

2 March 2026

RHI Magnesita N.V.
("RHI Magnesita" or the "Company" or "Group")

2025 Full Year Results

Strong H2 recovery driven by decisive self-help actions; margin momentum into 2026

RHI Magnesita, the leading global supplier of high-grade refractory products, systems and solutions, today announces its results for the year ended 31 December 2025 ("2025" or the "Year" or the "Period").

The Group delivered a strong second half performance, driven by continued execution of management-led self-help measures across pricing, cost control, and plant network optimisation, supported by modestly improved industrial demand. These actions resulted in a materially stronger H2 performance and provide a strong foundation for rebuilding margins into 2026 and beyond.

Financial results (Adjusted, €m unless stated otherwise) ¹	2025	2024	Change	2024 (constant currency)	Change (constant currency)
Revenue	3,366	3,487	(3)%	3,390	(1)%
Adjusted EBITDA	504	543	(7)%	526	(4)%
Adjusted EBITA	373	407	(8)%	393	(5)%
Adjusted EBITA margin	11.1%	11.7%	(60)bps	11.6%	(50)bps
Adjusted EPS (€/per share)	4.18	5.32	(21)%		
Adjusted Operating Cash Flow	391	419	(7)%		
Net debt ²	1,495	1,251	19%		
Net debt to Pro Forma Adjusted EBITDA ³	2.9	2.3			

(Reported, €m unless stated otherwise)	2025	2024
Revenue	3,366	3,487
Gross profit	772	859
EBITDA	275	281
Profit before income tax	128	200
Profit after income tax	94	154
EPS (€/per share)	1.82	3.01
Dividend ⁴ (€/per share)	1.80	1.80

1. Adjusted figures are alternative performance measures "APMs" excluding impairments, amortisation of intangibles and exceptional items to enable an understanding of the underlying performance of the business. Full details are shown in the APM section.

2. 2025 Net debt includes IFRS16 lease liabilities of €64 million. For further details see Note 37.

3. Pro Forma Adjusted EBITDA is used to assess financial gearing and includes a full year of Adjusted EBITDA contribution from businesses acquired during the year.

4. Recommended final dividend of €1.20 per share, subject to AGM approval on 13 May 2026. Full year dividend of €1.80 per share includes the interim dividend of €0.60 per share paid to shareholders on 25 September 2025.

Operational and strategic highlights

- Successful execution of sustainable self-help cost saving initiatives across operations, SG&A, and plant network, combined with modest price increases and slightly improved industrial demand, drove strong H2 performance after a poor H1.
- Regionalisation is further strengthened to lower fixed costs and drive agility in an increasingly fragmented and protectionist trade environment. North America continues to perform well delivering 32% of the Group's gross profit. India delivers 4% volume growth alongside growing steel production, but very soft pricing environment currently caps earnings growth. European demand remains poor but plant network optimisation and cost savings turned around profitability in H2. Business performance in South America and the newly defined region META (Middle East, Türkiye and Africa) has been undermined by Chinese exports.
- The acquisition and integration of Resco (closed on 28 January 2025) progressed well, delivering €184 million of revenue and €25 million of Adjusted EBITA during the eleven months.
- Continued progress on sustainability initiatives - recycling rate at a record of 15.9% (2024: 14.2%) and further potential through recent acquisitions (BPI).

Financial highlights

- Persistent global demand weakness and sustained pressure from Chinese steel and refractory exports resulted in a sales volume decline of 2% and a revenue decline of 3% (1% on constant currency basis) to €3,366 million (including Resco).
- Revenue decreases in several regions were largely offset by growth in North America of €154

- Revenue decreases in several regions were largely offset by growth in North America of €134 million (+22% y/y, including Resco). Europe recorded the largest revenue decline of 12% primarily driven by lower sales volumes.
- Full year Adjusted EBITA is €373 million with a strong H2 weighting driven by self-help actions. This result meets expectations despite external pressure driving fixed cost underabsorption, weak pricing in H1 and foreign exchange headwinds.
- Steel revenues were slightly ahead of the prior year at constant currency at €2,328 million. The Resco acquisition offsets an organic volume reduction in steel across several regions, which together with pricing pressure, contributed to a reduced gross margin.
- The higher-margin Industrials project business (e.g., Non-ferrous metals and Glass) was softer than guided particularly in H1 2025. Further weakness in H2 2025 was largely offset by over-delivery on cost savings.
- Cash generation remains strong, with cash conversion of 105% (2024: 103%), supported by disciplined working capital management. Free cash flow of €214 million was broadly in line with 2024 level.
- Despite strong cash generation the cash-out for the Resco acquisition increased net debt to €1,495 million resulting in a leverage of 2.9x Net Debt to Pro Forma Adjusted EBITDA, lower than guidance.

Outlook and guidance

Market conditions are expected to remain challenging. They continue to be impacted by global uncertainty that depresses customer demand and investment. Steel end-markets remain at cyclical lows globally, with no near-term demand recovery reflected in the order book.

A number of regulatory developments in two of our key markets, the European Union and Brazil, may provide medium-term support, but the timing and impact of these measures remain uncertain and are not expected to materially affect refractory demand before 2027.

Industrial project market visibility remains limited, with modest improvements expected in non-ferrous metals and no recovery currently evident in the glass segment. Overall visibility is expected to improve in the second half of 2026 at the earliest reflecting the planning lead time of industrial projects.

Adjusted EBITA for FY 2026 is expected to increase by approximately 17% to €435 million on constant currency basis, which translates to around €400 million due to foreign exchange headwinds. This improvement is driven by continued execution of self-help and efficiency measures. Earnings are expected to follow a more normalised H1:H2 split. With refractory raw material pricing expected to remain at historically low levels, further cost and portfolio optimisation measures are being implemented across raw material assets to support a structural improvement in vertical integration profitability over the coming years. Initial benefits from this are expected in 2026 with an increase to a double digit run rate from 2027.

Strong cash generation is expected to continue, with cash conversion above 90% and further deleveraging supported by disciplined working capital management. Net debt is expected to reduce further, with leverage reducing to around 2.6x at year end. M&A remains a core component of the strategy, but no closure of a sizable deal with an associated cash out is anticipated in 2026.

Stefan Borgas, CEO said: "Our relentless self-help driven turnaround measures delivered a strong and sustainable business performance increase in the second half against a very challenging market backdrop. While management was focused on the business performance turnaround, equally important strategic progress has been made. The Resco integration and synergy realisation are on track, recycling rates are up in almost all regions and our digital transformation is progressing well. Despite not yet foreseeing a major market tailwind yet, we expect our self-help measures and strategic progress to drive business performance further operational and financial improvements in 2026.

I want to thank all employees, customers, partners, and shareholders for their continued trust. With our enhanced global footprint, rigorous operational discipline, and clear strategic focus, we believe RHI Magnesita is forging a path for continued success despite persistent headwinds."

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Conference call

A presentation for analysts will be held at 8:30am UK time (9:30 CET) on 2 March 2026 at the offices of Hudson Sandler, 25 Charterhouse Square, London EC1M 6AE. The analyst presentation will be broadcast live via webcast and conference call.

The webcast can be accessed using the following link:

<https://www.investis-live.com/rhimagnesita/6978eea1b05b910017bae71c/lepp>

A replay will be made available via the webcast link shortly after the event finishes.

About RHI Magnesita

RHI Magnesita is the leading global supplier of high-grade refractory products, systems and solutions which are critical for high-temperature processes exceeding 1,200°C in a wide range of industries, including steel, cement, non-ferrous metals and glass. With a vertically integrated value chain, from raw materials to refractory products and full performance-based solutions, RHI Magnesita serves customers around the world, with over 20,000 employees in 76 main production sites (including raw material sites).

around the world, with over 20,000 employees in 70 main production sites (including raw material sites), 16 recycling facilities and more than 70 sales offices. RHI Magnesita intends to leverage its leadership in terms of revenue, scale, product portfolio and diversified geographic presence to target strategically those countries and regions benefiting from more dynamic economic growth prospects.

RHI Magnesita offers investors EBITDA and free cash flow comparable to FTSE 100 peers, the highest free cash flow yield in the UK industrials sector, a compelling M&A growth story and high operational gearing to market recovery. The Group seeks to allocate capital to maximise value generation for shareholders. After maintenance capex and dividend, M&A, organic investments and buybacks compete for capital. The global refractory industry remains fragmented and the M&A pipeline presents an opportunity to continue a value-accretive consolidation strategy. RHI Magnesita's resilient margins and profitability support the use of debt financing to fund acquisitions, anchored by a leverage target of 1.0 - 2.0x EBITDA through the cycle and up to c.2.5x for compelling M&A opportunities.

The Group is listed within the Equity Shares (Commercial Companies) category (ESCC) of the Official List of the London Stock Exchange (symbol: RHIM) and is a constituent of the FTSE 250 index, with a secondary listing on the Vienna Stock Exchange (Wiener Börse). For more information please visit: www.rhimagnesita.com

FORWARD LOOKING STATEMENTS

This announcement contains (or may contain) certain forward-looking statements with respect to certain of the Company's current expectations and projections about future events. These statements, which sometimes use words such as "aim", "anticipate", "believe", "intend", "plan", "estimate", "expect" and words of similar meaning, reflect the directors' beliefs and expectations and involve a number of risks, uncertainties and assumptions which could cause actual results and performance to differ materially from any expected future results or performance expressed or implied by the forward-looking statement. Statements contained in this announcement regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. The information contained in this announcement is subject to change without notice and, except as required by applicable law, the Company does not assume any responsibility or obligation to update publicly or review any of the forward-looking statements contained in it and nor does it intend to. You should not place undue reliance on forward looking statements, which apply only as of the date of this announcement. No statement in this announcement is or is intended to be a profit forecast or profit estimate or to imply that the earnings of the Company for the current or future financial years will necessarily match or exceed the historical or published earnings of the Company. As a result of these risks, uncertainties and assumptions, the recipient should not place undue reliance on these forward-looking statements as a prediction of actual results or otherwise. The Company has no obligation or undertaking to update or revise the forward-looking statements contained in this announcement to reflect any change in its expectations or any change in events, conditions, or circumstances on which such statements are based unless required to do so by applicable regulations. The numbers presented throughout this announcement may not sum precisely to the totals provided and percentages may not precisely reflect the absolute figures, due to rounding.

CEO REVIEW

2025 was a year of continued transformation for RHI Magnesita. Disciplined and decisive action ensured we navigated the continued downturn while strengthening our business for long-term outperformance.

In 2025, RHI Magnesita continued a Group-wide shift towards a deeply embedded safety mindset by further driving our Safety Culture Transformation Programme. Having kicked off this extensive program in 2024, we soon understood it was necessary to increase both the depth and accuracy of our reporting, to enable us to take much more meaningful steps to improve safety standards for our colleagues. Tragically, the first half of 2025 was overshadowed by a devastating incident, with a Brazilian colleague passing away from the effects of a sepsis that occurred during long hospitalisation after a work-related injury. With no Serious Injuries or Fatalities in H2/2025 we are working tirelessly across our organisation towards a future where such incidents do not occur again. We are committed to our long-term goal of "Zero-Harm - No Injury".

Introduction & Financial Performance

In 2025, RHI Magnesita operated against a very challenging macroeconomic backdrop, with subdued global industrial demand and continued pricing pressure across end markets. Revenue for the year was impacted by weaker volumes, particularly in Europe. Annual Adjusted EBITA of €373 million was delivered with a very significant H2 weighting. H1 Adjusted EBITA was €141 million (margin of 8.4%), reflecting margin pressure from an adverse product mix and lower project activity. Management actions drove a clear improvement in performance in the second half of the year, with Adjusted EBITA of €232 million, corresponding to a margin of 13.7% despite ongoing market headwinds. These improvements were driven by cost efficiency programmes, network optimisation and pricing discipline.

The acquisition of Resco, completed in January 2025, strengthened the Group's North American position and contributed positively to earnings, while integration progressed in line with expectations. Cash generation remained resilient, with adjusted operating cash flow of €391 million, supporting a resilient balance sheet development. Net debt stood at €1,495 million at year-end, resulting in leverage of 2.9x Net Debt to Pro Forma Adjusted EBITDA by year end. While 2025 was a demanding year, decisive operational and financial actions enabled RHI Magnesita to exit the year with improved profitability momentum, a more efficient cost base, and a stronger platform for value creation in 2026 and 2027.

Industrial Downturn & Trading Environment

In 2025, the slowdown in global industrial activity reduced global refractory demand. The continued high levels of global uncertainty caused subdued furnace utilisation, delayed maintenance cycles, and deferred metal and industrial project investments.

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Within this backdrop, the Group experienced both a sharp reduction in order intake and volumes as customers postponed or cancelled major rebuilds, as well as pricing pressure arising from lower demand and elevated Chinese refractory exports. Despite available refractory capacity exceeding demand in all regions worldwide, short termism by undisciplined competitors results in further capacity additions in regions like India and META.

Coupled with this downturn was an uncertainty regarding global tariffs. RHI Magnesita navigated this by constantly reviewing supply chains, pricing and operational footprint. Our flexible global network allowed us to act quickly through multiple tariff iterations and maintain a strong and uninterrupted supply to our customers. Our North American business delivered a strong performance in 2025 despite headwinds, including unprecedented market volatility, a ~13% USD/EUR devaluation and an ongoing industrial-sector weakness. The region also successfully started to manage a major business transformation with the integration of Resco and BPI and the rollout of our digital transformation.

Despite the downturn and uncertainty in 2025, our diversified footprint, integrated production capabilities, innovation and integration with our customers provided reasonable stability in this context.

Management Measures Deliver Results

In response to a challenging demand and pricing environment in 2025, the management took decisive actions to protect profitability, strengthen cash generation and improve the structural efficiency of the Group. These measures delivered tangible benefits in the second half of the year and positioned RHI Magnesita for improved performance going forward. A comprehensive cost and efficiency programme was implemented across operations, including plant network optimisation and tighter cost control. These actions contributed to a significant and sustainable improvement in profitability.

4PRO proved to stabilise the business performance and protect long-term value. It combines process optimisation, vertical-integration, circular economy, technology, and customer-centric services into a unique framework, delivering customers performance-based solutions including design, installation, maintenance, monitoring and lifecycle services. It positions RHIM as specialist supplier of complex solutions, fully integrated with our customers, and thereby significantly stabilises RHIM's margins in times of commodity market volatility. We saw a significant strengthening of our 4PRO program in 2025 laying a solid framework for plans to execute an additional 30+ extensive contracts in 2026.

We saw great successes from our integration of Resco, following completion of the acquisition in January 2025. Organisational design and key health & safety measures were implemented swiftly, ensuring the focus of the combined team on delivering customer value while implementing higher safety standards for all. We delivered SG&A synergies from the Resco integration well over our target for 2025.

Sustainability

Our strong sustainability performance in 2025 was underpinned by further innovation and the expansion of our sustainable product offering. This continues to be an important commercial differentiator as our customers in hard-to-abate industries seek solutions to help reduce their CO2 emissions.

We exceeded our global recycling target of 15%, driven primarily by the outstanding performance in Europe. Across Europe, we reached an average recycling rate of more than 22%, with several months even surpassing 24% thanks to the collaboration with MIRECO and our European recycling team. Our recycling capabilities in the United States were also enhanced by the joint venture we agreed in June with BPI. The transaction will support our ability to supply lower carbon recycled refractories to our expanded customer base in North America under a tighter tariff regime.

Our constant focus on innovation delivers new sustainability gains, and we deepen our partnership with MCi Carbon to develop the world's first CCU plant in the refractory industry. This will be our Green Minerals Initiative, which will open a new business area for RHIM while absorbing 50kt/year of CO2 of our existing processes. To support this one-of-a-kind project, we secured a €30 million grant from the Austrian government to build the first industrial-scale plant in our Hochfilzen operation in Austria. Additionally, we unveiled the world's first RAPTOR multi sensor system, which sets new standards for recycling. We have already reduced our CO2 intensity by 15% (scope 1,2 and 3 raw materials) since 2018 with new recycling initiatives and CCU technology opening further room to reduce.

Summary

In this difficult market environment, RHIM has delivered solid results and progressed strategically. The business is improving every year and the Company is well positioned for long-term success and any market recovery.

I thank all employees, customers, partners, and shareholders for their continued trust. With our enhanced global footprint, rigorous operational discipline, and clear strategic focus, we believe RHI Magnesita is forging a path for continued success.

FINANCIAL REVIEW

Reporting approach

The Company uses a number of alternative performance measures (APMs) in addition to measures reported in accordance with IFRS Accounting Standards as adopted by the European Union ("IFRS"), which reflect the way in which the Board and the Executive Management Team assess the underlying performance of the business. The Group's results are presented on an "adjusted" basis, using APMs that are not defined or specified under the requirements of IFRS, but are derived from the IFRS financial statements. The APMs are used to improve the comparability of information between reporting periods and to address investors' requirements for clarity and transparency of the Group's underlying financial performance. The APMs are used internally in the management of our business performance, budgeting and forecasting. A reconciliation of key metrics to the reported financials is presented in the section titled **APMs**.

All references to comparative 2024 numbers in this review are on a reported basis, unless stated otherwise. All reported volume changes year-on-year are excluding mineral sales.

Revenue

Group revenues for the year amounted to €3,366 million, representing a 1% decrease on a constant currency basis (2024: €3,390 million). On a reported basis, revenues declined by 3% (2024: €3,487 million), reflecting the material impact of foreign exchange headwinds. Excluding M&A the Group revenues amounted to €3,171 million. The depreciation of key currencies against the euro, specifically the US dollar, Chinese yuan, and Indian rupee, negatively impacted reported revenues by €97 million.

Cost of goods sold

Cost of goods sold decreased by 1% to €2,594 million (2024: €2,628 million), although this represented an increase of 2% on a constant currency basis.

The cost of purchased raw materials declined by 5% to €1,009 million. Plant-related labour costs decreased by 5% to €551 million, driven by network optimisation and strict fixed-cost controls. Energy costs declined by 1% as supply conditions eased resulting in lower crude oil and natural gas prices. Freight costs remained broadly flat year-on-year, supported by subdued freight demand and global overcapacity following market disruptions linked to US tariff announcements. Expenditure on general supplies, including pallets, packaging, and spare parts, increased to €615 million, compared to €548 million in 2024.

Despite these overall input cost reductions, low production volumes resulted in fixed-cost underabsorption, which weighed on unit costs.

Raw material prices

Average raw material prices softened in 2025 relative to 2024. Notably, the price of high-grade dead burned magnesia (DBM) from China declined by 8%, primarily driven by oversupply in China and reduced global refractory demand. This pricing environment exerts downward pressure on finished goods pricing, as production costs decrease for non-vertically integrated competitors.

Gross profit

Gross profit declined to €772 million (2024: €859 million), with the gross margin contracting to 22.9% (2024:24.6%). This compression reflects pricing pressure, an unfavourable shift in product mix and fixed-cost under-absorption, particularly in the first half of the year.

(€m)	2025	2024 ²	2024 (constant currency)	Change	Change (constant currency)
Revenue	3,366	3,487	3,390	(3)%	(1)%
Cost of goods sold	(2,594)	(2,628)	(2,553)	(1)%	2%
Gross profit	772	859	837	(10)%	(8)%
SG&A	(360)	(408)	(400)	(12)%	(10)%
R&D expenses	(39)	(45)	(44)	(13)%	(12)%
OIE	(98)	(125)	(126)	(22)%	(23)%
EBIT	223	242	229	(8)%	(3)%
Amortisation	(52)	(39)	(38)	32%	38%
EBITA	275	281	267	(2)%	3%
Adjusted items	98	125	126	(22)%	(23)%
Adjusted EBITA ¹	373	407	393	(8)%	(5)%
Refractory EBITA	336	379	-	(11)%	-
Vertical integration EBITA	37	28	-	32%	-

1. Adjusted EBITA is an APM used by the Group. Refer to APMs for definitions.

2. Restated due to an accounting policy change. See Note (1) from the financial statements.

Selling, general and administrative expenses (SG&A), decreased by 12% to €360 million (2024: €408 million), despite inflationary pressures on labour costs across all regions. The reduction reflects focused efforts to reduce SG&A costs in Europe, the continued migration of activities into shared services and the India hub, realised synergies from the Resco acquisition, and lower bonus provisions.

Depreciation decreased to €132 million (2024: €136 million), and amortisation of intangible assets stood at €52 million in 2025 (2024: €39 million).

Adjusted EBITDA

The Group delivered Adjusted EBITDA of €504 million, representing a 7% decrease compared to the prior year (2024: €543 million). The Adjusted EBITDA margin declined to 15.0% (2024: 15.6%) primarily reflecting lower gross profit, partially mitigated by reductions in SG&A and R&D expenditure.

Adjusted EBITA

Adjusted EBITA decreased to €373 million (2024: €407 million), with a margin of 11.1% (2024: 11.7%). Currency movements had an adverse impact of €13 million. The weak first-half performance was partially offset by management actions implemented during the year, which contributed €70 million of savings in the second half. Resco and BPI contributed a combined €25 million to Adjusted EBITA in 2025.

The Group's refractory business delivered a resilient margin contribution of 10.0 pts to the Adjusted

The Group's refractory business delivered a resilient margin contribution of 10.0 ppts to the Adjusted EBITA margin of 11.1%. Vertical integration contributed 1.1 ppts (2024: 0.8 ppts), remaining close to record lows due to persistently low prices for refractory raw materials. Lower raw material prices negatively impact the earnings contribution from the Group's raw material assets, which is based on the difference between market prices and cost of internal raw material production.

Items excluded from adjusted performance

In order to accurately assess the underlying performance of the business, the Group excludes certain items from Adjusted EBITA related to other income and expenses. In total, net adjustments to EBITA amounts to €98 million, including:

- €(44) million in expenses for the ERP system upgrade and digital architecture update
- €(27) million in network optimisation costs related to closure of Mainzlar and Wetro plants
- €(10) million in permanent SG&A headcount reduction
- €(9) million in restructuring costs for outsourcing the Group's shared service centre network and expanding its scope
- €(8) million in expenses related to M&A activities

Net finance expenses

Net finance expenses increased to €95 million (2024: €42 million). This aggregate figure includes interest payable on borrowings, net of interest income on cash balances, alongside the impact of foreign exchange movements, pension-related charges, present value adjustments, factoring costs, and expenses attributable to non-controlling interest.

Net interest expenses amounted to €46 million (2024: €39 million), reflecting reduced interest income on cash balances, and higher average borrowings following the Resco acquisition.

Foreign exchange movements resulted in a net loss of €16 million in 2025 compared to a gain of €11 million in 2024. This net loss relates primarily to the weakening of the Turkish lira, the Mexican peso and the US dollar, and includes embedded US dollar-linked derivatives in sales contracts and currency hedging costs.

Other net financial expenses totalled €33 million (2024: €14 million), comprising factoring costs of €11 million (2024: €10 million), pension charges of €11 million (2024: €12 million), and present value adjustments related to onerous contracts from the 2017 EU remedies amounting to €(6) million (2024: €(7) million). The increase in other net financial expenses is primarily attributable to significantly higher revaluation of the Group's obligation to purchase the remaining stakes it does not already own in Jinan New Emei and Chongqing.

(€m)	2025	2024
Net interest expenses	(46)	(39)
Interest income	15	22
Interest expenses	(61)	(61)
FX effects	(16)	11
Balance sheet translation	(34)	29
Derivatives	18	(18)
Other net financial expenses	(33)	(14)
Present value adjustment	(6)	(7)
Factoring costs	(11)	(10)
Pension charges	(11)	(12)
Non-controlling interest expenses	(1)	-
Capitalization of borrowing costs	-	3
Interest expense - Transaction costs	(4)	(1)
Other	(1)	12
Total net finance expenses	(95)	(42)

Taxation

The reported tax charge for 2025 amounted to €34 million (2024: €46 million), resulting in a reported effective tax rate of 27% (2024: 23%). Reported profit before tax was €128 million (2024: €200 million).

On an adjusted basis, profit before tax was €273 million (2024: €347 million), with a corresponding adjusted effective tax rate of 25% (2024: 24%). The variance between the reported and adjusted tax metrics reflects the impact of specific adjusting items, comprising non-taxable IFRS income associated with put option valuations, non-capitalisable losses arising from restructuring initiatives, and non-deductible expenses incurred through M&A activity.

Profit after tax

On a reported basis, the Group generated profit after tax of €94 million (2024: €154 million). Profit attributable to the shareholders of RHI Magnesita N.V. stood at €86 million (2024: €142 million), resulting in reported earnings per share of €1.82 (2024: €3.01). Profit attributable to shareholders is derived after deducting non-controlling interests of €8 million (2024: €12 million). As the Group holds a 56% majority shareholding in RHI Magnesita India Ltd., the substantial majority of these non-controlling interests are attributable to the earnings consolidated from this subsidiary.

On an adjusted basis, profit after tax amounted to €206 million (2024: €263 million), with Adjusted earnings per share at €4.18 (2024: €5.32). A comprehensive reconciliation of EBITA to EPS and Adjusted EBITA to Adjusted EPS is provided in the table within the Alternative Performance Measures (APMs) section.

(€m)	2025 reported	items excluded from adjusted performance	2025 adjusted	2024 reported	items excluded from adjusted performance	2024 adjusted
EBITA	275	98	373	281	126	407
Amortisation	(52)	52	-	(39)	39	-
Net financial expenses	(95)	(5)	(99)	(42)	(17)	(60)
Profit before tax	128	145	273	200	147	347
Income tax	(34)	(33)	(67)	(46)	(38)	(84)
Profit after tax	94	112	206	154	109	263
Non-controlling interest	8	-	8	12	-	12
Profit attributable to shareholders	86	112	198	142	109	251
Shares outstanding	47	-	47	47	-	47
Earnings per share	1.82	2.36	4.18	3.01	2.31	5.32

Working capital

Excluding the impact of M&A, working capital decreased to €718 million (2024: €865 million), primarily driven by reductions in inventory and accounts receivable in response to lower business activity and currency movements. Including the impact of M&A, total Group working capital amounted to €769 million at year-end.

(€m)	2025 (Excl. M&A)	2025 (Group)	2024 (Group)
Working Capital	718	769	865
Inventories	879	932	962
Accounts Receivable	400	414	474
Accounts Payable	561	577	572

Working capital intensity measured as a percentage of annualised revenue over the final three months of the year, decreased to 21.7% (2024: 23.4%). Inventory intensity remained broadly flat at 26.3% (2024: 26.1%) and accounts receivable intensity improved to 11.7% (2024:12.9%).

(in %)	2025 (Excl. M&A)	2025 (Group)	2024 (Group)
Working Capital Intensity	21.6%	21.7%	23.4%
Inventory Intensity	26.5%	26.3%	26.1%
Accounts Receivable Intensity	12.0%	11.7%	12.9%
Accounts Payable Intensity	16.9%	16.3%	15.5%

Cash flow

Adjusted operating cash flow decreased to €391 million (2024: €419 million), representing a cash flow conversion from Adjusted EBITA of 105% (2024: 103%). The Adjusted operating cash flow decline primarily reflects a €39 million reduction in Adjusted EBITDA compared to 2024 and lower cash generation from working capital, partially offset by lower capital expenditure of €111 million (2024: €145 million). Free cash flow decreased to €214 million (2024: €225 million).

Cash income tax payments decreased to €54 million (2024: €69 million), while net interest paid amounted to €83 million (2024: €89 million).

Cash flow €m	2025	2024
Adjusted EBITDA	504	543
Share-based payments - gross non-cash	4	9
Working capital changes	84	105
Changes in other assets and liabilities	(89)	(93)
Investments in PPE, IA	(111)	(145)
Adjusted operating cash flow	391	419
Income taxes paid	(54)	(69)
Cash effects of other income/expenses and restructuring	(69)	(62)
Investments in financial assets	(3)	(19)
Cash inflows from the sale of PPE, IA	24	16
Cash inflows from the sale of financial assets	-	11
Investment subsidies received	-	2
Net interest paid/received	(83)	(89)
Net derivative cash inflow/outflow	4	18
Dividend payments to NCI	(2)	(3)
Other investing activities	4	-
Dividends received	1	1
Free cash flow	214	225
Investments in non-current receivables	-	(44)
Investment in subsidiaries net of cash	(350)	(7)
Investments in NCI	(3)	(6)
Dividend payments	(85)	(86)
Cash change in net debt	(224)	80
Debt from acquisitions	8	-

New lease obligations	7	29
Exchange effects	4	(3)
Others	-	(1)
Actual change in net debt	(204)	105

Financial position

Net debt increased to €1,495 million (31 December 2024: €1,251 million), primarily reflecting the acquisition of Resco. Net debt comprises gross debt of €1,786 million, IFRS 16 lease liabilities of €64 million and cash equivalents of €355 million. Total leases of €64 million are included in the Group's Net debt position as required by IFRS 16.

This results in a leverage ratio at 2.9x Net debt to Pro Forma Adjusted EBITDA, compared to 2.3x as at 31 December 2024. Pro forma Adjusted EBITDA includes a full-year contribution from businesses acquired during the year.

Available liquidity at 31 December 2025 was €955 million (31 December 2024: €1,376 million), comprising undrawn committed facilities of €600 million and cash and cash equivalents of €355 million (2024: €576 million).

The Group continues to target a Net debt to Pro Forma Adjusted EBITDA range of 1.0-2.0x, with temporary increases for compelling M&A opportunities. Leverage is expected to reduce to around 2.6x by the end of 2026.

Return to shareholders

The Board has recommended a final dividend of €1.20 per share for the 2025 financial year, representing a cash outflow of €85 million for the full-year dividend. Subject to approval at the Annual General Meeting scheduled for 13 May 2026, the final dividend will be payable on 11 June 2026 to shareholders on the register at the close of trading on 29 May 2026. The ex-dividend date will be 28 May 2026.

Together with the interim dividend of €0.60 per share paid on 25 September 2025, this results in a full year dividend of €1.80 per share. This represents a dividend cover of 2.3x Adjusted earnings per share, in-line with the Board's stated dividend policy.

The Board's dividend policy remains unchanged, targeting a dividend cover below 3.0x adjusted earnings over the medium term. Dividends are paid on a semi-annual basis, with one third of the prior year's full year dividend paid at the interim.

OPERATIONAL REVIEW

Steel overview

Supplying refractory products and services to the steel industry accounted for approximately 69% of Group revenues in 2025 (2024: 68%). Applications span ironmaking, primary steelmaking, secondary metallurgy and casting, with product lifecycles ranging from hours to several years depending on the application. As a result, refractory consumption is typically classified as an operating expense by steel producers and represents approximately 2-3% of steelmaking operating costs.

Global steel markets remained weak throughout 2025. Demand softness across construction, automotive, machinery and consumer goods was compounded by elevated Chinese steel exports, which continued to exert pricing and volume pressure on producers outside China. According to World Steel Association data, global steel production declined by approximately 2% in 2025.

Steel	2025	2024	2024 (constant currency)	Change	Change (constant currency)
Revenue (€m)	2,328	2,367	2,293	(2)%	2%
Gross profit (€m)	523	553	535	(5)%	(2)%
Gross margin	22.5%	23.4%	23.3%	(90)bps	(80)bps

Steel revenues declined by 2% to €2,328 million (2024: €2,367 million). Excluding the impact of M&A activity, revenues decreased by approximately 6% to €2,218 million (2024: €2,367 million), reflecting a combination of lower volumes and pricing pressure. Global steel demand declined across all Group regions excluding North America, India and META. Shipped volumes of steel refractories declined by 2% on an organic basis, partially offset by strong momentum in India. The acquisition of Resco largely offset organic volume declines, resulting in broadly flat reported volumes.

Gross profit declined to €523 million (2024: €553 million), with the gross margin compressing to 22.5% (2024: 23.4%). This reflects pricing pressure in competitive markets, particularly India and META, as well as fixed-cost under-absorption during the first half of the year. Competitive dynamics were exacerbated by elevated Chinese steel and refractory exports, particularly into the Middle East, Africa and Latin America.

Industrial overview

RHI Magnesita is a leading supplier of refractory products and services to a broad range of Industrial customers, including Cement & Lime, Non-ferrous metals, Glass, Energy, Environmental, Industrial applications and Chemicals. Industrial customers accounted for 28% of Group revenues in 2025. Refractories in these markets are typically classified as capital expenditure and exhibit longer replacement cycles, ranging from less than one year to over 20 years depending on application.

Industrial markets were uneven in 2025. While certain Non-ferrous metals segments showed resilience, overall demand was impacted by project deferrals, tariff-related uncertainty and weak end markets, particularly in Glass.

Industrial	2025	2024	2024 (constant currency)	Change	Change (constant currency)
Revenue (€m)	958	1,055	1,034	(9)%	(7)%
Gross profit (€m)	241	300	298	(20)%	(19)%
Gross margin	25.1%	28.4%	28.8%	(330)bps	(370)bps

Industrial revenues contracted by 9% to €958 million (2024: €1,055 million), accompanied by a 6% decrease in overall shipped volumes. Industrial revenues excluding the impact of M&A declined by 17% to €880 million (2024: €1,055 million). This represents unusual underlying softness in Glass, Non-ferrous metals, and Industrial applications sub-segments, resulting in a 6% contraction in shipped volumes. The Year saw a cyclical low in high-value project execution, with volumes from major projects tracking below the comparative levels recorded in the prior year. Consequently, performance was notably skewed to the second half of 2025. This significant second-half weighting was primarily driven by two distinct dynamics: (i) the deferral of orders into the latter part of the year amidst uncertainty generated by global tariff tensions; and (ii) typical seasonal demand patterns during the peak cement production period. The Group anticipates a normalisation of trading patterns in 2026, with revenues weighting expected to return to a more balanced profile consistent with historical trends.

Gross profit declined to €241 million (2024: €300 million), with the gross margin compressing to 25.1% (2024: 28.4%).

Minerals

Raw materials not consumed internally are sold externally and reported under Minerals. External mineral sales generated revenues of €80 million in 2025 (2024: €65 million), with revenue growth driven primarily by price recovery against a weak prior-year comparative, while volumes remained broadly stable.

Regional business units

New definitions of regional business units

In 2025, the Group reassessed its operating segments, driven by significant progress in its local-for-local strategy, the integration of the acquired Resco Group and a comprehensive restructuring of profit centres. This acquisition is considered a milestone in the development of the local-for-local strategy, resulting in the reassignment of certain sales markets to the regions.

The Group re-organised its regional business units to drive increased focus as follows:

- i. created a new 'Middle East, Türkiye and Africa' ("META") region, with the Middle East and Africa business having previously been included within 'India, West Asia and Africa' and Türkiye previously included in 'Europe, CIS and Türkiye';
- ii. re-named 'India, West Asia and Africa' region to 'India', now focused solely on India;
- iii. re-named 'South America' region to 'Latin America'; and
- iv. moved Mexico out of the 'North America' region into 'Latin America'.

Although this section primarily focuses on customer industries the regional financial information presented in this section for 2025 including the comparative data for 2024 has been prepared according to the new regional structure adopted in 2025.

Revenue	2025	2024	2024 (constant currency)	% change (reported)	% change (constant currency)
North America	863	709	685	22%	26%
Europe & CIS	727	829	832	(12)%	(13)%
India	441	458	432	(4)%	2%
Latin America	536	617	590	(13)%	(9)%
China & East Asia	377	425	411	(11)%	(8)%
Middle East, Türkiye & Africa	342	384	377	(11)%	(9)%
Minerals	80	65	63	22%	27%
Total	3,366	3,487	3,390	(3)%	(1)%

North America

North America delivered a strong performance, with revenue increasing by 22% to €863 million (2024: €709 million), or by 26% in constant currency terms. Growth was primarily driven by the acquisition and successful integration of Resco and BPI, which contributed €195 million in incremental revenue. Excluding M&A, revenue remained broadly stable (down €16 million) despite significant market volatility,

tariff uncertainty and a weakening US dollar.

Revenue performance in North America was materially reshaped by the acquisition of Resco, which structurally rebalanced exposure toward Industrial end markets relative to the historical dominance of Steel. Consequently, Industrial revenues increased by 20% to €180 million (2024: €150 million), while Steel revenues increased by 22% to €683 million (2024: €559 million), both supported by the M&A.

Gross profit increased to €249 million (2024: €219 million), supported by a 19% increase in shipped volumes following the acquisition. Gross margin declined to 28.9% (2024:30.9%), as higher average revenue per tonne was offset by increased production costs. North America contributed 32% of global gross profit, and slightly more on EBITA level due to lean fixed cost structure.

In the Steel segment, volumes excluding M&A remained broadly flat, compared to a 0.7% increase in regional steel production according to WSA data. Performance was mixed, with Canadian steel production declining by 7.2% following tariff-related mill shutdowns. Structurally, the North American steel industry continues to transition toward electric arc furnaces. This trend is expected to accelerate following Nippon Steel's acquisition of US Steel, which includes a committed €11 billion investment in new or upgraded capacity by 2028 that will likely displace legacy integrated steel production.

In the Industrial segment, North America made solid progress integrating Resco's specific competencies in Foundry, Process Industries, and Petrochemicals, successfully delivering the expected synergies across the Group. However, tariff-related trade tensions during the first half of the year led to uncertainty and the deferral of several industrial projects.

Sustainability metrics remained flat, with the recycling rate in North America at 14.1% compared to 14.2% in 2024. This rate is projected to increase significantly in the future following the agreement of a joint venture with BPI Inc. in June 2025.

Trade policy uncertainty and currency volatility continue to drive macroeconomic uncertainty. US tariffs announced in April 2025 increased input costs, largely mitigated through pricing actions. While tariffs are expected to support domestic steel production over time, the Group faces exposure to tariffs on finished goods imports, including a 15% tariff on European products and a potential 50% tariff on Brazilian imports. This exposure is mitigated by the Group's strong local-for-local footprint, with production in-region expected to increase to over 75% in 2026. Trade tensions also drove considerable foreign exchange volatility, with the US dollar weakening to 1.16 against the euro (from 1.04 at year-end 2024), resulting in a €24 million revenue headwind.

Europe & CIS

Revenues in Europe & CIS contracted by 12% to €727 million (2024: €829 million), driven primarily by a 14% reduction in shipped volumes against a backdrop of stable pricing. The volume reduction, combined with an unfavourable shift in product mix, weighed on profitability. Gross profit decreased by 15% to €151 million (2024: €178 million), with the gross margin declining to 20.8% (2024: 21.4%). This primarily reflects a temporary but significant contraction in the Industrial business, where sales volumes declined by 22%, outpacing the 10% decline in Steel, due to project deferrals in Non-ferrous metals and persistent weakness in Glass.

Regional steel production contracted by 4.1%, with the most pronounced decline in Germany, where steel output fell by 8.6% according to WSA data. Steel demand was severely impacted by weakness in the automotive sector, with European production in 2025 falling to levels last seen during the 2009 and 2020-2022 downturns. Trade policy volatility compounded these pressures, as the US reintroduced 25% tariffs on EU steel and aluminium exports in March, escalating to broader measures and a 50% tariff in June, materially undermining the competitiveness of European exports and disrupting supply chains. Although tariffs were partially reduced to 15% in the second half of the year, the earlier disruption significantly weighed on the Steel and Non-ferrous sectors. Despite these headwinds, the Group defended market share through more economical grades and expanded its 4PRO offering into Cement & Lime, Non-ferrous metals and Waste2Energy.

Industrial volumes declined, reflecting a lower number of projects during the Period. The Cement segment was resilient, supported by volume growth from infrastructure demand and disciplined pricing behaviour. The Glass market remained under pressure, particularly within the packaging end markets, leading glass makers to delay maintenance projects.

Low capacity utilisation and strategic alignment of the production footprint led to the closure of the Mainzlar and Wetro plants in Germany in 2025. Further network optimisation in the region and globally remains under consideration.

Recycling performance improved materially, with the region achieving a recycling rate of 22.3% (2024: 20.0%), as the MIRECO business model delivered growth in both the internal use of recycled raw materials and the sale of secondary raw materials to third parties. Operational efficiency and material recovery rates were enhanced by the deployment of advanced laser sorting technologies, specifically 'Maestro' and 'Raptor'.

Latin America

Revenues in Latin America decreased by 13% to €536 million (2024: €617 million), or by 9% on a constant currency basis. The average revenue per tonne fell by 9%, reflecting lower prices and an unfavourable product mix as the share of high-value industrial projects declined. Shipped volumes decreased by 4% as market conditions in the region remained challenging. The influx of Chinese imports exerted pressure on the domestic steel and refractory sectors, further compounded by US tariffs introduced in the second half of the year on both raw materials and finished goods from Brazil.

Gross profit declined to €147 million (2024: €190 million), with the gross margin contracting to 27.4% (2024: 30.8%). The impact of lower revenue was partially mitigated by lower input costs and operational efficiencies.

Steel volumes declined by 3%, more than regional steel production, which declined by 1.1% according to

WSA data. The region delivered notable commercial achievements, securing projects in flow control, coke ovens, and reheat furnaces. While the Group successfully regained market share in Mexico, the country continues to face pressure from Chinese imports. The strategic focus in the region remains on driving adoption of the 4PRO model and renewing long-term contracts with key customers.

Industrial business declined in volume by 6%, driven by project postponements, particularly in Non-ferrous metals and an unfavourable shift toward lower-value Cement sales.

Recycling performance improved, with the recycling rate increasing to 12.2% (2024: 11.8%).

India

Revenues in India declined slightly to €441 million (2024: €458 million), but increased by 2% on a constant currency basis. Shipped volumes increased by 4%, reflecting sustained structural demand across end markets, while average revenue per tonne declined by 7% due to pricing pressure from imports and domestic competition.

Gross profit decreased by 18% to €64 million (2024: €78 million), with the gross margin decreasing to 14.4% (2024: 16.9%).

Steel sales volumes grew by 4%, supported by a robust macroeconomic backdrop. Steel production in India increased by 10.4% year-on-year, according to WSA data. Elevated imports from China, driven by domestic oversupply, intensified competition and pricing pressure from both multinational and local players. In response, Indian mills prioritised strict cost optimisation, reducing spend on refractories. Despite this challenging environment, the Group executed a strategic recovery, recapturing market share temporarily lost in the fourth quarter of 2024. RHI Magnesita strengthened its position in premium product categories through technical differentiation and targeted price increases, supported by the continued rollout of 4PRO, which secured significant contracts with tier-one steel mills. Demand for iron-making and Direct Reduced Iron (DRI) refractories also progressed well, generating a healthy pipeline of new orders.

Industrial business performance was weak in the region, partially offset by a 3% increase in sales volumes. Pricing pressure in Cement was driven by unseasonal monsoons and low capacity utilisation. The Group mitigated these challenges through accelerated deployment of 4PRO, recipe optimisation and the introduction of advanced global technologies to reinforce differentiation.

Sustainability initiatives continued to gain momentum, with the recycling rate increasing to 18.8% (2024: 15.5%), supported by an expanded local vendor base, closer collaboration with R&D and partnerships aimed at localising operations and increasing the use of recycled refractories.

China & East Asia

Revenues in the China & East Asia region declined by 11% to €377 million (2024: €425 million), reflecting a 3% decline in shipped volumes and an 8% reduction in average revenue per tonne. The challenging pricing environment weighed on profitability, with gross profit declining by 17% to €75 million (2024: €90 million) and the gross margin decreasing to 19.8% (2024: 21.2%), with the majority of the margin erosion concentrated in the Industrial business.

Steel refractory volumes increased by 1%, while steel revenue declined due to pricing pressure, representing a relative outperformance compared with WSA data which indicates a 4.2% decline in steel output in China in 2025.

Within the refractory market, subdued demand and excess capacity eroded pricing discipline across the industry. Despite these conditions, the Group demonstrated commercial resilience, securing new ladle, ISO, and 4PRO contracts in China, Japan, Indonesia, and Vietnam, partially offsetting softer volumes elsewhere.

The Industrial segment faced headwinds, with sales volumes decreasing by 11% and demand weakened across most end markets, with the Glass business particularly affected by oversupply following a sharp contraction in solar-related project pipelines. This downturn reflects a subdued construction environment, prompting leading cement producers to rationalise capacity. Customers adopted increasingly cost-focused procurement strategies, including bundled bidding and tighter purchasing limits, intensifying competitive pressure.

Despite the challenging market conditions, the Group continued to advance its strategic initiatives, including a new collaboration in the Environment, Energy & Chemicals product category, further expansion of 4PRO contracts and diversification of the Industrial portfolio into adjacent product categories. Sustainability initiatives also advanced, supported by partnerships in Southeast Asia and Japan, with the regional recycling rate increasing to 9.6% in 2025 (2024: 8.2%).

Middle East, Türkiye & Africa

Revenues in the Middle East, Türkiye and Africa region contracted by 11% to €342 million (2024: €384 million), reflecting a 6% reduction in shipped volumes and a 5% decline in average revenue per tonne. This translated into a 21% decrease in gross profit to €78 million (2024: €98 million), with the gross margin compressing to 22.8% (2024: 25.6%).

Steel demand across the region remained weak, with intensified price competition in the refractory market further pressuring performance. Steel refractory volumes declined by 5%, diverging from regional steel production growth of 3.3% reported by WSA, while average revenue per tonne fell due to tender-driven dynamics and heightened competition from Chinese refractory imports. Against this commoditised backdrop, the Group's 4PRO offering gained traction, resonating with customers through its focus on operational efficiency, extended campaign life and sustainability benefits.

The Industrial business revenues remained broadly stable, despite a 7% decline in volumes. Gross margin weakened, primarily due to product mix effects and softer demand in the Glass sector. Cement customers continue to be highly price-sensitive but increasingly sought energy-efficient and

customers continue to be highly price sensitive but increasingly sought energy efficient and decarbonisation solutions integrated into their value chains. Aluminium and Hydrocarbon Processing Industry customers seek technical partnerships and installation support, creating opportunities for RHI Magnesita to differentiate through its 4PRO offering, which combines advanced materials with service and digital tools. Following the Resco acquisition, the Group is actively promoting its leading petrochemical product range in the Middle East and anticipates stronger traction going forward.

Recycling initiatives continued to advance, particularly in Türkiye, positioning circular solutions as a future growth lever. Recycling capabilities are expected to become an increasingly important differentiator in upcoming 4PRO contracts given the comparatively limited capabilities of competitors in the region.

ALTERNATIVE PERFORMANCE MEASURES (APMs)

Definitions of APMs used by the Group are set out below. The purpose and usefulness of each APM and a reconciliation to the nearest IFRS equivalent measure, or a reference to a reconciliation appearing elsewhere in this document. In general, APMs are presented externally to meet investor and analyst requirements for clarity and transparency of the Group's underlying financial performance. APMs are also used internally in the management of the Group's business performance, budgeting and forecasting. APMs are non-IFRS measures which enable investors and other readers to review alternative measurements of financial performance, but they should not be used in isolation from the main financial statements. Commentary within the Annual Report, including the Financial Review, the Consolidated Financial Statements and the accompanying notes, should be referred to in order to fully appreciate all the factors and context affecting the Group's financial performance. Readers are strongly encouraged not to rely on any single financial measure and to carefully review the Group's reporting in its entirety.

Performance APMs

Adjusted EBITDA

Adjusted EBITDA is a key non-IFRS measure that the Executive Management Team (EMT) and Directors use internally to assess the underlying financial performance of the Group and is viewed as relevant to capital intensive industries. The ratio of Net Debt to Adjusted EBITDA is used as a measure of financial gearing.

Adjusted EBITDA is defined as EBIT, as presented in the Consolidated Statement of Profit or Loss, before amortisation, depreciation, and Excluded Items (see definition below).

Pro Forma Adjusted EBITDA

Pro Forma Adjusted EBITDA is used to assess financial gearing and includes a full year of Adjusted EBITDA contribution from businesses acquired during the year.

Adjusted EBITA

Adjusted EBITA is a key non-IFRS measure that the EMT and Directors use internally to assess the underlying performance of the Group.

Adjusted EBITA is determined consistently with Adjusted EBITDA, but includes depreciation expense of property, plant and equipment to reflect the wear and tear cost and future replacement of productive assets.

Adjusted EPS

Adjusted EPS is a key non-IFRS measure and one of the Group's KPIs. Adjusted EPS is used to assess the Group's underlying operational performance, post tax and non-controlling interests on a per share basis.

This measure is based on Adjusted EBITA after finance income and expenses, taxes, share of profit or loss from associates and joint ventures and non-controlling interest. Share of profit or loss from associates and joint ventures is adjusted to exclude impairments and gains or losses recognised on disposals.

Adjusted EPS excludes finance income and expenses and certain foreign exchange effects, that are not directly related to operational performance. This includes the non-cash present value adjustments for the Oberhausen provision.

Taxes are calculated by applying the effective tax rate normalised for restructuring expenses and impairments.

Excluded items

Items that are excluded in arriving at the Group's Adjusted measures of Adjusted EBITA, EBITDA and EPS include:

Other income, other expenses and restructuring expenses as reflected on the Consolidated Statement of Profit or Loss as well as gains and losses within interest income, interest expenses and other net financial expenses that are non-recurring in nature and not reflective of the underlying operational performance of the business. Excluded items include restructuring related provisions, costs in relation to corporate transactions and other non-recurring costs. The tax impacts of the above Excluded Items are also adjusted for.

Cash flow performance measures

Adjusted operating cash flow and Free cash flow

Adjusted operating cash flow is a key non-IFRS measure used by the EMT and the Directors to reflect the operational cash generation capacity of the Group before the cash impacts of Excluded Items (see definition above).

Adjusted operating cash flow is defined as Adjusted EBITDA adjusted for working capital items, changes

in other assets and liabilities and capital expenditure and other non-cash items, such as share based payments. This APM is reconciled to Net Cash flow from operating activities as follows:

€m	2025	2024
Adjusted operating cash flow (APM)	391	419
Capital expenditure ¹	111	145
Income Taxes paid ¹	(54)	(69)
Other income/expenses and restructuring items ¹	(69)	(62)
Net cash flow from operating activities¹	379	433

1. As reflected in the Consolidated Statement of Cash Flows

Free cash flow is determined from the IFRS measures of Net cash flow from operating activities, net cash used in investing activities and net cash (used in)/provided by financing activities and excludes the cash impacts of purchases and disposals of business and subsidiaries, dividends paid to equity shareholders of the Group, share capital transactions with shareholders, proceeds and repayment of borrowings and current borrowings and repayment of leases.

Free cash flow is reconciled to Cash changes in Net debt in the table in the Cash flow and working capital section. Cash changes in Net debt is reconciled to Change in cash and cash equivalents in the Net Debt APM reconciliation.

Balance sheet

Liquidity

Liquidity comprises cash and cash equivalents, short term marketable securities and undrawn committed credit facilities.

€m	2025	2024
Cash and cash equivalents ¹	355	576
Revolving credit facility	600	600
Syndicated term loan	-	200
Liquidity (APM)	955	1,376

1. As reflected in the Consolidated Statement of Financial Position.

Net Debt

Net Debt is the excess of current and non-current borrowings, associated debt derivatives for which hedge accounting is applied and lease liabilities over cash and cash equivalents and short-term marketable securities. The Board uses this measure for the purpose of capital management. A reconciliation of Net Debt is included in Note 33 to the Consolidated Financial Statements.

€m	2025	2024
Cash changes in Net debt	(223)	80
Proceeds from borrowings ¹	346	14
Repayment of borrowings ¹	(287)	(174)
Change in current borrowings ¹	(25)	(41)
Repayment of lease obligations ¹	(17)	(20)
Cash inflow from financial assets ¹	-	11
Change in cash and cash equivalents¹	(207)	(130)

1. As reflected in the Consolidated Statement of Cash Flows

Working capital

Working capital consists of inventories plus trade receivables and other receivables minus trade payables and other payables. Working capital intensity provides a measure of how efficient the Company is in managing operating cash conversion cycles. It is measured as Working capital divided by trailing three-month revenues (annualised) and is expressed as a percentage.

€m	2025	2024
Inventories (Note 21)	932	962
Trade receivables (Note 22)	445	530
Contract assets (Note 22)	6	3
Contract liabilities (Note 31)	(36)	(59)
Accounts receivable	414	474
Trade payables (Note 31)	(577)	(572)
Total working capital	769	865

Return on invested capital (ROIC)

ROIC reflects the annualised return on invested capital of the Group. ROIC is calculated as NOPAT (net operating profit after tax) divided by average invested capital of the year.

€m	2025	2024
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Revenue¹	3,366	3,487
Cost of sales ¹	(2,594)	(2,628)
Selling, General and administrative expenses ¹	(360)	(408)
Research and development expenses ¹	(39)	(45)
Amortisation ¹	(52)	(39)
Income taxes paid²	(54)	(69)
NOPAT	266	299
€m	2025	2024
Goodwill ³	403	342
Intangible assets ³	540	417
Property, plant and equipment ³	1,246	1,285
Investments in joint ventures and associates ³	6	7
Other non-current assets ³	29	76
Deferred tax assets ³	163	152
Inventories ³	932	963
Trade and other receivables ³	576	660
Income tax receivables ³	49	40
Deferred tax liabilities ³	(91)	(64)
Trade and other current liabilities ³	(757)	(843)
Income tax liabilities ³	(29)	(29)
Current provisions ³	(80)	(43)
Adjustment ⁴	(184)	(184)
Invested capital	2,802	2,781
Average invested capital	2,792	2,859
Return on invested capital ⁵	9.5%	10.4%

1. As reflected in the Consolidated Statement of Profit and Loss

2. As reflected in the Consolidated Statement of Cash Flows

3. As reflected in the Consolidated Statement of Financial Position

4. Invested capital figures are excluding the €184million non-cash share from the Dalmira acquisition in India (closed in 2023).

5. NOPAT divided by average invested capital of the year.

GLOSSARY

AGVs	Automated Guided Vehicles
BPI	BPI RHIM LLC - Joint Venture with BPI Inc.
CCM	Caustic calcined magnesia
CCU	Carbon Capture & Utilisation
CIS	Commonwealth of Independent States
CO₂	Carbon dioxide
CoGS	Cost of Goods Sold
CSR	Corporate Sustainability Reporting Directive
DBM	Dead Burned Magnesia
DRI	Direct Reduced Iron
EBIT	Earnings Before Interest and Taxes
EBITA	Earnings Before Interest, Taxes and Amortisation
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortisation
EMT	Executive Management Team
EPS	Earnings Per Share
ERP	Enterprise Resource Planning
EU	European Union
FX	Foreign Exchange
FY	Full year
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IFRS	IFRS Accounting Standards
ISO	International Organisation for Standardisation
KPMG	KPMG Accountants N.V.
kt	Kiloton
LATAM	One of the RHI Magnesita strategic regions: South and Central America
LTIFR	Lost-Time Injury Frequency Rate
LTIP	Long-Term Incentive Plan
M&A	Mergers & Acquisitions
META	One of the RHI Magnesita strategic regions: Middle East, Türkiye and Africa
N.V.	Naamloze Vennootschap (public limited liability)

	company)
NAM	North America
NFM	Non-ferrous metals
NOA	
	Optimisation Americas
NOE	Network Optimisation Europe
NOPAT	Net Operating Profit After Tax
OCF	Operating Cash Flow
OIE	Other Income and Expenses
PPE	Property, Plant & Equipment / Personal Protective Equipment
ppts	Percentage points
Resco	A group of companies carrying out the manufacturing and sale of refractory products in the US, UK and Canada, previously owned by Balmoral Refractories Holdings, Inc.
RFC	Revolving Credit Facility
ROIC	Return On Invested Capital
SG&A	Selling, General and Administrative Expenses
TMS	Transport management system
TRIF	Total Recordable Injury Frequency
UK	United Kingdom
US	United States
Y/y	Year on year
WSA	World Steel Association
WUI	World uncertainty index

Consolidated Financial Statements 2025

Consolidated Statement of Profit or Loss

for the year ended 31 December 2025

in € million	Note	2025	2024 ¹⁾
Revenue	(5)	3,366	3,487
Cost of sales ¹⁾	(5)	(2,594)	(2,628)
Gross profit ¹⁾		772	859
Selling, general & administrative expenses ¹⁾	(9)	(360)	(408)
Research & development expenses ¹⁾	(9)	(39)	(45)
Amortisation of intangible assets ¹⁾	(18)	(52)	(39)
Restructuring	(6)	(44)	(24)
Other income	(7)	24	38
Other expenses	(8)	(78)	(139)
EBIT ²⁾		223	242
Interest income	(11)	15	22
Interest expenses on borrowings		(61)	(61)
Net (expense)/income on foreign exchange effects	(12)	(16)	11
Other net financial expenses	(13)	(33)	(14)
Net finance costs		(95)	(42)
Profit before income tax		128	200
Income tax	(14)	(34)	(46)
Profit after income tax		94	154
RHI Magnesita N.V. shareholders		86	142
Non-controlling interests	(26)	8	12

in €			
Earnings per share - basic	(15)	1.82	3.01
Earnings per share - diluted	(15)	1.77	2.94

- 1) Restated due to an accounting policy change (see Note (1)).
- 2) EBIT is a non-IFRS measure and is defined in Note (37).

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2025

in € million	Note	2025	2024
Profit after income tax		94	154
Currency translation differences			
Unrealised results from currency translation		(195)	(94)
Deferred taxes thereon	(14)	0	17
Reclassification to profit or loss		1	(8)
Cash flow hedges and costs of hedging			
Unrealised fair value changes	(35)	(14)	27
Reclassification to profit or loss		(4)	(18)
Deferred taxes thereon	(14)	3	(2)
Remeasurement of investments in debt instruments			
Unrealised fair value changes		0	(5)
Reclassification to profit or loss		0	5
Items that may be reclassified to profit or loss in later periods		(209)	(78)
Remeasurement of defined benefit plans			
Remeasurement of defined benefit plans	(29)	13	24
Deferred taxes thereon	(14)	(2)	(8)
Items that are not reclassified to profit or loss in later periods		11	16
Other comprehensive (loss)/income after income tax		(198)	(62)
Total comprehensive income		(104)	92
RHI Magnesita N.V. shareholders		(84)	74
Non-controlling interests	(26)	(20)	18

Consolidated Statement of Financial Position

as at 31 December 2025

in € million	Note	31.12.2025	31.12.2024
ASSETS			
Non-current assets			
Goodwill	(17)	403	342
Intangible assets	(18)	540	417
Property, plant and equipment	(19)	1,246	1,285
Investments in joint ventures and associates		6	7
Other financial assets	(34)	36	42
Other assets	(20)	29	76
Deferred tax assets	(14)	163	152
		2,423	2,321
Current assets			
Inventories	(21)	932	962
Trade and other receivables	(22)	576	660
Income tax receivables	(14)	49	40
Other financial assets	(34)	9	17
Cash and cash equivalents	(23)	355	576
Assets held for sale	(19)	4	0
		1,925	2,255
		4,348	4,576
EQUITY AND LIABILITIES			
Equity			
Share capital	(24)	50	50
Group reserves	(25)	975	1,152
Equity attributable to shareholders of RHI Magnesita N.V.		1,025	1,202
Non-controlling interests	(26)	145	170
		1,170	1,372
Non-current liabilities			
Borrowings	(27)	1,362	1,474
Other financial liabilities	(28)	100	112

in € million	Capital	Reserves	Capital	Reserves	Equity	Reserves	Equity
Note	(24)	(25)	(25)	(25)	(25)	(25)	(25)
31.12.2024	50	(108)	361	289	938	12	(86)
Profit after income tax	-	-	-	-	86	-	-
Currency translation differences	-	-	-	-	-	-	-
Cash flow hedges and costs of hedging	-	-	-	-	-	(15)	-
Defined benefit plans	-	-	-	-	-	-	11
Other comprehensive income after income tax	-	-	-	-	-	(15)	11
Total comprehensive income	-	-	-	-	86	(15)	11
Dividends	-	-	-	-	(85)	-	-
Share transfer/vested LTIP	-	5	-	-	(5)	-	-
Other changes ¹⁾	-	-	-	-	(6)	-	-
Share-based payment expenses	-	-	-	-	4	-	-
Hedging gains and losses included in the initial cost of inventory purchased in the reporting period	-	-	-	-	-	4	-
Hedging gains and losses included in goodwill net of taxes	-	-	-	-	-	(10)	-
	-	5	-	-	(92)	(6)	-
31.12.2025	50	(103)	361	289	932	(9)	(75)

1) This mainly relates to the recognition of the financial liability and derecognition of the non-controlling interest related to the acquisition of BPI RHIM LLC.

in € million	Group reserves											
	Share capital	Treasury shares	Additional paid-in capital	Mandatory reserve	Retained earnings	Accumulated other comprehensive income				Equity attributable to shareholders of RHI Magnesita N.V.	Non-controlling interests	
						Cash flow hedges and costs of hedging	Defined benefit plans	Currency translation				
Note	(24)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(25)			(26)
31.12.2023	50	(111)	361	289	872	6	(102)	(163)		1,202	162	1
Profit after income tax	-	-	-	-	142	-	-	-	-	142	12	-
Currency translation differences	-	-	-	-	-	-	-	(91)	-	(91)	6	-
Cash flow hedges and costs of hedging	-	-	-	-	-	7	-	-	-	7	-	-
Defined benefit plans	-	-	-	-	-	-	16	-	-	16	-	-
Other comprehensive income after income tax	-	-	-	-	-	7	16	(91)	-	(68)	6	-
Total comprehensive income	-	-	-	-	142	7	16	(91)	-	74	18	-
Dividends	-	-	-	-	(87)	-	-	-	-	(87)	(3)	-
Share transfer/vested LTIP	-	3	-	-	(3)	-	-	-	-	-	-	-
Other changes ¹⁾	-	-	-	-	5	-	-	-	-	5	(7)	-
Share-based payment expenses	-	-	-	-	9	-	-	-	-	9	-	-
Hedging gains and losses included in the initial cost of inventory purchased in the reporting period	-	-	-	-	-	(1)	-	-	-	(1)	-	-
	-	3	-	-	(76)	(1)	-	-	-	(74)	(10)	-
31.12.2024	50	(108)	361	289	938	12	(86)	(254)		1,202	170	1

1) This mainly comprises the effects of the acquisition of non-controlling interests of Seven Refractories' Group and P-D-Refractories as well as the final adjustments to the purchase price allocations of Seven Refractories' Group and P-D Refractories, both completed in 2024.

Notes to the Consolidated Financial Statements 2025

1. Authorisation of Consolidated Financial Statements and Statement of Compliance with the IFRS Accounting Standards

The Consolidated Financial Statements of RHI Magnesita N.V. and its subsidiaries (collectively referred to as "RHI Magnesita" or "the Group") for the year ended 31 December 2025 were approved and authorised for issue by the Board of Directors on 1 March 2026 and will be submitted for adoption to the Annual General Meeting ("AGM") in May 2026. RHI Magnesita is a public limited company incorporated under the laws of the Netherlands (naamloze vennootschap), having its official seat (statutaire zetel) in Arnhem, the Netherlands, and its office at Kranichberggasse 6, 1120 Vienna, Austria. It is registered with the Dutch Trade Register under number 68991665 and listed on the London Stock Exchange, with a secondary listing on the Vienna Stock Exchange (Wiener Börse).

The Group is a global industrial group whose core activities include the development and production, sale, installation and maintenance of high-grade refractory products and systems used in industrial high-temperature processes exceeding 1,200°C.

Basis for preparation

The Consolidated Financial Statements of the Group have been prepared in accordance with IFRS Accounting Standards as adopted by the European Union. The Consolidated Financial Statements also comply with the financial reporting requirements included in Title 9 of Book 2 of the Dutch Civil Code.

The accounting policies that follow have been consistently applied to all years presented, except where otherwise indicated. With the exception of specific items such as derivative financial instruments, plan assets for defined benefit obligations, financial assets measured at Fair Value through Profit or Loss or Other Comprehensive Income and financial liabilities measured at Fair Value through Profit or Loss, the Consolidated Financial Statements are prepared on a historical cost basis.

Certain comparative figures in the Consolidated Financial Statements and accompanying Notes have been revised to conform to the current year presentation as a result of changing the accounting policies with regards to the composition of certain line items in the Consolidated Statement of Profit or Loss. Management believes that the following changes provide more useful information since the revised presentation has been aligned with the internal presentation for performance monitoring purposes:

- Amortisation of intangible assets is presented in a separate line item in the Consolidated Statement of Profit or Loss. Previously, amortisation was included in three line items, being cost of sales, selling and marketing expenses as well as general and administrative expenses, based on the internal allocation of amortisation to the functional expense categories. As a result, gross profit for the comparative period increased by €11 million, while selling, general and administrative expenses and cost of sales for the comparative period decreased by €28 million, respectively €11 million, resulting in an amortisation of intangible assets of €39 million for the comparative period.
- Presentation of selling, general and administrative expenses as a new line item in the Consolidated Statement of Profit or Loss. This line item combines the previous line items selling and marketing expenses as well as general and administrative expenses.
- Research and development expenses are presented in a separate line item in the Consolidated Statement of Profit or Loss. Previously, they were included in the former line item general and administrative expenses.

In addition, the Group underwent a reassessment of its operating segments which also led to changes in the composition and number of RHI Magnesita's cash generating units for impairment testing of property, plant and equipment, intangible assets and goodwill. These changes are described in more detail in Notes (3), (5) and (17).

The financial year of RHI Magnesita N.V. and the Group corresponds to the calendar year. Subsidiaries with a financial year different to the Group, due to local legal requirements, provide financial information to allow consolidation consistent with the Group's financial year. The Consolidated Financial Statements are presented in Euros, and all values are rounded to the nearest € million, except where otherwise indicated. The Group has availed of the exemption provided by section 264 paragraph 3 HGB of the German Commercial Code for the following entities: RHI Magnesita Sales Germany GmbH (Wiesbaden), RHI Refractories Site Services GmbH (Wiesbaden), RHI Magnesita Deutschland AG (Wiesbaden), RHI Magnesita Wetrot GmbH (Puschwitz) and RHI Magnesita Bochum GmbH (Bochum). According to this provision, the mentioned companies are exempt from preparing statutory financial statements, where required by the German Commercial Code, since they are included in the Consolidated Financial Statements of the Group. Furthermore, the exemption pursuant to section 264b HGB has been applied for RHI Urmitz AG & Co. KG (Mülheim-Kärlich).

Basis of consolidation

The Consolidated Financial Statements consolidate the Financial Statements of RHI Magnesita N.V. and its subsidiaries. Subsidiaries are consolidated from the date on which the Group obtains control, including when control is obtained via potential voting rights, and continue to be consolidated until the date that control ceases.

The financial information of subsidiaries is prepared for the same reporting year as the parent company, using consistent accounting policies. When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in the Consolidated Statement of Profit or Loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in Other Comprehensive Income (OCI) in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This treatment may mean that amounts previously recognised in OCI are recycled through the Statement of Profit or Loss. Intercompany balances and transactions, including unrealised profits arising from intragroup transactions, are eliminated in full. Unrealised losses are eliminated in the same way as unrealised gains except that they are only eliminated to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in subsidiaries that is not attributable, directly or indirectly, to the shareholders of RHI Magnesita N.V..

Please refer to the Company Financial Statements of RHI Magnesita N.V. for a list of the Company's subsidiaries, joint ventures and associates in which it holds more than 20%. Please refer to page 310 for more detail.

Going concern

In considering the appropriateness of adopting the going concern basis in preparing the Consolidated Financial

Statements, the Directors have assessed the potential cash generation of the Group and considered downside scenarios that model different degrees of potential economic downturn, using the same model performed for the viability assessment. This assessment covers at least 12 months from the date of approval of the Consolidated Financial Statements.

The scenarios considered by the Directors include a severe but plausible downside and a reverse stress test which determines the level of EBITDA that could breach the debt covenant of the Group's principal borrowing facilities. Mitigating actions within management control which would be undertaken in the downside and reverse scenarios, include but not limited to: reduce fixed costs and selling, general and administrative expenses, reduction of working capital and capital expenditure, seeking a debt covenant waiver and reducing or cancelling the dividend, but these were not incorporated in the downside modelling.

The Directors have also considered the Group's current liquidity, available facilities and debt covenant coverage. As of 31 December 2025, the Consolidated Statement of Financial Position reflects cash and cash equivalents of €355 million (2024: €576 million). In addition, the Group has access to a €600 million (2024: €600 million) Revolving Credit Facility (RCF), which is currently undrawn and not relied upon for the purpose of the going concern assessment. In 2025 and the previous reporting period, the Group complied with the debt covenant of the Group's principal borrowing facilities (refer to Notes (27) and (37)).

In the scenarios assessed and taking into account liquidity, available resources and before the inclusion of all mitigating actions, the Directors consider it is appropriate to continue to adopt the going concern basis in preparing the Consolidated Financial Statements for the period ended 31 December 2025.

2. Impact of new financial reporting standards and interpretations

Management has assessed the impact of new or amended IFRS Accounting Standards as adopted by the European Union effective on or after 1 January 2025. Management assessed that the application of these has not had a material impact on the Consolidated Financial Statements for 2025.

Furthermore, management has assessed the impact of new or amended IFRS Accounting Standards issued by the IASB that have not yet become effective. No new or amended IFRS Accounting Standards have been adopted early. Except for IFRS 18, the potential impact of which is currently being assessed, management does not anticipate any significant impact on the Consolidated Financial Statements in the period of initial application after the adoption of these amendments.

IFRS 18 'Presentation and Disclosure of Financial Statements' was published in April 2024 with the aim to enhance comparability of financial statements. The key changes introduced by IFRS 18 relate to the structure of the Consolidated Statement of Profit or Loss, disclosures related to management-defined performance measures ("MPMs"), aggregation and disaggregation of items in the primary financial statements as well as information disclosed in the Notes and minor changes in the Consolidated Statement of Cash Flows. IFRS 18 will replace existing guidance in IAS 1 'Presentation of Financial Statements' and some of the guidance in IAS 7 'Statement of Cash Flows'. IFRS 18 becomes effective for financial years beginning on or after January 1, 2027. The European Commission has already endorsed IFRS 18 for use in the EU. Management does not intend to early adopt IFRS 18.

IFRS 18 introduces a defined structure for the Consolidated Statement of Profit or Loss including five categories, namely operating, investing, financing, income tax and discontinued operations. Entities are required to classify their expenses and income to these categories mainly based on the main business activities and additional guidance provided by IFRS 18. In addition, according to IFRS 18 two subtotals must be presented on the face of the Consolidated Statement of Profit or Loss after the first two categories (i.e. operating profit or loss and profit or loss before financing and income tax).

IFRS 18 stipulates new disclosure requirements related to alternative performance measures that meet the definition of MPMs according to IFRS 18. According to the new guidance, disclosures related to MPMs include, but are not limited to, a reconciliation from the MPMs to the most directly comparable IFRS 18 specific subtotal or total presented in the Consolidated Statement of Profit or Loss and Consolidated Cash Flow Statement; these need to be disclosed in a single note within the Notes.

A review of the impact of IFRS 18 is being undertaken, and the impact of adopting the new IFRS accounting standard will be determined once this review has been completed. In particular, the classification of expenses and income to the five categories and the introduction of (new) subtotals requires an assessment at general ledger account level per legal entity. In addition, the impact of the MPM related disclosures requires an assessment of which of the Group's alternative performance measures meet the definition of MPMs according to IFRS 18 and how the information to be disclosed for both profit or loss as well as cash flow related MPMs can be obtained. Therefore, the impact of adopting IFRS 18 cannot be reliably estimated until this work is substantially complete.

3. Significant accounting policies, judgements and estimates

Business combinations

Business combinations are accounted for using the acquisition method. The identifiable assets acquired, and liabilities assumed, including any contingent consideration, are recognised at their fair values at the acquisition date. The amount of the purchase consideration and value of non-controlling interest on acquisition, if any, above the fair value of assets and liabilities is recognised as goodwill. A bargain purchase gain, if any, is recognised within other income immediately. Transaction costs related to a business combination are expensed as incurred. The acquisition of a non-controlling interest in a subsidiary and the sale of an interest are accounted for as transactions within equity unless they result in the loss of control. Sales of interests accounted for as equity transactions also include share issues in subsidiaries which dilute RHI Magnesita N.V.'s share in the subsidiary's net assets and where the dilution does not result in the loss of control. The difference between the purchase consideration or sale proceeds after tax and the relevant proportion of the non-controlling interest, measured by reference to the carrying amount of the interest's net assets at the date of acquisition or sale, is recognised in retained earnings as a movement in equity attributable to the shareholders of RHI Magnesita N.V..

Where the Group acquires less than 100% of shares in a business combination, there is an accounting policy choice whereby non-controlling interest is either reflected at the proportionate share of the acquired identifiable net assets (excluding goodwill) or at fair value. This accounting policy choice can be exercised individually for each acquisition. If a non-wholly owned subsidiary of RHI Magnesita N.V. is the deemed acquirer in a business combination, goodwill is measured either as the excess of the full consideration transferred plus non-controlling interests, if any, over the acquired identifiable net assets or as the excess of RHI Magnesita N.V.'s share in the consideration transferred plus non-controlling interests, if any, over the acquired identifiable net assets. This accounting policy choice can be exercised individually for each acquisition too. For business combinations achieved in stages, the Group's previously held equity interest is remeasured to fair value at the acquisition date. Any gains and losses arising from such remeasurement are recognised in profit or loss.

Net assets of subsidiaries not attributable to the shareholders of RHI Magnesita N.V. are shown separately in equity as non-controlling interests.

As part of a business acquisition or subsequently, the Group may enter into agreements with non-controlling interests in the form of a call option, a put option or a forward contract to acquire the outstanding shares. A call option provides the Group with the right to acquire the outstanding shares not already owned, while a written put option allows the non-controlling interest to sell their shares to the Group. A forward contract creates a commitment for the Group to purchase and for the non-controlling interest to sell the outstanding shares at a later date. The option or forward price may be based on an earnings multiple such as EBITDA subject to contractual limits, if any, or may be fixed and exercisable at a future date. A financial liability is recognised on the written put option or forward contract at the present value of the estimated redemption amount. Where the option is assessed to result in the non-controlling interest transferring the

estimated redemption amount, where the option is assessed to result in the non-controlling interest transferring the risks and rewards of ownership to the Group, on acquisition, the financial liability forms part of the purchase consideration with no value assigned to non-controlling interests. For fixed price call and put options or fixed price forward contracts, the risks and rewards of ownership relating to the outstanding shares are assumed to have transferred to the Group. Whereas variable price call and put options or variable price forward contracts, for which the price equals fair value and where the legal owner of the outstanding shares retains voting and dividend rights, the risks and rewards of ownership are assumed to remain with the legal owner of the outstanding shares.

Where the risks and rewards of ownership under the option or forward contract are not transferred to the Group, the financial liability is not considered as part of the purchase consideration and a non-controlling interest is recognised on acquisition. The financial liability is initially recognised against equity attributable to shareholders of RHI Magnesita N.V.. Subsequently, the Group derecognises the non-controlling interest, to the extent that it is equal or less than the financial liability, against equity attributable to shareholders of RHI Magnesita N.V..

The subsequent measurement of the financial liability is conditional on the nature of the underlying cash consideration. If the option or forward contract will be settled at a fixed cash consideration, the financial liability is subsequently measured at amortised cost. If the option or forward contract will be settled at a variable cash consideration (e.g. EBITDA multiple or similar profit or loss measures) the financial liability is subsequently measured at Fair Value through Profit or Loss. Fair value changes resulting from the remeasurement of the financial liability are presented within other net financial expenses.

If a financial liability is recognised for an option or a forward contract over outstanding shares, dividends paid to non-controlling interest are presented as an expense within other net financial expenses unless there is a contractual right to reduce the financial liability. Dividend payments to non-controlling interest without such a financial liability reduce the non-controlling interests presented in equity without impacting the Consolidated Statement of Profit or Loss.

Significant estimate: Measurement of assets acquired and liabilities assumed in business combinations

Estimates relating to the calculation of fair values of acquired assets, liabilities and contingent liabilities are required within the context of business combinations disclosed in Note (40). Where intangible assets are identified, estimates are necessary for the determination of fair values by means of discounted cash flows, including the duration, amount of future cash flows, and discount rate. Fair values of physical assets are estimated with reference to comparable assets in the market. When making estimates in the context of purchase price allocations on major acquisitions, the Group consults with independent experts who accompany the execution of the discretionary decisions and record this in appraisal documents. The Group has a period of one year from the date of control of the acquired businesses to update initial fair value estimates.

Significant judgement: Recognition of non-controlling interest of BPI RHIM LLC

The acquisition of BPI RHIM LLC includes a call and a put option over the outstanding shares (49%), see Note (40). The Group has concluded, based on the terms and pricing of the call and the put option, that the risks and rewards of ownership associated with the outstanding shares have not been transferred to the Group. Therefore, the financial liability was not considered as part of the purchase consideration, and a non-controlling interest was recognised on acquisition. The financial liability arising from the put option has been recognised in accordance with the Group's accounting policy related to fixed-term or puttable non-controlling interests. Being that the financial liability was initially recognised against equity attributable to shareholders of RHI Magnesita N.V., while the said non-controlling interests were derecognised to zero - also against equity attributable to shareholders of RHI Magnesita N.V..

Significant judgement: Control over Horn & Co Minerals Recovery and BPI RHIM LLC

At the end of the reporting period, the Group holds a 55.0% interest in Horn & Co Minerals Recovery ("Mireco") and a 51.0% interest in BPI RHIM LLC. The Group assessed its respective shareholding rights and power to control in terms of the purchase agreements, founding documents of both businesses and relevant corporate laws. Based on this assessment, the Group determined that it controls Mireco as well as BPI RHIM LLC and consolidated them from the respective date of control. The Group exercises control over Mireco and BPI RHIM LLC as it has the power to steer the relevant activities of the businesses and can use this power to affect the variable returns that it is exposed to. In determining that the Group controls both businesses, judgement is applied which takes into account the Group's voting rights, management representation, the governance structure of both businesses as well as the activities that can be unilaterally directed by RHIM without the consent of the non-controlling shareholders. Control is achieved above all through the Group's voting rights and the resulting influence on directing the relevant activities of these businesses.

Goodwill and intangible assets

Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of a subsidiary at the date of acquisition. Goodwill is initially recognised at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill recognised as an asset is reviewed for impairment at least annually.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Intangible assets

Mining rights

Mining rights arise from business acquisitions and are generally amortised based on the depletion of the related mines. Depletion is calculated based on the volume mined in the period in proportion to the total estimated economically viable volume. In exceptional cases, mining rights are amortised on a straight-line basis over their expected useful lives.

Customer relationships

Customer relationships arise from business acquisitions and are measured at assigned fair values on acquisition, less accumulated amortisation and impairments. These intangibles are amortised on a straight-line basis over their expected useful lives.

Trade names

Trade names arise from business acquisitions and are measured at assigned fair values on acquisition, less accumulated amortisation and impairments. These intangibles are amortised on a straight-line basis over their expected useful lives.

Internally generated intangible assets

Research costs are expensed in the year incurred and presented within research and development expenses. Development costs, including internally developed software controlled by the Group, are only capitalised as internally generated intangible assets if the costs can be measured reliably and are expected to result in future economic benefits either through use or sale. Capitalisation will also only arise when the product or process development can be clearly defined and is feasible in technical, economic and capacity terms. For internally developed software controlled by the Group, costs are capitalised when these can be directly and conclusively allocated to individual programmes and represent new software or a significant extension or improvement on existing software. All other internally developed

software costs are expensed. Development costs are amortised on a straight-line basis over their expected useful lives of up to ten years, with internally developed software amortised over a period of up to four years. Amortisation is presented in a separate line item which includes amortisation of purchased intangible assets in addition to amortisation of internally generated intangible assets.

Other intangible assets

These mainly represent purchased third-party software controlled by the Group, land-use rights and patent fees and are recognised when future associated economic benefits are expected to accrue to the Group. These intangibles are initially measured at their acquisition cost and amortised over their expected useful lives.

Where the Group does not have control of cloud-based third-party software, the configuration and customisation costs as well as the recurring service subscription fee are typically expensed in the reporting period the services are received.

The useful lives of the Group's main classes of intangible assets are:

Customer relationships	6 to 20 years
Trade names	20 years
Internally generated intangible assets	4 to 10 years
Other intangible assets	3 to 65 years

The useful economic lives of intangible assets are reviewed regularly and adjusted if necessary.

The carrying values of intangible assets are assessed at each reporting period for indicators of impairments. See below for the accounting policy relating to impairment of non-current assets other than goodwill.

Property, plant and equipment

Property, plant and equipment is measured at acquisition or construction cost, less accumulated depreciation and accumulated impairment losses. These assets are depreciated on a straight-line basis over their expected useful life to their estimated residual values, if any, and from when they are available for use in the manner intended by management.

Construction costs of assets comprise direct costs as well as a proportionate share of capitalisable overhead costs and borrowing costs. If borrowed funds are directly attributable to an investment, borrowing costs are capitalised as a cost of the assets. If no direct connection between an investment and borrowed funds can be demonstrated, the weighted average rate on borrowed capital of the Group amounting to 3.31% (2024: 2.95%) is used as the capitalisation rate due to the central funding of the Group.

Expected demolition and disposal costs at the end of an asset's useful life are capitalised as part of its acquisition cost and recorded as a provision. The recognition criteria are: (i) a legal or constructive obligation towards a third-party and (ii) the ability to reliably estimate future cost.

Land and plant under construction are not depreciated. Depreciation of property, plant and equipment is based on the following useful lives:

Real estate and buildings	5 to 60 years
Technical equipment and machinery	3 to 63 years
Other plant, office equipment, furniture and fixtures	3 to 35 years

The carrying value of property, plant and equipment is assessed at each reporting period for indicators of impairments. See below for accounting policy relating to impairment of non-current assets other than goodwill.

The residual values and economic useful lives of property, plant and equipment, are reviewed regularly and adjusted if necessary.

When components of plant or equipment have to be replaced at regular intervals, the relevant replacement costs are capitalised when economic benefits are expected to arise for the Group. The carrying amount of the replaced components is derecognised. Regular maintenance and repair costs are expensed as incurred.

Gains or losses from the disposal of property, plant and equipment, which result from the difference between the net realisable value and the carrying amount, are recognised as income or expense in the Consolidated Statement of Profit or Loss.

Significant estimate: Useful lives of property, plant and equipment and intangible assets

Management uses its experience to estimate the remaining useful life of an asset. The actual useful life of an asset may be impacted by an unexpected event that may result in an adjustment to the carrying amount of the asset. No such events are expected to arise which would have a material impact on carrying values within 12 months from the reporting date.

Leases

A contract, or part of a contract, which conveys the right to control the use of an identified asset for a period of time in exchange for payments to be made to the owners (lessors) is accounted for as a lease. Contracts are assessed to determine whether it is or contains, a lease at inception or when the terms and conditions of a contract are significantly changed. The lease term is the non-cancellable period of a lease, together with contractual options to extend or to terminate the lease early, where it is reasonably certain that an extension option will be exercised, or a termination option will not be exercised. At the commencement of a lease contract, a right-of-use asset and a corresponding lease liability are recognised, except for low-value items or for lease terms of less than 12 months. The commencement date of a lease is the date on which the underlying asset is made available for use. The lease liability is measured at an amount equal to the present value of the lease payments during the lease term that are not paid at that date. The lease liability includes contingent rentals and variable lease payments that depend on an index, rate, or where they are fixed payments in substance.

The lease liability is remeasured when the contractual cash flows of variable lease payments change due to a change in an index or rate when the lease term changes following a reassessment. Lease payments are discounted using the interest rate implicit in the lease. If that rate is not readily available, the incremental borrowing rate is applied. The incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow over a similar term and similar security, the funds necessary to obtain an asset of a similar nature and value to the right-of-use asset in a similar economic environment.

In general, a corresponding right-of-use asset is recognised for an amount equal to each lease liability, adjusted by the amount of any pre-paid lease payment relating to the specific lease contract, less any lease incentives, and for any estimated restoration and removal costs. Right of use assets are depreciated on a straight-line basis over the useful life of the leased asset or, if this is shorter, over the lease term. The depreciation on right-of-use assets is recognised in the Consolidated Statement of Profit or Loss. Right-of-use assets are assessed for impairment indicators (see accounting policy on impairment of non-current assets).

Impairment of goodwill, property, plant and equipment and intangible assets

Goodwill

Goodwill is reviewed at least annually for impairment. Any impairment loss is recognised as an expense immediately. For the purpose of impairment testing, goodwill is allocated to the individual Cash-Generating Units (CGUs) expected to benefit from the business combination. If the recoverable amount of the CGU is less than the carrying amount of the CGU (including goodwill) allocated to it, the resulting impairment loss is applied first to the allocated goodwill and then to the other assets on a pro-rata basis of the carrying amount of each asset. Reversals of impairment losses on goodwill are not permitted.

Property, plant and equipment and intangible assets

Property, plant and equipment, including right-of-use assets and intangible assets are tested for impairment if there is any indication that the value of these items may be impaired. An asset is considered to be impaired if its recoverable amount is less than its carrying amount. In the Group, individual assets do not generate cash inflows independent of one another, and assets are combined in CGUs, which largely generate independent cash inflows. In the reporting period, the composition and number of RHIM's CGUs changed due to the reassessment of its operating segments. The impact from transitioning from a customer industry-based CGU structure to a regional CGU structure is described in Note (17).

Significant judgement: Identification of impairment indicators related to individual items of property, plant and equipment or intangible assets

Management reviewed individual items of property, plant and equipment or intangible assets for indicators of impairment. These indicators included both external factors affecting the recoverable amounts, such as laws and regulations in specific countries and global and local economic conditions and internal factors, including but not limited to, useful lives of items of property, plant and equipment or intangible assets, major breakdowns or decisions to divest from certain businesses or abandon investment projects. Based on the impairment indicator review, certain impairment indicators were identified in the reporting period that led to immaterial impairment losses at the level of individual items of property, plant and equipment or intangible assets. Refer to Notes (6), (8), (18) and (19) for details.

Significant judgement: Determination of CGUs

Management determines its cash generating units at operating segment level whereby each CGU comprises a group of assets representing the capacity of multiple production plants needed to meet the customer demand of the respective operating segment. The combination of multiple production plants to a single CGU per operating segment is mainly based on the possibilities of producing similar types of refractory products in multiple production plants facilitating revenue substitution between production plants, the similarities in the production process of the different types of refractory products and the fact that the closure of individual production plants does not lead to customer 'leakage'.

The recoverable amount of a CGU is defined as the higher of its fair value less costs of disposal and its value in use (present value of future cash flows). For the purpose of testing CGUs for impairment the Group determines the recoverable amount of the CGUs solely on the basis of value in use. In assessing value in use, the estimated future cash flows of the CGU in its present condition are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks, including country, specific to the CGU.

The cash flows projections used for impairment testing are based on the strategic business and financial planning model of the Group including the 2026 Budget, as approved by the Board, and the Long-Term Plan covering a subsequently following four-year period. The terminal value is based on a growth rate derived from the difference of the current and the possible degree of utilisation of the assets. To forecast the CGUs' cash flows, management predicts the growth rate using external sources for the development of the sales regions and expert assumptions, including forecasts about the regional growth of steel production and the output of Industrial clients. Growth rates are also influenced by the development of the specific refractory consumption patterns, including technological improvements.

If the carrying amount is higher than the recoverable amount, an impairment loss equivalent to the resulting difference is recognised in the Consolidated Statement of Profit or Loss. If the reason for an impairment loss recognised in the past for property, plant and equipment or for intangible assets ceases to exist, a reversal of the impairment is recognised in profit or loss. An impairment loss is reversed only to the extent that the CGUs' 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 in prior years.

Significant estimate: Determination of recoverable amounts of CGUs which include goodwill

Management makes use of various estimates and assumptions in determining the cash flow forecasts used to determine the value in use of CGUs to which goodwill is allocated for the annual impairment test. Key assumptions include discount rates used to discount cash flows, the perpetual annuity growth rate, projected revenue and projected EBIT margin of the associated CGU. Changes in these key assumptions may change the headroom or result in impairment losses. For further details on impairment tests for CGUs which include goodwill, refer to Note (17).

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. In general, financial instruments can be classified to be measured subsequently at amortised cost, fair value through profit or loss or fair value through other comprehensive income. Classification of financial assets depends on the contractual terms of the cash flows as well as on the entity's business model for managing the financial assets. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Financial assets are classified as amortised cost if the contractual cash flows include solely payments of principal and interest and which are held in order to collect the contractual cash flows. If the contractual cash flows include solely payments of principal and interest, but are held to collect both the contractual cash flows and sell the financial asset, then they are classified as fair value through other comprehensive income. If the contractual cash flows do not solely include payments of principal and interest, then they are classified as fair value through profit or loss.

The Group initially recognises securities on the trading date when it becomes a party to the contractual provisions of the instruments. All other financial assets and financial liabilities are initially recognised on the date when they are originated. Financial instruments, except for trade receivables, are initially recognised at fair value. Financial assets are derecognised if the entity transfers substantially all the risks and rewards or if the entity neither transfers nor retains substantially all the risks and rewards and has not retained control. Financial liabilities are derecognised when the contractual obligations are settled, withdrawn or have expired.

Investments in debt securities are subsequently measured at fair value through profit and loss if the contractual terms of cash flows do not solely include payments of principal and interest. Otherwise, they are subsequently carried at amortised cost.

Investments in equity securities, including non-consolidated subsidiaries, are of minor importance and recognised and measured either at fair value through profit or loss, or at fair value through OCI, if the latter option was exercised.

measured either at fair value through profit or loss, or at fair value through OCI, if the latter option was exercised.

Financial assets at amortised costs are measured by applying the effective interest method.

Trade and other current receivables

Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value and, depending on the business model, subsequently carried either at amortised cost minus any valuation allowances or at fair value through other comprehensive income minus any valuation allowances for expected or incurred credit losses. Irrespective of the measurement category, any impairment losses are recognised in the Consolidated Statement of Profit or Loss. Valuation allowances for expected credit losses are calculated in accordance with the simplified approach of the impairment model for financial instruments (see accounting policy on impairment of financial assets below).

The Group sells trade receivables to financial institutions in the scope of factoring arrangements on a recurring basis based on its liquidity needs. Prospectively, the extent and the specific trade receivables impacted by future sales cannot be identified. Therefore, trade receivables which qualify for a future sale under the terms of existing factoring agreements are allocated to a portfolio whose objective is collecting the contractual cash flows and selling them. These trade receivables are carried at fair value through other comprehensive income minus any valuation allowances. Whereas trade receivables which do not qualify for a future sale under the terms of existing factoring agreements are allocated to a portfolio whose only objective is to collect the contractual cash flows and are therefore carried at amortised cost minus any valuation allowances.

In factoring arrangements, trade receivables are derecognised where the Group transfers substantially all the risks and rewards associated with the financial assets. Payments received from customers following the sale are recognised in current borrowings until repaid to the factorer.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, cheques received, cash at banks and short-term cash deposits with an original term of up to three months. Moreover, investments in money market funds exposed to insignificant value fluctuations due to their high credit rating and investments in short-term money market instruments that can be converted to defined cash amounts within a few days at any time, are also reflected as cash equivalents.

Borrowings

Financial liabilities include liabilities to financial institutions and other lenders and are measured at fair value less directly attributable transaction costs at initial recognition. In subsequent periods, these liabilities are measured at amortised cost applying the effective interest rate method.

A financial liability is derecognised when the obligation under the liability is discharged (by payment or legal release), cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. The difference in the respective carrying amounts is subsequently recognised in the Consolidated Statement of Profit or Loss, including any costs or fees.

Trade payables and other liabilities

These liabilities are initially recognised at fair value and subsequently measured at amortised cost.

The Group enables selected suppliers to participate in a variety of supplier finance arrangements which include a forfaiting arrangement, an arrangement with a payment service provider and reverse factoring arrangements. The forfaiting and reverse factoring arrangements give suppliers the option to receive early payment by selling either bills of exchange referring to supplier invoices or trade receivables to a financial institution at a discount. The Group then settles the liability to the financial institution at a later date in accordance with the payment terms agreed with the financial institution. Under the arrangement with a payment service provider, invoices from suppliers are paid by the payment service provider on behalf of RHIM on the original due date. The Group then settles the liability to the payment service provider at a later date in accordance with the payment terms agreed with the payment service provider. The liabilities subject to all supplier finance arrangements continue to be presented within trade payables and other liabilities. The settlement of these liabilities is classified as cash outflow from operating activities, except for any interest paid, which is presented within the cash flow from financing activities. This accounting policy is based on an analysis of the terms and conditions of each supplier finance arrangement and an assessment of whether the following criteria are met: the payables subject to the respective supplier finance arrangement represent liabilities to pay for goods or services, are invoiced or formally agreed with the supplier and are part of the working capital used in the Group's normal operating cycle. Management has determined that these criteria are met for all supplier finance arrangements.

Significant judgement: Supplier finance arrangements

In assessing to what extent supplier finance arrangements can be presented within trade payables and other liabilities, the Group has to make certain judgements as to whether the payables subject to supplier finance arrangements are deemed to be part of the working capital used in the Group's normal operating cycle. Also, the Group has in this context to assess the impact of additional securities being provided and/or the significance of the differences in payment terms between the trade payables that are or are not part of the supplier finance arrangements within the Group.

Derivative financial instruments and hedging activities

Derivative financial instruments not designated as hedges

Derivative contracts are used in the management of interest rate risk, commodity price risk and foreign currency risk. These derivative financial instruments, which are not designated in an effective hedging relationship, are recognised initially at fair value on the date on which a derivative contract is entered into and subsequently remeasured at fair value with changes in fair value reflected in the Consolidated Statement of Profit or Loss. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Derivative financial instruments include forward exchange contracts and embedded derivatives in open orders denominated in a currency other than the functional currency of either contracting party, with the assessment made on a case-by-case basis at the respective forward rate on the reporting date. These forward rates are based on spot rates, including forward premiums and discounts. Unrealised valuation gains or losses and results from the realisation are recognised in the Consolidated Statement of Profit or Loss in net expense on foreign currency effects.

Forward purchase or sale arrangements for the physical delivery of non-financial assets that are entered into in line with the Group's expected purchase, sale or usage requirements ('own use') and are normally entered into to hedge the associated price risk are not recognised or measured at fair value. These forward contracts are assessed to be off-balance-sheet executory contracts due to their own use features. If the own use exemption is not met, the forward contracts will be recognised at fair value, with fair value remeasurement recorded in the Consolidated Statement of Profit or Loss.

Due to the reduction of free CO₂ emission certificates and the expected increase in CO₂ market prices, the Group

Due to the reduction of net CO₂ emission estimates and the expected increase in CO₂ market prices, the Group hedges the associated price risk by entering into forward purchase contracts for the delivery of CO₂ emission certificates. Derivative financial instruments also include these contracts, since the own use exemption is not applicable.

Significant judgement: Own use exemption on gas and power forward purchase contracts

The Group enters into fixed price and quantity forward gas and power contracts to secure the supply for its production process and reduce price volatility. The own use exemption does not require fair value recognition and measurement of the forward purchases and thus volatility in the Consolidated Statement of Profit or Loss can be avoided. The own use exemption requires contracts to be entered into and continued to be held for delivery and usage requirements of the Group. The Group settles most of these forward contracts through physical delivery and does not expect to sell any (unexpected) surplus quantities of either gas or power. Management have judged that these forward purchases based on current and expected future requirements satisfy the own use exemption and have not applied fair value recognition and measurement. However, if surplus quantities of either gas or power are expected to be sold, the corresponding forward contracts are accounted for as derivative financial instruments whose changes in fair value are recognised in the Consolidated Statement of Profit and Loss.

Derivative financial instruments designated as cash flow hedges

For derivative financial instruments which are designated as an effective cash flow hedge, hedge accounting is applied. The hedging instruments, used to hedge the underlying items, are measured at fair value with the effective part of the fair value changes recorded in OCI as an unrealised gain or loss. At the time of the realisation of the underlying transaction, the fair value changes of the hedging instrument recognised in OCI is recycled to the Consolidated Statement of Profit or Loss. Ineffective parts of the cash flow hedges are recognised immediately in the Consolidated Statement of Profit or Loss. Where the hedged item is a non-financial asset or liability, the amount accumulated in OCI is transferred to the initial carrying amount of the asset or liability. If the hedged transaction is no longer expected to take place, the accumulated amount recorded in OCI is reclassified to the Consolidated Statement of Profit or Loss. All relationships between hedging instruments and hedged items are documented, as well as risk management objectives and strategies for undertaking hedge transactions. The effectiveness of hedges is also continually assessed, and hedge accounting is discontinued when there is a change in the risk management strategy.

Impairment of financial assets

Impairment of certain financial assets is based on expected credit losses (ECL). ECL is defined as the difference between all contractual cash flows the entity is entitled under the contract and the cash flows expected to be received. The measurement of expected credit losses is generally a function of the probability of default, loss given default and the exposure at default.

Loss allowance is measured for expected credit losses on debt instruments, trade receivables and contract assets measured at amortised cost. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group recognises lifetime ECL for trade receivables and contract assets by applying the simplified approach. The ECL on these financial assets are generally estimated using a provision matrix based on the Group's historical credit loss experience for customer groups located in different geographic regions. Forward-looking information is incorporated in the determination of the applicable loss rates for trade receivables. For the Group, the general economic development of the countries in which it sells its goods and services is relevant in determining if the adjustment of the historical loss rates is necessary.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The Group makes use of the practical expedient for financial instruments with an 'investment grade' rating which are assumed to be of low credit risk and have no significant increase in the credit risk. Under the practical expedient, the expected credit loss is calculated using the 12-month ECL. Among other factors, the Group considers a significant increase in credit risk to have taken place when contractual payments are more than 30 days past due.

The Group assumes that a default event has occurred when trade receivables are 180 days past due unless reasonable and supportable information confirms otherwise. For those financial instruments where objective evidence of default is present, an individual assessment of ECL takes place.

Generally, financial instruments are written off when there is no reasonable expectation of recovering amounts due.

Inventories including purchased emission rights

Inventories are stated at the lower of cost or net realisable value as of the reporting date. The determination of acquisition cost of purchased materials is based on the average cost. Finished goods and work in progress are valued at fixed and variable production cost. The net realisable value is the estimated selling price in the ordinary course of business minus any estimated cost to complete and to sell the goods. Impairments due to reduced recoverability are reflected in the calculation of the net realisable value.

Purchased emission certificates are presented as inventory and are initially recognised at cost and subsequently measured at the lower of cost and net realisable value. The consumption of the purchased emission certificates based on the tons of CO₂ emitted is recorded as expense in the cost of sales.

Those certificates that the Group received free of charge under the respective EU trading schemes are not recognised in the Consolidated Financial Statements.

To the extent that the CO₂ emissions emitted exceed the emission cap under the free of charge and purchased emission certificates, the Group recognises a provision calculated based on the deficit of emission certificates and measured at the market price of emission certificates prevailing at the reporting date.

Provisions

Provisions are recognised when the Group incurs a legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to meet this obligation, and the amount of the obligation can be reliably estimated.

Provisions for warranties are created for individual contracts at the time of the sale of goods or after the service has been provided. The amounts of the provisions are based on the expected or actual warranty claims.

Provisions for restructuring are recognised once a detailed formal restructuring plan has been developed and announced prior to the reporting date or whose implementation was commenced prior to the reporting date.

The Group recognises provisions for demolition and disposal costs and environmental damages. The Group's facilities

and its retractive, exploration and mining operations are subject to environmental and governmental laws and regulations in each of the jurisdictions in which it operates. These laws govern, among other things, reclamation or restoration of the environment in mined areas and the clean-up of contaminated properties. These provisions include the estimated demolition and disposal costs of plants and buildings as well as environmental restoration costs arising from mining activities, based on the present value of estimated cash flows of the expected costs. The estimated future costs of asset retirements are reviewed annually and adjusted, if appropriate.

A provision for an onerous or unfavourable contract is recognised when the expected benefits to be derived from a contract are lower than the unavoidable cost of meeting its obligations under the contract. Provisions are measured at the present value of the unavoidable costs of meeting the obligation under the contract which exceed the economic benefits expected to arise from that contract.

Provisions for labour and civil contingencies are recognised for all risks relating to legal proceedings that represent a probable loss. Assessment of the likelihood of loss includes an analysis of available evidence, including the opinion of internal and external legal advisors of the Group.

Provisions are measured at their discounted settlement value as of the reporting date if the discounting effect is material.

If maturities cannot be estimated, they are shown within current provisions.

Significant estimate: Measurement of other provisions

The recognition and measurement of other provisions disclosed in Note (30) are based on best estimates using the information available at the reporting date. The estimates take into account the underlying legal or constructive obligation and are performed by internal experts or, when appropriate, also by external experts. Despite the best possible assumptions and estimates, cash outflows expected at the reporting date may deviate from actual cash outflows. As soon as additional information is available, the estimates made are reviewed and provisions are also adjusted. The majority of other provisions refers to an unfavourable contract which was recognised in the course of acquiring the former Magnesita Group and is mainly based on an estimate of foregone profit margins compared to market conditions. Moreover, restructuring provisions and provisions related to the rehabilitation and restoration of the mining sites or for environmental damages are recorded within other provisions. These are subject to measurement uncertainties in terms of the estimated costs to settle the obligation, estimated term until rehabilitation and restoration, discount rate and inflation rate. Changes in these parameters may result in higher or lower provisions.

Net employee defined benefit liabilities

Provisions for post-employment benefits

Pension plans

With respect to post-employment benefits relating to pensions, a differentiation is made between defined contribution and defined benefit plans.

Defined contribution plans limit the Group's obligation to the agreed contributions to earmarked pension schemes. The contributions are expensed as incurred.

Defined benefit plans require the Group to provide agreed benefits to active and former employees and their dependents.

Pension obligations are measured using the projected unit credit method and is netted against the fair value of the plan assets, if any. If the plan assets are not sufficient to cover the obligation, the net obligation is recognised as a liability. However, if the plan assets exceed the obligations, the net surplus recognised is limited to reductions of future contribution payments to the plan and is presented as other non-current assets in the Consolidated Statement of Financial Position. The Group restricts recognition of the net surplus by applying an asset recognition ceiling where the Group does not have an unconditional right to a refund, assuming full settlement of the liabilities. Changes in the asset ceiling are recorded in OCI.

The present value of defined benefit obligations is determined separately for each plan, annually, by independent qualified actuaries. The present value of future benefits is based on the length of service, expected wage/salary developments and pension adjustments.

The expense to be recognised in a period includes current and past service costs, settlement gains and losses, interest expenses from the interest accrued on obligations, interest income from plan assets and administration costs paid from plan assets. The net interest expense is shown separately in net finance costs. All other expenses related to defined benefit plans are allocated to the costs of the relevant functional areas.

Actuarial assumptions required to calculate these obligations include the discount rate, increases in wages/salaries and pensions, retirement starting age and probability of employee turnover and actual claims. The calculation is based on local demographic parameters.

Interest rates, which are based on high-quality corporate bonds issued with comparable maturities and currencies, are applied to determine the present value of pension obligations. In countries where there is not a sufficiently liquid market for high-quality corporate bonds, the returns on government bonds are used as a basis.

The rates of increase for wages/salaries are based on an average of past years, which is also considered to be realistic for the future, while the retirement age is based on the respective statutory provisions of the country concerned.

Remeasurement gains and losses are recorded net of deferred taxes under OCI in the period incurred.

Other post-employment benefits

Other post-employment benefits include provisions for termination benefits primarily related to obligations to employees whose employment is subject to Austrian law.

Employees who joined an Austrian company before 31 December 2002 receive a one-off lump-sum termination benefit as defined by the Austrian labour legislation if the employer terminates the employment or when the employee retires. It is regarded as a post-employment benefit and classified as a defined benefit plan. The termination payment depends on the relevant salary at the time of the termination as well as the number of years of service and ranges between two and 12 monthly salaries. These defined benefit obligations are measured using the projected unit credit method applying an accumulation period of 25 years. Remeasurement gains and losses are recorded directly in OCI after considering tax effects.

For employees who joined an Austrian company after 31 December 2002, employers are required to make regular contributions equal to 1.53% of the monthly wage/salary to a statutory termination benefit scheme. The Company has no further obligations. Claims by employees to termination benefits are filed with the statutory termination benefit scheme, while the continuous contributions are treated as defined contribution plans and included in the personnel expenses of the functional areas.

Significant estimate: Pension plans and other post-employment benefits classified as defined benefit plans

The measurement of defined benefit obligation and plan assets requires use of estimates such as discount rates, mortality rates, salary increases and inflation. These estimates are reviewed and updated when a valuation is performed by third party experts. Further details of the estimates and assumptions, together with sensitivities on

performed by third-party experts. Further details of the estimates and assumptions together with sensitivities on changes to assumptions is reflected in Note (29). Changes in these assumptions may result in differences between cash outflows expected at the reporting date and actual cash outflows.

Other employee benefits

This includes service anniversary bonuses, payments to semi-retirees and lump-sum settlements.

Service anniversary bonuses are one-time special payments that are dependent on the employee's wage/salary and length of service. The employer is required by collective bargaining agreements or company agreements to make these payments after an employee has reached a certain number of years of uninterrupted service with the same company. Obligations are mainly related to service anniversary bonuses in Austrian and German group companies. Provisions for service anniversary bonuses are calculated based on the projected unit credit method. Remeasurement gains or losses are recorded in the personnel costs of the functional areas.

Local labour laws and other similar regulations require individual group companies to create provisions for semi-retirement obligations. The obligations are partially covered by qualified plan assets and are reported on a net basis in the Consolidated Statement of Financial Position.

Contingent liabilities

A contingent liability is disclosed, where material, if the existence of the obligation will only be confirmed by future events or where the amount of the obligation cannot be measured with reasonable reliability. A contingent liability is not disclosed if the likelihood of a material cash outflow is considered remote. The Group's contingent liabilities are reviewed on a regular basis.

Income taxes

Income tax expense represents the sum of current tax and deferred tax.

Income tax is recognised in the Consolidated Statement of Profit or Loss, except to the extent that it relates to items recognised in OCI or directly in equity, including tax-related impacts.

Current tax is based on the taxable profit for the period and is determined in accordance with the rules applicable in the relevant jurisdictions and includes taxes relating to prior periods. The liability for current tax is calculated using tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is provided, using the liability method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognised for all taxable temporary differences except:

- Where the deferred tax liability arises on initial recognition of goodwill
- Where the deferred tax liability arises on the initial recognition of an asset or liability in a transaction that is not a business combination, at the time of the transaction, affects neither accounting profit nor taxable profit or loss and, at the time of the transaction, does not give rise to equal taxable and deductible temporary differences
- In respect of taxable temporary differences associated with investments in subsidiaries and associates and interest in joint arrangements, where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future
- For financial instruments which were issued by subsidiaries to non-controlling interests, and which are classified as a financial liability in accordance with IFRS Accounting Standards

Deferred tax assets are recognised for deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which these can be utilised, except where the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit and loss and, at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.

In respect of deductible temporary differences associated with investments in subsidiaries, associates and interest in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable or increased to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. Deferred taxes of the Group's Austrian subsidiaries are determined at the corporation tax rate which is expected to be applicable when the temporary differences reverse.

Deferred tax assets and liabilities are offset only when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the current tax assets and liabilities on a net basis or to realise the assets and settle the liabilities simultaneously.

Where tax legislation may not be clear or result in uncertainty, the Group will determine its tax obligations and resulting income tax expense using an approach which it believes has a probable chance of being accepted by the tax authorities based on historical experience, legal advice and communication with the tax authorities, as appropriate. Where the Group adopts an approach to an uncertain tax position that it regards as having a less than probable chance of being accepted by the tax authorities, the income tax expense and resulting income and deferred tax balances are adjusted to reflect this uncertainty using either the most likely outcome method or the expected value method.

The global minimum top-up tax payable under the Pillar Two legislation is recognised as a current income tax expense when it is incurred. In accordance with the temporary exception, the Group does not recognise deferred taxes in respect of the top-up tax under the Pillar Two legislation.

Significant judgement: Uncertain tax positions

Management makes judgements in relation to the recognition of uncertain tax positions concerning current and deferred income taxes. In making judgements, management believes that the tax positions the Group adopts are in line with the applicable legislation and reflect the probable outcome. The tax obligations and receivables, upon audit by the tax authorities at a future date, may differ as a result of differing interpretations. These interpretations may impact the expected timing and quantum of taxes payable and recoverable.

Significant judgement: Utilisation of tax losses and recognition of other deferred tax assets

The Group operates in many countries and is subject to taxes in numerous jurisdictions. Management uses judgement to assess the recoverability of deferred tax assets such as whether there will be sufficient future taxable profits to utilise tax losses. Refer to Note (14) for details on recognised deferred tax assets.

Revenue, income and expenses

Revenue from contracts with customers

Revenue from the sale of goods and services is recognised at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue is recognised to the extent that it is highly probable that there will not be a significant reversal of revenue in future periods. If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled at inception and limits the recognition of revenue subject to the variability, until it is highly probable that a significant reversal of cumulative revenue recognised will not occur. The Group does not recognise the impact of financing for payment terms as the average credit terms is currently 60 days. At contract inception, the Group identifies the goods or services promised in the contract and assesses which of the promised goods or services shall be identified as separate performance obligation. Promised goods or services give rise to separate performance obligations if they are capable of being distinct. Revenue is recognised as control is transferred, either over time or at a point of time. Control is defined as the ability to direct the use of and obtain substantially all of the economic benefits from an asset.

Unless refractory products are delivered under specific customer contracts, whose transaction price depends on the customer's production output, revenue from the delivery of refractory products is recognised at a point in time, i.e. at the time of transfer of control. Control of the refractory products is typically passed to the customer when physical possession has been transferred.

The transport service does not give rise to a separate performance obligation to which a part of revenue would have to be allocated, as this service is usually performed before control of the products is transferred to the customer.

In consignment arrangements, the Group retains control of the goods generally until a withdrawal of the products from the consignment occurs. Most of the products within consignment arrangements have a high stock turnover rate.

The Group provides services (e.g. supervision, installation) that are either sold separately or bundled together with the sale of products to a customer. Contracts for bundled sales of products and installation services usually comprise of two performance obligations being (i) the promise to transfer products and (ii) provide services which are capable of being distinct and separately identifiable in the context of the contract. Accordingly, the transaction price is allocated based on the relative stand-alone selling prices of the product and service. Revenue from services is recognised over time using an input method to measure progress towards completion of the service as the customer simultaneously receives and consumes the benefits provided by the Group.

Contracts for bundled sales of refractory products and non-refractory products (e.g. machines) provided to the customer free of charge comprise two performance obligations that are separately identifiable. Consequently, the Group allocates the transaction price based on the relative stand-alone selling prices of these performance obligations and allocates revenue to the non-refractory product which is delivered free of charge.

Expected penalty fees from guaranteed durabilities on refractory products are considered as a variable consideration in the form of a contract or a refund liability. However, the estimation of the variable consideration is not subject to a constraint as the Group has significant experience with promising durabilities and as a consequence does not expect significant reversal of revenue recognised in prior periods. All other product warranties issued by the Group guarantee that the transferred products correspond to the contractually agreed specifications and are classified as assurance type warranties. Consequently, no separate distinct performance obligation to the customer exists.

If transfer of goods or services to a customer is performed before the customer pays consideration or before payment is due and is conditional on something other than the passage of time, a contract asset, excluding any amounts presented as a receivable, is recognised.

If a customer pays consideration before the entity transfers a good or service to the customer, the entity shall present the contract as a contract liability when the payment is made.

Contract costs, which are defined as the incremental costs of obtaining a contract, are recognised as an asset where the Group expects to recover those costs, except for those costs which are expected to be recovered within 12 months.

As the term of customer contracts is less than one year, the Group adopted the practical expedient not to disclose performance obligations for contracts with original expected duration of less than one year.

Significant judgement: Revenue recognition

For specific customer contracts with Steel customers with variable payment arrangements where the transaction price depends on the customer's production output, (e.g. quantity of steel produced) management has determined that the commitment to transfer each of the products and services to the customer is not separately identifiable from the other commitments in the context of such contracts. The customer expects complete refractory management for the agreed product areas in the steel plant in order to enable steel production. Thus, only one performance obligation, being the performance of a management refractory service, exists. Revenue from the delivery of management refractory services is recognised over time and, by applying the practical expedient, corresponds to the amounts that the Group is entitled to invoice to the customer on a regular basis according to the contract terms.

Cost of sales

Cost of sales comprises the production cost of goods sold as well as the purchase price of merchandise sold. In addition to direct material and production costs, it also includes overheads including depreciation of production equipment as well as impairment losses and reversals of impairment losses of inventories. Moreover, cost of sales also includes the costs of services provided by the Group or services received.

Selling, general and administrative expenses

This line item includes personnel expenses for the sales staff as well as depreciation and other operating expenses related to the market and sales processes. In addition, it includes personnel expenses for the administrative functions, legal, IT and other consulting costs.

Research and development expenses

This line item includes expenses for research and non-capitalisable development costs.

Amortisation of intangible assets

This line item includes amortisation of purchased and internally generated intangible assets.

Interest income and expenses

Interest income and expenses are recognised in accordance with the effective interest method.

Foreign currency translation and hyperinflation accounting

Functional currency and presentation currency

The Consolidated Financial Statements are presented in Euro, which represents the functional and presentation currency of RHI Magnesita N.V..

Consolidated subsidiary financial information is based on the currency of the primary economic environment in which it operates (functional currency).

Hyperinflation accounting

Financial Statements of subsidiaries which operate in a country whose functional currency is considered hyperinflationary are restated for the changes in the general purchasing power before translation to the reporting currency of the Group and before consolidation in order to reflect the same value of money for all items. Currently only the Financial Statements of the subsidiary operating in Argentina, Refractarios Argentinos S.A, Industrial Comercial Y Minera (I.C.M.), are restated for hyperinflation effects.

The closing balances of the non-monetary items as well as all items of the Statement of Profit or Loss are restated for the changes in the general purchasing power of its functional currency as follows. All non-monetary items recognised in the Statement of Financial Position which are not measured at the measuring unit applicable on the reporting date are restated for the changes in the general price index from the later of the transaction date or the first-time application date to the reporting date. Non-monetary items include property, plant and equipment, intangible assets, inventories, and allocated goodwill. Monetary items are not restated. All items of the Statement of Profit or Loss are restated for the changes in the general price index from the date of initial recognition to the reporting date. Gains or losses resulting from the net monetary position are reported in the Consolidated Statement of Profit or Loss in net expense on foreign currency effects. The Financial Statements of Refractarios Argentinos S.A, Industrial Comercial Y Minera (I.C.M.) are therefore reported at the applicable measuring unit on the reporting date.

The price index, IPIM (Internal Index Wholesale Prices), published by the Argentinian National Institute of Statistics and Censuses is applied to determine the changes in the general purchasing power. The following table provides the level and changes of the price index for the current and the previous reporting period:

	31.12.2025	31.12.2024
Price level	10,067.71	7,694.01
Index movement (in %)	31	118

Foreign currency transactions and balances

In individual subsidiaries, joint ventures and associates, transactions in foreign currency are translated into the functional currency at the rate of exchange prevailing on the dates of the transaction. Gains and losses resulting from the settlement of such transactions and the translation of monetary assets and liabilities denominated in foreign currencies into the respective functional currency at the closing rate are recognised in the Consolidated Statement of Profit or Loss as net expense on foreign currency effects. In deviation from this, the Group designates certain intragroup monetary assets and liabilities denominated in foreign currencies such as non-current receivables or loans as part of a net investment in a foreign operation if the corresponding balances are not expected to be settled. In accordance with IFRS Accounting Standards, gains or losses from the translation of these intragroup monetary assets and liabilities into the respective functional currency are recognised in OCI. Non-monetary items, other than those measured at fair value, are carried at historical rates and not retranslated subsequent to initial recognition.

Group companies

Financial information of foreign subsidiaries with a functional currency different to the Euro are translated as follows:

Assets and liabilities of foreign subsidiaries outside the scope of hyperinflation accounting are translated at the closing rate on the reporting date, while monthly income and expenses as presented in the Statement of Profit or Loss are translated at the respective closing rates of the previous month. Differences resulting from this translation process and differences resulting from the translation of amounts carried forward from the prior year are recorded in OCI without impact on profit or loss. Monthly cash flows are translated at the respective closing rates of the previous month. Goodwill and adjustments to the fair value of assets and liabilities related to the purchase price allocations of a subsidiary outside the European currency area are treated as assets and liabilities of the respective subsidiary and translated at the closing rate.

Following the restatements in accordance with hyperinflation accounting, the assets and liabilities of foreign subsidiaries in the scope of hyperinflation accounting, as well as their income and expenses, are translated at the respective closing rate on the reporting date.

On disposal of a non-Euro functional currency subsidiary, joint venture or associate, the related accumulated foreign currency gains and losses recognised in equity are reclassified to the Consolidated Statement of Profit or Loss. In addition, when monetary items cease to form part of a net investment in a foreign operation or when the foreign operation is disposed, the currency translation differences previously recognised in OCI are reclassified to the Consolidated Statement of Profit or Loss.

The Euro exchange rates of the currencies of the Group's significant operations are shown in the following table:

Currencies	1 € =	Closing rate		Average rate ¹⁾	
		31.12.2025	31.12.2024	2025	2024
Brazilian Real	BRL	6.56	6.46	6.29	5.79
Canadian Dollar	CAD	1.61	1.50	1.57	1.48
Chinese Renminbi Yuan	CNY	8.24	7.61	8.06	7.79
Indian Rupee	INR	105.96	89.11	97.49	90.68
US Dollar	USD	1.18	1.04	1.12	1.09

1) Arithmetic mean of the monthly closing rates.

4. Climate change and energy transition

In 2025 the Group announced its commitment to reduce Scope 1, 2 and 3 (raw materials) CO₂ emissions intensity by 10% per ton of production by 2030, compared to a 2024 baseline. The Group has published a theoretical decarbonisation pathway which sets out a potential route to substantially remove all CO₂ emissions by 2060. The decarbonisation pathway is not aligned with a 1.5°C temperature goal of the Paris Agreement. Consequently, the Group does not currently have a climate transition plan for mitigation that is consistent with limiting global warming to 1.5°C. However, the Group has a climate transition plan for climate mitigation that is aligned with the Paris Agreement's objective of holding the increase in global average temperature to well below 2°C, based on feasible and available technologies. The below describes how the Group has considered climate related impacts in key areas of the Consolidated Financial Statements and how this translates into the valuation of its assets and measurement of liabilities.

Note (3) includes the significant accounting estimates, judgements and key sources of estimation uncertainties and how those uncertainties have the potential to have a material effect on the Consolidated Statement of Financial Position in the next 12 months. This note describes the key areas of climate impacts that may have longer-term effects on amounts recognised at 31 December 2025.

Financial planning assumptions

As disclosed in the Sustainability Statement, climate-related risks faced by the Group include physical and transitional risks. The most material transitional risk impact is expected to be higher operating costs due to an increase in the level or scope of carbon pricing. This risk is most prominent in Europe where the existing system of certificates is to be replaced by the Carbon Border Adjustment Mechanism ('CBAM'), with all free CO₂ emission certificates currently expected to be progressively phased out by 2034.

The Group is currently already subject to the first phase ('Transitional Period') of the CBAM. Currently, the Group fully complies with the CBAM regulation on imported consumables made from steel. Management is pursuing a number of strategies to accommodate the additional impact of CBAM to its EU assets, such as considering carbon pricing in our financial planning, actively managing a hedging program to fix future prices related to the forward purchase of emission rights, increasing the use of secondary raw materials, investing in fuel switching, renewable energy and focusing on energy efficiency.

The Group has also identified climate-related opportunities, such as increased demand for its products arising from the transition by its customers to lower-carbon emitting industrial processes and increased demand for refractory products that are produced with a lower-carbon footprint.

The Consolidated Financial Statements are based on reasonable and supportable assumptions that represent management's current best estimate of the range of economic conditions that may exist in the foreseeable future. The Group has decided to use Paris-aligned Mitigation and Hot House World Limited mitigation scenarios to assess the potential impact of climate change on its Consolidated Financial Statements. The largest impact from higher carbon prices as contained in these scenarios is from 2026 onwards. The negative impacts are concentrated within the Group's assets located in Europe whilst opportunities are expected to be global in nature.

The Group is investing in the research and development of new technologies for the manufacturing of refractories which may enable it over the long term to avoid or capture its CO₂ emissions and thereby mitigate the impact of higher carbon prices.

Impairment of CGUs and goodwill

The nominal growth rate used in the value in use determination per CGU represents the long-term growth rate of the respective region.

The expected CO₂ emission costs are considered in the 2026 Budget and in the Long-Term Plan, insofar as CO₂ emissions are taxed in the respective jurisdictions, and at fixed prices, insofar as fixed price forward contracts to purchase emission rights have been contracted. In the terminal value, these CO₂ emission costs are recognised at the same level as assumed in the last year of the Long-Term Plan. Due to planning uncertainty inherent in the Group's climate transition phase which includes the extent to which CBAM will be relevant to the Group's operations, no additional carbon emission costs have been included in the terminal value; that is to say, the phasing out of the free CO₂ emission certificates is not included.

Management expects an adverse impact on the recoverability of the assets included in the Europe & CIS CGU as soon as the CBAM regulation becomes effective. This adverse impact comprises a production shift from Europe & CIS to other sales regions in addition to a corresponding shift of customer demand to other sales regions. As far as foreseeable, it is already considered in the Long-Term Plan and value in use of the Europe & CIS CGU.

The Sustainability Statement outlines the theoretical path to complete decarbonisation of the Group's business activities. To achieve this, the Group would need to make significant investments in property, plant and equipment that go far beyond the investments already considered in relation to the committed reduction in Scope 1, 2 and 3 emissions by 2030. At present, neither the investments needed to achieve complete decarbonisation, nor their potential positive effects have been included in the value in use determination since the Group has not committed to complete decarbonisation and alternatives to complete decarbonisation exist.

Useful lives of property, plant and equipment

Additionally, management has assessed the useful lives of property, plant and equipment and these continue to be appropriate due to the limited refractory and other product alternatives available and considering that the customer industries that the Group serves, continue to play a significant part in the transition towards sustainable output and the transition to a green economy.

Restoration provisions

Management recognises liabilities that are expected to be incurred in relation to rehabilitation and restoration of the mining sites. As of the reporting date, the Group's mines have an expected life between 8 and 100 years. The introduction of more stringent legislation could result in our mining operations becoming uneconomical earlier than anticipated, thus affecting the timing of our restoration liabilities. The discounting period used to determine the present value of measure asset restoration provisions is between 8-37 years, applying risk-free rates as discount rates.

Management does not expect any reasonably possible change in the expected timing of restoration of our mines to have a material effect on the Group total provisions, assuming cash flows remain unchanged.

ESG-linked loans

The Group has taken out loans from financial institutions based on terms which are linked to the Group's EcoVadis ESG rating performance. On the reporting date the carrying amount of such ESG-linked financial liabilities amounts to €1,102 million (31.12.2024: €1,383 million). The financing costs may increase or decrease depending on future changes in the Group's ESG rating. The ESG rating is determined by multiple criteria covering not only the climate-related aspects but also sustainability and governance related aspects. A downgrading of the Group's ESG rating below a certain target ESG rating would lead to higher financing costs. Such a downgrade is currently not foreseen due to sufficient headroom.

5. Segment reporting

The Group's business activities are organised by region based on its sales markets and the customer industries it serves. The regions comprise Europe & CIS, North America, Latin America, China & East Asia, India and Middle East, Türkiye and Africa (META). Customer industries are internally grouped into two categories: Steel and Industrial. The latter category aggregates multiple customer industries other than Steel, including Cement & Lime, Non-Ferrous Metals, and Process Industries which comprises several customer industries addressing industrial applications.

In 2025, RHIM reassessed its operating segments, driven by significant progress in its local-for-local production strategy, the integration of the acquired Resco Group and a comprehensive restructuring of profit centres. This acquisition is considered a milestone in the development of the local-for-local production strategy, resulting in the reassignment of certain sales markets to the regions and the associated establishment of the new META region. These events shifted the focus of internal reporting for the purpose of resource allocation and performance monitoring to the regions. Resource allocation decisions are taken both globally and at regional level but always concern the entire region. Financial budgets are prepared at regional level and budget variances are monitored at the same level. Each region has an assigned segment manager, i.e. regional president, responsible for managing the 'day-to-day' business, executing RHIM's strategy in the respective region and meeting the budgeted targets. The segmentation of the business activities by region reflects the internal control structure, the management structure and the internal performance reporting to the Chief Operating Decision Maker (CODM). Taking these factors into account, the reassessment resulted in the establishment of the regions as RHIM's new operating segments. The six regional operating segments and the business activities subsumed into the organisational unit 'Minerals', which is designated as a reportable segment, result in seven reportable segments.

Each regional segment provides shaped refractory products, including bricks in various shapes and chemical compositions, as well as unshaped refractory products, including mixes, mortars and castables, and functional refractory products summarising specialised refractory products. Depending on the type of refractory product, some types are used for lining customer industry specific furnace types and aggregates, while other types are used in the final stages of the steel production process. In addition to refractory products, the Group provides services such as refractory engineering solutions (drawings or design of a linings concept), installation, supervision, maintenance and recycling. Beyond traditional refractory solutions, a growing portfolio of advanced technologies is also offered to customers, including systems, sensors, machinery and digital products.

In addition, the Group sells internally produced raw materials, such as magnesite ore, dead-burned magnesia and fused magnesia to external customers to the extent that these are not utilised internally. These business activities are subsumed into the organisational unit 'Minerals', which is designated as a reportable segment.

The Chief Executive Officer is responsible for the allocation of resources and for evaluating the performance of each operating segment and is therefore the CODM at Group level. Revenue and Gross Profit are the key internal performance measures provided to and used by the CODM to evaluate performance on operating segment level and allocate resources. These measures are prepared using the same accounting policies as the Consolidated Financial Statements and are reported after elimination of any inter-segment transactions.

The reassessment of the operating segments resulted in a change of the Group's segment reporting structure from customer industry-based segments to regional segments. The comparative figures have been restated in accordance with IFRS 8 to reflect the new segment reporting structure.

The following tables present the financial information for the reportable segments for the year 2025 and the previous year:

in € million	Europe & CIS	North America	Latin America	China & East Asia	India	Middle East, Türkiye and Africa	Minerals	Group 2025
Revenue	727	863	536	377	441	342	80	3,366
Cost of sales	(576)	(614)	(389)	(302)	(377)	(264)	(72)	(2,594)
Gross profit	151	249	147	75	64	78	8	772
EBIT								223
Net finance costs								(95)
Profit before income tax								128

in € million	Europe & CIS	North America	Latin America	China & East Asia	India	Middle East, Türkiye and Africa	Minerals	Group 2024
Revenue	829	709	617	425	458	384	65	3,487
Cost of sales	(651)	(490)	(427)	(335)	(380)	(286)	(59)	(2,628)
Gross profit	178	219	190	90	78	98	6	859
EBIT								242
Net finance costs								(42)
Profit before income tax								200

The following table shows the depreciation of property, plant and equipment per reportable segment:

in € million	2025	2024
Europe & CIS	(32)	(33)
North America	(29)	(31)
Latin America	(29)	(33)
China & East Asia	(17)	(16)
India	(8)	(7)
Middle East, Türkiye and Africa	(12)	(12)
Minerals	(4)	(4)
Depreciation	(131)	(136)

The disaggregation of revenue by type of product or service is presented in the below table:

in € million	2025	2024
Shaped refractory products	1,551	1,708
Unshaped refractory products	847	822
Functional refractory products	521	515
Services	137	158
Other products	310	284
Revenue	3,366	3,487

The revenue by customer sites for the year 2025 and the previous year is classified as follows:

in € million	2025	2024
The Netherlands	10	15

USA	742	584
India	436	445
Brazil	328	353
China	229	260
Other countries	1,621	1,830
Revenue	3,366	3,487

No single customer contributed 10% or more to consolidated revenue in 2025 and in 2024. Companies that are known to be part of a group are treated as one customer.

The carrying amounts of goodwill, intangible assets and property, plant and equipment are classified based on the location of the Group companies, as follows:

in € million	31.12.2025	31.12.2024
USA	542	235
Brazil	386	407
Austria	329	343
India	324	392
Germany	199	205
China	162	188
Other countries	247	274
Goodwill, intangible assets and property, plant and equipment	2,189	2,044

6. Restructuring

The summary of net restructuring expenses recognised is as follows:

in € million	2025	2024
Restructuring (expenses)	(45)	(32)
Restructuring income	1	8
Restructuring (expenses) - net	(44)	(24)

2025

Restructuring expenses primarily relate to costs of €29 million associated with the closure of the Wetro plant in Germany. These costs include €26 million of severance expenses and €2 million of impairment losses on property, plant and equipment. In addition, €10 million relates to severance costs incurred in connection with the Group's permanent SG&A headcount reduction.

2024

Restructuring expenses mainly relate to the €25 million provision associated with the closure of the Mainzlar plant in Germany. This includes the provision of impairment losses on property, plant and equipment in the amount of €5 million. The recoverable amount of zero was based on fair value less costs of disposal.

The €8 million gains were recognised from the sale of property, plant and equipment, as well as other intangible assets, resulted from the plant closures in Krufft, Germany and Dashiqiao, China, which were announced in the previous years.

7. Other income

in € million	2025	2024
Net amortisation of Oberhausen provision	10	14
Gains from the disposal of non-current assets	0	6
Miscellaneous income	14	18
Other income	24	38

The net amortisation of the Oberhausen provision includes a utilisation of €9 million (2024: €10 million) for the performance against the onerous contract, and €1 million (2024: €4 million) arising from updated estimates. In 2025, miscellaneous income mainly includes €9 million related to a lawsuit settlement outcome in Brazil. In 2024, miscellaneous income mainly includes €9 million related to the disposal of the Dashiqiao plant in China and a cash inflow of €6 million related to receivables previously written down to zero.

8. Other expenses

in € million	2025	2024
Expenses for strategic projects	(73)	(75)
Impairment of property, plant and equipment and intangible assets	0	(37)
Losses from the disposal of non-current assets	(1)	(3)
Miscellaneous expenses	(4)	(24)
Other expenses	(78)	(139)

Expenses for strategic projects mainly comprise implementation costs of Software-as-a-Service (SaaS) projects, which are expensed as incurred, amounting to €41 million (2024: €45 million) and €3 million (2024: €6 million) of costs related to the development of an integrated supply chain planning solution. Additionally, this category includes €16 million (2024: €24 million) of legal and consulting fees associated with M&A activities and integration costs for newly acquired businesses.

In 2024, an impairment loss of €29 million corresponds to a full write-down of property, plant and equipment under construction of a project in Brazil which was abandoned following the Resco Group acquisition. Additionally, an impairment loss of €8 million was recognised for capitalised development costs recognised as intangible assets.

In 2024, miscellaneous expenses mainly consist of €12 million relating to investments in and losses on the disposal of special Argentinian government bonds and €4 million from pre-merger related litigation costs.

9. Expense categories

The presentation of the Consolidated Statement of Profit or Loss is based on the function of expenses. The following table shows a classification by expense category for 2025 and the previous year:

in € million	2025	2024
Cost of materials	(1,339)	(1,352)
Personnel costs	(791)	(806)

Energy costs	(215)	(225)
Freight expenses	(197)	(201)
Depreciation and amortisation	(183)	(175)
External services	(171)	(173)
Write-down expenses	(2)	(42)
Changes in inventories, own work capitalised	1	(11)
Other income and expenses	(246)	(260)
Total expenses	(3,143)	(3,245)

Cost of materials includes expenses for raw materials and supplies and purchased goods of €1,288 million (2024: €1,307 million) and expenses for services received amounting to €51 million (2024: €45 million). Research and development costs related to the development of new and improvement of existing products and technologies amounted to €43 million (2024: €51 million), of which €4 million (2024: €5 million) in development costs were capitalised. Amortisation and impairment of development costs recognised within cost of materials was €5 million (2024: €10 million).

Other income of €34 million (2024: €53 million) mainly comprises gains on disposal of non-current assets, income from research grants which amounted to €4 million (2024: €4 million), insurance reimbursements and amortisation of grants related to assets; it also includes €9 million associated with the resolution of a lawsuit in Brazil. Other expenses of €280 million (2024: €270 million) mainly consist of external consulting fees, IT costs, travel expenses and repairs and maintenance expenditure. Payments associated with short-term leases of equipment and vehicles, and all leases of low-value assets are recognised also as other expenses. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment, office furniture and other small items. Expenses for short-term, low-value and variable lease payments in 2025 amount to €14 million (2024: €7 million).

Selling and marketing expenses amounting to €113 million (2024: €131 million) primarily include distribution-related costs such as sales commissions, sales personnel, as well as advertising and marketing activities. General and administrative expenses amounting €246 million (2024: €278 million) comprise corporate overheads such as administrative personnel costs, professional fees, office expenses, and other general support functions.

10. Personnel costs

Personnel costs consist of the following components:

in € million	2025	2024
Wages and salaries	(604)	(634)
Social security contribution	(122)	(121)
Fringe benefits	(38)	(32)
Pension and other post-employment benefits		
Defined contribution plans	(12)	(12)
Defined benefit plans	(4)	(4)
Other expenses termination benefits	(11)	(3)
Personnel expenses (without interest expenses)	(791)	(806)

Average employee numbers

The average number of employees of the Group based on full time equivalents amounts to:

	2025	2024
Salaried employees	7,170	7,426
Waged workers	8,763	8,626
Number of employees on annual average	15,933	16,052

104 full time equivalents of salaried employees work in the Netherlands (2024: 108 employees).

In addition, the average number of employees is presented below by geographical region:

	2025	2024
Europe & CIS	4,569	5,000
North America	1,405	971
Latin America	4,795	5,054
China & East Asia	2,130	1,887
India	2,518	2,566
Middle East, Türkiye and Africa	516	575
Number of employees on annual average	15,933	16,052

11. Interest income

Includes interest income on cash at banks and similar income amounting to €15 million (2024: €22 million).

12. Net (expense)/income on foreign exchange effects

The net expense comprises the foreign exchange effects from translating foreign currency balances into the functional currency, the results from derivative financial instruments, such as forward exchange contracts and derivatives in open orders, as well as the gain on the net monetary position related to hyperinflation accounting (IAS 29) and can be detailed as follows:

in € million	2025	2024
Foreign exchange (losses)/gains	(35)	30
Gains/(Losses) on forward exchange contracts and derivatives in open orders	18	(18)
Gain/(Loss) on net monetary position	1	(1)
Net (expense)/income on foreign exchange effects	(16)	11

The foreign exchange losses in the current reporting period mainly result from the appreciation of the functional currencies of subsidiaries with a net asset foreign currency exposure against USD and the depreciation of the functional currencies of subsidiaries with a net liability foreign currency exposure against USD.

13. Other net financial expenses

Other net financial expenses consist of the following items:

in € million	2025	2024 ¹⁾
Net interest expense relating to net employee defined benefit liabilities	(11)	(12)
Costs related with the trade receivables factoring program	(11)	(10)
Unwinding of discount of provisions and payables	(6)	(7)
Interest (expense) on supplier finance arrangements and transaction costs	(5)	(1)
Interest (expense)/income on liabilities to fixed-term or puttable non-controlling interests	(2)	1
Interest expense on lease liabilities	(3)	(3)
Remeasurement gains on liabilities to fixed-term or puttable non-controlling interests	10	21
Other interest and similar income and expenses	(5)	(3)
Other net financial expenses	(33)	(14)

1) Restated.

14. Taxation

Income tax

Income tax consists of the following items:

in € million	2025	2024
Current tax expense	(45)	(51)
Deferred tax (expense)/income relating to temporary differences	(6)	(4)
tax loss carryforwards	17	9
	11	5
Income tax	(34)	(46)

The current tax expense includes tax income for prior periods of €2 million (2024: €5 million net expense).

In recognising deferred tax assets, the Group has considered (i) the impacts of the global economic environment in which it operates, (ii) uncertainties and potential adverse effects arising from economic volatility and (iii) the Group's latest forecasts and assumptions used for the goodwill impairment testing and the viability statement assessment. The Group's forecast period is four years, with the fifth year being the final year, consistent with the approach applied for the goodwill impairment testing. In Brazil, a longer forecast horizon is used due to the annual limitation for use of tax losses (30% of the taxable profits of the relevant year), which requires a longer-term prediction. Information on tax contingencies is provided under Note (38).

In addition to the income taxes recognised in the Consolidated Statement of Profit or Loss, a tax income of €1 million (2024: €7 million tax income) was recognised in OCI, mainly relating to currency translation, cash flow hedges and measurement gains and losses on post-employment employee benefits.

A reconciliation of the difference between the income tax expense, which would result from the application of the Austrian corporate tax rate of 23% on the profit before income tax (the Austrian tax rate being used as the holding company RHI Magnesita N.V. is tax resident in Austria), and the income tax reported is shown below:

in € million	2025	2024
Profit before income tax	128	200
Income tax expense calculated at 23% (2024: 23%)	29	46
Different foreign tax rates	12	8
Expenses not deductible and additions to tax base, non-creditable taxes	20	22
Non-taxable income and tax benefits	(24)	(30)
Tax losses and temporary differences of the financial year not recognised	4	5
Change in write-down of deferred tax assets	3	0
Utilisation of previously unrecognised loss carryforwards and temporary differences	0	(5)
Deferred tax expense due to tax rate changes	0	1
Deferred income tax relating to previous periods	(8)	4
Current income tax relating to prior periods	(2)	(5)
Recognised tax expense	34	46
Effective tax rate (in %)	26.6%	23.1%

Below is the summary of major effects on the effective tax rate reconciliation:

In 2025, expenses not deductible and additions to the tax base include: transfer pricing adjustments of €1 million (2024: transfer pricing adjustments mainly related to Argentina of €4 million); taxable income that was treated as part of the Goodwill of €3 million; non-creditable withholding taxes in Austria of €1 million (2024: €2 million) and non-deductible subsidiary-related expenses of €4 million (2024: €3 million).

In 2025, non-taxable income and tax benefits mainly include: tax incentives in Brazil of €6 million (2024: €2 million); additional tax depreciation in Austria of €7 million (2024: €7 million) relating to historical acquisitions; inflationary adjustments in South America of €1 million (2024: €6 million, including South America and Türkiye); gains on the measurement of liabilities related to fixed-term or puttable non-controlling interests of €4 million (2024: €6 million); income of €3 million related to the settlement of a lawsuit in South America.

Tax losses and temporary differences of the financial year for which no deferred tax assets have been recognised because sufficient taxable profits are not expected in the near future include a tax loss realised in China of €2 million (2024: €4 million). The change in write-down due to insufficient expectation of future taxable profits also relates to China in the amount of €3 million.

Deferred taxes expense relating to prior periods based on information obtained in the reporting period arises mainly from: a deferred tax income in Mexico of €5 million (2024: deferred tax expense of €2 million), a deferred tax income in Austria in the amount of €2 million (2024: deferred tax income of €1 million) and a deferred tax income in Germany in the amount of €2 million (2024: deferred tax expense of €1 million).

The current tax income relating to prior periods mainly relates to Germany in an amount of €3 million, where tax loss carrybacks and return-to-provision reconciliations affected the prior year's taxes. In 2024, it related to Peru (€3 million) and Chile (€2 million) where there was a reversal of a tax risk provision due to a court case judgement, respectively a return-to-provision reconciliations.

Deferred taxes

Deferred taxes are related to the following significant balance sheet items and tax loss carryforwards:

in € million	31.12.2025		2025	31.12.2024		2024
	Deferred tax assets	Deferred tax liabilities	(Expense)/Income	Deferred tax assets	Deferred tax liabilities	(Expense)/Income
Property, plant and equipment, intangible assets	27	142	12	28	107	8
Inventories	28	8	3	26	10	4
Trade receivables, other assets	14	11	8	14	22	(10)
Net employee defined benefit liabilities	30	1	(3)	35	0	(1)
Other provisions	19	0	(4)	23	0	(2)
Trade payables, other liabilities	21	4	(22)	39	5	(3)
Tax loss carried forward	99	0	17	67	0	9
Offsetting	(75)	(75)	0	(80)	(80)	0
Deferred taxes	163	91	11	152	64	5

For temporary differences and tax loss carryforwards of subsidiaries that have generated tax losses either in the current or previous reporting period, deferred tax assets amounting to €121 million (2024: €101 million) have been recognised in the Consolidated Statement of Financial Position, as sufficient taxable income is expected to be generated in the future.

The total tax loss carryforwards of the Group amount to €517 million at 31 December 2025 (2024: €347 million). For tax loss carryforwards of €381 million (2024: €235 million), deferred tax assets are recognised; no deferred tax assets are recognised for the remaining amount of €136 million (2024: €112 million).

The following table shows the origin of tax loss carryforwards per country for which no deferred tax assets are recognised:

in € million	31.12.2025	31.12.2024
Country		
Brazil	51	51
China	52	37
UK	6	6
Dubai	3	4
Germany	19	6
France	5	5
Others	0	3
Total	136	112

The following table shows unrecognised tax loss carryforwards by year of expiry:

in € million	31.12.2025	31.12.2024
Year of expiry		
2025	0	1
2026	2	2
2027	9	10
2028	5	6
2029	27	19
2030 or later	9	0
Not subject to expiration	84	74
Total unrecognised tax losses	136	112

No deferred tax assets were recognised on temporary differences totalling €93 million (2024: €123 million), which are expected to reverse by 2034. These temporary differences mainly relate to Austria: €90 million (2024: €120 million).

Taxable temporary differences of €1,592 million (2024: €1,477 million) and temporary deductible differences of €104 million (2024: €96 million) were not recognised on shares in subsidiaries as the distributions of profit or the sale of the investments are controlled by the Group.

The Group is subject to the global minimum tax rules (i.e., OECD Pillar Two). The calculation following the OECD Pillar Two rules, as well as the newly enacted local legislation in Austria (where the ultimate parent company is resident), has led to a minor additional current tax expense of €0.5 million, related to the Group's operations in Guernsey and the UAE.

Income tax receivables

Income tax receivables amounting to €49 million (2024: €40 million) are mainly related to tax prepayments and deductible withholding taxes.

Income tax liabilities

Income tax liabilities amounting to €29 million (2024: €29 million) primarily include income taxes for the current year and previous years.

15. Earnings per share

Earnings per share is calculated by dividing the profit or loss attributable to the shareholders of the Group by the weighted average number of shares outstanding during the financial year.

	2025	2024
Profit after income tax attributable to RHI Magnesita N.V. shareholders (in € million)	86	142
Weighted average number of shares for basic EPS	47,271,556	47,170,570
Effects of dilution from share options	1,306,061	1,154,648
Weighted average number of shares for dilutive EPS	48,577,617	48,325,218
Earnings per share basic (in €)	1.82	3.01
Earnings per share diluted (in €)	1.77	2.94

The weighted average number of shares for basic and dilutive EPS considers the effect of changes in treasury shares

during the reporting period.

16. Dividend payments and proposed dividend

The final proposed dividend is subject to the approval of the AGM in May 2026 and was not recognised as a liability in these Consolidated Financial Statements. The final proposed dividend for 2025 amounts to €1.20 per share (2024: €1.20 per share).

In line with the Group's dividend policy, the Board paid out an interim dividend in the second half of 2025 of €0.60 per share for the first half of 2025 amounting to €28 million. The total dividend for 2025, which includes the proposed final dividend, yet to be approved by shareholders, amounts to €1.80 per share (2024: €1.80 per share).

Based on a resolution adopted by the AGM in May 2025, the final dividend for 2024 amounted to €1.20 per share and was paid out in June 2025, amounting to €57 million. The total dividend for 2024 amounted to €1.80 per share.

17. Goodwill

in € million	2025	2024
Carrying amount at beginning of year	342	339
Business combinations (see Note (40))	103	3
Currency translation	(43)	(3)
Hyperinflation adjustment	1	3
Carrying amount at year-end	403	342

Impairment of CGUs with significant goodwill

In the reporting period, the composition and number of RHIM's CGUs changed due to the reassessment of its operating segments (see Notes (3) and (5)). The new regional CGUs are determined at operating segment level. The transition from a customer industry-based CGU structure to a regional CGU structure made it necessary to reallocate goodwill to the new regional CGUs. Except for goodwill arising from business combinations that were completed in the reporting period, goodwill was reallocated applying the relative value method. Under this method, the relative contribution of each regional CGU to the value in use of each former CGU determines the portion of goodwill of each former CGU that is reallocated to each regional CGU. Moreover, on the transition date two impairment tests were performed. The first one covered the former CGUs considering the previous goodwill allocation and the second one covered the new regional CGUs considering the results of goodwill reallocation. Neither of the two impairment tests indicated impairment losses at CGU level.

The impairment test is based on the value in use. This is determined using the discounted cash flow method and incorporates the terminal value. The Group is subject to environmental and other laws and regulations and has established environmental policies and procedures aimed at compliance with these laws. Impairment testing incorporated considerations for increased energy and raw material prices in its Budget and the Long-Term Plan and estimates the total increase in investments in research and development costs ranging from €42 to €45 million. Current technology used by the customer industries requiring advanced heat-resistant materials for their production depend on refractory materials and in our view will remain in use in the observable future.

The cash flows projections used for impairment testing are based on the strategic business and financial planning model of the Group including the 2026 Budget, as approved by the Board, and the Long-Term Plan, covering a four-year period. The cash flows are geared to a steady-state business development, which balances out possible economic or other non-sustainable fluctuations in the detailed planning period and forms the basis for the calculation of the terminal value.

The key assumptions used in determining the value in use are:

- Revenue: projected sales were built up with reference to sales regions and product categories incorporating projections of developments in key markets.
- EBIT margin: projected margins reflect historical performance, our expectations for future cost inflation and the impact of all completed projects to improve operational efficiency.
- Discount rate before tax: a discount rate that is calculated taking into account the weighted average cost of capital of comparable companies; the corresponding parameters are derived from capital market information. In addition, country-specific risk premiums are considered in the weighted average cost of capital.
- Perpetual annuity growth rate: for the purposes of the Group's value in use calculations, a long-term growth rate into perpetuity was applied immediately at the end of the fifth-year detailed planning period comprising the 2026 Budget and the subsequent four-year period covered by the Long-Term Plan. As in the previous year, the terminal value is based on a growth rate derived from the difference between the current and possible degree of asset capacity and utilisation.

Forecast EBIT has been projected using:

- Expected future sales are based on the strategic plan, which was constructed at a market level with input from regional commercial managers. An assessment of the market using external sources was undertaken to forecast regional customer demand considering regional growth rates of the steel production and output of Industrial clients in combination with the development of the specific refractory consumption including technological improvements.
- Current cost structure and production capacity, which include our expectations for future cost inflation. The assumptions were updated considering the latest economic developments, including energy, freight, and raw material prices. The forecasts include cash outflows from future investments related to capacity maintenance while expansion investments are excluded.

Working capital is included in the carrying amount of the CGUs; therefore, the value in use only takes into account changes in working capital.

The following table shows the allocated goodwill, perpetual annuity growth rates and discount rates before tax applied in the value in use determination per CGU to which significant goodwill is allocated. Due to the change of the CGU structure the tables are not comparable:

	Discount rate before Tax	Perpetual annuity growth rate	2025 Goodwill in € million
Europe & CIS	9.4%	0.5%	31
North America	10.0%	1.0%	240
Latin America	12.5%	0.0%	61
China & East Asia	9.8%	1.0%	8
India	10.5%	4.0%	29
Middle East, Türkiye and Africa	11.0%	1.0%	34

	Discount rate before Tax	Perpetual annuity growth rate	Goodwill in € million
Steel - Linings	9.7%	0.9%	218
Steel - Flow Control	10.3%	0.9%	67
Industrial - Cement & Lime	10.7%	0.9%	56

As a sensitivity, the effect of the following downside scenarios to the key assumptions would, in isolation, not result in an impairment of the above CGUs to which significant goodwill is allocated:

- increase of the estimated discount rate by 10%
- decrease of the perpetual annuity growth rate by 50%
- decrease of EBIT margin by 10%
- decrease of revenue by 5%

18. Intangible assets

in € million	Mining rights	Customer relationships	Internally generated intangible assets	Trade names	Other intangible assets	Prepayments made and intangible assets under construction	Total
Cost at 31.12.2024	145	285	90	1	157	16	694
Currency translation	(11)	(48)	0	(3)	(5)	(1)	(68)
Additions	0	0	4	0	3	0	7
Initial consolidation and PPA finalisation	12	183	0	23	7	0	225
Retirements and disposals	(10)	0	0	0	(2)	0	(12)
Reclassifications	0	0	2	0	11	(3)	10
Cost at 31.12.2025	136	420	96	21	171	12	856
Accumulated amortisation 31.12.2024	18	84	63	0	112	0	277
Currency translation	(1)	(8)	0	0	(2)	0	(11)
Amortisation	2	32	5	1	12	0	52
Retirements and disposals	0	0	0	0	(2)	0	(2)
Accumulated amortisation 31.12.2025	19	108	68	1	120	0	316
Carrying amounts at 31.12.2025	117	312	28	20	51	12	540

in € million	Mining rights	Customer relationships	Internally generated intangible assets	Other intangible assets	Prepayments made and intangible assets under construction	Total
Cost at 31.12.2023	152	284	87	170	22	715
Currency translation	(10)	3	(1)	0	0	(8)
Additions	0	0	5	1	0	6
Initial consolidation and PPA finalisation	0	(2)	0	0	0	(2)
Retirements and disposals	0	0	(1)	(16)	0	(17)
Reclassifications	3	0	0	3	(6)	0
Cost at 31.12.2024	145	285	90	158	16	694
Accumulated amortisation 31.12.2023	17	64	53	111	0	245
Currency translation	(1)	0	0	(1)	0	(2)
Amortisation	2	20	3	14	0	39
Impairment losses	0	0	7	0	0	7
Retirements and disposals	0	0	0	(12)	0	(12)
Accumulated amortisation 31.12.2024	18	84	63	112	0	277
Carrying amounts at 31.12.2024	127	201	27	46	16	417

Internally generated intangible assets comprise capitalised software and product development costs. Other intangible assets include primarily acquired patents, software and land-use rights.

The following table shows the individually material intangible assets acquired and their remaining useful lives:

in € million	Remaining useful life in years	31.12.2025 Net book value	31.12.2024 Net book value
Mining rights			
Brazil	48	61	63
US	45	54	61
Customer relationships			

Resco Group	10-12	149	0
RHI Magnesita India Refractories Ltd and RHI Magnesita Seven Refractories Ltd	7-17	70	91
Former Magnesita Group	3-7	39	48
Seven Refractories Group	13	19	21
RHI Magnesita India	17	17	21
Land use rights	10-52	18	20
Trade names	19	20	0

There are no restrictions on the sale of intangible assets.

19. Property, plant and equipment

in € million	Real estate, land and buildings	Technical equipment, machinery	Other plant, furniture and fixtures	Prepayments made and plant under construction	Right-of-use assets	Total
Cost at 31.12.2024	751	1,277	407	136	147	2,718
Currency translation	(27)	(43)	(8)	(3)	(7)	(88)
Additions	8	8	6	78	8	108
Initial consolidation and PPA finalisation	31	37	0	2	1	71
Retirements and disposals	(31)	(51)	(16)	(7)	(26)	(131)
Reclassifications	6	48	22	(90)	0	(14)
Cost at 31.12.2025	738	1,276	411	116	123	2,664
Accumulated depreciation 31.12.2024	295	789	259	26	64	1,433
Currency translation	(5)	(22)	(5)	0	(1)	(33)
Depreciation	22	59	31	0	19	131
Impairment losses	0	1	0	0	0	1
Retirements and disposals	(25)	(47)	(15)	(2)	(25)	(114)
Accumulated depreciation 31.12.2025	287	780	270	24	57	1,418
Carrying amounts at 31.12.2025	451	496	141	92	66	1,246

in € million	Real estate, land and buildings	Technical equipment, machinery	Other plant, furniture and fixtures	Prepayments made and plant under construction	Right-of-use assets	Total
Cost at 31.12.2023	758	1,231	417	267	134	2,807
Currency translation	(13)	(10)	(9)	(25)	(3)	(60)
Additions ¹⁾	6	49	9	68	29	161
Initial consolidation and PPA finalisation	5	(2)	0	(1)	0	2
Retirements and disposals	(31)	(97)	(42)	(6)	(13)	(189)
Reclassifications	26	106	32	(167)	0	(3)
Cost at 31.12.2024	751	1,277	407	136	147	2,718
Accumulated depreciation 31.12.2023	304	814	271	1	57	1,447
Currency translation	(1)	(2)	(3)	(1)	(3)	(10)
Depreciation	21	61	32	0	22	136
Impairment losses	0	9	0	26	0	35
Retirements and disposals	(29)	(93)	(41)	0	(12)	(175)
Accumulated depreciation 31.12.2024	295	789	259	26	64	1,433
Carrying amounts at 31.12.2024	456	488	148	110	83	1,285

1) Including €3 million capitalised borrowing costs.

Prepayments made and plant under construction include €87 million (2024: €106 million) mainly relating to the expansion and production optimisation of the plants in Brazil and the expansion of a production plant in Austria. The expenditure in 2025 mainly related to this Austrian plant and a magnesite plant in Brazil.

In September 2025, the decision was made to sell the assets of a production plant, based in the US (Huron), primarily comprising machinery and equipment, a building and land. The sale is expected to be completed in 2026. Due to this decision, the assets are classified as held for sale and presented separately within current assets. They are part of the North America reportable segment.

There are no restrictions on the sale of property, plant and equipment. Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities amounts to €4 million (2024: €6 million).

The Right-of-use assets per category developed as follows as of 31 December 2025:

in € million	Right-of-use assets land and buildings	Right-of-use assets technical equipment and machinery	Right-of-use assets other equipment, furniture and fixtures	Total
Cost at 31.12.2024	102	26	19	147
Currency translation	(6)	(1)	0	(7)

	2025	2024	2023	2022
Currency translation	4	1	3	8
Additions	0	0	1	1
Initial consolidation and PPA finalisation	(8)	(14)	(4)	(26)
Retirements and disposals	92	12	19	123
Cost at 31.12.2025	37	18	9	64
Accumulated depreciation 31.12.2024	(1)	0	0	(1)
Currency translation	11	3	5	19
Depreciation	(8)	(14)	(3)	(25)
Retirements and disposals	39	7	11	57
Accumulated depreciation 31.12.2025	53	5	8	66
Carrying amounts at 31.12.2025				

The Right-of-use assets per category developed as follows as of 31 December 2024:

in € million	Right-of-use assets land and buildings	Right-of-use assets technical equipment and machinery	Right-of-use assets other equipment, furniture and fixtures	Total
Cost at 31.12.2023	91	30	13	134
Currency translation	(1)	(2)	0	(3)
Additions	17	3	9	29
Retirements and disposals	(5)	(5)	(3)	(13)
Cost at 31.12.2024	102	26	19	147
Accumulated depreciation 31.12.2023	30	20	7	57
Currency translation	0	(2)	(1)	(3)
Depreciation	12	5	5	22
Retirements and disposals	(5)	(5)	(2)	(12)
Accumulated depreciation 31.12.2024	37	18	9	64
Carrying amounts at 31.12.2024	65	8	10	83

The average lease term is twelve years for land and buildings, four years for technical equipment and machinery, and four years for other equipment, furniture and fixtures. Impacts resulting from extension and termination options, as well as residual value guarantees, are immaterial. Detail on lease liabilities is in Note (28).

20. Other assets

in € million	31.12.2025	31.12.2024
Prepayments related to the acquisition of Resco Group	0	46
Deferred mine stripping costs	12	13
Tax receivables	10	11
Other non-current assets	7	6
Other assets	29	76

21. Inventories

in € million	31.12.2025	31.12.2024
Raw materials and supplies	255	264
Work in progress	208	215
Finished products and goods	460	464
Prepayments made	8	14
Emission rights	1	5
Inventories	932	962

Net write-down expenses amount to €1 million (2024: €0 million).

22. Trade and other receivables

in € million	31.12.2025	31.12.2024
Trade receivables	445	530
Contract assets	6	3
Other tax receivables	85	87
Prepaid expenses	11	9
Other current receivables	29	31
Trade and other current receivables	576	660
thereof financial assets	451	533
thereof non-financial assets	125	127

The Group enters into factoring agreements and sells trade receivables to financial institutions. Trade receivables sold at the end of the year was €254 million (2024: €237 million). These have been derecognised as substantially all risks and rewards as well as control have been transferred. Payments received from customers following the sale are recognised in current borrowings until repaid to the factorer.

Other tax receivables include primarily VAT, as well as receivables from energy tax refunds, and tax research subsidies.

Other current receivables mainly relate to advances for insurance, IT services as well as custom and import-related services and costs.

23. Cash and cash equivalents

in € million	31.12.2025	31.12.2024
Cash at banks and in hand	288	530
Money market funds	67	46
Cash and cash equivalents	355	576

Cash and cash equivalents include amounts not available for use by the Group totalling €9 million at 31 December 2025 (2024: €3 million). Cash not available for use by the Group is mainly comprised of deposits for credit lines and bank

guarantees.

24. Share capital

At 31 December 2025, the authorised share capital of RHI Magnesita N.V. amounts to €100,000,000 divided into 100,000,000 ordinary shares and remained unchanged compared to prior year. Thereof 47,304,527 (2024: 47,195,936) fully paid-in ordinary shares are issued. In addition, there are 2,173,178 (2024: 2,281,769) treasury shares held by the Company. All issued RHI Magnesita shares grant the same rights. The shareholders are entitled to dividends and have one voting right per share at the AGM. There are no shares with special control rights.

25. Group reserves

Treasury shares

At 31 December 2025, RHI Magnesita treasury shares amount to 2,173,178 (2024: 2,281,769). Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's treasury shares.

Additional paid-in capital

At 31 December 2025, as well as at 31 December 2024, additional paid-in capital comprised premiums on the issue of shares less issue costs by RHI Magnesita N.V.

Mandatory reserve

The Articles of Association stipulate a mandatory reserve of €288,699,231, which was created in connection with the merger between the former RHI Group and the former Magnesita Group in 2017. No distributions, allocations or additions may be made, and no losses of the Company may be allocated to the mandatory reserve.

Retained earnings

Retained earnings include the result of the financial year, as well as results earned by consolidated companies during prior periods, but which were not distributed.

Accumulated other comprehensive income

Cash flow hedge reserves include gains and losses from the effective part of cash flow hedges net of tax effects. The accumulated gain or loss from the hedge allocated to reserves is only reclassified to the Consolidate Statement of Profit or Loss if the hedged transaction also influences the result or is terminated.

Reserves for defined benefit plans include the gains and losses from the remeasurement of defined benefit pension and termination benefit plans, taking into account related tax effects. These amounts will not be reclassified to the Consolidated Statement of Profit or Loss in future periods.

Currency translation reserves include the accumulated currency translation differences from translating the Financial Statements of foreign subsidiaries, as well as unrealised currency translation differences from monetary items which are part of a net investment in a foreign operation, net of related income taxes.

26. Non-controlling interests

Subsidiaries with material non-controlling interests

RHI Magnesita India Ltd., based in New Delhi, India, is a listed company on the BSE Limited and NSE Limited. RHI Magnesita India Ltd. is the (direct or ultimate) parent company of RHI Magnesita India Refractories Ltd., RHI Magnesita Seven Refractories Ltd., Intermetal Engineers (India) Private Ltd and Ashwath Technologies Private Limited, which together form the Subgroup India. Ashwath Technologies Private Limited is an inconsiderable refractory business which was acquired in 2025. The Subgroup India is included in the India reportable segment of the Group, and the share of the non-controlling interests amounts to 43.9% (2024: 43.9%). Aggregated financial information of the Subgroup India is provided below:

in € million	31.12.2025	31.12.2024
Non-current assets	359	432
Current assets	248	260
Non-current liabilities	(22)	(24)
Current liabilities	(114)	(123)
Net assets before intragroup eliminations	471	545
Intragroup eliminations	0	(1)
Net assets	471	544
Carrying amount of non-controlling interests	139	162

The aggregated Statement of Profit or Loss and Statement of Comprehensive Income of the Subgroup India are shown below:

in € million	2025	2024
Revenue	454	430
Operating expenses, net finance costs and income tax	(437)	(406)
Profit after income tax before intragroup eliminations	17	24
Intragroup eliminations	1	1
Profit after income tax	18	25
thereof attributable to non-controlling interests	8	11

in € million	2025	2024
Profit after income tax	18	24
Other comprehensive (expense)/income	(117)	26
Total comprehensive income	(99)	50
thereof attributable to non-controlling interests	(43)	22

The following table shows the summarised Statement of Cash Flows of the Subgroup India:

in € million	2025	2024
Net cash flow from operating activities	43	38
Net cash flow from investing activities	(13)	(13)
Net cash flow from financing activities	(8)	(26)
Total cash flow	22	(1)

Net cash flow from financing activities includes dividend payments to non-controlling interests amounting to €2 million (2024: €2 million).

Change of non-controlling interests without a change of control

In June 2025, the Group acquired the remaining shares held by the non-controlling shareholders in RHI Magnesita Czech Republic a.s. for a cash consideration of €3 million with the difference between the carrying amount of the non-controlling interests' portion of equity acquired and the consideration paid recorded in retained earnings within equity.

27. Borrowings

Borrowings include all interest-bearing liabilities due to financial institutions and other lenders.

In March 2024, the Group successfully raised a €200 million syndicated term loan with a tenor of five years. This syndicated term loan was fully utilised in January 2025 to fund the acquisition of the Resco Group.

In April and May 2025, the Group successfully completed the refinancing of a €150 million bilateral term loan maturing in May 2025 and a €50 million bilateral term loan maturing in 2026 with a €100 million bilateral term loan maturing in 2029 and a 50 million bilateral term loan maturing in 2030 respectively, with €50 million being repaid with excess cash to optimise the Group's capital structure and liquidity levels. These transactions strengthen the Group's funding structure and maturity profile ahead of upcoming maturities in 2026.

The Group intends to refinance its 2026 maturities in the second quarter of 2026 making use of the same type of funding instruments, with the objective of maintaining a balanced maturity profile and prudent liquidity position.

RHI Magnesita continues to align parts of its funding structure with sustainability objectives, including the use of ESG-linked loan instruments. The Group's EcoVadis sustainability rating was updated in June 2025, achieving an overall score of 79 out of 100, placing the Group in the 97th percentile of all companies rated globally. At the reporting date, the Group's ESG-linked drawn and undrawn borrowing facilities amounted to €1,702 million (31.12.2024: €1,983 million).

The principal borrowing facilities, including the Syndicated & Term Loan as well as the Bonded Loans ("Schuldscheindarlehen"), are subject to a debt covenant, being the leverage ratio of net debt excluding lease liabilities to Pro Forma Adjusted EBITDA of a maximum of 3.5 times. Compliance with the debt covenant is measured on a semi-annual basis and its calculation is shown in Note (37). If the debt covenant of the Syndicated & Term Loans is breached, the lenders have the right to immediate loan repayment. If repayment of the Syndicated & Term Loans is demanded, the Bonded Loans will also become due. If the Syndicated & Term Loans' debt covenant is breached but the full repayment is waived, the Bonded Loans interest margin payable will increase. The Group complied with the debt covenant in 2025 and 2024. There are no indications that the Group will have difficulties complying with the debt covenant in the 12 months following the reporting date.

The breakdown of borrowings is presented in the following table:

in € million	Total		
	31.12.2025	Current	Non-current
Syndicated & Term Loan	1,034	113	921
Bonded loans ("Schuldscheindarlehen")	721	285	436
Other credit lines and other loans	27	26	1
Total liabilities to financial institutions	1,782	424	1,358
Other financial liabilities	6	1	5
Capitalised transaction costs	(2)	(1)	(1)
Borrowings	1,786	424	1,362

in € million	Total		
	31.12.2024	Current	Non-current
Syndicated & Term Loan	976	233	743
Bonded loans ("Schuldscheindarlehen")	720	0	720
Other credit lines and other loans	44	42	2
Total liabilities to financial institutions	1,740	275	1,465
Other financial liabilities	11	1	10
Capitalised transaction costs	(1)	0	(1)
Borrowings	1,750	276	1,474

Considering the impact of floating-to-fixed interest rate swaps, 70% (2024: 73%) of the liabilities to financial institutions carry fixed interest and 30 % (2024: 27%) carry variable interest.

The following table shows the fixed interest terms and conditions, including interest rate swaps, without liabilities from deferred interest:

Interest terms fixed until	Effective annual interest rate	Currency	31.12.2025 Carrying amount in € million	Interest terms fixed until	Effective annual interest rate	Currency	31.12.2024 Carrying amount in € million
2026	EURIBOR + margin 4.02%	EUR	485	2025	EURIBOR + margin 0.50%	EUR	444
		EUR	264			EUR	150
	Various - Variable rate	Various	67	Various - Variable rate	Various	35	
2027	2.82%	EUR	634	2026	3.61%	EUR	264
2028	1.87%	EUR	119	2027	2.41%	EUR	715
2029	3.86%	EUR	208	2028	1.87%	EUR	119
2031	1.25%	EUR	5	2029	1.52%	EUR	8
				2031	1.25%	EUR	5
			1,782				1,740

The table above shows how long the interest rates are fixed for, rather than the maturity of the underlying instruments.

Shares of Jinan New Emei Industries Co Ltd. in the amount of €10 million have been pledged as security for a local loan in China.

28. Other financial liabilities

Other financial liabilities include the negative fair value of derivative financial instruments as well as lease liabilities and fixed-term and puttable non-controlling interests payable in Group companies. Additional explanation on derivative financial instruments is provided under Note (35).

financial instruments is provided under Note (35).

in € million	31.12.2025			31.12.2024		
	Current	Non-current	Total	Current	Non-current	Total
Forward exchange contracts	1	0	1	1	0	1
Interest rate derivatives	0	2	2	0	4	4
Commodity swaps	10	6	16	2	3	5
Derivatives in open orders	1	0	1	0	0	0
Derivative financial liabilities	12	8	20	3	7	10
Lease liabilities	16	49	65	17	60	77
Fixed-term or puttable non-controlling interests	5	43	48	7	45	52
Other financial liabilities	33	100	133	27	112	139

In line with the Group's accounting policy, the carrying amount of non-controlling interest is reduced to nil and replaced with a financial liability where the Group has provided a written put option (usually together with a call option) or has entered into a forward contract to acquire the shares not controlled by the Group. The carrying amount of the financial liabilities represents the discounted value of the expected settlement for the following non-controlling interest:

in € million	Ownership interest held by NCI	31.12.2025	31.12.2024
Horn & Co. Minerals Recovery GmbH & Co.KG	45.00%	4	4
RHI Magnesita Czech Republic a.s.	0.00%	0	1
RHI Magnesita (Chongqing) Refractory Materials Co., Ltd.	49.00%	10	11
Jinan New Emei Industries Co. Ltd.	35.00%	4	21
Liaoning RHI Jinding Magnesita Co., Ltd.	16.67%	0	4
RHI Refractories Liaoning Co., Ltd.	34.00%	10	11
BPI RHIM LLC	49.00%	20	0
Liabilities to fixed-term or puttable non-controlling interests		48	52

The following table shows the reconciliation from the opening balances to the closing balances of the liabilities to the fixed-term or puttable non-controlling interests:

in € million	31.12.2025	31.12.2024
Liabilities at beginning of the year	52	87
Currency translation ¹⁾	(4)	2
Interest accrued ²⁾	2	(1)
Remeasurement gains ²⁾	(10)	(21)
Dividends paid	(4)	(6)
Additions	0	1
Additions from initial consolidation	20	0
Working capital adjustment related to Jinan New Emei Industries Co. Ltd. ³⁾	(6)	0
Other changes	(2)	(10)
Liabilities at year-end	48	52

1) Recognised in OCI.

2) Recognised in profit or loss as other net financial expenses.

3) The liability to the fixed-term or puttable non-controlling interest in Jinan New Emei Industries Co. Ltd. is expected to be settled in 2026.

In August 2025, the Group recognised a financial liability related to fixed-term or puttable non-controlling interests to acquire the remaining shares in BPI RHIM LLC held by other shareholders (see Note (40)), amounting to €20 million. The fair value is mainly based on the present value of BPI's average EBITDA performance over a three-year period and the principal valuation parameters are deemed to be non-observable (Level 3).

Sensitivities in respect of the significant non-observable inputs used to measure the fair value of the financial liabilities related to fixed-term or puttable non-controlling interests are presented below. These sensitivities show the hypothetical impact of a change in each of the listed inputs in isolation.

in € million	Financial liabilities increase by	Financial liabilities decrease by
Profit measure increases by 15%	7	
Profit measure decreases by 15%		7

29. Net employee benefit liabilities

Pension provisions

The net liability from pension obligations in the Consolidated Statement of Financial Position is as follows:

in € million	31.12.2025	31.12.2024
Present value of pension obligations	318	377
Fair value of plan assets	(147)	(182)
Deficit of funded plans	171	195
Asset ceiling and funding obligations	9	5
Net liability from pension obligations	180	200
Overfunded pension plans	(1)	(1)
Other pension plans	181	201

The present value of pension obligations by beneficiary groups is as follows:

in € million	31.12.2025	31.12.2024
Active beneficiaries	60	62

Vested terminated beneficiaries	20	41
Retirees	238	274
Present value of pension obligations	318	377

The pension obligations are measured using the following actuarial assumptions for the key countries in which the Group operates:

in %	31.12.2025	31.12.2024
Interest rate		
Austria and Germany	4.0%	3.4%
Brazil	11.8%	12.2%
USA	5.3%	5.5%
Future salary increase		
Austria	2.1%	2.7%
Germany	2.5%	2.5%
Brazil	5.6%	5.8%
USA	3.3%	3.3%
Future pension increase		
Austria	2.5%	3.3%
Germany	2.0%	2.0%
Brazil	4.0%	4.3%
USA	2.0%	2.0%

These are average values which were weighted with the present value of the respective pension obligation.

The calculation of the actuarial interest rate for the Eurozone countries is based on a yield curve for returns of high-quality corporate bonds denominated in EUR with an average AA rating, which is derived from pooled index values. The calculation of the actuarial interest rate for the USD and GBP currency area is based on a yield curve for returns of high-quality corporate bonds denominated in USD and GBP with an average rating of AA, which is derived from pooled index values. Where there are very long-term maturities, the yield curve follows the performance of bonds without credit default risk. The interest rate is calculated annually at 31 December, taking into account the expected future cash flows which were determined based on the current personal and commitment data.

The calculation in Austria was based on the AVÖ 2018-P demographic calculation principles for salaried employees issued by the Actuarial Association of Austria. In Germany, the Heubeck Richttafeln 2018 G actuarial tables were used as a basis. In the other countries, country-specific mortality tables were applied.

The main pension regulations are described below:

The Austrian group companies account for €57 million (2024: €68 million) of the present value of pension obligations and for €7 million (2024: €8 million) of the plan assets. The agreed benefits include pensions, invalidity benefits and benefits for surviving dependents. Commitments in the form of company or individual agreements depend on the length of service and the salary at the time of retirement. For the majority of commitments, the amount of the pension subsidy is limited to 75% of the final remuneration, including a pension pursuant to the General Social Insurance Act (ASVG). The Group has concluded pension reinsurance policies for part of the commitments. The pension claims of the beneficiaries are limited to the coverage capital required for these commitments. The pensions are predominantly paid in the form of annuities and are partially indexed. For employees joining the company after 1 January 1984, no defined benefits were granted. Instead, a defined contribution pension model is in place. In addition, there are commitments based on the deferred compensation principle, which are fully covered by pension reinsurance policies and commitments for preretirement benefits for employees in mining operations.

The pension plans of the German group companies account for €101 million (2024: €113 million) of the present value of pension obligations and for €1 million (2024: €1 million) of the plan assets. The benefits included in company agreements comprise pensions, invalidity benefits and benefits for surviving dependents. The amount of the pension depends on the length of service for the majority of the commitments and is calculated as a percentage of the average monthly wage/salary of the last 12 months prior to retirement. In some cases, commitments to fixed benefits per year of service have been made. The pensions are predominantly paid in the form of annuities and are adjusted in accordance with the development of the consumer price index for Germany. The pension plans are closed to new entrants, except one contribution-based plan. There is no defined contribution model on a voluntary basis. Individual commitments have been made, with major part of them being retired beneficiaries.

The pension plan of the US group company Magnesita Refractories Company, York, USA, accounts for €64 million (2024: €71 million) of the present value of pension obligations and for €64 million (2024: €69 million) of the plan assets. The pension plan is a non-contributory defined benefit plan covering a portion of the employees of the company. The plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). Effective 21 June 1999, the company offered the participants the opportunity to elect to participate in a single enhanced defined contribution plan. Participants who made this election are no longer eligible for future accruals under this plan. All benefits accrued as of the date of transfer will be retained. Employees hired after 21 June 1999 and employees that did not meet the plan's eligibility requirements as of 21 June 1999 are not eligible for this plan. The pensions are predominantly paid in the form of annuities and are adjusted annually based on the US consumer price index.

The pension plan of the UK group company Magnesita Refractories Ltd., Dinnington, United Kingdom, accounted for €34 million (2024: €37 million) of the present value of pension obligations and held €37 million (2024: €42 million) of assets prior to its settlement in 2025. No plan assets were recognised on the balance sheet in previous years due to the application of IFRIC 14 (asset ceiling). The company had sponsored a funded defined benefit pension plan for qualifying UK employees, administered by an independent Board of Trustees composed of employer, employee and independent representatives, who were responsible for the investment policy and the day to day administration of benefits. Under the plan, employees were entitled to annual pension benefits upon retirement at age 65. Following the buy in arrangement concluded in 2022 - under which a third party insurer in the United Kingdom assumed the plan's obligations and the plan assets were liquidated and transferred at a value of approximately €62 million - the plan was fully settled in 2025. The settlement extinguished all remaining legal and constructive obligations related to the defined benefit plan. On 1st December 2025, full responsibility for the payment of benefits was transferred to the insurer under the buy-out portion of the transaction, at which point, the Group legally ceased to have responsibility for the remaining liabilities. On 24th December 2025, the remaining assets surplus of €3 million was released by the Trustees back to the Group, net of 25% tax. Final administrative winding up of the Plan is expected during the first quarter of 2026.

The pension liabilities of the Brazilian group company Magnesita Refratários S.A. account for €37 million (2024: €35 million) of the present value of pension obligations and for €38 million (2024: €25 million) of the plan assets. These liabilities relate to a Defined Benefit (DB) plan, which was frozen in 2009. The obligations correspond to the accrued rights of the remaining plan participants. The agreed benefits include lifetime retirement pensions, disability benefits, and benefits for surviving dependents. Currently, the Brazilian group companies offer their employees a defined contribution plan as an optional benefit. Under this plan, employees contribute a percentage of their salary, and the company matches these contributions at a rate of 1.5 times the employee's contribution. Employees who leave the plan before retirement may be entitled to receive up to 75% of the company's final contribution, depending on their length of service.

Upon retirement, employees may choose to receive a portion of the total contribution amount as a lump sum or in proportional monthly instalments, with various payout options available. The defined contribution plan is structured on a fully funded basis, ensuring that payouts are exclusively derived from accumulated contributions and their respective investment returns. This structure effectively eliminates the risk of deficits or the creation of long-term financial obligations. As of 31.12.2025, the Group is subject to a minimum funding requirement in respect to this plan amounting to €8 million (2024: €0 million).

The following table shows the development of net liability from pension obligations:

in € million	2025	2024
Net liability from pension obligations at beginning of year	200	240
Currency translation	0	(5)
Additions initial consolidation	1	0
Pension cost	11	12
Remeasurement (gains)	(10)	(25)
Benefits paid	(18)	(19)
Employers' contributions to external funds	(4)	(3)
Net liability from pension obligations at year-end	180	200

The present value of pension obligations developed as follows:

in € million	2025	2024
Present value of pension obligations at beginning of year	377	421
Currency translation	(10)	(5)
Additions initial consolidation	10	0
Current service cost	1	2
Interest cost	18	18
Remeasurement (gains)		
from changes in demographic assumptions	0	0
from changes in financial assumptions	(9)	(25)
due to experience adjustments	(2)	(3)
Benefits paid	(33)	(32)
Settlements	(34)	0
Employee contributions to external funds	1	1
Plan amendments	(1)	0
Present value of pension obligations at year-end	318	377

The movement in plan assets is shown in the table below:

in € million	2025	2024
Fair value of plan assets at beginning of year	182	186
Currency translation	(10)	0
Additions initial consolidation	9	0
Interest income	9	9
Administrative costs (paid from plan assets)	(1)	0
Gains/(losses) on plan assets less interest income	2	(3)
Benefits paid	(15)	(14)
Settlements	(34)	0
Employers' contributions to external funds	4	3
Employee contributions to external funds	1	1
Fair value of plan assets at year-end	147	182

The changes in the asset ceiling are shown below:

in € million	2025	2024
Asset ceiling and funding obligations at beginning of year	5	5
(Gains)/losses from changes in asset ceiling less interest expense	(4)	0
Additional liability arising from minimum funding requirement	8	0
Asset ceiling and funding obligations at year-end	9	5

At 31 December 2025, the weighted average duration of pension obligations amounts to 9.8 years (2024: 10.3 years).

The following amounts were recorded in the Consolidated Statement of Profit or Loss:

in € million	2025	2024
Current service cost	1	2
Interest cost	18	19
Interest income	(9)	(9)
Administrative costs (paid from plan assets)	1	0
Pension expense recognised in profit or loss	11	12

The remeasurement results recognised in OCI are shown in the table below:

in € million	2025	2024
Accumulated remeasurement losses at beginning of year	93	118
Remeasurement (gains) on present value of pension obligations	(11)	(28)
(Gains)/losses on plan assets less interest income	(2)	3
Losses from changes in asset ceiling and funding obligations less interest expense	4	0
Accumulated remeasurement losses at year-end	84	93

The present value of plan assets is distributed to the following classes of investments:

in € million	31.12.2025			31.12.2024		
	Active market	No active market	Total	Active market	No active market	Total
Insurances	5	37	42	0	73	73
Equity instruments	46	0	46	46	0	46
Debt instruments	40	2	42	41	1	42
Cash and cash equivalents	7	0	7	12	0	12
Other assets	7	3	10	9	0	9
Fair value of plan assets	105	42	147	108	74	182

The present value of the insurances to cover the Austrian pension plans corresponds to the coverage capital. Insurance companies predominantly invest in debt instruments and, to a low extent, in equity instruments and properties.

Plan assets do not include own financial instruments or assets utilised by the Group.

The Group works with professional fund managers for the investment of plan assets. They act on the basis of specific investment guidelines adopted by the pension fund committee of the respective pension plans. The committees consist of management staff of the finance department and other qualified executives. They meet regularly in order to approve the target portfolio with the support of independent actuarial experts and to review the risks and the performance of the investments. In addition, they approve the selection or the extension of contracts of external fund managers.

The largest portion of the other assets is invested in pension reinsurance, resulting in a low counterparty risk towards insurance companies. In addition, the Group is exposed to interest risks and longevity risks resulting from its defined benefit commitments.

The Group generally endows the pension funds with the amount necessary to meet the legal minimum allocation requirements of the country in which the fund is based. Moreover, the Group makes additional allocations at its discretion from time to time. In the financial year 2026, the Group expects employer contributions to external plan assets to amount to €5 million and direct payments to entitled beneficiaries to €16 million. Employer contributions of €4 million and direct pension payments of €18 million had been expected for the financial year 2025.

The following sensitivity analysis shows the change in present value of the pension and termination benefit obligations if one key parameter changes, while the other influences are maintained constant. In reality, it is rather unlikely that these influences do not correlate. The present value of the pension obligations for the sensitivities shown was calculated using the same method as for the actual present value of the pension obligations (projected unit credit method).

in € million	Change of assumption in percentage points or years	31.12.2025		31.12.2024	
		Pension plans	Termination benefits	Pension plans	Termination benefits
Present value of the obligations		318	33	377	39
Interest rate	+0.25	(7)	(1)	(9)	(1)
	(0.25)	8	1	10	1
Salary increase	+0.25	0	1	1	1
	(0.25)	0	(1)	(1)	(1)
Pension increase	+0.25	6		6	
	(0.25)	(5)		(7)	
Life expectancy	+ 1 year	11		6	
	(1) year	(10)		(5)	

These changes would have no immediate effect on the result of the period as remeasurement gains and losses are recorded in OCI without impact on profit or loss. The assumptions regarding the interest rate are reviewed semi-annually; all other assumptions are reviewed at the end of the year.

Other personnel provisions

in € million	31.12.2025	31.12.2024
Termination benefits	31	35
Service anniversary bonuses	18	20
Semi-retirements	3	4
Other personnel provisions	52	59

Provisions for termination benefits

The provision for termination benefits relates mainly to employees that joined an Austrian company before 1 January 2003 and are subject to a one-off lump-sum termination benefit under Austrian legislation. This is regarded as a post-employment benefit and accounted for consistently with pensions benefits described above.

Provisions for the Austrian termination benefits, which account for over 80.0% of the balance (2024: 83.0%) were based on the following measurement assumptions:

in %	31.12.2025	31.12.2024
Interest rate	4.0%	3.4%
Future salary increase	2.6%	3.4%

The interest rate for the measurement of termination benefit obligations in the Eurozone was determined taking into account the Company specific duration of the portfolio.

Provisions for termination benefits developed as follows:

in € million	2025	2024
Provisions for termination benefits at beginning of year	35	34
Current service cost	2	1
Interest cost	1	1
Remeasurement (gains)/losses	(4)	1
Benefits paid	(2)	(2)

benefits paid	(3)	(4)
Provisions for termination benefits at year-end	31	35

Payments for termination benefits are expected to amount to €1 million in the year 2026. In the previous year, the payments for termination benefits expected for 2025 amounted to €2 million.

The following remeasurement gains and losses were recognised in OCI:

in € million	2025	2024
Accumulated remeasurement losses at beginning of year	19	18
Remeasurement (gains)/losses	(4)	1
Accumulated remeasurement losses at year-end	15	19

At 31 December 2025 the average duration of termination benefit obligations amounted to 9.9 years (2024: 10.5 years).

Provisions for service anniversary bonuses

The measurement of provisions for service anniversary bonuses relating to employees in Austria and Germany is based on an interest rate of 4.0% (2024: 3.4%) in Austria and 4.0% (2024: 3.4%) in Germany and considers salary increases of 4.5% (2024: 5.1%) in Austria and 2.5% in Germany (2024: 2.5%).

Provisions for semi-retirement

The funded status of provisions for obligations to employees with semi-retirement contracts is shown in the table below:

in € million	31.12.2025	31.12.2024
Present value of semi-retirement obligations	4	5
Fair value of plan assets	(1)	(1)
Provisions for semi-retirement obligations	3	4

External plan assets are ring-fenced from all creditors and exclusively serve to meet semi-retirement obligations.

30. Provisions

The development of provisions is shown in the tables below for 2025 and 2024:

in € million	Onerous/unfavourable contracts	Labour and civil contingencies	Demolition/disposal costs environmental damages	Restructuring costs	Deficit of emission certificates	Other	Total
31.12.2024	46	8	33	20	0	7	114
Currency translation	0	0	(1)	0	0	0	(1)
Reversals	(2)	(2)	(7)	0	0	(1)	(12)
Additions	2	3	6	12	43	5	71
Unwinding of discount	4	1	1	0	0	0	6
Use	(11)	(3)	(1)	(16)	0	(4)	(35)
Reclassifications	0	0	0	0	0	0	0
31.12.2025	39	7	31	16	43	7	143
non-current	27	7	29	0	0	0	63
current	12	0	2	16	43	7	80

in € million	Onerous/unfavourable contracts	Labour and civil contingencies	Demolition/disposal costs environmental damages	Restructuring costs	Other	Total
31.12.2023	67	11	30	9	9	126
Currency translation	(9)	(2)	(1)	0	0	(12)
Reversals	(6)	(3)	(2)	0	(3)	(14)
Additions	2	3	6	16	3	30
Unwinding of discount	5	1	1	0	0	7
Use	(13)	(2)	(1)	(5)	(3)	(24)
Reclassifications	0	0	0	0	1	1
31.12.2024	46	8	33	20	7	114
non-current	35	8	28	0	0	71
current	11	0	5	20	7	43

In November 2017, the Group sold a plant located in Oberhausen, Germany, in order to satisfy the conditions imposed by the European Commission in their approval of the merger of RHI Refractories and Magnesita. Under the terms, the Group remains obligated to provide raw materials at cost and recognised a provision for unfavourable contracts as part of the purchase price allocation to reflect the foregone profit margin. The non-current portion of this contract obligation amounts to €24 million as of 31 December 2025 (2024: €32 million) and the current portion to €10 million (2024: €9 million). In addition, provisions for other unfavourable contracts amount to €5 million (2024: €5 million), mainly in Türkiye and Europe.

The provision for labour and civil contingencies primarily comprises labour and civil litigation amounting to €7 million (2024: €8 million) arising mainly in Brazil.

The provision for demolition and disposal costs and environmental damages primarily includes provisions for the estimated costs of mining site restoration of several mines in Brazil amounting to €5 million (2024: €7 million), various sites in Europe amounting to €12 million (2024: €15 million) and in the USA amounting to €8 million (2024: €7 million).

Provisions for restructuring costs amounting to €16 million at 31 December 2025 (2024: €20 million) primarily consist of estimated benefit obligations to employees due to termination of employment and dismantling costs. €8 million (2024: €0 million) relates to the remaining redundancy costs at Wetro, Germany; €3 million (2024: €3 million) relates to the plant closure in Trieben, Austria; €3 million (2024: €1 million) pertains to the termination of employment as a result of the Group's permanent SG&A headcount reduction; and €1 million (2024: €15 million) relates to the remaining redundancy costs at Mainzlar, Germany.

The provision for emission certificates includes the EUR equivalent of the expected deficit of emission certificates at the reporting date. The provision is measured based on the spot price of the emission certificates at the reporting date.

Other consists mainly of provisions for claims arising from warranties and other similar obligations from the sale of refractory products.

31. Trade payables and other liabilities

in € million	31.12.2025	31.12.2024
Trade payables	440	455
Payables subject to supplier finance arrangements	137	117
Contract liabilities	36	59
Liabilities to employees	57	111
Taxes other than income tax	30	31
Capital expenditure payable	18	22
Payables from commissions	7	10
Other current liabilities	32	38
Trade payables and other current liabilities	757	843
thereof financial liabilities	615	619
thereof non-financial liabilities	142	224

Payables subject to supplier finance arrangements comprise a forfeiting liability of €38 million (31.12.2024: €53 million), a liability owed to a payment service provider of €45 million and a liability related to reverse factoring arrangements of €54 million (31.12.2024: €64 million). The payment terms of the forfeiting liability amount to 360 days, as agreed with the financial institution from the outset of the arrangement. Comparable payment terms of trade payables without a forfeiting arrangement are not available since the use of forfeiting arrangements is limited to sourcing raw materials in a specific region and the Group generally procures these raw materials by entering into forfeiting arrangements. The payment terms of payables subject to supplier finance arrangements other than the forfeiting arrangement lie within a range of 60 to 150 days while for comparable trade payables without supplier finance arrangements the payment terms lie within a range of 30 to 120 days. The carrying amount of payables subject to supplier finance arrangements of which suppliers have received payment from financial institutions or the payment service provider amounts to €120 million (31.12.2024: €98 million). Interest expenses of €1 million related to supplier finance arrangements were incurred in the reporting period which are presented within other net financial expenses. For certain supplier finance arrangements, the Group provides corporate parental guarantees as security to third parties from which the suppliers receive payment. These are disclosed as part of the Group's contingent liabilities (see Note 38)).

Contract liabilities mainly consist of prepayments received on orders. In 2025 €59 million (2024: €65 million) revenue was recognised that was included in the contract liability balance at the beginning of the period.

The item liabilities to employees primarily consists of obligations for wages and salaries, payroll taxes and employee-related duties, performance bonuses, unused vacation and flexitime credits. The decrease in liabilities to employees is primarily driven by the reduction in bonuses and vacation accruals.

32. Cash generated from operations

in € million	2025	2024
Profit after income tax	94	154
Adjustments for		
income tax	34	46
depreciation	131	136
amortisation	52	39
impairment of property, plant and equipment and intangible assets	2	42
expense from financial assets excluding trade and other receivables	0	3
gains from the disposal of property, plant and equipment	0	(5)
losses/(gains) from the disposal of subsidiaries / foreign operations	1	(8)
net interest expense, interest rate derivatives and remeasurement of liabilities to fixed-term or puttable non-controlling interest	70	43
other non-cash changes	26	(10)
Changes in working capital		
inventories	24	25
trade receivables	74	2
trade payables	7	83
contract liabilities	(22)	(5)
Changes in other assets and liabilities		
other receivables and assets	3	7
provisions	(3)	(28)
other liabilities	(60)	(22)
Cash generated from operations	433	502
Income tax paid less refunds	(54)	(69)
Net cash flow from operating activities	379	433

Other non-cash changes include share-based payments of €3 million (2024: €9 million), net interest expenses for defined benefit obligations amounting to €11 million (2024: €12 million) and the unrealised portion of the net expense on foreign exchange effects amounting to €13 million (2024: the unrealised portion of the net income on foreign exchange effects of €31 million). Refer to Note (12) for details on the compositions of the net income or expense on foreign exchange effects.

33. Net cash flow from financing activities

The reconciliation of movements of financial liabilities and assets to cash flows arising from financing activities for the current and the prior year is shown in the tables below:

in € million	31.12.2024	Cash changes		Non-cash changes					31.12.2025
		Changes in foreign exchange rates	Interest and other fair value changes	Reclassifications	Additions from initial consolidation	Additions and modifications of leases (IFRS 16)			
Borrowings	(1,750)	(34)	5	1	0	(8)	0	(1,786)	
Lease liabilities	(77)	17	4	0	0	0	(9)	(64)	

	(11)	11	4	0	0	0	(0)	(04)
Cash and cash equivalents ¹⁾	576	(213)	(14)	0	0	6	0	355
Net debt	(1,251)	(230)	(5)	1	0	(2)	(8)	(1,495)
Liabilities to fixed-term or puttable non-controlling interests ²⁾	(52)	4	4	9	7	(20)	0	(48)

1) The column Cash changes excludes cash acquired in business combinations, which is presented in column Additions from initial consolidation.

2) Refer to Note (28) for details.

in € million	31.12.2023	Cash changes		Non-cash changes				31.12.2024
			Changes in foreign exchange rates	Interest and other fair value changes	Reclassifications	Additions from initial consolidation	Additions and modifications of leases (IFRS 16)	
Borrowings	(1,949)	201	(1)	(1)	0	0	0	(1,750)
Lease liabilities	(70)	20	2	0	0	0	(29)	(77)
Cash and cash equivalents	704	(130)	2	0	0	0	0	576
Marketable securities	11	(10)	(1)	0	0	0	0	0
Net debt	(1,304)	81	2	(1)	0	0	(29)	(1,251)
Liabilities to fixed-term or puttable non-controlling interests ¹⁾	(87)	6	(2)	22	9	0	0	(52)

1) Refer to Note (28) for details.

34. Additional disclosures on financial instruments

The following tables show the carrying amounts and fair values per class of financial assets and liabilities as well as the allocation of the carrying amounts to the relevant measurement category.

in € million	Cash flow hedge	At fair value through profit or loss	At fair value through OCI	At amortised cost	Not a financial instrument	Book value as of 31.12.2025	Fair value as of 31.12.2025
Financial assets							
Trade and other receivables	0	0	20	431	125	576	576
Cash and cash equivalents	0	0	0	355	0	355	355
Other financial assets	7	26	8	4	0	45	45
	7	26	28	790	125	976	976

in € million	Cash flow hedge	At fair value through profit or loss	At fair value through OCI	At amortised cost	Not a financial instrument	Book value as of 31.12.2025	Fair value as of 31.12.2025
Financial liabilities							
Trade payables and other liabilities	0	0	0	615	142	757	757
Borrowings	0	0	0	1,786	0	1,786	1,778
Lease liabilities	0	0	0	65	0	65	65
Other financial liabilities (excl. lease liabilities)	18	40	0	10	0	68	68
	18	40	0	2,476	142	2,676	2,668

in € million	Cash flow hedge	At fair value through profit or loss	At fair value through OCI	At amortised cost	Not a financial instrument	Book value as of 31.12.2024	Fair value as of 31.12.2024
Financial assets							
Trade and other receivables	0	0	46	487	127	660	660
Cash and cash equivalents	0	0	0	576	0	576	576
Other financial assets	25	19	7	8	0	59	59
	25	19	53	1,071	127	1,295	1,295

in € million	Cash flow hedge	At fair value through profit or loss	At fair value through OCI	At amortised cost	Not a financial instrument	Book value as of 31.12.2024	Fair value as of 31.12.2024
Financial liabilities							
Trade payables and other liabilities	0	0	0	619	224	843	843
Borrowings	0	0	0	1,750	0	1,750	1,737
Lease liabilities	0	0	0	77	0	77	77
Other financial liabilities (excl. lease liabilities)	9	38	0	15	0	62	62
	9	38	0	2,461	224	2,732	2,719

Other financial assets comprise marketable securities, derivative financial assets, shares and other interests. Marketable securities, derivative financial assets and shares are recognised at fair value.

Borrowings and lease liabilities are carried at amortised cost. Other financial liabilities (excl. lease liabilities) comprise derivative financial liabilities and liabilities to fixed-term or puttable non-controlling interests. Derivative financial liabilities are recognised at fair value. Liabilities to fixed-term or puttable non-controlling interests based on a fixed consideration are recognised at amortised cost whereas those liabilities based on a variable consideration are recognised at fair value.

The carrying amount of lease liabilities and other financial liabilities (excl. lease liabilities) recognised at amortised cost

The carrying amount of lease liabilities and other financial liabilities (excl. lease liabilities) recognised at amortised cost approximate their fair value at the reporting date. Trade and other receivables, trade payables and other liabilities as well as cash and cash equivalents are predominantly short-term. Therefore, the carrying amounts of these items approximate their fair value at the reporting date. Fair value is defined as the amount for which an asset could be exchanged, or a liability settled, between market participants in an arm's length transaction on the day of measurement. When the fair value is determined it is assumed that the transaction in which the asset is sold or the liability is transferred takes place either in the main market for the asset or liability, or in the most favourable market if there is no main market. The Group considers the characteristics of the asset or liability to be measured which a market participant would consider in pricing. It is assumed that market participants act in their best economic interest.

The Group takes into account the availability of observable market prices in an active market and uses the following hierarchy to determine fair value:

Level 1:	Prices quoted in active markets for identical financial instruments.
Level 2:	Measurement techniques in which all important data used are based on observable market data.
Level 3:	Measurement techniques in which at least one significant parameter is based on non-observable market data.

The table below analyses the fair value of financial instruments held by the Group by measurement technique:

in € million	31.12.2025				31.12.2024 ¹⁾			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets								
Other financial assets	12	19	0	31	12	28	0	40
Liabilities								
Borrowings	0	1,778	0	1,778	0	1,737	0	1,737
Other financial liabilities (excl. lease liabilities)	0	20	48	68	0	10	52	62

1) Restated.

The fair value of securities and shares is based on price quotations at the reporting date (Level 1), where such quotations exist. In other cases, a valuation model (Level 3) would be used for such instruments with an exception if such instruments are immaterial to the Group, in which case cost serves as an approximation of fair value.

The fair value of interest derivatives in a hedging relationship (interest rate swaps) is determined by calculating the present value of future cash flows based on current yield curves taking into account the corresponding terms (Level 2).

The fair value of foreign currency derivative contracts corresponds to the market value of the forward exchange contracts and the embedded derivatives in open orders denominated in a currency other than the functional currency. These derivatives are measured using quoted forward rates that are currently observable (Level 2).

The fair value of commodity swaps for natural gas reflects the difference between the fixed contract price and the closing quotation of the natural gas price (EEX Base) as of the respective due date of the transaction. The closing price on the stock exchange is used as the input (Level 2).

The fair value of liabilities related to fixed-term or puttable non-controlling interests based on a variable consideration is measured at the present value of the expected redemption amount based on the relevant earnings measure and the current business plan of the respective company which is not observable (Level 3). The fair value of borrowings is only disclosed and corresponds to the present value of the discounted future cash flows using yield curves that are currently observable (Level 2).

No contractual netting agreement of financial assets and liabilities were in place as at 31 December 2025 and 31 December 2024.

Net results by measurement category in accordance with IFRS 9

The effect of financial instruments on the income and expenses recognised in 2025 and 2024 is shown in the following table, classified according to the measurement categories defined in IFRS 9:

in € million	2025	2024
Net gain from financial assets and liabilities measured at fair value through profit or loss	29	5
Net (loss) from financial assets and liabilities measured at amortised cost	0	(1)

The net gain from financial assets and liabilities measured at fair value through profit or loss includes income from securities and shares, income from the disposal of securities and shares, impairment losses and income from reversals of impairment losses, fair value gains and losses on the measurement of liabilities to fixed-term or puttable non-controlling interests, fair value gains and losses and realised results of derivative financial instruments outside the scope of hedge accounting.

The net loss from financial assets and liabilities measured at amortised cost includes changes in valuation allowances and losses incurred on the derecognition of financial assets.

Interest income resulting from financial assets measured at amortised cost amounts to €15 million (2024: €22 million) and interest expenses incurred on financial liabilities measured at amortised cost amounts to €87 million (2024: €76 million),

Other financial assets

Other financial assets consist of the following items:

in € million	31.12.2025			31.12.2024		
	Current	Non-current	Total	Current	Non-current	Total
Marketable securities and shares	0	21	21	0	20	20
Derivative financial assets	9	9	18	17	12	29
Restricted cash	0	4	4	0	8	8
Other interests	0	2	2	0	2	2
Other financial assets	9	36	45	17	42	59

The marketable securities and shares include €8 million (2024: €7 million) investment representing a minority stake in MCi Carbon Pty Ltd.

35. Derivative financial instruments

Interest rate derivatives

The Group has concluded interest rate swaps and one interest rate collar to hedge the cash flow risk associated with financial liabilities carrying variable interest rates. The combination of the interest rate swaps, and the underlying variable interest debt instruments creates synthetic fixed interest debt instruments without exposure to variability in cash flows due to changes of interest rates. The combination of the interest rate collar and the underlying variable interest debt instruments limits the variability of the debt instruments' cash flows due to changes of interest rates to a predetermined range. The Group has designated all interest rate swaps and the interest rate collar as hedging instruments with the variable interest cash flows of the underlying debt instruments as hedged items in individual hedging relationships recognised as cash flow hedges. The economic relationship between the hedging instrument and the hedged item is determined by comparing the critical terms (nominal value, currency, interest payment date, interest reset dates, etc.) of both items. If the critical terms of the hedging instrument and the hedged item are either the same or closely aligned an economic relationship is assumed to exist. The Group has established a hedge ratio of 1:1 and the cash flow changes of the underlying hedged items are balanced out by the cash flow changes of the hedging instruments. Potential hedge ineffectiveness could arise out of differences in critical terms between the hedging instruments and hedged items. Credit risk may affect hedge effectiveness. However, this risk is assessed to be very low as only international banks with high credit ratings are the counterparties to the hedging instruments.

The fair value of all interest rate derivatives was €3 million at the reporting date (2024: €6 million) and is shown in other non-current financial assets (liabilities) in the Consolidated Statement of Financial Position. For the reporting period of 2025, €2 million gain (2024: €6 million gain) has been recognised in OCI as fair value movements of the hedging instrument and €4 million (2024: €18 million) has been reclassified from OCI to profit or loss and recognised within other net financial expenses reflecting the settlement of the hedging instrument when interest on the underlying debt instrument is paid. No ineffectiveness has been recognised in the Consolidated Statement of Profit or Loss.

The financial effect of the hedged item and the hedging instrument for the year 2025 and 2024 is shown as follows:

in € million	Carrying amount	Statement of Financial Position	Change in fair value recognised in Other Comprehensive Income	Nominal amount
2025	3	Other non-current financial assets (liabilities)	2	EUR 1,172 million
2024	6	Other non-current financial assets (liabilities)	6	EUR 1,052 million

in € million	Cash flow hedge reserve within Equity	Balance net of deferred tax
2025	3	3
2024	6	5

Commodity swaps

In order to hedge the cash flow risk associated with commodity price of gas and oil, the Group has entered into financial commodity swaps. The Group has designated all commodity swaps as hedging instruments with expected purchases of commodities used in production as hedged items in individual hedging relationships recognised as cash flow hedges. The economic relationship between the hedged item and the hedging instrument is deemed upfront based on the expectations that the values of the hedged item and the hedging instrument will typically move in opposite directions in response to the hedged risk determined by comparing the critical terms (nominal value, currency, commodity purchase date, commodity swaps settlement dates, etc.) of both items. If the critical terms of the hedging instrument and the hedged item are either the same or closely aligned an economic relationship is assumed to exist. The Group has established a hedge ratio of 1:1 and the cash flow changes of the underlying hedged items are balanced out by the cash flow changes of the hedging instruments. Potential hedge ineffectiveness could arise out of differences in critical terms between the hedging instruments and the hedged items. For oil hedges a source of potential ineffectiveness is different but similar underlying (crude oil vs fuel oil). Credit risk may affect hedge effectiveness. However, this risk is assessed to be very low as only international banks with high credit ratings are the counterparties to the hedging instruments.

The fair value of all commodity swaps was negative €15 million at the reporting date and is shown in other non-current and current financial assets (liabilities) in the Consolidated Statement of Financial Position. For the reporting period of 2025, a €16 million loss has been recognised in OCI as fair value movements of the hedging instrument and €4 million has been removed from cash flow hedge reserve and included directly in the carrying amount of the inventory reflecting the net settlement of the hedging instrument when the underlying inventory is purchased. No ineffectiveness has been recognised in the Consolidated Statement of Profit or Loss.

The financial effect of the hedged items and the hedging instruments for the year 2025 is shown as follows:

in € million	Carrying amount	Statement of Financial Position	Change in fair value recognised in Other Comprehensive Income	Nominal amount
2025	(15)	Other current and non-current financial assets (liabilities)	(16)	Gas 2,242 GWh Oil 447,930 bbl Power 192 GWh
2024	(3)	Other current and non-current financial assets (liabilities)	8	Gas 1,141 GWh Oil 700,297 bbl Power 30 GWh

in € million	Cash flow hedge reserve within Equity	Balance net of deferred tax
2025	(15)	(11)
2024	(3)	(2)

The average commodity prices hedged by the commodity swaps derivatives are as follows:

Hedging instrument		31.12.2025	
		up to 1 year	1 to 5 years
Commodity swaps - gas	Notional amount (Gwh)	530	1,712
	Average hedged price per MWh	41.66	28.35
Commodity swaps - oil	Notional amount (bbl)	296,431	151,499
	Average hedged price per bbl	73.07	65.81
Commodity swaps - power	Notional amount (Gwh)	73	119

	Average hedged price per MWh	85.23	68.64
			31.12.2024
Hedging instrument		up to 1 year	1 to 5 years
Commodity swaps - gas	Notional amount (Gwh)	214	1,322
	Average hedged price per MWh	53.15	34.93
Commodity swaps - oil	Notional amount (bbl)	346,342	277,691
	Average hedged price per bbl	75.14	73.47
Commodity swaps - power	Notional amount (Gwh)		117
	Average hedged price per MWh		72.10

CO₂ certificate forward purchase contracts

CO₂ certificate forward purchase contracts are entered into to reduce the Group's cash flow exposure to fluctuations in price of CO₂ certificates. They are accounted for as financial derivatives, as the requirements for the own-use exemption were not met. Hedge accounting is not applied to these economic hedges.

As of 31 December 2025, the nominal volume of CO₂ certificate forward purchase contracts amounts to 874 thousand EUAs, with a positive fair value of €11 million, which is presented in other non-current and current financial assets in the Consolidated Statement of Financial Position.

Forward exchange contracts

Foreign exchange forward contracts are entered into to reduce the Group's cash flow exposure to currency movements based on the internal risk assessment and analysis conducted. Hedge accounting is not applied to these economic hedges.

The nominal value and fair value of forward exchange contracts as of 31 December 2025 are shown in the table below:

			Nominal value in million	Fair value in € million
Purchase	Sale	Nominal in		
BRL	EUR	EUR	8	0
CLP	USD	USD	27	0
USD	INR	USD	14	0
USD	VND	USD	18	0
GBP	EUR	GBP	21	0
MXN	USD	USD	15	0
CAD	USD	CAD	29	0
EUR	ZAR	EUR	10	0
CNY	USD	USD	22	0
EUR	INR	EUR	23	0
CZK	EUR	EUR	4	(1)
Forward exchange contracts				(1)

The nominal value and fair value of forward exchange contracts as of 31 December 2024 are shown in the table below:

			Nominal value in million	Fair value in € million
Purchase	Sale	Nominal in		
MXN	USD	MXN	420	0
EUR	USD	USD	75	0
USD	INR	USD	15	0
EUR	ZAR	ZAR	175	0
USD	BRL	USD	7	0
CLP	USD	USD	17	0
EUR	INR	EUR	26	0
CZK	EUR	EUR	11	(1)
Forward exchange contracts				(1)

At the time of signing the share purchase agreement for the acquisition of the Resco Group, RHI Magnesita entered into a deal contingent forward exchange contract ('deal contingent forward') with a nominal value of 360 million to hedge the EUR equivalent of the USD cash outflow related to this acquisition against potential variability due to changes in the USD/EUR exchange rate. The related hedge was accounted for as a cash flow hedge. In terms of its structure, the deal contingent forward is a 'plain vanilla' forward exchange contract buying USD and selling EUR at a fixed exchange rate, whose settlement is conditional on the successful closing of the acquisition, providing protection against USD/EUR exchange rate movements until the acquisition closed. When the business combination was closed, the forward exchange contract was settled as it would usually be on the closing date of the acquisition, by applying an off market forward exchange rate at the closing date. However, had closing failed, the rights and obligations associated with the forward exchange contract would have disappeared at no cost and there would have been no obligation for the Group and the counterparty to settle it, which would have allowed the Group to exit the forward contract at zero cost. The disappearance of the forward exchange contract's rights and obligations in a scenario where closing would have failed is referred to as a 'knock-out' feature.

The method for assessing hedge effectiveness applied for commodity hedges is applied analogously to this hedging relationship. The main source of hedge ineffectiveness is the 'knock-out' feature embedded in the deal contingent forward, which does not exist in the hedged item.

The settlement of the deal contingent forward exchange contract at the acquisition date resulted in a realised gain of €13 million (refer to Note (40) for details).

36. Financial risk management

Financial risks are incorporated in the Group's corporate risk management framework and are centrally controlled by Corporate Treasury.

None of the following risks have a significant influence on the going concern premise of the Group.

Credit risks

The maximum credit risk from recognised financial assets amounts to €851 million (2024: €1,168 million) and is primarily related to investments with banks and receivables due from customers.

The credit risk with banks related to investments (especially cash and cash equivalents) is reduced as business transactions are only carried out with prime financial institutions with a good credit rating. Individual counterpart exposures limits are assigned to each financial institution based on a matrix composed of the credit rating (S&P or Moody's) and balance sheet assets.

Trade receivables are hedged as far as possible through credit insurance and collateral arranged through banks (guarantees, letters of credit) in order to mitigate credit and default risk. Credit and default risks are monitored continuously, and valuation allowance are recognised for risks that have occurred and are identifiable.

The credit exposure from trade receivables and contract assets, which is partially hedged by existing credit insurance and letters of credit, is shown in the following table:

in € million	31.12.2025	31.12.2024
Trade receivables and contract assets - gross	451	533
Credit insurance and letters of credit	(196)	(258)
Trade receivables and contract assets - net	255	275

The movement in the valuation allowance in respect of trade receivables and contract assets during the year and the previous year was as follows:

in € million	2025		2024	
	Individually assessed - credit impaired	Collectively assessed - not credit impaired	Individually assessed - credit impaired	Collectively assessed - not credit impaired
Accumulated valuation allowance at beginning of year	47	1	52	1
Currency translation	(1)	0	(2)	0
Additions initial consolidation	0	0	0	0
Addition	1	0	3	0
Use	(3)	0	(2)	0
Reversal	(2)	0	(4)	0
Accumulated valuation allowance at year-end	42	1	47	1

For trade receivables and contract assets, for which no objective evidence of impairment exists, lifetime expected credit losses have been calculated using a provision matrix as shown below. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due.

in € million	Trade receivables and contract assets						
	31.12.2025	not past due	less than 30 days	more than 31 days	Collectively assessed - not credit impaired	Individually assessed - credit impaired	Total
Expected credit loss rate in %	0.03 - 0.47%	0.08-1.07%	0.57 - 85.33%				
Gross carrying amount invoiced		305	19	9	333	106	439
Lifetime expected credit loss		(1)	0	0	(1)		(1)
Valuation allowance - credit impaired						(42)	(42)
Carrying amount with either expected credit loss or incurred loss allowance							396
Carrying amount without expected credit loss or incurred loss allowance							55
Total trade receivables and contract assets							451

in € million	Trade receivables and contract assets						
	31.12.2024	not past due	less than 30 days	more than 31 days	Collectively assessed - not credit impaired	Individually assessed - credit impaired	Total
Expected credit loss rate in %	0.03 - 0.54%	0.09-1.24%	0.77 - 85.52%				
Gross carrying amount invoiced		372	25	19	416	122	538
Lifetime expected credit loss		(1)	0	0	(1)		(1)
Valuation allowance - credit impaired						(47)	(47)
Carrying amount with either expected credit loss or incurred loss allowance							490
Carrying amount without expected credit loss or incurred loss allowance							43
Total trade receivables and contract assets							533

Liquidity risk

Liquidity risk refers to the risk that financial obligations cannot be met when due. The Group's financial policy is based on long-term financial planning and is centrally controlled and monitored continuously at the Group. The liquidity requirements resulting from budget and medium-term planning are secured by concluding appropriate financing agreements. As of 31 December 2025, the Group has a committed RCF of €600 million, which was unutilised (2024: committed RCF was €600 million and was also unutilised). The RCF is a syndicated facility with multiple international banks and matures in 2028. The liquidity of the Group's subsidiaries is managed regionally but with central steering.

Access to liquidity and optimised cash levels is ensured by Corporate Treasury, which supports business needs and lowers borrowing costs. Refer to Note (27) for a description of the consequences if debt covenants embedded in loan agreements are breached. Refer to Note (4) for a description of the potential impacts on the finance costs of ESG-linked loans if the Group's ESG rating gets downgraded.

Non-derivative financial liabilities

An analysis of the terms of non-derivative financial liabilities based on undiscounted cash flows including the related interest payments shows the following expected cash outflows:

in € million	Carrying amount 31.12.2025	Cash outflows	Remaining term		
			up to 1 year	1 to 5 years	over 5 years
Borrowings					
fixed interest	249	272	75	191	6
variable interest	1,533	1,649	410	1,237	2
Other financial liabilities	6	6	1	5	0
Lease liabilities	64	77	17	38	22
Liabilities to fixed-term or puttable non-controlling interests	48	95	5	7	83
Trade payables and other liabilities	615	615	615	0	0
Non-derivative financial liabilities	2,515	2,714	1,123	1,478	113

in € million	Carrying amount 31.12.2024	Cash outflows	Remaining term		
			up to 1 year	1 to 5 years	over 5 years
Borrowings					
fixed interest	403	417	157	252	8
variable interest	1,337	1,466	167	1,269	30
Other financial liabilities	10	10	1	9	0
Lease liabilities	77	87	19	41	27
Liabilities to fixed-term or puttable non-controlling interests	52	84	7	27	50
Trade payables and other liabilities	619	619	619	0	0
Non-derivative financial liabilities	2,498	2,683	970	1,598	115

Derivative financial instruments

The remaining terms of derivative financial instruments as of 31 December 2025 and 31 December 2024 are shown in the tables below:

in € million	Carrying amount 31.12.2025	Cash flows	Remaining term	
			up to 1 year	1 to 5 years
Receivables from derivatives with net settlement				
Interest rate swaps	6	6	3	3
Commodity swaps	1	1	0	1
CO ₂ certificate forward purchase contracts	11	11	8	3
Liabilities from derivatives with net settlement				
Commodity swaps	16	16	10	6
Derivatives in open orders	1	1	1	0
Interest rate derivatives	2	2	2	0
Forward exchange contracts	1	1	1	0

in € million	Carrying amount 31.12.2024	Cash flows	Remaining term	
			up to 1 year	1 to 5 years
Receivables from derivatives with net settlement				
Interest rate swaps	10	10	0	10
Commodity swaps	2	2	0	2
Forward exchange contracts	14	14	14	0
Derivatives in open orders	3	3	3	0
Liabilities from derivatives with net settlement				
Commodity swaps	5	5	2	3
Interest rate derivatives	4	4	0	4
Forward exchange contracts	1	1	1	0

Foreign currency risks

Foreign currency risks arise where business transactions (operating activities, investments, financing) are conducted in a currency other than the functional currency of a company. They are monitored at Group level and analysed with respect to hedging options. Usually, the net position of the Group in the respective currency serves as the basis for decisions regarding the use of hedging instruments.

Foreign currency risks arise in financial instruments which are denominated in a currency other than the functional currency and are reported in nature. These include trade receivables and payables, cash and cash equivalents as well

currency and are monetary in nature. These include trade receivables and payables, cash and cash equivalents as well as financial liabilities as shown in the Consolidated Statement of Financial Position. Investments in equity instruments are not of a monetary nature, and therefore not linked to a foreign currency risk in accordance with IFRS 7 'Financial Instruments: Disclosures'.

The majority of foreign currency financial instruments in the Group result from operating activities and intragroup financing transactions.

The following table shows the foreign currency positions in the Group's major currencies as of 31 December 2025 and 31 December 2024:

31.12.2025 in € million	USD	EUR	TRY	ZAR	GBP	Other	Total
Financial assets	494	59	18	12	3	14	600
Financial liabilities	(463)	(44)	(5)	0	(29)	(9)	(550)
Net foreign currency position	31	15	13	12	(26)	5	50

31.12.2024 in € million	USD	EUR	ZAR	TRY	Other	Total
Financial assets	579	82	11	22	15	709
Financial liabilities	(426)	(44)	0	(6)	(20)	(496)
Net foreign currency position	153	38	11	16	(5)	213

The disclosures required by IFRS 7 for foreign exchange risks include a sensitivity analysis that shows the effects of hypothetical changes in the relevant risk variables on profit or loss and equity. The relevant risk variables are the financial assets and financial liabilities recognised on the reporting date that are denominated in a currency other than the functional currency of the respective reporting entity. The effects on a particular reporting period are determined by applying the hypothetical changes in these risk variables to the financial instruments held by the Group as of the reporting date. It is assumed that the positions on the reporting date are representative for the entire year. The sensitivity analysis does not include the foreign exchange differences that result from translating the net asset positions of the group companies with a functional currency other than Euro into the Group's reporting currency, the Euro.

A 10% appreciation or devaluation of the relevant functional currency against the following major currencies as of 31 December 2025 would have had the following effect on profit or loss and equity (both excluding income tax):

31.12.2025 in € million	Appreciation of 10%		Devaluation of 10%	
	(Loss)/gain	Equity	Gain/(loss)	Equity
USD	(3)	(2)	3	2
EUR	(1)	4	1	(4)
TRY	(1)	(1)	1	1
ZAR	(1)	(1)	(3)	(3)
GBP	2	2	1	1
Other currencies	(4)	1	5	(1)

A 10% appreciation or devaluation of the relevant functional currency against the following major currencies as of 31 December 2024 would have had the following effect on profit or loss and equity (both excluding income tax):

31.12.2024 in € million	Appreciation of 10%		Devaluation of 10%	
	(Loss)/gain	Equity	Gain/(loss)	Equity
USD	(14)	(14)	17	17
EUR	(3)	1	4	(1)
ZAR	(1)	(1)	1	1
TRY	(1)	(1)	2	2
Other currencies	0	0	(1)	(1)

The effect in equity also includes the foreign exchange effects related to certain intragroup monetary assets and liabilities recorded directly in OCI (refer to Note (3) for details).

Interest rate risks

The interest rate risk in the Group is primarily related to debt instruments carrying variable interest rates, which may lead to fluctuations in results and cash flows. At 31 December 2025, one interest rate collar with a nominal value of €180 million (2024: €180 million) and interest rate swaps with a nominal value of €992 million (2024: €872 million) existed with the interest rate swaps converting the variable interest rate of the hedged debt instrument into a fixed interest rate. Further information is provided in Note (35).

The exposure to interest rate risks is presented through sensitivity analysis in accordance with IFRS 7. This analysis shows the effects of changes in market interest rates on interest payments, interest income and interest expense and on equity.

The Group measures fixed interest financial assets and financial liabilities at amortised cost and did not use the fair value option - a hypothetical change in the market interest rates for these financial instruments at the reporting date would have had no effect on profit and loss or equity.

Changes in market interest rates on debt instruments designated as cash flow hedges to protect against interest rate-related payment fluctuations within the scope of hedge accounting have an effect on equity and are therefore included in the equity-related sensitivity analysis. If the market interest rate as of 31 December 2025 had been 25 basis points higher or lower, equity would have been €2 million (2024: €2 million) higher or lower considering tax effects.

Changes in market interest rates have an effect on the interest result of primary variable interest debt instruments whose interest payments are not designated as hedged items as a part of cash flow hedge relationships against interest rate risks and are therefore included in the calculation of the result-related sensitivities. If the market interest rate as of 31 December 2025 had been 25 basis points higher or lower, the interest result would have been €1 million (2024: €0 million) lower or higher.

Commodity price risk

The Group manages its exposure to commodity prices, namely gas and electricity purchases in Europe, by entering into forward fixed price take or pay contracts with various suppliers to mitigate and reduce the impact of price volatility and secure the energy supply for its production process. These contracts are mainly accounted for as executory

contracts as the commodities purchases are for own use purposes. The Group's Energy Risk policy sets out thresholds for fixing quantities based on the expected usage which is usually over a five-year period with lower levels of forward purchases in the outer years.

In line with the above strategy, the Group may also enter into financial commodity swap contracts to fix prices for expected purchases not covered by the fixed price take or pay contracts within the overall defined thresholds. Further information is provided under Note (35).

Other market price risk

The Group holds certificates in an investment fund amounting to €12 million (2024: €12 million) in order to provide the legally required coverage of net employee defined benefit liabilities of its Austrian subsidiaries. The market value of these certificates is influenced by fluctuations of the worldwide volatile stock and bond markets.

37. Capital management

The objectives of the capital management strategy of the Group are to continue as a going concern and to provide a capital base from which to finance growth and investments, to service debt, and to increase shareholders value, including the payment of dividends to shareholders.

The Group manages its capital structure through careful monitoring and assessment of the overall economic framework conditions, credit, interest rate and foreign exchange risks and the requirements and risks related to operations and strategic projects.

	31.12.2025	31.12.2024 ¹⁾
Net debt excluding lease liabilities (in € million) ²⁾	1,431	1,174
Net gearing ratio (in %)	122.3%	85.6%
Net debt excluding lease liabilities to Pro Forma Adjusted EBITDA	2.81x	2.16x

1) Restated.

2) Further information is provided under Note (33).

Net debt, which reflects borrowings and lease liabilities net of cash and cash equivalents, and short-term marketable securities held for trading, is managed by Corporate Treasury. The main task of the Corporate Treasury department is to execute the capital management strategy, secure liquidity to support business operations on a sustainable basis, use banking and financial services efficiently and limit financial risks while at the same time optimising earnings and costs.

The net gearing ratio is the ratio of net debt excluding lease liabilities to total equity.

The calculation of the leverage ratios (including the debt covenant) is presented in the following table.

in € million	31.12.2025	31.12.2024 ¹⁾
EBIT	223	242
Amortisation	52	40
Depreciation	131	136
Restructuring expenses	44	24
Other income and expenses	54	101
Adjusted EBITDA	504	543
Pro forma full year contributions from business combinations	5	1
Pro Forma Adjusted EBITDA	509	544
Total debt	1,786	1,750
Lease liabilities	64	77
Less: Cash and cash equivalents	355	576
Net debt	1,495	1,251
Net debt excluding IFRS 16 lease liabilities	1,431	1,174
Net debt excluding lease liabilities to Pro Forma Adjusted EBITDA	2.81x	2.16x
Net debt to Pro Forma Adjusted EBITDA	2.94x	2.3x

1) Restated.

In both 2025 and the previous reporting period, the Group complied with the debt covenant of the Group's principal borrowing facilities (refer to Note (27)). The Group has sufficient liquidity headroom within its committed debt facilities.

Alternative Performance Measures (APMs) are non-IFRS measures which enable investors and other readers to review alternative measurements of financial performance, but they should not be used in isolation from the main financial statements. The APMs used in the Consolidated Financial Statements are Adjusted EBITDA, Pro Forma Adjusted EBITDA and Adjusted EBITA. They are all derived from EBIT, a non-IFRS measure that is presented as a subtotal in the Consolidated Statement of Profit or Loss and consists of gross profit plus other income and less selling, general & administrative expenses, research & development expenses, amortisation of intangible assets, restructuring expenses and other expenses, as presented in the Consolidated Statement of Profit or Loss. The Executive Management Team and Directors use Adjusted EBITDA and Adjusted EBITA internally to assess the underlying performance of the Group. Adjusted EBITDA is defined as EBIT before amortisation of intangible assets, depreciation of property, plant and equipment, and excluded items. Excluded items are other income (see Note (7)), other expenses (see Note (8)) and restructuring expenses (see Note (6)) as reflected in the Consolidated Statement of Profit or Loss, which are non-recurring in nature and not reflective of the underlying operational performance of the business. Adjusted EBITA is determined consistently with Adjusted EBITDA, but includes depreciation expense of property, plant and equipment to reflect the wear and tear cost and future replacement of productive assets on the Group. Pro Forma Adjusted EBITDA is a key input for the measurement of the debt covenant of the Group's principal borrowing facilities and is determined consistently with Adjusted EBITDA but includes the contribution to Adjusted EBITDA of refractory businesses acquired in the twelve months period ended 31.12.2025 and 31.12.2024 before they were controlled by the Group. This contribution represents the part that completes the Adjusted EBITDA of the acquired business over twelve months.

38. Contingent liabilities

Contingent liabilities from warranties, performance guarantees and other guarantees amounted to €72 million as of 31 December 2025 (31.12.2024: €78 million) and have a remaining term of between one and five years.

Uncertain tax treatments

The calculation of income taxes is based on the tax laws applicable in the individual countries in which the Group operates. Due to their complexity, the local finance authorities may interpret tax cases differently than management. Different interpretations may affect the expected timing and amount of the tax related contingent liabilities disclosed below.

The Group is continually adapting its global presence to improve customer service and maintain its competitive advantage; accordingly, it leads to discussions with tax authorities about, e.g., transfer of functions and related profit between related parties and potentially exit taxation. In this regard, disputes may arise, in cases where management's understanding differs from the positions of the local authorities. In such cases, where an appeal is available, management's judgements are based on a likely outcome approach, taking into consideration advice from professional firms and previous experience when assessing the risks.

The Group is party to several tax proceedings in Brazil which involve estimated contingent liabilities amounting to €143 million (2024: €117 million) with a remaining term of at least five years. These tax proceedings are as follows:

Income Tax relating to historical corporate transactions

There are three proceedings in which Brazilian Federal Tax Authorities issued tax assessments which rejected the deduction of goodwill generated in two corporate transactions that were undertaken in 2007 and 2008, for Corporate Income Taxes. The tax authorities issued assessments arguing that such transactions cannot generate deductions as they do not fulfil the requirements provided by law. Those three proceedings ended in administrative courts in 2024. The Group is challenging the remaining amounts at the judicial courts level. The proceedings are expected to last at least five years. The tax cash exposure as of 31 December 2025 is €36 million (31.12.2024: €33 million). Such exposure is limited to the fiscal tax years up to 2018, at which stage all available goodwill tax deductions had been made.

Corporate income and other taxes

There are several tax assessments in Brazil mainly relating to: offsetting federal tax payables and receivables, social security contributions, and offsetting certain federal tax debts with corporate income tax credits. In addition, the Company is subject to an administrative review by the Brazilian Federal Revenue Service regarding the offsetting of PIS and COFINS (social security contributions) credits related to prior periods; the assessment of the maximum potential exposure is €16 million. The potential risks of these tax assessments amount to €78 million (31.12.2024: €57 million).

Royalties

The Group is party to 38 proceedings where the Brazilian Mining Authorities ("ANM") challenged the criteria used for calculating and paying the Financial Compensation for Exploration of Mineral Resources ("CFEM"), which are mining royalties payable by every mining company. The authorities disputed the basis of production costs estimates used in the determination of the royalties that are payable. The claims relate to fiscal years up to 2017, following which the legislation for royalties was changed. The Group continues to challenge ANM assessments. Most of the procedures are ongoing within the ANM administrative courts. Final decisions of the first cases are expected within four to five years. As of 31 December 2025, the potential risk amounts to €29 million including interest and penalties (2024: €28 million).

39. Independent Auditor's remuneration

in € million	2025	2024
Fees in respect of the audit of the Consolidated and Parent Company Financial Statements ¹⁾	(1)	(1)
Other audit fees, in respect of subsidiaries' audit, to PwC network firms	(2)	(2)
Total audit fees	(3)	(3)
Other non-audit services ¹⁾²⁾	(1)	(1)
Total fees	(4)	(4)

1) Total fees to PricewaterhouseCoopers Accountants N.V. totalled €2 million (2024: €1 million).

2) Other non-audit services mainly include Interim review fees of €0.3 million (2024: €0.3 million) and fees for limited assurance on Sustainability Statement of €0.5 million (2024: €0.3 million).

40. Business Combinations

Acquisition of the Resco Group

In March 2024, the Group signed a share purchase agreement to acquire 100% of the shares of Balmoral Refractories Holdings, Inc., USA, and its six wholly owned subsidiaries, together "the Resco Group". The acquisition was closed on 28 January 2025, which is the acquisition date.

The Resco Group is a producer of shaped and unshaped refractories, including products for use in the petrochemical, cement, aluminium, and steel making industries. It operates seven plants and two raw material sites in the US and two plants in the United Kingdom and Canada.

The acquisition of the Resco Group aims to increase RHI Magnesita's local production in the US and Canada by transferring significant production volumes from non-US plants to the Resco Group's production facilities in the US, thereby improving supply chain security, reducing production lead times and stabilising working capital. In addition, this acquisition continues RHI Magnesita's strategic growth trajectory in alumina-based refractories by providing US customers with an enhanced product offering. Moreover, synergies are expected to be generated through supply chain improvements, production network optimisation, working capital reduction, logistics efficiencies, supply integration, technology transfer, increased recycling opportunities and procurement savings. The Resco Group mainly forms part of the North America reportable segment.

The cash consideration amounts to 283 million (€271 million). Additionally, RHI Magnesita repaid borrowings and liabilities for acquisition-related costs totalling 129 million (€122 million) on behalf of the Resco Group and acquired cash amounting to 3 million (€3 million) on closing of the acquisition. Thus, the net cash outflow related to the acquisition amounts to 409 million (€390 million). Of this amount, 48 million (€44 million) was paid in 2024, and the remainder of 361 million (€346 million) was paid in 2025.

At the time of signing the share purchase agreement, RHI Magnesita entered into a deal contingent forward exchange contract ('deal contingent forward') with a nominal value of 360 million to hedge the EUR equivalent of the USD cash outflow related to this acquisition against potential variability due to changes in the USD/EUR exchange rate. The related hedge was accounted for as a cash flow hedge. The settlement of the deal contingent forward exchange contract at the acquisition date resulted in a realised gain of €13 million which reduces the consideration transferred to the seller and thus goodwill, in accordance with the cash flow hedge accounting requirements.

The transaction costs incurred for this acquisition amounted to €16 million. Of this amount, €14 million were expensed in 2024 and the remainder was expensed in 2025.

The fair value adjustments of assets and liabilities based on the final purchase price allocation as a result of the acquisition are the following:

in € million	book value	fair value adjustments	(adjusted) value
Property, plant and equipment	64	(10)	54
Goodwill from previous acquisition	14	(14)	0
Intangible Assets: customer relationships	0	183	183
Intangible Assets: trade names	5	19	24
Intangible Assets: technology	1	5	6
Intangible Assets: mining rights	13	(1)	12
Inventories	48	(6)	42
Trade and other receivables	33	0	33

Trade and other receivables	3	0	3
Cash and cash equivalents	3	0	3
Total assets acquired	181	176	357
Deferred tax liabilities	3	36	39
Borrowings	90	0	90
Other financial liabilities	4	(3)	1
Provisions and net defined benefit liabilities	4	3	7
Trade and other liabilities	60	1	61
Total liabilities assumed	161	37	198
Net identifiable assets acquired	20	139	159
Goodwill			99
Net consideration			258
Consideration transferred to seller			271
less: gain on deal contingent hedge			(13)
Net consideration			258

The customer relationships were measured using the multi-period excess earnings method. Under this method, the fair value of the customer relationships is calculated by determining the present value of earnings after tax attributable to the acquired companies' existing customers. The customer relationships attributable to Steel customers are amortised over the estimated useful life of 12 years, while the customer relationships attributable to Industrial customers are amortised over the estimated useful life of 10 years. The trade names were measured using the relief-from-royalty method. Under this method, the fair value of the trade names corresponds to the present value of the hypothetical royalty payments that a company would have to pay if it did not own the trade names. The trade names are amortised over the estimated average useful life of 20 years.

The negative fair value adjustment to property, plant and equipment shown in the table above includes a loss of €7 million incurred by RHI Magnesita on the sale of a plant of the Resco Group to a third-party at fair value shortly after the acquisition date. The loss represents the difference between the book value of the net assets attributable to this sold plant and the lower sale proceeds. This loss, net of tax, effectively increased goodwill and therefore did not affect profit after income tax of 2025.

The goodwill recognised as a result of this acquisition is attributable to the synergies mentioned above and is not expected to be deductible for tax purposes.

From the acquisition date to 31 December 2025, the Resco Group contributed €184 million of revenue, €25 million of Adjusted EBITA and €0.1 million of profit after income tax.

Acquisition of BPI RHIM LLC

In June 2025, the Group signed a share purchase agreement stipulating its acquisition of 51% of the shares of BPI RHIM LLC, USA. The acquisition was closed on 21 August 2025, which is the acquisition date.

BPI RHIM LLC is a US based company engaged in minerals processing recycling of refractory products respectively, including refractory raw materials and specialty products for steel, foundry, aluminum, cement, and other high-temperature industries. The acquisition is expected to contribute to reaching RHIM's target recycling rate of 20% by 2030. In addition, the acquisition will further strengthen the local presence of RHIM in the US with the expectation to unlock attractive potential synergies primarily through the internal use and sale of recycled raw materials. BPI RHIM LLC forms part of the North America reportable segment.

The preliminary cash consideration amounts to 21 million (€18 million) subject to post-closing adjustments related to working capital and net debt. Considering the acquired cash amounting to 3 million (€2 million) on closing of the acquisition, the net cash outflow related to the acquisition amounts to 18 million (€16 million).

At the time the Consolidated Financial Statements were authorised for issue, the initial consolidation was incomplete because the measurement of assets and liabilities in accordance with IFRS Accounting Standards has not yet started.

The assets acquired and liabilities assumed, both measured at book value, as well as the preliminary purchase price allocation as a result of the acquisition are presented in the following table:

in € million	book value
Property, plant and equipment	16
Inventories	14
Trade and other receivables	5
Cash and cash equivalents	2
Total assets acquired	37
Borrowings	5
Trade and other liabilities	4
Total liabilities assumed	9
Net identifiable assets acquired	28
Less: Non-controlling interests	(14)
Goodwill	4
Consideration transferred	18

The amounts recognised for the acquired assets and liabilities on the closing date and the resulting goodwill are preliminary and subject to adjustment for a period of one year from the closing date as allowed under the accounting standards. On finalisation of the purchase price allocation, adjustments, including tax impacts, if any, will be reflected against goodwill. The initial accounting for this acquisition including the purchase price allocation is expected to be finalised in the first half of 2026.

The preliminary goodwill recognised as a result of this acquisition is attributable to the synergies mentioned above and is not expected to be deductible for tax purposes.

The Group recognises non-controlling interests for this acquisition measured at the present ownership instruments' proportionate share in the net assets of BPI RHIM LLC. These were derecognised to zero in line with the Group's accounting policy related to fixed-term or puttable non-controlling interests, see Note (3).

From the acquisition date to 31 December 2025, BPI RHIM LLC contributed €11 million of revenue, €1 million of Adjusted EBITA and €0.5 million of profit after income tax. Had BPI RHIM LLC been acquired on 1 January 2025, it would have contributed €26 million of additional revenue, €2 million of additional Adjusted EBITA and €1.3 million of additional profit after income tax.

According to the collaboration agreement signed by the shareholders of BPI RHIM LLC the Group has the right to purchase the remaining shares (49%) of BPI RHIM LLC at a later date by exercising a call option in exchange for payment of the redemption amount. Likewise, the minority shareholders have the right to sell the remaining shares (49%) of BPI RHIM LLC to the Group at a later date by exercising a put option in exchange for payment of the redemption amount. Either option may be exercised no earlier than ten years after the closing date, unless the shareholders mutually agree to the exercise of either option before the ten years have passed. The redemption amount of either option is calculated based on an agreed multiple of the average annual EBITDA delivered by BPI RHIM LLC over the most recent three-year period that precedes the exercise date of either option including certain adjustments related to working capital and net debt.

Due to the payment obligation resulting from the put option, the Group recognised a financial liability related to fixed-term or puttable non-controlling interests at the present value of the redemption amount of €20 million, which is subsequently measured at fair value through profit or loss. This financial liability was excluded from the purchase price allocation and preliminary goodwill measurement based on the conclusion that the risks and rewards of ownership associated with the remaining shares were not transferred to the Group prior to the exercise of either option (refer to Note (3)).

41. Transactions with related parties

Related companies include joint ventures and associates, as well as MSP Stiftung (Liechtenstein) and Rhône Capital L.L.C. (United States) which are shareholders of RHI Magnesita N.V., and are considered related parties because they exercise significant influence through shareholdings exceeding 20%. The personnel welfare foundation of Stopinc AG, Switzerland, as well as Chestnut Beteiligungs GmbH, Germany and FEWI Beteiligungs GmbH, Germany (shareholders of the Group, which are related to a director) are also considered related companies.

Related persons are persons having authority and responsibility for planning, directing and controlling the activities of the Group (key management personnel) and their close family members. Key management personnel comprise members of the Board of Directors of RHI Magnesita N.V. and the Executive Management Team (EMT).

Related companies

In 2025 and 2024, the Group conducted the following transaction with its related companies:

in € million	Joint ventures	
	2025	2024
Revenue from the sale of goods and services	0	2
Purchase of raw materials	5	6
Trade liabilities	1	0

In 2025 and 2024, no transactions were carried out between the Group and MSP Stiftung, FEWI Beteiligungs GmbH or Chestnut Beteiligungs GmbH or Rhône Capital L.L.C, with the exception of the dividend paid.

A service relationship with respect to the company pension scheme of the employees of Stopinc AG exists between the personnel welfare foundation of Stopinc AG and the fully consolidated subsidiary Stopinc AG. Stopinc AG makes contribution payments to the plan assets of the foundation to cover pension obligations. The pension plan is recognised as a defined benefit plan and is included in Note (29). In the past reporting period, employer contributions amounting to €1 million (2024: €1 million) were made to the personnel welfare foundation. At 31 December 2025, a net asset from overfunded pension plans of €1 million (2024: €1 million) is recognised.

Related persons

Remuneration of key management personnel of the Group comprises the remuneration of the Board of Directors and the EMT.

in € million	2025	2024
Executive Directors and EMT		
Short-term employee benefits	6	9
Share-based payments	3	4
Total	9	13
Non-Executive Directors ¹⁾	2	2

1) Compensation paid to Non-Executive Directors reflects fees for services as Directors.

Employee representatives acting as Non-Executive Directors do not receive additional compensation for these services and are not included in the above table.

Share dealing reports of persons discharging managerial responsibilities are published on the website of RHI Magnesita N.V. and announced via regulatory news services. The Group maintains Directors' & Officers' liability insurance for the Board of Directors and Company officers.

42. Material events after the reporting date

After the reporting date on 31 December 2025, there were no events of special significance which may have a material effect on the financial position and performance of the Group.

Share transfer / Vested LTIP	-	5	-	-	-	-	(5)	-	-
Share-based expenses	-	-	-	-	-	-	4	-	4
Dividends	-	-	-	-	-	-	(85)	-	(85)
Net income / (expense) recognised directly in equity	-	-	-	(21)	(166)	-	5	-	(182)
31.12.2025	50	(103)	361	(9)	(420)	289	771	86	1,025

in € million	Share capital	Treasury shares	Additional paid-in capital	Legal and mandatory reserves			Other reserves	Net result	Equity attributable to shareholders
				Cash flow hedges	Currency translation	Mandatory reserve	Retained earnings		
31.12.2023	50	(111)	361	6	(163)	289	605	165	1,202
Appropriation of prior year result	-	-	-	-	-	-	165	(165)	-
Net result	-	-	-	-	-	-	-	142	142
Share transfer / Vested LTIP	-	3	-	-	-	-	(3)	-	-
Share-based expenses	-	-	-	-	-	-	9	-	9
Dividends	-	-	-	-	-	-	(87)	-	(87)
Net income / (expense) recognised directly in equity	-	-	-	6	(91)	-	21	-	(64)
31.12.2024	50	(108)	361	12	(254)	289	710	142	1,202

Notes to the Company Financial Statements 2025

General

The Financial Statements of RHI Magnesita N.V. for the year ended 31 December 2025 were approved and authorised for issue by the Board of Directors on 1 March 2026. RHI Magnesita N.V. (the "Company"), is a public limited company incorporated under the laws of the Netherlands (naamloze vennootschap), having its official seat (statutaire zetel) in Arnhem, the Netherlands, and its office at Kranichberggasse 6, 1120 Vienna, Austria, registered with the Dutch Trade Register under number 68991665.

The shares of RHI Magnesita N.V. (ISIN code NL0012650360) are listed within the Equity Shares (Commercial Companies) category of the Official List of the London Stock Exchange (symbol: RHIM) and is a constituent of the FTSE 250 index. The Company holds a secondary listing on the Vienna Stock Exchange (Wiener Börse).

Basis of preparation

The Company Financial Statements have been prepared in accordance with the provisions of Part 9 of Book 2 of the Dutch Civil Code. The Company uses the option of Section 362, subsection 8 of Part 9, Book 2, of the Dutch Civil Code to prepare the Company Financial Statements on the basis of the same accounting principles as those applied for the Consolidated Financial Statements. Valuation is based on recognition and measurement requirements of IFRS Accounting Standards as adopted by the EU and as explained further in the Notes to the Consolidated Financial Statements.

Fiscal Unity

For corporate income tax purposes, RHI Magnesita N.V. via the Austrian branch acts as the head of a corporate tax group in Austria with the following companies:

- Lokalbahn Mixnitz-St. Erhard GmbH
- Radex Vertriebsgesellschaft m.b.H.
- RHI Refractories Raw Material GmbH
- Veitsch-Radex GmbH
- Veitsch-Radex Vertriebsgesellschaft m.b.H.

According to the Group and tax compensation agreement, which forms a legal requirement for the Austrian corporate tax group, tax compensation payments within the corporate tax group are calculated based on the stand-alone method, without charging negative tax compensations. In case of a taxable profit, the respective tax group member has to pay a

internal charging negative tax compensations. In case of a taxable profit, the respective tax group member has to pay a tax compensation to RHI Magnesita N.V. as the head of the corporate tax group amounting to the legally applicable corporate tax rate (23.0% for 2025). In case of a taxable loss, the respective tax group member does not receive a negative tax compensation by RHI Magnesita N.V., but rather the taxable loss is carried forward internally and reduces the calculation base for any future tax compensation payment by the respective tax group member to RHI Magnesita N.V. (group internal carry forward of losses). Any tax compensation payment by tax group members to RHI Magnesita N.V. is reduced by withholding taxes paid by the respective group member, which RHI Magnesita N.V. could credit against any corporate income tax due in Austria. For cases of termination of the corporate tax group or cases in which a tax group member leaves the corporate tax group, the group and tax compensation agreement foresees a final tax compensation true-up.

The corporate income tax rate for the Company is 23.0% (2024: 23.0%). The effective tax rate is negative 6.2% (2024: 1.9%) with a tax income of €5 million (2024: €3 million income) on a profit before income tax of €81 million (2024: €139 million). Overall, a taxable income of €20 million deriving from movement in deferred tax positions is offset by a tax expense of €15 million which stems from the consolidation of the results of subsidiaries which are part of the fiscal unity; RHI Magnesita N.V. via the Austrian branch is the head of this fiscal unity. The low effective income tax rate is mainly attributable to a substantial non-taxable income derived from investments in subsidiaries (€99 million).

All income and expenses are settled through their intercompany (current) accounts.

Significant accounting policies

Non-current financial assets

In the Company Financial Statements, investments in Group companies are stated at net asset value, in accordance with the equity method, if the Company effectively exercises influence of significance over the operational and financial activities of these investments. The net asset value is determined on the basis of the accounting principles applied by the Company. If the net asset value of an investment in a Group company becomes negative, the Company first reduces the carrying amount of any other long term interests that form part of the net investment, such as long term receivables or loans. These long term interests are impaired as part of the net investment. A provision for any remaining equity deficit is recognised when an outflow of resources is probable and can be reliably estimated.

Receivables from Group companies

Accounts receivables are measured at fair value and are subsequently measured at amortised cost, less allowance for credit losses. The carrying amount of the accounts receivable approximates the fair value.

Net result from investments

The share in the result of investments comprises the share of the Company in the result of these investments.

Non-current assets

(A) Non-current financial assets

The financial fixed assets comprise investments in:

Name and country of incorporation of the company	Country of core activity	31.12.2025	31.12.2024
		Share in %	Share in %
RHI Magnesita Deutschland AG, Wiesbaden, Germany	Germany	12.5	12.5
RHI Refractories Raw Material GmbH, Vienna, Austria	Austria	25.0	25.0
RHI Magnesita GmbH, Vienna, Austria	Austria	100.0	100.0

The investments have developed as follows:

in € million	2025	2024
At beginning of year	1,193	1,196
Transactions with non-controlling interests without change of control	(5)	5
Changes from currency translation and cash flow hedges	(188)	(84)
Changes from defined benefit plans	11	16
Dividend distribution	(122)	(104)
Net result from investments	99	164
Balance at year-end	988	1,193

The following list, prepared in accordance with the relevant legal requirements (Dutch Civil Code, Book 2, Sections 379), shows all companies in which RHI Magnesita N.V. holds a direct or indirect share of at least 20%:

Ser. no.	Name and country of incorporation of the company	31.12.2025		31.12.2024	
		Shareholder	Share in %	Shareholder	Share in %
1.	RHI Magnesita N.V., Arnhem, Netherlands				
2.	Agellis Group AB, Lund, Sweden	30.	100	30.	100.0
3.	Ashwath Technologies Private Limited, Vasai, India	13.	99	-	0.0
4.	Baker Refractories Holding Company, Delaware, USA	21.	100	21.	100.0
5.	BPI RHIM, LLC, Pittsburgh, USA ¹⁾	78.	51	-	0.0
6.	Didier Société Industrielle de Production et de Construction - "D.S.I.P.C.", Valenciennes, France	49.	100	49.	100.0
7.	Dutch Brasil Holding B.V., Arnhem, Netherlands ²⁾	50.	100	n/a	100.0
8.	Dutch MAS B.V., Arnhem, Netherlands	49.	100	49.	100.0
9.	Dutch US Holding B.V., Arnhem, Netherlands ²⁾	50.	100	n/a	100.0
10.	Foreign Enterprise "VERA", Dnepropetrovsk, Ukraine	30.	100	30.	100.0
11.	GIX International Limited, Dinnington, United Kingdom	91.	100	91.	100.0
12.	Horn & Co. RHIM Minerals Recovery GmbH, Siegen, Germany ¹⁾	50.	55.0	50.	55.0
13.	Intermetal Engineers (India) Private Limited, Mumbai, India	51.	100	51.	100.0
14.	Jinan New Emei Industries Co. Ltd., Jinan, PR China ¹⁾	43.	65	43.	65.0
15.	Liaoning RHI Jinding Magnesia Co., Ltd, Dashiqiao, PR China ¹⁾	30.	100	30.	100.0
16.	Lokalbahn Mixnitz-St. Erhard GmbH, Vienna, Austria	71.	100	71.	100.0
17.	LWB Refractories Holding France S.A.S., Valenciennes, France	31.	100	31.	100.0
18.	Magnesita Asia Refractory Holding, Limited, Hong Kong, Hong Kong	17.	100	17.	100.0
19.	Magnesita Malta Holding Ltd., St. Julians, Malta	50.	100	50.	100.0
20.	Maanesita Mineracão S.A., Brumado, Brazil	26.	100	26.	100.0

21.	Magnesita Refractories Company, York, USA	31.	100	31.	100.0
22.	Magnesita Refractories Limited, Dinnington, United Kingdom	4.	100	4.	100.0
23.	Magnesita Refractories Middle East Free Zone Establishment, Dubai, United Arab Emirates	7.	100	7.	100.0
24.	Magnesita Refractories S.C.S., Valenciennes, France	17.,31.	100	17.,31.	100.0
25.	Magnesita Refractories S.R.L. - in Liquidazione, Milano, Italy	31.	100	31.	100.0
26.	Magnesita Refratários S.A., Contagem, Brazil	7.	100	7.	100.0
27.	Magnesita Resource (Anhui) Company Ltd., Chizhou, PR China	43.	100	43.	100.0
28.	Minerals and Metals Recovering - Mireco Aktiebolag, Fagersta, Sweden	12.	100	12.	100.0
29.	Producción RHI México, S. de R.L. de C.V., Ramos Arizpe, Mexico	66.,91.	100	66.,91.	100.0
30.	Radex Vertriebsgesellschaft m.b.H., Leoben, Austria	89.	100	89.	100.0
31.	Rearden G Holdings Eins GmbH, Wiesbaden, Germany	49.	100	7.	100.0
32.	Refractarios Argentinos S.A, Industrial Comercial Y Minera (I.C.M.), San Nicolás, Argentina	7.,9.,91.	100	7.,9.,91.	100.0
33.	Refractarios Magnesita Colombia S.A.S., Sogamoso, Colombia	7.	100	7.	100.0
34.	Refractarios Magnesita Perú S.A.C., Lima, Peru	7.	100	7.	100.0
35.	Refractory Intellectual Property GmbH & Co KG, Vienna, Austria ²⁾	71.	100	n/a	100.0
36.	Refrattari Trezzi S.r.l., Merlino, Italy	12.	100	12.	100.0
37.	Resco Canada, Inc. , Québec , Canada	39.	100	-	0.0
38.	Resco Products (UK) Limited, London, United Kingdom	39.	100	-	0.0
39.	Resco Products, Inc. , Hammond, USA	78.	100	-	0.0
40.	RHI Canada Inc., Burlington, Canada	91.	100	91.	100.0

		31.12.2025		31.12.2024	
Ser. no.	Name and country of incorporation of the company	Shareholder	Share in %	Shareholder	Share in %
41.	RHI Chile S.A., Santiago, PR China	11.,32.,91.	100	11.,32.,91.	100.0
42.	RHI Italia S.R.L., Brescia, Italy	50.	100	50.	100.0
43.	RHI Magnesita (China) Co., Ltd., Shanghai, PR China	30.	100	30.	100.0
44.	RHI Magnesita (Chongqing) Refractory Materials Co., Ltd. , Chongqing, PR China ¹⁾	43.	51	43.	51.0
45.	RHI Magnesita Belgium NV, Evergem, Belgium	54.,77.	100	54.,77.	100.0
46.	RHI Magnesita Bochum GmbH, Bochum, Germany	49.	100	49.	100.0
47.	RHI Magnesita Czech Republic a.s., Velké Opatovice, Czech Republic	50.	100	50.	96.9
48.	RHI Magnesita d.o.o., Divača, Slovenia	50.	100	50.	100.0
49.	RHI Magnesita Deutschland AG, Wiesbaden, Germany	1.,30.	100.0	1.,30.	100.0
50.	RHI Magnesita GmbH, Vienna, Austria	1.	100	1.	100.0
51.	RHI Magnesita India Limited, New Delhi, India	7.,9.,91.	56.1	7.,9.,91.	56.1
52.	RHI Magnesita India Refractories Limited, Rajgangpur, India	51.	100	51.	100.0
53.	RHI Magnesita RE Limited, Guernsey, United Kingdom	30.	100	30.	100.0
54.	RHI Magnesita Sales Germany GmbH, Wiesbaden, Germany	77.	100	77.	100.0
55.	RHI Magnesita Seven Refractories Limited, New Delhi, India	52.	100	52.	100.0
56.	RHI Magnesita Switzerland AG, Hünenberg, Switzerland	30.,49.	100	30.,49.	100.0
57.	RHI Magnesita Trading B.V., Rotterdam, Netherlands	50.	100	50.	100.0
58.	RHI Magnesita Turkey Refrakter Ticaret Anonim Sirketi, Eskisehir, Türkiye ³⁾	16.,30.,50.	100	n/a	100.0
59.	RHI Magnesita Vietnam Company Limited, Ho Chi Minh City, Vietnam	65.	100	65.	100.0
60.	RHI Magnesita Wetro GmbH, Puschwitz, Germany	50.	100	50.	100.0
61.	RHI Marvo S.R.L., Bucharest, Romania ²⁾	30.,50.	100	n/a	100.0
62.	RHI Refractories (Dalian) Co., Ltd., Dalian, PR China	43.	100	43.	100.0
63.	RHI Refractories Africa (PTY) LTD, Sandton, South Africa	30.	100	30.	100.0
64.	RHI Refractories Andino, C.A., Puerto Ordaz, Venezuela	91.	100	91.	100.0
65.	RHI Refractories Asia Pacific Pte. Ltd, Singapore, Singapore	50.	100	50.	100.0
66.	RHI Refractories España, S.L., Lugones, Spain	8.,49.	100	8.,49.	100.0
67.	RHI Refractories France SA, Valenciennes, France	49.,50.,54.	100.0	49.,54.,83.	100.0
68.	RHI Refractories Ibérica, S.L., Oviedo, Spain	66.	100	83.	100.0
69.	RHI Refractories Liaoning Co., Ltd., Bayuquan, PR China ¹⁾	43.	100	43.	100.0
70.	RHI Refractories Nord AB, Stockholm, Sweden	2.	100	83.	100.0
71.	RHI Refractories Raw Material GmbH, Vienna, Austria	1.,30.,50.	100.0	1.,30.,50.	100.0
72.	RHI Refractories Site Services GmbH, Wiesbaden, Germany	49.	100	49.	100.0
73.	RHI Refractories UK Limited, Bonnybridge, United Kingdom	49.	100	49.	100.0
74.	RHI Refratários Brasil Ltda., Contagem, Brazil	7.,26.	100.0	7.,26.	100.0
75.	RHI Trading (Dalian) Co., Ltd, Dalian, PR China	43.	100	43.	100.0
76.	RHI Ukraina LLC, Dnepropetrovsk, Ukraine ²⁾	30.,50.	100	n/a	100.0
77.	RHI Urmitz AG & Co. KG, Mülheim-Kärlich, Germany	49.,72.	100	49.,72.	100.0
78.	RHI US Ltd., Delaware, USA	9.	100	9.	100.0
79.	RHI Wostok Limited Liability Company, Moscow, Russia	30.,50.	100	30.,50.	100.0
80.	RHI Wostok Service Limited Liability Company, Moscow, Russia	30.,50.	100	30.,50.	100.0
81.	RHIM Mireco Mitterdorf GmbH, St.Barbara im Mürztal, Austria	12.	100	12.	100.0
82.	RHI-Refmex, S.A. de C.V., Ramos Arizpe, Mexico	57.,66.,91.	100	57.,66.,91.	100.0

		31.12.2025		31.12.2024	
Ser. no.	Name and country of incorporation of the company	Shareholder	Share in %	Shareholder	Share in %
83.	Sapref AG für feuerfestes Material, Basel, Switzerland	91.	100.0	91.	100.0
84.	Seven Refractories Deutschland GmbH, Düsseldorf, Germany	50.	100.0	50.	100.0
85.	Seven Refractories Limited, Nicosia, Cyprus	48.	100.0	48.	100.0

86.	Sipra S.p.A., Bergamo, Italy	48.	60.0	48.	52.0
87.	Sörmaş Söğüt Refrakter Malzemeleri Anonim Şirketi, Söğüt / Bilecik, Türkiye	30.	91.7	30.	91.3
88.	Veitsch-Radex GmbH, Vienna, Austria	50.	100.0	50.	100.0
89.	Veitsch-Radex GmbH & Co OG, Vienna, Austria	50.	100.0	50.	100.0
90.	Veitsch-Radex Vertriebsgesellschaft m.b.H., Vienna, Austria	50.	100.0	50.	100.0
91.	VRD Americas B.V., Arnhem, Netherlands	30.,50.	100.0	30.,50.	100.0
92.	Horn & Co Polska sp. z o.o., Chorzów, Poland	11.	100.0	12.	100.0
93.	Magnesita Refractories Private Limited, Mumbai, India	33.	100.0	31.	100.0
94.	Mireco SARL, Entzheim, France	11.	100.0	12.	100.0
95.	Mireco SH.P.K, Lebushe, Kosovo	11.	100.0	12.	100.0
96.	Rudgruvans Industrier Aktiebolag, Fagersta, Sweden	11.	100.0	12.	100.0
Equity-accounted joint ventures and associated companies					
97.	Chongqing Boliang Refractory Materials Co., Ltd., Chongqing, China	43.	51.0	43.	51.0
98.	Magnesita-Envoy Asia Ltd., Kaohsiung, Taiwan	3.	50.0	3.	50.0
99.	P-D Kremen d.o.o., Šentjernej, Slovenia	30.	50.0	30.	50.0

- 1) In accordance with IAS 32, fixed-term or puttable non-controlling interests are shown under liabilities.
- 2) The shareholder(s) from 2024 have been merged during 2025, therefore the respective shareholder(s) no longer appear on this list.
- 3) Further shareholder is VRD Americas B.V., Arnhem, Netherlands.

(B) Deferred tax assets

The deferred tax assets amounting to €32 million (2024: €11 million) primarily relate to deferred tax assets arising from tax loss carryforwards within the Austrian corporate tax group, for which RHI Magnesita N.V. via the Austrian branch acts as the head. These tax loss carryforwards amount to €30 million (prior year: €10 million). A significant portion of the tax loss carryforwards was generated in the current or previous reporting period and has been recognised in the Company Balance Sheet, as sufficient taxable income is expected to be realised in future periods.

In assessing the recoverability of deferred tax assets, the Company has considered (i) the impacts of the global economic environment in which it operates, (ii) uncertainties and potential adverse effects arising from economic volatility and (iii) the Group's latest forecasts and assumptions used for the goodwill impairment testing and the viability statement assessment. The Group's forecasting horizon covers four years, with the fifth year serving as the terminal period, consistent with the methodology applied for goodwill impairment testing.

The tax loss carryforwards are not subject to expiration.

Current assets

(C) Cash and cash equivalents

Cash and cash equivalents are at RHI Magnesita N.V.'s free disposal.

Equity

(D) Share capital

The Company's authorised share capital amounts to €100,000,000, comprising 100,000,000 ordinary shares, each of €1 nominal value. As at 31 December 2025, RHI Magnesita N.V.'s issued and fully paid-in share capital consists of 47,304,527 ordinary shares (2024: 47,195,936 ordinary shares). For additional information on treasury shares see (E).

(E) Treasury shares

As at 31 December 2025, RHI Magnesita treasury shares amount to 2,173,178 (2024: 2,281,769).

(F) Additional paid-in capital

Additional paid-in capital comprises premiums on the issue of shares less issue costs by RHI Magnesita N.V.

(G) Legal, mandatory and other reserves

Cash flow hedges

The item cash flow hedges include gains and losses from the effective part of cash flow hedges less tax effects. Further information on hedge accounting is included in Note (35) and Note (36) of the Consolidated Financial Statements.

Currency translation

Currency translation includes the accumulated currency translation differences from translating the Financial Statements of foreign subsidiaries as well as unrealised currency translation differences from monetary items which are part of a net investment in a foreign operation, net of related income taxes. If foreign companies are deconsolidated, the currency translation differences are recognised in the Statement of Profit or Loss as part of the gain or loss from the sale of shares in subsidiaries. In addition, when monetary items cease to form part of a net investment in a foreign operation, the currency translation differences of these monetary items previously recognised in OCI are reclassified to profit or loss.

The cash flow hedge reserve and the currency translation reserve are legal reserves and are restricted for distribution.

Legal and mandatory reserve

The Articles of Association stipulate a mandatory reserve of €288,699,231 which was created in connection with the merger of RHI Refractories and Magnesita in 2017.

No distributions, allocations or additions may be made, and no losses of the Company may be allocated to the mandatory reserve.

Legal and mandatory reserves represent legal and statutory reserves in line with Chapter 7 'Decree on financial statements formats' of the Dutch Civil Code.

Retained earnings

Retained earnings includes the result of the financial year and results that were earned by consolidated companies during prior periods but not distributed. The difference between the purchase consideration or sale proceeds after tax and the relevant proportion of the non-controlling interest, measured by reference to the carrying amount of the interest's net assets at the date of acquisition or sale, is recognised in retained earnings too.

Net income recognised directly in equity represents the change of non-controlling interests without a change of control through the year (€5 million) and the defined benefit plans (€11 million).

through the year (€3 million) and the defined benefit plans (€11 million).

Current liabilities

(H) Current liabilities

in € million	31.12.2025	31.12.2024
Trade payables	2	0
Payables to group companies	3	3
Accrued liabilities	2	5
Total current liabilities	7	8

The current liabilities are due in less than one year. The fair value of other current liabilities approximates the book value, due to their short-term character.

(I) General and administrative expenses

in € million	2025	2024
External services/consulting expenses	(4)	(2)
Cost for principal services for group companies	2	0
Personnel expenses	(13)	(21)
Other expenses	(3)	(2)
Total general and administrative expenses	(18)	(25)

in € million	2025	2024
Wages and salaries	(12)	(18)
Social security charges	0	(1)
Pension contributions	0	(1)
Other employee costs	(1)	(1)
Total wages and salaries	(13)	(21)

(J) Net results from investments

In 2025, the full year results of the investments amount to a profit of €99 million (2024: €164 million) and are recognised in the Company Statement of Profit or Loss.

(K) Net result for the period

In 2025, there are no differences in the result between the Company Financial Statements and the Consolidated Financial Statements.

Proposed appropriation of result

It is proposed that, pursuant to Article 27 clause 1 of the Articles of Association of the Company, as approved in the AGM 2023, the result shown in RHI Magnesita N.V. income statement is appropriated as follows:

in € million	2025
Profit attributable to shareholders	86
In accordance with Article 27 clause 1 to be transferred to reserves	0
At the disposal of the General Meeting of Shareholders	86

For 2025, the Board of Directors will propose a final dividend of €1.20 per share for the shareholders of RHI Magnesita N.V. The proposed dividend is subject to approval by the AGM in May 2026.

Other notes

Number of employees

The average number of employees of RHI Magnesita N.V. during 2025 amounts to 10 (2024: 9), all of whom are employed in management functions. All employees are working outside the Netherlands.

Off balance sheet commitments

RHI Magnesita N.V., as an ultimate parent company, provided a corporate guarantee of €1,889 million (2024: €1,783 million) for the borrowings of the Group. The Borrowings are as disclosed in Note (27) of the Consolidated Financial Statements. Additionally, €38 million (2024: €44 million) of corporate guarantees are issued in favour of customers and suppliers of the Group.

The Company has issued a declaration of joint and several liability as referred to in section 403, Book 2 of the Dutch Civil Code in respect of one of its consolidated participations, namely RHI Magnesita Trading B.V., meaning that the company is liable in case of default.

Other information

Information regarding independent auditor's fees, the number of employees of RHI Magnesita Group and the remuneration of the Board of Directors is included in Note (39), (10) and (41) of the Consolidated Financial Statements.

The Company opened a branch (RHI Magnesita N.V.) in Vienna, Austria and, as of February 2020, started to employ staff in the branch office and undertake services.

The following branches are part of subsidiaries which are directly or indirectly controlled by RHI Magnesita N.V.:

- Magnesita Resource (Anhui) Company Ltd., ChangLong Gang Dolomite Quarry, Chizhou, China;
- RHI Refractories Asia Pacific Pte Ltd Korea Branch, Gyeongsangbuk-do, Republic of Korea;
- RHI Refractories Asia Pacific Ptd Ltd Taiwan Branch, Kaohsiung, Taiwan;
- RHI Refractories Site Services GmbH-Niederlassung Unterwellenborn, Unterwellenborn, Germany;
- Sipra S.p.a. Branch office nr. BG-2, Filago, Italy;
- Veitsch-Radex Vertriebsgesellschaft m.b.H. (Spółka z ograniczona odpowiedzialnoscia) Oddział w Polsce, Zabrze, Poland;
- Veitsch-Radex Vertriebsgesellschaft mbH - Oman Operations, Vienna, Austria;
- Veitsch-Radex VertriebsgmbH - branch Morocco, Casablanca, Morocco.

Material events after the reporting date

There were no material events after the reporting date other than those disclosed in Note (42) of the Consolidated Financial Statements.

Vienna, 1 March 2026

Board of Directors

Executive Directors

Stefan Borgas

Ian Botha

Non-Executive Directors

Herbert Cordt

John Ramsay

Janet Ashdown

David Schlaff

Stanislaus Prinz zu Sayn-Wittgenstein Berleburg

Franz-Ferdinand Buerstedde

Janice Brown

Karl Sevelda

Marie-Hélène Ametsreiter

Wolfgang Ruttendorfer

A. Katarina Lindström

Employee Representative Directors

Martin Kowatsch

Yasmin-Sarah Solmazer

Other information

Provisions of the articles of association on profit and distributions

The stipulations of Article 27 and 28 of the Articles of Association concerning profit and distributions are:

27 Profit and distributions

27.1 The Board may resolve that the profits realised during a financial year will fully or partially be appropriated to increase and/or form reserves. With due regard to Article 26.2, a deficit may only be offset against the reserves prescribed by law to the extent this is permitted by law.

27.2 The allocation of profits remaining after application of Article 27.1 shall be determined by the General Meeting. The Board shall make a proposal for that purpose. A proposal to make a distribution of profits shall be dealt with as a separate agenda item at the General Meeting.

27.3 Distribution of profits shall be made after adoption of the annual accounts if permitted under the law given the contents of the annual accounts.

27.4 The Board may resolve to make interim distributions and/or to make distributions at the expense of any reserve of the Company, other than the Mandatory Reserve.

27.5 Distributions on shares may be made only up to an amount which does not exceed the amount of the Distributable Equity. If it concerns an interim distribution, the compliance with this requirement must be evidenced by an interim statement of assets and liabilities as referred to in Section 2:105 paragraph 4 of the Dutch Civil Code. The Company shall deposit the statement of assets and liabilities at the Dutch Trade Register within eight days after the day on which the resolution to make the distribution is published.

27.6 Distributions on shares payable in cash shall be paid in Euro, unless the Board determines that payment shall be made in another currency.

27.7 The Board is authorised to determine that a distribution on shares will not be made in cash but in kind or in the form of shares, or to determine that shareholders may choose to accept the distribution in cash and/or in the form of shares, all this out of the profits and/or at the expense of reserves, other than the Mandatory Reserve, and all this if and in so far the Board has been designated by the General Meeting in accordance with Article 6.1. The Board shall set the conditions under which such a choice may be made.

28 Release for payment

Distributions of profits and other distributions shall be made payable four weeks after adoption of the relevant resolution, unless the Board or the General Meeting at the proposal of the Board determine another date.



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