

**Ontex Group NV
Korte Keppestraat 21
9320 Erembodegem (Aalst)
0550.880.915 RLE Ghent (Division Dendermonde)
(the “Company”)**

ANNUAL BOARD REPORT ON THE STATUTORY ANNUAL ACCOUNTS FOR FINANCIAL YEAR 2024

In accordance with articles 3:5 and 3:6 of the Belgian Companies and Associations Code (“**BCAC**”), the board of directors of the Company (the “**Board**”) hereby issues its annual report on the activities of the Company during financial year 2024 and submits the statutory annual accounts of the Company for the financial year ended 31 December 2024 to the Company’s shareholders’ meeting for its approval.

1. Activities of the Company

The Company is the ultimate parent company of the Ontex group of companies (the “**Group**”), and its main activities include owning and managing its shareholding in Ontex BV (which in turn directly or indirectly owns shareholdings in the remaining subsidiaries of the Group), providing certain management, IT and other services to the companies of the Group, and financing the Group through its external bank and bond financing. The Company’s shares are listed on Euronext Brussels.

2. Explanations to the key financial movements in financial year 2024

2.1 Balance sheet

As at the end of financial year 2024, the Company’s balance sheet total was €3,035,105,915, compared to €3,018,673,791 as at the end of financial year 2023, an increase of €16,432,124.

Fixed assets increased from €2,583,382,317 as at the end of financial year 2023 to €2,759,891,343 as at the end of financial year 2024. This is explained mainly by the following elements:

- Intangible fixed assets decreased from €14,197,088 as at the end of financial year 2023 to €13,645,146 as at the end of financial year 2024. These assets consist mainly of the Company’s concessions and licenses for the Group’s SAP and Microsoft software. Concessions amounted to €13,255,176 as at the end of financial year 2024, a decrease compared to 2023 with €798,641, due to a combination of additions during the year for €5,131,545 and amortizations for €5,930,186.
- Tangible fixed assets decreased from €369,889 to €202,451 due to depreciations during the year. These assets mainly consist of IT servers and IT-related material.
- Apart from the participation in Ontex BV for €1,687,065,289 which has remained unchanged, the financial fixed assets also include loans to the Company’s affiliates for an amount of €1,058,790,583, increased from €881,562,177 as at the end of financial year 2023, and guarantees for an amount of €187,874.

Current assets decreased from €435,291,474 as at the end of financial year 2023 to €275,214,572 as at the end of financial year 2024. This is explained mainly by the following elements:

- Amounts receivable within one year decreased from €349,725,981 as at the end of financial year 2023 to €209,569,020 as at the end of financial year 2024. This results largely from a decrease of “Other amounts receivable” from €238,600,417 as at end of financial year 2023 to €114,735,550 as at end of financial year 2024. This amount consists mainly of current accounts with other members of the Group, which are managed on a daily basis and on which monthly interest is charged. Additionally, the amounts receivable within one year from trade debtors decreased from €111,125,564 as at the end of financial year 2023 to €94,833,470 as at the end of financial year 2024. This amount consists mainly of factored trade receivables.
- Cash at bank and in hand decreased from €53,033,099 as at the end of financial year 2023 to €28,773,214 as at the end of financial year 2024.
- Deferred charges and accrued income increased from €23,410,737 as at end December 2023 to €26,300,585 as at the end of financial year 2024 and mostly reflect accrued interests on intercompany loans.

Equity increased from €1,661,725,038 as at the end of financial year 2023 to €1,677,206,663 as at the end of financial year 2024. This increase follows mainly from the Company’s result for financial year 2024, being a profit of €15,481,625.

As at the end of 2024, the ‘Reserves’ accounts of the Company amounted to €269,116,428 in aggregate, and consisted of the following reserves:

- The legal reserve account increased to an amount of €30,568,038. This reserve was established pursuant to article 7:211 BCAC.
- The reserve for purchase of own shares amounted to €10,571,753. In view of the recognition of treasury shares held by the Company as at the end of financial year 2024, the Company formed an unavailable reserve pursuant to article 7:217 BCAC.
- Available reserves remain unchanged at an amount of €227,976,637.

The section ‘Provisions for liabilities and charges’ amounts to €7,975,354, decreased from €8,468,079 as at the end of financial year 2023, and consists of the provision taken by the Company in view of its long-term incentive plans (LTIP), which consist of performance stock units (PSUs). For more information on these incentive plans, please refer to the Company’s Remuneration Report, which forms part of Ontex’s Integrated Annual Report 2024, which can be consulted on the website of the Company (www.ontex.com).

The ‘Amounts payable after more than one year’ amount to €580,000,000 as at the end of financial year 2024 and consists of the Company’s liabilities under its unsubordinated bond.

The ‘Amounts payable within one year’ amount to €760,472,477 as at the end of financial year 2024 and mainly consists of the Company’s revolving credit facility of €270,000,000, of which €24,000,000 was drawn as per the end of financial year 2024, the Company’s outstanding debt in connection with the factoring agreements in place for all the members of the Group (€185,170,279), trade debts (€18,568,954), tax payables (€2,109,870) and payables with regard to remuneration and social security (€2,193,793).

The 'Other amounts payable' amount to €528,429,581 as at the end of financial year 2024, increased from €453,232,706 as at the end of financial year 2023, and mainly consist of current accounts with other members of the Group (€528,361,250).

The accruals and deferred income consist mainly of the accrued interests on the abovementioned borrowings.

2.2 Income Statement

The Company's operational profit amounts to €13,660,115 at the end of financial year 2024.

The financial result at the end of financial year 2024 amounts to a profit of €3,915,091. This is mainly the result of interests calculated on loans issued to different members of the Group and interest charges on the Company's debt and current account positions with the different members of the Group.

The Company closed financial year 2024 with a profit of €15,481,625.

2.3 Allocation of results

The Board proposes the following allocation of results to the Company's shareholders' meeting:

Carry forward of the profit of the financial year amounting to €15,481,625 to next financial year:

<i>Profit brought forward from last financial year:</i>	<i>€158,503,178</i>
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<i>Result of the financial year to be appropriated:</i>	<i>€15,481,625</i>
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<i>Profit to be appropriated:</i>	<i>€173,984,803</i>
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<i>Accumulated profits:</i>	<i>€171,760,627</i>
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<i>Allocation to other reserves:</i>	<i>€1,450,095</i>
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<i>Allocation to legal reserves:</i>	<i>€774,081</i>
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3. Significant events that occurred after the end of the reporting period

There were no significant events that occurred after the end of the reporting period.

4. Key risks and uncertainties

Considering the activities of the Company (as described above), the Company is not exposed to operational risks other than those applicable to the entire Group.

For an overview of the key risks and uncertainties of the Group, please refer to the Company's Risk Report, which forms part of Ontex's Integrated Annual Report 2024, which can be consulted on the website of the Company (www.ontex.com).

5. Circumstances that may materially affect the Company's development

Except as otherwise referenced in this report, no circumstances are to be reported that may significantly affect the Company's development.

6. Research and development

Considering the activities of the Company (as described above), the Company did not engage in activities related to research and development during financial year 2024.

7. Information in relation to branch offices

The Company does not have any branch offices.

8. Going concern of the Company

The Company's statutory (and consolidated) financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities during the normal course of business.

On November 27, 2024, the Group refinanced its €242.5 million revolving credit facility, which had a maturity date in December 2025, with a new revolving credit facility that has a principal amount of €270.0 million and a maturity date in November 2029. The new revolving credit facility is subject to one financial covenant, being a leverage covenant. The leverage ratio of net financial debt over the last-twelve-months adjusted EBITDA is not to exceed 3.50 throughout all reporting periods.

Management has prepared detailed budgets and cash flow forecasts for the next years, which reflect the strategy of the Group. The Company is confident that, taking into account its available cash, cash equivalents and facilities available to the Company, it has sufficient liquidity to meet its present and future obligations and cover working capital needs.

The Group complied with all requirements of the loan covenants on its available credit facilities throughout the reporting period.

9. Financial instruments and financial risk management

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate, foreign exchange rate and commodity price risks, including foreign exchange forward contracts, commodity hedging contracts and interest rate CAPs and SWAPs. Since 2019, the Group has maintained cross currency interest rate SWAPs and commodity hedging contracts in relation to raw material prices. The Group follows a similar policy related to the currency risk hedging.

We refer to the appendix "Financial instruments and financial risk management" for more details on the accounting policies and financial risks at Group level. This appendix is also part of Ontex's integrated annual report 2024, which can be consulted on the website of the Company (www.ontex.com).

10. Independence and expertise in accounting and audit of members of the Audit and Risk Committee

Several members of the Company's Audit and Risk Committee have extensive expertise in the areas of accounting and audit, through their studies and professional careers. As an example, we note that Ms Inge Boets, who is the chairwoman of the Audit and Risk Committee and an independent director, was a partner with Ernst & Young from 1996 through 2011 where she was the Global Risk leader and held several other roles in audit and advisory.

11. Corporate Governance Statement

The Company is committed to upholding high standards of Corporate Governance. It applies the Belgian Corporate Governance Code for listed companies (the "2020 Corporate Governance Code"), which can be found on the website of the Belgian Corporate Governance Committee (<https://corporategovernancecommittee.be/en>).

Further, the Company has adopted a corporate governance charter which describes the main aspects of the Company's corporate governance, including its governance structure and the terms of reference of the Board, the Board committees and the executive committee. The charter is available on the Company's website (<https://ontex.com/investors/leadership>).

As at the end of 2024, the Company complied with all provisions of the 2020 Corporate Governance Code, except in respect of the following:

- Provision 7.6 of the 2020 Corporate Governance Code provides that non-executive Board members should receive part of their remuneration in the form of shares in the Company. After due consideration, it was decided that the remuneration of the Non-Executive Directors would be paid fully in cash. However, the Company issued a recommendation to Non-Executive Directors to build, over their four-year tenure, an equity stake in the Company equivalent to one time the Non-Executive Director's fixed fee, and to maintain this equity stake during at least one year following the end of their Board mandate. At the Company's annual shareholders' meeting to be held on 5 May 2025, a proposal will be submitted to amend the remuneration policy, to provide for partial payment of the remuneration of non-executive directors in restricted stock units, with effect as from 1 January 2025. The purpose of such proposal is to ensure an even stronger alignment of long term incentives between the members of the Board and the Executive Committee.

The Company's Corporate Governance Statement forms part of Ontex's Integrated Annual Report 2024, which can be consulted on the website of the Company (www.ontex.com).

12. Conflicts of interest (Article 7:96 BCAC)

In accordance with Article 7:96 of the Belgian Code of Companies and Associations, if a Board member has a direct or indirect financial interest that is contrary to the interest of the Company in respect of a decision or transaction which is the responsibility of the Board, he/she must inform the other Board members before any decision by the Board is taken and the statutory auditor must also be notified. The conflicted Board member cannot be present during the deliberations of the Board relating to these transactions or decisions and cannot vote.

In addition to the legal requirements, the Company, as a general matter and as set forth in its Corporate Governance Charter, also expects each Board member to arrange his or her personal and business affairs in such a way as to avoid any (appearance of) conflict of interest of a personal, professional or financial nature with the Company, directly or through relatives (including spouse or life companion, or other relatives (by blood or marriage) up to the second degree and foster children).

The conflict of interest procedure prescribed by article 7:96 of the Belgian Code of Companies and Associations was not applied by the Company in 2024.

13. Related-party transactions (Article 7:97 BCAC)

During 2024, the Company did not enter into any transactions with related parties within the meaning of Article 7:97 BCAC.

14. Authorized capital (Article 7:198 and following BCAC)

On May 5, 2023, the Company's extraordinary shareholders' meeting renewed the authorization to the Board with respect to authorized capital under certain conditions. The Board may increase the share capital of the Company in one or several times by a maximum of up to (i) €82,358,746.64 in the event of a (or multiple) capital increase(s) with cancellation or limitation of the preferential subscription rights of shareholders, including in favour of one or more specified persons that are not members of the personnel of the company or its subsidiaries and (ii) €164,717,493.28 in the event of a (or multiple) capital increase(s) without cancellation or limitation of the preferential subscription rights of shareholders.

This authorization may be renewed in accordance with the relevant legal provisions. The Board can exercise this power for a period of five years as from the date of publication in the Annexes to the Belgian State Gazette of the amendment to the Articles of Association approved by the shareholders' meeting on May 5, 2023.

15. Capital increases, issuance of convertible bonds or subscription rights (Article 7:203 BCAC)

During 2024, the Company's share capital was not increased and the Company did not issue convertible bonds or subscription rights.

16. Acquisition of own shares (Article 7:215 and following BCAC)

On May 5, 2023, the Company's extraordinary shareholders' meeting renewed the Board's authorization with respect to the acquisition of own shares subject to the conditions set forth below.

The Company may, without any prior authorisation of the shareholders' meeting, and the Board is authorised to, take as pledge and acquire, on or outside of the stock exchange, its own shares, profit-sharing certificates and associated certificates up to a maximum of 10% of each of the outstanding shares, profit-sharing certificates and associated certificates of the Company for a price that is not more than 5% above the highest closing price on Euronext Brussels during the last 30 trading days preceding the transaction, and not more than 10% below the lowest closing price on Euronext Brussels during the last 30 trading days preceding the transaction, in accordance with the provisions of the Belgian Code of Companies and Associations where applicable. This authorisation is valid for a period of five years starting on the date of the publication in the Annexes to the Belgian Official Gazette of the amendment to the Company's articles of association resolved upon by the Company's

extraordinary shareholders' meeting of May 5, 2023. The authorisation may be renewed in accordance with the relevant provisions of the Belgian Code of Companies and Associations.

On November 25, 2024, the Company announced the launch of a share buy-back program to acquire a maximum of 1.5 million shares, representing 1.8% of its issued shares. The shares acquired through the program will contribute to meeting Ontex's obligations under its current and future long-term incentive plans. The share purchases are spread over a seven-month period, which started on December 1, 2024 and will end on June 30, 2025. The program is conducted under the terms and conditions of the authorization granted by the extraordinary shareholders' meeting held on May 5, 2023, and is executed by an independent intermediary, who makes its decisions independently pursuant to a discretionary mandate. In 2024, the Company acquired 146,338 own shares in the context of the share buy-back program, for which it paid €1.2 million. Such acquired shares together represented 0.18% of the Company's share capital and each had a fractional value of €10.00.

In total, on December 31, 2024, the Company held 1,260,044 treasury shares, which represents 1.53% of the Company's share capital.

17. Sustainability information

Pursuant to the implementation into Belgian law of Directive (EU) 2022/2464 regarding Corporate Sustainability Reporting, the Company is required to include in its Integrated Annual Report the consolidated sustainability information that is necessary to understand the effect of the Group on sustainability matters, as well as the information that is necessary to understand how sustainability matters affect the development, performance and position of the Group. Such consolidated sustainability statements are included in Ontex's Integrated Annual Report, which can be consulted on the website of the Company (www.ontex.com).

18. Discharge of the directors and auditor

The Board requests the Company's shareholders' meeting to give discharge to the Company's (past and present) directors and statutory auditor for the execution of their mandate during financial year 2024.

On behalf of the Board of Directors,

1 April 2025,



ViaBylity BV, permanently represented by Mr Hans Van Bylen
Authorised representative



Inge Boets BV, permanently represented by Ms Inge Boets
Authorised representative