

VALLOUREC

French limited liability company (*société anonyme*) with a Board of Directors
with a share capital of 4,768,147.86 euros
Registered office: 12, rue de la Verrerie – 92190 Meudon
552 142 200 RCS Nanterre
(The "Company")

THE BOARD OF DIRECTORS' ADDITIONAL REPORT ON THE CONVERSION OF TRANCHE 2 SHARES INTO ORDINARY SHARES OF THE COMPANY (Article R. 228-18 of the French Commercial Code)

To the Shareholders,

We hereby submit to you this report, prepared by the Board of Directors of the Company, in accordance with the provisions of Article R. 228-18 of the French Commercial Code, in connection with the conversion of the Company's Tranche 2 Shares into ordinary shares during the 2025 financial year.

I. Legal framework of the operation

A. General Meeting of the Shareholders of the Company dated September 7, 2021

We remind you that the General Meeting of the Shareholders of the Company, held on September 7, 2021 has, in its 10th resolution, in accordance with the provisions of articles L. 225-197-1 of the French Commercial Code and L. 22-10-59 and L. 22-10-60 of the French Commercial Code:

- authorized the Board of Directors, in accordance with the provisions of articles L. 225-197-1 et seq. of the French Commercial Code, with powers to subdelegate to the extent permitted by law, to carry out, in one or more operations, free allocations of (i) ordinary shares and (ii) preferred shares convertible into ordinary shares, existing or to be issued, of the Company (together, the "**Free Shares**") to beneficiaries not covered by future allocations of performance shares pursuant to the twenty-seventh resolution adopted by the Company's General Meeting of the Shareholders dated April 6, 2020 (the "**Beneficiaries**" and, individually, the "**Beneficiary**"), to be determined by the Board of Directors from among certain employees, or certain categories thereof, of the Company and of French foreign companies or groupings affiliated with it under the conditions defined in article L. 225-197-2 of the aforementioned Code, as well as certain corporate officers, or certain categories thereof, of the Company and of French or foreign affiliated companies or entities, who meet the conditions set out in Article L. 225-197-1, II and L. 22-10-59 of the aforementioned Code, under the conditions defined below;
- decided that all Free Shares that may be issued under the present authorization may under no circumstances represent more than 5% of the Company's share capital at the date of the Board of Directors' decision to allocate them, it being specified that (i) the percentage will be assessed on a fully diluted basis, with the exception of new shares to be issued on exercise of the 30,342,337 share subscription warrants issued by the Company on June 30, 2021, (ii) to this cap shall be added the number of shares to be allocated, where applicable, in respect of adjustments made, in accordance with legal and regulatory

provisions and, where applicable, with the stipulations of the plan(s) providing for other terms for preserving the rights of Beneficiaries, (iii) the maximum nominal amount of the capital increases that may be carried out immediately or in the future under this authorization will be deducted from the overall caps provided for in the twelfth resolution of this Meeting or, as the case may be, from the overall caps that may be provided for by any similar resolution that may supersede said resolution during the period of validity of this authorization;

- decided that the total number of existing shares or shares to be issued allocated under this authorization to the Company's corporate officers shall not represent more than 30% of the free shares granted under this authorization;
- in accordance with Articles L. 225-129 to L. 225-129-6 and Article L. 228-12, paragraph 1 of the French Commercial Code, delegated to the Board of Directors the power to convert preferred shares into ordinary shares;
- acknowledged, in accordance with the fifth paragraph of Article L. 225-132 of the French Commercial Code, that the decision to convert preferred shares into ordinary shares entails the waiver by the Company's shareholders of their preferential subscription rights to subscribe for the shares resulting from the conversion, in favor of each holder of preferred shares;
- authorized, as a consequence of the possible conversion of the convertible preferred shares into ordinary shares and as necessary, the future capital increase, or where applicable, the future capital reduction not justified by losses (by cancellation of shares), which would result from the said conversion of preferred shares into ordinary shares in application of the conversion ratio referred to in the terms and conditions of the preferred shares and subject, in the case of a capital reduction, to compliance with the creditors' opposition right procedure referred to in article L.225-205 of the French Commercial Code;
- given full powers to the Board of Directors, in the event of conversion of the preferred shares into ordinary shares, to record the creation of the new ordinary shares, and also, where necessary, to implement and complete the capital increase or, as the case may be, the capital reduction resulting from said conversion, including, in the latter case, the creditors' opposition right procedure, and to make the related amendments to the Articles of Association of the Company;
- decided accordingly, and in accordance with the provisions of Article L. 228-16 of the French Commercial Code, that in the event of conversion of the preferred shares into ordinary shares, insofar as this would result in a change in the share capital, the impact of the transaction on the situation of holders of existing preferred shares will be as set out in the new Articles of Association of the Company;
- decided that the nominal amount of capital increases that may be carried out under this delegation will be deducted from the overall cap provided for by a resolution with the same purpose that may supersede said resolution during the period of validity of this delegation;
- decided that :

- the allocation of free shares to their beneficiaries will become definitive at the end of a vesting period which may not be less than that required by the legal provisions applicable on the date of the allocation decision (currently one year);
 - the shares definitively vested will be subject, at the end of the aforementioned vesting period, to a retention obligation for a period of not less than that required by the legal provisions applicable on the date of the allocation decision (i.e., to date, the difference between two years and the vesting period to be set by the Board of Directors); however, the Board of Directors may waive this retention obligation free shares allocated for a vesting period of at least two years;
 - it being specified that the definitive acquisition of the free shares allocated and the option to sell them freely will nevertheless take place before the expiry of the acquisition period or, where applicable, the retention obligation, in the event of the beneficiary's disability corresponding to classification in the second or third category provided for in Article L. 341-4 of the French Social Security Code, or any equivalent under foreign laws;
- granted full powers to the Board of Directors, with the option of sub-delegation to the extent permitted by law, to implement the present authorization, within the limits and subject to the conditions specified above and, in the event of the allocation of preferred shares, in the terms and conditions of the free share plan (as amended from time to time), in particular for the purpose of:
- determine whether the shares allocated are preferred shares (including the class of preferred shares) or ordinary shares, as well as shares to be issued or existing shares, and, if applicable, modify its choice before the final allocation, as well as set the conditions and, if applicable, the criteria for the allocation of the shares;
 - determine the identity of the Beneficiaries, or the category or categories of Beneficiaries, of the share allocations from among the employees and corporate officers of the Company or of the aforementioned companies or entities, and the number of shares allocated to each of them;
 - set the conditions and, where applicable, the criteria for granting the shares, and in particular the minimum vesting period and, where applicable, the required retention period, for each beneficiary, under the conditions set out above and the performance conditions, it being specified that in the case of allocation of free shares to corporate officers, the Board of Directors must either (a) decide that the free shares allocated may not be sold by the beneficiaries concerned before they cease to hold office, or (b) set the number of free shares allocated that they are required to hold in registered form until they cease to hold office;
 - provide for the possibility of temporarily suspending allocation rights;
 - record the final vesting dates, the satisfaction or not of the performance conditions attached to the free allocation of shares, and the dates from which the shares may be freely transferred, taking into account legal restrictions and any agreement between the Company and the beneficiary, in any form whatsoever;

- to register the shares allocated in an account in the name of their holder, mentioning the lock-up period and the duration thereof, and to lift the lock-up period for shares in any circumstances in which the applicable regulations allow the lock-up period to be lifted;
 - make any necessary adjustments to the number of shares allocated in order to preserve the rights of Beneficiaries of allocations of shares not yet definitively vested, in the event of any transactions affecting the Company's share capital or shareholders' equity, in particular a change in the par value of shares, a capital increase by capitalization of reserves, the allocation of bonus shares, the issuance of new shares with preferential subscription rights, or a stock split or reverse stock split, distribution of reserves, share premiums or any other assets, amortization of capital, modification of the distribution of profits by the creation of preferred shares or any other transaction affecting shareholders' equity or capital (including in the event of a public offer and/or change of control). It is specified that the shares allocated in application of these adjustments will be deemed to have been allocated on the same day as the shares initially allocated;
 - in the event of the issuance of new shares, to deduct, where appropriate, from reserves, profits or share premium, the sums required to pay up said shares, to record the completion of the capital increases carried out pursuant to this resolution, to amend the Articles of Association of the Company accordingly and, generally, to carry out all acts and formalities required, in particular for the listing and financial servicing of the shares issued pursuant to this authorization; and
 - more generally, to implement the provisions relating to the allocation of the Free Shares, including all the obligations incumbent on the Beneficiaries and all the rights granted to the Company, in particular any promise to sell made by a Beneficiary or by countersigning the letter notifying the allocation of the Free Shares or under any other agreement with the Company, in any form whatsoever.
- recorded that, in the event of a free allocation of new shares (preferred shares or ordinary shares), this authorization will entail, as and when the said shares are definitively vested, a capital increase by incorporation of reserves, profits or issue premiums in favor of the beneficiaries of the said shares and a corresponding waiver by the shareholders, in favor of the beneficiaries, of their preferential subscription right to the said shares and to the portion of the reserves, profits or premiums that will be incorporated into the capital in respect of this allocation;
 - decided that this authorization is valid for a period of thirty-eight (38) months as from the date of this General Meeting;
 - noted, as necessary, that the twenty-seventh resolution adopted by the Company's General Meeting of the Shareholders dated April 6, 2020 (permitting to the Management Board to allocate performance shares) remains in force, insofar as this resolution does not have the same purpose as the present resolution, until the expiry of the period of thirty-eight (38) months from the date of the said General Meeting;
 - noted that, should the Board of Directors decide to use this authorization, it will report to the Annual General Meeting on the transactions carried out pursuant to the provisions of

Articles L. 225-197-1 to L. 225-197-3 of the French Commercial Code, in accordance with the conditions set out in Article L. 225-197-4 of the French Commercial Code.

B. Decision of the Board of Directors dated October 13, 2021

On October 13, 2021, the Company's Board of Directors approved the terms and conditions of the plan for the free allocation of ordinary shares and preferred shares (as amended from time to time, and lastly by the Board of Directors on May 23, 2024) pursuant to the aforementioned authorization from the Company's General Meeting of the Shareholders dated September 7, 2021 and sub-delegated to the Chief Executive Officer of the Company all powers to implement the free share plan, including the power to record the conversion of Tranche 2 Shares.

C. Decision of the Board of Directors dated 23 May 2024

The Board of Directors decided on May 23, 2024 to delegate to the Chief Executive Officer of the Company all powers to record the achievement of the Tranche 2 Performance Condition and to determine the number of Vested Tranche 2 Shares.

D. Reports on the use of the above delegations and sub-delegations

The Chief Executive Officer reported to the Board of Directors on the use of the sub-delegation referred to above given by the Board of Directors on May 23, 2024.

The Board of Directors reported to the shareholders, in accordance with the provisions of Articles L. 225-129-5 and R. 225-116 of the French Commercial Code, on the uses made of the delegation granted to it by the Company's General Meeting of the Shareholders dated September 7, 2021 under its 10th resolution.

II. Characteristics of Tranche 2 Shares

The characteristics of the Tranche 2 Shares, as set out in the 8th resolution of the Company's General Meeting of the Shareholders dated September 7, 2021 and referred to in Article 8.3.2 of the Company's Articles of Association, were as follows:

- *Tranche 2 Free Shares Subject To Performance Conditions allocated and issued in accordance with the Performance Shares Allocation Plan were vested if, and on the date on which, the average of the daily Average Share Price over a period of ninety (90) consecutive trading days within the five (5) years following the Restructuring Date was at least equal to sixteen euros and nineteen cents (EUR 16.19) (the "**Tranche 2 Performance Condition**") (the "**Tranche 2 Shares**"). Once the Tranche 2 Performance Condition had been met during the Plan Term in respect of a Tranche 2 Share, that Tranche 2 Share was deemed to be vested (the "**Vested Tranche 2 Shares**");*
- *in accordance with articles L. 228-12 and L. 228-14 of the French Commercial Code, the Vested Tranche 2 Shares became convertible into Ordinary Shares of the Company at any time from the Tranche 2 Vesting Date as set out above until the Long Stop Date, at the sole discretion of the holder, at a conversion ratio of 1:1, provided that the holder gave the Company 15 days' written notice (by registered letter with acknowledgement of receipt, addressed to the Company's legal representative) of his intention to proceed with the conversion;*
- *the conversion of a Vested Tranche 2 Shares into an Ordinary share did not give rise to any payment*

from the holder;

- *the new Ordinary Shares have been assimilated to the Company's existing Ordinary Shares, and consequently admitted to trading and listing.*

We also remind you that:

- Article 1.7 (*Significant Transaction*) of the terms and conditions of Tranche 2 Shares appended to the Company's Articles of Association provides that, as an exception to the provisions of Article 1.3, in the event of a significant transaction on the share capital of the Company (as detailed in the documents relating to the allocation of the Free Shares Subject to Performance Conditions) (the “**Significant Transaction**”), the Tranche 2 Performance Condition will be deemed to have been met if the higher of (i) the price of the Company's share on Euronext Paris on the trading day following the publication relating to the Significant Transaction and (ii) the price of the Company's share in the Significant Transaction, is at least equal to sixteen euros and nineteen euro cents (EUR 16.19) for the Tranche 2 Shares, twenty euros and twenty-two euro cents (EUR 20.22) for the Tranche 3 Shares, and twenty-eight euros and thirty-two euro cents (EUR 28.32) for Tranche 4 Shares, without prejudice to the provisions of Article 1.3, which remain applicable.
- On March 12, 2024, ArcelorMittal entered into an agreement to purchase Apollo’s entire stake in Vallourec (the “**Transfer**”).
- In a decision dated March 25, 2024, the Remuneration Committee acknowledged that the Tranche 2 Performance Condition was reached on March 13, 2024, as the Vallourec share price exceeded the EUR 16.19 threshold on several occasions. The Remuneration Committee also noted that the Tranche 2 Shares would be effectively convertible upon completion of the Significant Transaction.
- On August 10, 2024, the Remuneration Committee acknowledged that the Transfer (Significant Transaction) was completed and that the Tranche 2 Performance Condition was satisfied in respect of the Tranche 2 Shares.

III. Terms of conversion of Tranche 2 Shares.

A. Conversion records by the Chief Executive Officer during the 2025 financial year

The Chief Executive Officer, having noted:

- that by a decision dated, the Board of Directors decided on May 23, 2024 to delegate to the Chief Executive Officer all powers to acknowledge the achievement of the Tranche 2 Performance Condition and to determine the number of Vested Tranche 2 Shares;
- that the satisfaction of the Tranche 2 Performance Condition was acknowledged on August 10, 2024, given that (i) on March 13, 2024, the Vallourec share price crossed the EUR 16.19 threshold on several occasions and (ii) the Significant Transaction was completed on August 10, 2024;
- as a result of the foregoing, the Tranche 2 Performance Condition was satisfied for the Tranche 2 Shares on August 10, 2024;

- that in accordance with the terms of Article 6.2 of the Plan, the 3,833,545 Vested Tranche 2 Shares became convertible into ordinary shares of the Company from August 10, 2024 until the Long Stop Date, at the sole discretion of the Beneficiaries, at a conversion ratio of one ordinary share for one Preferred share, without prejudice to any applicable Vesting and/or Retention Period; On that date, 164,188 Tranche 2 Shares were in the process of vesting, of which 103,854 vested on March 18, 2025, May 24, 2025, and June 25, 2025.

using the sub-delegation of authority granted by the Board of Directors on May 23, 2024, acknowledged during the 2025 financial year:

- by decision dated January 3, 2025, the conversion of **20,274** Tranche 2 Shares into ordinary shares. On that date, 144,079 Vested Tranche 2 Shares outstanding;
- by decision dated January 7, 2025, the conversion of **28,760** Tranche 2 Shares into ordinary shares. On that date, 115,319 Vested Tranche 2 Shares outstanding;
- by decision dated February 14, 2025, the conversion of **17,383** Tranche 2 Shares into ordinary shares. On that date, 97,936 Vested Tranche 2 Shares outstanding;
- by decision dated February 28, 2025, the conversion of **10,299** Tranche 2 Shares into ordinary shares. On that date, 87,637 Vested Tranche 2 Shares outstanding;
- by decision dated March 10, 2025, the conversion of **40,551** Tranche 2 Shares into ordinary shares. On that date, 47,086 Vested Tranche 2 Shares outstanding;
- by decision dated May 20, 2025, the conversion of **86,134** Tranche 2 Shares into ordinary shares. On that date, 15,864 Vested Tranche 2 Shares outstanding; and
- by decision dated May 26, 2025, the conversion of **19,919** Tranche 2 Shares into ordinary shares. On that date, there were no more Vested Tranche 2 Shares outstanding;

recalled that the Board of Directors would prepare an additional report in accordance with and within the timeframe laid down by applicable regulations; and

decided to amend Article 6 "Share capital" of the Articles of Association, following the completion of each conversion in order to record the conversion of Tranche 2 Shares into ordinary shares.

B. Conversion and admission

The Tranche 2 Shares were automatically transformed at a ratio of 1:1 into ordinary shares of the Company (ISIN code FR0013506730) and fully assimilated into the Company's other ordinary shares.

The conversion was carried out on a form-for-form basis, i.e. without any change in the method of registration of the shares concerned, i.e. pure registered shares or administered registered shares, as the case may be.

The 223,320 ordinary shares resulting from the conversion of the 223,320 Tranche 2 Shares were admitted to trading on the regulated market of Euronext Paris on completion of the transformation. They have been freely tradable since that date (subject, for shareholders holding

ordinary shares in administered registered form issued from Tranche 2 Shares, to the processing procedures specific to their financial intermediary, in particular in accordance with the financial intermediary's own management and processing procedures).

C. Impact of conversions

To comply with legal requirements, please find in **Appendix 1** to this report the impact of the issue of ordinary shares resulting from the conversion of the above-mentioned Tranche 2 Shares on the situation of holders of equity securities and other securities giving access to the capital, in particular with regard to the share of shareholder's equity, in light of the annual financial statements at December 31, 2025.

(i) Impact of the conversion on the share of shareholder's equity

As the Tranche 2 Shares were converted into ordinary shares (ISIN code FR0013506730), the total number of shares composing the Company's share capital and the amount of the Company's share capital remained unchanged. The conversions therefore had no impact on the share of shareholders' equity and consolidated shareholders' equity - group share, per share.

(ii) Impact of the conversion of a shareholder's equity interest

As the Tranche 2 Shares were converted into ordinary shares (ISIN code FR0013506730), the total number of shares comprising the Company's share capital and the amount of the Company's share capital remained unchanged. The conversions therefore had no impact on the shareholding of a shareholder holding 1% of the Company's share capital prior to conversion.

(iii) Theoretical impact of the conversion of Tranche 2 Shares on the market value of the Company's shares

The Tranche 2 Shares having been converted into ordinary shares (code FR0013506730), the total number of shares comprising the Company's share capital and the amount of the Company's share capital having consequently remained unchanged and the Company having neither received nor disbursed any amount in connection with this conversion, the conversions therefore had no impact on the current market value of Vallourec shares, either on a non-diluted or a diluted basis.

As required by law, this additional report, together with that of the Company's Statutory Auditors, is available to shareholders at the registered office and will be brought to their attention at the next annual General Meeting of the Shareholders.

The Board of Directors

Appendix 1

Impact on the situation of holders of equity securities and securities giving access to the capital of the issue of ordinary shares resulting from the conversion of preferred shares

It should be noted that the conversion of Tranche 2 Shares into ordinary shares has no impact on the amount of shareholders' equity, as the total number of shares composing the Company's share capital and the amount of the Company's share capital have remained unchanged.

Conversion recorded on January 3, 2025

Impact on the number of Company shares and on shareholders' equity: no impact

Number of shares before conversion of preferred shares into ordinary shares	1% of shares before conversion of preferred shares into ordinary shares	Number of shares after conversion of preferred shares into ordinary shares	% held after conversion of preferred shares into ordinary shares	Equity on 12/31/2025	Number of shares on 12/31/2025	Share per share
238,084,623	2,380,846	238,084,623	1% (unchanged)	6,276,185,914	238,407,393	26.33

Conversion recorded on January 7, 2025

Impact on the number of Company shares and on shareholders' equity: no impact

Number of shares before conversion of preferred shares into ordinary shares	1% of shares before conversion of preferred shares into ordinary shares	Number of shares after conversion of preferred shares into ordinary shares	% held after conversion of preferred shares into ordinary shares	Equity on 12/31/2025	Number of shares on 12/31/2025	Share per share
238,084,623	2,380,846	238,084,623	1% (unchanged)	6,276,185,914	238,407,393	26.33

Conversion recorded on February 14, 2025

Impact on the number of Company shares and on shareholders' equity: no impact

Number of shares before conversion of preferred shares into ordinary shares	1% of shares before conversion of preferred shares into ordinary shares	Number of shares after conversion of preferred shares into ordinary shares	% held after conversion of preferred shares into ordinary shares	Equity on 12/31/2025	Number of shares on 12/31/2025	Share per share
238,084,623	2,380,846	238,084,623	1% (unchanged)	6,276,185,914	238,407,393	26.33

Conversion recorded on February 28, 2025*Impact on the number of Company shares and on shareholders' equity: no impact*

Number of shares before conversion of preferred shares into ordinary shares	1% of shares before conversion of preferred shares into ordinary shares	Number of shares after conversion of preferred shares into ordinary shares	% held after conversion of preferred shares into ordinary shares	Equity on 12/31/2025	Number of shares on 12/31/2025	Share per share
238,084,623	2,380,846	238,084,623	1% (unchanged)	6,276,185,914	238,407,393	26.33

Conversion recorded on March 10, 2025*Impact on the number of Company shares and on shareholders' equity: no impact*

Number of shares before conversion of preferred shares into ordinary shares	1% of shares before conversion of preferred shares into ordinary shares	Number of shares after conversion of preferred shares into ordinary shares	% held after conversion of preferred shares into ordinary shares	Equity on 12/31/2025	Number of shares on 12/31/2025	Share per share
238,084,623	2,380,846	238,084,623	1% (unchanged)	6,276,185,914	238,407,393	26.33

Conversion recorded on May 20, 2025*Impact on the number of Company shares and on shareholders' equity: no impact*

Number of shares before conversion of preferred shares into ordinary shares	1% of shares before conversion of preferred shares into ordinary shares	Number of shares after conversion of preferred shares into ordinary shares	% held after conversion of preferred shares into ordinary shares	Equity on 12/31/2025	Number of shares on 12/31/2025	Share per share
238,358,136	2,383,581	238,358,136	1% (unchanged)	6,276,185,914	238,407,393	26.33