV](#)



Virginie Lietaer
Chief Legal Officer
Joined Etex in 2020
[Full CV](#)



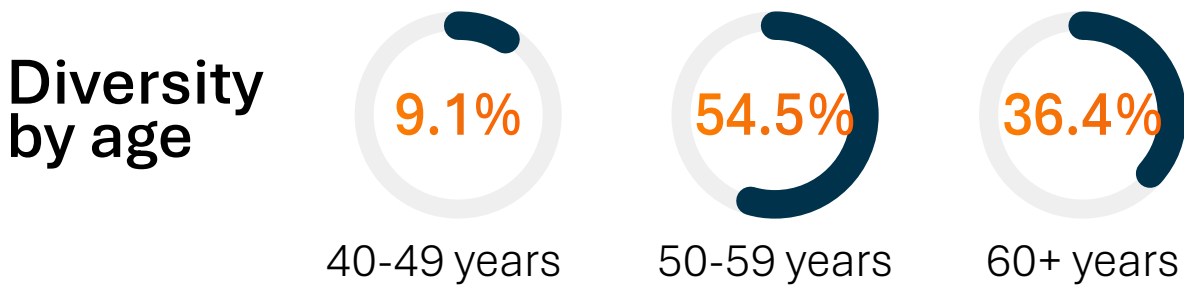
Carla Sinanian
Chief Strategy Officer
Joined Etex in 2017
[Full CV](#)



Tanguy Vanderborght
Head of Division Industry
Joined Etex in 1997
[Full CV](#)



Hans Van Der Steen
Head of Division Fibre Cement
Joined Etex in 2024
[Full CV](#)



Etex's governance universe



Carefully managing our asbestos past

In the past, some of our companies used asbestos as a raw material in production. Therefore, we continue to manage our history with the material carefully. Our group-wide policy enforces this commitment.

Preventive measures

Starting in the 1970s, Etex companies took measures to reduce asbestos concentration levels in the air in their factories. These included:

- Masks and other protective gear
- Dust extraction equipment
- Shift from dry to wet production
- Automation of production processes
- Exploration of alternative materials
- Ban of blue, brown and later white asbestos

These measures were aligned with the legislation and based on scientific knowledge available at the time and were considered effective ways to prevent health risks. However, scientific and medical knowledge evolved further, indicating later that this was not sufficient and that some risks persisted. Asbestos-related diseases such as mesothelioma can take an average of 50 years between the start of exposure and the development of the disease. This long average latency period has slowed down or influenced the progression of scientific understanding of these diseases.



It should also be noted that although the use of asbestos is prohibited in the European Union (EU), in many countries around the world it can still be legally used and sold.

Stringent regulations

Throughout the 1980s and 1990s, the use of asbestos was more strictly regulated and in 2005, the EU completely prohibited its use. Etex banned asbestos entirely from the production processes of all its companies in 2002, prior to the EU ban.

Branding and patents

The name Eternit is used to patent the technology. Some companies today bear and/or sell products under the name Eternit although they are not part of Etex.

Health provisions

Since asbestos-related diseases have a long latency period, Etex companies may still receive claims related to former asbestos exposure. As part of our commitment to compensate victims, our company provides settlement costs for past and future claims.

Several variables affect how compensation is calculated, and these may change over time. We therefore regularly review our approach to take into consideration any new information that may become available.

Policy

We cannot undo the past and we deeply regret that people became or become seriously ill due to asbestos

exposure. Our companies manage their past vigilantly based on a three-way approach: compensate victims, prevent exposure and support research.

Compensate victims

Etex companies have to ensure that those who become seriously ill due to being exposed to asbestos in their factories receive fair financial compensation.

Prevent exposure

Etex companies constantly monitor the presence of airborne fibres and safely manage all buildings and landfills. Since 2020, we run asbestos awareness training involving site managers, EHS managers and project managers from all over the world. In the course of ongoing initiatives to upgrade sites and buildings, including sites from acquisitions, we also inventory and remove asbestos-containing materials.

Support research

Etex supports medical and scientific research. We started to support the Belgian Foundation Against Cancer in 2012 and we already committed to support their research work until 2028, making a total donation of EUR 14 million over this period. It is our sincerest hope that treatment for asbestos-related illnesses will benefit from medical and scientific research in the future.

About asbestos

Since its discovery and mainly since industrialisation, this naturally occurring silicate mineral has been used and is still used worldwide in many sectors due to its technical

› EUR 14 million

in donations to the Belgian Foundation Against Cancer between 2012 and 2028

characteristics. Asbestos is highly heat and chemical resistant, electrically non-conductive and rot-proof. It became the norm to use asbestos in many industrial processes such as textile, plastic, food, automotive, railway, insulation, construction and building industries. Unfortunately, it has taken the world decades to fully understand the risks associated with asbestos exposure.



Railway vehicles



Textile



Insulation



Power plants



Plastics



Shipbuilding



Home appliances



Automotive industry



Food industry



Construction

Former application of cement produced by some Etex companies

Sustainability statements

MESSAGE FROM ONE OF OUR PARTNERS

“ Achieving true circularity in the construction industry requires more than technology; it requires strong synergies between partners with a shared ambition. By working together for the CEMLOOP XL project, Etex and Heidelberg Materials Benelux can turn construction waste like fibre cement into valuable resources, cut CO₂ emissions and speed up the shift to low-carbon materials such as cement. Our collaboration illustrates how combined expertise drives innovation and enables circular products.

Loic Roelandts

ESG & Strategy Manager, Heidelberg Materials Benelux

”

General information

We continue year after year to improve on our Road to Sustainability 2030 ambitions. In 2025, this included new progress in decarbonisation, recycling and waste sent to landfill.

- › Message on Sustainability
- › Road to Sustainability 2030 targets
- › Double Materiality Assessment



‹ Patrick Balemans
Chief Sustainability
Officer

Message on Sustainability

In 2025, we made tangible progress across the whole company with our Road to Sustainability 2030. We made measurable advances in decarbonisation, circularity and waste reduction, driven by the passion, expertise and collaboration of our teams, customers and partners.

Reducing our carbon footprint

Decarbonisation remained a priority. We achieved a 7.75% reduction in CO₂ emissions intensity in Scopes 1 and 2 (market-based) compared with 2024, reflecting the impact of initiatives across our technologies.

Notable examples include the new drying line in Tisselt, Belgium, which cuts energy use by up to 66%. Progress on renewable energy accelerated,

with long-term power purchase agreements for 18 sites in France and new solar projects in Colombia, Belgium and Spain.

In 2025, we refined our climate goals to align with Science Based Targets initiative (SBTi) requirements and submitted our near-term targets for validation. These targets, which follow the Paris Agreement, are pending approval.

Advancing circularity as a core capability

We refined our circularity metric to align with our 2030 targets, shifting from recycled input to circular input. Based on this updated metric, we reported circular input of 13.5% across technologies, excluding water.

We advanced our circularity journey by expanding recycling streams, reducing waste and reducing the use of plastic packaging. A key milestone was the launch of CEMLOOP XL, an EU LIFE Programme co-funded project supporting the closed-loop recycling of fibre cement waste.

We reduced virgin plastic packaging by 11% compared with 2024. A striking fall of up to 50% was recorded for Cedral fibre cement sidings pallet packaging in Chile and Lithuania.

Responding to customers' sustainability needs

Launched in 2020, our Road to Sustainability 2030 set customer-engagement goals to be achieved by 2025. With sustainable product roadmaps now established across our four technology platforms, from 2026 we will focus on growing with our customers and co-creating the next generation of solutions. We are aiming at investing over 50% of our innovation resources in sustainable solutions and strengthening transparency through third-party-verified assessments. More than 80% of our European turnover is now covered by Environmental Product Declarations (EPDs) and we aim to extend this globally.

We also introduced new circular products in France, including a 100% recycled gypsum board and a carbon-negative gypsum board.

Empowering our teammates and communities

Our people remain at the heart of our sustainability journey. We continued working with Diversity, Equity and Inclusion (DE&I) ambassadors globally and with local roadmaps that reflect our global DE&I policy, including training courses in the UK and fairs in Argentina and Peru.

By the end of 2025, we achieved some of our Road to Sustainability DE&I goals and we continue to advance others. Our commitment is global and is delivered locally. From 2026, guided by teammate feedback, we will roll out a clear global plan for our three DE&I streams to ensure meaningful impact for all.

In addition to these results, we earned an [EcoVadis Silver medal](#) for our commitment to sustainability and responsible business practices, placing us in the top 9% of companies assessed globally and in the top 7% within the concrete, cement and plaster industry.

“Sustainability continues to reshape the way we deliver value at Etex. By cutting emissions, growing circularity and giving customers greater transparency and more sustainable options, we are proving that progress and performance go hand in hand.”



Road to Sustainability 2030 targets

OUR DAILY GOALS



Health, Safety and Well-being

- Zero fatalities
- Zero harm
- Zero burnouts



GOALS FOR 2025



Customer engagement

- Build a sustainable product roadmap per technology platform



Diversity, Equity and Inclusion

- Cover all teammates with Diversity, Equity and Inclusion policies, procedures and practices
- Train all teammates on Diversity, Equity and Inclusion
- Ensure pay equality



GOALS FOR 2027 AND 2030



Water

- Cover 100% of our sites with water management plans by 2027
- Reduce our water withdrawal intensity by 20% by 2030⁽¹⁾



Biodiversity

- Cover 100% of manufacturing sites within Key Biodiversity Areas (KBAs) with biodiversity assessments and management plans by 2027
- Cover 100% of Etex-operated quarries with biodiversity management plans by 2027
- Cover 100% of manufacturing sites within or near (<5km) KBAs with biodiversity assessments and management plans by 2030
- Ensure that 85% of key raw material suppliers with nature-related impacts have biodiversity remediation and restoration plans in place by 2030



GOALS FOR 2030



Circularity

- Use more than 20% of circular input as raw material⁽²⁾
- Zero waste sent to landfill
- Reduce virgin plastic packaging by 30% and use recyclable plastic only⁽¹⁾
- Offer a take-back service for our product portfolio in 80% of our European countries
- Invest 50% of our innovation resources in sustainability



Decarbonisation

- Reduce greenhouse gas emissions intensity by 35% (CO₂e emissions of Scopes 1 and 2)⁽²⁾
- Reduce emissions from purchasing goods, services and transport by 25% (Scope 3)⁽³⁾



(1) Compared to our 2022 baseline.

(2) Compared to our 2018 baseline.

(3) Compared to our 2023 baseline.

Double Materiality Assessment

In 2025, we further aligned our reporting practices with the European Sustainability Reporting Standards (ESRS). This demonstrates our proactive approach to enhancing transparency and preparing for the Corporate Sustainability Reporting Directive (CSRD), which, based on the latest regulatory proposal of the European Commission, is set to take effect in 2028. Our methodology was developed in line with the principles outlined in the ESRS and other available guidelines. However, our Double Materiality Assessment (DMA) results remain subject to potential revisions pending our annual updates and the completion of the auditors' assurance process.

A DMA in sustainability reporting evaluates both the financial risks and opportunities posed by sustainability issues and a company's impact on the environment and society. It identifies how external sustainability factors affect business performance (outside-in) and how the company's operations affect stakeholders and the planet (inside-out). This dual perspective is crucial for comprehensive sustainability reporting, as required by frameworks such as the EU's CSRD.

For our own operations, we identified and assessed impacts on people and the environment, as well as potential risks and opportunities for our business(es), focusing on our four platforms – Gypsum (including Systems and Solutions), Fibre Cement, Passive fire protection and High-performance insulation, and Insulation. Similarly, we assessed our value chain impacts, risks and opportunities for most topics, focusing primarily on our upstream and downstream activities.

In our impact assessment, we considered both positive and negative impacts, as well as actual and potential sustainability-related matters. In our financial assessment, we assessed potential sustainability-related risks and opportunities that could result in financial impacts on our business. To evaluate risks and opportunities, we assessed the potential magnitude of financial effects on EBITDA, capital and operational expenditures, and the likelihood of occurrence.

As part of our DMA process, we engaged with internal stakeholders and collaborated with external stakeholders, including board members, business associations, customers, suppliers and financial institutions. In addition to interviewing external stakeholders, we also analysed publicly available information such as annual reports and websites from industry peers.

The following table lists the material topics identified through the DMA process, highlighting where the corresponding impacts are most relevant at different points in the value chain.

In the following pages, we present the material topics identified through our DMA mapped against the ESRS. While we recognise that we are not yet fully aligned with CSRD requirements and do not claim to be, this approach represents an important step on our path towards full compliance. The relevant ESRS-related elements – such as policies, actions, targets and metrics – are addressed and discussed for each material topic throughout this chapter.

Material topics	Primary impact scope		
	Upstream	Own operations	Downstream
Health and safety	Hexagon	Hexagon	
Climate change	Hexagon	Hexagon	Hexagon
Circularity	Hexagon	Hexagon	Hexagon
Customer engagement			Hexagon
Supply chain management	Hexagon		
Business practices	Hexagon	Hexagon	Hexagon
Diversity, Equity and Inclusion		Hexagon	
Water	Hexagon	Hexagon	
Biodiversity	Hexagon	Hexagon	
Training skills and development		Hexagon	

Environment

In 2025, we kept strengthening our environmental efforts across decarbonisation, water, biodiversity and circular economy.

- › E1 Climate change
- › E3 Water
- › E4 Biodiversity and ecosystem
- › E5 Resource use and circular economy

E1 Climate change

At Etex, we recognise climate change as one of the most pressing global challenges and a strategic priority for our business. In line with our purpose, Building better together, we are accelerating the transformation of our manufacturing footprint, products and value chain to support a low-carbon future.

In 2025, Etex achieved a 7.75% reduction in carbon intensity (including Scope 1 and market-based Scope 2), mainly through renewable electricity sourcing and operational efficiency. Scope 1 and market-based Scope 2 emissions amounted to 901,411 tCO₂e, while Scope 3 emissions totalled 2,436,817 tCO₂e.

In 2025, we continued implementing the foundations required to align our reporting with the European Sustainability Reporting Standards (ESRS) and to prepare for full Corporate Sustainability Reporting Directive (CSRD) compliance. Following our 2024 commitment to the Science Based Targets initiative (SBTi), we are in the process of validating our near-term emission reduction targets. This includes new baselines and more ambitious goals across Scopes 1, 2 and 3.

As a global manufacturer with diverse technologies and geographies, we see our decarbonisation journey as a whole-company effort, integrating innovation, operational excellence, low-carbon energy sourcing, circularity and supplier engagement. In 2025, we continued to advance energy efficiency, renewable energy deployment and data-driven carbon management while strengthening partnerships across our value chain to reduce emissions where they are most material.

Policies

Etex's climate strategy is guided by a robust governance structure and formal policies that ensure alignment across all divisions and functions. A dedicated decarbonisation team coordinates the corporate roadmap and supports local implementation. Key decisions are validated by the Decarbonisation Steering Committee, composed of Executive Committee members.

Our Internal Carbon Pricing Policy reinforces the importance of low carbon investments by integrating carbon costs into project evaluations, particularly for long-term capital expenditure.

Climate considerations are also embedded in:

- Divisional decarbonisation programmes, tailored to each technology platform
- The Renewable Energy Sourcing Strategy, steered through our internal Energy Committee
- Our [Supplier Code of Conduct](#) and [Sustainable Procurement Policy](#), which require suppliers to reduce their GHG emissions, increase renewable energy use, provide specific carbon data and progressively align with SBTi expectations

Actions

In 2025, Etex implemented a wide range of actions to reduce emissions across operations and the value chain:

- Through the Carbonwise programme, we engaged with more than 1,500 strategic suppliers representing around 60% of our Scope 3.1 emissions. We collected over 250 product carbon footprints, enabling more precise Scope 3 calculations with supplier specific emission factors
- We increased suppliers' sustainability performance, with 1,362 suppliers assessed by EcoVadis, representing 54% of our purchasing spend
- Together with Purchasing and Supply Chain, we expanded low carbon logistics, including our intermodal transport partnership between Bordeaux and Carpentras, and prepared for the introduction of electric pre-transport and branded low carbon trucks
- All technologies continued rolling out decarbonisation programmes, combining breakthrough innovations, known technologies and continuous improvement. In Tisselt, the new drying line using superheated steam and heat recovery reached its full performance

level, several plants accelerated mixer upgrades, and multiple sites implemented energy monitoring systems and low carbon energy solutions

- Long-term renewable power agreements progressed, including our PPA in France and solar projects under development across divisions. In 2025, PV installations produced 14.24 GWh
- We continued rolling out Etex's energy and decarbonisation awareness training programme, reaching more than 500 teammates across functions

Targets

Etex continues to advance its climate ambition through the Road to Sustainability 2030 framework, which defines our current 2030 decarbonisation targets. These targets are:

- Reduce greenhouse gas emissions intensity by 35% (Scopes 1 and 2), compared to baseline 2018
- Reduce emissions from purchasing goods, services and transport by 25% (Scope 3), compared to baseline 2023

As part of our commitment to science-aligned climate action, we are in the process of submitting updated near-term Scope 1, Scope 2 and Scope 3 targets to the Science Based Targets initiative (SBTi). Once validated, these SBTi-approved targets will replace the decarbonisation targets currently included in the Road to Sustainability 2030 framework. The newly submitted targets reflect a more detailed view of our emissions profile – Scope 3 accounting for roughly 70% of our total footprint – and align our climate ambition with the latest scientific guidance for all emission scopes. Final SBTi-validated targets will be disclosed upon completion of the validation process.

Metrics

Energy Consumption and Mix

2025		
1	Fuel consumption from coal and coal products (MWh)	-
2	Fuel consumption from crude oil and petroleum products (MWh)	216,667.79
3	Fuel consumption from natural gas (MWh)	4,015,759.94
4	Fuel consumption from other fossil sources (MWh)	-
5	Purchased/acquired electricity, heat, steam, cooling from fossil sources (MWh)	271,792.07
6	Total fossil energy consumption (MWh)	4,504,219.79
Share of fossil sources in total energy consumption (%)		84%
7	Consumption from nuclear sources (MWh)	-
Share of consumption from nuclear sources (%)		-
8	Fuel consumption from renewable sources including biomass (MWh)	162,184
9	Purchased/acquired electricity, heat, steam, cooling from renewable sources (MWh)	678,303.69
10	Self-generated non-fuel renewable energy (MWh)	2,984.84
11	Total renewable energy consumption (MWh)	843,472.53
Share of renewable sources (%)		16%
Total energy consumption (MWh)		5,347,692.32

Gross GHG Emissions Scopes 1, 2, 3

	2024 (tCO ₂ eq) ⁽¹⁾	2025 (tCO ₂ eq)	% Change
Scope 1 GHG emissions			
Gross Scope 1 GHG emissions (tCO ₂ eq)	818,213	816,775	-0.18%
Scope 2 GHG emissions			
Gross location-based Scope 2 GHG emissions (tCO ₂ eq)	223,357	199,519	-10.67%
Gross market-based Scope 2 GHG emissions (tCO ₂ eq)	144,740	84,636	-41.53%
Scope 1 and 2 (incl. Scope 2 location-based) per tonnes of sellable finished goods produced	0.1480	0.1423	-3.85%
Scope 1 and 2 (incl. Scope 2 market-based) per tonnes of sellable finished goods produced	0.1368	0.1262	-7.75%
Scope 3 GHG emissions			
Total Gross indirect (Scope 3) GHG emissions (tCO ₂ eq)	2,641,592.67 ⁽²⁾	2,436,816.57	-7.75%
1. Purchased goods & services		1,838,225.40	
2. Capital goods		25,393.24	
3. Fuel & energy related activities		175,577.18	
4. Upstream transport & distribution		221,993.43	
5. Waste generated in operations		14,817.89	
6. Business travel		5,023.61	
7. Employee commuting		5,668.65	
8. Upstream leased assets		6,958.09	
9. Downstream transport & distribution		35,624.94	
10. Processing of sold products		-	
11. Use of sold products		-	
12. End-of-life treatment of sold products		107,534.14	
13. Downstream leased assets		-	
14. Franchises		-	
15. Investments		-	
Total GHG emissions			
Total GHG emissions location-based (tCO ₂ eq)	3,683,162.67	3,453,110.57	-6.25%
Total GHG emissions market-based (tCO ₂ eq)	3,604,545.67	3,338,227.57	-7.39%

(1) The Scope 1 and Scope 2 figures presented in this table differ from those disclosed in the 2024 Annual Report due to recalculations applying updated accounting methodologies and adjustments to the reporting boundary.
(2) The 2024 figures are currently under review and may be adjusted following data refinements and updates to accounting principles.

E3 Water

Water is an essential resource in several of Etex’s manufacturing processes, including fibre cement, gypsum, calcium silicate and insulation production. Water stewardship is gaining importance within our sustainability strategy as we increase our efforts to improve efficiency, mitigate local water risks and support resilient operations. For instance, in 2025, we continued to strengthen our understanding of water-related risks, improve water efficiency, and implement targeted actions in high-stress basins. Our efforts build on the work initiated in 2024 through our first set of water management plans and now extend to broader operational improvements and local initiatives delivering meaningful reductions in water intensity.

Policies

Etex’s [Water Policy](#) commits the organisation to a continuous reduction in water consumption and to the identification of alternative sourcing opportunities. We prioritise water reuse and recycling, and we maintain strict compliance with legislation, environmental permits and corporate guidelines on intake, use and discharge. This policy is translated into action through our Water Stewardship Standard, which provides a structured, group-wide framework for responsible water management and impact prevention.

Actions

In 2025, Etex progressed with several initiatives to reduce water withdrawal intensity and improve local water resilience:

- We expanded our water management planning process by developing new water management plans for 15 sites in high and extremely high water-stress areas, building on the 2024 pilot sites
- Our fibre cement plant in Lima, Peru, achieved a 30% reduction in water use compared with 2024 through optimised recycling loops and process adjustments
- Several plasterboard facilities increased their use of superplasticisers, allowing a significant reduction in water intensity in board production
- The Santa Rosa site in Chile implemented an enhanced water action plan, resulting in a 16% reduction in water-withdrawal intensity. This improvement was achieved through a series of incremental water-saving measures across both process operations and domestic water use

These actions represent measurable progress in regions where the local impact of water use is most material

Targets

Etex’s Road to Sustainability 2030 includes two strategic water-related targets:

- 100% of sites to have water management plans in place by 2027
- 20% reduction in water withdrawal intensity by 2030, compared with baseline levels

These targets remain unchanged for 2025 and provide the long-term direction for our water stewardship work.

In 2025, Etex achieved a 1% reduction in water consumption intensity compared with 2024, driven by improved recycling rates, operational upgrades in fibre cement and gypsum processes, and focused action plans at high-stress sites. Although more factories are developing their water management plans, this growing focus has not yet translated into an improvement in our company-wide water-withdrawal intensity. However, among the 18 factories that actively implemented their water management plans, water-withdrawal intensity improved by 1%.

Metrics

	2024	2025
Total water consumption (m³)	4,712,878.34	4,683,133.08
Total water withdrawal (m³)	5,593,139.97	5,877,988.04
Total water discharge (m³)	880,261.63	1,194,854.96
Water withdrawal intensity (m³/tonnes)	0.79	0.82
Water consumption intensity (m³/tonnes)	0.66	0.65
Water consumption intensity per revenue (m³/million EUR)	1,247.6	1,245.9

E4 Biodiversity and ecosystem

At Etex, we recognise that our quarries and manufacturing sites interact closely with the natural environments in which we operate, influencing ecosystems, habitats and species diversity. In 2024, we accelerated our efforts by integrating biodiversity into our sustainability roadmap and confirming it as a material topic through our Double Materiality Assessment. This strengthens our long-term resilience and supports key processes such as obtaining permits, land management, stakeholder confidence and nature-positive planning. In 2025, we continued to implement our biodiversity policy across our global footprint, expand assessments, strengthen supplier expectations and develop site-specific ecological management plans.

Policies

Etex’s approach is guided by its [Biodiversity Policy](#), which outlines principles for preserving and promoting biodiversity across our operations. This policy requires biodiversity risk and opportunity assessments at manufacturing sites, the implementation of biodiversity management plans at all Etex-operated quarries, and the integration of nature-related criteria into supplier governance. It is aligned with leading conservation frameworks such as Key Biodiversity Areas (KBAs) and supports third-party-validated methodologies.

Actions

In 2025, Etex focused on scaling biodiversity assessments, enhancing data accuracy and operationalising site-level actions. Building on the 2024 proximity study, which identified 31 sites within or close to KBAs and 12 active quarries in or near protected areas, we have prioritised these locations for early implementation of management plans.

We continued to partner with biodiversity specialists in order to co-develop practical, locally appropriate solutions. Supplier engagement was reinforced through our Supplier Code of Conduct, embedding biodiversity as a criterion in key raw material procurement. Notable examples include enhanced ecological monitoring at quarries in Spain, where conservation measures supported species such as the lesser kestrel and contributed to award-winning landscape restoration initiatives.

- Targets**
- Etex’s Road to Sustainability 2030 initiative includes the following biodiversity commitments:
- By 2027:**
- 100% of manufacturing sites in KBAs covered by biodiversity assessments and management plans
 - 100% of Etex-operated quarries covered by biodiversity management plans
- By 2030:**
- 100% of manufacturing sites within or near KBAs (<5 km) covered by biodiversity assessments and management plans
 - 85% of key raw material suppliers with nature-related impacts covered by remediation or restoration plans

Metrics

Number of operational sites		111
Number of operational sites owned, leased or managed in or near key biodiversity areas		31
Number of operational sites owned, leased or managed in key biodiversity areas		2
Number of operational sites owned, leased or managed near key biodiversity areas		29

Number of active quarries		20
Number of active quarries near key biodiversity areas		8
Number of active quarries in key biodiversity areas		4
Number of quarries in or near key biodiversity areas with biodiversity management plans		12



Beuda, Spain, gypsum quarry

E5 Resource use and circular economy

Raw materials are central to Etex’s manufacturing processes, and the challenges linked to resource use, waste generation and material circularity remain critical as we transition towards more sustainable production models. Our circularity roadmap guides our efforts across key areas: increasing circular content in design, reducing waste sent to landfill, integrating take-back and reuse solutions, lowering virgin plastic usage, and driving innovation to embed circular principles across product lifecycles. In 2025, we strengthened these efforts by increasing material substitution, scaling recycled content, and collaborating with suppliers to increase transparency and accelerate conversion towards circular alternatives.

In 2025, Etex achieved a circular input rate of 13.54% and reduced waste sent to landfill by 6% compared with 2024. We also decreased virgin plastic packaging by 11%. These improvements were driven by increased material substitution, better circularity data from suppliers and ongoing innovation in recycling-based raw materials.

Policies

Etex’s approach to circularity is anchored in a set of group-wide principles and policies that guide responsible resource use across all technologies. We prioritise the replacement of virgin materials with circular alternatives, prevent waste at source, and promote reuse and recyclability through product design and operational practices.

Our [Environmental Policy](#) and [Sustainable Procurement Policy](#) outline the expectations and standards for responsible resource management and circular economy principles across our supply chain. Internally, these commitments are reinforced through waste management standards implemented across all platforms, ensuring consistent practices in waste reduction, segregation and recycling.

Together with our [Circularity Roadmap](#), these policies provide the framework that enables Etex to reduce dependency on virgin inputs, minimise waste generation and support a more regenerative industrial model.

Actions

In 2025, Etex advanced its circularity strategy through several operational and supply chain initiatives:

- We intensified our efforts to replace virgin raw materials with circular alternatives, notably increasing the use of recycled gypsum and recycled glass across production lines.
- We partnered with major raw material suppliers to assess and validate the circular content of their products, establishing the basis for new conversion and substitution plans.
- We made notable progress in reducing virgin plastic packaging, achieving an 11% reduction compared

with 2024, and a 23% reduction compared with 2022, in line with our long-term plastic reduction goal.

- Building on the achievements highlighted in the 2024 Annual Report, we continued strengthening circular solutions, such as increased use of recycled gypsum (with 2025 levels above 45% in some plants) and broader adoption of recycled plastic monitoring and substitution practices.

These actions support Etex’s aim to reduce dependency on virgin resources while accelerating progress towards waste minimisation and circular innovation.

Targets

Etex’s Road to Sustainability 2030 defines the following circularity targets:

- Over 20% circular input as raw materials
- Zero waste sent to landfill
- 20% reduction in virgin plastic packaging and use of recyclable plastic only
- Take-back services offered in 80% of European countries
- 50% of innovation resources invested in sustainability-driven projects

These targets serve as our long-term commitments for transforming our material flows towards a more circular model.

Metrics

Resource Inflows (Circular Inputs)

Metric	2024	2025
Circular input (%)	NA	13.54%
Recycled material (%)	8.6%	9.24%

Resource Outflows (Waste Performance)

Packaging (tonnes)	2024	2025
Virgin plastic packaging	10,656	10,122
Waste diverted from disposal (tonnes)		
Reuse	19,973.48	11,792.11
Recycling	160,858.40	89,057.42
Other Recovery	-	-
Total waste diverted from disposal	180,831.87	100,849.53
Waste directed to disposal (tonnes)		
Incineration	5,245.62	4,890.51
Landfill	51,719.30	48,588.67
Other disposal	-	-
Total waste directed to disposal	56,964.47	53,479.18
Total waste	237,796.34	154,328.71

Social

People are at the heart of what we do, supported by our commitment to diversity, equity and inclusion, health and safety, and continuous training and development.

› S1 Own workforce

› General Acha, Argentina, Etex teammates

S1 Own workforce

Diversity, Equity & Inclusion

At Etex, our people are at the heart of our purpose: Building better together. We foster an inclusive work environment built on fairness, dignity and belonging, recognising that diverse teams drive innovation, performance and long-term business success. Over the past years, we have made deliberate and meaningful investments to attract, grow and engage talent – building the capabilities and pipelines we need for the future. Our DE&I efforts, supported by a global network of ambassadors and a comprehensive DE&I policy, continued to expand in reach and impact across all regions.

Policies

Etex operates under a group-wide [Diversity, Equity & Inclusion Policy](#), available in 19 languages, supported by policies on recruitment, internal mobility, international assignments and grievance management. These policies reinforce equal opportunities, non-discrimination and respect for human rights while enabling local adaptation to specific cultural contexts. A global [Speak Up](#) mechanism ensures safe and confidential reporting channels.

Furthermore, Etex complies with all relevant local legislation and regulatory requirements on workplace inclusion and non-discrimination. Consistent with our sustainability ambitions and our focus on empowering our people, each market receives tailored guidance covering topics such as parental leave and other inclusive workplace measures. This ensures that our global commitments are applied locally in a way that respects context while fostering a safe, equitable and supportive environment for all teammates.

Actions

In 2025, Etex continued strengthening DE&I activation across the organisation. Over 100 DE&I ambassadors delivered awareness initiatives in plants and offices, including DE&I fairs across Latin America. In parallel, we expanded our e-learning offering on core DE&I topics through a partnership with a global content. Local policies were also further enhanced – for example, the updated holiday policy in the UK allowing people greater flexibility to manage their leave according to personal needs, as well as the introduction of new initiatives such as the employee resource group and the reverse mentoring programme – ensuring regional relevance while supporting our global DE&I ambitions.

We have continued to build strong capabilities in Talent Acquisition, expanding our in-house team and entering into strategic partnerships for assessments – both for hiring and talent development. By developing assessment expertise within our HR community and strengthening feedback capabilities, we have further improved how we attract, onboard and retain talent. To support a strong feedback and development culture, we implemented a 360° feedback process, starting with ExCom and subsequently cascading to several leadership teams. This has generated valuable insights, supporting both individual growth and healthier team dynamics.

In line with our purpose, we established an Etex-wide Corporate Social Responsibility (CSR) framework that encourages teammates to give back to the communities in which we operate. Across the organisation, teams are actively contributing through initiatives aligned with this shared purpose.

Finally, in 2025 we ran a condensed Me&Etex engagement survey to check progress on the key focus areas identified in the 2024 survey. The results are encouraging: we saw significant improvement in leadership scores, increased engagement with our future vision, and growing trust in management decisions. We are also pleased to see a higher score related to physical working conditions in our factories.

Together, these initiatives reflect our continued commitment to investing in our people – today and for the future.

Targets

In 2025, we set the following targets, in line with our Road to Sustainability 2030 initiative:

- Ensure that all teammates are covered by DE&I policies, procedures and practices
- Provide DE&I training for all teammates
- Ensure pay equality



› Argentina, Etex teammates at a DE&I fair

Metrics

Characteristics of Etex employees

Headcount by region	Total
Europe	8,786
Asia Pacific	1,664
Americas	2,307
Africa	605
Total	13,362
Headcount by gender	Total
Male	10,797
Female	2,565
Other	-
Total	13,362
Employee turnover	Total
Employee turnover rate	11.55%
Departures	1,400

Breakdown of total number of employees by contract types

	Male	Female	Other	Total
Total number of permanent employees	10,058	2,417	-	12,475
Total number of temporary employees	739	148	-	887
Total	10,797	2,565	-	13,362

Diversity, Equity & Inclusion

Gender representation at executive level	Male	Female	Other	Total
Employees in top management level (headcount)	9	2	-	11
Employees in top management level (percentage)	82%	18%	-	100

› 13,362

headcount



› Lima, Peru, DE&I fair

S1 Own workforce

Health and Safety

Safety is our top priority. As part of our Road to Sustainability 2030 initiative, Etex's ambition is to achieve zero fatalities, zero harm and zero burnout. We continue to invest in equipment, training, preventive practices and well-being initiatives to protect both the physical and mental health of all teammates.

Policies

Etex follows its [Environmental, Health and Safety \(EHS\) Policy](#), which sets the foundation for the way we prevent risks, protect the health and safety of our people, and promote responsible operations. The policy outlines clear expectations for safe behaviours, robust risk management, effective emergency preparedness and continuous improvement across all manufacturing and non-manufacturing sites. Through this framework, we ensure that our teams and operations consistently uphold the highest standards of safety, well-being and care.

Actions

In 2025, Etex advanced its safety culture through Safety Kaizen workshops - continuous improvement initiatives driven by frontline teammates. A total of 1,941 Safety Kaizen improvements were implemented globally. Safety Observation practices were strengthened, resulting in 29,584 high-quality observations encouraging positive reinforcement and early intervention. Well-being actions included 24 global and regional webinars and monthly communications on topics such as emotional intelligence, conflict management, sleep and mental resilience.

Targets

In 2025, we set the following targets, in line with our Road to Sustainability 2030 initiative:

- Zero fatalities
- Zero harm
- Zero burnout

Metrics

	Total
Number of fatalities in own workforce as result of work-related injuries and work-related ill health	0
Number of fatalities as result of work-related injuries and work-related ill health among other workers on undertaking's sites	0
Number of recordable work-related accidents in own workforce ⁽¹⁾	91
Rate of recordable work-related accidents in own workforce (Total incident frequency rate) ⁽²⁾	3.40
Number of cases of recordable work-related ill health of employees	5
Number of days lost to work-related injuries and fatalities due to work-related accidents, work-related ill health and fatalities due to ill health affecting employees	3,642

(1) This number includes the medical aid accidents and lost-time accidents.
(2) Frequency of lost-time and medical aid accidents per one million hours worked.



S1 Own workforce

Training skills and development

Developing our people is essential to achieving long-term sustainable growth. In 2025, Etex strengthened workforce capabilities through leadership programmes, technical training, coaching and global development initiatives. Our commitment is reflected in high levels of engagement and active participation in upskilling across divisions.

Policies

Training and development are supported by HR procedures throughout the employee lifecycle, covering areas such as performance management, leadership development, succession planning and equal access to learning opportunities. These procedures promote consistency across countries while enabling customised learning journeys.

Actions

We have strengthened our commitment to continuous learning for everyone, at every stage of their career. Through a partnership with a leading e-learning provider, teammates can access a vast library of learning content from hundreds of providers, available on demand, in their own language and at their own pace. The AI-enabled platform allows teammates to receive learning based on individual needs and ambitions, empowering them to truly take ownership of their development and career at Etex.

Two years ago, we launched our Future Talent Programme, initially piloted in Belgium and France. This two-year rotational journey was designed to grow engineering talent from within, offering participants hands-on experience across roles, functions and countries. In 2025, we proudly celebrated the graduation of the first cohort: 10 teammates who have since stepped into impactful roles such as Plant Manager, Production Supervisor and Continuous Improvement Expert. The programme has proven to be a powerful response to a tight labour market and a strong lever for building our future talent pipeline. In parallel, Australia successfully rolled out

its own local Future Talent Programme. Building on this success, the programme will expand further in 2026 – both geographically and functionally – to include not only engineering, but also general administration profiles.

Metrics

	Male	Female	Other
Percentage of employees who participated in regular performance reviews by gender	38.24%	74.66%	-



Bristol, UK, Etex teammates



Governance

Operating with a strong governance framework is foundational to Etex's purpose and long-term value creation. Our stakeholders - customers, teammates, suppliers, communities, investors and regulators – expect consistent, fair and transparent conduct.

› G1 Business conduct

› Kapelle-op-den-Bos, Belgium, Etex office

G1 Business conduct

Business practices

Operating with integrity is foundational to Etex’s purpose and long-term value creation. Our stakeholders - customers, teammates, suppliers, communities, investors and regulators - expect consistent, fair and transparent conduct. We embed this through our Code of Conduct (the Etex Way), group policies, governance oversight and a dedicated Speak Up system that encourages teammates to raise questions and report in good faith potential violations to the Etex Way.

Policies

The Etex Way, our code of business conduct, is a comprehensive framework that governs how Etex operates and behaves as a group. It covers safety, ethics, compliance and integrity. The code sets expectations for respectful behaviour in the workplace, addresses diversity, personal relationships and engagement with trade unions and employee representatives, and defines commitments to environment, health and safety. It also regulates core aspects of business integrity, including conflicts of interest, anti bribery and corruption, competition law, fraud and money laundering prevention, data protection and the proper use of inside information. The Etex Way applies to all employees and serves as the central reference for responsible and lawful conduct in all Etex activities.

Employees are encouraged to raise any questions or doubts that they may have, and anyone with knowledge of suspected misconduct or dangers at work is required to report such suspicions in good faith. Such reporting can be done through open communication by contacting management, Human Resources, Legal, Compliance or Internal Audit. Such reporting can also be done using a dedicated reporting channel (Etex’s Speak Up Line) operated by a third-party to preserve confidentiality and, if requested, full anonymity.

Regardless of the reporting channel used, no employee will face any penalty for making a report, participating in an investigation or providing information in good faith, even if no violation is ultimately confirmed. All reports are treated with strict confidentiality.

The Speak Up Policy further details scope, reporting, investigation handling and protections for both reporting and reported persons, including avenues for external reporting where applicable.

Actions

Mandatory annual Code of Conduct training
All Etex employees are required to complete an annual training course on the Etex Way, reinforcing expectations on topics such as anti-corruption, fair competition, conflicts of interest, information protection and speaking up. Completion is tracked centrally to ensure coverage and follow-up.

Accessible, multilingual reporting
Internally, the Speak Up page provides access in multiple languages and explains how to file a report including via the Speak Up Line, the no-retaliation commitment, and how the third-party portal preserves confidentiality and anonymity. The Speak Up Policy and Speak Up Line are also available to externals via a dedicated webpage.

Case governance and handling protocol
Speak Up reports are assessed, investigated and monitored under the Speak Up Policy, with defined roles, timelines, confidentiality safeguards and protections for good-faith reporters. Impartial and independent supervision is carried out by the Ethics Committee.

Metrics

Etex Way training	All employees with an Etex account
Total employees required to receive training	6,197
Total receiving training	5,135

The 2025 data reflect a continued high rate of completion of the Etex Way training course across Etex. Employees who do not complete the required training course within the allotted timeframe receive individual follow-ups from the Compliance team and completion rates are tracked closely each month.



Enugu, Nigeria, Etex teammate

G1 Business conduct

Supply chain management

Etex operates a global supply chain that supports multiple divisions and product technologies. Ensuring that this network is responsible, resilient and aligned with our sustainability ambitions is essential to delivering long-term value and meeting stakeholder expectations. As Etex continues its alignment with the European Sustainability Reporting Standards (ESRS) and advances its Road to Sustainability 2030 plan, supplier relationships and sustainable procurement play a central role in addressing environmental, social and ethical risks across our value chain.

Policies

Etex’s supply chain is guided by a [Sustainable Procurement Policy](#) that sets expectations for suppliers in terms of environmental, social and economic performance across the entire lifecycle of purchased goods and services. Sustainable procurement is defined according to ISO 20400 principles and aims to maximise positive sustainability outcomes while ensuring quality, continuity and efficiency. Supplier relationships are coordinated by global and local purchasing teams and overseen by Etex’s sustainability, legal, compliance and EHS experts, ensuring a multi-disciplinary approach to supplier risk management and performance monitoring.

The Sustainable Procurement Policy outlines requirements on transparency, lifecycle impacts and responsible practices across environmental, social and economic dimensions. It incorporates:

- Ethical conduct and compliance expectations
- Environmental sustainability considerations across the entire lifecycle
- Social responsibility, including fair working conditions and human-rights protection
- Integration of sustainability into sourcing decisions and supplier performance assessment

Furthermore, suppliers are required to adhere to the [Etex Suppliers Code of Conduct](#) as a condition for doing business, ensuring alignment with Etex’s values and expectations on labour rights, safety, integrity and environmental behaviour.

Actions

In 2025, we set the following target to strengthen responsible sourcing across our global value chain:

- By 31 December 2025, have 1,350 suppliers evaluated via EcoVadis; they should achieve an average Performance Supplier Score (EcoVadis sustainability rating) above 63, supporting continuous improvement in supply-chain sustainability

Metrics

Number of strategic suppliers assessed via EcoVadis	1,362
Percentage of spend assessed via EcoVadis	54.1%
Average EcoVadis rating of strategic suppliers	63.4
Number of suppliers covered by the Suppliers Code of Conduct	259

› Portillo, Spain, Etex plant



G1 Business conduct

Customer engagement

At Etex, customer engagement is a core strategic driver that enables us to strengthen long-term partnerships, improve product and service quality, and support our customers in meeting their own sustainability goals. We engage with customers across all markets through local interactions, digital tools, transparent sustainability disclosures and technical collaboration. As the construction sector faces increasing expectations on sustainability, performance and transparency, our role extends beyond providing materials: we co-create solutions, deliver verified environmental information and integrate feedback into continuous improvement. In 2025, our customer orientation efforts translated into increased satisfaction, wider access to product information and sustainability data, and stronger dialogue mechanisms that enhance trust and credibility.

Policies

While no standalone policy is currently in place, our customer engagement approach is guided by company-wide commitments to:

- Transparency: providing customers with clear, verified environmental information, including Environmental Product Declarations (EPDs) and Circular Content Declarations
- Ethical conduct and responsible marketing: aligned with [the Etex Way](#) code of conduct
- Data accessibility: digital access to product documentation, sustainability materials, technical guidance and performance information through platforms such as MyEtex, MySiniat, and brand websites
- Sustainability integration: ensuring that product stewardship, circularity and environmental performance are central to customer-facing information, in line with our Road to Sustainability 2030
- Engagement and dialogue mechanisms: including structured customer feedback channels such as NPS (Net Promoter Score) and local workshops
- These commitments ensure that our engagement with customers remains consistent, transparent and aligned with Etex's sustainability ambitions

Actions

Transparency and access to information

- Continued expansion of EPDs, now covering 81% of European turnover, enabling customers to access standardised, third-party verified environmental data
- Ongoing publication of EPD summaries, enabling quicker and more accessible understanding of environmental impacts
- Provision of Circular Content Declarations across multiple brands (Promat, EQUITONE, Cedral, Siniat), positioning Etex as an industry first-mover in circularity transparency
- Ensured broad access to sustainability documentation and technical information through digital customer platforms

Customer dialogue, co-creation and digital engagement

- Regular customer workshops at country level (particularly within the Building Performance division), where customers are shown upcoming innovations and invited to provide input, strengthening two-way engagement and building shared innovation priorities. Our teams foresee these workshops continuing over the long term as an integral component of our customer engagement activities
- Development of the EQUITONE design optimisation tool to help customers reduce cutting waste, supporting cost efficiency and sustainability outcomes

- Continued development of digital platforms to improve customer experience, including a new Fibre Cement website in 2026, offering improved navigation, documentation access and sustainability information
- Within Fibre Cement, we have developed a dedicated sustainability roadmap that outlines the strategic initiatives and priorities for the coming years. This roadmap provides a structured direction for both customer-facing activities and internal operational improvements, including a forward-looking view on how our plants will contribute to our long-term sustainability ambitions

Enhancing credibility through external verification

- Continued investment in EcoVadis assessments, which provide an independent, internationally benchmarked evaluation of corporate sustainability practices across areas such as environment, labour and human rights, ethics and sustainable procurement. By maintaining this external verification, we reinforce transparency and credibility in our sustainability performance for our B2B stakeholders

› **81%**
of our European turnover
is covered by EPDs



› **Silver medal**
EcoVadis rating

ESRS content

Our non-financial reporting aims at aligning with the European Sustainability Reporting Standards (ESRS), in preparation for the Corporate Sustainability Reporting Directive (CSRD). The ESRS reference table outlines our disclosures in line with these standards, ensuring alignment with our material topics and sustainability goals.

- › Non-financial glossary
- › ESRS tables

Non-financial glossary

CSRD: Corporate Sustainability Reporting Directive

DE&I: Diversity, Equity and Inclusion

DMA: Double Materiality Assessment

EHS: Environment, Health and Safety

ESG: Environment, Social and Governance

ESRS: European Sustainability Reporting Standards

GHG: Greenhouse Gas Emissions

KBA: Key Biodiversity Area

KPI: Key Performance Indicators

NPS: Net Promoter Score

SBTi: Science Based Target initiative

Scope 1: Emissions from sources we own or control, e.g. gas, fuel

Scope 2: Emissions from electricity and purchased heat or steam

Scope 3: Indirect emissions from our value chain



ESRS tables

About these tables: While we do not claim full ESRS compliance, we want to provide our stakeholders with access to relevant information linked to the ESRS aspects partially covered in this report.

ESRS Topic	Disclosure Requirement Category	Disclosure Requirement	Page
ESRS 2: General Disclosures	Disclosure Requirement BP-1	General basis for preparation of sustainability statements	53
	Disclosure Requirement BP-2	Disclosures in relation to specific circumstances	-
	Disclosure Requirement GOV-1	The role of the administrative, management and supervisory bodies	41-45
	Disclosure Requirement GOV-2	Information provided to and sustainability matters addressed by the undertaking’s administrative, management and supervisory bodies	41-45
	Disclosure Requirement GOV-3	Integration of sustainability-related performance in incentive schemes	-
	Disclosure Requirement GOV-4	Statement on due diligence	-
	Disclosure Requirement GOV-5	Risk management and internal controls over sustainability reporting	24
	Disclosure Requirement SBM-1	Strategy, business model and value chain	25-29
	Disclosure Requirement SBM-2	Interests and views of stakeholders	28-29
	Disclosure Requirement SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	53
	Disclosure Requirement IRO-1	Description of the process to identify and assess material impacts, risks and opportunities	53
	Disclosure Requirement IRO-2	Disclosure requirements in ESRS covered by the undertaking’s sustainability statement	69-73
	Minimum disclosure requirement - Policies MDR-P	Policies adopted to manage material sustainability matters	47-68
	Minimum disclosure requirement - Actions MDR-A	Actions and resources in relation to material sustainability matters	47-68
	Minimum disclosure requirement – Metrics MDR-M	Metrics in relation to material sustainability matters	47-68, 69-73
	Minimum disclosure requirement – Targets MDR-T	Tracking effectiveness of policies and actions through targets	47-68

ESRS Topic	Disclosure Requirement Category	Disclosure Requirement	Page
E1: Climate Change	Disclosure Requirement E1-1	Transition plan for climate change mitigation	23-24, 55
	Disclosure Requirement E1-2	Policies related to climate change mitigation and adaptation	55
	Disclosure Requirement E1-3	Actions and resources in relation to climate change policies	55
	Disclosure Requirement E1-4	Targets related to climate change mitigation and adaptation	52, 55
	Disclosure Requirement E1-5	Energy consumption and mix	56
	Disclosure Requirement E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	56
	Disclosure Requirement E1-7	GHG removals and GHG mitigation projects financed through carbon credits	55
	Disclosure Requirement E1-8	Internal carbon pricing	55
	Disclosure Requirement E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	23-24, 55
E3: Water	Disclosure Requirement E3-1	Policies related to water	57
	Disclosure Requirement E3-2	Actions and resources related to water	57
	Disclosure Requirement E3-3	Targets related to water	52, 57
	Disclosure Requirement E3-4	Water consumption	57
	Disclosure Requirement E3-5	Anticipated financial effects from water related impacts, risks and opportunities	57
E4: Biodiversity and ecosystems	Disclosure Requirement E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model	58
	Disclosure Requirement E4-2	Policies related to biodiversity and ecosystems	58
	Disclosure Requirement E4-3	Actions and resources related to biodiversity and ecosystems	58
	Disclosure Requirement E4-4	Targets related to biodiversity and ecosystems	52, 58
	Disclosure Requirement E4-5	Impact metrics related to biodiversity and ecosystems change	58
	Disclosure Requirement E4-6	Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities	58
E5: Resource use and circular economy	Disclosure Requirement E5-1	Policies related to resource use and circular economy	59
	Disclosure Requirement E5-2	Actions and resources related to resource use and circular economy	59
	Disclosure Requirement E5-3	Targets related to resource use and circular economy	52, 59
	Disclosure Requirement E5-4	Resource inflows	59
	Disclosure Requirement E5-5	Resource outflows	59
	Disclosure Requirement E5-6	Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	59

ESRS Topic	Disclosure Requirement Category	Disclosure Requirement	Page
S1: Own workforce	Disclosure Requirement S1-1	Policies related to own workforce	60-64
	Disclosure Requirement S1-2	Processes for engaging with own workforce and workers’ representatives about impacts	60-64
	Disclosure Requirement S1-3	Processes to remediate negative impacts and channels for own workforce to raise concerns	60-64
	Disclosure Requirement S1-4	Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	60-64
	Disclosure Requirement S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	52, 60-64
	Disclosure Requirement S1-6	Characteristics of the undertaking’s employees	62
	Disclosure Requirement S1-7	Characteristics of non-employees in the undertaking’s own workforce	-
	Disclosure Requirement S1-8	Collective bargaining coverage and social dialogue	-
	Disclosure Requirement S1-9	Diversity metrics	62
	Disclosure Requirement S1-10	Adequate wages	-
	Disclosure Requirement S1-11	Social protection	-
	Disclosure Requirement S1-12	Persons with disabilities	-
	Disclosure Requirement S1-13	Training and skills development metrics	64
	Disclosure Requirement S1-14	Health and safety metrics	63
	Disclosure Requirement S1-15	Work-life balance metrics	-
	Disclosure Requirement S1-16	Remuneration metrics (pay gap and total remuneration)	-
	Disclosure Requirement S1-17	Incidents, complaints and severe human rights impacts	61, 63
G1: Business Conduct	Disclosure Requirement G1-1	Business conduct policies and corporate culture	66
	Disclosure Requirement G1-2	Management of relationships with suppliers	67
	Disclosure Requirement G1-3	Prevention and detection of corruption and bribery	66
	Disclosure Requirement G1-4	Incidents of corruption or bribery	66
	Disclosure Requirement G1-5	Political influence and lobbying activities	66
	Disclosure Requirement G1-6	Payment practices	66-67

Directors' report and financial statements

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CORPORATE GOVERNANCE UPDATE

DIRECTORS’ REPORT

FINANCIAL STATEMENTS

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CORPORATE GOVERNANCE UPDATE

Etex has adopted a one-tier governance structure. The primary decision-making body of the Company is its Board, chaired by the Chairman, except for matters reserved to the Shareholders’ Meeting under the Belgian Code on Companies and Associations (BCCA), and subject to specific powers delegated by the Board to the CEO and the other members of the executive committee (Executive Committee or ExCom).

Governance, along with strategic initiatives for delivering successful commercial, operational and sustainability performance, remains a priority for both the Board and group management meetings.

1.1

Executive Committee

Etex’s Executive Committee members are entrusted by the Board of Directors with managing day-to-day business operations. Their comprehensive knowledge, diverse experience and hands-on leadership approach ensure a strong operational focus on Etex’s values and strategic framework. Sustainability remains a flagship topic for the Executive Committee.

The CEO, on behalf of the Executive Committee, provides updates to the Board at each meeting.

Executive Committee members as of publication date:

- Bernard Delvaux, Chief Executive Officer
- Patrick Balemans, Chief Sustainability and CSR Officer
- Christophe David, Chief Manufacturing Officer
- Efrén Del Pino, Head of Division Insulation
- Mel de Vogue, Chief Financial Officer
- Jochen Friedrichs, Head of Division Building Performance
- Olivier Lambrecht, Chief People Officer
- Virginie Lietaer, Chief Legal Officer
- Carla Sinanian, Chief Strategy Officer
- Tanguy Vanderborght, Head of Division Industry
- Hans Van Der Steen, Head of Division Fibre Cement

1.2

Board of Directors and Committees

Etex’s Board of Directors defines the group’s overall strategy, approves major investments, and oversees all corporate activities. Its composition is carefully balanced and includes representatives of Etex’s shareholders and management, as well as independent directors.

The Board of Directors met eight times in 2025 to discuss updates, approve proposals from the Executive Committee, and approve recommendations from the advisory committees.

The office of the CEO, together with the Company Secretary, manages the information flow between the Executive Committee and the Board. Board documents and other relevant information are shared through a secure digital platform, accessible to Board members only. To support its decision-making, the Board is advised by four advisory committees that were active throughout 2025: the Strategy Committee, the Risk and Audit Committee, the People Committee and the Sustainability Committee.

In addition to ensuring representation for its large, long-term family of shareholders on the Board, Etex seeks to attract directors with diverse backgrounds and expertise, based on the following key criteria:

- Specific skills
- Industry knowledge
- Relevant experience
- Availability to commit time to Etex

Etex ensures that each new director brings specific skills, knowledge and/or experience that complement the composition of the existing Board, ensuring that the Board collectively possesses the necessary expertise to fulfil its duties effectively. Additionally, Etex actively promotes gender diversity within the Board. The Board reviews its size, composition, and performance, as well as those of its committees, at least every three years.

Board of Directors’ members as of publication date:

- ViaBylity BV, Permanent representative: Hans Van Bylen, Chairman of the Board of Directors and Independent Director. Member of the Strategy Committee, Sustainability Committee, People Committee, Risk and Audit Committee
- BCCONSEIL SRL, Permanent representative: Bernard Delvaux, Executive Director. Member of the Strategy Committee, Sustainability Committee
- ARGALI CAPITAL BV, Permanent representative: Pascal Emsens, Director. Member of the Strategy Committee

- JoVB BV, Permanent representative: Johan Van Biesbroeck, Independent Director. Chair of the People Committee, Member of the Strategy Committee, Risk and Audit Committee
- CT Impact BV, Permanent representative: Caroline Thijssen, Director. Member of the People Committee, Sustainability Committee
- FFGP Holding BV, Permanent representative: Gabriel de l'Escaille, Director. Member of the Risk and Audit Committee
- Ines Kolmsee, Independent Director. Chair of the Sustainability Committee
- Inge Boets BV, Permanent representative: Inge Boets, Independent Director. Chair of the Risk and Audit Committee
- Much BV, Permanent representative: Muriel De Lathouwer, Independent Director. Chair of the Strategy Committee
- OSICS BV, Permanent representative: Fabrice Le Garrec, Director. Member of the Sustainability Committee
- Yves Kerstens, Independent Director. Member of the People Committee

The Board of Directors has the following four dedicated advisory committees to assist and advise on specific matters.

1.3 Strategy Committee

The Strategy Committee normally meets one week prior to any meeting of the Board regarding strategic decisions or projects, and at least four times a year.

Chair: Much BV represented by its permanent representative Muriel de Lathouwer.

Members: Argali Capital BV represented by its permanent representative Pascal Emsens, JoVB BV represented by its permanent representative Johan Van Biesbroeck, ViaBylity BV represented by its permanent representative Hans Van Bylen, BCCONSEIL SRL represented by its permanent representative Bernard Delvaux.

Number of meetings in 2025: five.

Role and purpose: The Strategy Committee evaluates the Executive Committee's strategic proposals. It also reviews the Executive Committee's proposals for acquisitions, divestments and geographic diversification.

1.4 Risk and Audit Committee

The Risk and Audit Committee meets at least three times per year. At least one member is independent. ViaBylity BV represented by its permanent representative Hans Van Bylen, JoVB BV, represented by its permanent representative Johan Van Biesbroeck and Inge Boets BV, represented by its permanent representative Inge Boets meet the independence criteria of article 7:87 of the Belgian Code of Companies and Associations and Principle 3.5 of the Belgian Corporate Governance Code 2020.

Chair: Inge Boets BV represented by its permanent representative Inge Boets.

Members: FFGP Holding BV represented by its permanent representative Gabriel de l'Escaille, ViaBylity BV represented by its permanent representative Hans Van Bylen, JoVB BV represented by its permanent representative Johan Van Biesbroeck.

Number of meetings in 2025: four.

Role and purpose: The Risk and Audit Committee reviews Etex's financial and non-financial reporting processes and the statutory audit of Etex's annual accounts. Above all, it ensures the consistency and reliability of accounts and all other financial and non-financial information submitted to the Board. Moreover, the Committee monitors Etex's risk and internal control management systems. All its members have accounting and audit experience.

1.5 People Committee

The People Committee meets at least two times per year.

Chair: JoVB BV represented by its permanent representative Johan Van Biesbroeck.

Members: ViaBylity BV represented by its permanent representative Hans Van Bylen, Yves Kerstens, CT IMPACT BV represented by its permanent representative Caroline Thijssen.

Number of meetings in 2025: four.

Role and purpose: The People Committee assists with selecting and proposing Board members. It also determines the remuneration and benefits structure for Executive Committee members. Its job is to ensure that incentives reflect market practices and are optimally designed to support Etex's strategic goals.

1.6 Sustainability Committee

The Sustainability Committee meets at least three times per year.

Chair: Ines Kolmsee.

Members: OSICS BV represented by its permanent representative Fabrice Le Garrec, CT IMPACT BV represented by its permanent representative Caroline Thijssen, ViaBylity BV represented by its permanent representative Hans Van Bylen, BCCONSEIL SRL represented by its permanent representative Bernard Delvaux.

Number of meetings in 2025: four.

Role and purpose: The Sustainability Committee ensures that Etex effectively addresses the economic and societal challenges associated with its mission to offer construction solutions that contribute to a better world. It considers the impact of Etex's businesses, operations and programmes from a corporate social responsibility and sustainability perspective, taking into consideration the legal framework and the interests of all stakeholders.

1.7 Board attendance to board meetings and committees

Name	Number of regular/extraordinary meetings attended				
	Board	Strategy Committee	Risk and Audit Committee	People Committee	Sustainability Committee
ViaBylity BV (permanent representative: Hans Van Bylen)	8/8	5/5	4/4	4/4	4/4
JoVB BV (permanent representative: Johan Van Biesbroeck)	8/8	5/5	4/4	4/4	N/A
BCCONSEIL SRL (permanent representative: Bernard Delvaux)	8/8	5/5	4/4 (invited)	4/4	4/4
ARGALI CAPITAL BV (permanent representative: Pascal Emsens)	8/8	5/5	N/A	N/A	N/A
CT Impact BV (permanent representative: Caroline Thijssen)	8/8	N/A	N/A	4/4	4/4
Much BV (permanent representative: Muriel De Lathouwer)	8/8	5/5	N/A	N/A	N/A
Ines Kolmsee	8/8	N/A	N/A	N/A	4/4
OSICS BV (permanent representative: Fabrice Le Garrec)	8/8	N/A	N/A	N/A	4/4
FFGP Holding BV (permanent representative: Gabriel de l'Escaille)	7/8	N/A	4/4	N/A	N/A
Inge Boets BV (permanent representative: Inge Boets)	8/8	N/A	4/4 (of which 2 invited)	N/A	N/A
Yves Kerstens	7/8	N/A	N/A	4/4	N/A

2 DIRECTORS' REPORT

2.1 Business Review

With €3,747 million sales and €698 million REBITDA in 2025, to be compared to €3,777 million (-0.8%) and €695 million (+0.4%) respectively in 2024, Etex demonstrated a strong financial performance in spite of adverse impacts from strengthening euro when converting non euro contributions across the group. In a global construction market still marked by significant challenges, and when adjusted for exchange rate impacts, revenue increased by +1.7% like-for-like; REBITDA improved notably by +4.8% like-for-like; the ratio of REBITDA measured as percentage of sales reaches 18.6% (vs. 18.4% in 2024), a near-record ratio.

The **revenue** generated in 2025 at €3,747 million is in line with the figure of 2024, even with weighty detrimental impacts from foreign currencies conversion to EUR (-76 m€, from all main currencies expect Polish zloty due to euro strengthening during the period) and from hyperinflation accounting in Argentina (-18 m€). This robust sales performance was possible thanks to volume increase in most product categories, with main sales increase on Latin American markets, in the U.S., in Australia, in Germany and in Poland, partially offset by few countries impacted by top line erosion, in France and in Nigeria specifically.

The Building Performance division, specialising in plasterboard, fibre cement boards and fire protection materials for technical construction, registered a revenue increase of 1.6% like-for-like to reach €2,320 million, after inclusion of €50 million sales contribution generated in 2025 by former division New Ways. This positive evolution of top line was driven by growth in Latin America and in Australia mainly; depending on the countries, top line evolution on European markets were contrasted in 2025.

The Fibre Cement division, which focuses on fibre cement exterior and interior solutions, registered sales at €534 million in 2025 or -1.2% like-for-like year-on-year. This evolution was primarily driven by the depressed Nigerian market, and its double-digits volumes drop; excluding these, the divisions achieved volumes and sales up when compared to prior year, especially in Ireland and in Spain.

The revenue of the Industry division, centred around fire protection and high-performance insulation, grew by 5.1% (like-for-like) in 2025 and reached €324 million driven by confirmed recovery observed across most markets and geographies offsetting completely the gap generated by one specific project realised in 2024, not repeating in 2025.

The sales of the Insulation division, specialised in glass mineral wool and extruded polystyrene (XPS), increase by 3.1% like-for-like versus last year to €559 million, this growth was achieved by positive evolution on sale in all main countries but Spain.

In 2025 again, Etex delivers a strong **REBITDA** performance, the second-best performance in the company's history at €698 million. This represents a like-for-like increase by +4.8% compared to 2024, and a percentage of sales ratio at 18.6% (vs. 18.4% in 2024). These improvements are driven by programmes of commercial excellence and cost savings bringing significant gains to offset inflation levels. Notable REBITDA improvements were realised on specific markets: in Latin America (but Argentina) linked to demand recovery, also in Nordic countries and in the U.S.A.; in the United Kingdom, helped by investments realised in recent years to increase capacity (plasterboard and insulation); in France, Germany and Belgium thanks to the new organisations implemented over the last years, and in Australia due to synergies realised with acquired BGC business. Compared to 2024, REBITDA was also negatively impacted by lower Nigerian and Argentinian contributions, two depressed and difficult environments (total variation of REBITDA vs.2024 €-15 million like-for-like), and by unfavourable impact from foreign currency translation and hyperinflation (€-30 million or -1.2%).

Free cash flow generation for 2025 amounts to €190 million before dividends, acquisitions and disposals of businesses (to compare to €185 million in 2024), a positive evolution that, combined with lower value for business acquisition, allows to reduce net financial debt by 7%.

The recurring operating free cash flow generation is built on:

- REBITDA, in progress by €+3 million, offset by
- the negative impact from trade working capital variation, increasing by €+34€ million in 2025 but with a sales ratio at 9.0% as of 31 December 2025: this is higher than the record ratio measured in December 2024 (8.0%) but complies with ambition stay under 10% of sales, a target that remained unachievable until 2023; the higher ratio at the end of 2025 was also planned to avoid, on inventory side, missed sales due to unavailable products in next period.
- Capital expenditures (net of emission rights purchased) lands perfectly in line with 2024, at €258 million.

This generates a total recurring operating free cash of €406 million lower than 2024 (€448 million). Still, total free cash flow lands slightly above prior year thanks to lower current tax spent. The 2024 one-off negative cash flow of €-17 million derived from hedging decision in view of the US private placement financing, is balanced by higher purchases of emission rights on the markets in 2025, postponed in 2024.

2.2 Financial Review

Changes in the scope of consolidation

In December 2025, Etex acquired 82.5% of the shares of Drumarkon, a Netherlands-based producer and supplier of high-quality fire protection panels for the shipbuilding and yacht construction markets. Drumarkon operates a factory in Schelluinen (South Holland province) with 14 employees. This acquisition allows Etex to further expand its Promat technology platform and brand's expertise and enables to provide customers with full solutions in the marine market for shipyards, interior outfitters, and marine operators worldwide.

Statement of comprehensive income

The €3,747 million sales in 2025 generated a gross profit of €1,163 million, or 31.0% of sales, higher than in 2024 (30.4%), an outcome of more efficient manufacturing processes, lower impact from under-occupation across production lines and favourable procurement. Total overheads on sales ratio is up at 19.7% (vs 19.2% in 2024). **Operating income before non-recurring items (REBIT)** amounts to €425 million, representing 11.4% of sales. In 2024, REBIT amounted to €422 million, or 11.2% of sales.

The impact of **non-recurring** charges on operating income amounts to €58 million (€88 million in 2024), including: restructuring (relocation of a fibre cement slate production line from Belgium to Germany, numerous measures to reduce overheads costs, mainly in France and in Belgium, across divisions and for support functions), one-off cost for integration, merger and acquisitions and cost of asbestos-containing material removal projects partially offset by gains on disposal of non-operating properties. The **operating income (EBIT)** reached €367 million vs €334 million in 2024.

In 2025, Etex accounted €50 million **net financial charges**, compared to €87 million 2024; this favourable evolution is the combined impact of the following:

- (a) A lower cost of debt positively impacted by debt reduction achieved in 2025 and by lower reference interest rates for the portion of the interest charge not being hedged (mainly factoring)
- (b) The specific situation of the Argentinian economy and the accounting treatment of hyperinflation (in compliance with IFRS, standard IAS 29 applies) has generated a monetary losses impact mirroring the indexation on balance sheet positions (including equity) that amounts to €-8 million at the end of 2025 significantly lower than prior year (€-54 million in 2024).
- (c) A significant amount of cash remains in Argentina and, to protect it from devaluation linked to high inflation, it is systematically invested in USD-linked bonds; this is generating unrealised gains from conversion of USD at year-end exchange rate in 2025, €20 million, quite in line with 2024.
- (d) The only driver of higher financial charges in 2025 are net unfavourable foreign exchange translation of treasury positions held in a currency that differs from reporting currency, most of them USD-related.

Etex generated a **profit before taxes** of €319 million to be compared to €248 million in 2024 and this increase is explained, next to the improved operating performances, also by reduced one-off impacts, favourable and unfavourable, incurred in 2024 vs. 2025 - see above: non-recurring operating charges and net financial charges, (b) specifically.

Income taxes amount to €82 million in 2025, to be compared €80 million in 2024. On this basis, the effective tax rate amounts to 25.9% vs. 32.6% prior year, down by 6.7%: this evolution is driven mainly by hyperinflation accounting entries (reducing profit before taxes but increase income taxes simultaneously) less impactful in 2025. When the same ratio is normalised and computed excluding non-recurring income and charges, and adjusted for income taxes thereon, net of hyperinflation and gains from USD-linked bonds in Argentina, it is going down by 1.6% from 28.3% to 26.7%.

Other comprehensive income (OCI) impacts of 2025, compared to the previous year, are as follows:

- Post employment benefits obligations have a positive but limited impact of €+1 million (net of deferred taxes) through OCI. In 2024, this impact from actuarial assumptions was €-17 million and due to the increase of discount rate assumptions more than offset by return assumption on asset in the UK negatively impacted and correlated to the same.
- Cash flow hedge reserves are negatively impacted through OCI in 2025 (€-14 million, net of deferred taxes) due to fluctuation on energy hedging positions mainly. In 2024, impact was €-10 million mainly because of new interest hedge recognised to cover US private placement.
- Translation impact amounts to €-96 million in 2025 due to translation differences measured during the year on Argentinian peso, on British pound and Australian dollars mainly; the translation impact in OCI amounted to € 25 million in 2024, mainly from Nigerian naira.

Alternative net profit measurement

Etex has always measured an alternative net profit measurement, non-IFRS but clearly defined and described in appendix to the consolidated annual report (since 2007), named “net recurring profit”. This value is measured by adjusting net profit (group share) for non-recurring operating charges or income (also clearly defined and subject to threshold and restrictions) and for one-off impacts below EBIT, both net of taxes. Non-recurring adjustments below EBIT can include financial gains [€20 million average gains realised on protective investments in USD-linked bonds in Argentina since 2021 or, in 2023, €55 million gain realised on interest-rates swaps] or losses resulting from the hyperinflationary accounting indexation of equity and non-monetary assets and liabilities; it can also relate to one-off gains or losses in equity accounted investee, discontinued or held-for-sale businesses.

Etex’s **net recurring profit (Group share)**, as explained above, was up by 1.8% to €269 million in 2025 (vs. net recurring profit €264 million in 2024). This evolution was driven in 2025, next to the increase of operating income, by lower recurring tax charges partially offset by detrimental foreign exchange translation on treasury positions.

Consolidated Statement of Financial Position (Balance Sheet)

The value of Etex’s **property, plants, and equipment** decreased at €2,209 million vs €2,234 million in 2024. This decrease is mainly due to negative translation differences: capital expenditure (tangible and intangible assets, including leasing and emission rights) amounts to €299 million in 2025, €258 million excluding emission rights. **Goodwill** went slightly down €754 million to €752 million: the €3 million increase due to acquisition of Drumarkon is more than compensated by translation impacts. Other **intangible assets** slightly decreased from €452 million to €418 million, mainly due remittance of emission rights to regulatory authorities combined with amortisation (on software, mainly as capital expenditure investments, but also on brands, technologies or customer lists recognised in business acquisitions over the last 10 to 15 years).

Trade **working capital** is measured (without the benefit of non-recourse factoring) at €341 million from €315 million at year-end 2024, increase that was intended, to avoid supply chain issues early 2026 by slightly higher inventories when appropriate, with continuous focus during the year also on trade debtors and creditors management. Trade working capital represented 9.0% of sales at the end of 2025, to be compared to record year-end 2024 (8.0% of sales); this is confirming our ambition to remain under 10%, while no single year reached a ratio lower than 10% of sales before 2023.

Total working capital increased from €202 million at the end of 2024 to €222 million one year later, reflecting the increase in trade working capital; remaining movements are due to the evolution of tax outstanding receivables and payables, partially offset by purchased emission right at the end of 2025 unpaid as of 31 December 2025 and by negative evolution of fair value of hedging (mainly energy contracts).

The total of **provisions** at the end of 2025, current and non-current jointly, is down by €27 million €179 million to €152 million, mainly due to amounts spent for restructuring plans after booking in prior year(s) and due to remitted carbon emission rights reducing provisions.

As of 31 December 2025, **net financial debt** amounted to €1,027 million, compared to €1,109 million at year-end 2024. As in prior years, the above net debt value includes cash collection through non-recourse factoring programme, which amounted to €214 million at the end of the year vs. €191 million at the end of 2024; the 2024 low value was temporary and due to transition of recently acquired businesses to Etex programme. Excluding this non-recourse factoring programme, the net financial debt would have reached €1,241 million (vs €1,300 million at the end of 2024). The company's net financial debt/REBITDA ratio improved from 1.6x in 2024 to 1.5x in 2025, or from 1.9x to 1.8x year-on-year excluding the favourable impact of the non-recourse factoring programme.

2.3 Strategy

Etex’s purpose is “Building better together” and this vision is brought to life through the company’s strategic framework that guides its actions.

Etex is committed to deliver a best-in-class experience to its customers through four technology platforms that provide lightweight, innovative and sustainable solutions, together with four drivers.

The four platforms are: Gypsum, Fibre cement, Passive fire protection and High-performance insulation, and Insulation.

The four strategic drivers are: Engaged people, Operational excellence, Customer orientation and Sustainability and Innovation.

The company enables its strategy by nurturing internal talents, fostering innovation and acquiring companies with the same vision.

2.4 Operational excellence and Safety

As manufacturers in heart and soul, Etex focuses on reinforcing safety, health and well-being, and strive for competitiveness through technical expertise, capital investments and a strong continuous improvement culture. Across the company’s close to 100 manufacturing sites in almost 30 countries, Etex aims to create a company culture that allows its teammates’ autonomy and opportunities to grow, to manufacture valuable products and solutions for its customers and to achieve long-term sustainable growth.

Manufacturing highlights for 2025 include:

- Significant improvement in manufacturing performance, with a strong impact on Etex’s results as a whole
- EUR 57 million reduction in manufacturing costs
- Lower energy intensity across all technologies, down 2.5% on average, meeting the company’s 2025 sustainability ambitions

Safety is Etex’s top priority. As part of the Road to Sustainability 2030, the company is committed to achieving zero fatalities and zero harm. The company continues to invest in equipment, training, preventive practices and well-being initiatives to protect both the physical and mental health of all teammates.

In 2025, Etex advanced its safety culture through Safety Kaizen workshops - continuous improvement initiatives driven by frontline teammates. A total of 1,941 Safety Kaizen improvements were implemented globally. Safety Observation practices were strengthened, resulting in 29,584 high-quality observations encouraging positive reinforcement and early intervention. Well-being actions included 24 global and regional webinars and monthly communications on topics such as emotional intelligence, conflict management, sleep, and mental resilience. 78% of all Etex sites were completely injury-free and the company had zero fatalities again for the year.

Key data for safety includes:

- Number of fatalities in own workforce as result of work-related injuries and work-related ill health: 0
- Number of fatalities as result of work-related injuries and work-related ill health among other workers on undertaking's sites: 0
- Number of recordable work-related accidents in own workforce: 91 - 61 LTAs (Loss Time Accidents) and 30 MAAS (Medical Aid Accidents)
- Rate of recordable work-related accidents in own workforce (Total incident frequency rate): 3.40
- Number of cases of recordable work-related ill health of employees: 5
- Number of days lost to work-related injuries and fatalities due to work-related accidents, work-related ill health and fatalities due to ill health affecting employees: 3,642

2.5 Research and development activities

Innovation is an essential lever for business growth. Etex innovates in line with its customers’ needs and evolving market demands, constantly prioritising sustainability. The company focuses its innovation efforts on four key pillars: circularity, decarbonisation, industrial excellence and portfolio leadership. Etex works with more than 160 teammates across seven Innovation Technology Centres (ITCs), supporting our four global divisions.

Each of Etex’s research and development projects undergoes a rigorous sustainability impact assessment conducted by a team of experts. Since 2024, the company implemented eco-design principles across the organisation, and all R&D teammates received comprehensive training in this area. Etex actively supports external collaboration and is involved in two EU-funded collaborative projects. The company also continuously engages with external innovators and partners through its open innovation platform.

In 2025, Etex:

- Invested more than €25 million in R&D and innovation.
- Dedicated 42% of its resources to projects that promote sustainability, focussing on the continuous substitution of virgin materials with recycled-based alternatives and reducing its CO2 footprint.
- Expanded its collaboration network, evaluating 150 start-ups and large industrial players.

2.6 Sustainability

Etex’s lightweight solutions are designed to be sustainable at their core. Through the company’s innovation-driven approach, it continuously improves the performance of its products and systems to meet the evolving needs of its customers. In 2025, Etex made significant progress towards its 2030 goals:

- Reduced 7.75% in CO₂ emissions intensity in Scopes 1 and 2 (market-based) compared with 2024, reflecting the impact of initiatives across our technologies.
- Refined its climate goals to align with SBTi requirements and submitted Scopes 1, 2 and 3 targets for validation. These targets are pending approval.
- Refined its circularity metric to align with its 2030 targets, shifting from recycled input to circular input. Based on this updated metric, the company reported circular content of 13.5% across technologies, excluding water.
- Reduced virgin plastic packaging by 11% compared with 2024, and a 23% reduction compared with 2022.
- Launched CEMLOOP XL, an EU LIFE Programme co-funded project supporting the closed-loop recycling of fibre cement waste.
- Introduced new circular products in France, including a 100% recycled gypsum board and a carbon-negative gypsum board.
- Etex was awarded an EcoVadis Silver medal, placing it in the top 9% of companies assessed globally and in the top 7% within the concrete, cement and plaster industry.

Key figures in 2025:

- GHG emission intensity (Scopes 1 and 2): 0.126 (-7.75% vs. 2024)
- Circular input: 13.5%
- Waste to landfill: -6% vs. 2024 in absolute value
- Water withdrawal intensity: 0.82 (+4% vs. 2024)

2.7 People

At Etex, people are at the heart of the company’s purpose: Building better together. Etex fosters an inclusive work environment built on fairness, dignity and belonging, recognising that diverse teams drive innovation, performance and long-term business success. Over the past years, Etex has made deliberate and meaningful investments to attract, grow and engage talent – building the capabilities and pipelines needed for the future. The company’s Diversity, Equity and Inclusion (DE&I) efforts, supported by a global network of ambassadors and a comprehensive DE&I policy, continued to expand in reach and impact across all regions.

In 2025, Etex continued strengthening DE&I activation across the organisation. Over 100 DE&I ambassadors delivered awareness initiatives in plants and offices, including DE&I fairs across Latin America. In parallel, the company expanded its e-learning offering on core DE&I topics through a partnership with a global content. Local policies were also further enhanced – for example, the updated holiday policy in the UK allowing people greater flexibility to manage their leave according to personal needs, as well as the introduction of new initiatives such as the employee resource group and the reverse mentoring programme – ensuring regional relevance while supporting Etex’s global DE&I ambitions.

Etex has continued to build strong capabilities in Talent Acquisition, expanding its in-house team and entering into strategic partnerships for assessments – both at hiring and for talent development. By developing assessment expertise within its HR community and strengthening feedback capabilities, Etex has further improved how it attracts, onboards and retains talent.

To support a strong feedback and development culture, Etex implemented a 360° feedback process, starting with ExCom and subsequently cascading to several leadership teams. This has generated valuable insights, supporting both individual growth and healthier team dynamics.

In line with its purpose, the company established an Etex wide Corporate Social Responsibility (CSR) framework that encourages teammates to give back to the communities in which they operate. Across the organisation, teams are actively contributing through initiatives aligned with this shared purpose.

Finally, in 2025 the company ran a condensed Me&Etex engagement survey to check progress on the key focus areas identified in the 2024 survey. The results are encouraging: Etex saw significant improvement in leadership scores, increased engagement with its future vision, and growing trust in management decisions. Etex is also pleased to see a higher score related to physical working conditions in its factories.

Together, these initiatives reflect Etex’s continued commitment to investing in its people – today and for the future.

2.8 Risks and uncertainties

The Group is exposed to a range of general business risks. The Group takes measures to cover these risks through insurance and internal policies.

Typical business and operational risks include cyber-security related risks, third-party and product liability, property damage, business interruption, employer’s liability, and, in certain instances, credit risk.

The Group is active around the world, and as such, is exposed to the impact of currency fluctuations on revenues, costs, assets, and liabilities arising outside the Eurozone. Mostly, these were felt across Latam and Australia, due to the US Dollar volatility. To address this, the Group continued to follow its well-thought-out policies.

Demand for building materials is driven by demographic trends and long-term construction needs, while short-term activity remains sensitive to macroeconomic conditions such as interest rates, exchange-rate movements, and trade policies. In 2025, the Group operates in a volatile macro-financial and geoeconomic environment. Impacts have arisen from currency volatility in certain markets, notably Nigeria and Argentina, combined with uncertainty stemming from tariffs and policy shifts away from global free-trade frameworks. These factors contribute to uneven market conditions and risks of product or building-solution substitution.

The Group mitigates these risks through its diversified geographic footprint and broad portfolio of products and solutions. While global operations expose the Group to geopolitical and trade-policy developments, diversification across regions and end-markets remains a key source of resilience.

The Group manufactures building materials from a broad industrial organisation. Still, Etex’ operations continuity can be jeopardised due to accidental disruption at its strategic production plants, including physical risks in relation to climate-change.

The Group uses a variety of raw materials to manufacture its products. Cement, for instance is a key ingredient. It is usually broadly available from several suppliers. Furthermore, the fibres which are used to reinforce some of Etex’ products are sourced from a limited number of Japanese and Chinese companies. The Group has built long-term relationships and contracts with each of these businesses. Despite securing the sourcing of raw materials through these long-term relationships, supply volumes and prices can be affected by markets volatility. Furthermore, supply and shipping routes could be impacted by increasing import tariffs and growing barriers to free trade. For natural resources such as gypsum, the Group either owns raw material sources or secures them by means of long-term contracts.

The Group’s energy costs are significant. This applies to both the production of Etex own products and the manufacturing of raw materials from suppliers. That is why the Group constantly reviews measures to reduce the energy consumption and monitors the performance of its energy portfolio.

In the past, some Group companies regrettably used asbestos as a raw material. These businesses are exposed to claims from people having developed asbestos-related diseases. The Group is committed to ensuring fair compensation for those suffering from an illness caused by the company’s former use of asbestos. The compensation costs are covered by state social security schemes, insurance companies and Etex’s own resources. Given the long latency of some of these diseases, the Group will remain exposed to this risk in the medium term.

2.9 Risk Management

The Group has exposure to the following risks from its business activities and use of financial instruments in running and managing its business: (i) market risk, (ii) credit risk, (iii) liquidity risk and (iv) capital risk.

The Group’s risk management policies have been established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly in the light of market conditions and changes in the Group’s activities.

The Group’s approach to the management of these risks is described in Note 17 – Risk management and financial derivatives.

2.10 Derivative financial instruments

The Group uses derivative financial instruments such as forward exchange contracts, commodity hedges and interest rate swaps to hedge its risk associated with foreign currency, commodity prices and interest rate fluctuations. In accordance with its treasury policy, the Group does not hold derivative financial instruments for trading purposes. Derivative financial instruments that do not qualify for hedge accounting are accounted for as financial assets and liabilities at fair value through profit and loss.

The Group’s approach to the management of these risks is described in Note 17 – Risk management and financial derivatives.

2.11 Subsequent events

In January 2026 Etex announced the acquisition of 25% of Kunooz Oman Holding’s subsidiary Kunooz Gypsum. Kunooz Oman Holding is one of the leading companies in Oman engaged in the mining of minerals and resources. Its subsidiary Kunooz Gypsum is based in Salah with two current mining areas for a total of 55 hectares. The deal is signed in Oman and is subject to customary closing conditions, with finalisation expected in second quarter of 2026. The 2025 financial statements are not impacted by this acquisition.

2.12 Outlook for 2026

For 2026 Etex remains cautiously optimistic on the construction’s sector possible return to satisfactory sales levels in an environment that should still be marked by economic and political uncertainty. As example, Europe’s renewed focus on housing should lead to gradual return of volumes. Moreover, the company’s innovative and complementary portfolio of products and solutions is uniquely positioned to play a role in answering today’s living spaces challenges through modern methods of construction that are faster, greener and less expensive. Given all this, in 2026, the company aims to show an acceleration of its growth trajectory, backed by further efficiency gains, commercial excellence initiatives and other growth opportunities.

From the outset of the conflict in Iran, energy price volatility risks have been actively managed and hedge positions fine-tuned as required. Besides this and related risk of inflationary pressure, the impact on real estate and construction industry is uncertain.

2.13 Remuneration of the auditors

In accordance with article 3:65 of the BCCA, during the 2025 financial year, PwC, Etex’s auditor, and its associated auditor companies received fees amounting to €3,484 million for audit works.

Zaventem, 2 April 2026

On behalf of the Board of Directors

Signed by:



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BCCONSEIL SRL

Represented by its permanent representative

B. Delvaux

Chief Executive Officer

Ondertekend door:



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Viability BV

Represented by its permanent representative

H. Van Bylen

Chairman of the Board of Directors

3 FINANCIAL STATEMENTS

3.1 Consolidated financial statements

Consolidated income statement

<i>in thousands of EUR</i>	Notes	2024	2025
Revenue	(1)	3,777,041	3,746,880
Cost of sales	(3)	-2,629,701	-2,584,181
Gross profit		1,147,340	1,162,699
Distribution expenses	(3)	-489,795	-488,567
Administrative and general expenses	(3)	-206,987	-217,537
Other operating charges & income	(4)	-28,770	-31,305
Operating income before non-recurring items		421,787	425,291
Gain / (losses) on disposal of assets and businesses	(5)	1,655	4,287
Other non-recurring items	(5)	-89,806	-62,776
Operating income (EBIT)		333,637	366,802
Interest income	(6)	25,932	21,676
Interest expenses	(6)	-81,194	-71,925
Other financial income	(6)	46,878	31,700
Other financial expense	(6)	-78,543	-31,166
Share of profit in equity accounted investees	(13)	866	2,084
Profit before income tax		247,576	319,171
Income tax expense	(7)	-80,380	-82,021
Profit for the year from continuing operations		167,196	237,150
Profit for the year		167,196	237,150
Attributable to shareholders of Etex		165,791	237,156
Attributable to non-controlling interests		1,406	-6
Earnings per (group) share (in euro)		2.12	3.03
Diluted earnings per (group) share (in euro)		2.12	3.03

Consolidated statement of comprehensive income

<i>in thousands of EUR</i>	2024	2025
Profit for the year	167,196	237,150
Remeasurements in employee benefit obligations	-22,912	1,519
Income tax effect	6,053	-301
Net other comprehensive income not to be reclassified to income statement in subsequent periods	-16,859	1,219
Changes in cash flow hedge reserves	-12,580	-18,003
Income tax effect	2,975	4,368
Exchange differences on translation of foreign operations	-24,853	-94,134
Net other comprehensive income to be reclassified to income statement in subsequent periods	-34,458	-107,769
Other comprehensive income, net of tax	-51,317	-106,550
Total comprehensive income for the period, net of tax	115,879	130,600
Attributable to shareholders of Etex	121,318	132,998
Attributable to non-controlling interests	-5,439	-2,398

Consolidated statement of financial position

<i>in thousands of EUR</i>	Notes	2024	2025
Non-current assets		3,658,430	3,592,949
Property, plant and equipment	(8)	2,234,123	2,209,336
<i>Property, plant and equipment - owned</i>	(8)	2,060,490	2,023,499
<i>Property, plant and equipment - leased</i>	(8)	173,633	185,837
Goodwill	(9)	753,850	751,799
Other intangible assets	(10)	452,282	418,288
Investment properties	(11)	8,143	4,729
Assets held for sale	(12)	5,101	4,850
Investments in equity accounted investees	(13)	7,433	9,328
Other non-current assets	(14)	30,183	22,104
Deferred tax assets	(25)	96,138	94,307
Employee benefits assets	(22)	71,177	78,208
Current assets		1,363,167	1,443,975
Inventories	(16)	503,022	509,842
Trade and other receivables	(15)	442,854	449,798
Other current assets	(15)	88,061	72,611
Cash and cash equivalents	(18)	329,230	411,724
TOTAL ASSETS		5,021,597	5,036,924
Total equity	(19)	2,030,500	2,093,002
<i>Issued share capital</i>		2,533	2,533
<i>Share premium</i>		743	743
<i>Reserves and retained earnings</i>		2,002,736	2,067,280
Attributable to the equity shareholders of Etex		2,006,012	2,070,556
Non-controlling interests		24,488	22,446
Non-current liabilities		1,763,014	1,782,253
Provisions	(20)	103,601	99,200
Employee benefits liabilities	(22) (23)	130,122	117,672
Loans and borrowings	(24)	1,308,480	1,353,471
<i>of which leasing</i>	(24)	147,331	156,208
Deferred tax liabilities	(25)	206,274	188,536
Other non-current liabilities	(26)	14,537	23,374
Current liabilities		1,228,083	1,161,669
Provisions	(20)	75,088	52,753
Current portion of loans and borrowings	(24)	217,714	157,407
<i>of which leasing</i>	(24)	33,051	36,298
Trade and other liabilities	(26)	935,281	951,509
TOTAL EQUITY AND LIABILITIES		5,021,597	5,036,924

Consolidated statement of cash flows

<i>In thousands of EUR</i>	Notes	2024	2025
Operating income (EBIT)		333,637	366,802
Depreciation, amortisation and impairment losses - owned	(27)	244,961	244,722
Depreciation, amortisation and impairment losses - leased assets	(27)	40,037	42,905
Losses (gains) on sale of intangible assets and property, plant and equipment	(27)	10,245	25,911
Income tax paid	(27)	-115,864	-100,210
Changes in working capital, provisions and employee benefits	(27)	-76,463	-69,115
Changes in other non-currents assets/liabilities		-7,278	7,284
Cash flow from operating activities		429,275	518,299
Proceeds from sale of intangible assets and property, plant and equipment	(27)	6,772	8,148
Acquisition of business	(9)	-101,599	-5,668
Cash and cash equivalent scope-in impact of acquired business		-	119
Capital expenditure - owned	(27)	-220,039	-250,245
Other investing activities	(a)	-17,717	-50
Cash flow from investing activities		-332,583	-247,696
Capital increase / (decrease)		-	50
Proceeds of borrowings	(27)	401,000	36,000
Repayment of borrowings	(27)	-193,258	-98,828
Interest and dividend received	(27)	23,655	20,000
Dividend paid	(27)	-80,656	-80,512
Interest paid		-77,999	-60,747
Cash flow from financing activities		72,742	-184,037
Net increase (decrease) in cash and cash equivalents		169,434	86,566
Cash and cash equivalents at the beginning of the year		159,849	327,529
Translation differences		-1,754	-3,665
Net increase (decrease) in cash and cash equivalents		169,434	86,566
Net cash and cash equivalents at the end of the year		327,529	410,430
<i>Cash and cash equivalents</i>		329,230	411,724
<i>Bank overdrafts</i>		-1,701	-1,294

(a) ‘Other investing activities’ in 2024 are relating to the cash flow impact of the unwinding impact of one of our interest rate swap agreements (€-17,717 thousand).

Consolidated statement of changes in equity

in thousands of EUR	Attributable to the equity holders of Etex (Note 19)						Total Equity
	Issued share capital and share premiums	Treasury shares	Post employment benefits reserves and financial instruments	Cumulative translation adjustments	Other reserves and retained earnings	Non-controlling interests	
At December 31, 2023	3,276	-19,988	-45,694	-504,846	2,458,950	29,987	1,921,685
Total comprehensive income	-	-	-26,474	-17,999	165,791	-5,439	115,879
Dividend	-	-	-	-	-80,509	-228	-80,737
Other equity movements	-	-	-	-	73,505	168	73,673
Treasury shares	-	-	-	-	-	-	-
At December 31, 2024	3,276	-19,988	-72,167	-522,845	2,617,737	24,488	2,030,500
Total comprehensive income	-	-	-12,413	-91,746	237,157	-2,398	130,600
Capital increase	-	-	-	-	-	50	50
Dividend	-	-	-	-	-80,509	-109	-80,618
Other equity movements	-	-	-	-	12,056	415	12,471
Treasury shares	-	-	-	-	-	-	-
At December 31, 2025	3,276	-19,988	-84,580	-614,592	2,786,440	22,446	2,093,002

Accounting policies

Etex N.V. (the “Company”) is a company domiciled in Belgium. The consolidated financial statements comprise the Company and its subsidiaries, interests in jointly controlled entities and equity accounted entities (together referred to as “the Group”) as at 31 December each year.

The financial statements have been authorised for issue by the Board of Directors on 2 April 2026.

Statement of compliance

The consolidated financial statements of Etex for the year ended 31 December 2025 have been prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations as issued by the International Accounting Standards Board (IASB) as adopted by the European Union (EU).

The Group applied the same IFRSs as those adopted in the previous years, except for the new IFRSs and interpretations the entity adopted as of 1st January 2025. The following amendments to standards are mandatory for the first time for the financial year beginning 1 January 2025 and have been endorsed by the European Union:

- Amendments to IAS 21 ‘The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability’ (effective 1 January 2025).** IAS 21 previously did not cover how to determine exchange rates in case there is long-term lack of exchangeability and the spot rate to be applied by the company is not observable. The narrow scope amendments add specific requirements on:
- Determining when a currency is exchangeable into another and when it is not;
 - Determining the exchange rate to apply in case a currency is not exchangeable;
 - Additional disclosures to provide when a currency is not exchangeable.

The amendments and/or interpretations do not have any significant effect on the financial statements.

Basis of preparation

A - Functional and presentation currency

The consolidated financial statements are presented in Euro, which is the Company’s functional and presentation currency. All values are rounded to the nearest thousand except when otherwise indicated.

B - Basis of measurement

The consolidated financial statements are prepared on the historical cost basis except that the following assets are stated at their fair value: derivative financial instruments. Also, the liabilities for cash-settled share-based payment arrangements are measured at fair value. The consolidated financial statements have been prepared using the accrual basis for accounting, except for cash flow information.

C - Use of judgement, estimates and assumptions

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets, liabilities and related disclosures at the date of the financial statements. These judgements, estimates and associated assumptions are based on management’s best knowledge at reporting date of current events and actions that the Group may undertake in the future. However, actual results could differ from those estimates, and could require adjustments to the carrying amount of the asset or liability affected in the future. The estimates and underlying assumptions are reviewed on an ongoing basis.

The significant estimates made by management concerning the future and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below.

Impairment of non-financial assets

The recoverable amount of the cash-generating units tested for impairment is the higher of its fair value less costs to sell and its value in use. Both calculations are based on a discounted cash flow model. The cash flows are derived from the internal forecasts for the next three to ten years. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows, capital expenditures and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the different cash-generating units, including a sensitivity analysis, are further explained in Note 9.

Provisions

The assumptions that have significant influence on the amount of the provisions are the estimated costs, the timing of the cash outflows and the discount rate. These assumptions are determined based on the most appropriate available information at reporting date. Further details about the assumptions used are given in Note 20.

Employee benefits

The measurement of the employee benefits is based on actuarial assumptions. Management believes that the assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases used for these actuarial valuations are appropriate and justified. They are reviewed at each balance-sheet date. However, given the long-term nature of these benefits, any change in certain of these assumptions could have a significant impact on the measurement of the related obligations. Further details about assumptions used are given in Note 22.

Recognition of deferred tax assets on tax losses carried forward

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of the deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. The potential utilisation of tax losses carried forward is based on forecasts existing at reporting date. Actual results could differ from these forecasts with an impact on the utilisation of tax losses carried forward.

Cash-settled share-based payment transaction

The Group measures the cost of cash-settled transactions with employees by reference to the fair value of the equity instruments at each reporting date. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and model used for estimating fair value for share-based payment transactions are disclosed in Note 23.

Financial instruments

To measure the fair value of financial assets that cannot be derived from active markets, management uses a valuation technique based on discounted future expected cash flows. The inputs of this model require determining a certain number of assumptions, including discount rate, liquidity risk and volatility, subject to uncertainty. Changes in these assumptions could have an impact on the measurement of the fair value. Further details are given in Note 17.

Business Combinations

The acquisition method is applied in business combinations. The consideration is measured at fair value on the transaction date, which is also the date when fair value of identifiable assets, liabilities and contingent liabilities acquired in the transaction are measured. If the accounting of a business combination is incomplete at the end of the reporting period, in which the transaction occurred, the Group will report preliminary values for the assets and liabilities. Preliminary values are adjusted throughout the measuring period of maximum one year in order to reflect new information obtained about circumstances that existed as of the acquisition date, that if known, would have affected the valuation on that date. Correspondingly, new assets and liabilities can be recognised. The transaction date is when risk and control has been transferred and normally coincides with the closing date.

Non-controlling interests are recognised either at fair value or the proportionate share of the identifiable net assets and liabilities. The assessment is done for each transaction. Any differences between cost and fair value for acquired assets, liabilities and contingent liabilities are recognised as goodwill or recognised in the income statement when the cost is lower. No provisions are recognised for deferred tax on goodwill.

Transaction costs are recognised in the income statement when incurred.

If business combinations are achieved in stages, the existing ownership interests are recognised at fair value at the point in time when control is transferred to the Group. Such a change in the carrying value of the investment is recognised in the income statement.

The principles applied to the recognition of acquisition of associated companies and joint ventures are in general the same as those applied to the acquisition of subsidiaries.

Hyperinflation

In May 2018, the Argentinian peso underwent a severe devaluation resulting in the three-year cumulative inflation of Argentina to exceed 100% in 2018, thereby triggering the requirement to transition to hyperinflation accounting as prescribed by IAS 29 Financial Reporting in Hyperinflationary Economies as of 1 January 2018. The main principle in IAS 29 is that the financial statements of an entity that reports in the currency of a hyperinflationary economy must be stated in terms of the measuring unit current at the end of the reporting period. Therefore, the non-monetary assets and liabilities stated at historical cost, the equity and the income statement of subsidiaries operating in hyperinflationary economies are restated for changes in the general purchasing power of the local currency applying a general price index. Monetary items that are already stated at the measuring unit at the end of the reporting period are not restated. These re-measured accounts are used for conversion into Euro at the period closing exchange rate. Consequently, the company has applied hyperinflation accounting for its Argentinian subsidiaries applying the IAS 29 rules as follows:

- Hyperinflation accounting was applied as of 1 January 2018;
- Non-monetary assets and liabilities stated at historical cost (e.g. property plant and equipment, intangible assets, goodwill, etc.) and equity of Argentina were restated using an inflation index. The hyperinflation impacts resulting from changes in the general purchasing power until 31 December 2017 were reported in retained earnings and the impacts of changes in the general purchasing power from 1 January 2018 are reported through the income statement on a dedicated account for hyperinflation monetary adjustments in the finance line (see also Note 6);
- The income statement is adjusted at the end of each reporting period using the change in the general price index and is converted at the closing exchange rate of each period (rather than the year-to-date average rate for non-hyperinflationary economies), thereby restating the year-to-date income statement account both for inflation index and currency conversion.

Climate-related matters

The Group considers climate-related matters in estimates and assumptions, where appropriate. This assessment includes a wide range of possible impacts on the group due to both physical and transition risks. Even though the Group believes its business model and products still be viable after the transition to a low-carbon economy, climate-related matters increase the uncertainty in estimates and assumptions underpinning several items in the financial statements. Even though climate-related risks might not currently have a significant impact on measurement, the Group is closely monitoring relevant changes and developments, such as new climate-related legislations. The items and considerations that are most directly impacted by climate-related matters are:

- Decommissioning liability: the impact of climate-related legislation and regulations and also resulting constructive obligations are considered in estimating the timing and future cost of plant demolition and site-restoration obligations;
- Emission rights: the Group receives free emission rights on an annual basis, also purchases on the market additional emission rights if required and is required to remit rights equal to its actual emissions. The Group has adopted the net liability approach to the emission rights granted which implies the classification of purchased emission rights as intangibles but only showing a provision when it exceeds the free received emission rights;
- Useful life of property, plant and equipment. When reviewing the residual values and expected useful lives of assets, the Group considers climate-related matters, such as climate-related legislation and regulations that may restrict the use of assets or require significant capital expenditures;
- Impairment of non-financial assets. The value-in-use may be impacted in several different ways by transition risk in particular, such as climate-related legislation and regulations and changes in demand for the Group’s products. The Group has concluded that no single climate-related assumption is a key assumption for the 2025 test of goodwill impairment.

D - Basis of consolidation

Subsidiaries

Subsidiaries are entities that are controlled, directly or indirectly, by the Company.

Control is achieved when the Group 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. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee;
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;

- Rights arising from other contractual arrangements;
- The Group’s voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group’s accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

Investments in associates and joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Equity accounted entities are companies over which the Group generally holds between 20 per cent and 50 per cent of the voting rights. The Group’s interest in joint ventures or equity accounted entities is consolidated using the equity method.

Equity accounting starts when joint control or significant influence is established until the date it ceases. When the Group’s share of losses exceeds its interest in an equity accounted investee, the carrying amount is reduced to nil and recognition of any further losses is discontinued, except to the extent that the Group has an obligation or has made payments on behalf of the companies. The financial statements of these companies are prepared for the same reporting year as the Company, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist. Unrealised gains arising from transactions with joint ventures and equity accounted entities are eliminated to the extent of the Group’s interest. Unrealised losses are eliminated the same way as unrealised gain but only to the extent that there is no evidence of impairment. The investments accounted for using the equity method include the carrying amount of any related goodwill.

E - Foreign operations

The individual financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). Income statements of foreign entities are translated into the Group’s reporting currency at average exchange rates for the year. Assets and liabilities, including goodwill and fair value adjustments arising on consolidation are translated at exchange rates ruling on 31 December. The exchange differences arising on the translation are taken directly to a separate component of equity. On disposal of a non-euro entity, the cumulative amount recognised in equity relating to that particular foreign operation is released to the income statement.

F - Transactions in foreign currencies

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transactions. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at exchange rates on 31 December are recognised in the income statement. Non-monetary assets and liabilities in a foreign currency are translated using the exchange rate at the date of the transaction.

G - Exchange rates

The following exchange rates against € have been used in preparing the financial statements:

		2024		2025	
		Average	End of period	Average	End of period
Argentinean peso *	ARS	1,074.3120	1,074.3120	1,713.1170	1,713.1170
Australian dollar	AUD	1.6399	1.6772	1.7523	1.7581
Brazilian real	BRL	5.8295	6.4363	6.3111	6.4692
Chilean peso (000)	CLP	1.0209	1.0353	1.0741	1.0666
Chinese yuan	CNY	7.7857	7.5833	8.1186	8.2355
Colombian peso (000)	COP	4.4077	4.5776	4.5743	4.4146
Danish krone	DKK	7.4588	7.4578	7.4635	7.4689
Hungarian forint	HUF	395.3968	410.0900	397.8981	385.4000
Indonesian rupiah (000)	IDR	17.1514	16.8209	18.6259	19.6408
Nigerian naira	NGN	1,610.8723	1,600.5100	1,720.5332	1,686.9660
Peruvian nuevo sol	PEN	4.0615	4.2230	4.0272	4.1180
Polish zloty	PLN	4.3053	4.2730	4.2403	4.2267
Pound sterling	GBP	0.8466	0.8292	0.8569	0.8726
South African rand	ZAR	19.8226	19.6188	20.1876	19.4439
US dollar	USD	1.0822	1.0389	1.1300	1.1750

* Argentinean average rate equals to year-end closing rate as a result of hyperinflation accounting rules

Risk profile

The Group is exposed to the normal range of general business risks. The Group takes measures to cover these risks through insurance and internal policies.

Typical business and operational risks include cyber-security related risks, third-party and product liability, property damage, business interruption, employer’s liability, and, in certain instances, credit risk.

The Group is active around the world and as such, is exposed to the impact of currency fluctuations on revenues, costs, assets, and liabilities arising outside the Eurozone. Mostly, these were felt across Latam and Australia, due to the US Dollar volatility. To address this, the Group continued to follow our well-thought-out policies. Moreover, since the very beginning of the war in Iran, the risks from energy price volatility are pro-actively managed and hedge positions fine-tuned accordingly; besides this and related risk of inflationary pressure, the impact for Etex globally is deemed limited, the same is true for Etex operations in Dubai and in Oman.

Demand for building materials is driven by demographic trends and long-term construction needs, while short-term activity remains sensitive to macroeconomic conditions such as interest rates, exchange-rate movements, and trade policies. In 2025, the Group operates in a volatile macro-financial and geoeconomic environment. Impacts have arisen from currency volatility in certain markets, notably Nigeria and Argentina, combined with uncertainty stemming from tariffs and policy shifts away from global free-trade frameworks. These factors contribute to uneven market conditions and risks of product or building-solution substitution.

The Group mitigates these risks through its diversified geographic footprint and broad portfolio of products and solutions. While global operations expose the Group to geopolitical and trade-policy developments, diversification across regions and end-markets remains a key source of resilience.

The Group manufactures building materials from a broad industrial organisation. Still, Etex’ operations continuity can be jeopardised due to accidental disruption at its strategic production plants, including physical risks in relation to climate-change.

The Group uses a variety of raw materials to manufacture its products. Cement, for instance is a key ingredient. It is usually broadly available from several suppliers. Furthermore, the fibres which are used to reinforce some of Etex’ products are sourced from a limited number of Japanese and Chinese companies. The Group has built long-term relationships and contracts with each of these businesses. Despite securing the sourcing of raw materials through these long-term relationships, supply volumes and prices can be affected by markets volatility. Furthermore, supply and shipping routes could be impacted by increasing import tariffs and growing barriers to free trade. For natural resources such as gypsum, the Group either owns raw material sources or secures them by means of long- term contracts.

The Group’s energy costs are significant. This applies to both the production of Etex own products and the manufacturing of raw materials from

suppliers. That is why the Group constantly reviews measures to reduce the energy consumption and monitors the performance of its energy portfolio.

In the past, some Group companies regrettably used asbestos as a raw material. These businesses are exposed to claims from people having developed asbestos-related diseases. The Group is committed to ensuring fair compensation for those suffering from an illness caused by the company's former use of asbestos. The compensation costs are covered by state social security schemes, insurance companies and Etex's own resources. Given the long latency of some of these diseases, the Group will remain exposed to this risk in the medium term.

For the Group's risks from business activities and the use of financial instruments, we refer to section 'R- Risk management.

Significant accounting policies

The accounting policies have been applied consistently to all periods presented in the consolidated financial statements, and have been applied consistently by all entities. Certain comparatives have been reclassified to conform to current year's presentation.

A - Property, plant and equipment

Property, plant and equipment are measured at acquisition or construction costs less accumulated depreciation and impairment loss (see E – Impairment of assets). The cost of property, plant and equipment acquired in a business combination is the fair value as at the date of acquisition. After recognition, the items of property, plant and equipment are carried at cost and not revaluated.

Costs include expenditures that are directly attributable to the acquisition of the asset; e.g. costs incurred to bring the asset to its working condition and location for its intended use. It includes the estimated costs of dismantling and removing the assets and restoring the sites, to the extent that the liability is also recognised as a provision. The costs of self-constructed assets include the cost of material, direct labour and an appropriate proportion of production overheads. Borrowing costs incurred and directly attributable to the acquisition or construction of an asset that takes a substantial period of time to get ready for its intended use, are capitalised as incurred. When all the activities necessary to prepare this asset are completed, borrowing costs cease to be capitalised.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the operating income in the year the asset is derecognised.

Subsequent expenditures

The Group recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the Group and the costs of the item can be measured reliably. The carrying amount of the parts replaced is derecognised. All other costs are recognised in the income statement as an expense as incurred.

Assets held under lease (right-of-use assets)

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

The corresponding lease liabilities are included in non-current and current financial liabilities.

Depreciation

Depreciation starts when an asset is available for use and is charged to the income statement on a straight-line basis over the estimated useful life. The depreciable amount of each part of property, plant and equipment with a cost that is significant in relation to the total cost of the asset is depreciated separately over its useful life on a straight-line basis. Costs of major inspections are depreciated separately over the period until the next major inspection. Temporarily idle assets continue to be depreciated.

Estimated useful lives of the major components of property, plant and equipment are as follows:

– Lands (excluding lands with mineral reserves):	<i>nil</i>
– Lands with mineral reserves:	<i>exploitation lifetime</i>
– Lands improvements and buildings:	<i>10 - 40 years</i>
– Plant, machinery and equipment:	<i>5 - 30 years</i>
– Furniture and vehicles:	<i>3 - 10 years</i>

Mineral reserves, which are presented as “lands” of property, plant and equipment, are valued at cost and are depreciated based on the physical unit-of-production method over the estimated tons of raw materials to be extracted from the reserves.

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end.

B - Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses (see E – Impairment of assets).

Internally generated intangible assets are capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources to complete development. Expenditure capitalised include the costs of materials, direct labour and an appropriate portion of overheads.

The useful lives of intangible assets are assessed to be either finite or indefinite on the following bases:

– Patents, trademarks and similar rights:	<i>Estimated legal / economical life</i>
– Software ERP:	<i>10 years</i>
– Other software:	<i>5 years</i>
– Development costs:	<i>15 years</i>
– Customer lists:	<i>3 - 15 years</i>
– Brands:	<i>15 years</i>
– Technology and design:	<i>15 years</i>
– Rights to exploit and extract mineral resources:	<i>usage</i>

Intangible assets with finite lives are amortised over the useful economic life using the straight-line method. The estimated useful lives are reviewed at least at each reporting date. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates by changing the amortisation charge for the current and future periods. The amortisation expense is recognised in the income statement in the expense category consistent with the function of the asset.

C - Goodwill

Goodwill represents the excess of the cost of a business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of a subsidiary, equity accounted entities or joint venture at the date of acquisition. Goodwill on acquisitions of equity accounted investee or joint ventures is included in the carrying amount of the investments. Goodwill on the acquisition of subsidiaries is presented separately, and is stated at cost less accumulated impairment losses (see E – Impairment of assets).

If the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, this excess (frequently referred to as negative goodwill or badwill) is immediately recognised in the profit and loss statement, after a reassessment of the fair values.

Additional investments in subsidiaries in which the Company already has control are accounted for as equity transactions; any premium or discount on subsequent purchases of shares from minority interest are recognised directly in the Company's shareholders equity.

D - Investment property

Investment property is property held to earn rental income or for capital appreciation or for both and is valued at acquisition cost less accumulated depreciation and impairment losses. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met. Investment property is depreciated similar to owned property (see A – Property, plant and equipment).

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the income statement in the year of retirement or disposal.

Transfers are made to investment property when there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment property when there is a change in use, evidenced by commencement of owner-occupation.

E - Impairment of assets

At each reporting date, the Group assesses whether there is any indication that an asset, other than inventories and deferred taxes, may be impaired. If any such indication exists, the recoverable amount of the asset (being the higher of its fair value less costs to sell and its value in use) is estimated. In assessing the value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the smallest cash-generating unit to which the asset belongs. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. Impairment losses are recognised in the income statement. Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined had no impairment loss been recognised for that asset or cash-generating unit in prior periods. A reversal of an impairment loss is recognised immediately in the income statement apart from goodwill for which no such reversal is allowed.

Intangible assets with indefinite useful lives and intangible assets that are not yet available for use are tested for impairment annually either individually or at the cash-generating unit level. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be adequate. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group’s cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (or group of cash-generating units) is less than the carrying amount, an impairment loss is recognised.

Where goodwill forms part of a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Financial assets: When a decline in the fair value of a financial asset valued at fair value over OCI (FVOCI) has been recognised directly in comprehensive income and there is objective evidence that the asset is impaired, the cumulative loss that has been recognised directly in comprehensive income is recognised in the income statement even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in the income statement is the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the income statement. The reversal of an impairment loss in respect of an investment in an equity instrument classified as financial asset FVOCI, following an event occurring after the recognition of the impairment loss, is performed in comprehensive income. In the case of equity investments classified as financial asset FVOCI, objective evidence would include a significant or prolonged decline in fair value of the investment below its cost.

F - Investments in debt and equity securities

All purchases and sales of investments are recognised on trade date, which is the date that the Group commits to purchase or sell the asset.

Investments in equity securities are undertakings in which the Group does not have significant influence or control. These investments are designated as fair value through OCI financial assets, as they are not held for trading purposes. At initial recognition they are measured at fair value unless the fair value cannot be measured reliably in which case they are measured at cost. The fair value is determined by reference to their quoted bid price at reporting date. Subsequent changes in fair value, except those related to impairment losses which are recognised in the income statement, are recognised directly in comprehensive income. On disposal of an investment, the cumulative gain or loss previously recognised in comprehensive income is recognised in the income statement.

G - Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an asset, the grant value is recognised as a deferred income and is released to the income statement as a reduction of the depreciation charge over the expected useful life of the relevant asset by equal annual instalments. When the grant relates to a compensation of an expense, it is recognised as income over the period necessary to match the grant on a systematic basis to the costs incurred.

Government grants that are expected to be released within twelve months after the reporting date are classified as other current liabilities. The other government grants are classified as non-current liabilities.

H - Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is assigned by using the weighted average cost method. The cost of inventories comprises all costs of purchases and other costs incurred in bringing the inventories to their present location and condition, including inter-plant transportation charges. For manufactured inventories, cost means full cost including all direct and indirect production costs required to bring the inventory items to the stage of completion at the reporting date. Allocation of indirect production costs is based on normal operating capacity. Borrowing costs are expensed as incurred. The costs of inventories may also include transfers from equity of any gain or loss on qualifying cash flow hedges on foreign currency purchases of inventory.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

I - Trade and other receivables

Trade and other receivables are initially recognised at fair value which generally corresponds with the nominal value. Trade and other receivables are subsequently carried at amortised cost using the effective interest rate method. An impairment allowance is recognised for any uncollectible amounts when there is objective evidence that the Group will not be able to collect the outstanding amounts. The Group applies the simplified approach to measuring the expected credit losses which uses a lifetime expected loss allowance for all trade receivables based on historical losses.

J - Cash and cash equivalents

Cash and cash equivalents are readily convertible into known amounts of cash. Cash and cash equivalents comprise cash at banks and on hand and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are not included in cash and cash equivalents but classified as current financial liabilities. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Cash and cash equivalents are carried in the statement of financial position at amortised cost.

K - Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares or share options are recognised as a deduction of equity, net of tax effects.

Treasury shares

Own equity instruments (treasury shares) are deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group’s own equity instruments.

Dividends

Dividends are recognised as liabilities in the period in which they are declared.

L - Provisions

A provision is recognised when the Group has a legal or constructive obligation arising from past events for which it is probable the settlement will require an outflow of resources embodying economic benefits and a reliable estimate can be made on the amount of the obligation. Where the effect of the time value of money is material, the amount of the provision is the present value of the expenditure expected to be required to settle the obligation. The result of the yearly discounting of the provision, if any, is accounted for as financial result.

Warranty provisions

The Group recognises a provision to cover the costs arising from contractual obligation or established practice of repairing or replacing faulty or defective products sold on or before the reporting date. The estimate of warranty provision is based on past experience on the level of repairs, applied to past period sales that are still under warranty.

Restructuring provisions

Restructuring provisions are recognised when the following conditions are met:

- The decision to restructure is based on a detailed formal plan identifying at least: the business and the employees concerned, the expected expenditures and the expected date of implementation;
- There is a valid expectation that the plan will be carried out to those affected by it by the reporting date;
- The restructuring has either commenced or has been announced publicly.

Any restructuring provision only includes the direct expenditure arising from the restructuring which is necessarily incurred and is not associated with the ongoing activities of the Group.

Emission rights

The initial allocation of emission rights granted is recognised at nominal amount (nil value) and is subsequently carried at cost. Where the Group has emitted CO² in excess of the emission rights granted, it will recognise a provision for the shortfall based on the market price at that date. The emission rights are held for compliance purposes only and therefore the Group does not actively trade these in the market.

Other provisions

These captions include provisions for claims and litigation with customers, suppliers, personnel, tax authorities and other third parties. It also includes provisions for onerous contracts, for guarantees given to secure debt and commitment of third parties when they will not fulfil their obligation and for site restoration costs.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

A provision for site restoration costs in respect of contaminated land is recognised whenever the Group has a legal obligation to clean the land or where there is an intention to sell the land.

Provisions that are expected to be settled within twelve months after the reporting date are classified as other current liabilities. The other provisions are classified as non-current liabilities.

M - Contingencies

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or a present obligation that arises from past events but is not recognised because:

- it is not probable that an outflow of resources embodying economic benefit will be required to settle the obligation,
- or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised in the statement of financial position. They are disclosed in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognised in the financial statements but are disclosed if the inflow of economic benefits is probable.

N - Post employment benefits and other long-term employee benefits

Defined benefits plans

Some Group companies provide pension or medical plans for their employees which qualify as defined benefits plans. The net obligation resulting from these plans, which represents the amount of future benefits that employees have earned in return of their service in the current and prior periods, are determined separately for each plan by a qualified actuary using the projected unit credit method. The calculations are based on actuarial assumptions relating to mortality rates, rates of employee turnover, future salary levels and medical costs increase which reflect the economic conditions in each country or entity.

Discount rates are determined by reference to the market yields at the reporting date on high quality corporate bonds or to the interest rates at the reporting date on government bonds where the currency and terms of the bonds are consistent with the currency and estimated terms of the defined benefit obligation.

Re-measurements, comprising actuarial gains and losses (excluding net interest), are recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- the date of the plan amendment or curtailment, and
- the date that the Group recognises restructuring-related costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Group recognises the following changes in the net defined benefit obligation under:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements in operating income before non-recurring items;
- Net interest expense in interest expenses.

The defined benefit liability is the aggregate of the present value of the defined benefits obligation reduced by past service cost not yet recognised and the fair value of plan assets out of which the obligations are to be settled directly. If such aggregate is negative, a net pension asset is recorded only to the extent that it does not exceed the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan and any unrecognised past service costs.

Defined contributions plans

In addition to the defined benefits plans described above, some Group companies sponsor defined contributions plans based on local practices and regulations. The Group’s contributions to defined contributions plans are charged to the income statement in the period in which the contributions are due.

Other long-term benefits plans

Other long-term obligations include the estimated costs of early retirement for which a constructive obligation exists at reporting date.

Short-term benefits

Short-term employee benefits are measured on an undiscounted basis and are expensed as the related service is provided. A provision is recognised for the amount expected to be paid under short-term cash-bonus plans if the Group has a present and constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be measured reliably.

Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date.

O - Employee benefits – Share-based payment transactions

The Group operates various share-based compensation plans which qualify as equity-settled transactions with a cash alternative. In addition to the shares options, beneficiaries receive put options which entitle them to a cash payment, and as management assumes that most of these put options will be exercised, the Company accounts for the grants as a cash-settled transaction. The services received and the liability incurred are measured initially at fair value at the grant date using the Black and Scholes method taking into account the terms and conditions upon which the instruments were granted. The initial fair value is expensed over the period until vesting. The fair value of the liability is re-measured at each reporting date up to and including the settlement. Any changes in fair value of the liability are recognised in the income statement.

P - Financial liabilities

Bank loans and other borrowings

Bank loans and other borrowings are recognised initially at the fair value of the consideration received, net of transaction costs incurred. In subsequent periods, bank loans and other borrowings are stated at amortised cost, with any difference between costs and redemption value being recognised in the income statement, using the effective interest rate method. Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the amortisation process.

These liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. Lease payments do not include payments allocated to non-lease components of a contract. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occur.

The Group presents interests paid on its lease liabilities as financing activities in the cash flow statement. Variable payments as well as amounts paid for short-term and low-value leases are presented as operating activities.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The lease payments due within twelve months are included in current financial liabilities.

Liabilities related to put options granted to non-controlling interests

When the Group granted put options to third parties with non-controlling interests in a subsidiary, these options are giving the holders the right to sell part or all of their investment in the subsidiary. These financial liabilities do not bear interest. In accordance with IAS 32, when non-controlling interests hold put options enabling them to sell their investment in the Group, a financial liability is recognised in an amount corresponding to the present value of the estimated exercise price. This financial liability is included in the non-current liabilities. The counterpart of this liability is a write-down of the value of the non-controlling interest underlying the option or a reduction of parent equity (based on the conditions of the put-option). The difference between the value of the non-controlling interest and the fair value of the liability is allocated to the retained earnings (Group share), which are included in shareholders' equity. This item is adjusted at the end of each reporting period to reflect changes in the estimated exercise price of the option and the carrying amount of non-controlling interests. If the option matures without exercising, the liability is written off against non-controlling interests and retained earnings.

Q - Trade and other payables

Trade and other payables are initially recognised at fair value which generally corresponds with the nominal value. They are subsequently carried at amortised cost using the effective interest rate method. The Group has supplier finance arrangements in place. The arrangements contemplate the transfer of receivables (outstanding Group's payables) by suppliers to predefined banks. The group has determined that the terms (amount, nature, function and timing) of the trade payables are otherwise substantially unchanged and that it is therefore appropriate to continue presenting the relevant amounts within trade payable in the balance sheet.

R - Risk Management

The Group has exposure to the following risks from its business activities and use of financial instruments in running and managing its business:

- a. Market risk
- b. Credit risk
- c. Liquidity risk
- d. Capital risk

The Group's risk management policies have been established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly in the light of market conditions and changes in the Group's activities.

a. Market risk

Market risk is the risk that changes in the market prices, such as foreign exchange rates, interest rates and equity prices, will (positively or negatively) affect the Group's income or expenses or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

The Group creates financial assets and incurs financial liabilities in the ordinary course of business. It buys and sells derivatives in order to manage market risk. Generally, the Group seeks to apply hedge accounting to allow it to offset, at maturity, the gains or losses on the hedging contracts against the value of costs and revenue. Hedge accounting enables it to manage volatility in the income statement.

Currency risk

In its operations, the Group is exposed to currency risk on sales, purchases and borrowings.

The translation of local statements of financial position and income statements into the Group reporting currency leads to currency translation effects. If the Group hedges net investments in foreign entities with foreign currency borrowings or other instruments, the hedges of net investments are accounted for similarly to cash flow hedges. All foreign exchange gains or losses arising on translation are recognised in equity and included in cumulative translation differences.

Due to the nature of the Group's business, a high proportion of revenues and costs is in local currency, thus transaction risk is limited. Where Group entities have expenditures and receipts in different foreign currencies, they enter into derivative contracts themselves or through the Group's treasury centre to hedge their foreign currency exposure over the following months (based on forecasted purchases and sales). These derivatives are designated either as cash flow hedges, fair value hedges or non-hedging derivatives.

Interest rate risk

The Group's primary source of funding is floating rate bank debt. Therefore it is exposed to the risk of changes, beneficial or adverse, in market interest rates. The Group's long-term borrowings have been raised by companies in Belgium. To manage its interest costs, the Group has entered into interest rate swaps. The hedges ensure that the major part of the Group's interest rate cost on borrowings is on a fixed rate basis. The timing of such hedges is managed so as to lock interest rates whenever possible.

Equities and securities risk

Equity price risk arises from financial assets valued at fair value through OCI. In general, the Group does not acquire any shares or options on shares or other equity products, which are not directly related to the business of the Group.

b. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or finance counterparty to a deposit, lending or derivative instrument fails to meet its contractual obligations. It arises principally from the Group's receivables from customers and from bank deposits and investment securities. It also includes the risk that a financial counterparty may fail to meet its obligation under a financial liability. The Group constantly monitors credit risk, and ensures that it has no excessive concentration of credit risk with any single counterparty or group of connected counterparties.

To manage the risk of customer default, the Group periodically assesses the financial reliability of customers, and establishes purchase limits for each customer. The Group applies the simplified approach to measuring the expected credit losses which uses a lifetime expected loss allowance for all trade receivables based on historical losses. The main components of these allowances are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

Finance counterparties consist of a number of major financial institutions. The Group does not expect any counterparties to fail to meet their

obligations, including their lending obligations, given their high credit risk ratings. Nevertheless, the Group seeks to spread its interactions with the banking world on a sufficient number of market players to mitigate the risk of a potential default.

c. Funding and long-term liquidity risk

Funding risk is the risk that the Group will be unable to access the funds that it needs when it comes to refinance its debt or through the failure to meet the terms of its main syndicated credit facility. A summary of the terms of the facility iis to be found in Note 24 on financial debts. Refinancing risk is managed through developing and maintaining strong bank relationships with a group of financial institutions and through maintaining a strong and prudent financial position over time.

Long-term liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities as they fall due. The Group’s approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, and so avoid incurring unacceptable losses or risking damage to the Group’s reputation.

Short-term liquidity risk is managed on a daily basis with funding needs being fully covered through the availability of credit lines. Cash is maintained, where necessary, to guarantee the solvency and financial flexibility of the Group at all times. In 2015 a factoring and credit insurance plan was set up for trade receivables (refer to Note 15).

d. Capital risk

The Group’s primary objective when managing capital is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in the light of changes in economic situations.

S - Derivative financial instruments

The Group uses derivative financial instruments such as forward exchange contracts, commodity hedges and interest rate swaps to hedge its risk associated with foreign currency, commodity prices and interest rate fluctuations. In accordance with its treasury policy, the Group does not hold derivative financial instruments for trading purposes. Derivative financial instruments that do not qualify for hedge accounting are accounted for as financial assets and liabilities at fair value through profit and loss.

Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into. The fair value of derivative financial instruments is either the quoted market price or is calculated using pricing models taking into account current market rates and current creditworthiness of the counterparties.

Subsequently to initial recognition, derivative financial instruments are stated at fair value at the reporting date. The fair value of forward exchange contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles. The fair value of interest rate swap contracts is determined by reference to market values for similar instruments.

Derivative financial instruments are stated at cost if their fair value cannot be measured reliably.

Gains or losses on re-measurement to fair value are recognised immediately in the income statement unless the derivative qualifies for hedge accounting whereby recognition is dependent on the nature of the item being hedged. On the date a derivative contract is entered into, the Group designates certain derivatives either as:

- a hedge of a particular risk associated with a recognised asset or liability or highly probable forecasted transaction, such as variability in cash flows of future interest payments on a floating rate debt (cash flow hedge), or
- a hedge of a net investment in a foreign entity.

A derivative instrument is accounted for as a hedge, when:

- The hedging relationship is documented as of its inception;
- The hedging is highly effective in achieving its objective;
- The effectiveness can be reliably measured.

For a cash flow hedge, the forecasted transaction which is the subject of the hedge must be highly probable.

Cash flow hedge

Changes in the fair value of derivatives that are designated and qualify as cash flow hedges and that are effective are recognised in equity. Where the firm commitment results in the recognition of a non-financial asset, for example property, plant equipment or inventory, or a non-financial liability, the gains or losses previously recognised in equity are transferred from equity and included in the initial measurement of the non-financial asset or liability. Otherwise, amounts recognised in equity are transferred to the income statement and classified as revenue or expense in the same periods during which the cash flows, such as interest payments, or hedged firm commitments, affect the income statement. Any ineffective portion is reported immediately in the income statement. When a hedging instrument is sold, or when a hedge no

longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the committed transaction ultimately is recognised in the income statement. However, if a committed transaction is no longer probable to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

Net investment hedge

Foreign currency differences arising on the retranslation of a financial liability designated as a hedge of a net investment in a foreign operation that are effective, are recognised in equity and included in cumulative translation differences. The amounts deferred in equity are transferred to the income statement on disposal of the foreign entity.

Certain derivative transactions, while providing effective economic hedges under the Group’s risk management policies, may not qualify for hedge accounting. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognised immediately in the income statement. The changes in fair value that are recognised in profit and loss of the period are classified in operating result if the derivative relates to a non-financial asset and in financial result if the derivative relates to a financing transaction.

T - Income taxes

Income taxes include current and deferred income taxes.

Current income taxes

Current tax is the expected tax payable on taxable income for the year, and any adjustment to tax payable in respect of previous years. Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend.

Deferred income taxes

Deferred income taxes are calculated, using the balance sheet liability method, on all temporary differences arising between the carrying amounts of assets and liabilities in the consolidated statement of financial position and their tax base. The amount of deferred tax provided is based on the expected manner of realisation of the carrying amount of assets and liabilities, using the tax rates enacted or substantially enacted at the reporting date.

Deferred tax liabilities are recognised, except:

- where the temporary differences arise from the initial recognition of goodwill or the initial recognition of an asset or liability in a transaction that affects neither accounting profit nor taxable profit on that date.
- in respect of taxable temporary differences associated with investments in subsidiaries, equity accounted entities and interest in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised only when it is probable that taxable profits will be available in the coming 3 to 5 years, against which the deductible temporary difference or the tax loss to be carried forward can be utilised, except:

- where the temporary differences arise from the initial recognition of an asset or liability in a transaction that affects neither accounting profit nor taxable profit on that date.
- in respect of deductible temporary differences associated with investments in subsidiaries, equity accounted entities and interest in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets are reviewed at each reporting date to assess the probability that sufficient taxable profit will be available to allow deferred taxes to be utilised.

Deferred tax is recognised in the income statement, except when it relates to items credited or charged directly to equity, in which case the deferred tax is treated accordingly.

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same tax authority.

Pillar II

The Group operates on the assumption that it is within the scope of the OECD Pillar II (GloBE) model rules. Pillar II legislation was enacted in Belgium, the jurisdiction in which Etex NV is incorporated, and came into effect as from 1 January 2024.

The group applies the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar II income taxes, as provided in the amendments to IAS 12 issued in May 2023.

U - Revenue

Revenue arising from contracts with customers is recognised applying the five-step model. Revenue is recognised at an amount that reflects the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. The Group recognises revenue from the following major sources:

Sales of goods

Contracts with customers to sell goods have only one performance obligation. Revenue recognition (net of sales tax and discounts) occurs at a point in time, when control of the asset is transferred to the customer.

Project - Construction contracts

Contract revenue is recognised progressively on the most appropriate output or input method, to measure progress towards completion. Judgement is required when determining if a contract meets the criteria for recognition over time and the proportion of revenue to recognise. When the outcome can be assessed reliably, contract revenue is recognised by reference to the stage of completion of the contract activity at the reporting date. A construction contract's stage of completion is assessed by management by comparing costs incurred to date with the total costs estimated for the contract. Contract costs are recognised in the period in which they are incurred. The majority of contracts have payment terms based on contractual milestones, which are not always aligned to when revenue is recognised. The Group recognises contract liabilities for consideration received in respect of unsatisfied contractual obligations and reports these amounts as a contract liability in the statement of financial position. Similarly, if the Group satisfies a performance obligation before it receives the consideration, then it will recognise either a contract asset or a receivable in its statement of financial position. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of the contract expenses that are recoverable. In the period in which it is determined that a loss will result from the performance of a contract, the entire amount of the estimated ultimate loss is charged to the income statement.

Rental income

Rental income arising on investment properties is accounted for on a straight-line basis over the lease terms on ongoing leases.

Interest income

Interest is recognised on a time proportion basis that reflects the effective yield on the asset.

Dividends

Dividends are recognised when the Group's right to receive payment is established.

V - Expenses

Finance income and expenses

Finance costs comprise:

- interest payable on borrowings calculated using the effective interest rate method;
- foreign exchange gains and losses on financial assets and liabilities;
- gains and losses on hedging instruments that are recognised in the income statement;
- the expected return on plan assets; and
- interest costs with respect to defined benefit obligations.

The interest expense component of lease payments is recognised in the income statement using the effective interest rate method.

W - Non-current assets held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale and stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use.

A discontinued operation is a component of the Group business that represents a separate major line of business or geographical area of operations or a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operations meet the criteria to be classified as held for sale, if earlier. A disposal group that is to be abandoned may also qualify.

X – Non-recurring items

Income statement items that relate to significant restructuring measures and business transformations, health claims and environmental remediation, major litigation, and goodwill impairment, income or expenses arising from disposal of businesses or non-productive assets and other significant one-off impacts such as those relating to long-term employee benefits settlement.

Y - Hyperinflation

Following the categorisation of Argentina as a country with a three-year cumulative inflation rate greater than 100%, the country is considered highly inflationary in accordance with IFRS thereby triggering the requirement to transition to hyperinflation accounting as prescribed by IAS 29 Financial Reporting in Hyperinflationary Economies.

Z - Future changes in accounting policies

New or amended standards and interpretations issued up to the date of issuance of the Group's financial statements, but not yet effective for 2025 financial statements, which could be applicable to the Group are listed below.

The following new standard and amendments have been issued, are not mandatory for the first time for the financial year beginning 1 January 2025 but have been endorsed by the European Union:

Amendments to IFRS 9 and to IFRS 7: the Classification and Measurement of Financial Instruments (effective on 1 January 2026). On 30 May 2024, the IASB issued amendments to IFRS 9 and IFRS 7 to:

- Clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- Clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- Add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement environment, social and governance (ESG) targets); and
- Update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

Amendments to IFRS 9 and to IFRS 7: Contracts Referencing Nature-dependent Electricity Amendments to IFRS 9 and IFRS 7 (effective on **1 January 2026**). On 18 December 2024, the IASB issued amendments to IFRS 9 and IFRS 7:

- clarify the application of the 'own-use' requirements;
- permit hedge accounting if these contracts are used as hedging instruments; and
- new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

Annual improvements Volume 11 (effective 1 January 2026). The amended Standards are:

- IFRS 1 First-time Adoption of International Financial Reporting Standards;
- IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
- IFRS 9 Financial Instruments;
- IFRS 10 Consolidated Financial Statements; and
- IAS 7 Statement of Cash Flows.

The following amendments have been issued, but are not mandatory for the first time for the financial year beginning 1 January 2025 and have not been endorsed by the European Union:

IFRS 18 Presentation and Disclosure in Financial Statements (effective on 1 January 2027). The IASB has issued IFRS 18, the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'. IFRS 18 will apply for reporting periods beginning on or after 1 January 2027 and also applies to comparative information. The changes in presentation and disclosure required by IFRS 18 might require system and process changes.

IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective on 1 January 2027). The International Accounting Standard Board (IASB) has issued a new IFRS Accounting Standard for subsidiaries. IFRS 19 ‘Subsidiaries without Public Accountability: Disclosures’ permits eligible subsidiaries to use IFRS Accounting Standards with reduced disclosures. Applying IFRS 19 will reduce the costs of preparing subsidiaries’ financial statements while maintaining the usefulness of the information for users of their financial statements.

- Amendments to IAS 21 ‘The effects of changes in foreign exchange rates: Translation to a hyperinflationary presentation currency (effective 1 January 2027).** The IASB has issued amendments to IAS 21 to specify the translation procedures for an entity whose presentation currency is that of a hyperinflationary economy. The entity applies the amendments if:
- its functional currency is that of a non-hyperinflationary economy and it is translating its results and financial position into the currency of a hyperinflationary economy; or
 - it is translating into the currency of a hyperinflationary economy the results and financial position of a foreign operation whose functional currency is that of a non-hyperinflationary economy.

These amendments are expected to not have any significant impact on the financial statements.

3.2 Explanatory notes

Note 1 – Revenue

Revenue by activity

<i>In thousands of EUR</i>	2024	2025
Building Performance *	2,369,482	2,319,954
Insulation	541,797	558,573
Fibre Cement	545,384	533,970
Industry	320,378	334,383
Total	3,777,041	3,746,880

* Comparatives reclassified conform to current year’s presentation: Building Performance includes €49,759 thousand in 2025 and €54,585 thousand in 2024 relating to former division New Ways.

Revenue by geographical area

<i>In thousands of EUR</i>	2024	2025
France	715,041	659,110
United Kingdom	576,070	567,887
Germany	358,298	365,266
Benelux	223,373	233,914
Spain	208,647	212,413
Italy	151,080	156,847
Poland	139,424	154,169
Ireland	78,317	80,281
Romania	59,161	59,758
Other Europe	273,787	285,118
Australia	311,716	308,055
Chile	85,273	85,824
Colombia	83,283	78,628
Brazil	71,322	78,250
Peru	71,350	72,499
Argentina	98,450	68,926
Nigeria	56,581	42,169
Rest of the World	215,868	237,766
Total	3,777,041	3,746,880

Note 2 – Operating segments

The Group has the following 5 strategic operating segments: Europe, Latin America, Australia, Asia and Africa.

These operating segments are managed separately because they require different marketing strategies. The Group’s chief operating decision maker reviews the internal management report of each operating segment at least quarterly. Transactions between various segments are carried out at arm’s length in a manner similar to transactions with third parties. Other segments include minor business, none that met the quantitative thresholds of reportable segments in 2025 and 2024. Information related to each reportable segment is set out below.

In thousands of EUR	Europe		Latin America		Australia		Asia	
	2024	2025	2024	2025	2024	2025	2024	2025
Revenue	2,829,200	2,820,629	423,943	414,143	314,767	315,144	95,307	90,328
Operating income before non-recurring items (REBIT)	293,536	316,590	55,580	46,148	43,672	48,435	9,497	7,013
Depreciations, amortisations and impairment losses	198,874	202,210	30,565	23,871	22,578	23,275	7,549	7,152
Recurring operating cash flow (REBITDA)	492,410	518,800	86,146	70,019	66,250	71,710	17,045	14,165
Non-recurring items	-65,565	-46,486	-9,021	-2,443	-7,015	-2,241	-696	-491
Operating segment income (EBIT)	227,972	270,105	46,560	43,705	36,657	46,195	8,801	6,522
Capital expenditures	171,600	189,211	24,266	29,076	6,852	6,731	3,469	7,297

In thousands of EUR	Europe		Latin America		Australia		Asia	
	2024	2025	2024	2025	2024	2025	2024	2025
Segment assets	3,584,276	3,544,254	510,330	526,051	385,569	349,219	129,744	115,728
Segment Liabilities	1,409,737	1,365,065	102,562	115,289	106,646	94,692	22,626	23,052
Capital employed	2,834,252	2,835,402	288,226	264,103	314,998	281,010	90,237	81,999

In thousands of EUR	Africa		Rest of world		Not allocated to operating segments		Total Etex	
	2024	2025	2024	2025	2024	2025	2024	2025
Revenue	84,885	67,859	28,939	38,776	-	-	3,777,041	3,746,880
Operating income before non-recurring items (REBIT)	15,290	3,353	4,206	3,768	6	-17	421,788	425,291
Depreciations, amortisations and impairment losses	4,042	4,251	827	823	8,887	11,051	273,322	272,632
Recurring operating cash flow (REBITDA)	19,332	7,604	5,032	4,591	8,893	11,034	695,110	697,923
Non-recurring items	-774	-469	-425	-339	-4,655	-6,022	-88,150	-58,489
Operating segment income (EBIT)	14,516	2,885	3,781	3,429	-4,649	-6,038	333,638	366,802
Capital expenditures	2,483	6,434	428	2,285	10,942	9,211	220,039	250,245

In thousands of EUR	Africa		Rest of world		Not allocated to operating segments		Total Etex	
	2024	2025	2024	2025	2024	2025	2024	2025
Segment assets	79,113	80,059	19,495	20,758	313,069	400,856	5,021,597	5,036,924
Segment Liabilities	28,407	23,586	5,085	4,303	1,316,034	1,317,937	2,991,097	2,943,922
Capital employed	43,018	35,327	14,178	15,143	70,278	98,150	3,655,187	3,611,134

The unallocated assets mainly relate to other assets and cash and cash equivalents. The unallocated liabilities mainly relate to financial debts and employee benefit liabilities.

Note 3 – Operating charges by nature

The Group’s major operating charges by function in 2025 are as follows:

<i>In thousands of EUR</i>	Personnel	Depreciation & impairment	Goods & materials	Energy	Transport & travel	Others	Total
Cost of sales	-448,434	-180,787	-1,098,246	-358,021	-325,149	-173,543	-2,584,181
Distribution expenses	-267,611	-70,741	-	-1,408	-16,618	-132,188	-488,566
Administrative and general expenses	-140,880	-16,353	-	-1,094	-6,418	-52,792	-217,537
Other operating items	-18,729	-4,750	-	-70	-1,103	-6,653	-31,305
Non-recurring items	-9,871	-14,996	-	-	-	-33,622	-58,489
Total	-885,525	-287,627	-1,098,246	-360,594	-349,288	-398,798	-3,380,078

The Group’s major operating charges by function in 2024 are as follows:

<i>In thousands of EUR</i>	Personnel	Depreciation & impairment	Goods & materials	Energy	Transport & travel	Others	Total
Cost of sales	-432,444	-185,311	-1,087,416	-434,269	-318,547	-171,714	-2,629,701
Distribution expenses	-270,144	-69,228	-	-1,627	-19,019	-129,777	-489,795
Administrative and general expenses	-126,882	-13,658	-	-1,372	-7,168	-57,906	-206,987
Other operating items	-18,574	-5,124	-	-58	-1,602	-3,412	-28,770
Non-recurring items	-17,648	-11,676	-	-	-	-58,826	-88,150
Total	-865,693	-284,998	-1,087,416	-437,327	-346,335	-421,635	-3,443,403

The Group’s total personnel expenses are made up of the following elements:

<i>In thousands of EUR</i>	2024	2025
Wages and salaries	-641,592	-656,766
Social security contributions	-145,547	-137,140
Contributions to defined contribution plans	-17,904	-18,175
Charges for defined benefit plans (service cost)	-2,610	-18,836
Restructuring and termination charges	-17,648	-9,871
Other employee benefits expenses	-40,392	-44,737
Total employee benefits expenses	-865,693	-885,525

The number of the Group’s employees is split into the following categories:

	2024	2025
Production	8,128	7,865
Sales and marketing	3,874	3,739
Administration and research	1,430	1,433
Average number of personnel	13,432	13,037

Note 4 – Other operating charges and income

<i>In thousands of EUR</i>	2024	2025
Research and development	-25,774	-25,382
Other operating taxes	-1,166	-1,644
Government grant amortisation	782	1,384
Miscellaneous	-2,612	-5,662
Total other operating charges & income	-28,770	-31,305

Note 5 – Non-recurring items

<i>In thousands of EUR</i>	2024	2025
Gains / (losses) on disposal of assets	2,515	4,287
Gains / (losses) on disposal of businesses	-860	-
Total gains / (losses) on disposal of assets and businesses	1,655	4,287
Restructuring costs	-41,594	-18,452
Health claims	-6,570	-5,493
Environmental remediation	-15,999	-17,278
Asset impairment	-7,007	-12,723
Others	-18,637	-8,830
Total other non-recurring items	-89,806	-62,776
Non-recurring items	-88,151	-58,489

Etex has opted for a non-recurring classification of significant one-off impacts on the income statement, both positive and negative, relating to significant restructuring measures and business transformation, gain and losses on disposal of assets or businesses and goodwill or assets impairments, settlements relating to post-employment liabilities or litigation not relating to current activities. Non-recurring items also include the impact of health claims and environmental remediation, as these health claims and environmental remediation impacts can fluctuate from one year to another and relate to the asbestos legacy of Etex.

The gain on disposal of assets realised in 2025 relates mainly to a piece of land in Peru (Lurin) and a French site located in Monthyon, both non-operational. The gain realised in 2024 related mainly to the French site Vernouillet. The 2024 loss realised on disposal of business mainly relates to subsequent cost linked to the Umbelino Monteiro divestment back in 2019.

The health claims charges reflect marginal adjustment to the experienced and expected increase in future cost in specific geographies, on top of incurred legal costs.

Environmental remediation charges cover mainly various projects for which costs were exposed to renovate asbestos-containing sites and properties.

In 2025, impairment charges were booked on non-operational real estate portfolio, when estimated realisable values appeared to be lower than historical value (€4,559 thousand); impairment were also needed for idle or replaced equipment (€6,863 thousand) and software’s (€1,301 thousand). In 2024, impairment losses related to assets in Peru (€3,492 thousand, idle production equipment) and Germany (€2,776 thousand, discontinued Terrace business).

Restructuring charges in 2025 mainly related to the following:

- the relocation of the fibre cement slate production line from Kappelle-op-den-Bos (Belgium) to Neubeckum (Germany) and related redundancies, impairment and other costs (€9,142 thousand)
- numerous measures to reduce overheads costs, mainly in France and in Belgium, across divisions and for support functions.

In 2024, following restructuring measures were implemented:

- the closure of the Haulchin manufacturing site (France) and related redundancies, impairment and other costs (€18,762 thousand),
- several restructuring initiatives to reduce cost base that generated one-off impacts (€22,832 thousand in total) and were initiated in multiple countries as well as in central functions, mainly in France (€12,652 thousand), in Belgium (€3,686 thousand), in Latin America (€2,309 thousand), in Germany (€1,410 thousand) and in Spain (€1,271 thousand).

Other non-recurring charges amount to €8,830 thousand in 2025, and mainly included:

- one-off charges due to merger and acquisition projects, including integration expenses relating to acquisitions of prior year (€6,658 thousand),
- charges relating to previously discontinued or disposed businesses (€1,094 thousand),
- miscellaneous costs (€1,138 thousand) are mainly those incurred for real estate development with the aim to realize a disposal of non-operational assets in future years as well as specific direct costs from the flood in Saint-Gregoire, impacting the slate manufacturing site in France in January 2025.

In 2024, other non-recurring (€18,637 thousand) charges are resulting mainly from:

- German real estate transfer tax (€6,284 thousand) linked to organisational structure modifications implemented several years ago,
- one-off charges incurred due to acquisition of businesses, plasterboard and fibre cement business (BGC, in Australia) in 2024 mainly, including integration expenses, also partially relating to acquisitions prior to 2024 (€7,993 thousand),
- impacts are relating to inventory write-off for discontinued product ranges or expenses relating to demolition or preparation works for non-operating assets to be disposed ultimately (€3,319 thousand).

Note 6 – Finance income and expense

<i>In thousands of EUR</i>	2024	2025
Interest income from receivables, deposits and cash and cash equivalents (loans and receivables)	23,343	19,679
Positive impact of change in discount rate of long-term provisions	922	234
Net interest income on post-employment benefits	1,663	1,761
Other interest related income	4	2
Interest income	25,932	21,676
Interest expense on financial liabilities measured at amortised cost	-64,424	-62,168
Unwinding of discount long-term provisions	-180	-179
Negative impact of change in discount rate of long-term provisions	-832	-955
Other interest related charges	-15,758	-8,623
Interest expense	-81,194	-71,925
Dividend income from shares in non-consolidated companies	90	141
Net foreign exchange gains (loans and receivables)	46,461	31,163
Other	327	396
Other finance income	46,878	31,700
Net foreign exchange losses	-24,130	-29,541
Hyperinflation Argentina	-53,833	-1,054
Other	-580	-571
Other finance expense	-78,543	-31,166
Net finance costs	-86,927	-49,715

Both the interest income from receivables, deposits and cash and cash equivalents and the interest expenses on financial liabilities measured at amortised cost decreased mainly because of declining interest rates across all currencies in 2025. The effect of the interest rate swaps hedging the Group's interest rate risk in 2025 amounts to €9,133 thousand (€16,454 thousand paid in 2024).

The other interest related charges of €-8,623 thousands in 2025 (€-15,758 thousand in 2024) mainly include interest charges linked to the non-recourse factoring program for €-7,531 thousand (€-13,419 thousand in 2024), the upfront fee expenses for €-1,122 thousand in 2025 (€-1,277 thousand in 2024) in connection with the external financial debt which are amortised over the duration of the loan and the ineffectiveness part of the unwinding of our USPP pre-hedge interest rate swap for €-1,028 thousand in 2024 only.

The other financial income / expenses include:

- The impact of hyperinflation monetary losses in Argentina in 2025 is €-1,054 thousand out of which €-7,990 thousand is generated by the indexation of non-monetary balance sheet items including equity and related deferred taxes, and €6,936 thousand is offsetting the indexation of other captions on income statement (€-53,833 thousand in 2024, €-54,409 thousand from balance sheet and €576 thousand from offsetting income statement indexation);

- The foreign exchange gains and losses are presented net of the effect of foreign exchange derivative instruments. The net exchange gain in 2025, excluding the impact of hyperinflation from other financial expenses, is the result of the Group's foreign exchange exposure in mainly Argentina (out of which €19,901 thousand gains related to USD-linked bond revaluation, €19,519 thousand in 2024) and exchange losses on USD and EUR driven current financial assets and liabilities across all countries.

Note 7 - Income tax expense

<i>In thousands of EUR</i>	2024	2025
Current income tax charge for the year	-96,112	-90,415
Adjustments to current income tax of previous years	770	1,099
Current income tax expense	-95,342	-89,316
Origination and reversal of temporary differences	16,567	3,259
Net effect on deferred tax assets	-3,161	3,590
Net effect of changes in tax rates on deferred tax	1,556	446
Deferred income tax expense	14,962	7,295
Total income tax expense	-80,380	-82,021

The reconciliation between the effective income tax expense and the theoretical income tax expense is summarised below. The theoretical income tax expense is calculated by applying the domestic nominal tax rate of each Group entity to their contribution to the Group profit before income tax and before share of the profit in equity accounted investees.

The provision for Pillar II amounts to €250 thousand in 2025 and relates to the Group's operations in Hungary, Romania, and the United Arab Emirates.

<i>In thousands of EUR</i>	2024	2025
Profit before income tax, before share of profit in equity accounted investees and before share of profit from companies held for sale	246,710	317,087
Theoretical income tax expense (nominal rates)	-57,258	-80,811
Weighted average nominal tax rate %	23.2%	25.5%
Tax impact of		
<i>Non-deductible expenses</i>	-27,610	-16,310
<i>Tax on profit distribution inside the Group</i>	-9,914	-4,900
<i>Other tax deductions</i>	15,542	15,143
<i>Unrecognised deferred tax assets on current year losses</i>	-19,375	-9,990
<i>Recognition of previously unrecognised deferred tax assets</i>	17,097	13,580
<i>Derecognition of previously recognised deferred tax assets</i>	-883	-
<i>Net effect of changes in tax rates on deferred tax</i>	1,556	446
<i>Adjustments to prior year income tax</i>	770	1,099
<i>Other tax adjustments</i>	-305	-278
Income tax expense recognised in the income statement	-80,380	-82,021
Effective tax rate %	32.6%	25.9%

The recognition of previously unrecognised deferred tax assets relates mainly to the structural changes being implemented that allow the future use on tax losses carried forward.

Income tax recognised directly in equity is related to:

<i>In thousands of EUR</i>	2024	2025
Actuarial gains (losses) on post employment benefit plans	6,053	-301
Gains (losses) on financial instruments - cash flow hedging	2,975	4,368
Total	9,028	4,067

Note 8 - Property, plant and equipment

<i>In thousands of EUR</i>	Land and buildings	Plant, machinery, equipment	Furniture, vehicles	Other property, plant, equipment	Under construction	Total
At 31 December 2023						
Gross book value	1,450,792	2,953,789	277,870	51,651	382,626	5,116,728
Accumulated depreciation	-677,068	-1,967,144	-209,964	-39,992	-	-2,894,168
Accumulated impairment loss	-15,957	-42,470	-832	-322	-5,598	-65,179
Net book value	757,767	944,175	67,074	11,337	377,028	2,157,381
<i>Of which leased assets</i>	99,409	28,812	25,015	305	-	153,541
Additions	36,694	77,782	19,449	2,748	110,352	247,025
Disposals	-238	-499	-687	-6	-	-1,430
Acquisition of subsidiaries	41,552	9,143	238	-	-	50,933
Transfer between captions	137,071	139,057	249	3,238	-289,897	-10,282
Depreciation for the year	-54,364	-139,550	-23,605	-3,850	-	-221,369
Impairment loss of the year	-131	-11,839	-65	-	-176	-12,211
Reversal impairment loss	-	360	-	-	-	360
Hyperinflation - impact of the year	8,989	16,888	5,852	-	6,529	38,258
Translation differences	408	-7,360	-720	-125	-6,745	-14,542
At 31 December 2024						
Gross book value	1,670,085	3,132,881	292,579	58,188	202,840	5,356,573
Accumulated depreciation	-725,579	-2,052,088	-223,897	-44,530	-	-3,046,094
Accumulated impairment loss	-16,758	-52,636	-897	-316	-5,749	-76,356
Net book value	927,748	1,028,157	67,785	13,342	197,091	2,234,123
<i>Of which leased assets</i>	108,988	37,027	27,355	264	-	173,634
Additions	41,654	70,878	24,732	2,765	120,554	260,583
Disposals	-3,917	-648	-507	-2	-142	-5,216
Acquisition of subsidiaries	412	628	16	73	-	1,129
Transfer between captions	20,800	52,398	3,033	3,360	-81,769	-2,178
Depreciation of the year	-54,428	-138,051	-24,046	-4,123	-	-220,649
Impairment loss of the year	-1,405	-8,380	-	-	-1,914	-11,699
Hyperinflation - impact of the year	2,247	3,618	1,012	13	4,863	11,754
Translation differences	-23,001	-25,742	-235	-322	-9,211	-58,511
At 31 December 2025						
Gross book value	1,686,559	3,162,431	297,128	64,628	235,679	5,446,425
Accumulated depreciation	-758,597	-2,120,150	-224,583	-49,221	-	-3,152,551
Accumulated impairment loss	-17,852	-59,423	-755	-301	-6,207	-84,538
Net book value	910,110	982,858	71,790	15,106	229,472	2,209,336
<i>Of which leased assets</i>	113,090	40,457	32,285	5	-	185,837

Throughout the year, investment activity was driven by several large projects across France, Spain, Poland, Belgium and the United Kingdom. A substantial portion of these investments was dedicated to enhancing quality and productivity, as well as replacement of critical assets. No borrowing costs were capitalised in 2025.

The disposal proceeds of property, plant and equipment in 2025 amount to €7,716 thousand, resulting in a net gain of €2,498 thousand. In 2024, the proceeds amounted to €911 thousand with a net loss of €518 thousand.

Acquisition of subsidiaries (€1,129 thousand) represents the impact of the acquisition projects realised in 2025 as disclosed in note 9.2 – Business combinations. We refer to note 9.4 for the impairment testing of capital employed.

Note 9 – Goodwill and business combinations

9.1. Reconciliation of the carrying amount of goodwill

<i>In thousands of EUR</i>	2024	2025
Gross book value	731,817	759,785
Accumulated impairment losses	-6,254	-5,935
Net book value at the beginning of the year	725,563	753,850
Additions through business combinations	21,827	2,848
Adjustments purchase price allocations	5,331	-
Translation differences	1,130	-4,899
Net book value at the end of the year	753,850	751,799
Gross book value	759,785	758,210
Accumulated impairment losses	-5,935	-6,411

The 2025 movements are the result of (i) the increase of the goodwill by €2,848 thousand from the acquisition projects completed in 2025 (see Note 9.2) and (ii) the change in translation differences (€-4,899 thousand).

The 2024 movements were the result of (i) the increase of the goodwill by €21,827 thousand from the acquisition projects completed in 2024, (ii) adjustment to prior year provisional purchase price allocation of the SCALAMID acquisition (€5,331 thousand) and (iii) the change in translation differences (€1,130 thousand).

The main components of the carrying amount of goodwill are the following:

<i>In thousands of EUR</i>	2024	2025
Insulation	514,648	514,374
Building Performance *	181,681	171,855
Industry	46,217	48,804
Fibre Cement	11,304	16,766
Total	753,850	751,799

* Comparatives reclassified conform to current year’s presentation: Building Performance includes €37,590 thousand in 2025 and €42,650 thousand in 2024 relating to former division New Ways.

9.2. Business combinations

In December 2025, Etex acquired 82.5% of the shares of Drumarkon, a Netherlands-based producer and supplier of high-quality fire protection panels for the shipbuilding and yacht construction markets, for a total consideration of €4,668 thousand. Drumarkon operates a factory in Schelluinen (South Holland province) with 14 employees.

In February 2024, Etex closed the acquisition of Australian construction materials company BGC’s plasterboard and fibre cement businesses. Included in this deal is BGC’s plasterboard plant in Western Australia, a 56.000 square metre facility located in Perth, and a strong network of nine warehouses across Australia and New Zealand, for a total consideration of €98,257 thousand.

The acquisition cost (including duties) for the 2025 acquisition project amounts to €41 thousand (€5,020 thousand in 2024).

The fair value of the identifiable assets and liabilities of the business acquired in 2025 and 2024 as at the date of acquisition are disclosed in the following table:

	2024	2025
<i>In thousands of EUR</i>		
	BGC	Drumarkon
Non-current assets	102,188	1,159
Property, plant and equipment	57,407	1,068
<i>Property, plant and equipment - owned</i>	43,335	716
<i>Property, plant and equipment - leased</i>	14,072	352
Intangible assets	39,305	-
Deferred tax assets	5,476	91
Current assets	15,767	2,780
Inventories	14,337	1,779
Trade and other receivables	1,430	882
Cash and cash equivalents	-	119
TOTAL ASSETS	117,955	3,939
Non-current liabilities	36,727	1,109
Provisions	1,833	18
Loans and borrowings	11,758	952
<i>of which leasing</i>	11,758	352
Deferred tax liabilities	23,136	139
Current liabilities	4,798	624
Trade and other liabilities	4,798	624
TOTAL LIABILITIES	41,525	1,733
Net identifiable assets and liabilities	76,430	2,206
Group share	76,430	1,820
Non-controlling interests	-	386
Acquisition price satisfied in cash (Group share)	98,257	4,668
Goodwill generated	21,827	2,848

The goodwill generated by this acquisition is explained by the synergies expected from this transaction.

The revenue and net result group share contribution to the 2025 consolidated income statement of the acquired businesses amount to respectively €0 thousand and €0 thousand because the transaction took place close to year-end 2025.

The revenue and net result of the period of the combined entities acquired during 2025 as if the acquisition date for all business combinations that occurred during the year had been as from the beginning of the annual reporting period amount to respectively €5,497 thousand and €661 thousand.

9.3 Acquisitions on non-controlling interests

Within the share purchase agreements of the acquisitions project Evolusion Innovation Group (2021) a call/put option clause was integrated to acquire the remaining shares (40%). In June 2025 and June 2024 Etex group acquired each time 20% of the remaining shares for a consideration of respectively €2,184 thousand and €3,342 thousand, ending up with 100% ownership of the Evolusion Innovation Group in June 2025.

Within the share purchase agreements of the acquisition project Drumarkon (2025) a call/put option clause was integrated to acquire the remaining shares (17.5%). At year-end 2025 the call/put option for the remaining 17.5% is measured at fair value and qualified as financial liability amounting to €1,668 thousand. We also refer to Note 24 – Loans and borrowings.

9.4 Impairment testing of goodwill and capital employed

Impairment reviews were performed in 2025, by comparing the carrying value of capital employed including goodwill with the recoverable amount of the cash-generating unit to which goodwill has been allocated.

The capital employed and goodwill values tested in the global cash-generating unit Building Performance include the goodwill generated by the acquisition of the plasterboard business in Europe and in Brazil in 2011, of Pladur in 2017 and of the technical construction business, at the time part of the Fire Protection and Insulation business, generated by the acquisition of Comais (1996, calcium silicate boards), Intumex (2000, intumescent products) and Cafco (2007, paint and spray) as allocated in 2017 between the Etex Building Performance and the Etex Industry divisions. It also includes a portion of the goodwill impact of the 2020 acquisition of FSi Limited (passive fire protection) and the goodwill generated by the acquisition of Knauf Plasterboard Pty Limited and BGC's plasterboard and fibre cement activities in Australia (2021 / 2024). Since the start of 2025, the New Ways division, which focuses on modular construction solutions under the Remagin brand, joined the Building Performance division to combine the expertise of both divisions in through-wall solutions, further leveraging the potential of this business. Therefore, New Ways will no longer exist as division or cash-generating unit. Former New Way division capital employed value, include the goodwill generated by the acquisition of EOS (2016) and the acquisition of Evolusion Innovation Group, Horizon Offsite and the Sigmat Group (all in 2021). In 2021 and in 2022, the company e-Loft, active on the French market specifically in 3-dimensions wood offering, required an impairment with respect to goodwill value and most of the value of its intangible assets (€33,486 thousand, in 2021) and on fixed assets (€4,873 thousand, in 2022); this business was terminated in 2023. This inclusion of New Ways business has no impact on the conclusion regarding impairment testing of the division Building Performance, nor does the integration of Promat business in Asia into division Industry as from 2026.

Etex Industry capital employed value, consistently tested as one whole, include the above-mentioned goodwill values and the impact of the acquisition of Microtherm (2011, high performance insulation), a portion of the goodwill impact of the 2020 acquisition of FSi Limited (passive fire protection), the goodwill impact of Skamol (2023) and the goodwill coming from the 2025 acquisition of Drumarkon.

The global cash-generating unit for Etex Fibre Cement was tested: it covers fibre-cement façade and roofing business in Europe, in Nigeria and in North America and was tested for impairment on its capital employed including goodwill, mainly relating to the acquisition of business in Nordic countries (2008).

The capital employed and goodwill values tested in the global cash-generating unit Insulation include the goodwill generated by the acquisition of the URSA insulation business (2022) and the goodwill impact of the Superglass acquisition in 2023.

The recoverable amount of the cash-generating units Etex Building Performance, Fibre Cement, Insulation and Industry was based on its value in use and exceeds the values of their respective capital employed. The value in use was determined by discounting the future cash flows generated from the continuing use of the unit and was based on the following key assumptions:

- cash flows were projected based on actual operating results and the 3-year business plan (in some instances extrapolated to 9 years before constant growth rate applies),
- cash flows for further periods were extrapolated using a constant growth rate in the range of 2.16% to 4.09% per annum (2.4% to 3.0% in 2024).
- cash flows for further periods were projected to include capital expenditures as a percentage of sales in range of 4.37% to 5.80% (0.83% to 6.53% in 2024).
- cash flows were discounted using the weighted average cost of capital (WACC) in a range of 9.74% to 11.82% depending on the countries involved (9.43% to 13.33% in 2024).

In connection with the impairment testing process on the capital employed including goodwill, the future cash flows were subjected to sensitivity analysis that included changes in individual macroeconomic parameters as part of a sensitivity analysis. For some divisions, the impairment testing can be very sensitive to change in assumptions: capital employed and goodwill could require impairment should WACC increase, for example.

Etex management will closely monitor the impact of macro-economic evolution.

Note 10 – Intangible assets other than goodwill

<i>In thousands of EUR</i>	Concessions	Software	Brands	Technology	Customer / vendor list	Others	Total
At 31 December 2023							
Gross book value	82,462	130,929	223,671	89,633	237,248	86,203	850,146
Accumulated amortisation	-19,662	-96,387	-91,046	-57,199	-69,162	-43,056	-376,512
Accumulated impairment losses	-7,285	-2,332	-14,173	-	-794	-15	-24,599
Net book value	55,515	32,210	118,452	32,434	167,292	43,132	449,035
Additions	9	10,345	-	-	-	6,528	16,882
Disposals	-	-114	-	-	-2	-12,920	-13,036
Acquisition of subsidiaries	-	-2,289	7,917	3,128	32,071	-	40,827
Transfer between captions	789	9,648	16	-	-	-171	10,282
Amortisation for the year	-369	-10,523	-13,102	-5,827	-17,444	-4,478	-51,743
Translation differences	-639	-197	609	379	-431	314	35
At 31 December 2024							
Gross book value	82,116	146,029	233,618	93,547	268,736	82,959	907,005
Accumulated amortisation	-19,570	-104,665	-105,209	-63,433	-86,580	-50,357	-429,814
Accumulated impairment losses	-7,241	-2,284	-14,517	-	-670	-197	-24,909
Net book value	55,305	39,080	113,892	30,114	181,486	32,405	452,282
Additions	12	10,296	-	-	-	41,868	52,176
Disposals	-	-20	-	-	-	-30,757	-30,777
Transfer between captions	154	2,410	-16	79	-69	-380	2,178
Amortisation for the year	-335	-11,720	-14,615	-4,995	-17,445	-2,261	-51,371
Impairment loss of the year	-	-725	-	-	-	-	-725
Translation differences	-80	-85	-815	-320	-3,646	-529	-5,475
At 31 December 2025							
Gross book value	81,068	158,937	231,276	91,186	264,310	77,381	904,158
Accumulated amortisation	-18,895	-116,736	-118,687	-66,308	-103,129	-36,405	-460,160
Accumulated impairment losses	-7,117	-2,965	-14,143	-	-855	-630	-25,710
Net book value	55,056	39,236	98,446	24,878	160,326	40,346	418,288

The additions in column “other”, amounting to €41,868 thousand in 2025, are mainly the acquisition of emission rights (€40,916 thousand); also disposals in same column (€30,757 thousand in 2025) are related to emission rights: these are allowances remitted yearly to regulatory authorities to cover past emissions, in line with amount of provision for the same year which is derecognised simultaneously.

We refer to note 9.4 for the impairment testing of capital employed.

Note 11 – Investment properties

<i>In thousands of EUR</i>	2024	2025
Gross book value	23,867	19,956
Accumulated depreciation	-7,936	-8,622
Accumulated impairment losses	-5,665	-3,191
Net book value at the beginning of the year	10,266	8,143
Depreciation for the year	-37	-24
Impairment losses	-	-3,159
Reversal of impairment losses	2	-
Disposals	-2,446	-
Hyperinflation - impact of the year	449	123
Translation differences	-91	-354
Net book value at the end of the year	8,143	4,729
Gross book value	19,956	19,393
Accumulated depreciation	-8,622	-8,314
Accumulated impairment losses	-3,191	-6,349

Investment properties comprise several pieces of land and buildings, mainly in France, Italy and Germany. In 2025 an impairment charge of €-3,159 thousand was recognised on investment properties in Italy and Germany as a result of a decline in fair values. In 2024 the disposal amounting to €-2,446 thousand related to investment properties in France, sold for a consideration of €5,114 thousand.

The fair value of the investment properties is estimated at €9,583 thousand (€16,696 thousand in 2024). Where external valuations were not available, best estimates have been used.

Note 12 – Assets held for sale

<i>In thousands of EUR</i>	2024	2025
Gross book value	9,096	5,973
Accumulated impairment losses	-3,902	-872
Net book value at the beginning of the year	5,194	5,101
Disposals	-120	-202
Translation differences	27	-49
Net book value at the end of the year	5,101	4,850
Gross book value	5,973	5,722
Accumulated impairment losses	-872	-872
Non-current at the end of the period	5,101	4,850

For 2025 and 2024 the non-current assets held for sale are mainly lands, buildings and machines that are not used in operations and for which the Group is actively looking for a buyer. Most of these assets are located in Spain and Germany.

In 2025 and 2024, some non-current assets held for sale located in Ecuador and Spain have been disposed for a total consideration paid of respectively €156 thousand and €30 thousand.

Note 13 – Investments in equity accounted entities

<i>In thousands of EUR</i>	2024	2025
At the beginning of the year	6,977	7,433
Result for the year	866	2,084
Dividends paid	-458	-274
Cumulative translation adjustments	48	85
At the end of the year	7,433	9,328

Summarised financial information of investments in equity accounted entities (Group’s share):

<i>In thousands of EUR</i>	2024	2025
Property plant and equipment	5,088	5,573
Other non-current assets	1,026	1,116
Current assets	5,942	7,517
Non-current liabilities	-1,172	-1,355
Current liabilities	-3,451	-3,523
Total net assets	7,433	9,328
Revenue	24,145	24,883
Operating income	1,072	2,434
Profit after tax	866	2,084

Transactions between the Group and equity accounted entities can be summarised as follows:

<i>In thousands of EUR</i>	2024	2025
Transactions		
Sales to associates	6,245	5,954
Dividends paid	458	274
Outstanding balances		
Trade receivables	102	-

Note 14 – Other non-current assets

<i>In thousands of EUR</i>	2024	2025
<i>Trade and other receivables</i>	<i>4,644</i>	<i>6,827</i>
<i>Impairment on trade and other receivables</i>	<i>-1,448</i>	<i>-1,447</i>
Net trade and other receivables	3,196	5,380
Derivative financial instruments with positive fair value	15,948	11,919
<i>Available-for-sale investments</i>	<i>671</i>	<i>677</i>
<i>Impairment on available-for-sale investments</i>	<i>-127</i>	<i>-128</i>
Net available-for-sale investments	544	549
Loans granted	10,495	4,256
Total	30,183	22,104

The non-current available-for-sale investments include unquoted equity instruments that are measured at cost for €549 thousand as their fair value cannot be measured reliably (€544 thousand in 2024).

The derivative financial instruments are mainly comprised of the interest rate swap hedge contracts in view of the Group’s interest risk exposure. We also refer to Note 17.

Note 15 – Trade and other receivables and Other current assets

Current trade and other receivables

<i>In thousands of EUR</i>	2024	2025
<i>Trade receivables</i>	<i>327,527</i>	<i>320,614</i>
<i>Impairment on trade receivables</i>	<i>-8,906</i>	<i>-11,166</i>
Trade receivables	318,621	309,448
Other receivables	124,233	140,350
Total	442,854	449,798

At 31 December 2025, an amount of €214.0 million (€191.1 million in 2024) has been received in cash under various non-recourse factoring and credit insurance programs, whereby trade receivables are sold at their nominal value minus a discount in exchange for cash. Continuing involvement for late payment risk is not significant. The net amount of sold trade receivables is derecognised from the balance sheet.

Other receivables are mainly composed of:

<i>In thousands of EUR</i>	2024	2025
Income taxes recoverable	34,377	40,517
Other taxes recoverable	41,084	46,942
Derivative financial instruments with positive fair values	10,581	11,419
Prepaid charges and accrued income	17,975	18,626
Advances due from customers for contracts in progress	4,416	5,568
Advances to personnel	1,272	1,890
Others	14,528	15,388
Total	124,233	140,350

The derivative financial instrument in 2025 amounts to €11,419 thousand (€10,581 thousand in 2024), and represents the change in the fair value of the hedge contracts.

The ‘advances due from customers for contracts in progress’ relate mainly to construction contracts in division Building Performance. The amount of revenue recognised from construction contracts over time are in the range of 1% of total sales. Revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date amounts to €23,183 thousand, fully expected to be recognised during 2026 based on open contracts as per 31 December 2025 for which revenue recognition started during 2025 or prior periods.

Exposure to credit risk – impairment losses

The ageing of trade and other receivables at reporting date was as follows:

<i>In thousands of EUR</i>	2024	2025
Neither impaired nor past due at reporting date	570,623	607,088
Not impaired at reporting date and past due	63,322	56,707
<i>Up to 30 days</i>	<i>41,869</i>	<i>30,732</i>
<i>Between 31 and 60 days</i>	<i>8,560</i>	<i>12,789</i>
<i>Between 61 and 90 days</i>	<i>2,654</i>	<i>3,552</i>
<i>Between 91 and 120 days</i>	<i>1,594</i>	<i>972</i>
<i>Between 121 and 150 days</i>	<i>1,783</i>	<i>170</i>
<i>More than 150 days</i>	<i>6,862</i>	<i>8,492</i>
<i>Non-recourse factoring</i>	<i>-191,091</i>	<i>-213,997</i>
Net carrying amount at the end of the year	442,854	449,798

The Group applied the IFRS 9 simplified approach to measuring the expected credit losses which uses a lifetime expected loss allowance for all trade receivables based on historical losses. The Group analysed the impact of IFRS 9 and concluded there is no material impact on the impairment losses booked. The Group also assessed whether the historic pattern would change materially in the future and expects no significant impacts.

The movement in the allowance for impairment of current trade and other receivables was as follows:

<i>In thousands of EUR</i>	2024	2025
Allowances at the beginning of the year	-20,333	-8,906
Additions	-1,184	-3,778
Use	11,425	112
Reversal	1,186	1,407
Allowances at the end of the year	-8,906	-11,165

Other current assets

<i>In thousands of EUR</i>	2024	2025
Available-for-sale investments	2,441	1,739
Deposits and debt linked investments	85,620	70,872
Total	88,061	72,611

Deposits and debt linked investments include mainly investments in dollar linked bonds in Argentina for a total amount of €70,632 thousand in 2025 (€80,439 thousand in 2024).

Note 16 – Inventories

The different types of inventories are detailed below:

<i>In thousands of EUR</i>	2024	2025
Raw materials	148,847	160,602
Work in progress	28,642	33,776
Finished goods	233,020	228,664
Spare parts and consumables	83,289	88,455
Goods purchased for resale	45,454	33,528
Write-downs to net realisable value	-36,230	-35,183
Total	503,022	509,842

In 2025, the Group recognised inventory write-downs to net realisable value of €-12,247 thousand (€-12,683 thousand in 2024) as an expense, and a reversal of prior year write-downs amounting to €12,484 thousand (€9,840 thousand in 2024) as an income. Reversals of write-downs without impact on the income statement amount to €852 thousand (€-904 thousand in 2024), mainly due to foreign currency conversions.

The 2025 net impact of scope changes on the total inventory equals to €1,779 thousand; with an impact on the gross carrying amount of €1,821 thousand, and €-42 thousand on the write-downs to net realisable value.

Note 17 – Risk management and financial derivatives

17.1 Risk management

A. Market risk

Exposure to currency risk

Around 51% of the Group's revenue is generated by subsidiaries with a functional currency other than the Euro (50% in 2024). The Group has its main foreign exchange exposure in the following foreign currencies: Argentinean peso, Australian dollar, Chilean peso, Colombian peso, Nigerian naira, Peruvian nuevo sol and Pound sterling.

Translation currency sensitivity analysis

On the basis of the volatility of these currencies against the Euro in 2025, the reasonably possible change of the exchange rate of these currencies against the Euro is estimated as follows:

	Rates used for sensitivity analysis				
	Closing rate 31 December 2025	Average rate 2025	Possible volatility of rates in %	Range of possible closing rates 31 December 2025	Range of possible average rates 2025
Argentinean peso *	1713.1170	1713.1170	23	1311.7679 - 2114.4661	1311.7679 - 2114.4661
Australian dollar	1.7581	1.7523	8	1.6247 - 1.8915	1.6193 - 1.8853
Chilean peso (000)	1.0666	1.0741	12	0.9423 - 1.1909	0.9489 - 1.1993
Colombian peso (000)	4.4146	4.5743	16	3.73 - 5.0992	3.8649 - 5.2836
Nigerian naira	1686.9660	1720.5332	30	1180.9943 - 2192.9377	1204.4937 - 2236.5727
Peruvian nuevo sol	4.1180	4.0272	11	3.6572 - 4.5788	3.5765 - 4.4779
Pound sterling	0.8726	0.8569	5	0.827 - 0.9182	0.8121 - 0.9016

As a comparison, the reasonably possible change of exchange rate of these currencies against the Euro was estimated as follows for 2024:

	Rates used for sensitivity analysis				
	Closing rate 31 December 2024	Average rate 2024	Possible volatility of rates in %	Range of possible closing rates 31 December 2024	Range of possible average rates 2024
Argentinean peso *	1074.3120	1074.3120	23	831.7968 - 1316.8272	831.7968 - 1316.8272
Australian dollar	1.6772	1.6399	7	1.5555 - 1.7989	1.5209 - 1.7589
Chilean peso (000)	1.0353	1.0209	13	0.8977 - 1.1729	0.8853 - 1.1566
Colombian peso (000)	4.5776	4.4077	15	3.8982 - 5.2569	3.7535 - 5.0618
Nigerian naira	1600.5100	1610.8723	44	889.4194 - 2311.6006	895.1778 - 2326.5667
Peruvian nuevo sol	4.2230	4.0615	10	3.8208 - 4.6252	3.6747 - 4.4483
Pound sterling	0.8292	0.8466	5	0.7846 - 0.8738	0.801 - 0.8921

* Argentinean average rate equals to year-end closing rate as a result of hyperinflation accounting rules

If the Euro had weakened or strengthened during 2025 by the above estimated possible changes against the listed currencies with all other variables held constant, the 2025 profit would have been €8,780 thousand (4%) higher or €7,480 thousand (-3%) lower while equity would have been €137,102 thousand (7%) higher or €107,863 thousand (-5%) lower. In 2024, if the Euro had weakened or strengthened the profit would have been €3,767 thousand (2%) higher or €3,943 thousand (-2%) lower while equity would have been €148,020 thousand (7%) higher or €110,424 thousand (-5%) lower.

In thousands of EUR	2025			
	If euro weakens		If euro strengthens	
	Profit	Equity	Profit	Equity
Argentinean peso	-1,019	24,625	632	-15,257
Australian dollar	2,572	28,782	-2,210	-24,722
Chilean peso	-555	10,710	439	-8,477
Colombian peso	1,958	12,487	-1,432	-9,135
Nigerian naira	716	7,609	-386	-4,098
Peruvian nuevo sol	754	14,335	-602	-11,450
Pound sterling	4,354	38,554	-3,921	-34,724
Total	8,780	137,102	-7,480	-107,863

<i>In thousands of EUR</i>	2024			
	If euro weakens		If euro strengthens	
	Profit	Equity	Profit	Equity
Argentinean peso	-2,212	34,442	1,397	-21,754
Australian dollar	1,820	25,856	-1,573	-22,358
Chilean peso	322	13,198	-246	-10,104
Colombian peso	1,195	9,578	-886	-7,102
Nigerian naira	-526	16,448	202	-6,329
Peruvian nuevo sol	104	11,143	-86	-9,205
Pound sterling	3,064	37,355	-2,751	-33,572
Total	3,767	148,020	-3,943	-110,424

Interest rates sensitivity analysis

At the end of 2025 €632,863 thousand or 42% of the Group’s interest-bearing financial liabilities, before offset of any surplus cash, bear a variable interest rate (€ 693,683 thousand or 45% at the end of 2024). This floating debt portion consists of debt instruments almost exclusively denominated in Euro apart from € 26,756 thousand that is denominated in Pound sterling (€29,605 thousand in 2024) and € 6,469 thousand denominated in other currencies.

The total interest expense recognised in the 2025 income statement on the Group's variable rate debt portion, net of the effect of interest rate derivative instruments, amounts to € 23,500 thousand (€ 42,391 thousand in 2024). The total interest expense recognised on the fixed rate portion amounts to € 29,073 thousand (€ 14,169 thousand in 2024).

The reasonably possible change of the market interest rates applicable to the Group’s floating rate debt after hedging is as follows:

Rates used for sensitivity analysis			
	Rates at 31 December 2025	Possible volatility of rates	Possible rates at 31 December 2025
Euro	2.03%	-0.24% - 0.61%	1.79% - 2.64%
Pound sterling	5.32%	-1.07% - 0.63%	1.79% -5.95%

Rates used for sensitivity analysis			
	Rates at 31 December 2024	Possible volatility of rates	Possible rates at 31 December 2024
Euro	2.71%	-0.89% - 0.4%	1.82% - 3.11%
Pound sterling	5.32%	-1.07% - 0.63%	1.82% -5.95%

Application of the reasonably possible fluctuations in the market interest rates mentioned above on the Group's floating rate debt at 31 December 2025, with all other variables held constant and net of the effect of interest rate derivative instruments, would result in a decrease of the 2025 profit by €461 thousand and an increase of €425 thousand (a decrease of €585 thousand and an increase of €519 thousand in 2024).

Cash and cash equivalents in Euro of €209,735 thousand (€159,001 thousand in 2024), Pound sterling balances of €131,457 thousand (€ 85,106 thousand in 2024), US dollar €25,182 thousand (€91,185 thousand in 2024) and Australian dollar balances of €92,257 thousand (€ 54,012 thousand in 2024) generate interest that would partially offset any variations in interest payable. The cash pool balances are monthly netted (in euro).

For 2025, the fair value volatility of the Group’s interest rate hedging contracts determined by the ‘dollar value’ method which showed that if the euro yield curve makes a parallel shift upward with 0.01%, then the fair value of the Group’s interest rate hedging contracts would increase in value by approximately €84 thousand (€131 thousand in 2024).

The Group assessed the impact of the Interest Benchmark Reform and concluded that there is not any significant impact on historical, current and looking forward financial information.

B. Credit risk

At the reporting date the exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, in the statement of financial position (refer to note 11 for investments, note 15 for trade and other receivables, and note 18 for cash and cash equivalents).

C. Funding and long-term liquidity risk

Maturity schedule

At 31 December 2025 the contractual maturities of financial liabilities, including interest payments, are the following:

<i>In thousands of EUR</i>	Carrying amount	Contractual cash flows	1 year or less	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Bank loans	6,004	10,214	2,551	1,264	1,414	4,985
Private placements	1,190,500	1,447,027	43,907	436,521	456,170	510,429
Other financial loans	121,868	124,251	119,521	2,018	453	2,259
Obligations under leases	192,506	276,888	42,518	33,998	48,346	152,026
Trade and other liabilities	955,519	938,147	937,879	-	12	256
Derivative financial liabilities						
Interest rates swaps	-	-	-	-	-	-
Commodity contracts	16,851	16,851	11,191	5,660	-	-
Foreign exchange contracts	2,513	2,513	2,513	-	-	-
Total	2,485,761	2,815,891	1,160,080	479,461	506,395	669,955

Bank loans are shown according to their contractual maturity date, rather than their interest and roll-over date.

At 31 December 2024 the contractual maturities of financial liabilities, including interest payments, were the following:

<i>In thousands of EUR</i>	Carrying amount	Contractual cash flows	1 year or less	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Bank loans	7,297	12,894	3,555	1,793	2,576	4,970
Private placements	1,201,000	1,482,630	91,607	443,092	463,840	484,091
Other financial loans	137,516	142,022	138,183	2,341	539	959
Obligations under leases	180,382	256,892	39,599	32,885	48,451	135,957
Trade and other liabilities	945,660	932,402	931,365	20	-	1,017
Derivative financial liabilities						
Interest rates swaps	-	-	-	-	-	-
Commodity contracts	707	707	465	242	-	-
Foreign exchange contracts	3,451	3,451	3,451	-	-	-
Total	2,476,013	2,830,998	1,208,225	480,373	515,406	626,994

D. Capital risk

The Group monitors capital using the debt covenant specifications as outlined in the syndicated credit facility loan agreements, the Schuldschein loans and the USPP (more details in Note 24). The adjusted net financial debt (for covenant purposes) to recurring EBITDA ratio at 31 December 2025 amounts to 1.28 for the syndicated credit facility and Schuldschein and 1.39 for USPP covenant (respectively 1.42 and 1.55 at 31 December 2024), both well below the covenant of 3.50.

The Group targets to maintain a debt covenant ratio between 1.5 and 2.5 on the long-term.

17.2 Financial derivatives

The Group uses derivative financial instruments to hedge its exposure to currency risk, commodity prices and interest rate risk. In accordance with its treasury policy, the Group does not hold or issue derivative financial instruments for trading purposes. All derivatives are measured at fair value, except when own use exemption is applied.

The following table provides an overview of the outstanding derivative financial instruments at 31 December:

<i>In thousands of EUR</i>	2024		2025	
	Fair value	Carrying amount	Fair value	Carrying amount
Foreign exchange contracts				
Assets	782	782	582	582
Liabilities	-3,451	-3,451	-2,513	-2,513
Commodity contracts				
Assets	1,640	1,640	5,753	5,753
Liabilities	-707	-707	-16,851	-16,851
Interest rate swaps				
Assets	24,107	24,107	17,004	17,004
Liabilities	-	-	-	-
Total	22,371	22,371	3,974	3,974

The following table indicates in which caption of total comprehensive income, the changes in fair value of the derivative financial instruments outstanding at 31 December 2025, have been recognised:

<i>In thousands of EUR</i>	Profit for the year				
	Cost of sales	Interest expense	Other financial income	Other financial charges	Other comprehensive income
Foreign exchange contracts					
Assets	-706	-	-	-	506
Liabilities	1,872	-	-	-	-934
Commodity contracts					
Assets	-	-	-	-	4,112
Liabilities	-	-	-	-	-16,144
Interest rate swaps					
Assets	-	-	-	-	-7,103
Liabilities	-	-	-	-	1,560
Total	1,166	-	-	-	-18,003

A. Cash flow hedges

At 31 December 2025, the Group holds forward exchange contracts designated as hedges of expected future raw material purchases from suppliers for purchases denominated in US Dollar and Japanese Yen, of expected future sales and/or of expected future purchases denominated in Euro by companies whose functional currency is the British Pound.

At 31 December 2025 the Group holds commodity hedge contracts to hedge the exposure of commodity prices, including CO2 emission rights.

At 31 December 2025 the group had interest rate swap agreement in place with a total nominal amount of €521,000 thousand (€561,000 thousand in 2024) whereby it received a variable interest rate based on Euribor three or six months, as the case may be, and pays a fixed rate on the notional amount. The swaps are being used to hedge the exposure to interest rate risk on its existing floating debt and any highly probable future debt issuance. The floating rate debt and the interest rate swaps had similar critical terms.

There was no ineffectiveness in 2025. In 2024 the Group recognised an ineffectiveness of €1,028 thousand on the unwinding of our USPP pre-hedge interest rate swap.

The following tables indicate the period in which the undiscounted cash flows are or were expected to occur. This is the same period as the period in which the cash flows are expected to impact the income statement (cost of sales if relating to forward exchange contracts covering sales and purchases in foreign currencies and the commodity swap agreements, and interest expense if concerning interest rate swaps).

At 31 December 2025:

<i>In thousands of EUR</i>	Carrying amount	Total expected cash flows	1 year or less	1-2 years	2-5 years	More than 5 years
Foreign currency						
Foreign exchange contracts						
Assets	516	516	516	-	-	-
Liabilities	-1,979	-1,979	-1,979	-	-	-
Commodity						
Commodity contracts						
Assets	5,753	5,753	3,624	2,129	-	-
Liabilities	-16,851	-16,851	-11,191	-5,660	-	-
Interest rate						
Interest rate swaps						
Assets	17,004	17,004	7,302	5,238	4,464	-
Liabilities	-	-	-	-	-	-

At 31 December 2024:

<i>In thousands of EUR</i>	Carrying amount	Total expected cash flows	1 year or less	1-2 years	2-5 years	More than 5 years
Foreign currency						
Foreign exchange contracts						
Assets	20	20	20	-	-	-
Liabilities	-1,082	-1,082	-1,082	-	-	-
Commodity contracts						
Commodity contracts						
Assets	1,640	1,640	221	1,419	-	-
Liabilities	-707	-707	-465	-242	-	-
Interest rate						
Interest rate swaps						
Assets	24,107	24,107	9,702	6,457	7,948	-
Liabilities	-	-	-	-	-	-

B. Derivatives without hedging relationship

Certain derivative transactions, while providing effective hedges under the Group's risk management policy, may not qualify for hedge accounting due to the complexity of the instruments. There are no such derivative transactions in 2025.

17.3 Financial instruments – fair values

Fair values of the financial assets and liabilities approximate their carrying amounts.

<i>In thousands of EUR</i>	2024	2025
Assets	890,328	956,237
Other non-current assets	30,183	22,104
<i>Trade and other receivables (loans and receivables)</i>	3,196	5,380
<i>Derivatives – used for hedging (cash flow hedging)</i>	15,948	11,919
<i>Loans (loans and receivables)</i>	10,495	4,256
<i>Bonds (available-for-sale)</i>	541	541
<i>Other</i>	3	8
Trade and other receivables	442,854	449,798
<i>Trade and other receivables (loans and receivables)</i>	432,273	438,379
<i>Derivatives – not used for hedging (at fair value through profit and loss)</i>	762	66
<i>Derivatives – used for hedging (cash flow hedging)</i>	9,819	11,353
Other current assets	88,061	72,611
<i>Current financial assets – deposits (loans and receivables)</i>	85,620	70,872
<i>Shares (available-for-sale)</i>	2,441	1,739
Cash and cash equivalents (loans and receivables)	329,230	411,724
Liabilities	2,476,012	2,485,761
Financial liabilities (liabilities at amortised cost)	1,308,480	1,353,471
Other non-current liabilities	14,537	23,374
<i>Other non-current liabilities (liabilities at amortised cost)</i>	14,295	17,714
<i>Derivatives – used for hedging (cash flow hedging)</i>	242	5,660
Current portion of financial liabilities (liabilities at amortised cost)	217,714	157,407
Trade and other liabilities	935,281	951,509
<i>Trade and other payables (liabilities at amortised cost)</i>	931,365	937,804
<i>Derivatives – not used for hedging (at fair value through profit and loss)</i>	2,370	534
<i>Derivatives – used for hedging (cash flow hedging)</i>	1,546	13,171

Unquoted equity instruments are measured either at fair value using a valuation technique or at cost. Further explanation is provided in note 13.

The fair value of trade and other receivables is estimated at the present value of future cash flows, discounted at the market interest rate at reporting date.

The fair value of forward exchange contracts and the commodity swap agreements is based on their listed market price, if available. If a listed market price is not available, then the fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

The fair value of interest rate swaps is calculated by discounting estimated future cash flows based on terms and maturity of each contract and using market interest rates for a similar instrument at reporting date.

The fair value of interest-bearing loans and borrowings has been calculated by discounting the expected future cash flows (principal and interest cash flows) at prevailing interest rates at reporting date.

Fair value hierarchy

The Group uses the following hierarchy to determine and disclose the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs which have a significant impact on the recorded fair value that are not based on observable market data.

2025

<i>In thousands of EUR</i>	Level 1	Level 2	Level 3
Assets measured at fair value			
Derivatives – not used for hedging (held for trading at fair value through profit and loss)	-	66	-
Derivatives – used for hedging (cash flow hedging)	-	23,272	-
Liabilities measured at fair value			
Derivatives – not used for hedging (held for trading at fair value through profit and loss)	-	534	-
Derivatives – used for hedging (cash flow hedging)	-	18,831	-

During 2025 and 2024 there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

2024

<i>In thousands of EUR</i>	Level 1	Level 2	Level 3
Assets measured at fair value			
Derivatives – not used for hedging (held for trading at fair value through profit and loss)	-	762	-
Derivatives – used for hedging (cash flow hedging)	-	25,767	-
Liabilities measured at fair value			
Derivatives – not used for hedging (held for trading at fair value through profit and loss)	-	2,370	-
Derivatives – used for hedging (cash flow hedging)	-	1,788	-

As stated in note 12, assets held for sale are measured at the lower of carrying amount and fair value less costs to sell in 2025 and 2024 since no observable fair value could be obtained. The investment properties are measured at amortised cost, we refer to note 11.

Note 18 – Cash and cash equivalents

We refer to the Consolidated statement of cash flows, Note 9 ‘Goodwill and Business Combinations’ and Note 24 ‘Loans & borrowings’ for further explanation. The different types of cash and cash equivalents are detailed below:

<i>In thousands of EUR</i>	2024	2025
Cash on hand and bank deposits	213,033	293,694
Short-term deposits (less than three months)	116,197	118,030
Total	329,230	411,724

Note 19 – Equity

Ordinary shares

The issued share capital (share premium included) of Etex N.V. amounts to €3,276 thousand at 31 December 2025. It is represented by 82,837,819 fully paid ordinary shares without par value.

	2024	2025
At the beginning of the year	82,837,819	82,837,819
Movement of the year	-	-
At the end of the year	82,837,819	82,837,819

Treasury shares

At 31 December 2025 the Group owns 4,673,495 ordinary shares representing 5.64% of the total number of ordinary shares.

	2024	2025
At the beginning of the year	4,673,495	4,673,495
Movement of the year	-	-
At the end of the year	4,673,495	4,673,495

Dividend

The 2025 dividend will be proposed for approval at the General Shareholders' Meeting of Etex N.V. on 27 May 2026 (after issuance of the financial statements) and will amount to €1.03 per share representing a total dividend of €80,509 thousand.

In 2025, a dividend of €80,509 thousand has been paid out based on the decision of the General Shareholders' Meeting of Etex N.V. on 28 May 2025 to allocate a dividend of €1.03 per share

	Number of shares	EUR/share	Dividend in EUR
Ordinary shares	82,837,819	1.03	85,322,954
Treasury shares	-4,673,495	1.03	-4,813,700
Dividend paid out	78,164,324		80,509,254

Details changes in equity

<i>in thousands of EUR</i>	Issued share capital	Share premiums	Issued share capital and share premiums	Post employment benefits reserves	Financial instruments	Post employment benefits reserves and financial instruments
At December 31, 2023	2,533	743	3,276	-61,161	15,467	-45,694
Total comprehensive income	-	-	-	-16,869	-9,605	-26,474
At December 31, 2024	2,533	743	3,276	-78,030	5,863	-72,167
Total comprehensive income	-	-	-	1,222	-13,635	-12,413
At December 31, 2025	2,533	743	3,276	-76,808	-7,773	-84,580

Other equity movements

The 2025 and 2024 Other equity movements of respectively €12,471 thousand and €73,673 thousand mainly relate to the translation effects of IAS 29 (hyperinflation accounting) in Argentina impacting Other reserves and retained earnings.

Note 20 – Provisions

<i>In thousands of EUR</i>	Warranty	Health claims	Litigation	Others	Total
At 31 December 2024	29,783	48,239	8,451	92,216	178,689
Additional provisions made	2,976	3,951	1,011	40,626	48,564
Amounts utilised during the year	-4,206	-6,850	-612	-49,883	-61,551
Unused amounts reversed	-3,082	-1,851	-2,418	-6,762	-14,113
Changes in the scope of consolidation	-	-	-	18	18
Translation differences	-29	-74	-60	-391	-554
Discount rate adjustment	-	1,135	-	-235	900
At 31 December 2025	25,442	44,550	6,372	75,589	151,953
Non-current at the end of the period	21,906	39,422	4,931	32,941	99,200
Current at the end of the period	3,536	5,128	1,441	42,648	52,753

Warranty provisions

The provisions for warranty costs are estimates of future payments for claims relating to sales of goods based on historical data; they cover mainly roofing products in Europe for which a long warranty period is granted to customers. Additions made to the provision during the year are based on an estimate of the probability of future product claims applied to the sales figures of the year and specific claims exceeding statistical estimates.

Health claims provision

In the past, various Etex subsidiaries used asbestos as a raw material in their industrial process. The use of asbestos has been banned in the entire Group for many years now, but some companies may still receive claims relating to past exposure to asbestos. The potential risk varies depending on the legal situation in the relevant country, its national social security system and the insurance cover of the relevant company.

The accounting approach is to provide for the costs of the settlement of claims which are both probable and can be reliably estimated. The provision at 31 December 2025 for the cost of asbestos claims comprises an amount of €21,528 thousand (€21,557 thousand in 2024) for the expected costs of settling notified claims and a discounted amount of €23,014 thousand (€26,673 thousand in 2024) in respect of losses arising from claims which have not yet been notified but which are both probable and can be reliably estimated. These future claims are discounted at different rates from 2.56% to 4.44% depending on the country (2.45% to 4.69% in 2024).

Most of the Etex's subsidiaries work with external counsels and, if applicable, insurance companies to review the asbestos claims. If a compensatory disease is proven and the causation can be established, the settlement is provided for an amount that reflects the type of disease, the seriousness of the injury, the age of the claimant and the particular jurisdiction of the claim.

The estimation of future claims is based on an up to 25-year cost estimate which takes into account the current level of claims as well as a reduction of claims over time as the number of diseases is expected to decline. Whilst further claims are likely to arise after this up to 25-year-period, the associated costs of resolution cannot be reliably estimated and no provision has been made to cover these possible liabilities. The estimate of future liabilities takes into account a large number of variables such as the number of employees exposed, the likely incidence, the disease mix, the mortality rates, the legislative environment and the expected insurance coverage. As these assumptions may change over time, there can be no guarantee that the provision for asbestos liabilities is an accurate prediction of the actual future costs. As a consequence, the provision may have to be revised in the future as additional information becomes available or trends change. The provision is reviewed at least once a year.

The number of new claims received during 2025 was 27 (24 in 2024), 38 cases were settled and 2 resolved without cost. The number of outstanding cases for which a provision has been made at 31 December 2025, was 111 (124 in 2024).

Litigation provisions

Litigation provisions mainly include estimated future outflows relating to, various direct and indirect tax litigations, litigations with customers, former employees, suppliers and other parties.

Other provisions

Other provisions include mainly estimated future outflows for environmental obligations, decommissioning, and restructuring. The Group meets all obligations imposed by relevant laws with respect to CO2 emission rights, land decontamination and site restoration. Where requested, necessary expenses are made and provision for future estimated costs are set-up. At 31 December 2025, these provisions amount to €46,997 thousand (€55,065 thousand in 2024).

Note 21 – Commitments and contingencies

Health claims

There has been a history of bodily injury claims resulting from exposure to asbestos being lodged against subsidiaries of the Group for a number of years. The Group’s approach is to provide for the costs of resolution which are both probable and reliably estimable (refer to note 20 on provisions). At present the provision for the costs which are both probable and can be reliably estimated cover up to 25 years of estimated gross costs. Whilst further claims are likely to be resolved beyond this timeframe, the associated costs of resolution are not able to be reliably estimated and no provision has been made to cover these possible liabilities, which are considered contingent.

Legal claims

On 30 May 2024, legal proceedings have been initiated by the Flemish Minister of Environment and the Public Waste Agency of Flanders (OVAM) against Etex NV and Eternit NV, a subsidiary of the Group, and a number of former directors of Eternit NV, claiming damages relating to removal costs of asbestos cement applications in Flanders currently set at one euro provisionally (but referring to a theoretical estimate of €1.95 billion in removal costs based on Eternit’s estimated historic market share). The claimants also allege to have filed a parallel criminal complaint with civil action. However, Etex is unaware of such complaint actually having been filed. Etex and Eternit disagree with this claim. On 30 September 2024, all parties agreed to pause and send the legal proceedings to the special docket. Confidential discussions with the Flemish Government and OVAM are ongoing on the matter. Any possible obligations and their amount that would result from the above (or from contingent evolution of legislation with respect to asbestos removal in Flanders, or regarding federal asbestos fund in Belgium) are uncertain at this time and, as no reliable estimate can be made: these are not included as a provision in the consolidated financial statements.

Furthermore, in the ordinary course of business, the Group is involved in lawsuits, claims, investigations and proceedings, including product liability, commercial, environment and health and safety matters, etc. The Group operates in countries where political, economic, social and legal developments could have an impact on the Group’s operations. The Group is required to assess the likelihood of any adverse judgements or outcomes to these matters, as well as potential ranges of probable losses. The effects of such risks which arise in the normal course of business are not foreseeable and are therefore not included in the accompanying consolidated financial statements.

Guarantees

At 31 December 2025, the Group issued the following guarantees to third parties:

<i>In thousands of EUR</i>	2024	2025
Guarantees issued after business disposals	379,047	172,945
Guarantees issued by the Group to cover the fulfilment of Group companies obligations	1,291,675	1,270,485
Guarantees issued by Third Parties to cover fulfilment of the Group companies obligations	26,534	27,271

Guarantees issued by the Group to cover the fulfilment of Group companies’ obligations consists mainly of the joint and several cross guarantees provided by the group and its affiliates relating to our outstanding syndicated credit facility (€600 million), commercial paper program (€300 million), Schuldschein loan (€753.5 million), USPP loan (€437 million), as well as securities issued to guarantee other commitments (€269 million). The values disclosed in the above table are based on outstanding amounts.

Commitments

In the ordinary course of business, the Group enters into purchase commitments for goods and services and capital expenditures, buys and sells investments and Group companies or portions thereof. At 31 December 2025 Etex had purchase commitments of €29,408 thousand (€65,743 thousand in 2024), mainly due to commitments to acquire CO2 emission rights.

Commitments relating to uncapitalised lease payments are disclosed in Note 24.

Note 22 – Employee benefits

Defined contribution plans

For defined contribution plans Group companies pay contributions to pensions funds or insurance companies. Once contributions have been paid, the Group companies have no further significant payment obligation. Contributions constitute an expense for the year in which they are due. In 2025, the defined contribution plan expenses for the Group amounted to €12,047 thousand (€17,904 thousand in 2024).

Defined benefit plans

Some Group companies provide defined benefit pension plans to their employees as well as defined benefit medical plans and early retirement plans.

The following tables reconcile the funded and unfunded status of defined benefit plans to the amounts recognised in the statement of financial position:

<i>In thousands of EUR</i>	2024	2025
<i>Present value of funded obligations</i>	832,627	783,013
<i>Fair value of plan assets</i>	899,078	858,365
Plan (surplus) deficit of funded obligations	-66,451	-75,352
Present value of unfunded obligations	91,986	87,202
Net liability from funded and unfunded plans	25,535	11,850
Other long-term benefits	11,308	11,647
Termination benefits	1,655	1,571
Stock option plans	20,447	14,395
Net employee benefits liability	58,945	39,463
Employee benefit obligation	958,023	897,828
Fair value of plan assets	899,078	858,365
Net liability at the end of the year	58,945	39,463
Net employee benefits liability (assets)	58,945	39,464
<i>Employee benefits in the statement of financial position:</i>		
<i>Liabilities</i>	130,122	117,672
<i>Assets</i>	71,177	78,208

Funded pension plans have been established in the United Kingdom, Ireland, Germany, Belgium, Indonesia and Brazil. They are all closed for new employees.

Unfunded pension plans exist mainly in Germany and Chile, but also in Poland, Slovenia and Lithuania.

Other post-employment benefits, such as medical plans, early retirement plans, and gratuity plans, are granted mainly in Belgium, the United Kingdom, France, Germany, Poland, Austria and Italy. Other long-term benefits include mainly “Jubileum” premiums in Germany and Poland, long-term profit sharing and “Medailles du travail” in France, and long service leave in Australia.

Termination benefit plans consist of specific early retirement plans, mainly in Germany, Chile and Belgium.

Stock options plans are detailed in note 23.

The largest individual plans are in UK and Ireland. Together they account for 75% (76% in 2024) of the total Group defined benefit obligations, and 88% (89% in 2024) of its plan assets.

UK Pension Plans

In the UK, the Group sponsors two defined benefit pension plans – the ML Pension Scheme (the “Scheme”) and the Eternit Pension Plan (the “Plan”, together “the Plans”). The Plans were closed to future accrual on 31 December 2009 at which point all active members were granted preserved benefits in the Plans with ongoing pension provision via a separate company-sponsored defined contribution pension scheme.

The Plans target a pension paid for life. The amount of pension depends on how long employees were active members of the Plans and their salary when they left the Plans, revalued on a statutory basis until retirement.

The Plans are governed by boards of Trustees (the “Trustees”) that have control over the operation, funding and investment strategy. The Trustees are comprised of nominees of the sponsoring employers and elected members of the Plans. The Trustees work together with the UK sponsoring employers of the Plans (the UK sponsors).

UK legislation requires the Trustees to carry out valuations according to local funding requirements at least every three years and to target full funding against a basis that prudently reflects the Plans’ risk exposure. The last formal statutory valuations agreed between the Trustees and the Company were carried out as at 31 March 2023 and the results showed a surplus of £21.2million (funding level 104%) for the Scheme and a surplus of £13.8 million (funding level 110%) for the Plan against the Trustees’ funding objective, agreed with the UK sponsors. The formal statutory valuations as at 31 March 2023 for the Scheme and the Plan were agreed in January 2024.

During the 2017 actuarial valuation discussions, an agreement was reached with the UK Sponsors and the Trustees of the Plan agreed to take a £43,975,289 interest in an asset backed contribution (ABC) arrangement – the EPP ABC Limited Partnership (“the EPP ABC”), following receipt of a contribution of the same amount from Eternit UK Limited on 28 March 2018. The agreement provides additional covenant support for the Plan. The EPP ABC releases cash each quarter to the Plan of £1,024,711 no later than 5 business days following 31 March, 30 June, 30 September, 31 December each year starting on 30 June 2018 for a 14 year 6-month period with the last payment made no later than 5 business days following 31 December 2032. This agreement and term of the arrangement remains the same following completion of the 2023 funding valuation.

The UK sponsors also agreed a similar agreement for the Scheme to take a £36,157,460 interest in an asset backed contribution (ABC) arrangement – the MPS ABC Limited Partnership (“the MPS ABC”), following receipt of a contribution of the same amount from Marley Eternit Limited on 28 March 2018. The agreement provides additional covenant support for the Scheme. As with the EPP ABC, the MPS ABC releases cash to the Scheme of £842,540 each quarter no later than 5 business days following 31 March, 30 June, 30 September, 31 December each year starting on 30 June 2018 for a 14 year 6-month period with the last payment made no later than 5 business days following 31 December 2032. This agreement and term of the arrangement remains the same following completion of the 2023 funding valuation.

In addition, the Trustees agreed that, from January 2024 onward, both the Plan and the Scheme will pay and cover the administrative and other associated cash expenses (including regulatory and Pension Protection Fund levies). However, these expenses will remain within Etex’s administration charges (unlike those related to assets management).

The approximate weighted average duration of the defined benefit obligation is approximately 10.5 years for the Scheme and 11 years for the Plan as at 31 December 2025.

The Plans hold a portfolio of assets primarily invested in corporate bonds and liability-driven investments (“LDI”), complemented by other investment vehicles and cash. The Plans’ investment strategy was reviewed by the Trustee in conjunction with the UK sponsors in 2024, following the results of the 2023 Actuarial Valuation. A key change was an increase in the target level of interest rate and inflation hedging, with revised targets of 95% and 100% for the Scheme and Plan, respectively, as a proportion of gilts flat liabilities. In order to facilitate the increase in hedging and reduce investment risk, the Eternit Pension Plan received a £10 million loan from the Company, which will be repaid using the ABC contributions due. As a result in an improvement in the liquidity position the loan was subsequently re-paid in full by the Plan in October 2025.

The Strategic Asset Allocation (SAA) will evolve over time as the Private Market mandates mature, which will naturally enhance the liquidity of the portfolios and provide greater flexibility in making investment decisions consistent with the long-term objectives of the Plans.

There is a risk that changes in the assumptions for investment return, price inflation or life expectancy could result in deterioration in the funding level of the Plans both on an accounting basis and the local funding basis. Other assumptions used to value the defined benefit obligation are also uncertain. Other risks such as actions taken by the local regulators could result in stronger local funding standards, which could affect cash flow.

In order to mitigate risk and working together with the Trustees, the UK sponsors have carried out two risk management exercises since the closure of the Plans. The first of these was a pension increase exchange exercise whereby members of the Plans were offered the opportunity to exchange non-statutory inflation linked pension increases for a higher initial pension, but one which did not then increase in payment thereby reducing the inflation exposure of the Plans. A flexible pension option exercise took place at over 2013/2014 in which preserved pensioners aged 55 or over were reminded of their option to retire early or transfer out of the Plans with the offer of independent financial advice. To the extent members decide to transfer out of the Plans some of the risks described are reduced

The Court of Appeal decision in the case of *Virgin Media Ltd v. NTL Pension Trustees II Ltd* continues to have potential implications for defined benefit (DB) pension schemes that were contracted out of the state pension scheme at any time between 1997 and 2016. According to the decision of the Court, any amendments to scheme benefits made during that period will be void unless the scheme can prove that the actuary had confirmed, when the amendment was made, that the pension scheme would continue to satisfy the statutory standard for contracted-out schemes. This proof is in the form of a signed actuarial certificate.

In 2024, Etex engaged its legal advisors to assess the potential impact of the Court’s decision on its UK DB pension schemes. Based on the investigation performed as of today, Etex estimates the impact of the Virgin Media case on its UK DB pension funds to be not significant.

Ireland Pension Plans

In Ireland, the Group sponsors two defined benefit pension plans – The Etex Ireland Limited Pension Plan (the “Main Plan”) and the Tegral Group Executives Pension Plan (the “Exec Plan”) together (“the Plans”). The Plans were closed to future accrual on 31 December 2010 at which point all active members were granted preserved benefits in the Plans with ongoing pension provision via a separate company sponsored defined contribution pension scheme (the DC Scheme). The Plans target a pension paid for life. The amount of pension depends on how long employees were active members of the Plans and their salary when they left the Plans, revalued on a statutory basis until retirement.

The Plans are governed by boards of Trustees (the “Trustees”) that have control over the operation, funding and investment strategy. The Trustees are comprised of nominees of the sponsoring employers and elected members of the Plans. The Trustees work together with the Irish sponsoring employer of the Plans (the Irish sponsors).

Irish legislation requires the Trustees to carry out valuations according to local funding requirements at least every three years. The most recent valuations were carried out as at 1 January 2024 and the next formal actuarial valuation of the Plans will be as of 1 January 2027. The results of the 1 January 2024 valuations showed that both schemes satisfied the statutory minimum funding standard and there was a large combined surplus (funding level 120%) against the Trustees’ funding objectives. The Irish sponsors and Trustees have agreed to a pause in employer contributions over the period to the next formal valuations at 1 January 2027.

The combined approximate weighted average duration of the defined benefit obligation is 13 years for the Plans. The Plans hold a diversified portfolio of assets including equities, bonds, property, cash and absolute return funds. The investment strategy is reviewed regularly by the Trustees in conjunction with the Irish sponsors.

There is a risk that experience being different to the assumptions for investment return, price inflation or life expectancy could result in deterioration in the funding level of the Plans. Other assumptions used to value the defined benefit obligation are also uncertain, although their effect is less material.

Other risks such as actions taken by the local regulators could result in stronger local funding standards, which could affect cash flow. However, because the sponsor has a right to a refund of any surplus assets, there would be no further balance sheet effect.

In order to mitigate this risk and working together with the Trustees, the Irish sponsors have controlled risk by closing the Plans to future accrual and reducing the investment risk of the Plans.

The distribution of the employee benefit obligation per country, at the end of the year is as follows:

<i>In thousands of EUR</i>	2024	2025
United Kingdom	660,105	615,148
Germany	72,943	67,330
Ireland	68,086	60,641
Belgium	87,571	93,036
France	16,635	16,089
Others	52,683	45,584
Employee benefit obligation	958,023	897,828

The changes in the present value of the employee benefit obligations are as follows:

<i>In thousands of EUR</i>	2024	2025
Employee benefit obligation at the beginning of the year	1,017,787	958,023
Service cost	3,806	19,095
Past service cost (gain)/loss	-1,432	-534
Settlements	236	275
Service cost	2,610	18,836
Interest cost	41,956	42,671
Actuarial (gains) and losses	-60,086	-12,160
Benefits paid	-76,421	-77,301
Plan participants contribution	1,255	1,220
Acquisition of subsidiaries	86	59
Translation differences	30,836	-33,520
Employee benefit obligation at the end of year	958,023	897,828

The table above includes the changes for the defined benefit obligations, stock option plans, termination benefits and other long-term benefits.

Belgian plans subject to minimum guaranteed rate of return

Etex offers defined contribution pension plans funded through group insurance to employees of its Belgian affiliates. The Belgian defined contribution plans are subject to the Law of 28 April 2003 on occupational pensions. According to article 24 of this Law, the employer has to guarantee a minimum return (3.25% p.a. / 3.75% p.a. on employer / employee contributions paid before 1 January 2016 and 1.75% p.a. on employer /employee contributions paid as from 1 January 2016, increased to 2.5% as of 1 January 2025), therefore these plans are considered to be defined benefit plans under IAS 19. They induce a financial risk for the group during periods of declining market interest rates when the returns guaranteed by the insurance companies are lower than the minimum legal returns. The assets of these plans are entirely managed by external insurance companies referred to as "qualifying parties" which do not have any link with the group.

The changes in the fair value of the plan assets are as follows:

<i>In thousands of EUR</i>	2024	2025
Fair value of plan assets at the beginning of the year	944,743	899,078
Interest income	43,619	44,432
Actuarial gains and (losses)	-82,997	-10,641
Employer contribution	13,298	12,883
Plan participants contribution	1,250	1,286
Administration cost (excluding management of assets)	-1,233	-1,875
Benefits paid	-53,994	-51,815
Translation differences	34,392	-34,983
Fair value of plan assets at the end of the year	899,078	858,365

The expense recognised in the income statement is detailed as follows:

<i>In thousands of EUR</i>	2024	2025
Service cost	-2,610	-18,836
Interest cost	-41,956	-42,671
Interest Income	43,619	44,432
Administration cost (excluding management of assets)	-1,234	-1,875
Total employee benefit expense	-2,181	-18,950
<i>The employee benefit expense is included in the following line items of the income statement:</i>		
Operating income	-3,844	-20,711
Financial result	1,663	1,761

The main weighted assumptions used in measuring the employee benefit liabilities are the following:

	2024	2025
Discount rate	4.85%	4.61%
Future salary increases	4.51%	4.58%
Pension increase	2.55%	2.23%
Medical cost trend	5.40%	6.50%

The distribution of the plan assets is the following:

	2024	2025
Equity instruments	3%	3%
Debt instruments	75%	82%
Etex shares (200,190 shares)		
Cash and fixed deposits	5%	1%
Insurance	9%	10%
Other	8%	4%
Total	100%	100%

The expected employer contributions to be paid in 2026 to defined benefit plans amount to €5562 thousand.

Sensitivity analysis

UK

The measurement of the defined benefit obligation for the Plans in UK is particularly sensitive to changes in key assumptions, as described below:

The discount rate has been selected following actuarial advice and taking into account the duration of the liabilities. A decrease in the discount rate of 1.0% would result in a £60.8 million increase in the present value of the defined benefit obligations of the Plans (which is likely to be mitigated in part by an increase in asset values). The inflation assumption adopted is consistent with the discount rate used. It is used to set the assumptions for pension increases and deferred revaluations used for preserved members' benefits. An increase in the inflation rate of 1.0% would result in a £37.3 million increase in the present value of the defined benefit obligation of the Plans (which is likely to be mitigated in part by an increase in asset values). The increase in the present value of the defined benefit obligation due to a member living one year longer would be approximately £17.7 million. There is also a risk of asset volatility leading to lower funding levels in the Plans.

Ireland

The measurement of the defined benefit obligation for the Plans in Ireland is particularly sensitive to changes in key assumptions, as described below:

The discount rate has been selected following actuarial advice and taking into account the duration of the liabilities. A decrease in the discount rate of 1.0% would result in a €8.1 million increase in the present value of the defined benefit obligations of the Plans (which is likely to be mitigated in part by an increase in asset values). The inflation assumption adopted is consistent with the discount rate used. It is used to set the assumptions for pension increases and deferred revaluations used for preserved members' benefits. An increase in the inflation rate of 1.0% would result in a €7.9 million increase in the present value of the defined benefit obligation of the Plans (which is likely to be mitigated in part by an increase in asset values). The increase in the present value of the defined benefit obligation due to a member living one year longer would be approximately €2.2 million. There is also a risk of asset volatility leading to lower funding levels in the Plans.

Note 23 – Share-based payments

On 19 December 2014, the Board introduced a stock option plan to reward executives and senior staff: the plan authorises the issuance of a maximum of 5,000,000 options to be granted annually over a 5-year period with an annual maximum of 1,000,000 options. In 2015, 2016, 2017, 2018 and in 2019 grants were made under this plan (SOP 2015, SOP 2016, SOP 2017, SOP 2018 and SOP 2019).

On 22 October 2019, the Board introduced a new stock option plan on similar terms: the plan authorises the issuance of a maximum of 5,000,000 options to be granted annually over a 5-year period with an annual maximum of 1,000,000 options however if less distributed over past years allocation could be higher in a certain year. On 20 September 2024, the Board extended this plan with one additional year. In 2020, 2021, 2022, 2023, 2024 and 2025 grants were made under this plan (SOP 2020, SOP 2021, SOP 2022, SOP 2023, SOP 2024 and SOP 2025).

Each option gives the beneficiary the right to buy one Etex N.V. share at an exercise price determined at grant date and is vested on a monthly basis over 4 years. Each beneficiary of an option is also granted a put option whereby the shares acquired under the stock option plan can be sold back to the Group at a price determined at each put exercise period, which is similar to the stock option plan exercise period.

Fair value of the options granted during the period

The fair value of the services received in return for share options is based on the fair value of the share options granted, measured using the Black & Scholes model with the following inputs:

	2024	2025
Expected volatility (% pa)	20.00	20.00
Risk-free interest rate (% pa)	2.42	2.45
Expected dividend increase (% pa)	10.00	10.00
Rate of pre-vesting forfeiture (% pa)	-	-
Rate of post-vesting leaving (% pa)	1.00	1.00
Share Price (as estimated)	51.94	51.48
Expected early exercise of options	5-6 years	5-6 years
Fair value per granted instrument determined at grant date (€)	8.04	7.94

The expected volatility is slightly lower than the industrial Belgian listed companies (25%), because the market ratios are fixed for the entire exercise period of the option.

Due to newly granted stock options in current year and due to the increase of the fair value of the options granted in the past and not exercised yet, Etex recognised a share-based payment expense of €8,307 thousand during the year (an income of €-5,561 thousand in 2024). The total carrying amount of the liability related to the stock option plans amounts to €14,395 thousand (€20,447 thousand in 2024) and is disclosed under “Employee benefits liabilities” as described under note 22.

Stock option plans granted by the company

Plan	Contractual life of an option	Exercise period	Exercise (call) price	Number of options still to be exercised
SOP 2019	20.6.2026	Once a year as from 2022, between 1.6 and 20.6	29.35	17,000
SOP 2020	20.6.2027	Once a year as from 2023, between 1.6 and 20.6	28.69	10,750
SOP 2021	20.6.2028	Once a year as from 2024, between 1.6 and 20.6	50.41	87,875
SOP 2022	20.6.2029	Once a year as from 2025, between 1.6 and 20.6	48.91	995,132
SOP 2023	20.6.2030	Once a year as from 2026, between 1.6 and 20.7	44.47	1,015,164
SOP 2024	20.6.2031	Once a year as from 2027, between 1.6 and 20.7	51.94	941,790
SOP 2025	20.6.2032	Once a year as from 2028, between 1.6 and 20.8	51.48	1,018,625

Details of the share options outstanding during the year

	2024		2025	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
<i>In thousands of EUR</i>				
Outstanding at the beginning of the year	3,815,713	43.89	4,002,704	48.55
Granted during the year	1,073,900	51.94	1,018,625	51.48
Forfeited during the year	-126,159	48.12	-82,818	48.91
Exercised during the year	-760,750	29.67	-852,175	49.65
Outstanding at the end of the year	4,002,704	48.55	4,086,336	49.04
<i>Of which exercisable at the end of the year</i>	56,625	29.20	115,625	45.29

For share put options exercised during the period, the weighted average share price was €66.50 (€47.29 in 2024).

Note 24 – Loans and borrowings

<i>In thousands of EUR</i>	2024	2025
Bank loans	3,569	2,489
Private placements	1,154,500	1,190,500
Other financial loans	3,080	4,274
Obligations under leases	147,331	156,208
Total non-current financial liabilities	1,308,480	1,353,471

<i>In thousands of EUR</i>	2024	2025
Bank loans	2,027	2,221
Private placements	46,500	-
Bank overdrafts	1,701	1,294
Other financial loans	134,435	117,594
Obligations under leases	33,051	36,298
Total current financial liabilities	217,714	157,407

In October 2024, Etex signed the documentation for a €600 million Syndicated Credit Facility for a period of 5 years (extendable to 7 years) with a pool of 9 core banks; as such refinancing our previous Syndicated Credit Facilities of 2018 (€535 million) and 2022 (€300 million). The current Syndicated Credit Facility was drawn at €0 million per end of 2025 (drawn at €0 million per end of 2024 under the old Syndicated Credit Facility).

In October 2024, Etex also raised funds through a US private placement (USPP) €265 million for a period of 10 years and €172 million for a period of 12 years.

Etex also uses Schuldschein loans (outstanding from 2022) for a total amount of €753.5 million (€800 million in 2024) and a Commercial Paper program of €300 million, drawn at €76 million per end of 2025 (€85 million per end of 2024).

In 2025, Etex continued using its €300 million non-recourse Factoring Program, through which customer receivables from 18 entities in 10 European countries are being sold to a pool of banks on a non-recourse basis. Per end of 2025, €247.6 million were financed through that program, out of which €209.5 million was eligible for trade receivables derecognition. Within the URSA scope of acquired companies, a total non-recourse factoring program is running for an additional non-recourse factoring financing of €4.5 million, derecognised from the trade receivables.

Transaction costs on the Syndicated Loans 2024, the US private placement 2024 and on the Schuldschein Loan of 2022 have been deducted from the loan at initial recognition and are being amortised over the life of the extended loan. The amount still to be amortised at the end of 2025 amounts to €4,074 thousand (€5,196 thousand at the end of 2024).

Within the share purchase agreement of the acquisition project of Evolusion Innovation Group (2021) a call/put option clause was integrated to acquire the remaining shares. In June 2025 and June 2024 Etex group acquired each time 20% of the remaining shares for consideration of respectively €2,184 thousand and €3,342 thousand, ending up with 100% ownership of the Evolution Innovation Group in June 2025.

Within the share purchase agreement of the acquisition project of Drumarkon (2025) a call/put option clause was integrated to acquire the remaining shares. At year-end 2025 the call/put option is measured at fair value and qualified as financial liability amounting to €1,668 thousand.

Finally, for its local funding, the Group is relying on some long-term and short-term facilities with local banks for a total amount of €10.7 million end of 2025 (€12.6 million end of 2024), predominately in Nigeria (€8.0 million) for local financing of an investment project.

The management of interest rate risk is described in Note 17.

Net financial debt

The net financial debt position is calculated as follows:

<i>In thousands of EUR</i>	2024	2025
Non-current loans and borrowings	1,308,480	1,353,471
Current portion of loans and borrowings	217,714	157,407
Current financial assets	-88,059	-72,609
Cash and cash equivalents	-329,230	-411,724
Net financial debt	1,108,905	1,026,545

Lease liabilities

The Group is leasing for various items of plant, property and equipment. At commencement date of the lease, the Group recognises the right-of-use assets (refer to Note 8 – Property, plant and equipment) and the lease liability measured at the present value of lease payments to be made over the lease term. The Group presents interest paid on its lease liabilities as financing activities in the cash flow statement (refer to Consolidated statement of cash flows) and as interest expense on financial liabilities measured at amortised cost in the income statement (refer to Note 6 – Finance income and expenses). The future minimum lease payments, interest payments and present value of payments are as follows:

<i>In thousands of EUR</i>	2024			2025		
	Minimum lease payments	Interest	Present value	Minimum lease payments	Interest	Present value
Less than 1 year	39,598	-6,547	33,051	42,517	-6,219	36,298
Between 1 and 5 years	81,337	-16,270	65,067	82,345	-17,011	65,334
More than 5 years	135,957	-53,693	82,264	152,026	-61,152	90,874
Total	256,892	-76,510	180,382	276,888	-84,382	192,506

Uncapitalised lease payments

The Group applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption

to leases that are considered of low value. Lease payments on short-term lease and leases of low-value assets are recognised as expense on a straight-line basis over the lease term. The variable lease payments that do not depend on an index or rate are recognised as expense in the period on which the event or condition that triggers the payment occur. The total expenses for uncapitalised lease payments recognised in the consolidated income statement for 2025 amount to €5,486 thousand. Future committed uncapitalised lease payments are as follows:

	2024				2025			
	Less than 1 year	Between 1 and 5 years	More than 5 years	Total	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Short-term leases	3,281	-	-	3,281	1,682	-	-	1,682
Low-value leases	65	103	-	168	118	19	-	137
Variable lease payments	-	-	-	-	-	-	-	-
Total	3,346	103	-	3,449	1,800	19	-	1,819

Variable lease payments that do not depend on an index or a rate are not material.

Note 25 – Deferred tax

<i>In thousands of EUR</i>	Assets	Liabilities	Net
Net carrying amount at 31 December 2024	96,138	206,274	-110,136
Translation differences	-5,433	-9,834	4,401
Recognised in income statement	3,790	-3,505	7,295
Recognised in equity	-	-4,068	4,068
Change in scope of consolidation	91	139	-48
Netting	-279	-470	191
Net carrying amount at 31 December 2025	94,307	188,536	-94,229

The amount of deferred tax assets and liabilities are attributable to the following items:

<i>In thousands of EUR</i>	2024		2025		2024	2025	Variance
	Assets	Liabilities	Assets	Liabilities	Net	Net	
Property, plant and equipment	-1,980	155,374	2,909	161,704	-157,354	-158,795	-1,441
Intangible assets	3,690	85,608	3,246	74,939	-81,918	-71,693	10,225
Employee benefits assets	21	10,980	16	12,162	-10,959	-12,146	-1,187
Inventories	6,141	1,931	6,750	2,005	4,210	4,745	535
Trade & other receivables	5,360	1,094	10,035	3,463	4,266	6,572	2,306
Other assets	9,576	5,876	5,604	12,436	3,700	-6,832	-10,532
Provisions	17,637	5,203	10,539	-311	12,434	10,850	-1,584
Employee benefits liabilities	14,226	19,040	8,743	14,877	-4,814	-6,134	-1,320
Loans and borrowings	13,560	1,258	13,652	-824	12,302	14,476	2,174
Other non-current liabilities	5	923	-	2,711	-918	-2,711	-1,793
Current liabilities	22,161	15,937	27,931	2,794	6,224	25,137	18,913
Tax losses carried forward	261,461	-	254,502	-	261,461	254,502	-6,959
Unrecognised deferred tax assets	-158,770	-	-152,200	-	-158,770	-152,200	6,570
Netting by taxable entity	-96,950	-96,950	-97,420	-97,420	-	-	-
Total	96,138	206,274	94,307	188,536	-110,136	-94,229	15,907

Deferred taxes have not been recognised in respect of tax losses carried forward for an amount of €151,119 thousand (€158,220 thousand in 2024) and net deductible temporary differences for €1,081 thousand (€550 thousand in 2024) when it is not probable that future taxable profit will be available against which the Group can utilise the benefits there from. The amount of deferred tax assets computed on tax losses carried forward is detailed below, before deduction of unrecognised deferred tax assets, by year in which tax losses will expire:

Expiration year	Deferred Tax Asset
2026	791
2027	-
2028	115
2029	-
2030 or later	42
Without expiration date	253,554
Total	254,502

Note 26 – Trade and other liabilities

Non-current liabilities

<i>In thousands of EUR</i>	2024	2025
Deferred income - Government grants	12,896	16,617
Other liabilities	1,641	6,757
Total	14,537	23,374

The Group has been awarded a number of government grants related to investments in property, plant and equipment. These government grants are recognised in the statement of financial position as deferred income for €16,617 thousand (€12,896 thousand in 2024) and amortised over the useful life of the assets. All conditions attached to these grants have been fulfilled.

Current liabilities

<i>In thousands of EUR</i>	2024	2025
Trade liabilities	697,650	692,514
Other liabilities	237,631	258,995
Total	935,281	951,509

At 31 December 2025 an amount of € 12,405 thousand (€25,517 thousand in 2024), out of a total credit line of €23 million (€50 million in 2024), has been utilised by suppliers as part of a supplier finance arrangement. The arrangement contemplates the transfer of receivables (outstanding Group's payables) by suppliers to predefined banks. The group has determined that the terms (amount, nature, function and timing) of the trade payables are otherwise substantially unchanged and that it is therefore appropriate to continue presenting the relevant amounts within trade payable in the balance sheet.

The other current liabilities include:

<i>In thousands of EUR</i>	2024	2025
Income taxes payable	32,191	32,476
Other taxes payable	49,947	38,616
Remuneration payable	88,032	95,932
Social security payable	24,381	24,724
Deferred income and accrued charges	29,756	44,400
Derivative financial instruments with negative fair values	3,916	13,704
Dividends payable	2	2
Amount due to customers for construction contracts in progress	208	2,219
Advances received on construction contracts not started yet	795	1,136
Current cash guarantees received	663	777
Other	7,740	5,009
Total	237,631	258,995

Note 27 – Statement of cash flow details

(a) Depreciation, amortisation and impairment losses

2025

<i>In thousands of EUR</i>	Property, plant, equipment (note 8)	Intangible assets (note 9, 10)	Investment properties (note 11)	Assets held for sale (note 12)	Total
Depreciation	220,649	-	24	-	220,673
Amortisation	-	51,371	-	-	51,371
Impairment losses	11,699	725	3,159	-	15,583
Total	232,348	52,096	3,183	-	287,627

2024

<i>In thousands of EUR</i>	Property, plant, equipment (note 8)	Intangible assets (note 9, 10)	Investment properties (note 11)	Assets held for sale (note 12)	Total
Depreciation	221,369	-	37	-	221,406
Amortisation	-	51,743	-	-	51,743
Impairment losses	11,851	-	-2	-	11,849
Total	233,220	51,743	35	-	284,998

(b) Gains (losses) on sale and retirement of intangible assets and property, plant and equipment

2025

<i>In thousands of EUR</i>	Property, plant, equipment (note 8)	Intangible assets (note 10)	Investment properties (note 11)	Assets held for sale (note 12)	Total
Disposal proceeds	7,716	276	-	156	8,148
Net book value disposals	-5,216	-28,641	-	-202	-34,059
Gains (losses) on disposal	2,500	-28,365	-	-46	-25,911
Losses on retirement	-	-	-	-	-
Total	2,500	-28,365	-	-46	-25,911

2024

<i>In thousands of EUR</i>	Property, plant, equipment (note 8)	Intangible assets (note 10)	Investment properties (note 11)	Assets held for sale (note 12)	Total
Disposal proceeds	911	717	5,114	30	6,772
Net book value disposals	-1,430	-13,020	-2,446	-120	-17,016
Gains (losses) on disposal	-519	-12,303	2,667	-90	-10,245
Losses on retirement	-	-	-	-	-
Total	-519	-12,303	2,667	-90	-10,245

(c) Capital expenditure

<i>In thousands of EUR</i>	2024	2025
Property, plant and equipment (note 8)	247,025	260,583
Intangibles assets (note 10)	16,882	52,176
Total	263,907	312,759
Property, plant and equipment - leased	43,868	62,514
Total Capital expenditure - leased	43,868	62,514
Property, plant and equipment - owned	203,157	198,069
Intangibles assets - owned	16,882	52,176
Total Capital expenditure - owned	220,039	250,245

(d) Changes in working capital, provisions and employee benefits

<i>In thousands of EUR</i>	2024	2025
Inventories	-11,396	-17,750
Trade and other receivables, trade and other liabilities	-55,159	24,374
Provisions	24,083	-47,808
Employee benefits	-33,991	-27,931
Total	-76,463	-69,115

(e) Interest and dividend received

<i>In thousands of EUR</i>	2024	2025
Interest received	23,106	19,585
Dividend received	90	141
Dividend Associates	458	274
Total	23,655	20,000

(f) Reconciliation Income tax expense – income tax paid

<i>In thousands of EUR</i>	2024	2025
Income Tax expense	-80,380	-82,021
Changes in Deferred taxes	-14,962	-7,295
Changes in income tax payables/receivables	-20,521	-10,893
Income Tax paid	-115,864	-100,210

(g) Dividend paid

<i>In thousands of EUR</i>	2024	2025
Dividend Etex N.V.	-80,509	-80,509
Minority interest	-228	-109
Changes dividend payable	-39	0
Exchange difference	120	107
Total dividend paid	-80,656	-80,512

2025

2025	Non-cash changes								
In thousands of EUR	January 01, 2025	Cash flows	Foreign exchange movements	New leases	Transfers	Disposal	Scope in	Scope out	December 31, 2025
Bank loans	3,569	-543	-537	-	-	-	-	-	2,489
Private placements	1,154,500	36,000	-	-	-	-	-	-	1,190,500
Other financial loans	3,080	28	-29	-	-473	-	1,668	-	4,274
Non-current lease liability	147,331	-2,481	-12,730	58,359	-32,688	-1,935	352	-	156,208
Non-current financial liabilities	1,308,480	33,004	-13,296	58,359	-33,161	-1,935	2,020	-	1,353,471
Bank loans	2,027	296	-102	-	-	-	-	-	2,221
Private placements	46,500	-46,500	-	-	-	-	-	-	-
Bank overdrafts	1,701	-864	-143	-	-	-	600	-	1,294
Other financial loans	134,435	-15,905	-1,409	-	473	-	-	-	117,594
Current lease liability	33,051	-32,859	-607	4,155	32,688	-130	-	-	36,298
Current financial liabilities	217,714	-95,832	-2,261	4,155	33,161	-130	600	-	157,407
Total loans and borrowings	1,526,194	-62,828	-15,557	62,514	-	-2,065	2,620	-	1,510,878

2024

2024	Non-cash changes							
In thousands of EUR	January 01, 2024	Cash flows	Foreign exchange movements	New leases	Transfers	Scope in	Scope out	December 31, 2024
Bank loans	113,809	-104,085	-6,090	-	-65	-	-	3,569
Private placements	800,000	401,000	-	-	-46,500	-	-	1,154,500
Other financial loans	9,556	-3,244	-	-	-3,232	-	-	3,080
Non-current lease liability	130,914	-8,961	3,347	39,839	-29,821	12,013	-	147,331
Non-current financial liabilities	1,054,279	284,710	-2,743	39,839	-79,618	12,013	-	1,308,480
Bank loans	4,393	-1,328	-1,103	-	65	-	-	2,027
Private placements	-	-	-	-	46,500	-	-	46,500
Bank overdrafts	2,639	-868	-70	-	-	-	-	1,701
Other financial loans	176,734	-46,944	1,413	-	3,232	-	-	134,435
Current lease liability	27,495	-27,828	-466	4,029	29,821	-	-	33,051
Current financial liabilities	211,261	-76,968	-226	4,029	79,618	-	-	217,714
Total loans and borrowings	1,265,540	207,742	-2,969	43,868	-	12,013	-	1,526,194

Transactions between Etex and its subsidiaries, which are related parties, have been eliminated in the consolidation and are accordingly not included in the notes. Transactions with equity accounted investees and joint ventures are included in note 13.

Transactions with members of the Board of Directors and Executive Committee:

<i>In thousands of EUR</i>	2024	2025
Board of Directors:		
<i>Short-term employee benefits</i>	959	968
Executive Committee:		
<i>Short-term employee benefits</i>	12,633	11,618
<i>Post employment benefits</i>	1,336	920
<i>Share-based payment</i>	-1,713	3,273
<i>Number of stock options granted during the year</i>	578,950	472,500

Transactions with companies in which members of the Board of Directors are active, reflect third party conditions and are immaterial in scope.

The worldwide audit remuneration for the statutory auditor totalled €3,484 thousand (€3,166 thousand in 2024). The fees paid to the statutory auditor for additional services amounted to €1,375 thousand (€1,164 thousand in 2024), of which €314 thousand Other engagements (€311 thousand in 2024) and €1,061 thousand tax & advisory services (€853 thousand in 2024).

The major companies included in the consolidated financial statements are listed below. An exhaustive list of the Group companies with their registered office will be filed at the Belgian National Bank together with the consolidated financial statements.

		% equity interest	
		2024	2025
Europe			
Austria	Etex Building Performance GmbH	100%	100%
	URSA Dämmsysteme Austria GmbH	100%	100%
Belgium	Comptoir du Bâtiment N.V.	100%	100%
	Etergyp N.V.	100%	100%
	Eternit N.V.	100%	100%
	Etex Building Performance N.V.	100%	100%
	Etex N.V.	100%	100%
	Etex New Ways N.V.	100%	100%
	Etex Services N.V.	100%	100%
	Euro Panels Overseas N.V.	100%	100%
	Microtherm N.V.	100%	100%
	Promat Research and Technology Center N.V.	100%	100%
Bosnia	URSA Benelux B.V.	100%	100%
	Siniat d.o.o.	100%	100%
Bulgaria	Etex Bulgaria EOOD	0%	100%
	URSA Zagreb D.O.O.	100%	100%
Croatia	Promat s.r.o.	100%	100%
	URSA CZ s.r.o.	100%	100%
Czech Republic	Skamol A/S	100%	100%
	Etex Nordic A/S	100%	100%
Denmark	OÜ URSA Baltic	100%	100%

		% equity interest	
		2024	2025
France	Etermat S.A.S.U.	100%	100%
	Eternit S.A.S.U.	100%	100%
	Etex Building Performance International S.A.S.	100%	100%
	Etex France Building Performance S.A.	100%	100%
	Etex France Exteriors	100%	100%
	Papeteries de Bègles S.A.S.	100%	100%
	Pladur France S.A.S.	100%	100%
	Skamol France S.A.S.	100%	100%
	URSA France S.A.S.	100%	100%
	URSA INSMAT France S.A.S.	100%	100%
Germany	Etex Building Performance GmbH	100%	100%
	Etex Germany Exteriors GmbH	100%	100%
	Etex Holding GmbH	100%	100%
	Promat Service GmbH	100%	100%
	Skamol Europe GmbH	100%	100%
	URSA Deutschland GmbH	100%	100%
	URSA (INSMAT) Holdings GmbH	100%	100%
Italy	Wanit Fulgurit GmbH	100%	100%
	URSA Salgótárján Zrt	100%	100%
	Edilit S.r.l.	100%	100%
	Etex Building Performance S.p.A.	100%	100%
	Etex Italia S.r.l.	100%	100%
	Immogit S.r.l.	100%	100%
	Promat S.p.A.	100%	100%
	Siniat Holding Italy S.r.l.	100%	100%
	Skamol Italia S.r.l.	100%	100%
	URSA Italia S.r.l.	100%	100%
Ireland	Etex Ireland Limited	100%	100%
	Etex Ireland Remagin Limited	100%	100%
	Evolusion Innovation Limited	80%	100%
	Tegral Holding Limited	100%	100%
Lithuania	UAB Eternit Baltic	100%	100%
Luxemburg	Eternit Investment S.à.r.l.	100%	100%
	Etex Asia S.A.	100%	100%
	Etex Finance S.à.r.l.	100%	100%
	Etex Luxembourg S.A.	100%	100%
	Maretex S.A.	100%	100%
	Merilux S.à.r.l.	100%	100%
	Poly Ré S.A.	100%	100%
Netherlands	Drumarkon International B.V.	0%	82.50%
	Eternit B.V.	100%	100%
	Eternit Holdings B.V.	100%	100%
	Etex Building Performance B.V.	100%	100%
	Nefibouw B.V.	100%	100%
	Uralita Holding B.V.	100%	100%

		% equity interest	
		2024	2025
Poland	Etex Poland Sp. z o.o.	100%	100%
	Siniat Polska Sp. z o.o.	100%	100%
	Skamol Eastern Europe Sp. z o.o.	100%	100%
	Skamol Polska Sp. z o.o.	100%	100%
	URSA Polska Sp. z o.o.	100%	100%
Portugal	EPISA SL	100%	100%
Romania	Betacon S.R.L.	100%	100%
	Etex Building Performance S.A.	100%	100%
Serbia	URSA Romania S.R.L.	100%	100%
	Etex Building Performance d.o.o.	100%	100%
Slovakia	URSA Beograd d.o.o.	100%	100%
	URSA SK S.R.O.	100%	100%
Slovenia	Promat d.o.o.	100%	100%
	URSA Slovenija d.o.o.	100%	100%
Spain	Almería Gypsum S.A.	100%	100%
	Euronit Fachadas y Cubiertas S.L.	100%	100%
	Pladur Gypsum S.A.	100%	100%
	Promat Ibérica S.A.	100%	100%
	Skamol Spain Trading S.L.	100%	100%
	URSA Ibérica Aislantes S.A.	100%	100%
Ukraine	URSA Insulation S.A.	100%	100%
	Siniat Gips ALC	100%	100%
	Siniat Gips Ukraine LLC	100%	100%
United Kingdom	Crucible Gypsum Recycling Limited	100%	100%
	EM Holdings UK Limited	100%	100%
	Eternit UK Limited	100%	100%
	Etex (Exteriors) UK Limited	100%	100%
	Etex (U.K.) Limited	100%	100%
	Etex Building Performance UK Limited	100%	100%
	Etex Holding UK Remagin Limited	100%	100%
	Etex UK Insulation Limited	100%	100%
	Etex UK Remagin Limited	100%	100%
	Evolusion Innovation UK Limited	80.00%	100%
	FSi Limited	100%	100%
	John Brash Limited	100%	100%
	ML UK Holding Limited	100%	100%
	Promat Glasgow Limited	100%	100%
Latin America	Promat UK Limited	100%	100%
	URSA UK Limited	100%	100%
Argentina	Durlock S.A.	100%	100%
	Eternit Argentina S.A.	99.44%	99.44%
	Siniat Holding Argentina S.A.	100%	100%
Brazil	Gypsum Mineração Indústria e Comércio Ltda.	100%	100%
	Siniat Holding Brazil S.A.	100%	100%

		% equity interest	
		2024	2025
Chile	Centro de Servicios Compartidos SpA	99.83%	99.83%
	Empresas Pizarreño S.A.	99.83%	99.83%
	Inversiones Etex Chile Ltda.	100%	100%
	Inversiones San Lorenzo Chile S.A.	99.83%	99.83%
	Sociedad Industrial Pizarreño S.A.	99.77%	99.77%
	Sociedad Industrial Romeral S.A.	99.87%	99.87%
Colombia	Etex Colombia S.A.	99.95%	99.95%
	Gyplac S.A.	100%	100%
	Shared Services Colombia S.A.S.	100%	100%
Ecuador	EBM Ecuador S.A.	100%	100%
Peru	Etex Peru S.A.C.	100%	100%
	Fabrica Peruana Eternit S.A.	89.16%	89.16%
Uruguay	Eternit Uruguaya S.A.	97.50%	97.50%
Africa, Asia, Oceania, North			
Australia	Etex Australia Pty Ltd	100%	100%
	Skamol Asia Pacific PTY Ltd	100%	100%
China	Eternit Guangzhou Building Systems Limited	75.00%	75.00%
	Promat International (Asia Pacific) Ltd.	100%	100%
	Promat Shanghai Limited	100%	100%
	Skamol Shanghai Trading Co	100%	100%
India	Promat Fire & Insulation Private Limited	100%	100%
Indonesia	Etex BP Indonesia	95.76%	95.76%
Japan	Promat Japan	100%	100%
Malaysia	Etex Malaysia	100%	100%
Nigeria	Emenite Limited	56.87%	56.87%
	Eternit Limited	100%	100%
	Nigerite Limited	56.85%	60.00%
Singapore	Promat Building System Pte Ltd	100%	100%
South Africa	Etex South Africa Building Systems	100%	100%
United Arab Emirates	Etex Middle East LLC	100%	100%
United States of America	Promat Inc.	100%	100%
	Skamol Americas Inc.	100%	100%

Equity accounted

		% equity interest	
		2024	2025
Germany	CA-TEX GmbH	50.00%	50.00%
	Lichtensteiner Brandschutzglas GmbH & Co. KG	50.00%	50.00%
Poland	Kopalnia Gipsu Leszcze S.A.	50.00%	50.00%
	Nida Media Sp. z o.o.	50.00%	50.00%
Switzerland	Promat AG	26.00%	26.00%

Note 31 – Subsequent events

In January 2026 Etex announced the acquisition of 25% of Kunooz Oman Holding’s subsidiary Kunooz Gypsum. Kunooz Omon Holding is one of the leading companies in Oman engaged in the mining of minerals and resources. It’s subsidiary Kunooz Gypsum is based in Salah with two current mining areas for a total of 55 hectares. The deal is signed in Oman and is subject to customary closing conditions, with finalisation expected in second quarter of 2026.

The 2025 consolidated accounts are not impacted by this acquisition.

3.3 Auditor’s report



STATUTORY AUDITOR'S REPORT TO THE GENERAL SHAREHOLDERS' MEETING OF THE COMPANY ETEX NV ON THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED DECEMBER 31, 2025

We present to you our statutory auditor’s report in the context of our statutory audit of the consolidated accounts of Etex NV (the “Company”) and its subsidiaries (jointly “the Group”). This report includes our report on the consolidated accounts, as well as the other legal and regulatory requirements. This forms part of an integrated whole and is indivisible.

We have been appointed as statutory auditor by the general meeting d.d. 22 May 2024, following the proposal formulated by the board of directors, following the recommendation by the risk and audit committee. Our mandate will expire on the date of the general meeting which will deliberate on the annual accounts for the year ended 31 December 2026. We have performed the statutory audit of the Company’s consolidated accounts for 8 consecutive years.

Report on the consolidated accounts

Unqualified opinion

We have performed the statutory audit of the Group’s consolidated accounts, which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and explanatory notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information, and which is characterised by a consolidated statement of financial position total of EUR’000 5,036,924 and a profit for the year of EUR’000 237,156.

In our opinion, the consolidated accounts give a true and fair view of the Group’s net equity and consolidated financial position as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

Basis for unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Belgium. Furthermore, we have applied the International Standards on Auditing as approved by the IAASB which are applicable to the year-end and which are not yet approved at the national level. Our responsibilities under those standards are further described in the “Statutory auditor’s responsibilities for the audit of the consolidated accounts” section of our report. We have fulfilled our ethical responsibilities in accordance with the ethical requirements that are relevant to our audit of the consolidated accounts in Belgium, including the requirements related to independence.

We have obtained from the board of directors and Company officials the explanations and information necessary for performing our audit.

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

Key Audit Matters

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

Health Claims – Note 20

Description of the key audit matter

As described in the Note 20, health claim provisions totalling mEUR 44.5 as at 31 December 2025 have been reported in the consolidated financial statements of Etex Group. In the past, various Etex subsidiaries used asbestos as a raw material in their industrial process. Even though we understand the use of asbestos has been banned in the entire Group, some companies may still receive claims relating to past exposure to asbestos. The provisions reflect the costs of the settlement of claims which are both probable and can be reliably estimated.

The matter is of most significance to our audit because the assessment process is complex, the potential risk varies depending on the legal situation in the relevant country, its national social security system and the insurance cover of the relevant company and involves significant management judgement. Assumptions and estimates used in valuing these provisions are, amongst others, related to:

- the number of employees involved;
- the likely incidence, the disease mix and the mortality rates;
- expected insurance cover;
- legislative environment.

Changes in assumptions and estimates used to value the environmental provisions may have a significant effect on the Group’s financial position.

How our audit addressed the key audit matter

As part of our audit procedures, we have assessed management’s process to identify asbestos obligations and changes in existing obligations in compliance with IAS 37 requirements. We assessed the accuracy, valuation and completeness of health claim provisions as per 31 December 2025. This assessment included:

- meetings with Group management;
- inquiries of in-house legal counsel;
- review of litigation reports;
- evaluate management’s assessment including consistency in assumptions;
- analysis and back testing of the cash outflow projections;
- tracing of corroborative evidence of the amounts spent.

We found the assumptions and data used to be reasonable and in line with our expectations, management’s methodology and estimates to be reasonable and the related disclosures appropriate.

Post-employment benefit obligations – Note 22

Description of the key audit matter

As described in Note 22, the Group has defined benefit pension plans of which the most significant are in the UK and Ireland. Through its defined benefit pension plans, the Group is exposed to a number of risks, mainly being:

- asset volatility, the pension plans hold significant investments in equities, bonds, cash, property and funds;
- actuarial assumptions including expected inflation, discount rate, future salary increases and mortality rates life expectancy.

The procedures over the post-employment benefit provisions were of most significance to our audit because the assessment process is complex and involves significant management judgement.

Actuarial assumptions are used in valuing the Group’s post-employment benefit plans. Small changes in assumptions and estimates used to value the Group’s net post-employment benefit liability may have a significant effect on the Group’s financial position. Technical expertise is required to determine these amounts.

The post-employment benefit provision as per 31 December 2025 in respect of both funded and unfunded plans consists out of defined benefit obligations (mEUR 870) offset by plan assets (mEUR 858).

How our audit addressed the key audit matter

We evaluated and challenged management’s key actuarial assumptions (both financial and demographic) by performing independent testing of those assumptions supporting the Group’s post-employment benefit obligation.

In performing the evaluation of the assumptions (being discount, inflation and salary increase rates and mortality / life expectancies), we utilized our internal specialists’ knowledge to assess the reasonableness of the assumptions used by management.

We tested the participant census data as included in the actuarial reports obtained by the company and we obtained the valuation reports of the plan assets from the investment managers.

We found the assumptions and data used to be reasonable and in line with our expectations, management’s methodology and estimates to be reasonable and company’s disclosures of post-employment benefit provisions appropriate.

Impairment testing of goodwill, intangible assets and property, plant and equipment – Note 8, 9 and 10

Description of the key audit matter

The carrying value of the Group’s goodwill, intangible assets & property, plant and equipment amounts to mEUR 3,379 as at 31 December 2025.

We consider this as most significant to our audit because the determination of whether or not an impairment charge for these assets is necessary involves significant judgement by the Directors and management about the future results of the business.

The impairment assessment holds a comparison of the recoverable amount of the Cash Generating Unit (CGU) and its specific assets to its carrying value: the CGU’s were defined in compliance with the organizational structure as described in Note 9.

In particular, we focused on the reasonableness and impact of key assumptions including:

- cash flow forecasts derived from internal forecasts and the assumptions around the future performance;
- the discount rate, capital expenditure as a percentage of sales and the long term growth rate including assessment of risk factors and growth expectations of the relevant territory;

How our audit addressed the key audit matter

We evaluated management’s assessment of the indicators of impairment and challenged impairment calculations by assessing the future cash flow forecasts used in the models and the process by which they were drawn up, including comparing them to the latest internal forecasts presented to the Board of Directors.

We understood and challenged:

- assumptions used in the Group’s internal forecasts, capital expenditure as a percentage of sales and the long term growth rates by comparing them to economic and industry forecasts;
- the historical accuracy of forecasts to actual results to determine whether cash flow forecasts are reliable based on past experience;
- the discount rate by assessing the cost of capital and other inputs including benchmarking with comparable organizations;
- the mathematical accuracy of the underlying calculations.

In performing the above work, we utilized our internal valuation experts to provide challenge and external market data to assess the reasonableness of the assumptions used by management.

We performed sensitivity analysis around the key drivers within the cash flow forecasts to ascertain the extent of change in those assumptions and also considered the likelihood of such a movement in those key assumptions arising.

Whilst recognizing that cash flow forecasting and impairment modelling are both inherently judgmental, we found that the assumptions used by management were within an acceptable range of reasonable estimates and company’s disclosures of impairment assessment appropriate.

Responsibilities of the board of directors for the preparation of consolidated accounts

The board of directors is responsible for the preparation of consolidated accounts that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium, and for such internal control as the board of directors determine is necessary to enable the preparation of consolidated accounts that are free from material misstatement, whether due to fraud or error.

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

Statutory auditor’s responsibilities for the audit of the consolidated accounts

Our objectives are to obtain reasonable assurance about whether the consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated accounts.

In performing our audit, we comply with the legal, regulatory and normative framework applicable to the audit of the consolidated accounts in Belgium. A statutory audit does not provide any assurance as to the Group’s future viability nor as to the efficiency or effectiveness of the board of directors’ current or future business management at Group level.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors;
- Conclude on the appropriateness of the board of directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our statutory auditor’s report to the related disclosures in the consolidated accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our statutory auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated accounts, including the disclosures, and whether the consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation;

We communicate with the board of directors and the risk and audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors and the risk and audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors and the risk and audit committee, we determine those matters that were of most significance in the audit of the consolidated accounts of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Responsibilities of the board of directors

The board of directors is responsible for the preparation and the content of the directors’ report on the consolidated accounts and the other information included in the annual report on the consolidated accounts.

Statutory auditor’s responsibilities

In the context of our mandate and in accordance with the Belgian standard which is complementary to the International Standards on Auditing (ISAs) as applicable in Belgium, our responsibility is to verify, in all material respects, the directors’ report on the consolidated accounts, and the other information included in the annual report on the consolidated accounts and to report on these matters.

Aspects related to the directors’ report on the consolidated accounts and to the other information included in the annual report on the consolidated accounts

In our opinion, after having performed specific procedures in relation to the directors’ report on the consolidated accounts, this directors’ report is consistent with the consolidated accounts for the year under audit and is prepared in accordance with article 3:32 of the Companies’ and Associations’ Code.

In the context of our audit of the consolidated accounts, we are also responsible for considering, in particular based on the knowledge acquired resulting from the audit, whether the directors’ report on the consolidated accounts and the other information, which comprises the information in the annual report other than the consolidated accounts and the directors’ report on the consolidated accounts, is materially misstated or contains information which is inadequately disclosed or otherwise misleading. In light of the procedures we have performed, there are no material misstatements we have to report to you.

Statement related to independence

- Our registered audit firm and our network did not provide services which are incompatible with the statutory audit of the consolidated accounts, and our registered audit firm remained independent of the Group in the course of our mandate.
- The fees for additional services which are compatible with the statutory audit of the consolidated accounts referred to in article 3:65 of the Companies’ and Associations’ Code are correctly disclosed and itemized in the notes to the consolidated accounts.

Antwerp, 3 April 2026

The statutory auditor
PwC Bedrijfsrevisoren BV / PwC Reviseurs d’Entreprises SRL
Represented by

Sofie Van Grieken*
Bedrijfsrevisor / Réviseur d’Entreprises

*Acting on behalf of Sofie Van Grieken BV

Non-consolidated accounts of Etex N.V.

The annual accounts of Etex N.V. are presented below in a summarised form.

In accordance with the Belgian Company Code, the annual accounts of Etex N.V., together with the management report and the auditor’s report, will be registered at the National Bank of Belgium.

These documents are also available upon request at:

Etex N.V.
Group Finance Department
Passport Building | Luchthaven Brussel Nationaal | Gebouw 1K
1930 Zaventem

The auditors have expressed an unqualified opinion on the annual statutory accounts of Etex N.V.

Summarised balance sheet

<i>in thousands of EUR</i>	2024	2025
Fixed assets	3,361,955	3,302,692
Tangible and intangible assets	1,477	1,115
Financial assets	3,360,479	3,301,577
Current assets	19,124	27,813
TOTAL ASSETS	3,381,079	3,330,505
Capital and reserves	2,069,728	2,054,221
Capital	2,533	2,533
Share premium	743	743
Reserves	2,066,452	2,050,906
Profit carried forward	-	39
Provisions	15,713	12,502
Creditors	1,295,638	1,263,783
TOTAL EQUITY AND LIABILITIES	3,381,079	3,330,505

Summarised income statement

<i>in thousands of EUR</i>	2024	2025
Operating income	61,781	74,085
Operating charges	-56,110	-72,377
Operating result	5,671	1,708
Financial result	150,028	28,256
Profit / <loss> before taxes	155,699	29,964
Income taxes	3,490	-754
Profit / <loss> for the year	159,189	29,211
Release of tax-free reserves	-	-
Profit / <loss> for the year to be appropriated	159,189	29,211

The financial result includes non-recurring items for €0 thousand in 2025, and €0 thousand in 2024.

Profit distribution

The Board of Directors will propose at the General Shareholders’ Meeting on 27 May 2026 a net dividend of €0.7210 per share. The proposed gross dividend is €1.03 per share.

Appropriation account

<i>in thousands of EUR</i>	2024	2025
Profit / <loss> to be appropriated	159,189	29,249
Profit / <loss> for the year to be appropriated	159,189	29,211
Profit brought forward	-	39
Appropriation of the result	159,189	29,249
Transfer to/from reserve	-73,866	56,112
Profit carried forward	-	-39
Profit to be distributed	-85,323	-85,323

Glossary

Definitions below relate to alternative performance measures.

Capital employed	Net recurring profit (Group Share)	Recurring distribution rate
Non-cash working capital plus property, plant and equipment, goodwill and intangible assets, investment properties and non-current assets held for sale.	Net profit for the year before non-recurring items, net of tax impact and attributable to the shareholders of the Group, including one-off gain or losses below EBIT, net of taxes.	Gross dividend per share divided by the net recurring profit (Group share) per share, expressed as a percentage.
Capital expenditure		Recurring operating income (REBIT)
Acquisition of property, plant and equipment, intangible assets and investment properties, excluding acquisitions through business combination.	As from 2024, net recurring profit is also adjusted for impact of monetary losses in financial charges resulting from the hyperinflation accounting indexation of equity and non-monetary assets and liabilities (applicable only in Argentina in 2024 & prior years) as well as results from investment in foreign currencies to protect cash from devaluation in hyperinflationary context.	Income from operations, before non-recurring items and before financial charges and income, share of result in investments accounted for using the equity method and income tax expenses.
Effective income tax rate		Recurring operating cash flow (REBITDA)
Income tax expense divided by the profit before income tax and before share of result in investments accounted for using the equity method, expressed as a percentage.	Comparatives were restated accordingly.	Recurring operating income before charges of depreciations, impairment or amortisation on tangible and intangible fixed assets.
Free Cash Flow	Non-recurring items	Return on capital employed (ROCE)
Free cash flow is the sum of the cash flow from operating activities, interest paid and received, dividend received less capital expenditure.	Income statement items that relate to significant restructuring measures and business transformations, health claims and environmental remediation, major litigation, and goodwill impairment, income or expenses arising from disposal of businesses or non-productive assets and other significant one-off impacts such as those relating to long-term employee benefits settlement.	Operating income divided by the average capital employed (at the beginning of the year plus at the end of the year divided by two), expressed as a percentage.
Net financial debt	Operating income or EBIT (earnings before interest and taxes)	Theoretical income tax expenses
Current and non-current financial liabilities, including capital leases, less current financial assets and cash or cash equivalents.	Income from operations, before financial charges and income, share of result in investments accounted for using the equity method and in-come tax expenses.	Country-based nominal tax rate applied to the profit before taxes of each entity.
Revenue	Operating cash flow or EBITDA (earnings before interest, taxes, depreciation and amortisation)	Weighted average nominal tax rate
Includes the goods delivered and services provided by the Group during the period, invoiced or to be invoiced, net of discounts, rebates and allowances.	Operating income before charges of depreciation, impairment or amortisation on tangible and intangible fixed assets.	Country-based nominal tax rate applied to the profit before taxes of each entity divided by the Group's profit before income tax and before share of result in investments accounted for using the equity method, expressed as a percentage.
Net profit (Group share)		Weighted average number of shares
Profit for the year attributable to the shareholders of the Group.		Number of issued shares at the beginning of the period adjusted for the number of shares cancelled or issued during the period multiplied by a time-weighting factor.

Colophon

Edition and core project team

Etex corporate communications and sustainability reporting and compliance teams.

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Thank you to all Etex teammates and stakeholders for the partnership to deliver this annual report.

Building a better future together

Visit etexgroup.com

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Luchthaven Brussel Nationaal,
Gebouw 1K, 1930 Zaventem, Belgium

