WATER SCIENCE

QUARTERLY REPORT

For the Quarterly Period Ended
June 30, 2025

Pursuant to Sections 4.03 of the Indentures dated September 24, 2020, dated September 20, 2021, and dated March 20, 2025, by and between SNF Group (formerly SPCM SA) and BNY Mellon Corporate Trustee Services Limited, as Trustee, The Bank of New York Mellon, London Branch, as Paying Agent, and The Bank of New York Mellon SA/NV, Luxembourg or Dublin Branches, as Transfer Agent and Registrar

$350,000,000 3.125% Senior Notes due 2027
€350,000,000 2.625% Senior Notes due 2029
$350,000,000 3.375% Senior Notes due 2030
€550,000,000 4.500% Senior Notes due 2032

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FORWARD-LOOKING STATEMENTS

Various statements contained in this document constitute “forward-looking statements” as that term is defined under the U.S. Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact included in this document, including, without limitation, statements regarding our future financial position, strategy, anticipated investments, costs and results (including growth prospects in particular regions), plans, projects to enhance efficiency, impact of governmental regulations or actions, litigation outcomes and timetables, future capital expenditures, liquidity requirements, the successful integration of acquisitions and joint ventures into our group, and objectives of management for future operations, may be deemed to be forward-looking statements. When used in this document, the words “believe,” “anticipate,” “should,” “intend,” “plan,” “will,” “expect,” “estimates,” “positioned,” “strategy,” “aims,” “projects,” “forecasts,” “foresees,” “seeks,” “likely,” “may,” “might,” “could,” “intends,” and similar expressions identify these forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements or industry results to be materially different from those contemplated, projected, forecasted, estimated or budgeted, whether expressed or implied, by these forward-looking statements. These factors include those set forth in our Offering Memorandum dated September 15, 2020, in our Offering Memorandum dated September 9, 2021, and in our Offering Memorandum dated March 11, 2025.

We operate in a very competitive and rapidly changing environment. New risk factors emerge from time to time and it is not possible for us to predict all such risk factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, investors should not place any undue reliance on forward-looking statements as a prediction of actual results.

We assume no obligation to update the forward-looking statements contained in this document to reflect actual results, changes in assumptions or changes in factors affecting these statements.

PRESENTATION OF FINANCIAL INFORMATION

We have prepared the financial statements contained in this document in accordance with International Financial Reporting Standards, IFRS, as issued by the International Accounting Standards Board (“IASB”) and with IFRS as adopted by the European Union.

FINANCIAL STATEMENTS

QUARTERLY INCOME STATEMENT

CONSOLIDATED INCOME STATEMENT *(MEUR)*	THREE MONTHS ENDED JUNE 30		
	2024	2025	%
Revenue	**1,152**	**1,177**	**2.1%**
Raw materials and transportation costs	(670)	(684)	
Gross profit	**482**	**492**	**2.2%**
% Revenue	**41.8%**	**41.8%**	
Manufacturing costs	(235)	(251)	6.9%
% Revenue	20.4%	21.3%	
Marketing and distribution expenses	*(47)*	*(49)*	*4.2%*
Research and development expenses	*(18)*	*(17)*	*-1.4%*
General and administrative expenses	*(38)*	*(44)*	*14.2%*
Selling, general and administrative expenses	(103)	(110)	6.9%
% Revenue	9.0%	9.4%	
EBIT	**144**	**131**	**-9.0%**
% Revenue	**12.5%**	**11.1%**	
Depreciation and amortization	76	82	
EBITDA	**220**	**213**	**-3.0%**
% Revenue	**19.1%**	**18.1%**	
Non-recurring income	(9)	(4)	
Financial result	(35)	(37)	
Share of profit or loss of associates	(0)	0	
Income tax	(24)	(15)	
Income after tax	**76**	**76**	
Attributable to non-controlling interests	(1)	(1)	
Net income	**75**	**75**	**0.9%**
% Revenue	**6.5%**	**6.4%**	

YEAR-TO-DATE INCOME STATEMENT

CONSOLIDATED INCOME STATEMENT *(MEUR)*	SIX MONTHS ENDED JUNE 30		
	2024	2025	%
Revenue	**2,277**	**2,402**	**5.5%**
Raw materials and transportation costs	(1,323)	(1,396)	
Gross profit	**954**	**1,006**	**5.4%**
% Revenue	**41.9%**	**41.9%**	
Manufacturing costs	(461)	(514)	11.5%
% Revenue	20.2%	21.4%	
Marketing and distribution expenses	*(93)*	*(104)*	*12.0%*
Research and development expenses	*(33)*	*(37)*	*11.8%*
General and administrative expenses	*(73)*	*(87)*	*18.9%*
Selling, general and administrative expenses	(200)	(229)	14.5%
% Revenue	8.8%	9.5%	
EBIT	**293**	**263**	**-10.3%**
% Revenue	**12.9%**	**11.0%**	
Depreciation and amortization	148	171	
EBITDA	**441**	**435**	**-1.4%**
% Revenue	**19.4%**	**18.1%**	
Non-recurring income	(8)	(9)	
Financial result	(52)	(43)	
Share of profit or loss of associates	0	1	
Income tax	(58)	(38)	
Income after tax	**176**	**174**	
Attributable to non-controlling interests	(4)	(3)	
Net income	**172**	**172**	**-0.3%**
% Revenue	**7.6%**	**7.1%**	

MANAGEMENT’S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Investors should read the following discussion in conjunction with the consolidated financial statements, including the notes thereto, included elsewhere in this document.

We believe that we are the world’s largest producer of polyacrylamide, or PAM, a water-soluble specialty chemical used in water treatment, oil and petroleum applications (including enhanced oil recovery, or EOR), mineral extraction, pulp and paper manufacturing and other industries. PAM has a broad variety of industrial and commercial uses as a flocculant, which facilitates the separation of suspended solids from water, as a viscosity modifier, which alters the thickness of liquids, and as a drag reducer, which decreases the pressure drop along a segment of pipe. In addition to PAM, of which we estimate we produced 57% of global output in 2024 and from which we generated approximately 83% of our 2024 revenue, we also produce and sell related specialty chemicals such as coagulants and monomers. We also sell dispersants, which are used in the paper, household products, and mining industries, as well as equipment that facilitates the utilization of PAM.

We operate our business through four geographic zones: EMEA (Europe, the Middle East and Africa), North America, Latin America, and Asia Pacific. Our revenue by geographic zone as a percentage of total revenue for the three months ended June 30, 2025, and the three months ended March 31, 2025, are set forth in the table below:

REVENUE

	Three months ended March 31, 2025	Three months ended June 30, 2025
EMEA	**24.4%**	**24.2%**
North America	**41.5%**	**41.2%**
Latin America	**9.8%**	**9.7%**
Asia Pacific	**24.3%**	**24.9%**

The differences in revenue breakdown by geographic zones between 1Q25 and 2Q25 are primarily due to higher sales growth in Asia Pacific than in other geographic zones of the world.

CONSOLIDATED INCOME STATEMENT

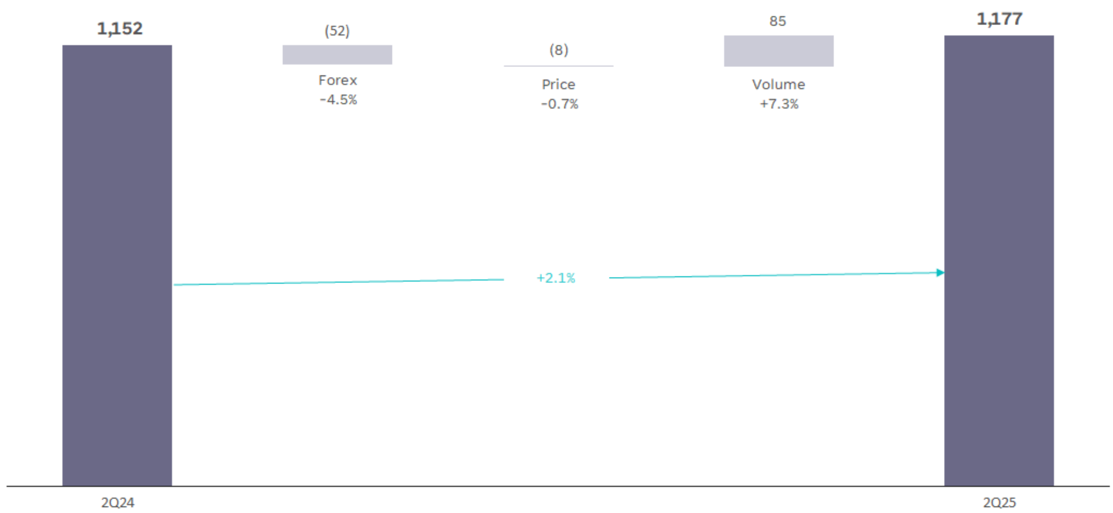
REVENUE

We had total revenue of €1,177 million for the three months ended June 30, 2025, representing an increase of 2.1% over total revenue of €1,152 million for the three months ended June 30, 2024. Foreign exchange rate translation had a negative impact of about (4.5)% for the quarter, reflecting primarily the devaluation of the US Dollar, the Chinese Renminbi, the Mexican Peso and the Korean Won versus the Euro. Our total growth in constant currency was therefore an increase of 6.6%, broken down in a volume increase of 7.3% and a price decrease of (0.7)%.

Compared with the first quarter of the year, our revenue decrease for this quarter was (4.0)%, spread between negative foreign exchange rate translation of (5.2)%, volume increase of 1.3% and price decrease of (0.1)%.

For the first six months of 2025, we had total revenue of €2,402 million representing an increase of 5.5% over total revenue of €2,277 million for the first six months of 2024. Foreign exchange rate translation had a negative impact of about (1.9)% for the semester, reflecting primarily the devaluation of the US Dollar, the Chinese Renminbi, the Mexican Peso and the Korean Won versus the Euro. Our total growth in constant currency was therefore an increase of 7.4%, broken down in a volume increase of 8.9% and a price decrease of (1.4)%.

THE FOLLOWING GRAPH BREAKS DOWN THE REVENUE VARIATION BETWEEN 2Q24 AND 2Q25 (IN MEUR):



THE FOLLOWING GRAPH BREAKS DOWN THE REVENUE VARIATION BETWEEN 6M24 AND 6M25 (IN MEUR):

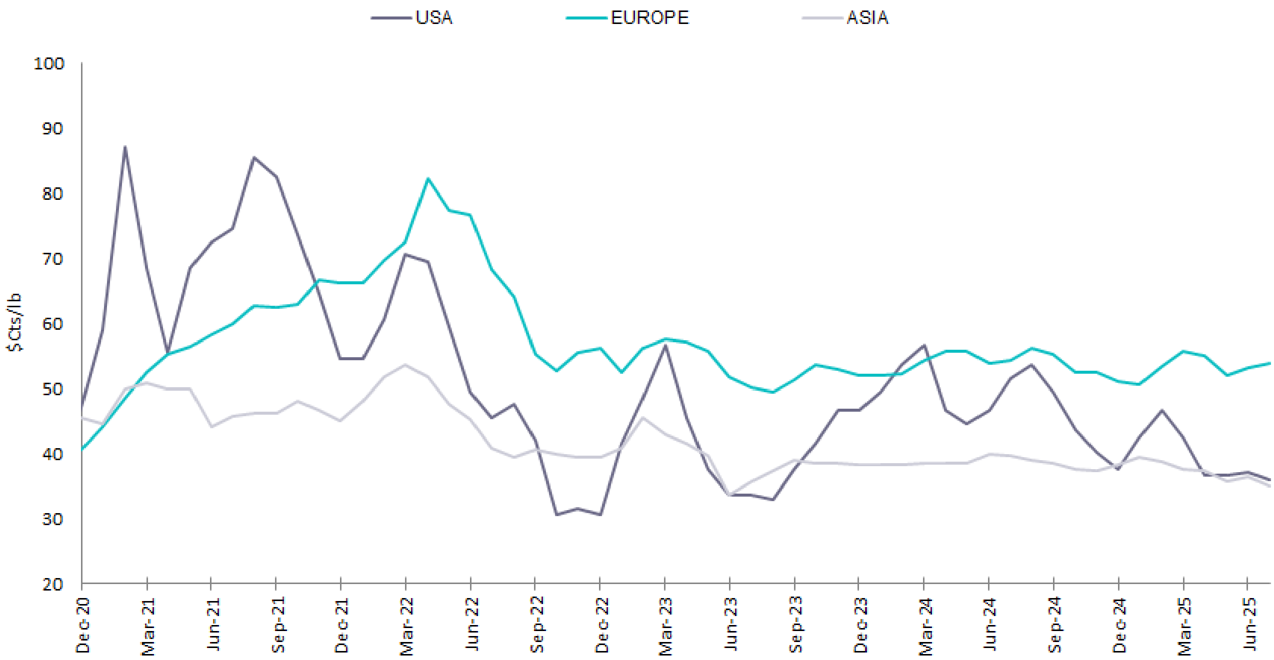
GROSS PROFIT

Gross profit increased by 2.2% to €492 million for the three months ended June 30, 2025, compared with €482 million for the three months ended June 30, 2024. As a percentage of revenue, gross profit was 41.8% for the three months ended June 30, 2025, as compared to 41.8% for the three months ended June 30, 2024 and 41.9% for the three months ended March 31, 2025.

THE FOLLOWING TABLE ILLUSTRATES THE EVOLUTION OF OUR GROSS PROFIT MARGIN IN THE PAST SIX QUARTERS:

(MEUR)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25
Sales	1,125	1,152	1,167	1,270	1,226	1,177
Gross profit	**472**	**482**	**483**	**513**	**514**	**492**
% sales	42.0%	41.8%	41.4%	40.4%	41.9%	41.8%

THE FOLLOWING GRAPH ILLUSTRATES THE EVOLUTION OF PROPYLENE PRICES, OUR MAIN FEEDSTOCK, SINCE THE END OF 2020:



At the beginning of 2022, the war between Russia and Ukraine intensified the already rising cost pressures from 2021, which had been driven by increased demand following the Covid crisis. Propylene prices remained particularly high in Europe and the United States, leading to multiple price increases in both regions. Although prices began to decline in May 2022, they remained elevated in Europe. This decline was counterbalanced by soaring energy prices in the third quarter of 2022, particularly in Europe, where another price increase was introduced in October. By late November 2022, China lifted its zero-COVID policy after months of strict enforcement.

In 2023, propylene prices in Asia, supported by ample supply, averaged 25% lower than in Europe, where costs remained high. In the United States, prices fluctuated significantly, reaching a peak of 56.5 cts/lb and a low of 33.0 cts/lb.

From early 2024 through July 2025, Asian propylene prices have continued to be more competitive, standing, on average, 41% lower than in Europe and 18% lower than in the United States.

MANUFACTURING COSTS

Manufacturing costs increased by 6.9% to €251 million for the three months ended June 30, 2025, compared with €235 million for the three months ended June 30, 2024. As a percent of revenue, manufacturing costs were 21.3% in the second quarter of 2025, compared with 20.4% in the second quarter of 2024 and 21.5% in the first quarter of 2025.

SELLING, GENERAL AND ADMINISTRATIVE COSTS (SG&A)

SG&A increased by 6.9% to €110 million for the three months ended June 30, 2025, compared with €103 million for the three months ended June 30, 2024. As a percent of revenue, SG&A were 9.4% in the second quarter of 2025, compared with 9.0% in the second quarter of 2024 and 9.7% in the first quarter of 2025.

EBITDA

EBITDA decreased by (3.0)% at €213 million for the three months ended June 30, 2025, compared with €220 million for the three months ended June 30, 2024. EBITDA as a percentage of revenue was 18.1% in the second quarter of 2025, compared with 19.1% in the second quarter of 2024 and 18.1% in the first quarter of 2025.

THE FOLLOWING TABLE ILLUSTRATES THE EVOLUTION OF OUR EBITDA MARGIN IN THE PAST SIX QUARTERS:

(MEUR)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25
Sales	1,125	1,152	1,167	1,270	1,226	1,177
EBITDA	**221**	**220**	**235**	**225**	**221**	**213**
% sales	19.6%	19.1%	20.1%	17.7%	18.1%	18.1%

NON-RECURRING INCOME

Non-recurring loss was €(4) million for the three months ended June 30, 2025.

FINANCIAL RESULT

Financial result was a loss of €(37) million for the three months ended June 30, 2025, compared with a loss of €(35) million for the three months ended June 30, 2024. Interest expenses amounted to €17 million in the second quarter of 2025. Foreign exchange gains and others had a negative impact of about €(19) million in the second quarter of 2025, compared with a negative impact of €(17) million in the second quarter of 2024.

THE FOLLOWING TABLE SUMMARIZES THE BREAKDOWN OF OUR FINANCIAL RESULTS FOR THE SECOND QUARTER OF 2024 AND FOR THE FIRST TWO QUARTERS OF 2025:

FINANCIAL RESULT (MEUR)	2Q24	1Q25	2Q25
Interest expenses	(17)	(15)	(17)
Exchange gain and others	(17)	10	(19)
IFRS 16 impact	(1)	(1)	(1)
Total	**(35)**	**(6)**	**(37)**

NET INCOME

Net income totaled €75 million for the three months ended June 30, 2025, compared with €75 million for the three months ended June 30, 2024. Net income as a percentage of revenue was 6.4% in the second quarter of 2025, compared with 6.5% in the second quarter of 2024 and 7.9% in the first quarter of 2025.

CONSOLIDATED CASH FLOW STATEMENT

THE FOLLOWING TABLE SUMMARIZES OUR CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR 2024 AND FOR THE FIRST TWO QUARTERS OF 2025:

CASH FLOW (MEUR)	Year 2024	1Q25	2Q25
Cash flow	868	216	210
Net cash from operating activities	680	122	128
Net cash used in investing activities	(676)	(150)	(162)
Net cash from financing activities	(73)	88	(58)
Cash at end of the period	495	487	425

For the three months ended June 30, 2025, our cash flow totaled €210 million and our net cash from operating activities totaled €128 million. Our working capital has increased by €50 million in the second quarter. Working capital as a percentage of quarterly annualized sales was 26.3% for the second quarter of 2025, compared with 25.7% for the first quarter of 2025 and 26.5% for the second quarter of 2024.

For the three months ended June 30, 2025, net cash used in investing activities was €162 million. Out of this total, €139 million pertain to capital expenditures, in line with our investment plan.

As of June 30, 2025, we had cash and cash equivalents of €425 million on a consolidated basis. Our total unused lines of credit were €835 million on June 30, 2025, leading to a total liquidity of €1,260 million, compared with €1,330 million at the end of the first quarter 2025.

THE FOLLOWING TABLE SUMMARIZES OUR CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR 2024 AND FOR THE FIRST SIX MONTHS OF 2025:

CASH FLOW STATEMENT (MEUR)	2024 12M	2025 6M
NET INCOME	**326**	**172**
Allowances for depreciation and amortization, provisions	313	169
Reversals of depreciation, amortization and provisions	(4)	(3)
Grants transferred to net income	(0)	(1)
Undistributed earnings accounted for under the equity method	(1)	(1)
Gains/ (losses) from asset disposals	14	5
Fair value variation of non-consolidated entities	19	10
Income attributable to non-controlling interests	6	3
Income tax charge (current and deferred)	131	38
Other financial expense and income	63	34
CASH FLOW GENERATED FROM OPERATIONS	**868**	**426**
Change in inventories and work in progress	(16)	(99)
Change in receivables	(36)	(64)
Change in payables	19	57
Change in other payables and receivables	29	4
Tax payments	(122)	(39)
Interest expense payments	(62)	(36)
NET CASH FROM OPERATING ACTIVITIES	**680**	**250**
Investments in property, plant and equipment	(494)	(252)
Investments in intangible assets	(30)	(15)
Investments in financials	(1)	(8)
Acquisitions	(150)	(36)
NET CASH FROM INVESTING ACTIVITIES	**(676)**	**(312)**
Net variation loans and borrowings	(68)	34
Share capital increases (reductions)	(0)	0
Dividends paid (including non-controlling interests)	(5)	(4)
NET CASH FROM FINANCING ACTIVITIES	**(73)**	**30**
Effect of changes in exchange rates	47	(38)
NET CHANGE IN CASH AND CASH EQUIVALENTS	**(22)**	**(69)**
Net opening cash and cash equivalents	517	495
Net closing cash and cash equivalents	495	425

BALANCE SHEET AND OTHER FINANCIAL DATA

CONSOLIDATED BALANCE SHEET (MEUR)	March 31, 2025	June 30, 2025
Goodwill	117	115
Tangible assets, net	2,903	2,822
Cash, at bank and on hand	487	425
Total assets	5,939	5,766
Shareholder's equity	2,919	2,814
Borrowings	1,950	1,893

OTHER FINANCIAL DATA (MEUR)	March 31, 2025	June 30, 2025
LTM EBITDA	901	894
LTM Interest expenses	59	59
Adjusted net debt	1,480	1,508
Net debt to LTM EBITDA	1.64x	1.69x
Interest expense ratio	15.2x	15.1x
Net debt to shareholder's equity	0.5x	0.5x

As of June 30, 2025, our total debt was €1,893 million, compared with €1,950 million on March 31, 2025. In May 2025, we extended the maturity date of our Group Revolver Senior Facility to June 27, 2030, by exercising our second extension option (out of 2). On June 30, 2025, our adjusted net debt was €1,508 million, compared with €1,480 million on March 31, 2025.

The debt variation between the first and the second quarter of 2025 is broken down in the following table.

DEBT (MEUR)	1Q25	2Q25	Var
Senior Notes	1,547	1,497	(50)
Senior Facility	-	-	-
Borrowings - at SNF Group level	323	317	(6)
Borrowings - at subsidiaries level	9	9	(1)
Lease liabilities	73	68	(6)
Others	(3)	2	5
Total Debt	**1,950**	**1,893**	**(58)**
Adjustments as per Senior Facility	17	40	23
Gross cash and cash equivalents	(487)	(425)	62
Adjusted Net Debt	**1,480**	**1,508**	**27**

The net debt is adjusted to reflect the average exchange rate between EUR and USD for the year, as per our Senior Facility.

As of June 30, 2025, our adjusted net debt to LTM EBITDA ratio was 1.69x, compared with 1.64x on March 31, 2025.