DIRECTORS' REPORT 2025



aliaxis



DIRECTORS' REPORT

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CORPORATE GOVERNANCE

The Board of Directors delegates responsibility for the development of the company strategy and for the day-to-day management of the Group to the Managing Director.

The Managing Director presides over the Executive Committee. Together with the Chief Legal & Insurance Officer, they work closely to execute Aliaxis' strategy.

1. LEADERSHIP TEAM

The Executive Committee (ExCom) is responsible for driving performance and prioritising the efforts that lead to value creation for the whole Group; they ensure alignment, cascading and execution across functions and geographies.

The ExCom consists of the following leadership positions in 2025:

- Managing Director, Thierry Vanlancker
- Chief Financial Officer, Koen Sticker
- Chief Human Resources Officer, Laurence Dallenogare
- Chief Growth Officer, Sophie Desormière (until 18 March 2025)
- Chief Operating Officer, Mathieu Rousseau
- EMEA Executive Vice-President ad. interim, Thierry Vanlancker
- Divisional CEO Americas, Alex Mestres
- Divisional CEO APAC, Mark Nykiel
- Executive Vice-President India, Partha Basu

2. COMPOSITION OF THE BOARD OF DIRECTORS AND COMMITTEES

- Jan Suykens – Chairperson (since 6 January 2025)
- Thierry Vanlancker (representing Tee & Tee BV) – Managing Director
- Myriam Beatove – Chairperson of the Sustainability Committee
- Abhijit Bhattacharya (since 7 May 2025)
- Francis Blake (representing Toguémi SRL) (since 7 May 2025)
- Guy della Faille (representing GDF Impact SRL)
- George Durman Esquivel
- Thomas del Marmol
- Kieran Murphy – Chairperson of the Risk and Audit Committee
- Pierre-Alexandre Péters (representing Reinette Impact BV)
- Patrick Simonard
- Peter de Wit – Chairperson of the People Committee

Aliaxis SA is a private company. Its shares are not listed on any regulated stock market. Nevertheless, the Board is committed to maintaining high standards of corporate governance.

The Board approves the overall strategy of the Group, oversees its major investments and monitors the activities of management in implementing the Group's strategy.

The Board of Directors met eight times in 2025. There were three standing committees as of 31 December 2025.

Each of these committees supports the Board in specific aspects of its remit.

3. RISK AND AUDIT COMMITTEE

The Risk and Audit Committee aids the Board in its broad-based control function, which includes scrutinising and tracking the Group's accounting and financial reporting as well as evaluating the effectiveness and results of internal enterprise risk management systems. This Committee also conducts reviews of the breadth and outcomes of Aliaxis' external and internal audit procedures.

The Committee met seven times in 2025. Its members were Kieran Murphy (Chairperson), Myriam Beatove, Abhijit Bhattacharya, Guy della Faille (representing GDF Impact SRL), Thomas del Marmol (since May 2025), Patrick Simonard (until May 2025) and Jan Suykens (since May 2025).

4. PEOPLE COMMITTEE

The People Committee advises the Board on all matters relative to the appointments and remuneration of the Directors, the Managing Director and the members of the ExCom. It also oversees various strategic subjects related to people and talent management, such as development management, succession planning, culture and engagement and organisational effectiveness.

The Committee met four times in 2025, and its members were Peter de Wit (Chairperson), Myriam Beatove, Pierre-Alexandre Péters, Patrick Simonard (since May 2025) and Jan Suykens (since May 2025).

5. SUSTAINABILITY COMMITTEE

The role of the Sustainability Committee is to advise the Board on all matters related to sustainability, to review the sustainability strategy, oversee its implementation and examine and monitor the efficiency of internal processes related to sustainability matters within Aliaxis.

The Committee met four times in 2025, and its members were Myriam Beatove (Chairperson), Pierre-Alexandre Péters, Patrick Simonard, Jan Suykens (since May 2025) and Peter de Wit.

6. KEY GOVERNANCE DATES 2026

ANNUAL GENERAL MEETING OF SHAREHOLDERS

Date: Monday 4 May 2026
Place: Aliaxis Headquarters
Avenue Arnaud Fraiteur 15-23, 1050 Brussels, Belgium

PAYMENT OF DIVIDEND – Wednesday, 1 July 2026

2026 HALF YEAR RESULTS – Wednesday, 2 September 2026
Board of Directors to approve 2026 Half Year results – results announcement

2026 FULL YEAR RESULTS – Q1 2027
Board of Directors to approve 2026 Full Year results – results announcement

DIRECTORS' REPORT

1. TRADING REVIEW

In 2025, Aliaxis delivered results with a focus on cash generation and net debt reduction in a year marked by significantly softer global demand. Revenue amounted to €3.542 billion, a 6.8% like-for-like decrease compared with 2024, reflecting softer market conditions leading to reduced volumes across the Group and, predominantly in the U.S. and Asia, price normalisation. Recurring EBITDA amounted to €364 million, mainly due to challenging market conditions leading to lower volumes and margin normalisation down 30.8% like-for-like. Of the €186 million decrease in Recurring EBITDA versus 2024, €170 million can be attributed to the Americas, particularly the U.S. market. Recurring EBITDA was also significantly impacted by one-off and temporary business-related events (€51 million). These effects were partially mitigated by pricing actions, cost-saving measures and improved performance in selected regions, notably EMEA and Latin America. Nevertheless, Recurring EBITDA margin declined to 10.3%.

Recurring net profit amounted to €50 million, down 79% compared to 2024, and excludes the after-tax impact of several non-recurring items amounting to €118 million. These mainly include: (i) the impairment of intangible assets and goodwill (€47 million), (ii) fixed assets, writedowns, inventory impairments and site remediation, and clean-up cost as a result of Hurricane Helene in Asheville, (U.S.) (€28 million), and (iii) restructuring costs (€58 million) partially offset by capital gain on sales of assets (€16 million).

Actions were taken in 2025 to deliver positive cash flow and protect our balance sheet by refocusing on our core business, reduce capex to normalised levels and sustainably reducing working capital through a disciplined supply chain process. Net financial debt decreased to €919 million, a €50 million improvement compared to the previous year. Net financial leverage is 2.5x Recurring EBITDA, compared to 1.8x Recurring EBITDA the previous year. Delivering a positive total cash flow of €63 million in 2025.

Aliaxis advanced its *Horizon 2030* strategic agenda, accelerating portfolio refinement through divestments in Germany and the UK, an exit from Chile and the closure of the Elancourt research facility. While market conditions are expected to remain challenging in 2026, the focus continues to be on driving structural fixed cost reduction, disciplined capital allocation, optimised working capital management and cash generation. These initiatives aim to drive Aliaxis back to a sustained profitable growth delivery and a healthy balance sheet.

AMERICAS

Revenue declined by 8% to €1,796 million and Recurring EBITDA decreased 35% to €272 million, significantly impacting the Recurring EBITDA of the Group. In North America, commercial challenges and a significantly weaker U.S. market led to lower volumes, increased pricing pressure and further margin normalisation, compounded by the continued impact of the September 2024 Asheville floods. In sharp contrast, Latin America benefited from more favourable market dynamics and a leaner organisation, delivering solid volume growth, resulting in higher revenue and Recurring EBITDA versus 2024.

PACIFIC

Revenue declined by 5% to €394 million and Recurring EBITDA decreased 58% to €23 million, mainly due to temporary ERP-related impacts (€21 million) and softer market conditions with strong competition. Performance was restored by Q4 2025, with sales and production close to prior-year levels.

EMEA

Performance across EMEA remained resilient, with revenue flat compared to the prior year, despite very weak construction markets and lower volumes across the region. This is excluding the impact of the exit from the UK building business, which reduced the Group's 2025 revenue by approximately €32 million and Recurring EBITDA by €2 million compared to 2024. Revenue overall declined by 4% to €860 million, while Recurring EBITDA increased by 6% to €101 million. The improvement in profitability was driven by the successful implementation of the region's new operating model, enabling disciplined cost containment, pricing actions and restructuring measures.

ASIA

Revenue declined by 11% to €449 million and Recurring EBITDA decreased 17% to €39 million due to a slowdown in the building and infrastructure segments. Raw material headwinds also impacted performance, partially offset by strong fixed cost management and pricing discipline.

2. FINANCIAL REVIEW

CHANGES IN THE SCOPE OF CONSOLIDATION

In December 2025, Aliaxis divested Marley Deutschland GmbH. This transaction is described in more detail in Note 8 (Acquisitions and disposals of subsidiaries and non-controlling interests) of the consolidated financial statements.

STATEMENT OF COMPREHENSIVE INCOME

In the 12-month period ending on 31 December 2025, Aliaxis reported revenue of €3,542 million, a decrease of 9.5% compared to 2024. Foreign exchange negatively impacted the Group's sales by –4.1% due to the weakening of the major trading currencies against the EUR, mainly the Indian rupee (8.9%), U.S. dollar (4.5%), Canadian dollar (6.6%), Australian dollar (6.8%) and New Zealand dollar (8.6%).

Gross profit was €844 million (2024: €1,112 million), representing 23.8% (2024: 28.4%) of revenue. Commercial, administrative and other income and charges amounted to €861 million (2024: €890 million), or 24.3% (2024: 22.7%) of revenue. Operating loss (EBIT) for the year was -€17 million, down by 107.6% compared to 2024. Foreign exchange negatively impacted the Group's EBIT by -2.5%. The non-recurring items represented a net exceptional loss of -€151 million in 2025, compared to a net exceptional loss of -€121 million in 2024.

The non-recurring (adjusted items) items predominantly relate to restructuring initiatives (-€73 million), impairment of intangible assets and goodwill (-€57 million), costs incurred by Hurricane Helene in Asheville (fixed assets and inventory impairments, one-off site remediation and clean-up cost (-€37 million), partly offset by a net capital gain on sale of assets/business (€16 million). Excluding the impact of the non-recurring items, Recurring EBIT amounted to €134 million, a decrease of €208 million or -60.7%. Recurring EBIT margin amounts to 3.8%, compared to 8.7% in 2024. Excluding depreciation and amortisation, Recurring EBITDA amounted to €364 million, an overall decrease of €186 million or -33.9% as reported. Foreign exchange negatively impacted the Group's Recurring EBITDA by –3.7%. The Recurring EBITDA margin decreased from 14.1% in 2024 to 10.3% in 2025.

Finance income and expenses mainly consisted of net interest expenses of -€35 million (2024: -€28 million). The decrease of the financial result (-€15.1 million) compared to 2024 is mainly driven by the exchange gain arising from the dissolution of U.S. entities in 2024 (€15 million), the net foreign exchange loss in 2025 (-€9 million compared to 2024) and the increase of interest expenses (-€8 million), partly offset by the impairment on the minority investment in Aliaxis Next (-€17 million) in 2024. An analysis of finance income and expenses is given in Notes 15 (Finance expenses) and 16 (Finance income) of the consolidated financial statements.

The Group has an interest rate risk policy in place, used to manage the risk exposure. A major part of its gross financial debt is at fixed rate. The management of interest rate exposure is explained in Note 5 (Financial risk management) and note 32 (Financial instruments) of the consolidated financial statements. Income taxes, consisting of current and deferred taxes, amounted to €6 million (2024: €82 million), representing a reported income tax rate of -9.3% (2024: 42.6%). When normalising for non-recurring items, the tax rate was 44.8% (2024: 32.6%). The reconciliation of the aggregated weighted nominal tax rate (33.8%) with the effective tax rate is set out in Note 17 (Income taxes) of the consolidated financial statements. The Group's share of the profit for 2025 was -€69 million (2024: €108 million).

The Group's basic earnings per share in 2025 were -€0.88 (2024: €1.39), a decrease of -164%. Excluding non-recurring items, the Group's recurring net profit amounted to €49 million (2024: €239 million) and the Group's recurring basic earnings per share in 2025 were €0.63 (2024: €3.06). Other comprehensive income for the period, net of income tax, decreased by -€270 million from €38 million in 2024 to -€232 million in 2025, mainly explained by the negative impact of exchange rate movements in 2025 compared to 2024. The equity movement is explained below.

The Group's current taxes to the different local authorities in all the countries in which it operates were €84 million (excl. withholding taxes on the Group dividend), total employers' social security contribution was €117 million (excl. employees' social security contribution and payroll taxes) and taxes to be considered as operating expenses were €7 million (excl. VAT, duties...).

STATEMENT OF FINANCIAL POSITION

Actions were taken in 2025 to deliver positive cash flow and protect Aliaxis' balance sheet by refocusing on core business, reducing capex to normalised levels and sustainably reducing working capital through a disciplined supply chain process.

Shareholders' equity decreased by €375 million compared with 2024, reaching €2,089 million at the end of December 2025, mainly driven by negative FX translation of €229 million, dividends of €75 million (over 2024) and a net loss of €68 million (FY 2025).

The Group invested €197 million in capex, a reduction of €109 million versus 2024, in line with its focus on disciplined investment. Investments mainly included the Group's Enterprise Resource Planning (ERP) project, the Asheville restoration and a new plant in India.

Working capital decreased to €609 million, a €198 million improvement versus 2024, mainly driven by stronger inventory and receivables-management. Reducing working capital sustainably, while maintaining service standards, is a global *Horizon 2030* priority, supported by Group-wide initiatives such as Integrated Business Planning (IBP).

Total cash flow amounted to €63 million. The actions taken to improve cash flow more than compensated for lower Recurring EBITDA, including: a significant decrease in working capital (€84 million), capex reduction (€197 million vs €320 million average over the past three years) and net proceeds from divestments (€73 million). This resulted in a decrease in net financial debt to €919 million at the end of 2025.

Net financial leverage is 2.5x Recurring EBITDA, compared to 1.8x Recurring EBITDA at the end of 2024. The return on capital employed in 2025 was -0.5% (2024: 5.7%). When normalising for non-recurring items, return on capital employed was 3.7% (2024: 9.5%). The Group's share of return on equity was -3.0% (2024: 4.5%).

3. *HORIZON 2030* STRATEGY

Developed in collaboration with the regions, the *Horizon 2030* strategy is designed to strengthen the Group's foundations, improve operational efficiency and protect the balance sheet during a period of continued muted demand. This two-phase strategy aims at first recalibrating the organisation to today's needs and then preparing for growth tomorrow, keeping everyone focused and aligned on the same objectives.

The market softness that was experienced across Aliaxis in 2025 is likely to continue in 2026. Alongside these external market pressures, Aliaxis is addressing a legacy cost structure and spending patterns that no longer align with current market conditions or what the business requires. These structural imbalances have underscored the need for decisive action to restore financial discipline and ensure the long-term resilience of the company. Hence, the first phase of the *Horizon 2030* strategy is designed to tackle these challenges and lay the groundwork to rebound effectively once markets recover.

The strategy is a change in mindset from broad expansion to refined performance and focuses on simplifying the organisation, strengthening core processes and systems, and ensuring that investments and spend are targeted, disciplined and proportionate to the environment in which the Group now operates.

Horizon 2030 positions Aliaxis to stabilise its performance today and to prepare, in a measured and selective manner, for future opportunities. Progress will be determined by disciplined implementation, consistent alignment across high-performing teams and a sustained focus on efficiency, operational excellence and prudent financial management.

The goal is simple: Strengthen the company today, prepare to capture new opportunities tomorrow, and deliver value for the Group's customers, shareholders, communities and employees.

FIXING THE BASICS

The first phase of Aliaxis' strategy is designed to drive efficiency and generate cash. The goal is twofold: free up more cash and sustainably adapt the organisation to be leaner, more agile and ready for growth. It is defined by four key priorities, all aligned to fixing the basics:

1. **Cost and Asset Base**
2. **Processes and Systems**
3. **Operational Excellence**
4. **Performance Culture**

Each of these priorities is adapted and developed for each specific region and function. The second phase will concentrate on accelerating growth and will be articulated in more detail as markets recover.

Cost and asset base

In 2025, Aliaxis advanced in a comprehensive review of its cost and asset base to refocus on core business, with a goal to optimise resources by reducing complexity. The Group implemented targeted cost containment and restructuring initiatives to streamline operations and reduce its cost and asset base with the majority of the benefits expected in the short to mid-term.

During the year, Aliaxis completed several strategic real estate divestments including the former Lenham site in the United Kingdom and Querétaro in Mexico. The Group and EMEA procurement functions were relocated to the central headquarters in Brussels, enabling the closure of the Luxembourg office. Also in 2025, Aliaxis divested Marley Deutschland GmbH, signalling a move away from the DIY market in Germany. The decision was taken to exit the Chilean market, to close the operations and sales office in the San Bernardo area, and to close the Group's exploratory research and technology facility in Elancourt, France. Research and development is now regionally owned and attached to local operations and customers, as is the case with the new Toronto facility that opened in 2025 (see page 23).

These actions to refine the Group's portfolio are expected to have a limited impact on Recurring EBITDA, while liberating internal resources through this simplification.

Processes and systems

The upgrading of core processes and systems across the Group resulted in some key milestones in 2025, namely the go-live of the Group's ERP in two regions, at Vinidex in the Pacific and IPEX in North America, with varying degrees of disruption. The Vinidex and North American phased go-lives have been complex, disruptions in the Pacific region created challenges that impacted performance, but business improved by year-end and valuable lessons have been learned.

In the context of the new operating model and to improve customer delivery and streamline supply chain coordination within the EMEA region, several systems were implemented in 2025. Following a successful pilot, EMEA completed the rollout of its Transport Management System across France, Spain, Germany and Poland. This implementation improved transport planning, supported cost efficiencies, enhanced supply chain visibility and contributed to emissions-reduction efforts through more centralised logistics.

In parallel, the EMEA region has been preparing for the deployment of its new Advanced Planning and Scheduling system (APS), a centralised planning tool. APS will unify demand forecasting, supply planning, distribution planning and production scheduling into one integrated environment.

With a programme scope spanning 23 distribution locations and 18 manufacturing sites, the initiative is extensive for the

region. Teams across EMEA have been working closely with local process coaches to design future processes, harmonise data and prepare for the first go-lives, planned for mid-2026.

Essential to the *Horizon 2030* strategy is IBP, a process that ritualises communication and planning across functions to improve forecast accuracy, customer delivery and efficiency while reducing working capital. IBP is already active to different degrees across parts of the Group, and this year marked a significant step in undergoing IBP maturity assessments by region and function, conducted together with consultants from Oliver Wight. After the maturity assessments were completed, a cross-regional and cross-functional team worked on the development of a global and regionally neutral framework, which is now being adapted (as a launch or a retrofit) to the realities of each region. Aliaxis aims to be IBP capable, Group-wide, by the end of 2026.

Operational excellence

The Group continued to embed operational excellence across its sites to support improvement in productivity, quality, safety, service delivery and efficient asset utilisation. Initiatives undertaken in 2025 focused on best practice sharing, standardised training programmes, and targeted site-based initiatives offering tangible results in efficiency and safety performance.

In 2025, the *Next Level Operational Excellence* programme was further deployed across the majority of EMEA plants and extended to six major North American sites. The programme saw approximately 400 initiatives across the combined EMEA and North American regions begin in 2025, activating dedicated site programme managers and change agents, supported by a central team. More than 650 employees received training through classroom sessions, coaching and digital modules, delivering improvements in operational efficiencies with reductions in changeover times, gains in machine availability and strengthened frontline worker capabilities, while also reducing scrap.

Also in operational excellence progress, the Pacific, Asian and Latin American teams launched or completed a total of more than 800 improvement projects during 2025. This included more than 550 employees becoming directly involved in structured problem solving and over 1,000 participants taking part in training and development activities. Challenges tackled ranged from overall equipment effectiveness (OEE) across critical production lines, to scrap and waste reduction initiatives, workforce upskilling, maintenance effectiveness, multi-year planning and expanded use of recycled materials. Several sites delivered double-digit improvements in OEE, machine availability, rate and changeover performance.

In 2025, procurement excellence initiatives continued as part of improved operational performance across the Group. The deployment of new ERP systems in North America and Australia will, in time, improve the transparency, accuracy and timeliness of procurement data and the integration of Supplier Quality Management into the Enterprise Risk Management framework is improving consistency and Group-wide standardisation. Procurement also introduced self-service market intelligence data in 2025 for real-time insights to aid in decision-making by procurement and commercial teams.

Performance culture

Throughout 2025, Aliaxis reinforced a performance-driven culture, emphasising accountability, transparency and disciplined execution. The focus was on aligning teams with the objectives of *Horizon 2030*, supporting stronger financial control and ensuring that operational decisions remained closely linked to Group priorities. The evolution of the Group's performance-driven culture in 2025 is reflected in three key indicators: enhanced safety outcomes, customer satisfaction and the successful activation of the renewed global operating model. This is fundamentally guided by the Group's behaviours – We Care, We Dare, We Deliver.

These behaviours define the expectations set for all employees and the standards upheld across the Group. We Care emphasises that performance begins with people: by prioritising team safety, inclusive behaviour and maintaining a strong commitment to customers and communities, Aliaxis fosters an environment of respect and ethical practice. We Dare supports progress by encouraging curiosity, constructive challenge and continuous improvement, enabling teams to act with agility, to adapt, innovate and identify more effective ways of working. We Deliver emphasises execution and reinforces accountability and collaboration, ensuring that decisions lead to clear actions and that each individual contributes to advancing organisational priorities. Together, these behaviours shape *the how* behind our performance:

strengthening safety and wellbeing, delivering quality and service for customers, and collaborating effectively in the evolving operating model.

Customer satisfaction and innovation

Customer centricity, measuring what customers want more or less of, and adapting actions and behaviours accordingly – these are all important parts of performance for the Group. As such, the Net Promoter Score (NPS) becomes an essential tool to measure the success of the Group's *Horizon 2030* strategy. Understanding the deltas between internal measurements of parameters such as On-Time In-Full compared to customer satisfaction, is one example of how data is being used to drive performance in customer satisfaction. The NPS for 2025 was 49, which was broadly in line with last year. Progress in some regions was offset by others, where the expected declines correlated with ERP go-live challenges.

Aliaxis is committed to serving its customers with innovative solutions through local research and development centres. In 2025, revenue from products less than five years old, New Product Revenue, was 6.6% and in the past two years Aliaxis lodged 29 patents, ensuring the innovation pipeline of tomorrow. Advancements in innovation vary across the Group. In Asia, there is a strong focus on partnerships with universities and institutions, and the new brand positioning, which asserts "science behind every Ashirvad pipe", hints at the central role that innovation plays in differentiating Aliaxis' products from inferior market competitors in the region. In EMEA, Elancourt, the exploratory research facility in France has been closed. Other research facilities in EMEA, such as Cholet, France (see page 11), continue focussing on product development to serve customers directly. In the Americas, IPEX opened a new €20 million Centre for Advanced Research near Toronto, Canada, and launched 11 new products and more than 100 product variants, generating nearly €90 million in revenue in 2025 (see page 23). In the Pacific, innovation for customers, through products including the offtake saddle on the Sydney Harbour Tunnel project (see page 31), are differentiating factors for winning major project tenders.

The focus for research and development at Aliaxis is to provide products that are long-lasting, lightweight, durable and that embrace circular economy and eco-design principles. With 70% of the Group's net sales from products rated to last more than 50 years, and to ensure end-of-life recyclability, Aliaxis uses tools such as AI, digital twinning and 3D printing to prototype, test and bring to market solutions that meet the strictest criteria.

Safety

While Aliaxis has made significant progress in its safety journey, the Group has recently seen a slower decline in injury rates. This has triggered a review and update of the multi-year safety roadmap to ensure continued progress towards the long-term goal of being an industry leader in safety performance. The new 2026–30 roadmap builds on the progress made under the prior plan, clarifies priorities and sets out expectations for how safety is to be led, managed and embedded across the Group's regions.

2025 saw continued emphasis on Aliaxis' three core levers of improvement: People & Behaviours, Management Routines and Management of Key Risks. Importantly, the Group began preparing for enhanced leader-led safety observations and more effective frontline engagement through proactive hazard identification. Aliaxis also accelerated the integration of safety into core management routines (e.g., standard work, tiered meetings, problem solving) and the development of global playbooks to share Aliaxis best practice. In parallel, the Group continued to focus on compliance with its Global Health & Safety Standards and strengthened its supporting governance and audit procedures.

These efforts are helping Aliaxis embed a performance culture in which safety is owned by leaders and teams, risks are managed proactively and operational excellence supports sustained improvement. The Reportable Incident Rate across the Group was 4.2 for 2025, and frontline staff identified and corrected over 109,000 hazards (a 45% increase vs 2024); this latter number demonstrates the intensive efforts being made to proactively identify and rectify safety risks.

Operating model

A major project undertaken towards the end of 2024 and implemented at the beginning of 2025 was the revised operating model. The new model enables the better functioning of the company by centralising functions such as finance and legal to report directly to Aliaxis' Brussels headquarters, while Innovation, Human Resources and Operations are largely locally or regionally owned, enabling Headquarters to play a role as Centres of Excellence, for best practice benchmarking and sharing.

Each member of the Executive Committee worked on the revised model, based on the primary needs of the business and its clients, while ensuring the best allocation of resources for less duplication and a satisfactory level of business engagement. A major aspect of the revised operating model are the human resources that are essential for the Group. Therefore, the identification of critical roles followed by clear succession planning, cross-regional job architecture mapping and the articulation of Aliaxis' key competencies have all been key priorities undertaken in 2025, which will continue through 2026. The process to embed this operating model continues, with some smaller functions requiring a more learning-by-doing approach to clarify roles and responsibilities.

The revision of the global operating model was mirrored in the EMEA region with broad success. The regional strategy, *Fast Track*, was built on this updated operating model and focused on the centralisation of key functions. In 2025, this approach reduced duplication of roles and responsibilities across countries in the region by organising activities functionally and with greater alignment to segment needs. As a result, local sales teams were able to focus on customer engagement while drawing on region-wide product portfolios and experience from large projects, enabling them to better serve local markets while leveraging the scale and capabilities of the wider region.

4. SUSTAINABILITY: ENVIRONMENT, PEOPLE, GOVERNANCE

DOUBLE MATERIALITY ASSESSMENT AND CSRD READINESS

A double materiality assessment was completed in 2025 and six topics were identified as being material to Aliaxis: climate change, pollution, water, resource use and circularity, its own workforce, and its governance. In preparation for the full Corporate Sustainability Reporting Directive (CSRD) disclosure in the Group's 2027 reporting, Aliaxis is seeking limited assurance assessment on qualitative and quantitative datapoints from four topics this year. The gaps to having a fully audited report are closing, as the data collection and reporting parameters are being harmonised globally.

ENVIRONMENTAL SUSTAINABILITY

The majority of the Group's solutions are designed to transport, store or treat water, and as such Aliaxis is determined to become a trusted partner in sustainability for customers, shareholders and employees. Aliaxis continues to engage with globally recognised institutions such as the United Nations Global Compact and the Sustainable Procurement Pledge. The Group is also committed to transparency, notably through: the Carbon Disclosure Project, improving the climate score from C to B in 2025 and maintaining a C water score; EcoVadis, with an improved score (69%) and a maintained level of Bronze; and progressing on fully compliant CSRD reporting.

In 2025, the Group made an 17% reduction of Scope 1 and 2 emissions compared to the 2024 baseline. Total greenhouse gas emissions for own operations amounted to 161,000 tonnes of CO_2, reflecting a continued focus on decarbonisation across its global footprint.

Total energy consumption consisted of 83% electricity and 17% non-electric energy. Of the electricity consumed, 39% was sourced from renewable supply contracts or on-site generation, with the remainder from non-renewable sources. Overall, fossil fuels accounted for 66% of total energy consumption, including non-renewable electricity and fossil-based non-electric energy.

Circularity is a key lever to drive improvements in sustainability outcomes. Integrating recycled content remains a key objective in the Pacific region, with New Zealand launching a second partnership that, combined, collected over 5,000 tonnes of post-consumer and post-industrial thermoplastic material in 2025. The Toowoomba site extension in Australia will also be able to process up to 6,500 tonnes of regrind annually (see page 31).

Aliaxis tracks product durability and recyclability. In 2025, 70% of the Group's net sales were assessed to be recyclable with an expected service life of more than 50 years. Using eco-design principles, the Group has been able to optimise new and existing (relaunched) products, such as the Chutunic® EVO designed and relaunched from its Nicoll plant in Cholet, France (see page 11).

In May 2024, the Group officially conveyed its intention to establish near-term and Group-wide science-based decarbonisation targets under the Science Based Targets Initiative. Aliaxis is currently engaged in the development of these targets and underlying initiatives, employing a comprehensive, bottom-up approach that actively involves all regions in the reduction of Aliaxis' carbon footprint. As part of its commitment to this objective, the Group will submit its decarbonisation targets and action plans in May 2026.

PEOPLE

In 2025, the combined regional and global HR teams developed a renewed People Roadmap, structured around four pillars that align and adapt to the *Horizon 2030* Strategy: strengthening the leadership pipeline, enhancing employee engagement and experience, building a future-ready and agile workforce, and advancing the use of human resources technology and predictive analytics.

Across regions, work progressed to develop senior leadership capabilities, refine talent and improve succession processes. Succession planning for senior roles advanced significantly, rising from 43.9% in 2024 to 79% by the end of 2025. Forty-eight high-potential enterprise leaders were identified through Hogan assessments, after which a common critical-role methodology was implemented Group-wide, confirming 33% of senior roles are critical. The year also saw the launch of the Global job architecture project with alignment of roles and grading set to continue through 2026. Talent review completion also improved, increasing from 69% in 2024 to 82% in 2025. The groundwork was also laid for the top leadership development workshop planned for April 2026 at INSEAD Business School in France.

Aliaxis achieved an 84% employee engagement rate in the bi-annual Aliaxis & Me survey, the results of which provided invaluable insights into how to ensure better outcomes for Aliaxis' people. Voluntary turnover rate also reduced from 10.5% to 9.4%.

In 2025, changes were made to both the Short-Term Incentive (STI) and Long-Term Incentive (LTI) plans to better align them to the Group's new strategic goals, reflect common market practice and provide better governance. Changes to the STI plan included: the addition of a fourth performance metric with revised weighting for each metric; the adjustment of payout rules to allow prorated STI payout in specific situations; and improved mechanisms to ensure payout aligns to allotted budget. The LTI plan changes included: a change of business performance metrics with revised weighting for each metric and an increased focus on ESG; a revision of vesting period from four years to three years; and the addition of a claw-back clause.

Across various regions the HR systems, data quality and digital tools have undergone broad improvements to enable more reactive and informed workforce planning and decision-making. These innovations range from AI bots and assistants in India and North America, to Power BI dashboards to give real-time centralised visibility on key workforce metrics (North America) and contract labour management systems (India).

Workforce characteristics

Aliaxis celebrates local cultures and traditions while providing an attachment to a global Group. With a workforce that now includes 121 nationalities, the Group continues to value the unique perspectives brought by its diverse team. In 2025 alone, it welcomed 2,407 new hires, with women representing 24.7% of this group. Overall, women represent 21.5% of the 2025 workforce (they represent 30.1% of office workers and 14.3% of front-liners).

The Group has placed significant emphasis on fostering a culture that encourages internal mobility and the sharing of knowledge across regions, facilitating collaboration and driving innovation. In the past year, it has made more than 330 internal promotions, recognising and leveraging the unique strengths of its team members to achieve common organisational goals.

The Americas Division accounts for 47.8% of all staff. EMEA ranks second with 26.4%, followed by Asia with 15.8%. The business in the Pacific now accounts for 8.8% of the Group's staff. Excluding the corporate head-office, frontline workers make up 54.4% of Aliaxis' workforce, of which 53.4% are in the Americas (39.3% in North America and 14.1% in Latin America).

GOVERNANCE AS CORPORATE CULTURE AND BUSINESS ETHICS

Aliaxis remains persistent in strengthening its culture, continually developing people and processes as part of a never-finished effort to raise its ethics and compliance maturity. In 2025, global and divisional ethics committees continued to take on a more active role, meeting regularly to review ethics, compliance, and whistleblowing matters. The global committee met 12 times. The compliance organisation also progressed, with central and divisional teams enhancing documentation, tools, and dashboards to better monitor key topics. Ongoing global training on core themes helps build consistent standards of responsible conduct. Mandatory training for white-collar employees continued and was expanded to include front-line teams worldwide. Whistleblowing awareness efforts also continued, supported by an improved reporting channel for third parties. Across the Group, 72 mostly anonymous cases were received, all of which were reviewed and, where required, formally investigated. Aliaxis further started an initiative for conducted targeted compliance assessments, the results feeding into the risk assessment and led to updated improvement plans. The initiative will be continued and gradually deployed on other areas of compliance. This reinforces a continuous improvement cycle, combining communication, systematic reporting, embedded risk assessments, and stronger documentation. The effort is ongoing and will remain a long-term priority for the Group.

The Board receives regular updates, either directly or through the Risk and Audit Committee, on the Aliaxis' Ethics and Compliance initiatives and evolution.

5. RISKS AND UNCERTAINTIES

The risk profile of the companies within the Aliaxis Group is similar to that of other manufacturing and distribution companies operating in an international environment, which includes economic and sector risks as well as financial-risks arising from exposure to currencies, interest rates and commodity prices. The Group is also exposed to more specific risks of, for example, public, product and employer's liability, IT security, property damage and business interruption as well as the risks arising from fiscal or legal proceedings. Developments in respect of administrative, fiscal and legal proceedings are described as appropriate in notes 29 (Provisions) and 35 (Contingencies) of the consolidated financial statements.

Use of derivative financial instruments

Risks relating to creditworthiness, interest rate and exchange rate movements, commodity prices and liquidity arise in the Group's normal course of business. However, the most significant financial exposures for the Group relate to the fluctuation of interest rates on the Group's financial debt, and to fluctuations in currency exchange rates.

The Group's approach to the management of these risks is described in note 33 (Financial instruments).

6. OUTLOOK FOR 2026

Market conditions are expected to remain challenging in 2026. A gradual strengthening is anticipated as global construction and infrastructure activities should recover in the second half of the year. Aliaxis' strategy, initiated in 2025, continues the focus through 2026 on driving structural fixed cost reduction, a disciplined capital allocation, optimised working capital management and cash generation. These initiatives aim to drive Aliaxis back to a sustained profitable growth delivery and a healthy balance sheet.

Since the 2025 full-year results announcement, the uncertainty in the Middle East adds volatility to input markets with, so far, limited financial impact. In the coming period, supply and costs will be affected differently across regions and appropriate actions and mitigation measures are being reviewed. Medium- and long-term effects on the end markets are unclear.

7. DIVIDEND

Aliaxis' Board of Directors proposes to pay a gross dividend of €0.473 per share, representing -53.6% of the consolidated basic earnings per share of -€0.88 and 75.7% of the recurring net profit. The proposal reflects a dividend decrease of 50% compared to prior year.

The dividend is subject to shareholder approval at the Annual General Meeting of Shareholders on 4 May 2026.

8. STATUTORY APPOINTMENTS

The mandate of Kieran Murphy as Director will expire at the next Annual General Meeting of Shareholders on 4 May 2026. He is not a candidate for re-election.

Since the creation of Aliaxis in 2003 and throughout his 23 years of tenure, Mr. Murphy has played a key role in shaping and strengthening the Group's governance and financial oversight. During the last 13 years during which he chaired the Risk and Audit Committee, Mr. Murphy' deep expertise and knowledge of the Group helped reinforce Aliaxis' strategic decision-making and contributed to support its long-term vision and performance.

The Board would like to express its sincere gratitude to Mr. Murphy for his outstanding services and valuable contribution as Director and Chairperson of the Risk and Audit Committee.





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CONSOLIDATED FINANCIAL STATEMENTS

1. CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December (in € thousand)	Notes	2025	2024
Revenue	6, 7	**3,542,301**	3,913,944
Cost of sales		**(2,698,445)**	(2,802,242)
Gross profit		**843,856**	1,111,701
Commercial expenses		**(269,593)**	(306,462)
Administrative expenses		**(386,814)**	(398,715)
R&D expenses	6	**(34,951)**	(39,322)
Other operating income / (expenses)	9	**(18,128)**	(24,944)
Operating profit exclusive adjusted items	6	**134,370**	342,258
Adjusted items:			
Net result on sale of businesses	6, 8, 10	**(20,037)**	-
Restructuring costs	6, 11	**(73,205)**	(19,522)
Impairment on intangible assets and goodwill	6, 12	**(56,838)**	(68,518)
Other income / (expenses)	6, 13	**(1,242)**	(32,580)
Operating profit / (loss)	6	**(16,952)**	221,639
Finance income	16	**15,429**	42,034
Finance expenses	15	**(60,380)**	(71,850)
Profit / (loss) before income taxes		**(61,903)**	191,823
Income tax expense	17	**(5,783)**	(81,780)
Profit / (loss) for the period		**(67,687)**	110,043
of which attributable to Group equity holders		**(68,881)**	108,392
of which attributable to non-controlling interests		**1,195**	1,652
Earnings per share (in €):			
Basic earnings per share	25	**-0.88**	1.39
Diluted earnings per share	25	**-0.88**	1.39

The section, Notes to the consolidated financial statements, is an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the year ended 31 December (in € thousand)	Notes	2025	2024
Profit / (loss) for the period recognised in the income statement		**(67,687)**	110,043
Items that will never be reclassified to profit and loss:			
Remeasurements of defined benefit liability (asset) (net of taxes)	27b	**(3,533)**	5,082
Items that are or may be reclassified to profit and loss:			
Foreign currency translation differences for foreign operations	24	**(228,507)**	32,974
Net profit/(loss) on hedge of net investment in foreign operations		**-**	-
Cost of hedging reserves – changes in FV	32	**(51)**	(140)
Effective portion of changes in fair value of cash flow hedges	32	**(281)**	3,244
Change in fair value of cash flow hedges transferred to profit or loss	32	**(106)**	(2,491)
Deferred taxes related to hedges	32	**407**	(343)
Other comprehensive income / (loss) for the period, net of income tax		**(232,072)**	38,327
Total comprehensive income / (loss) for the period		**(299,758)**	148,370
of which attributable to Group equity holders		**(299,744)**	147,244
of which attributable to non-controlling interests		**(15)**	1,126

The section, Notes to the consolidated financial statements, is an integral part of these consolidated financial statements.

2. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December (in € thousand)	Notes	2025	2024
Intangible assets and goodwill	18	**869,946**	1,054,776
Property, plant and equipment	19	**1,465,281**	1,597,339
Investment properties	20	**1,271**	1,259
Other assets		**40,381**	42,675
Derivative financial instruments with positive fair values	32	**4,547**	744
Deferred tax assets	28	**106,473**	39,369
Employee benefits	27b	**22,845**	31,336
Non-current assets		**2,510,743**	2,767,498
Inventories	21	**774,539**	946,674
Current tax assets		**56,620**	52,827
Amounts receivable	22	**521,394**	590,544
Derivative financial instruments with positive fair values	32	**2,700**	5,776
Cash and cash equivalents	23	**319,373**	502,823
Assets held for sale		**3,863**	6,096
Current assets		**1,678,488**	2,104,741
TOTAL ASSETS	6	**4,189,231**	4,872,239

As at 31 December (in € thousand)	Notes	2025	2024
Share capital	24	**62,666**	62,666
Share premium	24	**13,332**	13,332
Retained earnings and reserves		**2,012,660**	2,387,255
Equity attributable to Group equity holders		**2,088,658**	2,463,253
Non-controlling interests	24	**5,990**	6,475
TOTAL EQUITY		**2,094,648**	2,469,728
Loans and borrowings	26	**929,738**	1,046,180
Lease liabilities	33	**225,927**	255,527
Employee benefits	27b	**45,670**	59,460
Deferred tax liabilities	28	**36,421**	48,547
Provisions	29	**24,318**	29,650
Derivative financial instruments with negative fair values	32	**1,237**	4,931
Other amounts payable	31	**3,881**	3,508
Non-current liabilities		**1,267,192**	1,447,802
Loans and borrowings	26	**42,797**	121,933
Lease liabilities	33	**36,260**	35,182
Bank overdrafts	23	**3,989**	12,677
Provisions	29	**22,735**	21,065
Derivative financial instruments with negative fair values	32	**942**	2,270
Current tax liabilities	30	**53,337**	54,869
Amounts payable	31	**667,332**	706,713
Current liabilities		**827,391**	954,709
TOTAL LIABILITIES	6	**2,094,583**	2,402,511
TOTAL EQUITY AND LIABILITIES		**4,189,231**	4,872,239

The section, Notes to the consolidated financial statements, is an integral part of these consolidated financial statements.

3. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

2024

(in € thousand)	Notes	Share capital	Share premium	Hedging reserve	Reserve for own shares	Translation reserve	Retained earnings	Total capital & reserves	Non-controlling interests	TOTAL EQUITY
As at 1 January 2024		62,666	13,332	(400)	(185,769)	(110,692)	2,612,381	2,391,518	6,367	**2,397,885**
Profit / (loss) for the period							108,392	108,392	1,652	**110,043**
Other comprehensive income:										
Foreign currency translation differences	24			65		33,427	7	33,500	(525)	**32,974**
Cash flow hedges (net of tax)	32			271				271		**271**
Remeasurement IAS19 (net of tax)	27b						5,082	5,082		**5,082**
Transactions with Group equity holders:										
Own shares acquired					(1,340)			(1,340)		**(1,340)**
Own shares sold					13		38	51		**51**
Dividends to shareholders	24						(73,839)	(73,839)	(1,023)	**(74,862)**
Scope changes					(203)		(180)	(382)	5	**(377)**
As at 31 December 2024		62,666	13,332	(64)	(187,298)	(77,264)	2,651,881	2,463,252	6,474	**2,469,726**

2025

(in € thousand)	Notes	Share capital	Share premium	Hedging reserve	Reserve for own shares	Translation reserve	Retained earnings	Total capital & reserves	Non-controlling interests	TOTAL EQUITY
As at 1 January 2025		62,666	13,332	(64)	(187,298)	(77,264)	2,651,881	2,463,252	6,474	**2,469,726**
Profit / (loss) for the period							(68,881)	(68,881)	1,195	**(67,687)**
Other comprehensive income:										
Foreign currency translation differences	24			(267)		(227,060)	29	(227,297)	(1,210)	**(228,507)**
Cash flow hedges (net of tax)	32			(32)				(32)		**(32)**
Remeasurement IAS19 (net of tax)	27b						(3,533)	(3,533)		**(3,533)**
Transactions with Group equity holders:										
Own shares acquired					(1,003)		-	(1,003)		**(1,003)**
Dividends to shareholders	24						(73,821)	(73,821)	(682)	**(74,503)**
Scope changes					7		(33)	(26)	212	**186**
As at 31 December 2025		62,666	13,332	(363)	(188,294)	(304,324)	2,505,641	2,088,658	5,990	**2,094,648**

The section, Notes to the consolidated financial statements, is an integral part of these consolidated financial statements.

4. CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December (in € thousand)	Notes	2025	2024
OPERATING ACTIVITIES			
Profit / (loss) after income tax		**(67,687)**	110,043
Depreciation	19, 20	**178,470**	173,319
Amortisation	18	**48,872**	33,822
Impairment losses on PP&E, intangible assets and assets held-for-sale	19, 18	**70,057**	71,935
Impairment losses on working capital and others	21, 32	**12,508**	30,389
Impairment losses on investment securities	15	**-**	16,661
Increase / (decrease) in provisions in profit and loss	29	**27,903**	14,302
Financial instruments – fair value adjustment through profit or loss		**(4,006)**	(1,738)
Net interest (income) / expenses	16, 15	**35,796**	28,595
Dividend income	16	**(200)**	-
Loss / (gain) on sale of property, plant and equipment and investment property	13	**(36,116)**	(697)
Loss / (gain) on sale of assets held-for-sale		**(4,309)**	(647)
Loss / (gain) on sale of businesses		**20,037**	(1,535)
Loss/(gain) on de-recognition investment securities	16	**1,341**	-
Income tax expense	17	**5,783**	81,780
Other – miscellaneous (mainly FX)		**10,559**	2,981
Gross cash flows from operating activities		**299,007**	559,210
Decrease / (increase) in inventories		**74,288**	(58,812)
Decrease / (increase) in amounts receivable		**15,321**	(27,460)
Increase / (decrease) in amounts payable		**22,712**	17,568
Increase / (decrease) in provisions	29	**(28,524)**	(38,625)
Changes in working capital and provisions		**83,796**	(107,330)
Cash generated from operations		**382,804**	451,880
Income tax paid	17	**(92,847)**	(113,244)
Net cash flows from operating activities		**289,957**	338,636

The section, Notes to the consolidated financial statements, is an integral part of these consolidated financial statements.

For the year ended 31 December (in € thousand)	Notes	2025	2024
INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment and investment property	19	**47,755**	1,793
Proceeds from sale of intangible assets		**32**	-
Proceeds from sale of assets held-for-sale		**5,746**	1,580
Repayment of loans granted	26	**36**	102
Sale of a business	8	**19,859**	2,298
Acquisition of businesses, net of cash acquired	8	**(802)**	(10,486)
Acquisition of property, plant and equipment	19	**(170,921)**	(238,020)
Acquisition of intangible assets	18	**(26,480)**	(68,437)
Acquisition of other investments	3g, 16	**(311)**	(2,315)
Loans granted	26	**(303)**	(1,678)
Dividends received	16	**200**	-
Interest received		**10,700**	16,680
Other – miscellaneous		**28**	99
Net cash flows used in investing activities		**(114,460)**	(298,384)

For the year ended 31 December (in € thousand)	Notes	2025	2024
FINANCING ACTIVITIES			
Proceeds from sale of treasury shares		**-**	13
Proceeds from obtaining borrowings	26	**103,144**	114,839
Repurchase of treasury shares		**(1,003)**	(1,340)
Repayment of borrowings	26	**(259,931)**	(125,136)
Repayment of leasing	33	**(51,319)**	(48,729)
Dividends paid	24	**(75,341)**	(75,642)
Interest paid		**(34,352)**	(32,787)
Other – miscellaneous		**(0)**	2
Cash flows from financing activities		**(318,803)**	(168,780)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(143,306)**	(128,529)

CASH AND CASH EQUIVALENTS

For the year ended 31 December (in € thousand)	Notes	2025	2024
As at 1 January 2025	23	**490,148**	623,396
Net (decrease) / increase in cash and cash equivalents		**(143,306)**	(128,529)
Cash and cash equivalents resulting from scope changes and A/L HFS transfers		**(8,084)**	-
Effect of exchange rate fluctuations on cash held		**(23,375)**	(4,719)
As at 31 December 2025	23	**315,384**	490,148

The section, Notes to the consolidated financial statements, is an integral part of these consolidated financial statement

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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1. CORPORATE INFORMATION

Aliaxis SA ("the Company") is a company incorporated under the laws of Belgium, registered with the Crossroads Bank for Enterprises (Banque-Carrefour des entreprises/ Kruispuntbank van Ondernemingen) under number 0860.005.067. The address of the Company's registered office is Avenue Arnaud Fraiteur, 15-23, 1050 Brussels. The consolidated financial statements of the Company as at and for the year ended 31 December 2025 comprise the Company, its subsidiaries and interest in equity accounted investees (together referred to as the "Group" or "Aliaxis").

In 2025, Aliaxis employed around 16,000 people, was in more than 40 countries throughout the world, and was present in the marketplace through more than 75 manufacturing and selling companies, many of which trade using their individual brand identities. The Group is primarily engaged in the manufacture and sale of thermoplastic piping systems and related building and sanitary products which are used in residential and commercial construction and renovation, as well as in a wide range of industrial and public utility applications.

The financial statements have been authorised for issue by the Company's Board of Directors on 30 March 2026.

2. BASIS OF PREPARATION

A. Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) effective and adopted by the European Union as at 1 January 2025.

The Company has not elected for early application of any of the standards or interpretations which were not yet effective on the reporting date.

B. Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis, except for the following:

- derivative financial instruments are measured at fair value;
- financial instruments at fair value through profit or loss are measured at fair value;
- share-based payment arrangements;
- employee benefits;
- assets held for sale.

C. Functional and presentation currency

These consolidated financial statements are presented in euro, which is the Company's functional currency. All financial information presented in euro has been rounded to the nearest thousand, except when otherwise indicated.

D. Use of estimates and judgements

The preparation of consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the consolidated financial statements, are described in the following notes:

- Note 18 – measurement of the recoverable amounts of cash-generating units;
- Note 27b – measurement of defined benefit obligations;
- Note 28 – use of tax losses;
- Notes 29 and 35 – provisions and contingencies;
- Note 30 – liabilities for uncertain tax positions;
- Note 32 – valuation of derivative financial instruments and determination of effectiveness for hedge accounting.

MEASUREMENT OF FAIR VALUES

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair values of an asset and liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices;
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 20 – investment properties;
- Note 32 – financial instruments.

3. MATERIAL ACCOUNTING POLICIES

Except for the changes explained below, the accounting policies adopted are consistent with those of the previous financial year.

As of 1 January 2025, Aliaxis adopted the following new and amended IFRS standards and interpretations and considered that it did not result in significant changes in the consolidated financial statements:

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability, issued on 15 August 2023, clarify when a currency is exchangeable into another currency (and when it is not). When a currency is not exchangeable, a company needs to estimate a spot rate. The company's objective when estimating a spot rate is that it reflects the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments contain no specific requirements for estimating a spot rate. Under the amendments, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements.

A. Basis of consolidation

A list of the most important subsidiaries and equity accounted investees is presented in Note 37.

SUBSIDIARIES

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

NON-CONTROLLING INTERESTS

Non-controlling interests are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

TRANSACTIONS ELIMINATED ON CONSOLIDATION

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

LOSS OF CONTROL

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any related, non-controlling interests and the other components of equity related to the subsidiary. Any resulting gain or loss is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost.

B. Foreign currencies

FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are translated to the respective functional currency of Aliaxis entities at exchange rates at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are carried at historical cost are translated at the reporting date at exchange rates at the dates of the transactions. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at the reporting date at the exchange rate at the date the fair value was determined. Foreign currency differences arising from retranslation are recognised in profit or loss, except for differences arising on the retranslation of equity instruments at FVOCI or a financial liability designated as a hedge of the net investment in a foreign operation (see below), which are recognised directly in other comprehensive income (OCI) under translation reserve.

FOREIGN OPERATIONS

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising from acquisition, are translated into euro at exchange rates at the reporting date. The income and expenses of foreign operations are translated into euro at average exchange rates for the year approximating the foreign exchange rates at the dates of the transactions. The components of shareholders' equity are translated at historical exchange rates.

Foreign currency differences are recognised in OCI and presented in the foreign currency translation reserve (translation reserve) in equity. However, if the operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

HEDGE OF NET INVESTMENT IN A FOREIGN OPERATION

The Group applies hedge accounting to foreign currency differences arising between the functional currency of the foreign operation and the euro regardless of whether the net investment is held directly or through an intermediate parent. Foreign currency differences arising on the retranslation of a financial liability designated as a hedge of a net investment in a foreign operation are recognised directly in OCI under translation reserve, to the extent that the hedge is effective. To the extent that the hedge is ineffective, such differences are recognised in profit or loss. When an entity partially disposes of a subsidiary that includes a foreign operation, but retains control, the entity re-attributes a proportionate share of the cumulative amounts previously recognised in OCI to NCI.

In addition, monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future, are a part of the Group's net investment in such foreign operation. Any foreign currency differences on these items are recognised directly in OCI under translation reserve, and the relevant cumulative amount in OCI is transferred to profit or loss when the investment is disposed of, in part or in full.

EXCHANGE RATES

The following major exchange rates have been used in preparing the consolidated financial statements.

	Average		Reporting date	
	2025	**2024**	**2025**	**2024**
AUD	**1.752**	1.640	**1.760**	1.673
CAD	**1.578**	1.481	**1.612**	1.489
GBP	**0.857**	0.847	**0.872**	0.827
NZD	**1.942**	1.788	**2.040**	1.851
USD	**1.130**	1.082	**1.175**	1.035
INR	**98.565**	90.534	**105.563**	88.635

C. Intangible assets and goodwill

GOODWILL

The carrying amount of goodwill is allocated to those reporting entities that are expected to benefit from the synergies of the business combination and those are considered as the Group's cash-generating units.

Goodwill is expressed in the functional currency of the reporting entity to which it is allocated and is translated to euros using the exchange rate at the reporting date.

In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment.

Goodwill is measured at cost less accumulated impairment losses (see Note 3k).

The Group elected not to restate those business combinations that occurred prior to the transition to IFRS; this goodwill represented the amount, net of accumulated amortisation, recognised under the Group's previous accounting framework, Belgian GAAP.

For acquisitions as of 1 January 2010, goodwill represents the excess of the consideration transferred with respect to the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess is negative (negative goodwill), it is recognised immediately in profit or loss.

INTANGIBLE ASSETS ACQUIRED IN A BUSINESS COMBINATION

Intangible assets such as customer relationships, trademarks, patents acquired in a business combination are initially recognised at fair value. If the criteria for separate recognition are not met, they are subsumed under goodwill.

The calculation of the fair value of a customer list is based on the discounted cash flows (after tax) derived from the sales related to such customers after (i) applying an attrition rate (as observed over a relevant historical period of time), and (ii) accounting for all related operating costs (except financial) including specific contributory charges on assets and labour.

RESEARCH AND DEVELOPMENT

Expenditure on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding is recognised in profit or loss when incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and Aliaxis intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes capitalised borrowing costs and the cost of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use. If the recognition criteria referred to above are not met, the expenditure is recognised in profit or loss as an expense when incurred.

Capitalised development expenditure is measured at cost less accumulated amortisation (see below) and accumulated impairment losses (see Note 3k).

OTHER INTANGIBLE ASSETS

Other intangible assets that are acquired by Aliaxis which have finite useful lives are measured at cost less accumulated amortisation (see below) and accumulated impairment losses (see Note 3k).

SUBSEQUENT EXPENDITURE

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss when incurred.

AMORTISATION

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets with a finite life, from the date that they are available for use. Goodwill is not amortised. The estimated useful lives are as follows:

- Patents, concessions and licenses 5 years
- Capitalised development costs 3-5 years
- IT software 5-7 years
- Drawings 25 years

The value of the customer list is amortised – with a straight-line method – along a useful life which corresponds to the number of years until the present value of the last individual cash-flow becomes insignificant.

The useful life of customer lists will be subject to a maximum cap of 15 years, applicable as of 2026 for any future acquisitions.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

D. Property, plant and equipment

RECOGNITION AND MEASUREMENT

Items of property, plant and equipment are measured at cost less accumulated depreciation (see below) and impairment losses (see Note 3k). Aliaxis elected to measure certain items of property, plant and equipment at 1 January 2005, the date of transition to IFRS, at fair value and used those fair values as deemed cost at that date.

Cost includes expenditures that are directly attributable to the acquisition of the asset; e.g. cost of materials and direct labour, costs incurred to bring the asset to its working condition and location for its intended use, any relevant costs of dismantling and removing the asset and restoring the site on which the asset was located when the Group has an obligation. Purchased software that is integral to the functionality of the related equipment and borrowing costs are capitalised, as part of that equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the net proceeds from disposal with the carrying amount of property, plant and equipment and are recognised within other income/ expenses in profit or loss.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

SUBSEQUENT EXPENDITURE

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item only if it is probable that the future economic benefits embodied within such part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

DEPRECIATION

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives, unless there is certainty that the Group will take ownership at the end of the lease term. Land is not depreciated.

Items of property, plant and equipment are depreciated from the date that they are installed and are ready for use.

The estimated useful lives are as follows:

- Buildings:
  - Structure 40-50 years
  - Roof and cladding 15-40 years
  - Installations 15-20 years
- Plant, machinery and equipment:
  - Silos 20 years
  - Machinery and surrounding equipment 10 years
  - Moulds 3-5 years
- Furniture 10 years
- Office machinery 3-5 years
- Vehicles 5 years
- IT and IS 3-5 years

Depreciation methods and useful lives, together with residual values if not insignificant, are reassessed at each reporting date and adjusted if appropriate.

E. Right-of-use assets

Leases are recognised as a right-of-use asset and corresponding lease liability at the date of which the leased asset is available for use by the Group. 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.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The Group elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of less than 12 months ('short-term leases') and lease contracts for which the underlying asset is of low value ('low-value assets'). Low value refers to assets with a value of €5,000 or less when they are new.

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 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 the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate which has been determined along two dimensions:

- The currency in which the lease contract is denominated;
- The duration of the lease contract. For simplicity, durations have been grouped in categories with individual appropriate rates being extrapolated when necessary and averaged thereafter.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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 lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Lease payments that are due within 12 months are classified as current liabilities. All lease payments that are due at least 12 months after the balance sheet date are classified as non-current liabilities.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

Some of the car leases contain variable lease payments. These concern car lease agreements that contain a Terminal Rental Adjustment Clause (TRAC): a final settlement calculation is made at termination of the lease to determine the final rental adjustment. This final rent adjustment is a rent payment (or credit) that reflects actual usage of the vehicle while under lease. This final amount is not known at lease commencement. The rental adjustment amount is not a specified amount but depends upon known factors such as monthly depreciation and initial acquisition cost, and several unknown factors at lease commencement, such as mileage, condition of the vehicle, wear and tear, damage, geography of operation, disposal channel, and other factors. Together, these factors generally represent "use" of the vehicle. Payments that vary due to use of the underlying asset and vehicle mileage specifically are variable lease payments. The final rental adjustment is recognised as expense or, in case of a credit, as a reduction of expenses when realised.

F. Investment properties

Investment property is property held either to earn rental income or for capital appreciation or for both. Investment property is measured at cost less accumulated depreciation and impairment losses (see Note 3k).

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful life of the property consistent with the useful lives for property, plant and equipment (see Note 3d).

The fair values, which are determined for disclosure purposes, are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. In the absence of current prices in an active market, the valuations are prepared by considering the aggregate of the estimated cash flows expected to be received from renting out the property. A yield that reflects the specific risks inherent in the net cash flows is then applied to the net annual cash flows to arrive at the property valuation.

G. Other non-current assets

INVESTMENTS IN EQUITY SECURITIES

Investments in equity securities are undertakings in which Aliaxis does not have significant influence or control. These investments are designated as financial assets at FVTPL which are, subsequent to initial recognition, measured at fair value, except for those equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured. Those equity instruments that are excluded from fair valuation are stated at cost.

INVESTMENTS IN DEBT SECURITIES

Investments in debt securities are classified at fair value through profit or loss or fair value through OCI and are carried at fair value with any resulting gain or loss respectively recognised in profit or loss or directly in OCI. Impairment losses (see Note 3k) and foreign exchange gains and losses are recognised in profit or loss.

OTHER FINANCIAL ASSETS

A financial asset is classified at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if Aliaxis manages such investments and makes purchase and sale decisions based on their fair value. Upon initial recognition, attributable transaction costs are recognised in profit or loss when incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

OTHER ASSETS

These assets are measured at amortised cost using the effective interest rate method, less any impairment losses (see Note 3k).

H. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average principle for raw materials, packaging materials, consumables, purchased components and goods purchased for resale, and on the first-in first-out principle for finished goods, work in progress and produced components.

The cost includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost also includes production costs and an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

I. Amounts receivable

Amounts receivable comprise trade and other receivables. These amounts are carried at amortised cost, less impairment losses (see Note 3k).

J. Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with final maturities of three months or less at acquisition date. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

The Group invests in money market funds (MMF). MMF are open-ended mutual funds that invest in short-term debt instruments such as treasury bills, certificates of deposit, bonds, government gilts and commercial paper. The main goals are the preservation of principal, high liquidity and a modest incremental return over short-term interest rates or a benchmark rate.

The Group only invests in MMF having high rating and daily liquidity. Those funds are considered as cash and cash equivalent and classified under IFRS9 as:

(i) at "constant net asset value (NAV)", accounted for as money market funds through OCI.

(ii) at "variable net asset value (NAV)", accounted for as money market funds through PL.

K. Impairment

FINANCIAL ASSETS

For financial instruments and contract assets, the Group recognises loss allowances for ECLs on financial assets measured at amortised cost and debt investments measured at FVOCI. The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Debt securities that are determined to have low credit risk at the reporting date; and
- Other debt securities and bank balances for which credit risk has not increased significantly since initial recognition.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- The debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- The financial asset is more than 365 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. Twelve-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after reporting date. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flow due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Group assesses whether the financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A financial asset is credit impaired when one or more events that have an impact on the estimated future cash flows of the financial assets have occurred.

Loss allowance for financial assets measured at amortised cost are deducted from the gross carrying amounts of the assets. For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

NON-FINANCIAL ASSETS

The carrying amounts of the Group's non-financial assets, other than inventories (see Note 3h) and deferred tax assets (see Note 3v), are reviewed at each reporting date to determine whether there is any external or internal indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit ("CGU") exceeds its recoverable amount. A CGU is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

The Group's overall approach as to the level for testing goodwill impairment is at the lowest level at which goodwill is monitored for external reporting purposes, which is in general at CGU. The recoverable amount of the CGUs to which the goodwill belongs is based on a discounted free cash flow approach, based on acquisition valuation models. These calculations are corroborated by valuation multiples or other available fair value indicators.

An impairment loss in respect to goodwill is not reversed. In respect to other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

L. Discontinued operations and assets held for sale

DISCONTINUED OPERATIONS

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative period.

ASSETS HELD FOR SALE

Non-current assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the assets (or components of a disposal group) are measured in accordance with the Group's accounting policies. Thereafter, the assets (or disposal group) are generally measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets and employee benefit assets, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss. Intangible assets and property, plant and equipment once classified as held for sale are not amortised or depreciated. In addition, equity accounting of equity accounted investees ceases once classified as held for sale.

M. Share capital

ORDINARY SHARES

Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity.

REPURCHASE OF SHARE CAPITAL

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the reserve for own shares. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to/from retained earnings.

DIVIDENDS

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

N. Interest-bearing loans and borrowings

Interest-bearing loans and borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing loans and borrowings are stated at amortised cost with any difference between the initial amount and the maturity amount being recognised in profit or loss over the expected life of the instrument on an effective interest rate basis.

O. Employee benefits

DEFINED CONTRIBUTION PLANS

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in profit or loss in the period during which related services are rendered by employees.

DEFINED BENEFIT PLANS

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value and the fair value of any plan assets are deducted. The discount rate is the yield at the reporting date on AA credit-rated bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed annually by qualified actuaries using the projected unit credit method.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised immediately in profit or loss.

The Group recognises gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on curtailment or settlement comprises any resulting change in the fair value of plan assets and any change in the present value of the defined benefit obligation.

Remeasurements of the net defined benefit liability, which comprises actuarial gains and losses, the return on plan assets (excluding interests) and the effect of the asset ceiling (if any, excluding interests) are recognised immediately in OCI. The Group determines the net interest expenses (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net

defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expenses and other expenses related to defined benefit plans are recognised in profit or loss.

When the calculation results in a benefit to Aliaxis, the recognised asset is limited to the present value of any future refunds from the plan or reductions in future contributions to the plan.

In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Group. An economic benefit is available to the Group if it is realisable during the life of the plan, or on settlement of the plan liabilities.

OTHER LONG-TERM EMPLOYEE BENEFITS

The Group's net obligation in respect to long-term employee benefits other than pension plans such as service anniversary bonuses is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using the projected unit credit method and is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on AA credit-rated bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid. Any actuarial gains or losses are recognised in profit or loss in the period in which they arise.

TERMINATION BENEFITS

Termination benefits are recognised as an expense when Aliaxis is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date. Termination benefits for voluntary redundancies are recognised if Aliaxis has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

SHORT-TERM BENEFITS

Short-term employee benefit obligations such as bonuses 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 or profit-sharing plans if Aliaxis has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

P. Provisions

A provision is recognised if as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

WARRANTIES

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on historical warranty data and a weighing of all possible outcomes against their associated probabilities.

RESTRUCTURING

A provision for restructuring is recognised when Aliaxis has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly before the reporting date. Future operating losses are not provided for.

ONEROUS CONTRACTS

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. The provision is measured as the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with the contract.

Q. Amounts payable

Amounts payable which comprise trade and other amounts payable represent goods and services provided to the Group prior to the end of the reporting date which are unpaid. These amounts are carried at amortised cost.

R. Derivative financial instruments and hedge accounting

Aliaxis holds derivative financial instruments to hedge its exposure to foreign currency and interest rate risks arising from operational, financing and investment activities. As a policy, Aliaxis does not engage in speculative transactions and does not therefore hold or issue derivative financial instruments for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

On initial designation of the derivative as the hedging instrument, the Group formally documents the relationship between the hedging instrument and hedged item, including the risk management objectives and strategy in undertaking the hedge transaction and the hedged risk, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, of whether the hedging instruments are expected to be highly effective in offsetting the changes in the fair value or cash flows of the respective hedged items attributable to the hedged risk, with the ultimate objective to validate the economic relationship between the hedging instrument and the hedged item. For a cash flow hedge of a forecast transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that could ultimately affect reported profit or loss.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value and changes therein are accounted for as described below.

CASH FLOW HEDGES

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative hedging instrument designated as a cash flow hedge is recognised in OCI and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in fair value is recognised in profit or loss.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial items, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flow is no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit and loss.

The Group designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange

contracts is separately accounted for a cost of hedging and recognised in a cost of hedging reserve within equity.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item, the amount accumulated in the hedging reserve and the cost of hedging reserve is included directly in the initial cost of the non-financial item when it is recognised.

In other cases, the amount recognised in equity is transferred to profit or loss in the same period that the hedged item affects profit or loss.

HEDGE OF NET INVESTMENT IN FOREIGN OPERATION

Where a derivative financial instrument hedges a net investment in a foreign operation, the portion of the gain or the loss on the hedging instrument that is determined to be effective is recognised directly in equity within the translation reserve, while the ineffective portion is reported in profit or loss.

The amount recognised in OCI is reclassified to profit or loss as a reclassification adjustment on disposal of the foreign operation.

FAIR VALUE HEDGES

When a derivative financial instrument hedges the variability in fair value of a recognised asset or liability, any resulting gain or loss on the hedging instrument is recognised in profit or loss. The hedged item is also stated at fair value in respect of the risk being hedged, with any gain or loss being recognised in profit or loss.

ECONOMIC HEDGES

Hedge accounting is not applied to derivative instruments that economically hedge monetary assets and liabilities denominated in foreign currencies. Changes in the fair value of such derivatives are recognised in profit or loss as part of foreign currency gains and losses.

S. Revenue

GOODS SOLD

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue from the sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration and the existence of significant financing components (if any).

RENTAL INCOME

Rental income from investment properties is recognised in profit or loss in other operating income on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

GOVERNMENT GRANTS AND SUBSIDIES

Government grants are recognised initially as deferred income when there is reasonable assurance that they will be received and that Aliaxis will comply with the conditions associated with the grant. Grants that compensate the Group for expenses incurred are recognised in profit or loss on a systematic basis in the same periods in which the expenses are recognised. Grants that compensate the Group for the cost of an asset are recognised in other operating income and expense on a systematic basis over the useful life of the asset.

Government subsidies that compensate the Group for expenses incurred are recognised in profit or loss on a systematic basis in the same periods in which the expenses are recognised.

T. Adjusted items

Adjusted items are those items that are considered by management not to relate to items in the ordinary course of activities of the Group. They are presented separately as they are important for the understanding of users of the consolidated financial statements of the performance of the Group and this compared to the returns defined in the regulatory frameworks applicable to the Group and its subsidiaries. Adjusted items relate to:

- income and expenses resulting from the sale of businesses;
- restructuring costs linked to the transformation and restructuring initiatives of the Group ;
- impairment of non-financial assets (incl. goodwill impairment);
- other income and expenses related to items outside the ordinary course of activities of the Group.

U. Finance income and expenses

Finance income comprises interest income on funds invested, dividend income, net gains on the disposal of financial asset measured at fair value through OCI, changes in the fair value of financial assets at fair value through profit or loss, foreign currency gains, and gains on hedging instruments that are recognised in profit or loss. Interest income is recognised as it accrues, using the effective interest method. Dividend income is recognised on the date that the Group's right to receive payment is established.

Finance expenses comprise interest expense on borrowings, unwinding of the discount on provisions, foreign currency losses, changes in the fair value of financial assets at fair value through profit or loss, impairment losses recognised on financial assets (except losses on receivables) and losses on hedging instruments that are recognised in profit or loss. Borrowing costs that are not directly attributable to the acquisition or construction of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis as either finance income or finance expense depending on whether foreign currency movements are in a net gain or net loss position.

V. Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity, or in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes (including differences arising from fair values of assets and liabilities acquired in a business combination). Deferred tax is not recognised for the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and on the same taxable entity or group of entities.

In determining the amount of current and deferred tax the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

As from the 2024 financial year, Aliaxis is required to comply with new international tax compliance obligations related to Pillar 2 regulations. OECD Pillar 2 regulation is designed to ensure large multinational enterprises pay a minimum level of tax on the income arising in each jurisdiction where they operate (i.e. effective taxation of 15%).

In this context, impact of Pillar 2 has been assessed for the Group as not material.

W. Contingencies

Contingent liabilities are not recognised in the consolidated financial statements, except if they arise from a business combination. They are disclosed, when material, unless the possibility of a loss is remote. Contingent assets are not recognised in the consolidated financial statements but are disclosed, when material, if the inflow of economic benefits is probable.

X. Subsequent events

Events after the reporting date which provide additional information about the Group's position as at the reporting date (adjusting events) are reflected in the consolidated financial statements. Events after the reporting date which are non-adjusting events are disclosed in the notes to the consolidated financial statements, when material.

Y. Earnings per share

Aliaxis presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

Z. New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2025, and have not been applied in preparing these consolidated financial statements:

Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7, issued on 30 May 2024, will address diversity in accounting practice by making the requirements more understandable and consistent. The amendments include:

- Clarifications on the classification of financial assets with environmental, social and corporate governance (ESG) and similar features – ESG-linked features in loans could affect whether the loans are measured at amortised cost or fair value. To resolve any potential diversity in practice, the amendments clarify how the contractual cash flows on such loans should be assessed;
- Clarifications on the date on which a financial asset or financial liability is derecognised. The IASB also decided to develop an accounting policy option to allow a company to derecognise a financial liability before it delivers cash on the settlement date if specified criteria are met.

The International Accounting Standards Board has also introduced additional disclosure requirements to enhance transparency for investors regarding investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features, for example features tied to ESG-linked targets.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026 with early adoption permitted. These amendments are not expected to have a material impact on the Group's consolidated statements. These amendments have not yet been endorsed by the EU.

Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7, issued on 18 December 2024, will help entities better report on the financial effects of nature-dependent electricity contracts, which are often structured as power purchase agreements (PPAs). Nature-dependent electricity contracts help entities to secure their electricity

supply from sources such as wind and solar power. The amount of electricity generated under these contracts can vary based on uncontrollable factors such as weather conditions. Current accounting requirements may not adequately capture how these contracts affect an entity's performance.

The amendments include:

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

The amendments are effective for annual reporting periods beginning on or after 1 January 2026 with early adoption permitted. These amendments are not expected to have a material impact on the Group's consolidated statements. These amendments have been endorsed by the EU.

Annual Improvements Volume 11, issued on 18 July 2024, include clarifications, simplifications, corrections and changes aimed at improving the consistency of several IFRS Accounting Standards.

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 amendments are effective for annual reporting periods beginning on or after 1 January 2026 with early adoption permitted. These amendments are not expected to have a material impact on the Group's consolidated statements. These amendments have not been endorsed by the EU.

IFRS 18 Presentation and Disclosure in Financial Statements, issued on 9 April 2024, will replace IAS 1 Presentation of Financial Statements. The new standard introduces the following key new requirements:

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present newly defined operating profit subtotal. Entities' net profit will not change;
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements;
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The standard is effective for annual reporting periods beginning on or after 1 January 2027 with early adoption permitted. These amendments are not expected to have a material impact on the Group's consolidated statements. The standard has not yet been endorsed by the EU.

IFRS 19 Subsidiaries without Public Accountability: Disclosures, issued on 9 May 2024, will allow eligible subsidiaries to apply IFRS Accounting Standards with reduced disclosure requirements. A subsidiary will be able to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date:

- it does not have public accountability; and
- its parent produces consolidated financial statements under IFRS Accounting Standards.

The standard is effective for annual reporting periods beginning on or after 1 January 2027 with early adoption permitted. These amendments are not expected to have a material impact on the Group's consolidated statements. The standard has not yet been endorsed by the EU.

Translation to a hyperinflationary presentation currency – Amendments to IAS 21, issued on 13 November 2025, clarify how entities should translate financial statements from a non-hyperinflationary currency into a hyperinflationary one. To reduce diversity in practice and improve the usefulness of information for investors, the amendments clarify that:

- an entity with a non-hyperinflationary functional currency uses the closing rate at the latest reporting date when translating all the financial statement amounts (including comparatives) into its presentation currency; and
- an entity uses the closing rate at the latest reporting date when translating all amounts (except comparatives) of a foreign operation with a non-hyperinflationary functional currency and applies the general price index to restate the comparatives.

The amendments are effective for annual reporting periods beginning on or after 1 January 2027 with early adoption permitted. This amendment is not expected to have a material impact on the Group's consolidated statements. The standard has not yet been endorsed by the EU.

4. BUSINESS COMBINATIONS

A. Acquisition method

Business combinations are accounted for using the acquisition method when control is transferred to the Group (definition of control see 3a). The consideration transferred in the acquisition is measured at fair value, as are the identifiable net assets acquired.

Any goodwill that arises is tested annually for impairment.

Any gain on a bargain purchase is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Transaction costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration meets the definition of a financial instrument and is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

Put options granted to non-controlling shareholders are recognised as a liability measured at the present value of the exercise price and accounted for using the present-access method when the NCI have present access to the returns that are the subject of the put options. Under this method, NCI continue to be recognised because the non-controlling shareholders still have present access to the returns associated with the underlying ownership interests. All changes in the carrying amount of the liability are recognised in equity. The financial liability arising from the put option is not included in the consideration transferred of a business combination but accounted for separately. If the put option expires unexercised, then the put liability is reversed against equity.

B. Determination of fair values

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair value at acquisition date as follows:

- The fair value of property, plant and equipment is based on market values. The fair value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of items of plant, equipment, fixtures and fittings is based on the quoted market prices for similar items when available and depreciated replacement costs when appropriate;
- The fair value of patents and trademarks is based on the discounted estimated royalty payments that have been avoided as a result of the patent or trademark being owned. The fair value of other intangible assets is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets;

- The fair value of customer list is based on the discounted cash flows (after tax) derived from the sales related to such customers after (i) applying an attrition rate (as observed over a relevant historical period of time), and (ii) accounting for all related operating costs (except financial) including specific contributory charges on assets and labour;
- The fair value of inventories is determined based on its estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories;
- Contingent liabilities are recognised at fair value on acquisition, if their fair value can be measured reliably. The amount represents what a third party would charge to assume those contingent liabilities, and such amount reflects all expectations about possible cash flows and not the single most likely or the expected maximum or minimum cash flow.

5. FINANCIAL RISK MANAGEMENT

A. Overview

This note presents information about the Group's exposure to credit, liquidity and market risks, the Group's objectives, policies and processes for measuring and managing risk, as well as the Group's management of capital. Further quantitative disclosures are included throughout the notes to the consolidated financial statements.

Risks relating to credit worthiness, interest rate and exchange rate movements, commodity prices and liquidity arise in the Group's normal course of business. However, the most significant financial exposures for the Group relate to the fluctuation of interest rates on the Group's financial debt and to fluctuations in currency exchange rates.

The Group addresses these risks and defines strategies to limit their economic impact on its performance in accordance with its financial risk management policy. Such policy includes the use of derivative financial instruments. Although these derivative financial instruments are subject to fluctuations in market prices subsequent to their acquisition, such changes are generally offset by opposite changes in the value of the underlying items being hedged.

The Audit Committee is responsible for overseeing how management monitors compliance with the Group's financial risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee relies on the monitoring performed by management.

B. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers.

The Group's exposure to credit risk is influenced by the individual characteristics of each customer, its industry and the country or region where it operates. The Group's main sales distribution channels are wholesale and retail do-it-yourself (DIY) chains. Despite a trend towards consolidation in Europe and North America, the diversity of Aliaxis' product range helps it to maintain a wide customer portfolio and to avoid as much as possible exposure to any significant individual customer.

Aliaxis management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit above a certain amount. The Group does not require collateral, except in very rare circumstances, in respect of financial assets.

Investments are allowed only in liquid securities and only with counterparties that have a robust credit rating. Transactions involving derivatives are with counterparties with whom the Group has a signed netting agreement and who have sound credit ratings. Management does not expect any counterparty to fail to meet its obligations.

The Group establishes an allowance for impairment that represents its estimate of expected losses in respect to trade and other receivables and investments. The main components of this allowance 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.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivatives in the statement of financial position.

C. Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted.

The Group ensures access to banking facilities and debt capital markets instruments.

- As for banking facilities, the Group has a multi-currency revolving credit facility of €950 million maturing in October 2028 and other bilateral credit facilities;
- As for Debt Capital Markets Instruments, the Group has issued:
  (i) €18 million of US Private Placement (swap note) for a period of 12 years maturing in 2027
  (ii) a seven-year bond of €750 million maturing in November 2028.

D. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, commodity prices, interest rates or equity prices will affect the Group's income 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.

The Group uses derivatives, and also incurs financial liabilities, in order to manage market risks. All such transactions are carried out within the financial risk management policies. Generally, the Group seeks to apply hedge accounting in order to manage volatility in profit or loss.

CURRENCY RISK

The Group is exposed to foreign currency risk on transactions such as sales, purchases, borrowings, dividends, fees and interests, denominated in non-euro currencies. Currencies giving rise to such risk are primarily the Canadian dollar (CAD), the Australian dollar (AUD), the New Zealand dollar (NZD), the pound sterling (GBP), the Indian rupee (INR) and the U.S. dollar (USD). Where there is no natural hedge, the foreign currency risk is primarily managed by the use of forward exchange derivatives contracts. All contracts have maturities of less than one year.

Foreign currency risk on firm commitments and forecast transactions is subject to hedging (in whole or in part) when the underlying operating transactions are reasonably expected to occur within a determined time frame. Hedge accounting is not applied to derivative instruments that economically hedge monetary assets and liabilities, other than loans granted to Group companies, denominated in foreign currencies. Changes in the fair value of such derivatives are recognised in profit or loss as part of foreign exchange gains and losses. For some derivative instruments hedging loans granted to Group companies and denominated in foreign currencies, hedge accounting applies, with forward component accounted for in equity (cost of hedge reserve) and foreign exchange impact directly recycled in profit and loss.

The Group's policy is to partially hedge the risk arising from consolidating net assets denominated in non-euro currencies by permanently maintaining liabilities through borrowings or cross currency swaps in such non-euro currencies. Where foreign currency borrowing or cross currency swaps are used to hedge a net investment in a foreign operation, exchange differences arising on translation of the borrowing are recognised directly in OCI within translation reserve.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

COMMODITY RISK

Raw materials used to manufacture the Group's products mainly consist of plastic resins such as polyvinylchloride (PVC), polyethylene (PE) and polypropylene (PP), which are a significant element of the cost of the Group's products. The prices of these raw materials are volatile and tend to be cyclical, and Aliaxis is generally able to recover raw material price increases through higher product selling prices, although sometimes after a time lag. The Group increasingly seeks to optimise its resin purchases thanks to a centralised approach to the procurement of major raw materials.

In addition, the Group is also exposed to the volatility of energy prices (particularly electricity). In February 2024, the Group entered a Virtual Power Purchase Agreement (VPPA) with a developer based in Italy for a period of 10 years, exposing the Group to decreasing prices for renewable electricity.

INTEREST RATE RISK

The Group policy is to hedge its interest rate risk through swaps, cross currency swaps and other derivatives. No derivatives are ever acquired or maintained for speculative or leveraged transactions.

Most of the interest rate risk exposure is hedged via fixed rate debt instruments.

OTHER MARKET PRICE RISK

Demand for the Group's products is principally driven by the level of construction activity in its main markets, including new housing, repairs, maintenance and improvement, infrastructure and industrial markets. Its geographical and industrial spread provides a degree of risk diversification. Demand is influenced by fluctuations in the level of economic activity in individual markets, the key determinants of which include GDP growth, changes in interest rates, the level of new housing starts and industrial and infrastructure investment.

E. Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain the confidence of investors, creditors and other stakeholders and to sustain future development of the business. The Board monitors the return on equity (profit of the year attributable to equity holders of the Group divided by the average of equity attributable to equity holders of Aliaxis at the beginning and end of the reporting period).

The Board also monitors the dividends paid to ordinary shareholders. The Group's present intention is to recommend to the Annual General Meeting of Shareholders a dividend increasing in line with past practice and subject to annual review in light of the future profitability of the Group.

No assurance can however be given that the Company will pay dividends in the future. Such payments will depend upon a number of factors, including prospects, strategies, results of operations, earnings, capital requirements and surplus, general financial conditions, contractual restrictions and other factors considered relevant by the Board.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. In 2025, the Group share of return on equity was -3.0% (2024: 4.5%). In comparison the weighted average interest rate of the gross financial interest-bearing indebtedness (including interest expense on lease liabilities) was 3.1% (2024: 3.3%).

There were no changes in the Group's approach to capital management during the year, which will remain prudent given the current economic circumstances.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

6. OPERATING SEGMENTS

The Group has the following four strategic divisions, which are its reportable segments:

- Americas;
- Pacific;
- EMEA;
- Asia.

These divisions are managed separately because they require different marketing strategies. The Group's chief operating decision maker reviews the internal management reports of each division at least quarterly.

Other segments include minor business in China and South Africa. None of these segments met the quantitative thresholds for reportable segments in 2025 or 2024.

There are few intersegment relationships which are limited to some transfers of raw materials and shared distribution services. Information related to each reportable segment is set out below. Segment recurring EBITDA is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries.

	Americas		Pacific		EMEA		Asia		Other segments		Not allocated to operating segments		TOTAL GROUP	
(in € thousand)	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024
External revenues	**1,795,623**	1,972,697	**394,479**	444,546	**860,327**	902,080	**449,263**	550,683	**42,610**	43,937	**-**	-	**3,542,301**	3,913,944
Recurring EBIT	**106,104**	304,455	**(11,364)**	23,512	**43,152**	28,388	**1,741**	5,987	**(2,942)**	(6,286)	**(2,320)**	(13,797)	**134,370**	342,258
Depreciation and amortisation	**116,832**	97,271	**27,626**	27,375	**41,866**	43,786	**28,040**	28,672	**2,373**	2,411	**12,843**	8,602	**229,581**	208,117
Recurring EBITDA	**222,936**	401,725	**16,262**	50,887	**85,019**	72,174	**29,781**	34,660	**(569)**	(3,875)	**10,523**	(5,195)	**363,951**	550,375
Net results on sales of businesses	**-**	-	**-**	-	**(19,130)**	-	**-**	-	**-**	-	**(907)**	-	**(20,037)**	-
Restructuring costs	**(32,592)**	(1,454)	**(1,894)**	-	**(22,616)**	(18,068)	**(337)**	-	**-**	-	**(15,767)**	-	**(73,205)**	(19,522)
Impairment on goodwill and intangible assets	**(50,418)**	(50,686)	**-**	-	**(4,200)**	(4,200)	**-**	-	**(2,220)**	(13,631)	**-**	-	**(56,838)**	(68,518)
Other income / (expenses)	**(34,161)**	(32,975)	**-**	(250)	**34,868**	2,474	**149**	-	**-**	-	**(2,097)**	(1,828)	**(1,242)**	(32,580)
Segment result (EBIT)	**(11,068)**	219,339	**(13,258)**	23,262	**32,074**	8,593	**1,553**	5,987	**(5,162)**	(19,917)	**(21,091)**	(15,626)	**(16,952)**	221,639
Segment assets	**1,795,341**	2,231,870	**370,006**	421,225	**740,640**	717,294	**421,789**	549,285	**39,063**	47,393	**822,392**	905,173	**4,189,231**	4,872,239
Segment liabilities	**555,692**	656,232	**85,237**	105,665	**220,962**	234,675	**125,099**	193,809	**17,066**	17,960	**1,090,528**	1,194,170	**2,094,583**	2,402,511
Capital expenditures	**114,032**	165,255	**19,650**	42,324	**33,234**	54,235	**24,611**	31,130	**432**	1,927	**5,443**	11,585	**197,401**	306,457
Capital employed	**1,437,737**	1,806,128	**313,581**	349,879	**579,737**	552,783	**321,729**	398,427	**26,601**	34,191	**682,454**	776,131	**3,361,840**	3,917,539
R&D expenses	**8,189**	8,042	**2,954**	4,042	**10,865**	10,508	**3,198**	3,381	**2,468**	2,773	**7,277**	10,576	**34,951**	39,322
(In units)														
Average number of employees (FTE)	**7,433**	6,954	**1,368**	1,381	**3,864**	4,170	**2,552**	2,598	**574**	571	**238**	272	**16,028**	15,945

Unallocated assets mainly relate to financial intercompany transactions, cash and cash equivalent, derivatives, intangible fixed assets and receivables.

Unallocated liabilities mainly relate to financial debts, current and deferred tax liabilities and payables.

Refer to the Trading Review section for an explanation of the major evolutions by segment.

7. REVENUE

In 2025, the Group revenue declined versus 2024, driven by softer market conditions that reduced volumes across the Group and by price normalisation, particularly in the U.S. and Asia.

A. Revenue from external customers by activity

(in € thousand)	2025	2024
Building	**1,623,826**	1,880,460
Infrastructure	**755,064**	808,769
Industry	**518,584**	447,820
Agriculture	**215,255**	363,560
Electrical	**350,207**	402,995
Other	**79,364**	10,340
Total revenue	**3,542,301**	3,913,944

B. Revenue from external customers by geographical area

(in € thousand)	2025	2024
North America	**1,452,057**	1,641,478
India	**441,215**	541,784
Australia	**273,025**	325,890
France	**252,050**	262,947
United Kingdom	**153,030**	135,936
Germany	**137,482**	141,629
New Zealand	**98,742**	112,588
Italy	**71,090**	74,469
Peru	**69,930**	65,810
Spain	**66,995**	70,516
Chile	**33,189**	34,463
Rest of the world	**493,495**	506,432
Total revenue	**3,542,301**	3,913,944

8. ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND NON-CONTROLLING INTERESTS

A. Marley Deutschland GmbH

In December 2025, the Group completed the sale of the Marley Deutschland GmbH business (Germany) for a total consideration, net of transaction costs, of €19.9 million, which results in a net loss of disposals of €20 million (see Note 10). The disposal of this business unit has not been classified as a discontinued operation because it does not meet the criteria set out in IFRS 5 Non-current Assets Held for Sale and Discontinued Operations: the disposed activities do not represent a separate major line of business or geographical area of operations, they do not form part of a single coordinated plan to dispose of such a line of business, and their financial significance is immaterial in the context of the Group.

9. OTHER OPERATING INCOME AND EXPENSES

(in € thousand)	2025	2024
Government grants	**1,266**	820
Rental income from investment properties	**815**	1,108
Operating costs of investment properties	**9**	(118)
Gain/(loss) on the sale of fixed assets	**117**	(104)
Restructuring costs	**(171)**	57
M&A related intangibles amortisation	**(20,223)**	(25,648)
Taxes to be considered as operating expenses	**(7,299)**	(7,541)
Other rental income	**481**	578
Insurance recovery	**4,017**	8,653
Impairment on fixed assets	**(237)**	(983)
Other	**3,096**	(1,766)
Other operating income / (expenses)	**(18,128)**	(24,944)

The M&A costs related to intangibles amortisation, amounting to -€20.2 million, mainly relate to customer lists in Vinidex, Ipex USA, Harco and Ashirvad.

In 2025, the insurance recoveries mainly include a fire insurance income in Australia. In 2024, it also included a compensation for defective materials identified in a significant wastewater management project in North America.

10. NET RESULT ON SALE OF BUSINESSES

In 2025, the net result on sale of businesses relates to the loss on the sale of Marley Deutschland GmbH for an amount of -€20 million.

11. RESTRUCTURING COSTS

The restructuring expenses for the year ended 31 December 2025 amounted to €73.2 million. These expenses related mainly to further transformation and restructuring initiatives in EMEA, North America and Latin America.

In 2024, the restructuring expenses amounted to €19.5 million. These expenses related mainly to further transformation and restructuring initiatives in EMEA and Latin America.

12. IMPAIRMENT OF INTANGIBLE ASSETS AND GOODWILL

The impairment testing of intangible assets at year-end led to a write-down of €39.7 million (2024: €50.7 million) related to the customer list of Valencia Pipes. This adjustment aligns with revised expectations regarding the future economic benefits of this asset, mainly driven by lower volume and margins in the Western U.S. (See Note 18).

The impairment of intangible assets and goodwill also consisted of goodwill impairment of Nicoll Peru (€8.9 million), Zypho (€4.2 million) and Opti (€2.2 million) (See Note 18).

In 2024, the impairment of intangible assets and goodwill also consisted of goodwill impairment of Aquarius (€13.6 million) and Zypho (€4.2 million) (See Note 18).

13. OTHER INCOME AND EXPENSES

The total other income and expenses amounted to -€1.2 million, mainly explained by the severe damage to our Asheville (U.S.) plant caused by flooding from Hurricane Helene in September 2024, resulting in one-off costs of -€37.4 million (2024: -€31.2 million). These one-off costs related mainly to site remediation, clean-up and maintenance related costs (-€24.5 million) and production underactivity (-€9.6 million). Additionally, other income and expenses included merger and acquisition costs of -€2.8 million, partially offset by the capital gain from the sale of our real estate assets in the United Kingdom (+€35.8 million) and Mexico (+€4.3 million).

In 2024, in addition to the costs related to the severe damage to our Asheville plant (-€31.2 million), the other operating income and expenses also included merger and acquisition costs of -€4.6 million, partially offset by the capital gain from the asset deal of our Wefatherm business (+€1.9 million) and the capital gain on the sale of PP&E (+€1.4 million).

14. ADDITIONAL INFORMATION ON OPERATING EXPENSES

The following personnel expenses are included in the operating result:

(in € thousand)	Notes	2025	2024
Wages and salaries		**743,404**	776,416
Social security contributions		**117,369**	117,687
Net change in restructuring provisions		**7,505**	6,645
Expenses related to defined benefit plans	27b	**7,599**	5,912
Expenses related to defined contribution plans	27a	**23,998**	24,842
Other personnel expenses		**40,991**	42,243
Personnel expenses		**940,866**	973,744

The total average number of personnel was as follows:

(in units)	Notes	2025	2024
Production		**11,651**	11,017
Sales and marketing		**2,426**	2,785
R&D and administration		**1,951**	2,143
Total workforce	6	**16,028**	15,945

Personnel expenses, depreciation, amortisation and impairment charges are included in the following line items of the consolidated statement of profit and loss:

	2025			
(in € thousand)	Personnel expenses	Depreciation and impairment of property, plant and equipment, investment property and assets held for sale	Amortisation and impairment of intangible assets	Total depreciation, amortisation and impairment
Cost of sales	539,419	148,913	15,374	164,287
Commercial expenses	163,155	7,375	159	7,535
Administrative expenses	196,472	17,086	10,921	28,007
R&D expenses	20,563	4,292	200	4,492
Other operating (income) / expenses	423	2,846	22,452	25,299
Adjusted items	20,834	10,941	56,838	67,780
Total	940,866	191,454	105,945	297,399

15. FINANCE EXPENSES

(in € thousand)	2025	2024
Interest expense on financial borrowings	**(32,280)**	(34,204)
Interest expense on lease liabilities	**(13,467)**	(12,476)
Amortisation of deferred arrangement fees	**(1,639)**	(1,681)
Interest expense on other liabilities	**(12)**	(6)
Net foreign exchange loss	**(4,006)**	-
Bank fees	**(4,316)**	(4,162)
Loss on financial investments	**(1,964)**	(16,661)
Other	**(2,696)**	(2,660)
Finance expenses	**(60,380)**	(71,850)

In 2024, the loss on financial investments related to the impairment of our investments associated with Aliaxis Next amounted to €16.7 million over which Aliaxis does not have significant influence or control. The loss resulted from the revised expectations regarding the economic benefits of these investments.

16. FINANCE INCOME

(in € thousand)	2025	2024
Interest income from cash and cash equivalents	**10,704**	19,051
Interest income on other assets	**110**	730
Dividend income	**200**	-
Net foreign exchange gain	**-**	4,557
Other	**4,414**	17,697
Finance income	**15,429**	42,034

In 2025, the decline in interest income from cash and cash equivalents mainly reflects the combined effect of lower market interest rates and a decrease in the volume of deposits during the year.

In 2024, "Other" can mainly be explained by the dissolution of Glynwed Inc (a US entity) within the Group that resulted in a gain of €15.4 million related to favourable fluctuations in exchange rates during the process of consolidating equity.

17. INCOME TAXES

Income taxes recognised in the profit or loss can be detailed as follows:

(in € thousand)	2025	2024
Current taxes for the period	**(91,476)**	(114,968)
Adjustments to current taxes in respect of prior periods	**7,671**	2,198
Total current tax expense	**(83,805)**	(112,770)
Origination and reversal of temporary differences	**80,542**	31,159
Impact of change in enacted tax rates	**(553)**	(783)
Adjustment of deferred taxes in respect of prior periods	**(2,842)**	614
Recognition of deferred tax assets on tax losses not previously recognised	**875**	-
Total deferred tax income / (expense)	**78,022**	30,990
Income tax expense in profit and loss	**(5,783)**	(81,780)

The reconciliation of the effective tax rate with the aggregated weighted nominal tax rate can be summarised as follows:

(in € thousand)	2025		2024	
Profit / (loss) before income taxes	**(61,903)**		191,823	
Tax at aggregated weighted nominal tax rate	**20,950**	**33.8%**	(51,827)	27.0%
Tax effect of:				
Non-deductible expenses	**(3,278)**	**(5.3%)**	(3,950)	2.1%
Non-deductible impairment of goodwill	**(3,993)**	**(6.5%)**	(4,017)	2.1%
Non-deductible interest expenses	**(61)**	**(0.1%)**	-	-
Tax credits and tax deductions	**1,987**	**3.2%**	2,878	(1.5%)
Current year losses for which no deferred tax asset is recognised	**(12,836)**	**(20.7%)**	(11,218)	5.8%
Change in enacted tax rates	**(553)**	**(0.9%)**	(783)	0.4%
Taxes on distributed and undistributed earnings	**(7,976)**	**(12.9%)**	(13,767)	7.2%
Withholding taxes	**(7,166)**	**(11.6%)**	(7,328)	3.8%
Other taxes on income	**(1,418)**	**(2.3%)**	(6,239)	3.3%
Utilisation of tax losses not previously recognised	**5,783**	**9.3%**	430	(0.2%)
Current tax adjustments in respect of prior periods	**7,671**	**12.4%**	11,383	(5.9%)
Deferred tax adjustments in respect of prior periods	**(2,842)**	**(4.6%)**	614	(0.3%)
Recognition of previously unrecognised tax losses and tax credits	**875**	**1.4%**	-	0.0%
Other	**(2,925)**	**(4.7%)**	2,044	(1.1%)
Income tax expense in profit and loss	**(5,783)**	**(9.3%)**	(81,780)	42.6%

Income taxes, consisting of current and deferred taxes, amounted to €6 million (2024: €82 million), representing an effective income tax rate of -9.3% (2024: 42.6%). Impact of Pillar 2 has been assessed for the Group as not material.

18. INTANGIBLE ASSETS AND GOODWILL

(in € thousand)	Goodwill	Intangible assets (finite life)	2025 Total Intangible assets	2024 Total Intangible assets
Cost				
As at 1 January	**791,124**	**696,732**	**1,487,856**	1,392,251
Changes in the consolidation scope and asset deals	**(19,249)**	**(1,855)**	**(21,104)**	3,560
- Acquisitions	**153**	**-**	**153**	3,678
- Deconsolidation	**(19,402)**	**(1,855)**	**(21,257)**	(119)
Acquisitions	**(0)**	**26,480**	**26,480**	68,437
Disposals and retirements	**-**	**(856)**	**(856)**	(1,449)
Transfers	**-**	**(9,784)**	**(9,784)**	2,304
Exchange difference	**(61,182)**	**(55,301)**	**(116,483)**	22,754
As at 31 December	**710,694**	**655,415**	**1,366,109**	1,487,856
Amortisation and impairment losses				
As at 1 January	**(104,991)**	**(328,089)**	**(433,080)**	(323,283)
Changes in the consolidation scope	**-**	**1,515**	**1,515**	-
- Deconsolidation	**-**	**1,515**	**1,515**	-
Charge for the period	**(15,283)**	**(90,662)**	**(105,945)**	(102,681)
- Amortisation	**-**	**(48,872)**	**(48,872)**	(33,822)
- Impairment (recognised) / reversed	**(15,283)**	**(41,790)**	**(57,073)**	(68,859)
Disposals and retirements	**-**	**1,018**	**1,018**	1,283
Transfers	**-**	**1,906**	**1,906**	-
Exchange difference	**12,012**	**26,413**	**38,424**	(8,399)
As at 31 December	**(108,263)**	**(387,900)**	**(496,163)**	(433,080)
Carrying amount at the end of the period	**602,431**	**267,515**	**869,946**	1,054,776
Carrying amount at the end of the previous period	**686,134**	**368,643**	**1,054,776**	1,068,968

The changes in the consolidation scope and asset deals mainly relate to the sale of the Marley Deutschland Gmbh business (Germany). (see Note 8).

During 2025, an impairment of goodwill has been recognised for Nicoll Peru (€8.9 million), Zypho (€4.2 million) and Opti (€2.2 million) based on revised expectations regarding the future economic benefits of these companies

During 2024, an impairment of goodwill was recognised for Aquarius Spectrum (€13.6 million) and Zypho (€4.2 million) based on revised expectations regarding the future economic benefits of these companies.

The impairment of intangible fixed assets mainly consists of impairment of a customer list of Valencia for €39.7 million (2024: €50.7 million). The impairment of the customer list was based on a DCF model, considering the respective remaining lifetime of the customer intangible asset, with a pre-tax WACC of 15%.

The acquisitions of intangible assets are mainly driven by the new ERP system that has been implemented.

The carrying amounts of goodwill allocated to each CGU at 31 December is as follows:

(in € thousand)		2025	2024
CGU	Country		
Aliaxis North America and subsidiaries	Canada and U.S.	**369,954**	408,758
FIP (1)	Italy	**70,013**	61,887
Nicoll	France	**32,701**	32,701
Aliaxis Deutschland GmbH Technical Plastics	Germany	**31,712**	31,712
New Zealand and subsidiaries	New Zealand	**30,246**	33,338
Ashirvad	India	**29,013**	34,383
Philmac	Australia	**24,188**	25,446
Aliaxis Iberia	Spain	**9,429**	9,429
Marley Deutschland GmbH	Germany	**-**	19,402
Nicoll Peru SA	Peru	**-**	8,893
La.Re.Ter (1)	Italy	**-**	8,125
Zypho	Portugal	**-**	4,200
Other (2)	Other	**5,176**	7,859
Goodwill		**602,431**	686,134

(1) La.Re.Ter merged into Fip as of 1 January 2025.

(2) Carrying amount of goodwill for various CGUs of which none is individually significant.

The valuation parameters (WACC and growth rates) of goodwill allocated to each CGU at 31 December are as follows:

		Growth beyond forecast periods	WACC pre-tax	WACC post-tax
CGU	Country			
Aliaxis North America and subsidiaries	Canada	2.00%	10.10%	7.40%
Aliaxis North America and subsidiaries	U.S.	2.00%	11.50%	8.40%
FIP	Italy	2.00%	11.65%	8.85%
New Zealand and subsidiaries	New Zealand	2.00%	11.80%	8.50%
Ashirvad	India	3.50%	15.50%	10.00%
Nicoll	France	2.00%	12.30%	8.85%
Aliaxis Deutschland GmbH	Germany	2.00%	11.65%	8.15%
Philmac	Australia	2.00%	11.90%	8.30%
Aliaxis Iberia	Spain	2.00%	11.50%	8.65%
Nicoll Peru SA	Peru	3.00%	14.25%	10.00%
Durman Esquivel and subsidiaries	Central America	2.50%	17.65%	12.35%

For the purpose of impairment testing, goodwill is allocated to the Group's operating units which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.

The recoverable amounts of the CGUs are, through calculation methods consistent with past practice, determined from value-in-use calculations. These value-in-use calculations use five-year free cash flow projections, starting from 2026 budget information and extrapolated for the four years thereafter. For Peru, the recoverable amounts of this CGU was assessed by the fair value of assets less cost of disposal.

Assumptions were made for each CGU taking into account past performance and management expectation of market developments, generally implying a stable operating performance versus the 2026 budget and growth of 2% to 4% per year, and 10% for India (reflecting India's specific market characteristics). Deviations from such general assumptions were made for certain CGUs to deal with specific circumstances applying to such units, in particular for the investments of Aliaxis Next (CAGR of 20%), Zypho (35%) and North America (CAGR of 5%).

The terminal value is based on the normalised cash flows at the end of the last projected period for each business and a sustainable nominal growth rate (including the expected inflation rate) of on average 2% for North America, Europe, Australia and New Zealand, 2.5% for Latin America (Central America) and 3.5% in India to reflect the higher growth prospects for the latter.

The cash flows are discounted at the average weighted cost of capital. Depending on the countries involved, the pre-tax weighted average cost of capital ranged between 10.4% and 16.2%. The cost of equity component for developed economies is based on a risk-free rate and an equity risk premium of 5.50% for Europe and 4.25% for other regions. For emerging economies, a country risk premium is added. The cost of debt component for both types of economies reflects the estimated long-term cost of funding in the corresponding economies.

The results of the impairment test are sensitive to the assumptions used. An increase of 1% in the weighted average cost of capital or a 0.5% decrease in terminal growth would have resulted in impairment losses, which would amount to €10 million. This risk is related to Aliaxis Germany.

During 2025, impairment on goodwill has been recognised for the following CGUs: Zypho (€4.2 million), Nicoll Peru (€8.8 million) and Opti (€2.1 million).

19. PROPERTY, PLANT AND EQUIPMENT

(in € thousand)	Land and buildings	Plant, machinery and equipment	Other	Under construction and advance payments	2025 Total	2024 Total
Cost or deemed cost						
As at 1 January	**1,117,941**	**1,839,663**	**165,982**	**302,158**	**3,425,744**	3,102,672
Changes in the consolidation scope and asset deals	**(22,856)**	**(37,093)**	**(2,284)**	**(224)**	**(62,458)**	9,383
- Acquisitions	**671**	**73**	**2**	**-**	**746**	11,349
- Deconsolidation	**(23,527)**	**(37,166)**	**(2,286)**	**(224)**	**(63,203)**	(1,966)
Acquisitions	**24,278**	**44,784**	**12,103**	**125,817**	**206,982**	337,379
Disposals and retirements	**(12,776)**	**(49,979)**	**(15,663)**	**(61,121)**	**(139,540)**	(46,843)
Transfers	**39,128**	**103,762**	**27,231**	**(165,752)**	**4,369**	(11,432)
Exchange difference	**(81,981)**	**(111,178)**	**(9,409)**	**(23,296)**	**(225,865)**	34,585
As at 31 December	**1,063,733**	**1,789,958**	**177,960**	**177,581**	**3,209,232**	3,425,744
Depreciation and impairment losses						
As at 1 January	**(392,817)**	**(1,324,523)**	**(110,211)**	**(853)**	**(1,828,404)**	(1,693,808)
Changes in the consolidation scope	**13,703**	**32,678**	**1,580**	**-**	**47,962**	1,966
- Deconsolidation	**13,703**	**32,678**	**1,580**	**-**	**47,962**	1,966
Charge for the period	**(57,602)**	**(109,365)**	**(24,487)**	**-**	**(191,454)**	(176,280)
- Depreciation	**(53,588)**	**(100,553)**	**(24,329)**	**-**	**(178,470)**	(173,205)
- Impairment (recognised) / reversed	**(4,013)**	**(8,811)**	**(159)**	**-**	**(12,984)**	(3,076)
Disposals and retirements	**22,445**	**88,413**	**16,500**	**215**	**127,573**	37,875
Transfers	**271**	**9,300**	**(7,062)**	**-**	**2,508**	7,576
Exchange difference	**23,515**	**68,747**	**5,611**	**(8)**	**97,864**	(5,733)
As at 31 December	**(390,485)**	**(1,234,749)**	**(118,071)**	**(646)**	**(1,743,951)**	(1,828,404)
Carrying amount at the end of the period	**673,248**	**555,209**	**59,889**	**176,935**	**1,465,281**	1,597,339
Carrying amount at the end of the previous period	**725,123**	**515,140**	**55,771**	**301,305**	**1,597,339**	1,408,864
Of which:						
Right-of-use assets at the end of the period	**215,304**	**15,622**	**15,248**	**-**	**246,175**	281,380
Right-of-use assets at the end of the previous period	**251,566**	**12,571**	**17,243**	**-**	**281,380**	219,961

Management considers that residual values of depreciable property, plant and equipment are insignificant.

The total acquisition of property, plant and equipment excluding leasing amounts to €170.9 million. These investments mainly relate to the rehabilitation investments for our site in Asheville (U.S.), the new plant in India and U.S. expansion.

The disposal and retirement flows include the reversals of the fully depreciated property, plant and equipment both at the level of the gross book values and of the impairment values. In 2025, it also includes the strategic divestments of real estate and idle assets in Lenham (United Kingdom).

The changes in the consolidation scope and asset deals relate to the sale of the Marley Deutschland GmbH business (Germany) and the acquisition of assets in India.

20. INVESTMENT PROPERTIES

(in € thousand)	2025	2024
Cost		
As at 1 January	**3,996**	10,317
Disposals and retirements	**(6,351)**	-
Transfers	**6,351**	(6,425)
Exchange difference	**36**	104
As at 31 December	**4,032**	3,996
Depreciation and impairment losses		
As at 1 January	**(2,737)**	(7,138)
Charge for the period	**-**	(115)
- Depreciation	**-**	(115)
Disposals and retirements	**4,536**	-
Transfers	**(4,536)**	4,589
Exchange difference	**(25)**	(73)
As at 31 December	**(2,761)**	(2,737)
Carrying amount as at 31 December	**1,271**	1,259

At the end of December 2025, investment property comprises three commercial properties which are leased (in whole or in part). The fair value, based on external valuation report, of those investment properties is categorised as level 3 and is estimated at €6.3 million (2024: €6.2 million). The disposal and retirement flows include our strategic divestment of real estate in Lenham (United Kingdom).

21. INVENTORIES

As at 31 December (in € thousand)	2025	2024
Stock in transit	**19,950**	34,634
Raw materials, packaging materials and consumables	**195,004**	262,435
Components	**45,722**	46,807
Work in progress	**16,604**	22,865
Finished goods	**445,307**	516,292
Goods purchased for resale	**51,952**	63,641
Inventories, net of write-down	**774,539**	946,674

The total write-down of inventories amounts to €67.9 million at 31 December 2025 (2024: €69.7 million).

The cost of write-downs recognised in profit or loss (cost of sales) during the period amounted to €11.3 million (2024: €25.6 million) and decreased when compared to prior year due to the severe damage to our Asheville (U.S.) plant caused by flooding from Hurricane Helene in 2024.

22. AMOUNTS RECEIVABLE

As at 31 December (in € thousand)	Notes	2025	2024
Trade receivables – gross	32	**458,817**	522,679
Impairment losses	32	**(25,224)**	(30,984)
Trade receivables		**433,594**	491,695
Taxes (other than income tax) receivable		**45,479**	49,106
Other		**42,322**	49,742
Other amount receivable		**87,801**	98,849
Amounts receivable		**521,394**	590,544

Information about the Group exposure to credit market risk and impairment losses on amounts receivable is included in Note 32.

23. CASH AND CASH EQUIVALENTS

As at 31 December (in € thousand)	2025	2024
Short-term bank deposits	**21,921**	90,425
Bank balances	**202,812**	348,348
Cash	**527**	83
Money market fund	**94,114**	63,968
Cash and cash equivalents	**319,373**	502,823
Bank overdrafts	**(3,989)**	(12,677)
Cash and cash equivalents in the statement of cash flows	**315,384**	490,146

Short-term deposits are held with counterparties which have a robust credit rating, with maturities of three months or less, and remunerated at money market rates.

Most significant amounts are denominated in CAD, EUR and USD.

The Group invests in money market funds (MMF), having high rating, daily liquidity and classified as cash and cash equivalent. Those MMFs are used as a short-term cash management vehicle.

MMFs are open-ended mutual funds that invest in short-term debt instruments such as treasury bills, certificates of deposit, bonds, government gilts and commercial paper. The main goals are the preservation of principal, high liquidity and a modest incremental return over short-term interest rates or a benchmark rate.

24. EQUITY

SHARE CAPITAL AND SHARE PREMIUM

The share capital and share premium of the Company as of 31 December 2025 amounted to €76 million (2024: €76 million), represented by 91,135,065 fully paid ordinary shares without par value (2024: 91,135,065).

The holders of ordinary shares are entitled to receive dividends as declared. Nominative shares are granted a double vote, provided that certain conditions are fulfilled.

HEDGING RESERVE

Hedging reserves as presented in the consolidated statement of changes in equity include the cash flow hedging reserves, as well as the cost of hedging reserve. Note 32 provides further details regarding this breakdown.

The cash flow hedging reserve comprises the effective portion of the accumulated net change in the fair value of cash flow hedge instruments for a total negative amount of -€1.1 million (2024: -€0.5 million). At the end of 2025, the cost of hedging reserves amounts to -€0.1 million. Net of tax, the hedging reserves amount to a total negative amount of -€0.4 million.

RESERVE FOR OWN SHARES

As of 31 December 2025, the Group held 13,117,181 shares (2024: 13,079,681). Aliaxis Management Company SRL owned 2,000,000, and Société Financière du Val d'Or SA held the rest.

Past investments by employees in Aliaxis Management Company SRL gradually unwind. Their combined holding now stands at 5,323 shares, representing 0.27% of the Aliaxis Management Company SRL.

In 2021, Société Financière du Val d'Or SA sold 431,000 registered Aliaxis SA shares to management and retained a repurchase right until 2041. The repurchase right is triggered in case the owner decides to sell or dematerialize the shares and can be exercised at the Euronext Expert Market price at that time. In 2025, Société Financière du Val d'Or SA repurchased 37,500 shares. It still has repurchase rights on 338,500 shares.

TRANSLATION RESERVE

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign entities of the Group as well as from the translation of liabilities that hedge the Company's net investment in a foreign operation and the translation impacts resulting from net investment hedges. The negative change in the translation reserve during 2025 amounts to €227.1 million, mainly due to the weakening of some major trading currencies against the EUR at year end rate, such as the Canadian dollar (8.2%), United States dollar (13.5%), the Indian rupee (19.1%), the pound sterling (5.4%), the Costa Rican colon (10.9%) and the New Zealand dollar (10.2%).

In 2024, the positive change in the translation reserve amounted to €33.4 million, due to the strengthening of some major trading currencies against the EUR at year end rate, such as the United States dollar (6.2%), the Indian rupee (3.5%) and pound sterling (4.6%) partly offset by the weakening of the Canadian dollar (1.9%).

DIVIDENDS

In 2024, an amount of €86.2 million was declared and paid by Aliaxis SA (a gross dividend of €0.9460 per share). Excluding the portion attributable to treasury shares, the amount is €73.8 million.

An amount of €43.1 million (a gross dividend of €0.4730 per share) is proposed by the directors to be declared and paid as dividend for the current year. Excluding the portion attributable to treasury shares, the amount is €36.9 million. This dividend has not been provided for.

NON-CONTROLLING INTERESTS

Non-controlling interests amount to €6.0 million, in line with last year.

25. EARNINGS PER SHARE

BASIC EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit or loss attributable to equity holders of Aliaxis of -€68.9 million (2024: €108.4 million) and the weighted average number of ordinary shares outstanding during the year net of treasury shares, calculated as follows:

WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES, NET OF TREASURY SHARES

(in thousand of shares)	2025	2024
Issued ordinary shares	**91,135**	91,135
Treasury shares	**(13,080)**	(13,041)
Issued ordinary shares at 1 January, net of treasury shares	**78,055**	78,094
Effect of treasury shares sold / (acquired) during the period	**(20)**	(24)
Weighted average number of ordinary shares at 31 December, net of treasury shares	**78,036**	78,070

26. LOANS AND BORROWINGS

As at 31 December (in € thousand)	2025	2024
Non-current		
Secured bank loans	**78**	159
Unsecured bank loans and other	**165,582**	284,295
U.S. private placements	**18,051**	18,051
Bond	**747,611**	746,768
Deferred arrangement fees	**(1,583)**	(3,092)
Non-current loans and borrowings	**929,739**	1,046,180
Current		
Secured bank loans	**177**	1,271
Unsecured bank loans and other	**44,129**	88,494
US private placements	**-**	33,807
Deferred arrangement fees	**(1,509)**	(1,639)
Current loans and borrowings	**42,797**	121,933
Loans and borrowings	**972,536**	1,168,112

The breakdown of changes on loans and borrowings into cash flows and non-cash changes can be detailed as follows:

		Cash flows		Non-cash changes			
As at 31 December (in € thousand)	**2024**	**In**	**Out**	**Transfer / Scope changes**	**FX impact**	**Amortisation / impairment**	**2025**
Non-current							
Secured bank loans	159	-	(81)	-	-	-	**78**
Unsecured bank loans and other	284,295	71,687	(152,551)	(7,024)	(30,800)	(26)	**165,582**
US private placements	18,050	-	-	-	-	-	**18,050**
Bond	746,768	-	-	-	-	843	**747,611**
Deferred arrangement fees	(3,092)	-	-	1,509	-	-	**(1,583)**
Non-current financial debt	**1,046,180**	**71,687**	**(152,632)**	**(5,514)**	**(30,800)**	**818**	**929,739**
Current							
Secured bank loans	1,271	-	(1,094)	-	-	-	**177**
Unsecured bank loans and other	88,494	31,492	(74,949)	7,024	(7,932)	-	**44,129**
US private placements	33,806	-	(31,560)	-	(2,247)	-	**(0)**
Deferred arrangement fees	(1,639)	-	-	(1,509)	-	1,639	**(1,509)**
Current loans and borrowings	**121,933**	**31,492**	**(107,603)**	**5,514**	**(10,178)**	**1,639**	**42,797**
Loans and borrowings	**1,168,113**	**103,180**	**(260,235)**	**-**	**(40,978)**	**2,456**	**972,536**

On 31 December 2025, the financial debt of the Group consisted of:

- A five-year committed multi-currency revolving credit facility (with two one-year extensions) between Aliaxis Holdings SA /Aliaxis North America/Glynwed USA Inc and a syndicate of 15 banks for a total of €950 million (after the Accordion clause being activated in 2023). The maturity of the facility has been twice fully extended to bring the final maturity to October 2028.

  On 31 December 2025, €164 million of the syndicated facility was drawn (2024: €269 million).

- A seven-year bond for €750 million with a coupon of 0.875% per annum and a maturity in November 2028 (issue price of 99.213%);

- US Private Placement issuance note for €18 million at 2.64% maturing in 2027.

These, the USPP and the committed multi-currency revolving credit facility, are unsecured, subject to covenants (including, inter alia, financial covenants based on interest cover and leverage ratios) and standard undertakings for this type of financing, and were not subject to any breach of covenants as at 31 December 2025.

Other facilities of Aliaxis Holdings S.A. and other subsidiaries of the Group include a few additional bilateral credit facilities.

The terms and conditions of significant loans and borrowings were as follows:

				2025		2024	
As at 31 December (in € thousand)	**Curr.**	**Nominal interest rate**	**Year of maturity**	**Face value**	**Carrying amount**	**Face value**	**Carrying amount**
Secured bank loans							
	EUR	Euribor + margins	2026-2027	**255**	**255**	1,430	1,430
Unsecured syndication bank facility							
	USD	Libor + 0.75%	2028	**164,320**	**164,320**	269,003	269,003
Other unsecured bank facility							
	CLP	6.24%	2026	**5,233**	**5,233**	2,434	2,434
	COP	11.97%-13.20%				9,420	9,420
	PEN	5.23%-5.95%	2026	**15,597**	**15,597**	15,808	15,808
	INR	6.30%-7.30%	2026-2027	**21,909**	**21,909**	66,001	66,001
	USD	4.7%-10.35%	2026	**4,947**	**4,947**	7,631	7,631
	GTQ	10.00%				4,638	4,638
	EUR	Euribor + margins	2026	**27**	**27**	33	33
Bond							
	EUR	0.875%	2028	**750,000**	**750,000**	750,000	750,000
U.S. private placements							
	USD	4.26%				33,806	33,806
	EUR	2.64%	2027	**18,051**	**18,051**	18,051	18,051
Others (*)				**(7,803)**	**(7,803)**	(10,143)	(10,143)
Total loans and borrowings				**972,536**	**972,536**	1,168,112	1,168,112

(*) Other interest-bearing loans and borrowings include loans, deferred arrangement fees and bond premium.

The debt repayment schedule is as follows:

(in € thousand)	**Total**	**1 year or less**	**1-2 years**	**2-5 years**	**>5 years**
Secured bank loans	**255**	177	78	-	-
Unsecured bank loans and other	**209,711**	44,129	2,733	164,320	(1,471)
U.S. private placements	**18,051**	-	18,051	-	-
Bond	**747,611**	-	-	747,611	-
Deferred arrangement fees	**(3,092)**	(1,509)	(1,583)	-	-
Total as at 31 December	**972,536**	42,797	19,278	911,931	(1,471)

27. EMPLOYEE BENEFITS

Aliaxis maintains benefit plans such as retirement and medical care plans, termination plans and other long-term benefit plans in several countries where the Group operates. In addition, the Group also has share-based payment plans and a long-term incentive scheme.

The Group operates a number of defined benefit and defined contribution plans throughout the world, the assets of which are generally held in separate trustee-administered funds. The pension plans are generally funded by payments from employees and the company. Aliaxis maintains funded and unfunded pension plans.

A. Defined contribution plans

For defined contribution plans, the Group companies pay contributions to pension funds or insurance companies.

Once the contributions have been paid, the Group companies have no further payment obligation. The regular contributions constitute an expense for the period in which they are due. In 2025, the defined contribution plan expenses for the Group amounted to €24.0 million (2024: €24.8 million).

B. Defined benefit plans

Aliaxis reports on a total of 41 defined benefit plans over 2025, which provide the following benefits:

Retirement benefits:	28
Long service awards:	9
Medical benefits:	4

All the plans have been established in accordance with common practice and legal requirements in each relevant country.

The defined benefit retirement plans generally provide a benefit related to years of service and rates of pay close to retirement.

The retirement plans in Australia, Belgium, India, Switzerland and the UK are separately funded through external insurance contracts or pension funds legally separate from the Group. In Canada the Group operates two funded base retirement plans and two unfunded supplementary retirement plans. In Germany the Group operates one funded and one unfunded retirement plan.

The funding requirements are stipulated in the insurance contract or, in the case of pension funds, based on the pension fund's actuarial measurement framework set out in the funding policies of the plan, and comply with the local minimum funding requirements. For the two funded plans in Canada, a recovery contribution plan is in place to attain the minimum funding requirements.

Belgian legislation requires employers to guarantee a minimum return on defined contribution payments that are made by both employer and employee. The requirement to guarantee a minimum return exposes the Group to an underfinancing risk for such plans in place. The risk depends on the actual investment return on the assets and on the evolution of legal minimum guarantee. For IFRS reporting purposes, these hybrid defined contribution plans are classified and reported as defined benefit plans.

The retirement plans in Italy, Austria, France and New Zealand are unfunded.

The medical plans provide medical benefits after retirement to former employees in Canada, France, the UK and the U.S.

Long service awards are granted in Australia, Austria, France, Germany, India and New Zealand.

These defined benefit plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

The Group has more than one defined benefit plan in place and has generally provided aggregated disclosures in respect of these plans, on the basis that these plans are not exposed to materially different risks.

The Group's net liability for retirement, medical, termination and other long-term benefit plans comprised the following at 31 December:

	2025			2024		
(in € thousand)	**Retirement and medical plans**	**Termination benefits and other long-term benefits**	**TOTAL**	**Retirement and medical plans**	**Termination benefits and other long-term benefits**	**TOTAL**
Defined benefit obligations for funded plans	**187,104**	**-**	**187,104**	191,665	-	191,665
Fair value of plan assets	**(202,675)**	**-**	**(202,675)**	(211,969)	-	(211,969)
Funded status for funded plans	**(15,571)**	**-**	**(15,571)**	(20,304)	-	(20,304)
Defined benefit obligations for unfunded plans	**25,229**	**9,724**	**34,954**	38,401	10,027	48,428
Total funded status at 31 December	**9,658**	**9,724**	**19,383**	18,097	10,027	28,124
Irrecoverable asset at end of year	**3,442**	**-**	**3,442**	-	-	-
Net liability as at 31 December	**13,100**	**9,724**	**22,825**	18,097	10,027	28,124
Liabilities	**35,945**	**9,724**	**45,670**	49,433	10,027	59,460
Assets	**(22,845)**	**-**	**(22,845)**	(31,336)	-	(31,336)
Net liability as at 31 December	**13,100**	**9,724**	**22,825**	18,097	10,027	28,124
Current liabilities	**11,886**	**1,476**	**13,362**	12,186	1,191	13,377
Non-current liabilities	**1,214**	**8,248**	**9,463**	5,911	8,836	14,747

The movements in the net liability for defined benefit obligations recognised in the statement of financial position at 31 December are as follows:

	2025			2024		
(in € thousand)	**Retirement and medical plans**	**Termination benefits and other long-term benefits**	**TOTAL**	**Retirement and medical plans**	**Termination benefits and other long-term benefits**	**TOTAL**
As at 1 January	**18,097**	**10,027**	**28,124**	28,205	9,850	38,054
Employer contributions	**(6,031)**	**(1,294)**	**(7,325)**	(6,588)	(929)	(7,515)
Expense recognised in the income statement	**5,997**	**1,630**	**7,628**	4,556	1,351	5,907
Amount recognised in other comprehensive income	**4,760**	**-**	**4,760**	(6,840)	-	(6,840)
Scope change	**(9,666)**	**(96)**	**(9,762)**	-	-	-
Exchange difference	**(57)**	**(544)**	**(601)**	(1,238)	(244)	(1,483)
As at 31 December	**13,100**	**9,724**	**22,825**	18,095	10,027	28,124

The changes in the present value of the defined benefit obligations are as follows:

	2025			2024		
(in € thousand)	**Retirement and medical plans**	**Termination benefits and other long-term benefits**	**TOTAL**	**Retirement and medical plans**	**Termination benefits and other long-term benefits**	**TOTAL**
As at 1 January	**230,066**	**10,027**	**240,093**	**238,652**	**9,850**	**248,502**
Current service cost	**4,617**	**1,239**	**5,856**	**4,011**	**1,285**	**5,296**
Employee contributions	**761**	**-**	**761**	**729**	**-**	**729**
Interest cost	**9,843**	**136**	**9,979**	**9,680**	**152**	**9,832**
Actuarial (gains)/losses on liabilities arising from changes in financial assumptions	**(4,234)**	**56**	**(4,177)**	**(15,162)**	**(22)**	**(15,184)**
Actuarial (gains)/losses on liabilities arising from changes in demographic assumptions	**(1,361)**	**55**	**(1,306)**	**(411)**	**(6)**	**(417)**
Actuarial (gains)/losses on liabilities arising from experience	**5,469**	**55**	**5,524**	**1,447**	**(53)**	**1,393**
Settlement and past service cost (incl. curtailment)	**(231)**	**89**	**(142)**	**(992)**	**(5)**	**(997)**
Benefits paid	**(14,324)**	**(1,294)**	**(15,618)**	**(13,106)**	**(929)**	**(14,034)**
Scope change	**(9,666)**	**(96)**	**(9,762)**	**-**	**-**	**-**
Other events	**475**	**-**	**475**	**-**	**-**	**-**
Exchange difference	**(9,081)**	**(544)**	**(9,625)**	**5,218**	**(244)**	**4,974**
As at 31 December	**212,334**	**9,724**	**222,058**	**230,066**	**10,027**	**240,093**

The changes in the fair value of plan assets are as follows:

	2025			2024		
(in € thousand)	**Retirement and medical plans**	**Termination benefits and other long-term benefits**	**TOTAL**	**Retirement and medical plans**	**Termination benefits and other long-term benefits**	**TOTAL**
As at 1 January	**(211,969)**	**-**	**(211,969)**	(215,314)	-	(215,314)
Interest income	**(9,561)**	**-**	**(9,561)**	(9,069)	-	(9,069)
Employer contributions	**(6,031)**	**(1,294)**	**(7,325)**	(6,586)	(929)	(7,515)
Employee contributions	**(761)**	**-**	**(761)**	(729)	-	(729)
Benefits paid (direct and indirect, including taxes on contributions paid)	**14,324**	**1,294**	**15,618**	13,106	929	14,034
Return on assets, excl. interest income	**1,466**	**-**	**1,466**	12,261	-	12,261
Actual administration expenses and settlements	**1,329**	**-**	**1,329**	741	-	741
Other events	**(475)**	**-**	**(475)**	-	-	-
Exchange difference	**9,002**	**-**	**9,002**	(6,379)	-	(6,379)
As at 31 December	**(202,675)**	**-**	**(202,675)**	(211,969)	-	(211,969)

During 2025, the net defined benefit liability decreased by €5.3 million from €28.1 million to €22.8 million. The sale of Marley Deutschland GmbH led to a decrease in liability by €9.8 million. The changes in the financial assumptions (mainly the increase of the discount rate from 4.4% to 4.5%) led to a decrease of the defined benefit obligation by €4.2 million, and was further decreased by €1.4 million due to changes in demographic assumptions. This was offset by a loss of €5.5 million due to various population experience effects and by a loss of €1.5 million due to a lower-than-expected return on the assets. The impact of the asset ceiling in Switzerland increased the net liability by €3.4 million. Currency movements resulted in an exchange rate gain of €0.6 million. The remaining €0.3 million increase in net liability is the combination of recurring expense items (€7.6 million increase) offset by employer contributions (€7.3 million decrease).

The total contributions amounted to €8.1 million (2024: €8.2 million) of which €7.3 million was contributed by the employer (2024: €7.5 million) and €0.8 million was contributed by the employees (2024: €0.7 million). Furthermore, a total of €15.6 million in benefits was paid out (2024: €14.0 million). As a result, the funded position, i.e. the ratio of assets to the defined benefit obligation, has increased from 88% to 91%.

The Group expects to contribute approximately €7.3 million to its defined benefit plans in 2026.

	2025		
(in € thousand)	**Retirement and medical plans**	**Termination benefits and other long-term benefits**	**TOTAL**
Expected employer contributions	**5,868**	**1,476**	**7,344**
Expected employee contributions	**746**	**-**	**746**
Expected benefits paid (direct and indirect)	**11,882**	**1,476**	**13,358**

The expense (income) recognised in the statement of comprehensive income with regard to defined benefit plans can be detailed as follows:

	2025			2024		
(in € thousand)	**Retirement and medical plans**	**Termination benefits and other long-term benefits**	**TOTAL**	**Retirement and medical plans**	**Termination benefits and other long-term benefits**	**TOTAL**
Service cost:						
Current service cost	**4,617**	**1,239**	**5,856**	4,011	1,285	5,296
Past service cost (incl. curtailments)	**(231)**	**89**	**(142)**	(992)	(5)	(997)
Administration expenses	**1,329**	**-**	**1,329**	741	-	741
Net interest cost:						
Interest cost	**9,843**	**136**	**9,979**	9,680	152	9,832
Interest income	**(9,561)**	**-**	**(9,561)**	(9,069)	-	(9,069)
Interest on asset ceiling	**-**	**-**	**-**	185	-	185
Remeasurements						
Actuarial (gains)/losses due to changes in financial assumptions	**-**	**56**	**56**	-	(22)	(22)
Actuarial (gains)/losses due to changes in demographic assumptions	**-**	**55**	**55**	-	(6)	(6)
Actuarial (gains)/losses due to experience	**-**	**55**	**55**	-	(53)	(53)
Pension expense recognised in profit and loss	**5,997**	**1,630**	**7,628**	4,556	1,351	5,907
Remeasurements in other comprehensive income						
Return on plan assets (in excess of) /below that recognised in net interest	**1,466**	**-**	**1,466**	12,261	-	12,261
Actuarial (gains)/losses due to changes in financial assumptions	**(4,234)**	**-**	**(4,234)**	(15,162)	-	(15,162)
Actuarial (gains)/losses due to changes in demographic assumptions	**(1,361)**	**-**	**(1,361)**	(411)	-	(411)
Actuarial (gains)/losses due to experience	**5,469**	**-**	**5,469**	1,447	-	1,447
Adjustments due to the limit in paragraph 64, excl. amounts recognised in net interest	**3,420**	**-**	**3,420**	(4,974)	-	(4,974)
Total amount recognised in other comprehensive income	**4,760**	**-**	**4,760**	(6,840)	-	(6,840)
Total amount recognised in profit and loss and other comprehensive income	**10,758**	**1,630**	**12,388**	(2,284)	1,351	(933)

The employee benefit expense is included in the following line items of the statement of comprehensive income:

(in € thousand)	2025	2024
Cost of sales	**2,797**	2,179
Commercial expenses	**337**	311
Administrative expenses	**4,462**	3,385
R&D expenses	**26**	28
Other operating income / (expenses)	**7**	8
Total at 31 December	**7,628**	5,912

The principal actuarial assumptions at the reporting date (expressed as weighted averages) can be summarised as follows:

	2025	2024
Discount rate as at 31 December	**4.52%**	4.42%
Rate of salary increases	**2.83%**	2.76%
Inflation	**2.70%**	2.87%
Initial medical trend rate	**5.47%**	5.70%
Ultimate medical trend rate	**4.50%**	4.50%
Pension increase rate	**2.83%**	2.86%

The discount rate and the salary increase rate have been weighted by the defined benefit obligation.

The medical trend rate has been weighted by the defined benefit obligation of those plans paying pensions rather than by lump sums on retirement.

At 31 December, the plan assets are broken down into the following categories according to the asset portfolios weighted by the amount of assets:

	2025	2024
Government bonds	**39.46%**	39.20%
Corporate bonds	**4.81%**	4.75%
Equity instruments	**11.08%**	10.32%
Insurance contracts	**35.34%**	34.35%
Property	**2.87%**	2.79%
Cash	**6.34%**	8.28%
Other	**0.09%**	0.31%
	100.00%	100.00%

The plan assets do not include investments in the Group's own shares or in property occupied by the Group.

The weighted average duration of the defined benefit obligation (this is the average term of the benefit payments weighted for their size) is 11.3 years (2024: 12.0 years).

At 31 December, the weighted average life expectancy is as follow:

	Man	Woman
Of a 65-year-old	21.4	23.7
Of a 45-year-old at the age of retirement	22.7	25.0

The total defined benefit obligation amounts to €222.1 million and can be split as follows between active members, members with deferred benefit entitlements and pensioners:

	2025			2024		
(in € thousand)	**Retirement and medical plans**	**Termination benefits and other long-term benefits**	**TOTAL**	**Retirement and medical plans**	**Termination benefits and other long-term benefits**	**TOTAL**
Active members	**48,638**	**9,724**	**58,363**	56,377	10,027	66,405
Members with deferred benefit entitlements	**61,494**	**-**	**61,494**	69,556	-	69,556
Pensioners/Beneficiaries	**102,247**	**-**	**102,247**	104,173	-	104,173
Taxes relating to past service benefits	**(45)**	**-**	**(45)**	(41)	-	(41)
As at 31 December	**212,334**	**9,724**	**222,058**	230,066	10,027	240,093

A 0.25 percentage point change in the assumed discount rate and inflation rate would have the following effect on the defined benefit obligation:

(in € thousand)	**2025**	**2024**
Current defined benefit obligation at 31 December	**222,058**	240,093
% increase following a 0.25% decrease in the discount rate	**2.45%**	2.67%
% decrease following a 0.25% increase in the discount rate	**(2.34%)**	(2.53%)
% increase following a 0.25% increase in the inflation rate	**0.96%**	1.69%

The defined benefit obligation of post-employment medical plans amounts to €3.1 million. A one percentage point increase or decrease in the assumed healthcare trend (i.e. medical inflation) rate would have the following effect:

(in € thousand)	**2025**	**2024**
Current defined benefit obligation at 31 December for Post Retirement Medical Plans	**3,084**	3,101
Effect on the aggregate of the service cost and the interest cost of a 1% increase	**31**	41
Effect on the defined benefit obligation of a 1% increase	**217**	273
Effect on the aggregate of the service cost and the interest cost of a 1% decrease	**(29)**	(38)
Effect on the defined benefit obligation of a 1% decrease	**(205)**	(259)

For plans where a full valuation has been performed, the sensitivity information shown above is exact and based on the results of this full valuation. For plans where results have been rolled forward from the last full actuarial valuation, the sensitivity information above is approximate and considers the duration of the liabilities and the overall profile of the plan membership.

C. Long-term incentive scheme

LONG TERM INCENTIVE SCHEME (PRE 2025)

The LTI plan has a four-year vesting period. The pay-out under this plan is conditional upon achieving financial and non-financial objectives over a four-year period.

LONG TERM INCENTIVE SCHEME (AS OF 2025)

A new LTI plan was introduced with a three-year vesting period. The pay-out under this plan is conditional upon achieving financial and non-financial objectives over a three-year period.

Considering the shortened vesting period, LTI beneficiaries who were awarded a 2024 LTI plan would experience a double pay-out during 2028. A special condition for the 2025 LTI plan was to relinquish any rights or claims based on the 2024 LTI plan. As such, there are no longer any outstanding obligations under the 2024 LTI plan.

In total on 31 December 2025 there were 174 active employees participating in the LTIP under the current plan. On the basis that targets are achieved, this would lead to payments at the end of the three-year cycle of €16.569 million. The grant of this long term incentive represents 48.88% of the participants' 2025 fixed salaries.

The total long-term incentive provisions recorded in the statement of financial position as at 31 December 2025 amount to €17.6 million.

28. DEFERRED TAX ASSETS AND LIABILITIES

The change in deferred tax assets and liabilities is as follows:

	Assets		Liabilities		Net	
(in € thousand)	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
As at 1 January	**167,664**	120,312	**(176,842)**	(157,820)	**(9,178)**	(37,508)
Recognised in profit or loss	**76,886**	43,611	**1,136**	(12,621)	**78,022**	30,990
Recognised directly in OCI	**(754)**	767	**3,905**	(2,843)	**3,151**	(2,076)
Scope change	**466**	-	**(466)**	-	**-**	-
Other movements	**(1,827)**	(15)	**(3)**	19	**(1,830)**	4
Exchange difference	**(14,414)**	2,989	**14,301**	(3,577)	**(112)**	(588)
As at 31 December	**228,022**	167,664	**(157,969)**	(176,842)	**70,052**	(9,178)

Deferred tax assets and liabilities are attributable to the following items:

	Assets		Liabilities		Net	
As at 31 December (in € thousand)	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
Intangible assets	**27,380**	18,317	**(27,778)**	(37,467)	**(398)**	(19,150)
Property, plant and equipment	**8,233**	12,613	**(100,429)**	(103,078)	**(92,195)**	(90,465)
Inventories	**13,193**	14,446	**(7,523)**	(6,892)	**5,669**	7,555
Post employment benefits	**10,492**	12,440	**(6,372)**	(9,114)	**4,120**	3,326
Provisions	**41,241**	47,277	**(62)**	(61)	**41,179**	47,216
Financial debts	**4,904**	5,706	**(78)**	(5)	**4,826**	5,701
Undistributed earnings	**-**	-	**(5,623)**	(7,384)	**(5,623)**	(7,384)
Other assets and liabilities	**30,199**	28,042	**(10,104)**	(12,842)	**20,095**	15,200
Loss carry forwards	**92,380**	28,823	**-**	-	**92,380**	28,823
Tax assets / (liabilities)	**228,022**	167,664	**(157,969)**	(176,843)	**70,052**	(9,178)
Set-off of assets and liabilities	**(121,549)**	(128,295)	**121,549**	128,295	**-**	-
Net tax assets / (liabilities)	**106,473**	39,369	**(36,421)**	(48,548)	**70,052**	(9,178)

Tax losses carried forward on which no deferred tax asset is recognised amount to €488 million (2024: €505 million). €381 million of these tax losses do not have any expiration date. €107 million will expire at the latest by the end of 2045.

Deferred tax assets have not been recognised on these tax losses available for carry forward because it is not probable that future taxable profits will be available against which these tax losses can be used.

29. PROVISIONS

	2025				2024
(in € thousand)	**Product liability**	**Restructuring**	**Other**	**TOTAL**	**TOTAL**
As at 1 January	**6,629**	**8,725**	**35,361**	**50,715**	72,530
Change in consolidation scope	**(16)**	**(833)**	**0**	**(849)**	-
Provisions created	**1,467**	**20,665**	**8,139**	**30,271**	37,618
Provisions used	**(2,226)**	**(14,108)**	**(4,896)**	**(21,230)**	(31,111)
Provisions reversed	**(1,527)**	**-**	**(8,440)**	**(9,967)**	(28,947)
Transfer and other movements	**-**	**-**	**1**	**1**	740
Exchange difference	**(332)**	**(52)**	**(1,504)**	**(1,888)**	(115)
As at 31 December	**3,995**	**14,397**	**28,660**	**47,053**	50,715
Non-current balance at the end of the period	**1,768**	**-**	**22,550**	**24,318**	29,650
Current balance at the end of the period	**2,227**	**14,397**	**6,111**	**22,735**	21,065

The product liability provision provides a warranty for the products that the company sells or for the services it delivers. The provision has been estimated based on historical product liability associated with similar products and services. The Group expects to settle the majority of the liability over the next year.

Provisions included in restructuring mainly relate to programmes that are planned and controlled by management and that generate material changes either in the scope of the business or in the manner of conducting the business. The restructuring costs were expensed as incurred and included in other operating income and expenses and non-recurring items.

Other provisions mainly include long-term incentive scheme obligations. See also Note 27c.

30. CURRENT TAX LIABILITIES

Due to the scale and global presence of Aliaxis, the Group is operating in many jurisdictions. The increased complexity of tax law, the continuous evolution of tax law and of its interpretation specifically with respect to matters such as transfer pricing as well as the involvement of Aliaxis Group subsidiaries in long lasting tax audits related to prior years adds uncertainty over certain income tax treatments. Uncertain Tax Positions have been assessed in detail taking into account, where required, the statutes of limitation of the relevant jurisdictions. This detailed analysis resulted in a partial reversal of the tax provisions. The Group strictly follows up on the Uncertain Tax Positions which are recorded as current tax liabilities in an amount of €44.8 million as at 31 December 2025 (2024: €48.2 million).

31. AMOUNTS PAYABLE

A. Non-current other amounts payable

As at 31 December (in € thousand)	2025	2024
Other	**3,881**	3,508
Other amounts payable	**3,881**	3,508

B. Current amounts payable

Information about the Group exposure to currency and liquidity risk is included in Note 32.

As at 31 December (in € thousand)	2025	2024
Trade payables	**473,509**	528,698
Payroll and social security payable	**140,123**	134,770
Taxes (other than income tax) payables	**14,528**	11,770
Interest payable	**3,340**	5,641
Other payables	**35,832**	25,834
Amounts payable	**667,332**	706,713

The decrease in payables is partly attributable to lower resin purchases in India.

32. FINANCIAL INSTRUMENTS

A. Currency risk

EXPOSURE

Currency risk arises from transactions and financial instruments that are denominated in a currency other than the functional currency in which they are measured.

The Group's most significant exposure to foreign currency risk arises from trade sales and purchases denominated in USD, and from the USD denominated Private Placement notes.

To mitigate the Group's exposure to foreign exchange currency risk, cross currency swaps and foreign exchange forward contracts are entered into in accordance with the Group's risk policy.

The following table sets out the Group's total exposure to major foreign currency risk, based on notional amounts, and the net FX exposure for those currencies.

	31 December 2025						31 December 2024					
(in thousand of currency)	**EUR**	**USD**	**CAD**	**GBP**	**AUD**	**NZD**	**EUR**	**USD**	**CAD**	**GBP**	**AUD**	**NZD**
Trade and other receivables	**6,632**	**73,487**	**(352)**	**662**	**126**	**-**	11,360	109,165	(4,865)	4,290	(604)	-
Financial assets	**13,229**	**425,232**	**13**	**1,060**	**322,762**	**46,980**	10,138	103,539	36	9,634	267,810	56,930
Trade and other payables	**(47,797)**	**(80,483)**	**(2,904)**	**(773)**	**(2,065)**	**(315)**	(44,240)	(100,167)	(4,270)	(379)	(16,687)	(234)
Financial liabilities	**(230)**	**(37,005)**	**(230,171)**	**(171,375)**	**(391)**	**(124)**	-	(55,087)	-	(141,817)	(391)	(62)
Gross balance sheet exposure	**(28,167)**	**381,231**	**(233,414)**	**(170,426)**	**320,432**	**46,540**	(22,743)	57,450	(9,098)	(128,272)	250,128	56,634
Forward FX contracts	**4,487**	**(301,555)**	**230,000**	**169,350**	**(272,371)**	**(23,200)**	4,717	(36,678)	-	129,300	(216,650)	(32,900)
Cross currency interest rate swaps (CCRS)	**-**	**(12,666)**	**-**	**-**	**(50,000)**	**(25,000)**	-	22,334	-	-	(50,000)	(25,000)
Net exposure	**(23,680)**	**67,010**	**(3,414)**	**(1,076)**	**(1,939)**	**(1,660)**	(18,026)	43,106	(9,098)	1,028	(16,522)	(1,266)
FX derivatives hedging fore-casted trade positions												
Forward FX contracts	**9,975**	**5,565**	**-**	**-**	**-**	**-**	6,550	1,674	-	-	-	-
FX options	**9,750**	**-**	**-**	**-**	**-**	**-**	8,000	-	-	-	-	-

The impact on INR is limited and therefore not included in the table above.

SENSITIVITY ANALYSIS

A 10% strengthening on 31 December of the currencies listed above would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. A 10% weakening of the same currencies would have had the equal but opposite effect.

The exchange impact on the net exposure is reflected in profit or loss as shown in the following table. The exchange impact on Items that are hedge accounting compliant is reflected in equity.

	2025						2024					
(in € thousand)	**EUR**	**USD**	**CAD**	**GBP**	**AUD**	**NZD**	EUR	USD	CAD	GBP	AUD	NZD
Equity	**(1,592)**	**(297)**	**-**	**-**	**-**	**-**	(1,132)	(8)	-	-	-	-
Profit or loss	**(2,864)**	**6,509**	**(241)**	**(91)**	**18**	**(1)**	(2,047)	6,038	(672)	89	(877)	2,481

B. Credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2025	2024
(in € thousand)	**Carrying amount**	
Other non-current assets	**41,852**	44,308
Current amounts receivable	**475,913**	541,407
Forward exchange contracts used for hedging	**2,700**	3,563
CCRS	**4,547**	2,969
Cash and cash equivalents	**319,373**	502,823
Total	**844,385**	1,095,070

The maximum exposure to credit risk for trade receivables at the reporting date by geographic region was:

	2025	2024
(in € thousand)	**Carrying amount**	
Eurozone countries	**61,587**	69,795
United Kingdom	**15,661**	18,607
United States	**103,472**	126,807
Canada	**79,262**	81,821
New Zealand and Australia	**51,157**	52,536
Latin America	**51,067**	51,997
India	**57,119**	73,872
Other regions	**14,266**	16,231
Total	**433,591**	491,665

The ageing of trade receivables at the reporting date was:

	2025		2024	
(in € thousand)	**Gross**	**Impairment**	**Gross**	**Impairment**
Not past due	**340,162**	**358**	381,833	396
Past due 0 - 30 days	**60,856**	**755**	75,728	138
Past due 31 - 90 days	**27,581**	**1,282**	27,315	1,156
Past due 91 - 365 days	**13,702**	**4,460**	13,742	5,032
Past due more than one year	**16,514**	**18,369**	24,036	24,262
Total	**458,815**	**25,224**	522,654	30,984

The movement of impairment in respect of trade receivables during the year was as follows:

(in € thousand)	**2025**	**2024**
As at 1 January	**30,984**	27,561
Change in the consolidation scope	**(22)**	-
Recognised	**4,200**	4,612
Used	**(1,406)**	(640)
Reversed	**(6,208)**	(1,233)
Exchange difference	**(2,323)**	684
Total	**25,224**	30,984

The Group believes that the unimpaired amounts that are past due by more than 30 days are still collectable, based on historical payment behaviour and analysis of customer credit risk.

C. Commodity risk

In February 2024, the Group entered a Virtual Power Purchase Agreement (VPPA) with a developer based in Italy, for a period of 10 years and for an estimated annual electricity volume of 65,000 MWh.

D. Interest rate risk

At reporting date, around 79% of the gross financial debt, excluding leases and after derivatives, were at fixed rates.

SENSITIVITY TO INTEREST RATE VARIATIONS

A change of 50 basis points in interest rates at the reporting date would have increased (respectively decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

The analysis was performed on the same basis as in 2024.

	2025				2024			
	Profit or loss		Equity		Profit or loss		Equity	
As at 31 December (in € thousand)	**50 bp increase**	**50 bp decrease**	**50 bp increase**	**50 bp decrease**	**50 bp increase**	**50 bp decrease**	**50 bp increase**	**50 bp decrease**
Variable rate instruments	**(1,070)**	**1,070**			(1,934)	1,934	-	-
Cash flow sensitivity (net)	**(1,070)**	**1,070**	**-**	**-**	(1,934)	1,934	-	-

	2025				2024			
	Profit or loss		Equity		Profit or loss		Equity	
As at 31 December (in € thousand)	**50 bp increase**	**50 bp decrease**	**50 bp increase**	**50 bp decrease**	**50 bp increase**	**50 bp decrease**	**50 bp increase**	**50 bp decrease**
Interest rate derivatives	**-**	**-**	**(67)**	**67**	-	-	(46)	46
Fair value sensitivity (net)	**-**	**-**	**(67)**	**67**	-	-	(46)	46

E. Liquidity risk

The following are the contractual maturities of financial liabilities, including interest payments:

	At 31 December 2025				
(in € thousand)	**Carrying amount**	**Contractual cash flows**	**1 year or less**	**1 to 5 years**	**More than 5 years**
Non-derivative financial liabilities					
Unsecured bank facilities and others	(209,711)	(231,683)	(52,560)	(180,594)	1,471
Secured bank loans	(255)	(264)	(185)	(80)	-
US private placement	(18,051)	(18,796)	(477)	(18,319)	-
Bond	(750,000)	(763,836)	(6,563)	(757,273)	-
Lease liabilities	(262,187)	(329,533)	(48,428)	(142,582)	(138,523)
Trade and other payables	(669,771)	(669,771)	(667,332)	(2,439)	-
Bank overdrafts	(3,989)	(3,989)	(3,989)	-	-
Derivative financial instruments					
Forward exchange derivatives used for hedging – outflows	(942)	(836,803)	(836,803)	-	-
Forward exchange derivatives used for hedging – inflows	2,700	838,778	838,778	-	-
Other derivatives (*)	(1,237)	-	-	-	-
CCRS – outflows	-	(58,559)	(2,539)	(56,020)	-
CCRS – inflows	4,547	60,086	1,818	58,268	-
	(1,908,896)	(2,014,371)	(778,279)	(1,099,040)	(137,052)

(in € thousand)	At 31 December 2024				
	Carrying amount	Contractual cash flows	1 year or less	1 to 5 years	More than 5 years
Non-derivative financial liabilities					
Unsecured bank facilities and others	(372,788)	(426,000)	(104,399)	(321,601)	-
Secured bank loans	(1,430)	(1,493)	(1,307)	(166)	-
US private placement	(51,857)	(53,891)	(35,095)	(18,796)	-
Bond	(750,000)	(776,250)	(6,563)	(769,688)	-
Lease liabilities	(290,709)	(374,977)	(48,939)	(147,646)	(178,392)
Trade and other payables	(708,630)	(708,630)	(706,713)	(1,917)	-
Bank overdrafts	(12,677)	(12,677)	(12,677)	-	-
Derivative financial instruments					
Forward exchange derivatives used for hedging – outflows	(2,270)	(371,226)	(371,226)	-	-
Forward exchange derivatives used for hedging – inflows	3,551	372,854	372,854		
Other derivatives (*)	(4,931)	-	-	-	-
CCRS – outflows	-	(96,590)	(34,749)	(61,841)	-
CCRS – inflows	2,968	96,522	36,436	60,086	-
	(2,188,772)	(2,352,358)	(912,377)	(1,261,569)	(178,392)

(*) Virtual Power Purchase Agreement (VPPA) contracts

In particular, the following table indicates the periods in which the cash flows associated with derivatives that are cash flow hedges are expected to occur, and the fair value of the related instruments:

(in € thousand)	At 31 December 2025				
	Carrying amount	Expected cash flows	1 year or less	1 to 5 years	More than 5 years
FX derivatives – outflows	(901)	(836,763)	(836,763)	-	-
FX derivatives – inflows	2,404	838,482	838,482	-	-
CCRS – outflows	-	(58,559)	(2,539)	(56,020)	-
CCRS – inflows	4,547	60,086	1,818	58,268	-
	6,050	3,246	998	2,248	-

(in € thousand)	At 31 December 2024				
	Carrying amount	Expected cash flows	1 year or less	1 to 5 years	More than 5 years
FX derivatives – outflows	(2,007)	(370,963)	(370,963)		
FX derivatives – inflows	3,563	372,866	372,866		
CCRS – outflows	-	(96,590)	(34,749)	(61,841)	-
CCRS – inflows	2,968	96,522	36,436	60,086	-
	4,524	1,835	3,590	(1,756)	-

The following table indicates the periods in which those cash flows are expected to impact profit or loss:

	At 31 December 2025					
(in € thousand)	**Carrying amount**	**Expected cash flows**	**Impact already in P&L**	**1 year or less**	**1 to 5 years**	**More than 5 years**
FX derivatives – outflows	(901)	(836,763)	-	(836,763)	-	-
FX derivatives – inflows	2,404	838,482	-	838,482	-	-
CCRS – outflows	-	(58,559)	-	(2,539)	(56,020)	-
CCRS – inflows	4,547	60,086	4,571	1,818	53,696	-
	6,050	3,246	4,571	998	(2,324)	-

	At 31 December 2024					
(in € thousand)	**Carrying amount**	**Expected cash flows**	**Impact already in P&L**	**1 year or less**	**1 to 5 years**	**More than 5 years**
FX derivatives – outflows	(2,007)	(370,963)	-	(370,963)	-	-
FX derivatives – inflows	3,563	372,866	-	372,866	-	-
CCRS – outflows	-	(96,590)	-	(34,749)	(61,841)	-
CCRS – inflows	2,968	96,522	2,638	34,190	59,694	-
	4,524	1,835	2,638	1,344	(2,147)	-

F. Description and fair value derivatives

The table below provides an overview of the nominal amounts (by maturity) of the derivative financial instruments used to hedge the interest rate risk associated to the interest-bearing loans and borrowings (as presented in Note 26).

	Nominal amount 2025			Nominal amount 2024		
(in € thousand)	**1 year or less**	**1 to 5 years**	**More than 5 years**	**1 year or less**	**1 to 5 years**	**More than 5 years**
CCRS	**-**	**56,019**	**-**	31,560	56,019	-
FX derivatives	**872,255**	**-**	**-**	413,787	-	-

The table below presents the positive and negative fair values of derivative financial instruments as reported in the statement of financial position. Also included are the notional amounts of the derivative financial instruments per maturity as presented in the statement of financial position.

	Fair value				Notional amount				
	Positive		Negative		< 6 months	6 to 12 months	1 to 5 years	> 5 years	Total
(in € thousand)	Current	Non-current	Current	Non-current					
FX derivatives	2,404	-	901	-	834,325	1,003	-	-	835,328
CCRS	-	4,547	-	-	-	-	56,019	-	56,019
Derivatives held as cash flow hedges	2,404	4,547	901	-	834,325	1,003	56,019	-	891,347
FX derivatives	296	-	41	-	34,926	2,000	-	-	36,926
Other derivatives (*)	-	-	-	1,237	-	-	-	-	-
Derivatives not under hedge accounting	296	-	41	1,237	34,926	2,000	-	-	36,926
Total	2,700	4,547	942	1,237	869,251	3,003	56,019	-	928,274
Total current and non-current		7,247		2,179					

(*) Virtual Power Purchase Agreement (VPPA) contracts with a value based on estimated volumes and prices. Given the characteristics of such contracts, a nominal amount cannot be defined.

Fair values of derivatives are determined by using the discounted cash-flows valuation method.

G. Accounting for derivatives

The Group uses derivative instruments to hedge its exposure to foreign exchange and interest rate risks. As at 31 December, the Group applied the following types of hedge accounting:

- Cash flow hedge, for derivative financial instruments with a total notional amount of €891.3 million (2024: €460.6 million). The fair value adjustment for the effective portion of those derivatives is recognised directly via Other Comprehensive Income in the hedging reserve.

The evolution in the hedging reserve is as follows:

	2025		2024	
(in € thousand)	Hedging reserve	Cost of hedging reserve	Hedging reserve	Cost of hedging reserve
As at 1 January	**(19)**	**(44)**	(497)	97
Effective portion of changes in fair value of new instruments added	**-**	**-**	732	-
Effective portion of changes in fair value of existing instruments	**3,733**	**(127)**	2,512	(606)
Existing instruments settled	**(4,014)**	**-**	-	-
Fair value of cash flow hedges transferred to income statement	**-**	**75**	-	466
Deferred tax related to hedges	**407**		(343)	
Foreign currency translation differences	**(269)**	**2**	67	(1)
Recycling to income statement of FX impact on CCRS	**(106)**	**-**	(2,491)	-
As at 31 December	**(268)**	**(94)**	(19)	(44)

The fair value adjustment for the ineffective portion of those derivatives is accounted for as a Finance Income or Expense.

The derivative financial instruments which cease to meet the criteria to be eligible for hedge accounting are accounted for as derivatives held-for-trading and the changes in fair value of those instruments are accounted for in profit or loss.

In 2025, the net fair value adjustment through Financial Income or Expense was a gain of €0.005 million (2024: loss of €0.02 million).

The foreign exchange risk resulting from long-term financing at fixed interest rate granted to Group companies and denominated in AUD, NZD and USD is mitigated through cross-currency swaps (CCRS), with effective portion of change in fair value being recorded in equity.

The foreign exchange impact of those CCRS is immediately recycled to profit and loss to offset the foreign exchange impact of the intercompany loans.

The table below summarises for those CCRS their respective fair values with evidence of the foreign exchange (FX) component, interest (Intr.) component and the basis spread component, as they arise from the hedging type being applied.

		Notional amount			Fair value (€)		
(in € thousand)		**Currency**	**EUR**	**Total**	**FX impact**	**Intr. Impact**	**Basis spread impact**
Cash flow hedge – IC loan	USD	12,666	11,342	583	559	18	6
Cash flow hedge – IC loan	AUD	50,000	30,605	2,460	2,197	260	3
Cash flow hedge – IC loan	NZD	25,000	14,071	1,504	1,816	(315)	3
			56,019	4,547	4,571	(37)	12

H. Fair value hierarchy

The fair values of financial assets and liabilities, together with the carrying amounts shown in the balance sheet, are as follows:

	31 December 2025				31 December 2024			
(in € thousand)	**Carrying amount**	**Fair value**			**Carrying amount**	**Fair value**		
		Level 1	**Level 2**	**Level 3**		**Level 1**	**Level 2**	**Level 3**
Cash and cash equivalent	**319,373**	**-**	**319,373**	**-**	502,823	-	502,823	-
Trade receivables	**521,394**	**-**	**521,394**	**-**	590,544	-	590,544	-
Secured bank facilities	**(255)**	**-**	**(255)**	**-**	(1,430)	-	(1,430)	-
Unsecured bank facilities and others	**(209,711)**	**-**	**(209,711)**	**-**	(372,788)	-	(372,788)	-
US private placement	**(18,051)**	**-**	**(18,147)**	**-**	(51,857)	-	(49,602)	-
Bond	**(750,000)**	**-**	**(706,965)**	**-**	(750,000)	-	(687,503)	-
Trade and other payables	**(669,771)**	**-**	**(669,771)**	**-**	(708,630)	-	(708,630)	-
Bank overdraft	**(3,989)**	**-**	**(3,989)**	**-**	(12,677)	-	(12,677)	-
Forward exchange derivatives used for hedging – positive value	**2,700**	**-**	**2,700**	**-**	3,551	-	3,551	-
Forward exchange derivatives used for hedging – negative value	**(942)**	**-**	**(942)**	**-**	(2,270)	-	(2,270)	-
Other derivatives (*)	**(1,237)**	**-**	**(1,237)**	**-**	(4,931)	-	(4,931)	-
CCRS – outflows	**-**	**-**	**-**	**-**	2,968	-	2,968	-
CCRS - inflows	**4,547**		**4,547**		-		-	
	(805,941)	**-**	**(763,003)**	**-**	(804,696)	-	(739,943)	-

(*) Virtual Power Purchase Agreement (VPPA) contracts

All derivatives are carried out at fair value and as per the valuation method being used to determine such fair value, the inputs are based on data observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). As such, the level in the hierarchy into which the fair value measurements are categorised, is level 2.

Non derivatives assets and liabilities are recognised at amortised cost.

The fair value is assessed using the common discounted cash-flow method based on market conditions existing at the balance sheet date. Therefore, the fair value of the fixed interest-bearing liabilities is within level 2 of the fair value hierarchy. Floating rate interest-bearing financial liabilities and all trade and other receivables and payables have been excluded from the analysis as their carrying amounts are a reasonable approximation of their fair values.

33. LEASES

AMOUNTS RECOGNISED IN THE STATEMENT OF FINANCIAL POSITION

The carrying amounts of right-of-use assets and the movements during the period:

	2025				2024
(in € thousand)	**Land and buildings**	**Plant, machinery and equipment**	**Other**	**Total right-of-use assets**	**Total right-of-use assets**
Right-of-use assets					
As at 1 January	**251,566**	**12,571**	**17,243**	**281,380**	219,961
Changes in the consolidation scope and asset deals	**-**	**(442)**	**(294)**	**(736)**	-
- Deconsolidation	**-**	**(442)**	**(294)**	**(736)**	-
Additions	**19,460**	**8,976**	**7,625**	**36,061**	99,359
Disposal	**(718)**	**(8)**	**(848)**	**(1,573)**	(639)
Depreciations	**(30,888)**	**(4,994)**	**(7,825)**	**(43,707)**	(42,547)
Other movements	**(49)**	**-**	**49**	**-**	-
Exchange difference	**(24,067)**	**(481)**	**(701)**	**(25,250)**	5,246
As at 31 December	**215,304**	**15,622**	**15,248**	**246,175**	281,380

Additions to the right-of-use assets during the 2025 financial year amounted to €36.1 million (2024: €99.4 million). The increase is primarily driven by the addition of new distribution centres in Asia and EMEA, as well as the exercise of extension options that were previously not considered reasonably certain.

The carrying amounts of lease liabilities and the movements during the period:

(in € thousand)	2025	2024
Lease liabilities		
As at 1 January	**290,709**	222,306
Changes in the consolidation scope and asset deals	**(762)**	-
- Deconsolidation	**(762)**	-
Additions	**36,061**	99,359
Accretion of interest	**13,467**	12,476
Payments	**(51,319)**	(48,733)
Exchange difference	**(25,967)**	5,301
As at 31 December	**262,187**	290,709
Current	**36,260**	35,182
Non-current	**225,927**	255,527
Total lease liabilities	**262,187**	290,709

The total cash outflow for lease liabilities in 2025 was €51 million (2024: €49 million).

The lease liabilities maturity analysis is noted below:

	2025			2024		
(in € thousand)	Minimum lease payments	Interest	Principal	Minimum lease payments	Interest	Principal
Less than 1 year	**48,428**	**12,168**	**36,260**	48,939	13,757	35,182
Between 1 and 5 years	**142,582**	**34,122**	**108,460**	147,646	40,380	107,266
More than 5 years	**138,523**	**21,056**	**117,467**	178,392	30,131	148,261
Total as at 31 December	**329,534**	**67,346**	**262,187**	374,977	84,268	290,709

AMOUNT RECOGNISED IN THE INCOME STATEMENT

The income statement shows the following amounts relating to leases:

(in € thousand)	2025	2024
Depreciation charge of right-of-use assets	**(43,707)**	(42,547)
Land and buildings	**(30,888)**	(30,282)
Plant, machinery and equipment	**(4,994)**	(4,702)
Other	**(7,825)**	(7,562)
Interest expense on lease liabilities	**(13,467)**	(12,476)
Total expense related to leases	**(57,174)**	(55,023)

In 2025, the right-of-use assets depreciation amounted to €43.7 million (2024: €42.5 million).

There was no material income from subleasing in 2025.

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased asset portfolio and align with the Group's business needs.

34. GUARANTEES, COLLATERAL AND CONTRACTUAL COMMITMENTS

As at 31 December (in € thousand)	2025	2024
Commitments secured by real guarantees	**1,916**	2,248
Contractual commitments to acquire assets	**89,531**	158,741

The reduction in capital commitments compared with the prior year principally reflects the completion or near-completion of several major projects across North America, EMEA and India.

35. CONTINGENCIES

In the first quarter of 2015, a Group company in Costa Rica received a provisional tax assessment from the tax authorities relating to the tax year 2009. The total claim including penalties and interest as per the tax notice amounted to €29 million in 2019. The same year, taking advantage of a temporary tax amnesty to limit the exposure, the company opted to pay an amount of €14 million to the tax authorities in Costa Rica. The company continues to challenge the decision on the merits in the judicial courts with the objective to recover all amounts paid.

Along with other defendants, Ipex USA LLC, Multi Fittings Corporation and Silver-Line Plastics LLC have been named defendants in several class action complaints in the U.S. District Court for the Northern District of Illinois, each alleging violations of antitrust laws. They dispute the allegations of the plaintiffs and will defend themselves accordingly. Additionally, Ipex USA LLC received a grand jury subpoena from the Antitrust Division of the U.S. Department of Justice relating to an investigation into PVC pipe and PVC fittings and joints as well as a Civil Investigative Demand issued by the Florida Attorney General Office concerning PVC pipe. It is responding to the subpoena and the Civil Investigative Demand. In addition, Aliaxis North America Inc, Ipex Inc, Ipex USA LLC and Multi Fittings Corporation were served a notice of civil claim from the city of Kamloops which seems willing to initiate a class action in Canada based on the same allegations. These entities are challenging those accusations and organsing their defense.

36. RELATED PARTIES

KEY MANAGEMENT COMPENSATION

The total remuneration costs of the Board of Directors and the Executive Committee (ExCom) of Aliaxis SA during 2025 amounted to €10.6 million (2024: €28.4 million). For members of the Board of Directors, this predominantly related to directors' fees while for members of the Executive Committee this comprised fixed base salaries, variable remuneration and pension service costs. 2024 also includes the settlement agreement as well as full payout of the long term incentive plan over previous years for the previous CEO. A rationalisation and renewal of the Executive Committee in 2025 contributed as well to this exceptionally low result.

(in € thousand)	2025	2024
Salaries (fixed and variable)	10,242	27,941
Retirement benefits	323	451
Total	10,565	28,392

37. ALIAXIS COMPANIES

The most important direct and indirect subsidiaries of Aliaxis SA 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.

FULLY CONSOLIDATED COMPANIES

Company	Financial interest %	City	Country
HOLDING AND SUPPORT COMPANIES			
Aliaxis Global Procurement Company S.A.R.L.	100.00	Strassen	Luxembourg
Aliaxis Group SA	100.00	Paris	France
Aliaxis Holding Germany GmbH	100.00	Mannheim	Germany
Aliaxis Holding Italia Spa	100.00	Bologna	Italy
Aliaxis Holdings Australia Pty Ltd	100.00	Darlinghurst	Australia
Aliaxis Holdings SA	100.00	Brussels	Belgium
Aliaxis Holdings UK Ltd	100.00	Huntingdon	UK
Aliaxis Ibérica S.L.	100.00	Alicante	Spain
Aliaxis Investments SA	100.00	Brussels	Belgium
Aliaxis Latinoamerica Coöperatief UA	100.00	Panningen	The Netherlands
Aliaxis Luxembourg S.A.R.L.	100.00	Luxembourg	Luxembourg
Aliaxis Management Company SRL	99.73	Brussels	Belgium
Aliaxis North America Inc	100.00	Saint-John	Canada
Aliaxis Research & Technology S.A.S.	100.00	Elancourt	France
Aliaxis Services SA	100.00	Paris	France
Aliaxis Ventures SA	100.00	Brussels	Belgium
Aliaxis Ventures USA Inc.	100.00	Wilmington	US
GDC Holding Ltd	100.00	Huntingdon	UK
Glynwed Dublin Corporation	100.00	Dublin	Ireland
Glynwed Holding B.V.	100.00	Panningen	The Netherlands
Glynwed Overseas Holdings Ltd	100.00	Huntingdon	UK
Glynwed Pacific Holdings Pty Ltd	100.00	Adelaide	Australia
Glynwed USA Inc	100.00	Wilmington	US
GPS Beteiligungs GmbH	100.00	Mannheim	Germany
GPS GmbH & Co.KG	100.00	Mannheim	Germany
GPS Holding Germany GmbH	100.00	Mannheim	Germany
IPLA B.V.	100.00	Panningen	The Netherlands
Marley European Holdings GmbH	100.00	Mannheim	Germany
Marley Holdings Pty Ltd	100.00	Nigel	South Africa
Marley Trust Holding Company (Pty)	100.00	Nigel	South Africa
New Zealand Investment Holdings Ltd	100.00	Auckland	New Zealand
Nicoll Do Brasil Participações Ltda	100.00	São Paulo	Brasil
Panningen Finance BV	100.00	Panningen	The Netherlands
Société Financière du Héron SA	100.00	Brussels	Belgium
Société Financière du Val d'Or SA	100.00	Brussels	Belgium
The Marley Company (NZ) Ltd	100.00	Manurewa	New Zealand

OPERATING COMPANIES			
Aliaxis Belgium SA	100.00	Tongeren	Belgium
Aliaxis Bulgaria EOOD	100.00	Sofia	Bulgaria
Aliaxis Ceska Republika Sro	100.00	Vestec	Czech Rep.
Aliaxis Nederland B.V.	100.00	Panningen	The Netherlands
Aliaxis Deutschland GmbH	100.00	Mannheim	Germany
Aliaxis Greece Ltd	100.00	Athens	Greece
Aliaxis Hungary SEE Kft.	100.00	Biatorbagy	Hungary
Aliaxis Iberia S.A.U.	100.00	Alicante	Spain
Aliaxis Latin American Services SA	100.00	San José	Costa Rica
Aliaxis Poland Sp.z.o.o.	100.00	Olesnica	Poland
Aliaxis Sweden AB	100.00	Spaanga	Sweden
Aliaxis UK Ltd	100.00	Huntingdon	UK
Aliaxis Utilities & Industry Private Ltd	100.00	Goa	India
Aliaxis Utilities and Industry AG	100.00	Wangs	Switzerland
Aliaxis Utilities and Industry GmbH	100.00	Vienna	Austria
Aliaxis Utilities and Industry S.A.S.	100.00	Mèze	France
Aquarius Spectrum Ltd	100.00	Yakum	Israel
Ashirvad Pipes Private Ltd	100,00	Bangalore	India
Canplas Industries Ltd	100.00	Barrie	Canada
Corporacion de Inversiones Dureco SA	100.00	Guatemala	Guatemala
Dureco de El Salvador SA de CV	100.00	San Salvador	El Salvador
Dureco Honduras SA	100.00	Comayaguela	Honduras
Durman Colombia SAS	100.00	Cundinamarca	Colombia
Durman Esquivel Industrial de Nicaragua SA	100.00	Managua	Nicaragua
Durman Esquivel SA	100.00	Panama	Panama
Durman Esquivel SA	99.99	San José	Costa Rica
Durman Esquivel SA de CV	100.00	Mexico DF	Mexico
Dynex Extrusions Ltd	100.00	Auckland	New Zealand
Fip Formatura Inezione Polimeri spa	100.00	Casella	Italy
FRIATEC S.A.R.L.	100.00	Cholet	France
Girpi S.A.S.	100.00	Harfleur	France
Glynwed Malaysia Sdn Bhd	100.00	Petaling Jaya Selangor	Malaysia
GPS Shanghai Co Ltd	100.00	Shanghai	China
Hamilton Kent Inc	100.00	Toronto	Canada
Hamilton Kent LLC	100.00	Wilmington	US
Harco Fittings LLC	100.00	Lynchburg	US
Harrington Industrial Plastics de Mexico de RL De CV	100.00	Querétaro	Mexico
Innoge PE Industries S.A.M.	100.00	Monaco	Monaco
IPEX Branding Inc.	100.00	Toronto	Canada
IPEX de Mexico SA de CV	100.00	Querétaro	Mexico
IPEX Electrical Inc.	100.00	Toronto	Canada
IPEX Inc	100.00	Toronto	Canada
IPEX Management Inc./IPEX Gestion Inc.	100.00	Toronto	Canada
IPEX Technologies Inc.	100.00	Toronto	Canada

IPEX USA LLC	100.00	Wilmington	US
Marley Magyarorszag ZRT	100.00	Szekszard	Hungary
Marley New Zealand Ltd	100.00	Manurewa	New Zealand
Marley Pipe Systems (Namibia) (Pty) Ltd	100.00	Windhoek	Namibia
Marley Pipe Systems (SA) (Pty) Ltd	100,00	Nigel	South Africa
Multi Fittings Corporation	100.00	Wilmington	US
Nicoll Industria Plastica Ltda	100.00	São José dos Pinhais	Brasil
Nicoll Nordic A/S	100.00	Koege	Denmark
Nicoll Peru S.A.	100.00	Lima	Peru
Nicoll S.A.	99.99	Buenos Aires	Argentina
Nicoll Uruguay S.A.	100.00	Montevideo	Uruguay
OptiRTC, Inc.	100.00	Boston	US
Philmac Pty Ltd	100.00	North Plympton	Australia
Raccords et Plastiques Nicoll S.A.S.	100.00	Cholet	France
Redi Spa	100.00	Bologna	Italy
RX Plastics Limited	100.00	Ashburton	New Zealand
SCI Frimo	100.00	Darvault	France
SCI LAML	100.00	Darvault	France
Silver-Line Plastics LLC	100.00	Asheville	US
Straub Werke AG	100.00	Wangs	Switzerland
The Universal Hardware and Plastic Factory Ltd	51.00	Kowloon	Hong Kong
Vinidex Pty Ltd	100.00	Darlinghurst	Australia
Vinilit SA	100.00	Santiago	Chile
Zhongshan Universal Enterprises Ltd	51.00	Zhongshan City	China
Zypho SA	100.00	Vila Nova de Gaia	Portugal

In June 2025, Aliaxis Finance SA merged into Aliaxis Holdings SA.

In December 2025, Marley Deutschland GmbH and Wunstorf PPR pipes and fittings GmbH were sold.

38. SERVICES PROVIDED BY THE STATUTORY AUDITOR

(in € thousand)	2025	2024
Audit:		
Audit services		
KPMG in Belgium	**594**	531
Other offices in the KPMG network	**2,706**	2,719
Audit-related procedures and services		
KPMG in Belgium	**353**	287
Other offices in the KPMG network	**341**	296
Sub-total	**3,994**	3,833
Other services:		
Tax	**254**	158
Other services	**47**	51
Sub-total	**301**	209
Services provided by the Statutory Auditor	**4,295**	4,042

39. SUBSEQUENT EVENTS

We are not aware of any significant events that has occurred between the closing date of the financial statements and the date on which they have been drawn by the board.

6. AUDITOR'S REPORT

Statutory auditor's report to the general meeting of Aliaxis SA on the consolidated financial statements as of and for the year ended 31 December 2025

In the context of the statutory audit of the consolidated financial statements of Aliaxis SA ("the Company") and its subsidiaries (jointly "the Group"), we provide you with our statutory auditor's report. This includes our report on the consolidated financial statements and the other legal and regulatory requirements. Our report is one and indivisible.

We were appointed as statutory auditor by the general meeting of 2 May 2024, in accordance with the proposal of the board of directors issued on the recommendation of the audit committee. Our mandate will expire on the date of the general meeting deliberating on the annual accounts for the year ended 31 December 2026. We have performed the statutory audit of the consolidated financial statements of the Group for 23 consecutive financial years.

Report on the consolidated financial statements

Unqualified opinion

We have audited the consolidated financial statements of the Group as of and for the year ended 31 December 2025, prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium. These consolidated financial statements comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended and notes, comprising material accounting policies and other explanatory information. The total of the consolidated statement of financial position amounts to EUR 4.189.231 ('000) and the consolidated statement of profit or loss and other comprehensive income shows a loss for the year of EUR 67.687 ('000).

In our opinion, the consolidated financial statements give a true and fair view of the Group's equity and 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 IFRS Accounting Standards as issued by the International Accounting Standards Board, as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium.

Basis for our unqualified opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs") as adopted in Belgium. In addition, we have applied the ISAs as issued by the IAASB and applicable for the current accounting year while these have not been adopted in Belgium yet. Our responsibilities under those standards are further described in the "Statutory auditors' responsibility for the audit of the consolidated financial statements" section of our report. We have complied with the ethical requirements that are relevant to our audit of the consolidated financial statements in Belgium, including the independence requirements.

We have obtained from the board of directors and the Company's 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 matter

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

Impairment of goodwill

We refer to note 18 – 'Intangible assets and goodwill' of the consolidated financial statements.

Description

As described in Note 18 – 'Intangible assets and goodwill' of the consolidated financial statements, the Company has recorded a goodwill for an amount of EUR 602.431 ('000) as per 31 December 2025. Goodwill is assessed for impairment on an annual basis in accordance with IAS 36 "Impairment of Assets". Management prepares an analysis in which the recoverable amount is assessed by discounting future cashflow projections at the level of the cash generating units. This recoverable amount is compared to the carrying amount at balance sheet date in order to determine if goodwill is impaired as well as the level of impairment charge to be recognized, if any.

Due to its significance to the balance sheet total and the significant degree of judgement required by management in developing the estimate, which mainly relates to the inputs used in forecasting as well as discounting the future cash flows in order to determine the recoverable amount, we determined goodwill impairment as a key audit matter.

Our audit procedures

We have performed the following audit procedures:

- We assessed the process of cash flow forecasting by management, including testing the underlying calculations and reconciling them to financial targets and plans approved by the board of directors;
- We analysed the Group's previous ability to forecast cash flows accurately and challenged the reasonableness of current forecasts by comparing the key assumptions to historical results;
- We challenged management's identification of cash generating units with reference to our understanding of the Group's business and the requirements of the prevailing accounting standards;
- We evaluated the Group's valuation methodology and its determination of discount rates and growth rates by involving valuation specialists in our audit team;
- Furthermore, we challenged the appropriateness of the sensitivity analysis performed by management by performing further sensitivity analyses around the key assumptions used by management, in particular discount rates;
- We evaluated whether judgements and decisions made by management when measuring recoverable amount are indicators of possible management bias; and
- We evaluated the completeness and appropriateness of the Group's disclosures in respect of impairment, as included in note 18 to the consolidated financial statements.

Board of directors' responsibilities for the preparation of the consolidated financial statements

The board of directors is responsible for the preparation of these consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium, and for such internal control as board of directors determines, is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Statutory auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance as to whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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 the users taken on the basis of these consolidated financial statements.

When performing our audit, we comply with the legal, regulatory and professional requirements applicable to audits of the consolidated financial statements in Belgium. The scope of the statutory audit of the consolidated financial statements does not extend to providing assurance on the future viability of the Group nor on the efficiency or effectivity of how the board of directors has conducted or will conduct the business of the Group. Our responsibilities regarding the going concern basis of accounting applied by the board of directors are described below.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also perform the following procedures:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal controls 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 board of directors;
- Conclude on the appropriateness of 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 auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the 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 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.

For the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 board of directors' annual report on the consolidated financial statements and the other information included in the annual report on the consolidated financial statements.

Statutory auditor's responsibilities

In the context of our engagement and in accordance with the Belgian additional standard which is complementary to the International Standards on Auditing as applicable in Belgium, our responsibility is to verify, in all material respects, the board of directors' annual report on the consolidated financial statements, and the other information included in the annual report, and to report on these matters.

Aspects concerning the board of directors' annual report on the consolidated financial statements and other information included in the annual report on the consolidated financial statements

Based on specific work performed on the board of directors' annual report on the consolidated financial statements, we are of the opinion that this annual report is consistent with the consolidated financial statements for the same period and has been prepared in accordance with article 3:32 of the Companies' and Associations' Code.

In the context of our audit of the consolidated financial statements, we are also responsible for considering, in particular based on the knowledge gained throughout the audit, whether the board of directors' annual report on the consolidated financial statements and other information included in the annual report on the consolidated financial statements, being:

- Corporate governance
- Key figures

contain material misstatements, or information that is incorrectly stated or misleading. In the context of the procedures carried out, we did not identify any material misstatements that we have to report to you.

Information about the independence

- Our audit firm and our network have not performed any engagement which is incompatible with the statutory audit of the consolidated accounts and our audit firm remained independent of the Group during the term of our mandate.
- The fees for the additional engagements which are compatible with the statutory audit referred to in article 3:65 of the Companies' and Associations' Code were correctly stated and disclosed in the notes to the consolidated financial statements.

Zaventem, 31 March 2026
KPMG Bedrijfsrevisoren - Réviseurs d'Entreprises
Statutory Auditor
represented by



Jeroen Trumpener
Bedrijfsrevisor / Réviseur d'Entreprises

7. NON-CONSOLIDATED ACCOUNTS, PROFIT DISTRIBUTION AND STATUTORY APPOINTMENTS

The annual statutory accounts of Aliaxis SA are summarised below.

In accordance with the Belgian Companies and Associations Code, the annual accounts of Aliaxis SA, including the Directors' Report and the Auditor's Report, will be registered at the Belgian National Bank within the required legal timeframe.

These documents are also available upon request at:

Aliaxis SA
Group Finance Department
Avenue Arnaud Fraiteur, 15-23
1050 Brussels - Belgium

The Auditor, KPMG Bedrijfsrevisoren/Réviseurs d'Entreprises, has expressed an unqualified opinion on the annual statutory accounts of Aliaxis SA.

SUMMARISED BALANCE SHEET AFTER PROFIT APPROPRIATION

As at 31 December (in € thousand)	2025	2024
Financial assets	**1,527,349**	1,462,349
Non-current loans and borrowings	**1,527,349**	1,462,349
Current assets	**2,298**	17,769
Total assets	**1,529,647**	1,480,118
Equity and liabilities		
Capital	**62,666**	62,666
Share premium	**13,332**	13,332
Revaluation reserve	**92**	92
Reserves	**1,048,922**	1,048,922
Profit carried forward	**308,387**	267,390
Capital and reserves	**1,433,399**	1,392,402
Liabilities	**96,248**	87,715
Total equity and liabilities	**1,529,647**	1,480,118

SUMMARISED PROFIT AND LOSS ACCOUNT

As at 31 December (in € thousand)	2025	2024
Income from operations	**974**	-
Operating expenses	**(3,205)**	(3,442)
Operating loss	**(2,231)**	(3,442)
Financial result	**86,334**	105,142
Profit for the period	**84,103**	101,700

PROFIT DISTRIBUTION

Aliaxis' Board of Directors proposes to pay a net dividend of €0.3311 per share. The proposed gross dividend is €0.4730 per share, representing -53.6% of the consolidated basic earnings per share of -€0.88, and 75.7% of the recurring net profit. The dividend is subject to shareholder approval at the Annual General Meeting of Shareholders on 4 May 2026.

The dividend will be paid on 1 July 2026 at the following premises:

- Banque Degroof Petercam S.A.;
- BNP Paribas Fortis S.A.;
- Belfius Banque S.A.;
- as well as at our registered office.

The profit appropriation would be as follows:

As at 31 December (in € thousand)	2025	2024
Profit brought forward	**267,391**	251,904
Profit for the period	**84,103**	101,700
Gross dividend	**(43,107)**	(86,214)
Profit carried forward	**308,387**	267,390

STATUTORY APPOINTMENTS

The mandate of Kieran Murphy as Director will expire at the next Annual General Meeting of Shareholders on 4 May 2026. He is not a candidate for re-election.

Since the creation of Aliaxis in 2003 and throughout his 23 years of tenure, Mr. Murphy has played a key role in shaping and strengthening the Group's governance and financial oversight. During the last 13 years during which he chaired the Risk and Audit Committee, Mr. Murphy's deep expertise and knowledge of the Group helped reinforce Aliaxis' strategic decision-making and contributed to support its long-term vision and performance.

The Board would like to express its sincere gratitude to Mr. Murphy for his outstanding services and valuable contribution as Director and Chairperson of the Risk and Audit Committee.

GLOSSARY

REVENUE (SALES)
Amounts invoiced to customers for goods and services provided by the Group, less credits for returns, rebates and allowances and discounts for cash payments

EBITDA
EBIT before charging depreciation, amortisation and impairment

RECURRING EBITDA
Recurring/adjusted EBIT plus depreciation, amortisation and impairment (other than goodwill impairment)

RECURRING EBIT
Operating profit exclusive non-recurring/adjusted items

EBIT
Operating income

NET PROFIT (GROUP SHARE)
Profit of the year attributable to equity holders of the Group

RECURRING NET PROFIT
Net profit excluding all non-recurring/adjusted items

LIKE-FOR-LIKE BASIS
Previous year adjusted on a pro-forma basis to reflect the impact of acquisition. Divestment excluded in all periods. Impact of FX excluded to reflect underlying performance at constant exchange rate

CAPITAL EXPENDITURE
Expenditure on the acquisition of property plant and equipment, investment properties and intangible assets

NET FINANCIAL DEBT
The aggregate of (i) non-current and current interest-bearing loans and borrowings and (ii) bank overdrafts, less (iii) cash and cash equivalents

CAPITAL EMPLOYED
Total assets less current liabilities

NON-CASH WORKING CAPITAL
The aggregate of (i) inventories and (ii) amounts receivable, less the aggregate of (a) current provisions, and (b) current amounts payable

RETURN ON CAPITAL EMPLOYED (%)
EBIT / average of capital employed between 1 January and 31 December x 100

RETURN ON EQUITY (GROUP SHARE) (%)
Net profit (Group share) / average of equity attributable to equity holders of Aliaxis between 1 January and 31 December x 100

EFFECTIVE INCOME TAX RATE (%)
Income taxes / profit before income taxes x 100

PAY-OUT RATIO (%)
Gross dividend per share / basic earnings per share x 100

RECURRING/ADJUSTED PAYOUT RATIO (%)
Gross dividend per share / recurring/adjusted basic earnings per share x 100

KEY FIGURES

	2025 € million	2024 € million	2023 € million	2022 € million	2021 € million
Revenue*	**3,542.3**	3,913.9	4,059.0	4,341.9	3,675.1
Adjusted EBITDA*	**364.0**	550.4	619.5	728.2	674.4
% of revenue	**10.3%**	14.1%	15.3%	16.8%	18.3%
Adjusted EBIT*	**134.4**	342.3	441.6	573.4	537.2
% of revenue	**3.8%**	8.7%	10.9%	13.2%	14.6%
EBIT*	**-17.0**	221.6	421.2	560.9	612.4
% of revenue	**-0.5%**	5.7%	10.4%	12.9%	16.7%
Net profit / (loss) (Group share)	**-68.9**	108.4	322.2	369.4	397.8
Recurring net profit (Group share)	**48.8**	238.7	284.8	374.2	362.5
Capital expenditure* (incl. leasing)	**233.5**	405.8	420.7	390.6	175.5
% of depreciation and amortisation	**103%**	196%	237%	253%	129%
% of recurring EBITDA	**64%**	74%	68%	54%	26%
Total equity	**2,095**	2,470	2,398	2,230	1,924
Net financial debt*	**919**	969	754	742	99
Return on capital employed*	**-0.5%**	5.7%	11.3%	16.4%	21.5%
Return on equity (Group share)*	**-3.0%**	4.5%	14.0%	17.8%	23.9%
Average number of employees	**16,028**	15,945	15,857	15,212	14,442

	2025	2024	2023	2022	2021
Earnings					
Basic	**-0.88**	1.39	4.10	4.69	5.06
Diluted	**-0.88**	1.39	4.10	4.69	5.06
Gross dividend	**0.4730**	0.9460	0.9460	0.860	0.782
Net dividend	**0.3311**	0.6622	0.6622	0.602	0.5474
Payout ratio*	**-53.6%**	68.1%	23.1%	18.3%	15.5%
Recurring net profit payout ratio*	**75.7%**	30.9%	26.1%	18.1%	16.9%
Outstanding shares at 31 December (net of treasury shares)	**78,017,884**	78,055,384	78,094,084	78,685,288	78,681,987

* Defined in Glossary

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Aliaxis SA/NV
Avenue Arnaud Fraiteur 15-23,
1050 Brussels
Belgium

www.aliaxis.com

View the
report online