2025

INTERIM FINANCIAL REPORT

HALF-YEAR ENDED
JUNE 30, 2025

vallourec

CONTENTS

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1 STATEMENT BY THE PERSON RESPONSIBLE FOR THE INTERIM FINANCIAL REPORT

To the best of my knowledge, I certify that the condensed half-year financial statements have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, financial position and profits or loss of Vallourec and all consolidated companies, and that the half-year activity report attached presents a true and fair view of the significant events that occurred during the first six months of the financial year and of their impact on the half-year financial statements, of the main transactions between related parties and that it describes the main risks and uncertainties for the remaining six months of the financial year.

Meudon, July 24, 2025

Philippe Guillemot

Chairman of the Board of Directors & Chief Executive Officer

2 HALF-YEAR ACTIVITY REPORT

Vallourec's Market Environment: Trends and Opportunities

Vallourec offers products and services through its two primary reporting segments: Tubes and Mine & Forest. Through its Tubes segment (90% of H1 2025 revenues), Vallourec offers a wide range of tubular products and services for oil & gas extraction, automotive, agribusiness, mechanical, construction, geothermal, carbon capture, utilization and storage (CCUS), direct lithium extraction and hydrogen storage markets. Evolutions in the oil & gas market drive the substantial majority of the Tubes segment's earnings, and are commented in detail below. Meanwhile, in its Mine & Forest segment (10% of H1 2025 revenues), the Group operates an iron ore mine in Brazil, with a portion of its output supplying the Jeceaba site, and the majority sold on the local market. Vallourec additionally sells small amounts of the charcoal produced by its eucalyptus forest to third parties.

Oil and Gas market

Vallourec's products have a wide range of potential applications across the oil & gas value chain but have particularly strong demand in the upstream sector, where Vallourec's premium products are used for structural integrity or oil & gas transportation in subsurface wells (Oil Country Tubular Goods) or on the surface of the earth (Line Pipe).

Accordingly, the primary driver of demand for Vallourec's products is the level of investment in the upstream oil & gas sector. This investment is ultimately dependent on oil & gas prices, which in turn depend on the balance of supply and demand for these respective commodities. Oil market dynamics tend to be more global, and generally speaking more important than gas market dynamics for Vallourec's overall financial results given the higher percentage of upstream spending allocated towards oil fields.

Oil & Gas Supply, Demand and Prices

According to the IEA's July 2025 Oil Market Report, global oil demand is expected to increase by approximately 700 kb/d in 2025 to reach an annual average of 103.7 mb/d. Growth is expected to be driven broadly by demand increases in Asia/ Pacific, the Americas, the Middle East and Africa.

Total oil supply in expected to increase from an annual average of 103.0 mb/d in 2024 to 105.1 mb/d in 2025. The OPEC+ group (1) previously executed a series of output cuts in order to preserve market balance following a softening in market conditions from late 2022 onward. Since April 2025, OPEC+ has increased its oil output closer to full production capacity. In July 2025, OPEC+ announced that its output in August will increase by 548 kb/d, compared with increases of 411 kb/d that were decided for May, June, and July.

Outside of OPEC+, supply growth is expected to be driven by the United States, Brazil, and Canada.

Over the first half of 2025, Brent (2) crude averaged $70.8/barrel (versus $83.4/barrel in H1 2024, a decrease of around 15% year on year). WTI (3) followed a similar trend, averaging $67.6/barrel compared to $78.8/barrel in H1 2024, a decrease of approximately 14%.

Over the long-term, many market observers expect gas demand to increase for a longer time period, or at worst, remain stable for a longer period than oil demand. This is largely due to natural gas's use in power generation, and its potential decarbonization benefit when it is used to replace coal or oil products.

(1) *OPEC refers to the Organization of the Petroleum Exporting Countries, a group of 13 of the world's major oil-exporting nations including Iran, Iraq, Kuwait, Saudi Arabia, and Venezuela (the five founders), plus Algeria, Angola, Congo, Equatorial Guinea, Gabon, Libya, Nigeria, and the United Arab Emirates. OPEC+ is a group that comprises the 13 member countries of OPEC and other oil-producing countries. These countries include Azerbaijan, Bahrain, Brunei, Equatorial Guinea, Kazakhstan, Russia, Mexico, Malaysia, South Sudan, Sudan, and Oman.*

(2) *Brent price: Bloomberg – data collected in July 2025.*

(3) *WTI price: Bloomberg – data collected in July 2025.*

Per the IEA [(1)], natural gas demand reached an all-time high in 2024, growing by 2.8% vs. 2023 or by 115bcm. It is expected that gas demand will grow by a further 1.4% in 2025, due to demand growth across most geographic regions. Many countries across the world, particularly in the Americas and Middle East, have laid out plans to significantly increase the development of their gas resources over the next several years. Natural gas wells generally require more sophisticated tubular connections, due to their higher propensity for leakage, and as such this may represent a tailwind for Vallourec's tubular solutions.

Natural gas prices [(2)] measured at the Dutch Title Transfer Facility (TTF) represent the best proxy for European gas prices. TTF pricing averaged €41.1/MWh in H1 2025, which represents a 39% increase compared to H1 2024 (average of €29.7MWh). Due to an increasingly low storage level and expected cold weather, natural gas prices started to increase over the second half of 2024 (average of €39.5/MWh in the semester) and closed the year at €50/MWh.

Henry Hub gas prices [(2)], the key marker for US gas prices, averaged $3.7/MMbtu in H1 2025, a significant increase of 66% compared to H1 2024 (average of $2.2/MMbtu). The price increase had begun in the second half of 2024 (average of $2.6/MMbtu), due to cold weather and LNG facility start-ups. This upward trend has continued in 2025.

Global Oil & Gas Investments

Upstream exploration & production (E&P) investments remain at a strong level. S&P Global's June 2025 estimates show that from the trough of $300 billion of global E&P capex observed in 2020, capex grew by 65% to $494 billion in 2024. In 2025, S&P Global forecasts E&P capex will increase by 1% year-over-year to $500 billion. Latin America, Africa and Middle East regions are expected to contribute the most in terms of absolute spending increase (cumulative +$12 billion year-on-year), offset by lower spending in Asia-Pacific and North America. Globally speaking, offshore E&P spending in 2025 is expected to increase 9% year-over-year or $15 billion, substantially outpacing onshore spending, which is forecast to decrease by 3% in 2025 with higher onshore unconventional spending to offset lower onshore conventional spending .

Oil & Gas Market In North America

The vast majority of Vallourec's North American revenues are generated in the United States. Drilling activity levels in the United States over the first half of 2025 are lower than the first half of 2024 following a reduction in oil drilling activity, partially offset by higher gas drilling activity. The total rig count – a measure of demand for Vallourec's products – averaged 580 over the first half of 2025, down 5% versus the first half of 2024 [(3)].

After an extended period of weakening prices, seamless OCTG prices in the United States [(4)] reached a trough in August 2024 at $2,110 per metric tonne. Since then, seamless OCTG prices have gradually increased, sitting at $2,534 per tonne in June 2025. In the first half of 2025, US seamless OCTG prices averaged $2,452 per tonne, approximately 3% higher than the first half 2024 level.

In February, the Trump administration announced the removal of all trade arrangements for steel products, including tariffs, quotas, and other hybrid systems. These were replaced with a blanket 25% tariff covering steel articles and derivative products. Subsequently, in June, the tariff rate was doubled from 25% to 50%.

Vallourec expects this will meaningfully increase the cost of imported products into the US market, and overall should support Vallourec's profitability in the region, all else equal. A significant majority of Vallourec's sales volumes in the United States are related to onshore drilling applications. The Company serves this demand from its vertically-integrated production sites in the US, and thus is insulated from the effect of steel tariffs. Meanwhile, for select applications – particularly larger tubes for offshore applications – Vallourec imports tubes from its production site in Brazil. Vallourec intends to pass on the cost of tariffs to its customers to mitigate the margin impact of these tariffs.

Meanwhile, there have been other trade measures, including the "reciprocal" tariffs that were announced in early April and cover a far broader range of products. These tariffs carry the risk of increasing costs for a variety of products used in Vallourec's operating and capital expenditures. However, based on the delayed implementation of many of these tariffs, as well as ongoing legal challenges attempting to reverse them, Vallourec has not yet seen a clearly measurable impact of broader inflation on its operations.

Oil & Gas Market In The Eastern Hemisphere

Vallourec's revenue in the Eastern Hemisphere is largely generated in the Middle East, with additional sales in Asia Pacific, Africa and Western Europe.

The rig count in the Middle East region was 339 in the first half of 2025, which was 6 units lower compared to the first half of 2024 and flat compared to the second half of 2024.

The rig count in the Eastern Hemisphere ex-Middle East region was 427 in the first half of 2025, which was 6% lower than the first half of 2024.

Nevertheless, the rig count in the Eastern Hemisphere increased by 20 units in June compared to May 2025. This was driven by increases in onshore activity primarily in the Middle East and Africa.

Seamless OCTG prices in the Middle East [(5)] were down 13% year over year in the first half of 2025, and averaging $2,192 per tonne. Seamless OCTG prices in the North Sea [(6)] were up 3% in the first half of 2025 compared to the first half of 2024, averaging $2,800 per tonne.

(1) Source: International Energy Agency Gas market report, Q3 2025.
(2) Source: Bloomberg.
(3) Source: Baker Hughes.
(4) Source: PipeLogix Report, Average Seamless Index (in metric tons).
(5) Source: Rystad - Jebel Ali Seamless (Premium) L80 CFR.
(6) Source: Rystad - North Sea Seamless (Premium) L80 CFR.

Oil & Gas Market In South America

The vast majority of Vallourec's South America revenue is generated In Brazil. Drilling activity in Brazil, as measured by the total rig count, was 43% higher in the first half of 2025 compared to the first half of 2024. After averaging 24 rigs active in the first half of 2025, the rig count in Brazil stands at 26 rigs in June [(1)]. No reliable third party indicator for market pricing of Vallourec's products in Brazil presently exists.

Activity in Brazil is heavily dependent on the activities of Petrobras, Brazil's National Oil Company. In its latest 5-year strategic plan for 2025-2029, Petrobras indicated a total capex budget of USD 111 billion, of which USD 77 billion, or 69%, is dedicated to exploration and production (E&P). Compared to the 2024-2028 plan, this strategic capex plan represents a 9% increase, predominantly driven by new projects. Petrobras also indicated that 61% of the E&P capex budget will be dedicated to offshore pre-salt reservoirs, representing USD 47 billion out of the USD 77 billion.

Significant events

Achievement of net debt zero objective and commencement of shareholder returns

In January 2025, Vallourec announced that it has achieved its target of reaching zero net debt one year ahead of plan. This marked the completion of the company's target of crisis-proofing its business, as laid out in the New Vallourec plan.

The achievement of this significant milestone allowed Vallourec to propose a significant €1.50 dividend – its first dividend payment in 10 years – which was approved by shareholders at the Group's 2025 Annual General Meeting. Accordingly, Vallourec distributed a total dividend payment of €352 million on May 28, 2025.

Furthermore, Vallourec executed a share buyback program from May 27 to June 11, wherein it repurchased 1.2 million shares to fund future employee share grants.

Vallourec receives an investment grade rating and other positive rating actions

In April 2025, Vallourec announced several positive developments in its credit outlook from S&P Global, Moody's Ratings and Fitch Ratings. Specifically:

Fitch Ratings upgraded Vallourec from BB+ to BBB-, an Investment Grade rating, with a stable outlook. This marks Vallourec's first Investment Grade rating since 2015. Fitch Ratings commented: "Vallourec's business profile has improved over the past few years due to an optimized footprint, cost reductions and focus on the value over volume, supported by its strong position in the seamless tubes market."

Moody's Ratings upgraded Vallourec from Ba2 to Ba1 and maintained its positive outlook. Moody's indicated: "The rating upgrade reflects evidence of the successful transformation of Vallourec's product portfolio towards higher value products and reduction of its industrial fixed cost base, coupled with its conservative financial policy."

S&P Global affirmed Vallourec's BB+ long-term issuer credit rating and revised its outlook from neutral to positive. S&P Global noted: "The change in outlook is mainly driven by our view that Vallourec's business becoming more robust and more immune to downturns on the back of improvement in margins and an increasingly flexible cost structure."

Commercial successes

In April 2025, Vallourec announced the receipt of a notice of award to supply Oil Country Tubular Goods (OCTG) to SONATRACH, the Algeria's National Oil and Gas company. Vallourec will deliver carbon steel OCTG threaded with its premium VAM® connections, which have been recognized as the proven standard for the Algerian market. Deliveries are expected in 2025 and 2026, and in total the operation is expected to result in greater than $250 million in revenues for Vallourec. This renewed partnership was made possible by Vallourec's leading technical solutions and strong operating performance in the region over many years .

Also in April 2025, Vallourec announced that it secured a major contract with Allseas to supply line pipes for Búzios 10 offshore project located at the Búzios field, operated by Petrobras. This contract represents nearly 18,000 tons of subsea seamless premium carbon steel line pipes, for the risers and flowlines. The contract includes an optional scope of almost 5,000 tons.

Located off the coast of Rio de Janeiro, Búzios is one of the world's largest deepwater fields. This field represents a significant part of the Brazilian oil company's operations. The field's production is expected to substantially increase as five additional units are set to commence operations by 2028.

The contract also includes Vallourec's Pipe Navigator solution, a centralized digital portal that offers instant access to up-to-date contractual documentation, data and analysis covering every aspect of its line pipe projects. The entire production will be carried out at Vallourec cutting-edge facility in Jeceaba (Minas Gerais, Brazil) to ensure high local content and a reduced carbon footprint.

(1) *Source: Baker Hughes.*

Furthermore, in April 2025, Vallourec announced that it had secured a major contract to supply Oil Country Tubular Goods (OCTG) for the drilling operations of Kuwait Oil Company (KOC). This new contract represents over $130 million in potential revenue and includes the supply of carbon steel OCTG products with premium connections and proprietary steel grades, to be delivered in 2025 and 2026. Vallourec was selected to supply the most technically advanced part of the tender in terms of grades and connections, including some of its high-torque flush premium connections.

This contract comes in the context of Kuwait's current plan to increase its oil production to 4 million barrels per day in 2035 and follows KOC's issuance of a tender in September 2024 for deep drilling applications.

Vallourec in exclusive negotiations to sell Serimax for €79 million

In April 2025, Vallourec announced that it had entered into exclusive negotiations with Aldebaran, a French investment company, for the sale of Serimax, Vallourec’s subsidiary specializing in mechanized welding solutions. The transaction contemplates an enterprise value for Serimax of €79 million, of which €7 million will be paid via an earn-out. Serimax generated approximately €105 million of revenues in 2024.

This transaction is part of the New Vallourec’s initiatives to rationalize its invested capital and focus the Group on its core business as a premium seamless tubular solutions provider. As part of the New Vallourec plan, Serimax has undergone a rapid transformation and is now operating profitably as a standalone company.

On July 25, 2025, Vallourec announced the completion of this transaction.

Acquisition of Thermotite do Brasil

In June 2025, Vallourec announced the completion of the acquisition of Thermotite do Brasil from Mattr (MATR.TO), in accordance with the terms of the agreement announced on September 16, 2024. The transaction price was $17.5 million on a cash-free, debt-free basis, subject to customary price adjustments, including working capital.

This transaction supports Vallourec's premiumization strategy, with the integration of differentiated technological expertise in thermal insulation coatings for pipelines. With this integrated offering, Vallourec reinforces the added value it provides to offshore projects in the oil and gas industry.

Vallourec reduces its carbon footprint by 19% in 4 years

In January 2025, Vallourec announced the result of its seamless tubes carbon footprint life cycle assessment. Based on 2023 data, Vallourec has reduced its carbon footprint to 1.45 tonnes of CO_2 equivalent per tonne of tube produced, compared to 1.79 tonnes of CO_2 equivalent per tonne of tube in 2019, representing a 19% reduction over 4 years.

This significant reduction, certified by the independent non-profit research institute EPD International AB, a subsidiary of IVL Swedish Environmental Research Institute, sets a new industry standard for the premium seamless tubular solutions sector [(1)].

Overall, more than 90% of electricity used by Vallourec is low-carbon, originating from nuclear power or renewable sources (45% hydroelectric, 6% wind, and 4% solar), and 61% of steel used by Vallourec worldwide comes from recycled scrap. All Vallourec production sites are ISO 14001 (Environment) certified.

As part of its environmental commitments, Vallourec continues its reduction trajectory with the ambitious goal of reducing the carbon intensity of its tubes by 35% by 2035 compared to 2021 levels.

Vallourec obtains the qualification of its hydrogen storage solution, Delphy, and launches commercialization

In June 2025, Vallourec has announced the official qualification of *Delphy*, its vertical gaseous hydrogen storage solution, by DNV. A world first, *Delphy* enables the storage of 1 to 100 tons of hydrogen under maximum safety conditions. Thanks to its minimal footprint, this vertical system - extending up to 100 meters underground - meets the challenge of complex and demanding industrial environments. It targets both green hydrogen producers and industrial players such as synthetic fuel producers (e-SAF, e-methanol), green ammonia producers, steelmakers, and refineries.

The *Delphy* solution is the result of Vallourec's longstanding expertise and know-how and is based on proven technologies - tubes and connections - that have demonstrated excellent tightness and corrosion resistance.

Vallourec has already signed two Memorandums of Understanding (MoUs): one with H2V, for green hydrogen production and utilization projects, and one with NextChem Tech, for green hydrogen and green ammonia projects. Around fifty projects - in France and internationally - are currently under discussion, representing potential revenue of approximately €2 billion.

(1) *Source: Peers’ Published Environmental Product Declarations (EPDs).*

Transactions with related parties

Transactions carried out with equity affiliates in first-half 2025 relate mainly to purchases of steel slabs from HKM for an amount of €166 million as well as sales of pellet industrialization to ArcelorMittal for €16 million.

Main risks and uncertainties for 2025

Vallourec does not expect any change to its risks, as set out in section 3.1 "Risk factors" of the 2024 Universal Registration Document (*Document d'enregistrement universel*) filed with the French financial markets authority (*Autorité des marchés financiers* – AMF) on March 27, 2025, under filing number n° D. 25-0192.

The conflict in Ukraine and the sanctions against Russia as well as the situation between Israel and Gaza in the Middle East are described in a specific paragraph of section 3.1 "Risk factors" of the Group's 2024 Universal Registration Document.

Rapidly evolving US trade policy represents a risk to Vallourec's operations to the extent there is a negative impact on market demand, inflation in key raw material inputs, or punitive tariff rates charged on steel product imports from Brazil compared to other major steel-producing countries.

Operating Results

Due to rounding, numbers presented throughout the following tables may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

Income statement

Consolidated data *(in € thousands)*	**First-Half 2024**	**First-Half 2025**	**Change**
Revenues	**2,074,723**	**1,854,437**	**-10.6%**
Cost of sales [(a)]	(1,443,268)	(1,275,634)	-11.6%
Industrial margin	**631,455**	**578,803**	**-8.3%**
(as a % of revenue)	*30.4%*	*31.2%*	0.8 p.p.
Selling, general and administrative expenses [(a)]	(178,292)	(173,471)	-2.7%
(as a % of revenue)	*-8.6%*	*-9.4%*	0.8 p.p.
Other	(3,411)	(10,964)	na
EBITDA	**449,752**	**394,368**	**-12.3%**
(as a % of revenue)	*21.7%*	*21.3%*	0.8 p.p.
Depreciation of industrial assets	(88,930)	(79,201)	-10.9%
Amortization and other depreciation	(16,659)	(19,652)	18.0%
Impairment of assets	5,635	(1,025)	na
Asset disposals, restructuring costs and non-recurring items	(76,508)	(43,881)	-42.6%
Operating income (loss)	**273,290**	**250,609**	**-8.3%**
Financial income (loss)	36,774	(15,108)	na
Pre-tax income (loss)	**310,064**	**235,500**	**-24.0%**
Income tax	(86,441)	(96,021)	11.1%
Share in net income (loss) of equity affiliates	729	(645)	n.a.
Net income	**224,352**	**138,834**	**-38.1%**
Attributable to non-controlling interests	8,432	13,240	57.0%
Net income, Group share	**215,920**	**125,594**	**-41.8%**
Basic earnings per share (€)	**0.94**	**0.54**	**-40.0%**
Diluted earnings per share (€)	**0.90**	**0.51**	**-39.0%**
Basic shares outstanding (millions)	230	234	4
Diluted shares outstanding (millions)	241	247	6

(a) Before depreciation and amortization.

Tubes Sales Volume

The following table provides a summary of Tubes production sold by Vallourec expressed in metric tons:

In thousand tons	2024	2025	Change
First quarter	292	314	7.3%
Second quarter	351	293	-16.6%
TOTAL	**643**	**606**	**-5.7%**

For the first half of 2025, Tubes volumes were down by (6%) mainly driven by lower Tubes shipments in South America, partially offset by an increase in shipments in North America. In H1 2024, Vallourec invoiced a large volume of high-value products that did not recur in H1 2025.

Mine Sales Volume

In million tons	2024	2025	Change
First quarter	1.4	1.6	15.3%
Second quarter	1.4	1.6	13.6%
TOTAL	**2.8**	**3.2**	**14.4%**

For the first half of 2025, iron ore mine production sold amounted to 3.2 million tonnes, increasing by 0.4 million tonnes year over year. These improvements resulted largely from the successful start-up of the Phase 1 mine extension in late 2024.

Revenue

Consolidated revenue

The following table decomposes the effect of Tubes volumes and price/mix effects, the effect of the Mine & Forest business, and the effect of foreign exchange rate movements on revenues versus the comparable period in the prior year.

In € thousands	First quarter	Second quarter	First Half
2024	990,112	1,084,611	2,074,723
2025	991,061	863,376	1,854,437
% change year-on-year	0.1%	-20.4%	-10.6%
o/w volume effect	*7.3%*	*-16.6%*	*-5.7%*
o/w price/mix effect	*-8.4%*	*-1.2%*	*-4.1%*
o/w impact of Mine & Forest segment	*2.4%*	*3.1%*	*2.8%*
o/w currency effect	*-1.2%*	*-5.7%*	*-3.6%*

Revenues by Geographic Market

The following table shows the change in consolidated revenue by geographical region between H1 2024 and H1 2025.

In € thousands	First-Half 2024	% of revenue	First-Half 2025	% of revenue	Change	At constant exchange rate [(a)]
North America	832,856	40.1%	743,445	40.1%	-10.7%	-9.2%
Middle East	408,764	19.7%	330,507	17.8%	-19.1%	-18.3%
South America	321,828	15.5%	235,166	12.7%	-26.9%	-16.3%
Asia	176,067	8.5%	200,043	10.8%	13.6%	15.1%
Europe	99,062	4.8%	65,626	3.5%	-33.8%	-32.9%
Rest of the world	124,038	6.0%	101,720	5.5%	-18.0%	-18.2%
TOTAL – TUBES	**1,962,615**	**94.6%**	**1,676,507**	**90.4%**	**-14.6%**	**-11.8%**
Mine & Forest	149,320	7.2%	176,645	9.5%	18.3%	35.5%
Holding companies & Other	93,286	4.5%	110,886	6.0%	18.9%	19.2%
Inter-segment transactions	(130,409)	-6.3%	(109,602)	-5.9%	-15.9%	-11.7%
TOTAL	**2,074,723**	**100.0%**	**1,854,437**	**100.0%**	**-10.6%**	**-7.0%**

(a) The change at constant exchange rates is defined as the change in revenue between two periods obtained by translating the revenue of consolidated subsidiaries whose functional currency is not the euro into euros at the average cumulative rate of the prior fiscal year. It does not include foreign currency impacts on sales entered by certain subsidiaries in currencies other than their functional currency. Rather, that impact is built into price/mix effects.

In H1 2025, Vallourec's Tubes revenues decreased by (15%) year-over-year. Sales in Europe decreased by (34%), due to the exit of most European business lines following the closure of Vallourec's German rolling mills. Sales in North America were down (11%) largely due to reduced OCTG prices, offset by higher volumes. Sales in South America were down (27%) due to lower Tubes volumes, largely related to customer project schedules. Sales in the Middle East were down (19%), particularly due to the invoicing of a large volume of high-value products in H1 2024 that did not recur in H1 2025. Sales in Asia were up 14% due to improved market prices and product mix.

Revenues by Business

The following table shows the breakdown of the Group's revenue by business in H1 2024 and H1 2025:

In € thousands	First-Half 2024	First-Half 2025	Change	At constant exchange rate [(a)]
Oil & Gas and Petrochemicals	1,640,814	1,409,220	-14.1%	-12.3%
Industry	218,585	151,586	-30.7%	-21.9%
Power Generation & Other	103,215	115,721	+12.1%	+17.0%
TOTAL – TUBES	**1,962,615**	**1,676,507**	**-14.6%**	**-11.8%**
Mine & Forest	149,320	176,645	+18.3%	+35.5%
Holding companies & Other	93,368	110,886	+18.8%	+19.1%
Inter-segment transactions	(130,580)	(109,602)	-16.1%	-11.8%
TOTAL	**2,074,723**	**1,854,437**	**-10.6%**	**-7.0%**

(a) The change at constant exchange rates is defined as the change in revenue between two periods obtained by translating the revenue of consolidated subsidiaries whose functional currency is not the euro into euros at the average cumulative rate of the prior fiscal year. It does not include foreign currency impacts on sales entered into by certain subsidiaries in currencies other than their functional currency. Rather, that impact is built into price/mix effects.

Revenues in Oil & Gas and Petrochemicals declined (12%) year-over-year due largely to a decrease in market prices in North America, lower volume sold in South America, and a high level of invoicing of high-value products in the H1 2024 that did not repeat in H1 2025. Industry revenues declined by (22%) due to reduced volumes primarily in regions outside of South America. South America Industry sales were lower primarily due to the devaluation of the Brazilian Real versus H1 2024. Revenues in Power Generation & Other increased by 17% due to higher volumes, largely in Asia.

Mine & Forest revenues were up 36% at constant exchange rate largely reflecting higher sales volumes and improved ore quality following the successful start-up of the Phase 1 mine extension.

EBITDA

For the first half of 2025, EBITDA amounted to €394 million, or 21% of revenues, compared to €450 million (22% of revenues) in H1 2024. The decrease was driven by lower volumes and lower average selling prices in Tubes, partially offset by cost savings initiatives and improvements in Mine & Forest profitability largely related to the Phase 1 mine extension project. The devaluation of the US Dollar relative to the Euro also resulted in negative year over year EBITDA impacts as several of Vallourec's subsidiaries use the US Dollar as their functional currency.

The following table shows the changes in the principal components of EBITDA in H1 2024 and H1 2025.

In € thousands	First-Half 2024	First-Half 2025	Change
Revenues	**2,074,723**	**1,854,437**	**-10.6%**
Cost of sales [(a)]	(1,443,268)	(1,275,634)	-11.6%
Industrial margin	**631,455**	**578,803**	**-8.3%**
(as a % of revenue)	*30.4%*	*31.2%*	*0.8 p.p.*
Selling, general and administrative expenses	(178,292)	(173,471)	-3.0%
(as a % of revenue)	*-8.6%*	*-9.4%*	-0.8 p.p.
Other	(3,411)	(10,964)	na
EBITDA	**449,752**	**394,368**	**-12.3%**
(as a % of revenue)	*21.7%*	*21.3%*	-0.4 p.p.

(a) Before depreciation and amortization.

Cost of sales and industrial margin

The following table shows the breakdown of cost of sales (excluding depreciation and amortization) in H1 2024 and H1 2025.

In € thousands	First-Half 2024	First-Half 2025	Change
Direct cost of sales	(119,046)	(101,901)	-14.4%
Cost of raw materials consumed	(571,886)	(528,252)	-7.6%
Labor costs	(285,610)	(274,561)	-3.9%
Other manufacturing costs [(a)]	(472,564)	(385,608)	-18.4%
Change in non-raw materials inventories	5,838	14,689	na
TOTAL	**(1,443,268)**	**(1,275,634)**	**-11.6%**

(a) "Other manufacturing costs" mainly include energy and consumables, sub-contracting and maintenance expenditure, and provisions.

Industrial margin is defined as the difference between revenue and cost of sales (excluding depreciation).

Industrial margin decreased to €579 million, or 31.2% of revenues, versus €631 million or 30.4% of revenues in H1 2024.

Selling, general and administrative expenses

Sales, general and administrative expenses (SG&A) amounted to (€173) million, or (9.4%) of revenue, versus (€178) million and 8.6% of revenue in H1 2024.

The following table shows the breakdown of SG&A expenses (excluding depreciation) in H1 2024 and in H1 2025.

In € thousands	First-Half 2024	First-Half 2025	Change
Research and Development costs	(15,139)	(16,082)	6.2%
Selling and marketing costs	(29,893)	(27,023)	-9.6%
General and administrative costs	(133,260)	(130,366)	-2.2%
TOTAL	**(178,292)**	**(173,471)**	**-2.7%**

Personnel expenses

Personnel expenses are divided among cost of sales, SG&A, and other operating expenses. In H1 2025, personnel expenses totaled €356 million compared to €380 million in H1 2024. Personnel expenses can be broken down as follows:.

In € thousands	First-Half 2024	First-Half 2025	Change
Wages and salaries	(277,285)	(274,815)	-0.9%
Employee profit sharing and bonuses	(10,817)	(12,927)	19.5%
Expenses related to stock options and performance shares	(28,560)	(7,739)	-72.9%
Social security costs	(62,809)	(60,499)	-3.7%
TOTAL	**(379,471)**	**(355,980)**	**-6.2%**

Group headcount as of June 30, 2025 was 13,318, compared to 13,202 as at December 31, 2024:

Headcount of consolidated companies	06/30/2024	12/31/2024	06/30/2025	Change vs. 12/31/2024
Managers (cadres)	2,663	2,630	2,649	0.7%
Technical and supervisory staff	1,695	1,693	1,792	5.8%
Production staff	9,862	8,879	8,877	na
TOTAL	**14,220**	**13,202**	**13,318**	**0.9%**

Results analysis by segment

Tubes

For the first half of 2025, Tubes revenues were down (15%) year over year due to a (9%) decrease in average selling price and a (6%) reduction in volume sold. In H1 2024, Vallourec invoiced a large volume of high-value products that did not recur in H1 2025.

Tubes EBITDA decreased from €430 million in H1 2024 to €310 million H1 2025.These reductions were due to a decrease in pricing in North America, as well as a reduction in international revenue and profitability as Vallourec invoiced a large volume of high-value products in H1 2024 that did not recur in H1 2025.

The devaluation of the US Dollar relative to the Euro also resulted in negative year over year EBITDA impacts as several of Vallourec's subsidiaries use the US Dollar as their functional currency.

Mine & Forest

Mine & Forest iron ore production sold in H1 2025 was 3.2 million tonnes, increasing by 0.4 million tonnes year over year. In H1 2025, Mine & Forest EBITDA reached €98 million, versus €46 million in H1 2024. These improvements resulted largely from the successful start-up of the Phase 1 mine extension in late 2024.

The devaluation of the US Dollar relative to the Euro also resulted in negative year over year EBITDA impacts as iron ore prices are denominated in USD.

Cash Flow Results Analysis

For the first half of 2025, adjusted operating cash flow was €274 million versus €330 million in H1 2024. The decrease was attributable to lower EBITDA versus the prior year period.

For the first half of 2025, adjusted free cash flow was €256 million, flat year-over-year (€255 million in H1 2024). Vallourec generated €121 million of cash from working capital in H1 2025, versus €8 million in H1 2024, which offset lower EBITDA and a larger impact of foreign exchange differences versus the prior year period

For the first half of 2025, total cash generation in H1 2025 was €161 million, versus €146 million in H1 2024.

Total cash generation after shareholder returns in H1 2025 was (€209) million. This reflected (€370) million in shareholder returns, including (€352) million in dividend payments and (€19) million in share repurchases.

In thousand euros	First-Half 2024	First-Half 2025	Change
EBITDA	**449,752**	**394,368**	**(55,384)**
Non-cash items in EBITDA	9,419	(25,806)	(35,226)
Financial cash out	(60,375)	(23,456)	36,920
Tax payments	(68,421)	(71,355)	(2,934)
Adjusted operating cash flow	**330,375**	**273,751**	**(56,624)**
Change in working capital	7,659	121,461	113,802
Gross capital expenditure	(85,135)	(81,928)	3,207
Foreign exchange differences	2,550	(57,078)	(59,628)
Adjusted free cash flow	**255,449**	**256,207**	**757**
Restructuring charges & non-recurring items	(137,840)	(88,677)	49,163
Asset disposals & other cash items	28,247	(6,349)	(34,596)
Total cash generation	**145,857**	**161,181**	**15,324**
Shareholder returns	0	(370,153)	(370,153)
Total cash generation after shareholder returns	**145,857**	**(208,972)**	**(354,829)**
Non-cash adjustments to net debt	60,191	(13,022)	(73,213)
(Increase) decrease in net debt	**206,048**	**(221,995)**	**(428,042)**

Industrial capital expenditure excluding changes in scope (property, plant and equipment, intangible and biological assets)

The capital expenditures in H1 2025 totaled (€82) million, a decrease of €3 million versus H1 2024 that stood at (€85) million. The investments completed during H2 2024 aimed at improving efficiency of existing assets notably located in Brazil and North America.

In € thousand	First-Half 2024	First-Half 2025
Europe	5,333	5,580
North America	18,654	22,495
Central & South America	54,911 [(a)]	49,713 [(b)]
Asia	5,879	4,256
Other	2	107
TOTAL CAPITAL EXPENDITURE [(C)]	**84,780**	**82,151**

(a) Including €6.6 million for biological assets.
(b) Including €4.1 million for biological assets.
(c) The difference between capital expenditure payments made during the year and total capital expenditure corresponds to the change in amounts payable on non-current assets.

3 VALLOUREC GROUP INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2025

3.1 Vallourec Group consolidated income statement

In € thousands	Notes	First-half 2024	First-half 2025
Revenue		**2,074,723**	**1,854,437**
Cost of sales [(a)]	3.1	(1,443,268)	(1,275,634)
Selling, general and administrative expenses [(a)]	3.1	(178,292)	(173,471)
Other	3.1	(3,411)	(10,964)
EBITDA	**3.1**	**449,752**	**394,368**
Depreciation and amortization	3.2	(105,589)	(98,853)
Impairment of assets and goodwill		5,635	(1,025)
Asset disposals, restructuring costs and non-recurring items	3.3	(76,508)	(43,881)
Operating income		**273,290**	**250,609**
Interest income	8.1.1	18,176	15,047
Interest expense	8.1.1	4,432	(29,852)
Net interest expense	**8.1.1**	**22,608**	**(14,805)**
Other financial income and expenses	8.1.1	14,166	(303)
Net financial income/ (loss)	**8.1.1**	**36,774**	**(15,108)**
Pre-tax income (loss)		**310,064**	**235,500**
Income tax	4	(86,441)	(96,021)
Share in net income/(loss) of equity-accounted companies		729	(645)
Net income from continuing operations		**224,352**	**138,834**
Net income		**224,352**	**138,834**
Attributable to non-controlling interests		8,432	13,240
Group share		**215,920**	**125,594**
Basic earnings per share	7.3	0.94	0.54
Diluted earnings per share	7.3	0.90	0.51

(a) Before depreciation and amortization.

3.2 Statement of comprehensive income

In € thousand	First-half 2024	First-half 2025
NET INCOME (LOSS)	**224,352**	**138,834**
Actuarial gains and losses on post-employment benefits	10,818	(976)
Tax attributable to actuarial gains and losses on post-employment benefits	(795)	63
Items that will not be reclassified to profit or loss	**10,023**	**(913)**
Translation differences on translating net assets of foreign operations	(49,779)	(266,895)
Change in fair value of hedging instruments	(69,996)	76,595
Tax attributable to the change in fair value of hedging instruments	20,162	(12,748)
Items that may be reclassified subsequently to profit or loss	**(99,613)**	**(203,048)**
Other comprehensive income/ loss (net of tax)	(89,590)	(203,961)
Total comprehensive income	**134,763**	**(65,127)**
Attributable to non-controlling interests	**8,881**	**5,404**
Group share	**125,882**	**(70,531)**

3.3 Statement of cash flows

In € thousands	Notes	First-half 2024*	First-half 2025
Net income		**224,352**	**138,834**
Share in income (loss) of equity-accounted companies		(730)	645
Depreciation, amortization and impairment	3.4	99,954	99,878
Unrealized gains and losses on changes in fair value		7,084	(9,922)
Capital gains and losses on disposals of non-current assets and equity interests		(898)	(8,595)
Expense arising from share-based payments		28,560	8,140
Changes in provisions	3.4	(89,476)	(72,406)
Income taxes	4	86,441	96,021
Net financial income (loss)	8.1.1	(36,774)	15,108
Others, including net exchange differences		(8,070)	(50,304)
Cash flow from operating activities before cost of net debt and taxes		**310,444**	**217,399**
Interest paid		(69,728)	(32,776)
Interest received		18,254	14,728
Tax paid		(68,421)	(71,355)
Change in operating working capital	3.5	7,659	121,461
Net cash from operating activities		**198,207**	**249,457**
Acquisitions of property, plant and equipment, and intangible and biological assets	5.2	(84,817)	(81,928)
Disposals of property, plant and equipment and intangible assets		20,752	12,649
Acquisition of subsidiary, net of cash acquired		(92)	(17,636)
Disposal of discontinued operations, net of cash disposed of		—	—
Other cash flow from investing activities		19,862	16,312
Net cash from (used in) investing activities		**(44,295)**	**(70,602)**
Increase or decrease in equity		—	3,306
Dividends paid to non-controlling interests		(890)	(6,184)
Dividends paid to the shareholders of parent company		—	(351,539)
Share buyback program		—	(18,614)
Proceeds from new borrowings	8.1.2	789,894	15,417
Repayment of borrowings	8.1.2	(1,108,591)	(2,178)
Repayment of lease liabilities		(10,808)	(13,582)
Other cash flows from (used in) financing activities		(577)	(1,214)
Net cash from financing activities		**(330,971)**	**(374,588)**
Change in net cash		**(177,059)**	**(195,733)**
Opening net cash		**898,215**	**1,026,273**
Change in net cash		**(177,059)**	**(195,733)**
Impact of changes in exchange rates		**(2,097)**	**(22,078)**
Total cash		**719,059**	**808,462**
Cash and cash equivalent from assets held for sale		**—**	**(6,698)**
Closing net cash		**719,059**	**801,764**

* *Presentation of first-half 2024 restated generating non material reclassification of €3 million between net cash from (used in) financing activities and net cash flow from (used in) operating activities, mainly driven by the presentation of the foreign exchange effects of intra-group financing flows, incl. hedging within operating cash flow and €17 million between net cash from (used in) investing activities & net cash from (used in) financing activities.*

The statement of cash flows has been prepared on the basis of cash and cash equivalents as detailed in Note 8.1, net of overdrafts and other short-term bank facilities with an initial maturity of less than three months.

3.4 Vallourec Group statement of financial position

In € thousand	Notes	Dec. 31, 2024	June 30, 2025
NON-CURRENT ASSETS			
Net intangible assets		33,056	27,399
Goodwill		33,712	41,039
Net property, plant and equipment		1,842,172	1,689,534
Biological assets		61,237	64,237
Investment in equity-accounted companies		16,800	14,366
Other non-current financial assets	8.3.1	70,655	27,700
Other non-current assets	8.3.1	78,873	71,815
Deferred taxes		180,045	157,321
Total non-current assets		**2,316,550**	**2,093,411**
CURRENT ASSETS			
Inventories		1,169,666	1,102,157
Trade and other receivables		670,825	439,929
Other current financial assets	8.3.1	43,527	95,464
Other current assets	8.3.1	226,131	207,178
Cash and cash equivalents	8.1	1,103,276	802,594
Total current assets		**3,213,425**	**2,647,322**
Assets held for sale and discontinued operations		1,060	91,969
TOTAL ASSETS		**5,531,035**	**4,832,702**

In € thousand	Notes	Dec. 31, 2024	June 30, 2025
EQUITY			
Equity attributable to owners of the parent	7.1	2,512,176	2,082,945
Non-controlling interests		88,923	83,022
Total equity		**2,601,099**	**2,165,967**
NON-CURRENT LIABILITIES			
Loans and other borrowings	8.1	962,097	876,175
Employee benefits	9	74,630	61,293
Long-term provisions	10	146,670	116,099
Deferred taxes		84,118	79,671
Other non-current financial liabilities	8.2	132,412	201,989
Other non-current liabilities		27,647	21,729
Total non-current liabilities		**1,427,574**	**1,356,956**
CURRENT LIABILITIES			
Overdrafts and other short-term bank facilities	8.1	140,830	64,901
Short-term provisions	10	83,461	68,378
Trade payables		795,045	720,541
Other current financial liabilities	8.2	158,145	127,784
Other current liabilities		324,881	267,287
Total current liabilities		**1,502,362**	**1,248,891**
Liabilities related to assets held for sale and discontinued operations		—	60,888
TOTAL EQUITY AND LIABILITIES		**5,531,035**	**4,832,702**

3.5 Statement of changes in equity

In € thousands	Share capital	Additional paid-in capital	Consolidated reserves	Foreign currency translation reserve	Revaluation reserve, net of tax	Treasury shares	Net income (loss) for the period	Equity attributable to owners of the parent	Non-controlling interests	Total equity
AS AT DECEMBER, 31 2023	4,745	3,955,689	(1,549,682)	(756,072)	6,050	—	495,910	2,156,640	67,041	2,223,681
Change in foreign currency translation reserve	—	—	—	(50,204)	—	—	—	(50,204)	426	(49,779)
Financial instruments	—	—	—	—	(49,834)	—	—	(49,834)	—	(49,834)
Actuarial gains and losses on retirement commitments	—	—	10,000	—	—	—	—	10,000	23	10,023
Other comprehensive income	—	—	10,000	(50,204)	(49,834)	—	—	(90,038)	449	(89,590)
Net income for first-half 2024	**—**	**—**	**—**	**—**	**—**	**—**	**215,920**	**215,920**	**8,432**	**224,352**
Total comprehensive income	—	—	10,000	(50,204)	(49,834)	—	215,920	125,882	8,881	134,763
Appropriation of 2023 net income	—	—	495,910	—	—	—	(495,910)	—		—
Capital increase	—	—	—	—	—	—	—	—		—
Change in treasury shares	—	—	—	—	—	—	—	—		—
Dividends paid	—	—	—	—	—	—	—	—	(833)	(833)
Share-based payments	—	—	28,560	—	—	—	—	28,560	—	28,560
Changes in consolidation scope and other	—	—	(195)	(2)	—	—	—	(197)	1,775	1,578
AS AT JUNE 30, 2024	**4,745**	**3,955,689**	**(1,015,407)**	**(806,278)**	**(43,784)**	**—**	**215,920**	**2,310,885**	**76,864**	**2,387,749**
AS AT DECEMBER, 31 2024	4,762	3,955,672	(1,006,405)	(849,133)	(44,787)	-	452,067	2,512,176	88,923	2,601,099
Change in foreign currency translation reserve				(259,034)				(259,034)	(7,861)	(266,896)
Financial instruments					63,843			63,843	4	63,847
Actuarial gains and losses on retirement commitments			(934)					(934)	21	(913)
Other comprehensive income	—	—	(934)	(259,034)	63,843	—	—	(196,125)	(7,836)	(203,961)
Net income for first-half 2025							125,594	125,594	13,240	138,834
Total comprehensive income	**—**	**—**	**(934)**	**(259,034)**	**63,843**	**—**	**125,594**	**(70,531)**	**5,404**	**(65,127)**
Appropriation of 2024 net income			452,067				(452,067)	—	—	—
Capital increase	5	3,301						3,306		3,306
Change in treasury shares						(18,614)		(18,614)		(18,614)
Dividends paid			(351,539)					(351,539)	(11,305)	(362,844)
Share-based payments			7,739					7,739		7739
Changes in consolidation scope and other			(2,088)			2,496		408	(1)	407
AS AT JUNE 30, 2025	**4,767**	**3,958,973**	**(901,160)**	**(1,108,167)**	**19,056**	**(16,118)**	**125,594**	**2,082,945**	**83,022**	**2,165,967**

Notes to the consolidated financial statements for the six months ended June 30, 2025

The Group's reporting currency is the euro. All amounts are expressed in thousands of euros (€ thousands), unless otherwise stated. Certain numerical figures contained in this document, including financial information and certain operating data, have been subject to rounding adjustments.

Note 1 • Accounting standards and basis for the preparation of the consolidated financial statements

1.1 Accounting standards

The interim condensed consolidated financial statements for the six months ended June 30, 2025 together with the explanatory notes were approved for issue by the Board of Directors of Vallourec on July 24, 2025.

In application of Regulation No. 1606/2002 of the European Commission, which was adopted on July 19, 2002 for all listed companies in the European Union, the interim condensed consolidated financial statements for the six months ended June 30, 2025 were prepared in accordance with IFRS® Accounting Standards, referred to as IFRS, based on the standards and interpretations applicable at that date.

The accounting principles and valuation methods applied are identical to those used to prepare the 2024 consolidated financial statements, with the exception of any changes made pursuant to the application of the new standards and amendments mandatory for financial periods beginning on or after January 1, 2025.

The interim consolidated financial statements were prepared in accordance with IAS 34 "Interim Financial Information".

The purpose of interim financial statements is to update shareholders and investors with relevant information about the significant events and transactions of the period in a selection of explanatory notes explaining the significant changes in the statement of financial position between December 31, 2024 and June 30, 2025, as well as the main transactions contributing to the Group's results for first-half 2025. The interim financial statements do not comprise all of the information required for a complete set of annual financial statements, and should be read in conjunction with the Group's consolidated financial statements for the year ended December 31, 2024, filed with the French securities regulator (*Autorité des marchés financiers* – AMF) on March 27, 2025 (available on the corporate website at www.vallourec.com).

1.1.1 NEW MANDATORY STANDARDS

The new mandatory standards and amendments applicable to financial periods beginning on or after January 1, 2025 correspond to amendments to IAS 21 ("The Effects of Changes in Foreign Exchange Rates") related to the lack of exchangeability is implemented within the Group and has no material impact on the Group's consolidated financial statements.

1.1.2 NEW STANDARDS NOT EARLY ADOPTED

The Group has not elected to early adopt any other standards or interpretations that are mandatory for financial periods beginning on or after January 1, 2026.

1.2 Measurement basis and presentation of the consolidated financial statements

ESTIMATES

The preparation of interim financial statements may be based to a greater extent on estimates rather than on annual financial data when determining the value of assets and liabilities and assessing positive and negative developments at the closing date, and income and expenses for the period.

The preparation of IFRS consolidated financial statements requires Vallourec's management to use estimates and assumptions that affect the carrying amounts of certain assets and liabilities, income and expenses, as well as certain information in the explanatory notes. The main estimates and assumptions are identical to those described in the notes to the consolidated financial statements for the year ended December 31, 2024.

The interim financial statements have been prepared according to the same accounting rules and methods as those used to prepare the annual consolidated financial statements, with the exception of any changes in method during the period. However, in accordance with IAS 34, for interim financial statements, certain measurements, unless otherwise indicated, may be based more on estimates rather than on annual financial data.

The Group primarily reviewed the following estimates for the interim closing:

- the recoverable amount of property, plant and equipment, intangible assets and goodwill (see Note 5);
- provisions for disputes, onerous contracts, restructuring and contingent liabilities (see Note 10);
- fair value of derivatives related to the HKM contract (see Note 3.3 and Note 8).

JUDGMENT

In addition to the use of estimates, the Group's management uses judgment in determining the appropriate accounting treatment for certain activities and transactions, in particular when existing IFRS and interpretations do not specifically address the accounting matters in question.

In particular, the Group used judgment in assessing the nature of control.

TRANSLATION OF FOREIGN CURRENCY

The main exchange rates used (euro/currency) are as follows:

	USD	GBP	BRL	CNY
AS AT JUNE 30, 2024				
Average rate	1.08	0.85	5.49	7.80
Closing rate	1.07	0.85	5.89	7.77
AS AT JUNE 30, 2025				
Average rate	1.09	0.84	6.29	7.92
Closing rate	1.17	0.86	6.44	8.40

1.3 Features specific to the preparation of interim financial statements

INCOME TAX

The tax expense, in accordance with IAS 34, is based on the book income before tax of first-half 2025 effected by an estimated effective tax rate assessed by jurisdiction and for the fiscal year.

Pillar Two legislation enacted in France, under the jurisdiction of Vallourec SA, the parent company of the Group has no material impact on the interim consolidated financial statements based on the calculations performed.

RETIREMENT BENEFITS

The cost of retirement benefits for interim periods is determined using actuarial assessments conducted at the end of the previous financial period. These assessments may be adjusted to take account of any significant curtailments, settlements or other non-recurring events during the period. In addition, the amounts recorded in the statement of financial position for defined benefit plans are adjusted to take account of changes in discount rates, the fair value of plan assets and actual service costs for the period.

Note 2 • Key events during the period

2.1 Acquisition of Thermotite do Brasil

In June 2025, Vallourec announced the completion of the acquisition of Thermotite do Brasil from Mattr (MATR.TO), in accordance with the terms of the agreement announced on September 16, 2024. The transaction price, by $17.5 million on a cash-free, debt-free basis, is subject to customary price adjustments, including working capital. This transaction supports Vallourec's premiumization strategy, with the integration of differentiated technological expertise in thermal insulation coatings for pipelines. With this integrated offering, Vallourec reinforces the added value it provides to offshore projects in the oil and gas industry.

2.2 Exclusive negotiation for sale of Serimax

In April 2025, Vallourec announced that it had entered into exclusive negotiations with Aldebaran, a French investment company, for the sale of Serimax, Vallourec’s subsidiary specializing in mechanized welding solutions.

The completion of the sale is expected in the next few weeks or before, subject to remaining regulatory approvals.

As a consequence, Serimax is accounted for as per IFRS 5 in the Group financial statement as of June 2025, as assets and liabilities held for sale.

This transaction is part of the Vallourec’s strategy to rationalize its invested capital and focus the Group on its core business as a premium seamless tubular solutions provider.

2.3 Achievement of net debt zero objective and commencement of shareholder returns

In January 2025, Vallourec announced that it has achieved its target of reaching zero net debt one year ahead of plan.

The achievement of this significant milestone allowed Vallourec to propose a €1.50 dividend for the first time in 10 years, which was approved by shareholders at the Group’s 2025 Annual General Meeting. Accordingly, Vallourec distributed a total dividend payment of €352 million on May 28, 2025.

Furthermore, Vallourec executed a share buyback program from May 27 to June 20, wherein it repurchased 1.2 million shares to fund future employee share grants.

2.4 Evolving US Tariffs Policy

Vallourec derives a meaningful portion of its Tubes revenues from the United States, which has seen steadily evolving trade policy, particularly for steel product imports, including OCTG. In February, the Trump administration announced the removal of all trade arrangements for steel products, including tariffs, quotas, and hybrid systems. These were replaced with a blanket 25% tariff covering steel articles and derivative products. Subsequently, in June, the tariff rate was doubled from 25% to 50%.

A significant majority of Vallourec's sales volumes in the United States are related to onshore drilling applications. The Company serves this demand from its fully vertically-integrated production sites in the US, and thus is insulated from the effect of tariffs. Meanwhile, for select other applications – particularly larger tubes for offshore applications where the vast majority of tubular products are imported – Vallourec imports tubes from its production site in Brazil. Vallourec intends to pass on the cost of tariffs to its customers to mitigate the margin impact of these tariffs.

Meanwhile, there have been other trade measures, including the "reciprocal" tariffs that were announced in early April and cover a far broader range of products. These tariffs carry the risk of increasing costs for a variety of products used in Vallourec's operating and capital expenditures. However, based on the delayed implementation of many of these tariffs, as well as ongoing legal challenges attempting to reverse them, Vallourec has not yet seen a clearly measurable impact of broader inflation on its operations.

Note 3 • Operating activities

The Vallourec Group is a world leader in premium tubular solutions, with leading positions in the United States, Brazil, the Middle East and Asia. The Group provides a wide range of premium tubular solutions – high-performance solutions whose manufacturing requires significant technological and industrial expertise – in addition to related specialized services that provide customers with a comprehensive range of innovative solutions. The Group's customer-focused organizational structure is designed to provide a growing number of integrated services for delivery of comprehensive turnkey solutions and involves analysis of financial information according to a number of areas (markets, regions, sites, and products). None of these areas taken independently can comprehensively measure profits and losses or assets and liabilities for individual segments. The Executive Committee is the Group's Chief Operating Decision Maker (CODM).

The Group monitors its performance and profitability and consequently presents its segment information based on the following operating segments:

TUBES

This segment covers all entities with production and marketing facilities dedicated to the Group's main business, i.e., the production of hot-rolled seamless carbon and alloy steel tubes, both smooth and threaded. The activity is characterized by a highly integrated manufacturing process, from production of steel, tube rolling, heat treatment and threading activities. The Tubes segment supplies products suitable for a variety of markets (Oil & Gas, Industry, etc.). The Tubes business is highly dependent on the level of investment undertaken by Oil & Gas companies in the exploration, production and development of oil and natural gas reserves. Decisions to allocate customer orders are managed centrally by a Group S&OP team, based on criteria such as available production capacity and margin optimization at the Group level, while taking into account supply chain constraints and required factory certifications. The CODM's decisions on capital/resource allocation are made at this level and performance is monitored at this level based on various indicators, including EBITDA per tonne and Days in Inventory (DII).

Vallourec presents geographical information for the Tubes segment for Europe, North America, South America, Asia, the Middle East and the Rest of the World, among others.

MINE & FOREST

The iron ore mine and the forests (which supply charcoal to the blast furnace located in Jeceaba in the Brazilian state of Minas Gerais) constitute a separate segment in the Group's internal reporting. The mine is currently capable of producing approximately 6 million tonnes per year. Following the commissioning of the Phase 2 extension work in 2027, the Group sees potential to increase this production rate. Surplus production that exceeds internal consumption (currently estimated at approximately 1 million tonnes) is sold on the market.

The profitability of this activity is strongly correlated with international iron ore market prices, in particular the Iron Ore CFR China index published by Platts.

RESULTS, ASSETS AND LIABILITIES BY OPERATING SEGMENT

The table below presents the following information for the Group's operating segments:

- income statement data for the first half of 2025;
- statement of financial position data as at June 30, 2025

in € thousands	Tubes	Mine & Forest	Holding companies & Other	Inter-segment transactions	Total
INCOME STATEMENT AS AT JUNE 30, 2025					
Revenue	1,676,507	176,645	110,886	(109,602)	1,854,437
EBITDA	310,195	97,819	(15,001)	1,355	394,368
Depreciation of industrial assets	(83,124)	(11,535)	(4,195)	—	(98,853)
Impairment of assets and goodwill	(1,025)	—	—	—	(1,025)
Asset disposals, restructuring costs and non-recurring items	(36,429)	(1,459)	(5,993)	—	(43,881)
OPERATING INCOME (LOSS)	189,617	84,825	(25,188)	1,355	250,609
STATEMENT OF FINANCIAL POSITION AT JUNE 30, 2025					
Non-current assets	1,762,485	322,793	8,133	—	2,093,411
Current assets	1,755,681	86,030	412,971	(409,953)	1,844,728
Cash and cash equivalents	1,178,543	29,490	588,415	(993,853)	802,594
Assets held for sale and discontinued operations	(1)	292	91,677	—	91,969
TOTAL ASSETS	**4,696,707**	**438,605**	**1,101,196**	**(1,403,807)**	**4,832,702**
INVESTMENTS AS AT JUNE 30, 2025					
INVESTMENTS IN PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND BIOLOGICAL ASSETS	**52,142**	**27,791**	**1,995**	**—**	**81,928**

In € thousands	Tubes	Mine & Forest	Holding companies & Other	Inter-segment transactions	Total
INCOME STATEMENT AS AT JUNE 30, 2024					
Revenue	1,962,615	149,320	93,368	(130,580)	2,074,723
EBITDA	429,806	45,871	(26,567)	642	449,752
Depreciation of industrial assets	(91,314)	(9,560)	(4,715)	—	(105,589)
Impairment of assets and goodwill	5,635	—	—	—	5,635
Asset disposals, restructuring costs and non-recurring items	(56,699)	(3,868)	(14,559)	(1,382)	(76,508)
OPERATING INCOME (LOSS)	287,428	32,443	(45,841)	(740)	273,290
STATEMENT OF FINANCIAL POSITION AT DECEMBER 31, 2024					
Non-current assets	1,946,042	308,322	41,255	—	2,295,619
Current assets	1,973,536	81,527	551,735	(475,719)	2,131,080
Cash and cash equivalents	1,169,251	40,094	1,295,385	(1,401,454)	1,103,276
Assets held for sale and discontinued operations	—	1,060	—	—	1,060
TOTAL ASSETS	**5,088,829**	**431,003**	**1,888,376**	**(1,877,173)**	**5,531,035**
INVESTMENTS AS AT JUNE 30, 2024					
INVESTMENTS IN PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND BIOLOGICAL ASSETS	**68,696**	**13,961**	**2,160**	**—**	**84,817**

GEOGRAPHIC AREAS

The tables below present information on (i) revenue by geographic area (based on customer location) and (ii) non-current assets by geographic area. The main areas are North America (mainly the United States), South America (mainly Brazil), Asia and the Middle East. The information reported for revenue is broken down by customer location and the breakdown for non-current assets is based on the location of the asset.

	Revenue		Non-current assets	
	First-half 2024	First-half 2025	Dec. 31, 2024	June 30, 2025
Europe	99,062	65,626	69,148	69,591
North America	832,856	743,445	847,236	726,330
South America	321,828	235,166	737,184	734,480
Asia	176,067	200,043	179,106	154,163
Middle East	408,764	330,507	112,592	77,348
Rest of the world	124,038	101,720	776	572
Total – Tubes	**1,962,615**	**1,676,507**	**1,946,042**	**1,762,485**
Mine & Forest	**149,320**	**176,645**	**308,322**	**322,793**
Holding companies & Other	**93,368**	**110,886**	**41,255**	**8,133**
Inter-segment transactions	**(130,580)**	**(109,602)**	**0**	**0**
TOTAL	**2,074,723**	**1,854,437**	**2,295,619**	**2,093,411**

REVENUE BY BUSINESS

The following table shows the breakdown of the Group's revenue by business in first-half 2024 and 2025:

	Revenue	
	First-half 2024	First-half 2025
Oil & Gas	1,640,814	1,409,220
Industry	218,585	151,586
Other	103,215	115,701
Total – Tubes	**1,962,615**	**1,676,507**
Mine & Forest	**149,320**	**176,645**
Holding companies & Other	**93,368**	**110,886**
Inter-segment transactions	**(130,580)**	**(109,602)**
TOTAL	**2,074,723**	**1,854,437**

3.1 EBITDA

EBITDA breaks down as follows:

	First-half 2024	First-half 2025
Revenue	**2,074,723**	**1,854,437**
Cost of sales	**(1,443,268)**	**(1,275,634)**
of which direct cost of sales	(119,046)	(101,901)
of which cost of raw materials consumed	(571,886)	(528,252)
of which labor costs	(285,610)	(274,561)
of which other manufacturing costs [(a)]	(472,564)	(385,608)
of which change in non-raw-material inventories	5,838	14,689
Selling, general and administrative expenses	**(178,292)**	**(173,471)**
of which research and development costs	(15,139)	(16,082)
of which selling and marketing costs	(29,893)	(27,023)
of which general and administrative costs	(133,260)	(130,366)
Other	**(3,411)**	**(10,964)**
of which employee profit-sharing, bonuses and other	(10,818)	(12,927)
of which other income and expenses	7,407	1,962
Total gross operating expenses	**(1,624,971)**	**(1,460,070)**
EBITDA	**449,752**	**394,368**

(a) "Other manufacturing costs" mainly include energy and consumables, subcontracting and maintenance expenditure, and provisions.

PERSONNEL EXPENSES

Personnel expenses amounted to €356 million in first-half 2025, versus €380 million in first-half 2024.

3.2 Depreciation and amortization

Depreciation and amortization breaks down as follows:

	First-half 2024	First-half 2025
Depreciation of industrial assets	(88,930)	(79,201)
Depreciation of right-of-use assets	(9,029)	(12,728)
Amortization of capitalized research and development costs	(1,352)	(659)
Depreciation and amortization – sales and marketing costs	(56)	(59)
Depreciation and amortization – general and administrative costs	(6,222)	(6,206)
TOTAL DEPRECIATION AND AMORTIZATION	**(105,589)**	**(98,853)**

3.3 Asset disposals, restructuring costs and non-recurring items

	First-half 2024	First-half 2025
Reorganization measures (net of expenses and provisions)	(6,631)	(1,765)
Gains and losses on disposals of non-current assets and other non-recurring items	(69,877)	(42,116)
TOTAL	**(76,508)**	**(43,881)**

The Group continued its restructuring in the first half of 2025, which led to the recognition of €2 million in costs for adaptation measures (net of expenses and provisions).

Other non-recurring items for first-half 2025 (corresponding to €42 million) are mainly attributable to following:

- The execution of the HKM contract as well as the reevaluation of the derivative, now by 135M€ (see note 8.2). This amount corresponds to the estimated fair value of the expected losses on the contract being regularly revised until the effective end of the supply agreement, to take into consideration the market conditions prevailing at that time, together with the developments in the trading business model. In accordance with IFRS 9, this supply agreement has therefore been treated as a derivative in Vallourec's financial statements.
- The remaining non-recurring items for first-half 2025 are related to gains and losses on asset disposal, scrapped assets and other restructuring cost (fees and operating expenses related to the discontinuation of manufacturing operations).

3.4 Reconciliation of net additions to depreciation, amortization and provisions with the statement of cash flows

	Notes	First-half 2024	First-half 2025
Depreciation and amortization	**3.2**	**(105,589)**	**(98,853)**
Impairment of assets and goodwill		**5,635**	**(1,025)**
Additions to provisions net of reversals included in EBITDA		16,948	28,158
Additions to provisions net of reversals included in asset disposals, restructuring costs, non-recurring items and net financial income (loss)		70,490	44,248
TOTAL		**(12,516)**	**(27,554)**
Net depreciation, amortization and provisions recorded in the statement of cash flows		(12,516)	27,554

3.5 Reconciliation of working capital

Changes in working capital during first-half 2025 were as follows:

Gross amounts *(in € thousands)*	Dec. 31, 2024	Translation difference	Change	Assets/liabilities held for sale	Reclassification and other	June 30, 2025
Inventories	1,272,181	(73,731)	17,238	(30,830)	3,795	1,188,654
Trade receivables and supplier advances	703,979	(37,728)	(203,504)	(37,054)	25,150	450,844
Trade payables	(795,045)	52,292	19,398	38,131	(35,317)	(720,541)
Working capital	**1,181,115**	**(59,167)**	**(166,868)**	**(29,753)**	**(6,372)**	**918,957**
Other receivables and payables	3,529	408	31,680	(1,356)	1,836	36,097
OPERATING W0RKING CAPITAL	1,184,644	(58,759)	(135,188)	(31,109)	(4,536)	955,054
Impact of hedging instruments			13,727			
TOTAL			**(121,461)**			
Change in operating working capital in the statement of cash flows			121,461			

Vallourec has a reverse factoring program in Brazil. This program enables local suppliers to benefit from early payment by discounting their invoices without recourse. Vallourec does not use this program to extend its payment terms with the suppliers.

The Group has another reverse factoring program in Germany. As of June 30, 2025, the maximum amount financed under this program was €65 million which was received by the supplier eligible to this program from the bank managing this reverse factoring arrangement. The maximum payment terms as part of the program are 95 days after invoicing compared to 30 days without such program

Note 4 • Income tax

The income tax expense of the first half of 2025 is 96€ million on the basis of a net income before tax of 236€ million for an estimated effective tax rate of 41%. The effective tax rate on December 31, 2024 was 23%. The increase in the effective tax rate compared to the full year 2024 is mainly due to expenses incurred in Germany and France, where the Group does not recognize deferred tax assets i.e these expenses do not result in any tax benefit. Additionally, The Group recorded non-recoverable withholding taxes leading to a higher tax charge as of the end of June 2025.

Note 5 • Property, plant and equipment, intangible assets, goodwill and biological assets

5.1 Impairment tests

As at June 30, 2025, the Group's analysis of its various cash-generating units (CGUs) and group of cash-generating units does not identify any internal or external indications of impairment that would require to perform an impairment test. The sales volume and value assumptions used as a basis for the CGUs' future cash flows for the purposes of preparing the 2024 consolidated financial statements were not called into question for any of the four CGUs and group of cash-generating units (Eastern Hemisphere Tubes, Vallourec South America Tubes, Vallourec North America, Mine & Forest).

5.2 Reconciliation of outflows related to acquisitions of non-current assets with the statement of cash flows

	First-half 2024		First-half 2025	
	Property, plant and equipment and intangible assets	Biological assets	Property, plant and equipment and intangible assets	Biological assets
Acquisitions of intangible assets	86	-	14	-
Acquisitions of property, plant and equipment	55,663	4,078	53,360	6,602
Total capital expenditure	**55,749**	**4,078**	**53,374**	**6,602**
Changes in liabilities on non-current assets and partner contributions	24,990	-	21,952	-
TOTAL	**80,739**	**4,078**	**75,326**	**6,602**
Statement of cash flows: cash outflows for acquisitions of property, plant and equipment and intangible and biological assets:	84,817		81,928	

Note 6 • Related-party transactions

Related-party transactions mainly concern:

- purchases of steel rounds for Vallourec's own operations and slabs purchased from HKM and resold to third parties as part of Vallourec's commitment through the supply agreement contract amounting to €166 million for the first half of 2025 (see note 3.3 "Assets disposals, restructuring costs and non-recuring");
- sales of pellet industrialization to ArcelorMittal for €16 million for the first half of 2025.

Note 7 • Equity, share-based payments and earnings per share

7.1 Equity attributable to owners of the parent

As at June 30, 2025, Vallourec's share capital comprised 238,391,214 shares with a par value of €0.02 per share, all fully paid up.

RESERVES AND FINANCIAL INSTRUMENTS

Reserves for changes in the fair value of hedging instruments net of tax (revaluation reserves) arise primarily from two types of transaction:

- effective currency hedges assigned to the order book and commercial tenders, for which changes in the currency impact at the reporting date are recognized in other comprehensive income;
- variable-rate borrowings for which interest rate swaps (fixed rate) have been contracted, and which are accounted for in accordance with the cash flow hedge method, changes in the fair value of swaps attributable to fluctuations in interest rates, which are recognized in OCI.

FOREIGN CURRENCY TRANSLATION RESERVE

This reserve arises as a result of translating the equity of subsidiaries outside the eurozone into euros. The change in the reserve corresponds to fluctuations in exchange rates used to translate the equity and net income (loss) of these subsidiaries. Components of the reserve are only written back to income in the case of a partial or total disposal and loss of control of the foreign entity.

	USD	GBP	BRL	CNY	Other	Total
AS AT DECEMBER 31, 2023	**335,632**	**(12,719)**	**(1,069,968)**	**13,770**	**(22,787)**	**(756,072)**
Change	75,926	305	(199,803)	12,344	18,168	(93,061)
AS AT DECEMBER 31, 2024	**411,558**	**(12,414)**	**(1,269,771)**	**26,114**	**(4,619)**	**(849,133)**
Change	(194,553)	(277)	(4,550)	(38,978)	(20,676)	(259,035)
AS AT JUNE 30, 2025	**217,004**	**(12,691)**	**(1,274,321)**	**(12,865)**	**(25,295)**	**(1,108,168)**

7.2 Share-based payments

MANAGEMENT EQUITY PLANS

The characteristics of plans set up prior to December 31, 2024 are described in the Group's consolidated financial statements for the year ended December 31, 2024 and have been adjusted, when necessary, based on the parameters applicable as at June 30, 2025.

During first-half 2025, the Group did not set up new Management Equity Plans (MEP).

Change in number of shares

The change in the number of shares not yet vested under the Management Equity Plans is as follows:

In number of shares	Ordinary shares	Performance shares
Number of shares not yet vested as at January 1, 2025	**1,533,238**	**1,068,916**
Shares delivered over the period	(16,744)	30,574
Shares canceled	(19,163)	(113,835)
Performance shares converted	—	(223,320)
Shares awarded over the year	**—**	**—**
NUMBER OF SHARES NOT YET VESTED AS AT JUNE 30, 2025	**1,497,331**	**762,335**

STOCK OPTION PLANS

Change in number of unexpired options

In number of options	2024	First-half 2025
Options outstanding as at 1 January	**209,595**	**155,264**
Options exercised	—	—
Options lapsed	(5,620)	(2,306)
Options canceled	(48,711)	(1,750)
Options distributed	—	—
OPTIONS OUTSTANDING AS AT PERIOD-END	**155,264**	**151,208**
Of which exercisable options	26,629	24,323

PERFORMANCE SHARE PLANS

For all of these plans, the change in the number of shares not yet vested is as follows:

In number of shares	2024	First-half 2025
Number of shares not yet vested as at 1 January	**839,022**	**859,030**
Shares delivered over the period	(173,939)	(145,261)
Shares awarded for outperformance	—	—
Shares canceled	(149,753)	(33,069)
Shares awarded over the year	343,700	—
NUMBER OF SHARES NOT YET VESTED AS AT PERIOD-END	**859,030**	**680,700**

7.3 Earnings per share

Basic earnings per share amounted to €0.54 in first-half 2025, *versus* basic earnings per share of €0.94 reported in first-half 2024.

Diluted earnings per share (taking into account the dilutive impact of stock options, performance shares, Management Equity Plans and share subscription warrants) amounted to €0.51 in first-half 2025, *versus* diluted earnings per share of €0.90 reported in first-half 2024.

Note 8 • Financing and financial instruments

8.1 Net debt

In April 2024, Vallourec executed a significant and comprehensive refinancing that has substantially extended its debt and liquidity maturities and reduced its financial costs. The key elements of this operation include:

- entry into a new 5-year €550 million multi-currency revolving credit facility (RCF) with a substantially diversified, global banking group;
- entry into an upsized and extended 5-year $350 million asset-backed lending facility (ABL) in the United States;
- issuance of 8-year $820 million 7.5% senior notes and entry into a 4-year cross-currency swap to hedge Vallourec's currency exposure on its new senior notes with a euro equivalent coupon of approximately 5.8%;
- redemption of the entire €1,023 million of previously outstanding 8.5% senior notes due 2026;
- repayment of approximately €68 million of the €262 million State-guaranteed loan *(Prêt Garantis par l'État)*. The remaining €194 million are due in 2027.

Consolidated net debt (or "net financial debt") is defined as bank loans and other borrowings plus overdrafts and other short-term borrowings minus cash and cash equivalents plus the fair value of the cross-currency swaps related to the EUR/USD hedging of the principal of the $820 million 7.5% senior notes. Net debt excludes lease debt.

The table below presents the structure of Group net debt further to these refinancing operations:

	Dec. 31, 2024			June 30, 2025		
	Total	Non-current	Current	Total	Non-current	Current
Bonds	771,362	771,362	—	682,642	682,642	—
Bank borrowings	190,694	189,213	1,481	193,885	193,165	720
Other borrowings	63,868	1,522	62,346	63,831	479	63,352
Short-term bank facilities	77,003	—	77,003	829	—	829
Total current and non-current loans and borrowings	**1,102,927**	**962,097**	**140,830**	**941,187**	**876,286**	**64,901**
Marketable securities	788,754	—	788,754	527,241	—	527,241
Cash at bank and in hand	314,522	—	314,522	281,903	—	281,903
Cash and cash equivalents	**1,103,276**	**—**	**1,103,276**	**809,144**	**—**	**809,144**
Fair value hedge cross-currency swap *	(20,931)	(20,931)	—	68,707	68,707	—
NET DEBT	**(21,280)**	**941,166**	**(962,446)**	**200,750**	**944,993**	**(744,243)**
NET DEBT FROM ASSET HELD FOR SALE				**(6,438)**	**113**	**(6,551)**
NET DEBT TOTAL	**(21,280)**	**941,166**	**(962,446)**	**207,188**	**944,880**	**(737,692)**

* *Following the issuance of its 8-year $820 million 7.5% senior notes, Vallourec entered into 4-year cross-currency swaps to hedge the related EUR/USD currency exposure. The fair value of the cross-currency swaps related to the EUR/USD hedging of the principal of the notes is consequently considered to meet the definition of net debt.*

Main long-term debt as of June 30, 2025

In millions of currency units	Currency	Initial nominal amount	Principal amount remaining due	Maturity	Face rate	Carrying amount (in €m)
Bond issue – April 2024 [(a)]	USD	820	820	April-32	7.50%	683
State -guaranteed loan – June 2021	EUR	262	194	June-27	1.84%	180
TOTAL						**863**

(a) Vallourec entered into 4-year cross-currency swaps to hedge currency exposure resulting in a fixed EUR equivalent coupon of approximately 5.8%.

Main available liquidity financing as of June 30, 2025

In millions of currency units	Currency	Initial nominal amount	Drawn amount	Maturity	Available amount (in €m)
Asset-based Loan – November 2022 [(a)]	USD	350	0	Apr-29	177
Revolving credit facility – April 2024	EUR	550	0	Apr-29	550
TOTAL					**727**

(a) In April 2024, Vallourec upsized and extended its asset-based loan facility to $350 million and for five years. Utilization of this facility is capped by the applicable borrowing base. The borrowing base at June 30, 2025 was approximately $217 million. Availability is shown net of approximately $10 million of letters of credit and other items.

Commercial paper

Vallourec SA set up a commercial paper (NEU CP) program on October 12, 2011 to meet its short-term needs. The program has a €1 billion ceiling. As at June 30, 2025, Vallourec had no outstanding commercial paper.

Breakdown by maturity of loans and other borrowings

	12/31/2024	06/30/2025
< 3 months	91,871	2,777
> 3 months and < 1 year	48,687	61,864
> 1 year	2,262	181,907
> 2 years	178,982	1,874
> 3 years	2,113	1,859
> 4 years	1,885	1,903
5 years and beyond	777,127	688,892
TOTAL	**1,102,927**	**941,076**

8.1.1 NET FINANCIAL INCOME (LOSS)

	First-half 2024	First-half 2025
INTEREST INCOME		
Income from marketable securities	6,508	6,646
Proceeds from disposals of marketable securities	11,688	8,401
Total	**18,176**	**15,047**
Interest expense	**4,432**	**(29,852)**
Net interest expense	**22,608**	**(14,805)**
OTHER FINANCIAL INCOME AND EXPENSES		
Income from securities, loans and receivables	1,317	112
Exchange (losses) and gains and impact of contango/backwardation	(10,081)	5,788
Additions to provisions, net of reversals	616	(36)
Other financial income and expenses	27,179	563
Total	**19,031**	**6,427**
INTEREST EXPENSES ON LEASES	(3,194)	(4,844)
OTHER DISCOUNTING EXPENSES		
Financial expense on discounting pension obligations	(2,420)	(1,886)
Financial income on discounting assets and liabilities	749	—
Total	**(1,671)**	**(1,886)**
NET FINANCIAL INCOME (LOSS)	**36,774**	**(15,108)**

The net financial income of the first half of 2025 amounted to a loss of -€15 million compared with a profit of €37 million in the first half of 2024.

The profit in the first half of 2024 resulted mainly from the interest expense with a profit of €4.4 million, mainly driven by Vallourec refinancing in April 2024 leading to the reversal of the fair value accounting on the €1,023 million 8.5% senior notes due in 2026 and the adjustment of the fair value of the State-guaranteed loans *(prêts garantis par l'État)*. Similarly, the other financial income and expenses was at €27.2 million in the first half of 2024 mainly driven by the adjustment of the subsidy of the State-guaranteed loans *(prêts garantis par l'État)*, also related to the refinancing.

8.1.2 RECONCILIATION WITH FINANCIAL LIABILITIES IN THE STATEMENT OF CASH FLOWS

	Dec. 31, 2024	Translation difference	Proceeds from new borrowings	Repayments of borrowings	Financial restructuring	Current/ non-current reclassifications and other	June 30, 2025
Non-current financial liabilities	962,097	1,207	—	(101)	—	(94,458)	876,175
Current financial liabilities	140,830	493	15,417	(2,077)	—	(89,763)	64,901
Financial liabilities (1)	**1,102,927**	**1,700**	**15,417**	**(2,178)**	**—**	**(184,221)**	**941,076**
Impact of hedging instruments and other (2)			**—**	**—**			
TOTAL (1) + (2)			**15,417**	**(2,178)**			
Change in financial liabilities in the statement of cash flows			15,417	(2,178)			

8.1.3 RECONCILIATION OF NET CASH

Reconciliation of net cash in the statements of cash flows and financial position – June 30, 2025

In € thousands	Notes	Dec. 31, 2024	Change	Translation difference	Cash and cash equivalent from assets held for sale	June 30, 2025
Cash and cash equivalents (1)	8.1	1,103,276	(271,906)	(22,078)	(6,698)	802,594
Short-term bank facilities (2)	8.1	77,003	(76,173)	-		830
NET CASH (3) = (1) – (2)		**1,026,273**	**(195,733)**	**(22,078)**	**(6,698)**	**801,764**

Reconciliation of net cash in the statements of cash flows and financial position – June 30, 2024

In € thousands	Dec. 31, 2023	Change	Translation difference	6/30/2024
Cash and cash equivalents (1)	899,948	(178,057)	(2,097)	719,794
Short-term bank facilities (2)	1,733	(998)	—	735
NET CASH (3) = (1) – (2)	**898,215**	**(177,059)**	**(2,097)**	**719,059**

8.2 Other financial liabilities

Other financial liabilities consist primarily of lease liabilities and derivatives.

	Dec. 31, 2024			June 30, 2025		
	Total	Non-current	Current	Total	Non-current	Current
Lease liabilities	67,327	40,981	26,346	55,903	35,125	20,778
Other financial liabilities	7,431	7,431	—	6,153	6,153	—
Derivatives	215,799	84,000	131,799	267,717	160,711	107,006
TOTAL	**290,557**	**132,412**	**158,145**	**329,773**	**201,989**	**127,784**

As described in the note 3.3 "Asset disposals, restructuring and non-recurring items", Vallourec accounted for €135 million negative fair value related to the HKM supply contract. This was accounted for as a derivative, corresponding to Vallourec's best estimate of the present value of the expected cash flows related to the execution of this contract until its termination at the end of 2028.

8.3 Financial instruments

8.3.1 FINANCIAL ASSETS AND LIABILITIES – ACCOUNTING MODEL AND FAIR VALUE HIERARCHY

During first-half 2025, the Group did not make any material changes to the classification of financial instruments, and there were no significant transfers between different levels of the fair value hierarchy.

The amounts recognized in the statement of financial position are based on the measurement methods used for each financial instrument.

June 30, 2025	Amortized cost	Fair value through profit or loss	Fair value through other comprehensive income	Fair value of hedging instruments	Total	Fair value
ASSETS						
Trade and other receivables	439,989	—	—	—	439,989	439,989
Other current and non-current financial assets	27,723	—	14,751	80,690	123,164	123,164
Other current and non-current assets	278,933	—	—	—	278,933	278,933
Cash and cash equivalents	—	802,594	—	—	802,594	802,594
Total financial assets	**746,645**	**802,594**	**14,751**	**80,690**	**1,644,680**	**1,644,680**
Total non-financial assets	**—**	**—**	**—**	**(1)**	**3,188,022**	**3,188,022**
TOTAL ASSETS	**—**	**—**	**—**	**—**	**4,832,702**	**4,832,702**
LIABILITIES	—	—	—	—	—	—
Borrowings	941,076	—	—	—	941,076	992,805
Trade payables	720,541	—	—	—	720,541	720,541
Other current and non-current financial liabilities	62,057	135,000	—	132,716	329,773	329,773
Other current and non-current liabilities	289,016	—	—	—	289,016	289,002
Total financial liabilities	**2,012,689**	**135,000**	**—**	**132,716**	**2,280,405**	**2,325,969**
Total non-financial liabilities	**—**	**—**	**—**	**—**	**2,552,297**	**2,552,309**
TOTAL LIABILITIES	**—**	**—**	**—**	**—**	**4,832,702**	**4,878,278**

Financial instruments measured at fair value are classified by category on the basis of their measurement method. Fair value is measured as follows:

- level 1: on the basis of prices quoted on an active market;
- level 2: on the basis of observable financial market inputs other than quoted prices (yield curve, forward prices, etc.);
- level 3: on the basis of an internal model using unobservable inputs.

	12/31/2024			6/30/2025		
	Carrying amount	Fair value	Level	Carrying amount	Fair value	Level
ASSETS						
Other current and non-current financial assets (other investments in equity instruments)	15,347	15,347	2	14,751	14,751	2
Other current and non-current financial assets (derivative instruments)	56,965	56,965	2	80,689	80,689	2
Cash and cash equivalents	1,103,276	1,103,276	1	802,594	802,594	1
LIABILITIES						
Other current and non-current financial liabilities (derivative instruments)	132,000	132,000	3	135,000	135,000	3
Other current and non-current financial liabilities (derivative instruments)	83,799	83,799	2	132,717	132,717	2

The Other current and non-current financial liabilities (derivative instruments) categorized as level 3 corresponds to the fair value of the derivative related to the HKM contract for an amount of €135 million as of June 30, 2025. This amount corresponds to Vallourec's best estimate of the present fair value of the expected cash flows resulting from the execution of this contract over the residual period until the end of 2028. The estimated fair value of these expected losses is regularly revised until the effective end of the supply agreement, to take into consideration the market conditions prevailing at that time, together with the developments in the trading business model. In accordance with IFRS 9, this supply agreement has therefore been treated as a derivative in Vallourec's financial statements (see notes 3.3 and 8.2).

8.3.2 HEDGE ACCOUNTING

As at June 30, 2025, hedging instruments had a net negative fair value of €52.0 million, versus a net negative fair value of €26.8 million as at December 31, 2024.

	Accounting classfication	OCI reserves [a]	06/30/2025	12/31/2024
Currency hedging instruments on commercial transactions	Cash flow hedge	49,565	30,592	(18,970)
Currency hedging instruments on commercial transactions	Fair value hedge	(228)	5,965	(11,128)
Currency hedging instruments on financial transactions	Cash flow hedge	0	(7,953)	(8,200)
Currency hedging instruments on financial transactions	Fair value hedge	0	(80,652)	11,340
Hedging instruments set up in the context of employee share ownership plans	Fair value hedge	(4)	19	126
Sub-total derivatives		**49,333**	**(52,029)**	**(26,833)**
of which derivatives – positive fair value		*0*	*80,689*	*56,965*
of which derivatives – negative fair value		*0*	(132,717)	(83,799)
Receivables (payables) used for commercial hedges	Cash flow hedge	27,263	(3,750)	(31,012)
Receivables (payables) used for commercial hedges	Fair value hedge	0	485	(20,259)
TOTAL		**76,595**	**(47,341)**	**(78,105)**

(a) Assets and liabilities presented in this table are offset: + = positive fair value, () = negative fair value.

8.3.3 FINANCIAL RISK MANAGEMENT

The Group did not make any material changes to its financial risk management policy during the first half of 2025. In the first half of 2025, Vallourec hedged the foreign currency transaction risk of a small portion of the highly probable futures revenues not yet in the backlog. Refer to the notes to the consolidated financial statements for the year ended December 31, 2024.

Liquidity risk

The Group's financial resources include financing with banks and on the capital markets.

The vast majority of bank financing was arranged in Europe through Vallourec SA, and to a lesser extent through the Group's subsidiaries in Brazil and in the United States.

$820 million 7.5% senior notes

Vallourec SA's 8-year $820 million 7.5% senior notes have a non-call period of 3 years. They are guaranteed by the same subsidiaries that guarantee the revolving credit facility (RCF). The notes are subject to certain covenants, notably on liens, mergers, the consolidation or sale of assets and sale and leasebacks, with certain baskets and exceptions.

The bond indenture specifically includes a change-of-control clause that could trigger mandatory early redemption of the bonds at the request of each bondholder in the event of a change of control of Vallourec (in favor of a person or a group of people acting in concert) leading to a downgrade of its credit rating. The agreement also stipulates that the entire debt will be immediately due and payable if the Group defaults on one of its debt obligations (cross default), or in case of a major event with consequences for the Group's business or financial position and/or its ability to repay its debt.

€550 million multi-currency revolving credit facility

At inception, Vallourec SA's RCF is guaranteed by its US subsidiaries, Vallourec Soluções Tubulares do Brasil SA and Vallourec Tubos do Brasil Ltda. Thereafter, on a yearly basis, Vallourec must ensure that the RCF is secured by subsidiaries incorporated in France, Brazil and the United States (i) representing not less than 80% of the Group's total assets in these jurisdictions with some exclusions and (ii) whose total assets have a book value representing 5% or more of the Group's total assets. The RCF is also secured by share pledges over equity covering certain subsidiaries, security over material bank accounts and significant intercompany loans of Vallourec SA, and by standard crossing-lien arrangements with the asset-backed lending facility (ABL).

It also includes a banking covenant stipulating that Vallourec's gearing ratio must not exceed 100%. The gearing ratio is defined as the ratio of consolidated net debt (including lease liabilities) to consolidated equity, adjusted for gains and losses on derivatives and foreign currency translation differences (exchange differences on translating net assets of consolidated foreign subsidiaries).

Additionally, upon the occurrence of a change of control, each lender is entitled to demand the repayment of any outstanding amounts and the cancellation of its commitments within a prescribed time period. The agreement also stipulates that the entire debt will be immediately due and payable if the Group defaults on one of its debt obligations (cross default), or in case of a major event with consequences for the Group's business or financial position and/or its ability to repay its debt.

$350 million asset-backed lending facility (ABL)

The upsized and extended ABL is notably secured by inventories and trade receivables held by US companies. Vallourec SA also provides a parent company guarantee to the lenders.

This facility also includes a change of control clause.

€194 million state-guaranteed loans ("PGE")

In 2021, Vallourec set up State-guaranteed loans ("PGE") for a total nominal drawn amount of €262 million. The initial maturity of the State-guaranteed loans was June 30, 2022, but Vallourec had an option to extend them to June 30, 2027. Vallourec exercised this extension option and the State-guaranteed loans now have a maturity date of June 30, 2027. It includes a change of control clause that could trigger repayment of all or part of the credit facility or State-guaranteed loans, as decided by each participating bank. The agreement also stipulates that the entire debt will be immediately due and payable if the Group defaults on one of its debt obligations (cross default), or in case of a major event with consequences for the Group's business or financial position and/or its ability to repay its debt.

In April 2024, as part of its refinancing, Vallourec repaid about €68 million of these loans. Consequently, as of December 31, 2024, the outstanding amount of the PGE is €194 million.

€1 billion commercial paper program

Vallourec SA launched a commercial paper program on October 12, 2011 to meet its short-term needs. The program has a €1 billion ceiling.

As of June 30, 2025, Vallourec SA had no outstanding commercial paper. This commercial paper program has a short-term rating of B from Standard & Poor's.

Note 9 • Employee benefit obligations

Employee benefit obligations decreased by €13.3 million over the period, primarily due to benefits paid by the employer and the reclassification of Serimax as assets and liabilities held for sale.

AS AT JANUARY 1	74,630
Current service cost	4,028
Benefits paid (employer)	(8,400)
Benefits paid (fund)	(843)
Change in actuarial gains and losses	977
Impact of changes in exchange rates	(1,184)
Assets/liabilities held for sale	(4,261)
Reclassifications and other changes	(3,653)
TOTAL AS AT JUNE 30	**61,293**

Note 10 • Provisions for contingencies and charges and contingent liabilities

	12/31/2024			06/30/2025		
	Total	Non-current	Current	Total	Non-current	Current
Disputes and commercial commitments	18,851	7,008	11,843	22,501	6,699	15,802
Backlog – losses on completion	10,036	—	10,036	2,094	—	2,094
Reorganization and restructuring measures	117,776	71,696	46,080	86,409	52,044	34,365
Tax risks (indirect tax, other levies, etc.)	7,369	7,369	—	8,253	8,253	—
Environmental provisions	27,024	19,398	7,626	26,144	19,372	6,772
Other	49,075	41,199	7,876	39,076	29,731	9,345
TOTAL	**230,131**	**146,670**	**83,461**	**184,477**	**116,099**	**68,378**
As at 1 January	**450,203**	**200,798**	**249,405**	**230,131**	**146,670**	**83,461**
Additions	68,883	22,419	46,464	19,948	5,393	14,555
Utilizations	(280,592)	(58,199)	(222,393)	(63,600)	(15,968)	(47,632)
Reversals of surplus provisions	(4,152)	—	(4,152)	(787)	(787)	—
Impact of changes in exchange rates	(18,833)	(10,471)	(8,362)	(609)	(284)	(325)
Provisions of assets/liabilities held for sale				(706)	(706)	—
Reclassifications and other changes	14,622	(7,877)	22,499	100	(18,219)	18,319
END OF PERIOD	**230,131**	**146,670**	**83,461**	**184,477**	**116,099**	**68,378**

Note 11 • Scope of consolidation

On June 4, 2025, Vallourec Thermal Coating Services do Brasil were integrated in the scope of consolidation.

Note 12 • Subsequent events

On July 24th, 2025, Vallourec has finalized the disposal process of Serimax, Vallourec's subsidiary specializing in mechanized welding solutions, as described in note 2.2. of the financial statements. Serimax is no longer part of Vallourec group from that date on.

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STATUTORY AUDITORS' REVIEW REPORT ON THE 2025 HALF-YEARLY FINANCIAL INFORMATION

Period from January 1, 2025 to June 30, 2025

This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders of Vallourec,

In accordance with the assignment entrusted to us by the Annual General Meeting and pursuant to Article L.451-1-2 III of the French Monetary and Financial Code ("Code Monétaire et Financier"), we have performed:

- a limited review of the condensed half-yearly consolidated financial statements of the Company for the period from January 1, 2025 to June 30, 2025, as attached to this report;
- a verification of the information provided in the half-yearly management report.

These half-yearly consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

Conclusion on the financial statements

We conducted our limited review in accordance with professional standards applicable in France.

A limited review primarily consists of interviews with management responsible for accounting and financial matters, and the application of analytical procedures. These procedures are less extensive than those required for an audit conducted in accordance with professional standards applicable in France. Consequently, the level of assurance obtained from a limited review is moderate and lower than that obtained from an audit.

Based on our limited review, we did not identify any material misstatements that would call into question the compliance of the half-yearly consolidated financial statements with IAS 34 – the IFRS standard as adopted by the European Union relating to interim financial reporting.

Specific verification

We also performed a verification of the information provided in the interim activity report, which comments on the half-yearly consolidated financial statements subject to our limited review.

We have no observations to report regarding the fairness of this information and its consistency with the condensed consolidated interim financial statements.

The Statutory Auditors,

Paris la Défense, July 25, 2025

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A French limited company *(société anonyme)* with a Board of Directors
and issued capital of €4,767,824.28