HALF-YEAR FINANCIAL REPORT **2025**

Six months ended 30 June 2025

Content

1. **Half-year** activity report

1.1 Indicators used in management analysis

The main alternative performance indicators used by the Group are defined in note 4 to the condensed consolidated interim financial statements at 30 June 2025 in section 2 of this document.

For the purpose of tracking changes in its results, and particularly its sales figures, the Group analyzes the following effects (unaudited analyses):

- **scope effect:** the scope effect corresponds to the impact of changes in the Group's scope of consolidation, which arise from acquisitions and divestments of entire businesses or as a result of the first-time consolidation or deconsolidation of entities. Increases or reductions in capacity are not included in the scope effect. For a given aggregate, this corresponds to the amount of this aggregate over the period under review for acquired activities, less the amount of this aggregate over the prior period for divested activities, relative to the amount of this aggregate for all Group activities over the prior period;
- **currency effect:** the currency effect corresponds to the mechanical impact of consolidating accounts denominated in currencies other than the euro at different exchange rates from one period to another. The currency effect is calculated by applying the foreign exchange rates of the prior period to the figures for the period under review;
- **price effect:** the impact of changes in average selling prices is estimated by comparing the weighted average net unit selling price of a range of related products in the period under review with their weighted average net unit selling price in the prior period, multiplied, in both cases, by the volumes sold in the period under review;
- **volume effect:** the impact of changes in volumes is estimated by comparing the quantities delivered in the period under review with the quantities delivered in the prior period, multiplied, in both cases, by the weighted average net unit selling price in the prior period; and
- **organic growth:** the organic growth for a given item corresponds to comparable growth for that item, *i.e.*, at constant scope and exchange rates. It represents the variation, restated for exchange rate and consolidation scope effects, between the amounts of the item for the period under analysis and for the previous period, relative to the amount of the item for the previous period.

1.2 First-half 2025 highlights

1.2.1 Organic growth projects

In High Performance Polymers, on 26 February 2025, the Group announced a 15% capacity expansion of its PVDF production site in Calvert City, Kentucky, representing an investment of around 20 million US dollars, aligned with the strategy of the Group to increase its global PVDF footprint at a pace and with capabilities that match market development. This capacity expansion, with start-up planned for mid-2026, will support the increasing demand for locally manufactured high performance resins for lithium-ion batteries, as well as the growing semiconductor and cable markets.

1.2.2 Corporate Social Responsibility

Arkema announced on 26 March 2025 that it had signed a new agreement with ENGIE to supply biomethane to several Bostik sites in France, following the long-term contract signed with ENGIE in early 2023 for the supply of 300 GWh/year of biomethane in France. This 25 GWh/year contract will cover some 85% of the annual gas consumption of four Bostik sites in France (Coubert, Privas, Ribécourt and Venette), a notable step forward in the decarbonization of its energy supply.

Arkema also announced on 16 May 2025 that it had been awarded an “A” rating for CDP Climate Change (A- in 2023) and therefore has been included in CDP’s prestigious Climate “A List”, placing Arkema among the top 2% of over 24,700 companies evaluated in this category. Additionally, the Group has improved its rating to “A-” for Water Security in the 2024 assessment (B in 2023). These recognitions reflect Arkema’s strong commitment to environmental transparency and its leading performance in sustainable development, in particular regarding its contribution to the fight against climate change and to preserve water resources.

1.2.3 Financing

In May 2025, Arkema successfully completed a €400 million undated hybrid bond issue with an annual coupon of 4.25% and a first call date after five years. The proceeds of this issue, which contributes to diversifying Arkema's financing resources, are mainly used to refinance one of its two outstanding hybrid bonds, amounting to €300 million and with a first call date on 21 January 2026.

1.3 Governance

At the combined annual general meeting of shareholders of 22 May 2025 at the Théâtre des Sablons in Neuilly-sur-Seine, with a quorum of 78.6%, shareholders very largely approved all the resolutions recommended by the Board of Directors, in particular the renewal as directors, for a four-year term, of Ilse Henne, Thierry Pilenko and Bpifrance Investissement, represented by Sébastien Moynot.

1.4 Analysis of first-half 2025 financial results

The figures in this section are provided on a consolidated basis and in accordance with Arkema’s organization comprising the following three coherent and complementary segments dedicated to Specialty Materials: Adhesive Solutions, Advanced Materials and Coating Solutions, as well as the Intermediates segment which groups together activities with more volatile results.

1.4.1 Analysis of the Group's results

(In millions of euros)	1st half 2025	1st half 2024	Change
Sales	**4,776**	**4,877**	**-2.1%**
EBITDA [(a)]	**693**	**801**	**-13.5%**
Specialty Materials	664	732	-9.3%
Intermediates	78	123	-36.6%
Corporate	(49)	(54)	
EBITDA margin [(a)]	**14.5%**	**16.4%**	
Specialty Materials	15.0%	16.5%	
Intermediates	22.6%	29.9%	
Recurring depreciation and amortization [(a)]	(335)	(297)	
Recurring operating income (REBIT) [(a)]	**358**	**504**	**-29.0%**
REBIT margin [(a)]	7.5%	10.3%	
Other income and expenses	(69)	(77)	
Depreciation and amortization related to the revaluation of assets as part of the allocation of the purchase price of businesses	(70)	(75)	
Operating income	**219**	**352**	**-37.8%**
Equity in income of affiliates	0	(2)	
Financial result	(58)	(33)	
Income taxes	(64)	(88)	
Net income	**97**	**229**	**-57.6%**
Net income attributable to non-controlling interests	1	5	
Net income - Group share	**96**	**224**	**-57.1%**
Adjusted net income [(a)]	**217**	**352**	**-38.4%**

(a) Alternative performance indicator: please refer to note 4 to the condensed consolidated interim financial statements at 30 June 2025 in section 2 of this document for concordance tables and definitions.

Sales

At €4,776 million, Group sales were down 2.1% compared with first-half 2024, integrating a negative 1.5% currency effect reflecting the weakening of the US dollar and of certain Asian currencies against the euro during the second quarter. At constant exchange rates, sales were virtually stable, down 0.6%. In a demand environment broadly disappointing in Europe and the United States, and positively oriented in Asia, volumes declined slightly by 0.7% compared to last year, down in most end-markets. They were supported by Arkema's growth in several attractive sectors such as batteries, sports, electronics, efficient buildings and 3D printing, benefiting from the Group's innovation focus. The price effect stood at a negative 1.5% and reflected the impact in the second quarter of market conditions, the geographical mix and the evolution of certain raw materials. The 1.6% positive scope effect corresponded essentially to the integration of Dow's laminating adhesives.

In the first half of 2025, Specialty Materials accounted for 93% of Group sales, with a breakdown of sales by segment that was close to 2024. Adhesive Solutions represented 30% of Group sales (29% in H1'24), Advanced Materials 38% (37% in H1'24) and Coating Solutions 25% (26% in H1'24). Intermediates were down slightly, representing 7% of Group sales (8% in H1'24).

In addition, the geographical breakdown of sales reflected observed market dynamics in the various regions in the first half, with Asia and the rest of the world accounting for 32% of the Group's sales (31% in H1'24), North America 35% (35% in H1'24) and Europe 33% (34% in H1'24).

EBITDA and recurring operating income

At €693 million, Group EBITDA was down on the previous year (€801 million in H1'24) and the EBITDA margin remained solid at 14.5% (16.4% in H1'24). This result benefited from the good resilience of High Performance Polymers and Adhesive Solutions, but reflected the significant decline in Coating Solutions and the decrease in Intermediates compared with the high comparison base of last year. Furthermore, this performance integrated the strengthening of cost control initiatives and included an unfavorable currency effect estimated at around €10 million on EBITDA for the first-half.

Recurring depreciation and amortization totaled €335 million, up €38 million on last year, mainly reflecting the start-up of new production units during 2024. Recurring operating income (REBIT) therefore amounted to €358 million (€504 million in H1'24) and REBIT margin came in at 7.5% (10.3% in H1'24).

Operating income

Operating income amounted to €219 million in the first half of 2025 (€352 million in H1'24), including €69 million of exceptional expenses (€77 million of expenses in H1'24). They corresponded mainly to restructuring expenses in Hydrogen Peroxides, linked notably to the reorganization of the Jarrie site in order to ensure its future by refocusing on activities in which Arkema is one of the world leaders, and resulting in the shutdown of certain production lines of the site. Exceptional expenses also included legal fees for ongoing proceedings in the United States and costs linked to the acquisition of Dow's flexible packaging laminating adhesives business (for further details, see note 5.1 to the condensed consolidated interim financial statements at 30 June 2025 in section 2 of this document). Operating income also included €70 million in depreciation and amortization related to the revaluation of assets carried out as part of the allocation of the purchase price of businesses (€75 million in H1'24).

Financial result

The financial result represented a net expense of €58 million (net expense of €33 million in H1'24). This increase mainly reflects the lower return on investment products.

Income taxes

During the first half of 2025, income tax expense was down, coming in at €64 million (€88 million in H1'24).

Net income - Group share and adjusted net income

As a result, net income – Group share totaled €96 million (€224 million in H1'24), and net earnings per share amounted to €0.95.

Excluding the post-tax impact of non-recurring items, adjusted net income came in at €217 million (€352 million in H1'24), representing €2.87 per share.

1.4.2 Analysis of results by segment

Adhesive Solutions (30% of total Group sales)

(In millions of euros)	**1st half 2025**	1st half 2024	Change
Sales	**1,431**	**1,386**	**+3.2%**
EBITDA (a)	**202**	**214**	**-5.6%**
EBITDA margin (a)	14.1%	15.4%	
Recurring operating income (REBIT) (a)	**151**	**170**	**-11.2%**
REBIT margin (a)	10.6%	12.3%	
Other income and expenses	(19)	(16)	
Depreciation and amortization related to the revaluation of assets as part of the allocation of the purchase price of businesses	(49)	(53)	
Operating income	**83**	**101**	**-17.8%**

(a) Alternative performance indicator: please refer to note 4 to the condensed consolidated interim financial statements at 30 June 2025 in section 2 of this document for concordance tables and definitions.

At €1,431 million (€1,386 million in H1'24), sales in the Adhesive Solutions segment were up 5.0% year-on-year excluding the currency effect, supported by an 8.0% positive scope effect corresponding to the acquisition of Dow's flexible packaging laminating adhesives business. Down 2.6%, volumes decreased in industrial adhesives, notably in North America, while construction grew slightly, benefiting from an improved dynamic in the second quarter in Asia and in Europe. Prices were stable overall at negative 0.4% and the currency effect was a negative 1.8%.

In this weak demand environment, segment EBITDA amounted to €202 million (€214 million in H1'24) and EBITDA margin held up well at 14.1% (15.4% in H1'24), despite the 50 bps dilutive effect linked to the consolidation of Dow's laminating adhesives, reflecting notably the strict management of prices and operations.

Recurring operating income (REBIT) amounted to €151 million (€170 million in H1'24), including €51 million in recurring depreciation and amortization, up €7 million compared with first-half 2024, mainly due to the integration of the acquisition of Dow's laminating adhesives. REBIT margin stood at 10.6% in the period (12.3% in H1'24).

Operating income came in at €83 million for the period (€101 million in H1'24) including €49 million in depreciation and amortization related to the revaluation of assets as part of the allocation of the purchase price of businesses (€53 million in H1'24) as well as a charge of €19 million corresponding primarily to restructuring costs and to costs linked to the acquisition of Dow's flexible packaging laminating adhesives business.

Advanced Materials (38% of total Group sales)

(In millions of euros)	**1st half 2025**	1st half 2024	Change
Sales	**1,811**	**1,796**	**+0.8%**
EBITDA (a)	**351**	**352**	**-0.3%**
EBITDA margin (a)	19.4%	19.6%	
Recurring operating income (REBIT) (a)	**154**	**183**	**-15.8%**
REBIT margin (a)	8.5%	10.2%	
Other income and expenses	(43)	(51)	
Depreciation and amortization related to the revaluation of assets as part of the allocation of the purchase price of businesses	(18)	(19)	
Operating income	**93**	**113**	**-17.7%**

(a) Alternative performance indicator: please refer to note 4 to the condensed consolidated interim financial statements at 30 June 2025 in section 2 of this document for concordance tables and definitions.

Sales in the Advanced Materials segment amounted to €1,811 million (€1,796 million in H1'24), supported by an organic growth of 2.3%. Volumes were up 3.1%, with progress in most of the segment's businesses, more particularly in High Performance Polymers in Asia. They were supported by Arkema's growth in several attractive sectors such as batteries, sports, electronics, efficient buildings and 3D printing benefiting from the Group's innovation focus. Prices, down in the second quarter, fell slightly by 0.8% compared with the first half of 2024, reflecting mainly the evolution of certain raw materials as well as an unfavorable geographical mix and the current market conditions in Performance Additives. Lastly, the currency effect was a negative 1.5%.

At €351 million, EBITDA was stable on last year (€352 million in H1'24), with the limited downturn in Performance Additives offset by High Performance Polymers. In this context, the EBITDA margin for the segment was resilient and remained at the good level of 19.4% (19.6% in H1'24).

Recurring operating income (REBIT) came in at €154 million (€183 million in H1'24), impacted by a €28 million increase in recurring depreciation and amortization to €197 million. This increase mainly reflects the recent start-up of new production units.

Operating income amounted to €93 million (€113 million in H1'24) and included a charge of €43 million in other income and expenses which essentially corresponded to restructuring costs in Hydrogen Peroxides, linked notably to the reorganization of the Jarrie site. Operating income also included €18 million in depreciation and amortization related to the revaluation of assets carried out as part of the allocation of the purchase price of businesses, stable compared to last year (€19 million in H1'24).

Coating Solutions (25% of total Group sales)

(In millions of euros)	**1st half 2025**	1st half 2024	Change
Sales	**1,172**	**1,263**	**-7.2%**
EBITDA (a)	**111**	**166**	**-33.1%**
EBITDA margin (a)	9.5%	13.1%	
Recurring operating income (REBIT) (a)	**48**	**105**	**-54.3%**
REBIT margin (a)	4.1%	8.3%	
Other income and expenses	-	0	
Depreciation and amortization related to the revaluation of assets as part of the allocation of the purchase price of businesses	(3)	(3)	
Operating income	**45**	**102**	**-55.9%**

(a) Alternative performance indicator: please refer to note 4 to the condensed consolidated interim financial statements at 30 June 2025 in section 2 of this document for concordance tables and definitions.

Sales in the Coating Solutions segment decreased by 7.2% compared with first-half 2024 to €1,172 million. In a weak demand environment, volumes were down 4.5%, notably in the industrial coatings and construction markets, and affected in particular by North America in the second quarter. The negative 1.6% price effect reflected mainly the less favorable market conditions in upstream acrylics. Lastly, the currency effect was a negative 1.1%.

In this context, EBITDA declined sharply to €111 million (€166 million in H1'24), reflecting low cycle margins in upstream acrylics as well as weak volumes in the segment's downstream activities, and the EBITDA margin came in at 9.5% (13.1% in H1'24).

At €48 million (€105 million in H1'24), recurring operating income (REBIT) was in line with the development of EBITDA, and included recurring depreciation and amortization stable at €63 million (€61 million in H1'24).

Operating income came in at €45 million (€102 million in H1'24) and included a €3 million expense related to the revaluation of assets as part of the allocation of the purchase price of businesses.

Intermediates (7% of total Group sales)

(In millions of euros)	**1st half 2025**	1st half 2024	Change
Sales	**345**	**412**	**-16.3%**
EBITDA [a]	**78**	**123**	**-36.6%**
EBITDA margin [a]	22.6%	29.9%	
Recurring operating income (REBIT) [a]	**63**	**103**	**-38.8%**
REBIT margin [a]	18.3%	25.0%	
Other income and expenses	3	(1)	
Depreciation and amortization related to the revaluation of assets as part of the allocation of the purchase price of businesses	-	–	
Operating income	**66**	**102**	**-35.3%**

(a) Alternative performance indicator: please refer to note 4 to the condensed consolidated interim financial statements at 30 June 2025 in section 2 of this document for concordance tables and definitions.

At €345 million (€412 million in H1’24), sales in the Intermediates segment were down sharply 16.3% compared to last year. Volumes were stable (up 0.6%) reflecting the reduction of quotas in refrigerant gases in Europe being offset, in the first quarter, by an increase in volumes in acrylics in Asia. The price effect was a negative 8.5%, impacted by lower prices compared to last year in refrigerant gases in the United States, which nevertheless improved during the second quarter. The negative 7.4% scope effect corresponded to the disposal of non-strategic assets in sebacic acid in China finalized in fourth-quarter 2024 and the currency effect was a negative 1.0%.

At €78 million (€123 million in H1’24), EBITDA was affected by the significant decline in refrigerant gases on last year’s high comparison base, but benefited from the slight growth in acrylics in China. In this context, the EBITDA margin stood at 22.6% (29.9% in H1’24).

In line with the change in EBITDA, recurring operating income (REBIT) totaled €63 million (€103 million in H1’24), including slightly lower recurring amortization of €15 million (€20 million in H1’24) and operating income amounted to €66 million.

1.4.3 Group cash flow analysis

(In millions of euros)	**1st half 2025**	1st half 2024
Cash flow from operating activities	275	380
Cash flow from investing activities	(346)	(386)
Net cash flow [a]	**(71)**	**(6)**
Of which net cash flow from portfolio management operations [a]	(7)	(41)
Free cash flow [a]	**(64)**	**35**

(a) Alternative performance indicator: please refer to note 4 to the condensed consolidated interim financial statements at 30 June 2025 in section 2 of this document for concordance tables and definitions.

EBITDA can be reconciled to free cash flow as follows:

(In millions of euros)	1st half 2025	1st half 2024
EBITDA [a]	**693**	**801**
Taxes	(73)	(93)
Cash items included in the financial result	(53)	(26)
Change in working capital [1]	(230)	(281)
Change in fixed asset payables [2]	(99)	(50)
Other	(25)	(10)
Operating cash flow [a]	**213**	**341**
Recurring capital expenditure	(240)	(269)
Recurring cash flow [a]	**(27)**	**72**
Exceptional capital expenditure [a]	-	-
Non-recurring cash flow [a]	(37)	(37)
Free cash flow [a]	**(64)**	**35**

(1) Excluding cash flows related to non-recurring items and portfolio management operations. These items represented a net cash outflow of €1 million in first-half 2025 and were nil in first-half 2024.
(2) Excluding cash flows related to non-recurring items and portfolio management operations. These items represented a nil amount in first-half 2025 and in first-half 2024.
(a) Alternative performance indicator: please refer to note 4 to the condensed consolidated interim financial statements at 30 June 2025 in section 2 of this document for concordance tables and definitions.

Recurring cash flow amounted to a negative €27 million (€72 million in H1'24). It included a negative change of €230 million in working capital reflecting the seasonality of first-half business and the €99 million negative change in fixed asset payables linked mechanically to the sharp reduction in capital expenditure in the first half compared to end-2024. At end-June 2025, working capital represented 17.0% of the Group's annualized sales (15.7% at end-June 2024). Recurring cash flow also included lower capital expenditure at €240 million (€269 million in H1'24), in line with the annual guidance.

Free cash flow amounted to a negative €64 million (€35 million in H1'24). This included a non-recurring cash outflow of €37 million, corresponding mainly to restructuring costs and reorganization costs at the Jarrie site in France.

The net cash outflow from portfolio management operations of €7 million corresponded primarily to the acquisition of Dow's flexible packaging laminating adhesives business. Last year, this outflow amounted to €41 million, and corresponded essentially to the acquisitions of Arc Building Products, Proionic and Dow's flexible packaging laminating adhesives business.

1.4.4 Balance sheet analysis

(In millions of euros)	30 June 2025	31 December 2024	Change
Non-current assets*	9,368	10,059	-6.9%
Working capital [a]	1,629	1,370	+18.9%
Capital employed [a]	**10,997**	**11,429**	**-3.8%**
Deferred tax assets	139	155	-10.3%
Provisions for pensions and other employee benefits	361	391	-7.7%
Other provisions	419	443	-5.4%
Total provisions	**780**	**834**	**-6.5%**
Long-term assets covering some provisions	150	177	-15.3%
Total provisions net of non-current assets	**630**	**657**	**-4.1%**
Deferred tax liabilities	412	435	-5.3%
Net debt [a]	**2,480**	**2,541**	**-2.4%**
Shareholders' equity	**7,450**	**7,761**	**-4.0%**

** Excluding deferred tax and including pension assets.*
(a) Alternative performance indicator: please refer to note 4 to the condensed consolidated interim financial statements at 30 June 2025 in section 2 of this document for concordance tables and definitions.

Between 31 December 2024 and 30 June 2025, non-current assets decreased by €691 million, primarily due to:

- a negative translation effect of €581 million, primarily due to the depreciation of the US dollar against the euro at the end of the period;
- intangible assets and property, plant, and equipment additions amounted to €240 million;
- a €54 million increase in right-of-use assets related to the Group's lease commitments under IFRS 16; and
- net depreciation and amortization of €404 million, including in particular (i) €335 million in recurring depreciation and amortization that included €55 million in depreciation of right-of-use assets in respect of the Group's lease commitments, and (ii) €70 million in depreciation and amortization related to the revaluation of property, plant and equipment and intangible assets as part of the allocation of the purchase price of businesses.

At 30 June 2025, working capital rose by €259 million compared to 31 December 2024, including a favorable €69 million negative non-monetary effect mainly related to translation adjustments (for further details, see note 5.2 to the condensed consolidated interim financial statements at 30 June 2025 in section 2 of this document). This increase in working capital mainly reflected the seasonality of business and capital expenditures.

Consequently, between 31 December 2024 and 30 June 2025, the Group's capital employed decreased by €432 million to €10,997 million.

Deferred tax assets amounted to €139 million at 30 June 2025, down slightly by €16 million compared with 31 December 2024, of which €5 million was due to translation effect.

Gross provisions amounted to €780 million at 30 June 2025. Some of these provisions, accounting for a total of €148 million, are covered by long-term assets, notably by the guarantee facility granted by TotalEnergies SE and described in note 9.1.2 to the condensed consolidated interim financial statements at 30 June 2025 in section 2 of this document. A pension asset of €2 million was also recognized in the balance sheet. Therefore, at 30 June 2025, provisions net of these assets were down by €27 million compared to the end of 2024 and amounted to €630 million.

The breakdown of net provisions by type was as follows:

- pension liabilities of €237 million (€258 million at 31 December 2024), with the decrease of €21 million reflecting notably the rise in discount rates in Europe and the translation impact;
- other employee benefit obligations of €122 million (€129 million at 31 December 2024);
- environmental contingencies of €127 million (€134 million at 31 December 2024);
- restructuring provisions of €38 million (€20 million at 31 December 2024), for which the increase was mainly associated with the reorganization of the Jarrie site; and
- other provisions for €106 million (€116 million at 31 December 2024).

Net debt and hybrid bonds amounted to €3,580 million at 30 June 2025 (€3,241 million at 31 December 2024), including €1,100 million in hybrid bonds following the new €400 million issue in May 2025 (for further details see section 1.2.3 of this document). The increase in net debt was primarily attributable to the cash flows detailed in section 1.4.3 of this document, and also included the payment of a €3.60 dividend per share for 2024 representing a total payout of €272 million, the €27 million cost of share buybacks carried out by the Group as well as €24 million in interest paid on hybrid bonds. At 30 June 2025, net debt and hybrid bonds represented 2.5x last twelve months EBITDA.

Shareholders' equity amounted to €7,450 million versus €7,761 million at 31 December 2024. The €311 million decrease mainly included (i) a net negative €522 million translation adjustment, mainly due to the depreciation of the US dollar against the euro, (ii) the payment of dividends for €272 million, (iii) the issue of hybrid bonds for a net amount of €399 million (iv) and positive net income for the period of €97 million.

1.5 Transactions with related parties

Transactions between consolidated companies have been eliminated in the consolidation process. In addition, in the normal course of business, the Group has business relationships with certain non-consolidated companies or with companies which are accounted for under the equity method. The values involved are not significant.

1.6 Significant events since 30 June 2025

After starting up its state-of-the-art plant in Singapore and thus increasing its global Rilsan® polyamide 11 capacity by 50%, on 9 July 2025, Arkema announced the construction of a new Rilsan® Clear transparent polyamide unit on its Singapore platform. The new capacity represents an investment of around US$20 million and is expected to be operational in the first quarter of 2026. This investment will triple Arkema's global production capacity of Rilsan® Clear transparent polyamides and will help meet the growing global demand for sustainable high-performance transparent materials in various markets, including eyewear, consumer electronics, healthcare devices and home appliances.

1.7 Main risks and uncertainties

The main risks and uncertainties which the Group could face over the next six months are the same as those described in chapter 2 of the 2024 Universal Registration Document filed with the French financial markets authority (*Autorité des marchés financiers* – AMF) on 27 March 2025 under number D.25-0169. This document is available on Arkema's website (www.arkema.com) in the "Investors" section and on the AMF website (www.amf-france.org). Additionally, an update on the Group's liabilities and contingent liabilities is provided in the notes to the condensed consolidated interim financial statements at 30 June 2025 and can be found in section 2 of this document.

1.8 Outlook

The start of the second half of the year follows the trend of recent months, within a macroeconomic environment marked by continuing weakness in demand, geopolitical uncertainties and unfavorable evolution of exchange rates relative to the euro. In this context, Arkema is focusing as a priority on the elements that are within its control, and is significantly strengthening its cost-cutting initiatives, aiming to achieve €100 million of fixed and variable cost savings over the year, *i.e.*, double the original target. Cash will continue to receive a particular attention, notably through strict management of working capital and capital expenditures.

The Group will also rely on the ramp-up of its major projects in high value-added innovative applications and in fast growing regions. Their additional EBITDA contribution is now expected to reach around €50 million in 2025 compared to 2024, with the Group also reaffirming its target of over €400 million in 2028.

Furthermore, Arkema anticipates a limited direct impact from the increase in tariffs thanks to its industrial footprint close to customers in the three major regions of the world but will nevertheless remain vigilant about their indirect impact on the macroeconomic environment and the wait-and-see attitude of customers.

Based on these elements, the Group now expects [(1)] to achieve EBITDA of between €1.3 billion and €1.4 billion in 2025, including an unfavorable impact linked to the evolution of exchange rates of around €50 million compared to last year. Recurring cash flow should adjust accordingly to between €300 and €400 million.

Finally, beyond the short-term priorities, Arkema will also continue to implement its strategic roadmap, notably its innovation focus and the development of high-performance solutions for a less carbon-intensive and more sustainable world, in close partnership with its customers. Relying also on its balanced geographical footprint, the Group will thus reinforce its positioning and its resilience, while benefiting from numerous growth opportunities.

(1) *These estimates have been established and developed on a basis comparable to historical financial information and consistent with the Group's accounting methods.*

2. **Condensed consolidated** interim financial statements at 30 June 2025

Consolidated income statement

(In millions of euros)	Notes	1st half 2025	1st half 2024
Sales	***(4.8 & 4.9)***	**4,776**	**4,877**
Operating expenses		(3,880)	(3,838)
Research and development expenses		(142)	(137)
Selling and administrative expenses		(466)	(473)
Other income and expenses	*(5.1)*	(69)	(77)
Operating income	***(4.8)***	**219**	**352**
Equity in income of affiliates		0	(2)
Financial result	*(10.1)*	(58)	(33)
Income taxes	*(7)*	(64)	(88)
Net income		**97**	**229**
Attributable to non-controlling interests		1	5
Net income – Group share		**96**	**224**
Earnings per share (in euros)	*(11.6)*	*0.95*	*2.93*
Diluted earnings per share (in euros)	*(11.6)*	*0.95*	*2.92*

Consolidated statement of comprehensive income

(In millions of euros)	Notes	1st half 2025	1st half 2024
Net income		**97**	**229**
Hedging adjustments		21	(3)
Other		0	0
Deferred taxes on hedging adjustments and other items		0	0
Change in translation adjustments	*(11.5)*	(522)	71
Other recyclable comprehensive income		**(501)**	**68**
Impact of remeasuring unconsolidated investments		(1)	(1)
Actuarial gains and losses	*(6.1)*	11	18
Deferred taxes on actuarial gains and losses		(1)	(4)
Other non-recyclable comprehensive income		**9**	**13**
TOTAL OTHER COMPREHENSIVE INCOME		**(492)**	**81**
Total comprehensive income		**(395)**	**310**
Attributable to non-controlling interests		(17)	(6)
Total comprehensive income – Group share		(378)	316

Consolidated balance sheet

(In millions of euros)	Notes	30 June 2025	31 December 2024
Assets			
Goodwill	*(8.1)*	2,898	3,071
Other intangible assets, net	*(8.2)*	2,194	2,373
Property, plant and equipment, net	*(8.3)*	3,902	4,227
Investments in equity affiliates		10	11
Other investments		48	50
Deferred tax assets		139	155
Other non-current assets		316	327
Total non-current assets		**9,507**	**10,214**
Inventories		1,309	1,348
Accounts receivable		1,435	1,312
Other receivables and prepaid expenses		216	201
Income taxes recoverable		103	101
Current financial derivative assets		35	20
Cash and cash equivalents		1,311	2,013
Assets held for sale		—	—
Total current assets		**4,409**	**4,995**
TOTAL ASSETS		**13,916**	**15,209**
Liabilities and shareholders' equity			
Share capital	*(11.1)*	761	761
Paid-in surplus and retained earnings		6,678	6,439
Treasury shares	*(11.3)*	(49)	(22)
Translation adjustments	*(11.5)*	(156)	348
Shareholders' equity – Group share		**7,234**	**7,526**
Non-controlling interests		216	235
Total shareholders' equity		**7,450**	**7,761**
Deferred tax liabilities		412	435
Provisions for pensions and other employee benefits	*(6.1)*	361	391
Other provisions and non-current liabilities	*(9.1)*	433	456
Non-current debt	*(10.2)*	3,644	3,680
Total non-current liabilities		**4,850**	**4,962**
Accounts payable		935	1,074
Other creditors and accrued liabilities		429	424
Income taxes payable		89	82
Current financial derivative liabilities		16	32
Current debt	*(10.2)*	147	874
Liabilities associated with assets held for sale		—	—
Total current liabilities		**1,616**	**2,486**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**13,916**	**15,209**

Consolidated cash flow statement

(In millions of euros)	Notes	1st half 2025	1st half 2024
Net income		97	229
Depreciation, amortization and impairment of assets		404	382
Other provisions and deferred taxes		(4)	23
(Gains)/Losses on sales of long-term assets		0	4
Undistributed affiliate equity earnings		0	3
Change in working capital	*(5.2)*	(231)	(279)
Other changes		9	18
Cash flow from operating activities		**275**	**380**
Intangible assets and property, plant and equipment additions	*(4.3)*	(240)	(269)
Change in fixed asset payables	*(5.2)*	(107)	(50)
Acquisitions of operations, net of cash acquired	*(3.1)*	0	(29)
Increase in long-term loans		(30)	(55)
Total expenditures		**(377)**	**(403)**
Proceeds from sale of operations, net of cash transferred		—	—
Change in fixed asset receivables		8	(2)
Proceeds from sale of intangible assets and property, plant and equipment		3	3
Repayment of long-term loans		20	16
Total divestitures		**31**	**17**
Cash flow from investing activities		**(346)**	**(386)**
Issuance/(Repayment) of shares and paid-in surplus	*(11.1)*	—	—
Acquisition/sale of treasury shares	*(11.3)*	(27)	(14)
Issuance of hybrid bonds	*(11.2)*	399	399
Redemption of hybrid bonds	*(11.2)*	—	—
Dividends paid to parent company shareholders	*(11.4)*	(272)	(261)
Interest paid to bearers of subordinated perpetual notes	*(11.2)*	(24)	(5)
Dividends paid to non-controlling interests and buyout of minority interests		(3)	(1)
Increase in long-term debt	*(10.2)*	11	3
Decrease in long-term debt	*(10.2)*	(67)	(750)
Increase/(Decrease) in short-term debt	*(10.2)*	(718)	685
Cash flow from financing activities		**(701)**	**56**
Net increase/(decrease) in cash and cash equivalents		(772)	50
Effect of exchange rates and changes in scope		70	(1)
Cash and cash equivalents at beginning of period		2,013	2,045
Cash and cash equivalents at end of period		**1,311**	**2,094**

Consolidated statement of changes in shareholders' equity

(In millions of euros)	Share capital	Paid-in surplus	Hybrid bonds	Retained earnings	Translation adjustments	Treasury shares	Shareholders' equity – Group share	Non-controlling interests	Shareholders' equity
At 1 January 2025	**761**	**1,117**	**700**	**4,622**	**348**	**(22)**	**7,526**	**235**	**7,761**
Cash dividend	—	—	—	(296)	—	—	(296)	(6)	(302)
Issuance of share capital	—	—	—	—	—	—	—	—	—
Capital reduction by cancellation of treasury shares	—	—	—	—	—	—	—	—	—
Acquisition/sale of treasury shares	—	—	—	—	—	(27)	(27)	—	(27)
Grants of treasury shares to employees	—	—	—	0	—	0	0	—	0
Share-based payments	—	—	—	10	—	—	10	—	10
Issuance of hybrid bonds	—	—	400	(1)	—	—	399	—	399
Redemption of hybrid bonds	—	—	—	—	—	—	—	—	—
Other	—	—	—	0	—	—	0	4	4
Transactions with shareholders	**—**	**—**	**400**	**(287)**	**—**	**(27)**	**86**	**(2)**	**84**
Net income	—	—	—	96	—	—	96	1	97
Total income and expenses recognized directly through equity	—	—	—	30	(504)	—	(474)	(18)	(492)
Total comprehensive income	**—**	**—**	**—**	**126**	**(504)**	**—**	**(378)**	**(17)**	**(395)**
At 30 June 2025	**761**	**1,117**	**1,100**	**4,461**	**(156)**	**(49)**	**7,234**	**216**	**7,450**

(In millions of euros)	Share capital	Paid-in surplus	Hybrid bonds	Retained earnings	Translation adjustments	Treasury shares	Shareholders' equity – Group share	Non-controlling interests	Shareholders' equity
At 1 January 2024	**750**	**1,067**	**700**	**4,537**	**170**	**(21)**	**7,203**	**252**	**7,455**
Cash dividend	—	—	—	(266)	—	—	(266)	(1)	(267)
Issuance of share capital	—	—	—	—	—	—	—	—	—
Capital reduction by cancellation of treasury shares	—	—	—	—	—	—	—	—	—
Acquisition/sale of treasury shares	—	—	—	—	—	(14)	(14)	—	(14)
Grants of treasury shares to employees	—	—	—	(1)	—	1	—	—	—
Share-based payments	—	—	—	16	—	—	16	—	16
Issuance of hybrid bonds	—	—	400	(1)	—	—	399	—	399
Redemption of hybrid bonds	—	—	—	—	—	—	—	—	—
Other	—	—	—	4	—	—	4	1	5
Transactions with shareholders	**—**	**—**	**400**	**(248)**	**—**	**(13)**	**139**	**—**	**139**
Net income	—	—	—	224	—	—	224	5	229
Total income and expenses recognized directly through equity	—	—	—	10	82	—	92	(11)	81
Total comprehensive income	**—**	**—**	**—**	**234**	**82**	**—**	**316**	**(6)**	**310**
At 30 June 2024	**750**	**1,067**	**1,100**	**4,523**	**252**	**(34)**	**7,658**	**246**	**7,904**

Notes to the condensed consolidated interim financial statements at 30 June 2025

Note 1 Highlights

1.1 Portfolio management

There were no new portfolio management operations in the first half.

1.2 Other highlights

In May 2025, Arkema successfully completed a €400 million undated hybrid bond issue with an annual coupon of 4.25% and a first call date after five years. The proceeds of this issue, which contributes to diversifying Arkema's financing resources, is mainly used to refinance one of its two outstanding hybrid bonds, amounting to €300 million with a first call date of 21 January 2026.

In addition, following the abrupt cessation of its salt supply by its historical supplier Vencorex, which has been placed in receivership by its Thai shareholder PTT GC, Arkema began to reorganize the activities of its Jarrie site in France in order to ensure its future by refocusing on hydrogen peroxide, chlorate and perchlorate activities, sectors in which Arkema is one of the world leaders, resulting in the shutdown of the chlorine, soda, methyl chloride and technical fluids production activities.

Note 2 Accounting policies and new standards

The condensed consolidated interim financial statements should be read in conjunction with the Group’s most recent annual consolidated financial statements for the year ended 31 December 2024. They do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual financial statements.

Arkema, a major player in Specialty Chemicals and Advanced Materials, is a French limited liability company (*société anonyme*) with a Board of Directors, subject to the provisions of book II of the French Commercial Code and all other legal provisions applicable to French commercial companies. The Arkema Group's LEI is 9695000EHMS84KKP2785.

The Company's head office is currently at 51 Esplanade du Général de Gaulle, 92907, Paris La Défense (France). The Company was incorporated on 31 January 2003 and the shares of Arkema have been listed on the Paris stock exchange (Euronext) since 18 May 2006. The Group's parent company is Arkema S.A.

The Group's condensed consolidated interim financial statements at 30 June 2025 were prepared under the responsibility of the Chairman and CEO of Arkema and were approved for publication by the Board of Directors of Arkema on 30 July 2025.

The condensed consolidated interim financial statements at 30 June 2025 were prepared in compliance with IAS 34 “Interim financial reporting” and established in accordance with the IFRS (International Financial Reporting Standards) issued by the IASB (*International Accounting Standards Board*) as released at 30 June 2025 and the IFRS endorsed by the European Union at 30 June 2025.

The accounting framework and standards adopted by the European Commission can be accessed from the following website:

https://ec.europa.eu/info/law/international-accounting-standards-regulation-ec-no-1606-2002.

The accounting policies applied in preparing the consolidated financial statements at 30 June 2025 are identical to those used in the consolidated financial statements at 31 December 2024, except for IFRS standards, amendments and interpretations, as adopted by the European Union and the IASB, that are mandatory for accounting periods commencing on or after 1 January 2025 (and which had not been applied early by the Group), namely:

Amendments to IAS 21	Lack of Exchangeability	Adopted by the European Union on 13 November 2024
Amendments to IFRS 7 and IFRS 9	Classification and Measurement of Financial Instruments	Adopted by the European Union on 27 May 2025

Application of these amendments had no significant impact on the financial statements at 30 June 2025.

The standards, amendments and interpretations published by the IASB and the IFRS IC (IFRS Interpretations Committee) which are not yet mandatory for accounting periods commencing on or after 1 January 2025 (and which have not been applied early by the Group) are:

Amendments to IFRS 7 and IFRS 9	Contracts Referencing Nature-dependent Electricity	Not adopted by the European Union at 30 June 2025
IFRS 18	Presentation and Disclosure in Financial Statements	Not adopted by the European Union at 30 June 2025
IFRS 19	Subsidiaries without Public Accountability: Disclosures	Not adopted by the European Union at 30 June 2025

The Group does not expect application of the amendments to IFRS 7 and IFRS 9, and IFRS 19 to have a significant impact. An impact analysis of IFRS 18 is underway.

Preparation of the condensed consolidated interim financial statements in accordance with IFRS requires Group management to make estimates and determine assumptions that can have an impact on the amounts recognized in assets and liabilities at the balance sheet date, and have a corresponding impact on the income statement. Management made its estimates and determined its assumptions on the basis of past experience and taking into account different factors considered to be reasonable for the valuation of assets and liabilities. These financial statements are based on information available at the closing date. Use of different assumptions could have a material effect on these valuations. The main assumptions made by management in preparing the financial statements are those used for measuring the recoverable value of property, plant and equipment and intangible assets, pension benefit obligations, deferred taxes and provisions. The disclosures provided concerning contingent assets and liabilities and off-balance sheet commitments at the date of preparation of the consolidated financial statements also involve the use of estimates.

The estimates and judgments incorporating the impacts of climate change in particular are presented in note 5 of the annual consolidated financial statements for the year ended 31 December 2024.

The condensed consolidated interim financial statements are prepared in accordance with the historical cost convention, except for certain financial assets and liabilities which are recognized at fair value.

The condensed consolidated interim financial statements are presented in millions of euros, rounded to the nearest million, unless otherwise indicated.

The functional operating currency of foreign companies in the scope of consolidation is their local currency, in which most of their transactions are denominated. Their balance sheets are translated into euros on the basis of exchange rates at the end of the period. The statements of income and of cash flows are translated using the average exchange rates during the period. Foreign exchange differences resulting from translation of the financial statements of these subsidiaries are recorded either in "Translation adjustments" in shareholders' equity in the consolidated financial statements for the Group share, or in "Non-controlling interests" for the share not directly or indirectly attributable to the Group. In exceptional cases, a company's functional currency may differ from the local currency.

In application of IAS 21 "The effects of changes in foreign exchange rates", transactions denominated in foreign currencies are translated by the entity carrying out the transaction into its functional currency at the exchange rate applicable on the transaction date. Monetary balance sheet items are restated at the closing exchange rate at the balance sheet date. Gains and losses resulting from translation are recognized in recurring operating income, unless they result from unhedged financing, in which case they are included in the financial result.

The Group’s standard pattern of business shows seasonality effects. Various characteristics contribute to these effects:

- demand for products manufactured by the Group is generally lower in the summer months (July-August) and in December, notably as a result of the slowdown in industrial activity during these months, particularly in France and the rest of Europe;
- in some of the Group’s businesses, particularly those serving the paints and coatings as well as the refrigeration and air-conditioning markets, sales are generally higher in the first half of the year than in the second half. By contrast, in adhesives, the two halves of the year are more evenly balanced;
- the major multi-annual maintenance turnarounds at the Group’s production plants also have an impact on seasonality, and tend in general to be carried out in the second half of the year.

These seasonal effects observed in the past are not necessarily representative of future trends, but can have a material effect on changes in results and working capital from one quarter of the year to the next.

Note 3 Scope of consolidation

3.1 Business combinations

3.1.1 Business combinations during the period

There were no portfolio management operations in the first half.

3.1.2 Finalization of purchase price allocations

The Group has finalized the purchase price allocation for Proionic GmbH.

Intangible assets stated at fair value primarily comprise technologies and customer relations. They amount to €5 million.

Final goodwill calculated using the partial goodwill method amounts to €9 million and mainly corresponds to the value of expected commercial development.

The final purchase price allocation for Dow's flexible packaging laminating adhesives business will take place in the second half of 2025.

3.2 Warranties related to sales of businesses

When selling businesses, the Arkema Group has sometimes granted the purchaser warranties in respect of unrecorded liabilities. In most cases, these warranties are capped and granted for a limited period of time. They are also limited in terms of their coverage to certain types of expenses or litigation. In the majority of cases, they cover risks of occurrence of environmentally related expenses or litigation. The cumulative residual amount of capped warranties in respect of unrecorded liabilities granted by the Group amounts to €20 million at 30 June 2025 (€37 million at 31 December 2024). These amounts are stated net of provisions recognized in the balance sheet in respect of such warranties.

Note 4 Alternative performance indicators and information by segment

The Group uses performance indicators that are not directly defined in the consolidated financial statements under IFRS and which are used as monitoring and analysis tools. The purpose of these indicators is to provide additional information to illustrate the Group's financial performance and its various activities, notably by eliminating exceptional or non-recurring items in certain cases, to ensure period-on-period comparability. In some cases, the indicators may also provide a consistent basis for comparison with the financial performance of our peers.

The alternative performance indicators used are as follows:

- Recurring depreciation and amortization of property, plant and equipment and intangible assets;
- Working capital;
- Capital employed;
- Adjusted capital employed;
- Net debt;
- Net debt and hybrid bonds;
- Net debt and hybrid bonds to EBITDA ratio;
- Earnings before interest, tax, depreciation and amortization (EBITDA);
- Recurring cash flow;
- Free cash flow;
- Net cash flow;
- Net cash flow from portfolio management operations;
- Non-recurring cash flow;
- Operating cash flow;
- Recurring capital expenditure;
- Exceptional capital expenditure;
- REBIT margin;
- EBITDA margin;
- Recurring operating income (REBIT);
- Adjusted net income;
- Adjusted net income per share;
- Diluted adjusted earnings per share;
- Return on capital employed (ROCE);
- Return on adjusted capital employed;
- EBITDA to cash conversion rate;
- EBITDA to operating cash conversion rate.

These indicators are defined in note 4.10, and notes 4.1 to 4.9 indicate the correspondence of these indicators with their equivalent items in the consolidated financial statements under IFRS.

4.1 Recurring operating income (REBIT) and EBITDA

(In millions of euros)	Notes	1st half 2025	1st half 2024
OPERATING INCOME		**219**	**352**
- Depreciation and amortization related to the revaluation of property, plant and equipment and intangible assets as part of the allocation of the purchase price of businesses		(70)	(75)
- Other income and expenses	*(5.1)*	(69)	(77)
RECURRING OPERATING INCOME (REBIT)		**358**	**504**
- Recurring depreciation and amortization of property, plant and equipment and intangible assets		(335)	(297)
EBITDA		**693**	**801**

Details of depreciation and amortization of property, plant and equipment and intangible assets:

(In millions of euros)	Notes	1st half 2025	1st half 2024
Depreciation and amortization of property, plant and equipment and intangible assets	***(8.1 to 8.3)***	**(404)**	**(382)**
Of which: Recurring depreciation and amortization of property, plant and equipment and intangible assets		(335)	(297)
Of which: Depreciation and amortization related to the revaluation of property, plant and equipment and intangible assets as part of the allocation of the purchase price of businesses		(70)	(75)
Of which: Depreciation and amortization included in other income and expenses		1	(10)

4.2 Adjusted net income and adjusted earnings per share

(In millions of euros)	Notes	1st half 2025	1st half 2024
NET INCOME – GROUP SHARE		**96**	**224**
- Depreciation and amortization related to the revaluation of property, plant and equipment and intangible assets as part of the allocation of the purchase price of businesses		(70)	(75)
- Other income and expenses	*(5.1)*	(69)	(77)
- Other income and expenses attributable to non-controlling interests		—	—
- Taxes on depreciation and amortization related to the revaluation of property, plant and equipment and intangible assets as part of the allocation of the purchase price of businesses		16	16
- Taxes on other income and expenses		6	12
- One-time tax effects		(4)	(4)
ADJUSTED NET INCOME		**217**	**352**
Weighted average number of ordinary shares		75,597,121	74,748,618
Weighted average number of potential ordinary shares	*(11.6)*	75,987,210	75,043,514
ADJUSTED EARNINGS PER SHARE *(in euros)*		**2.87**	**4.71**
DILUTED ADJUSTED EARNINGS PER SHARE *(in euros)*		**2.86**	**4.69**

4.3 Investments

(In millions of euros)	1st half 2025	1st half 2024
INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT ADDITIONS	**240**	**269**
- Exceptional capital expenditure	—	—
- Investments relating to portfolio management operations	—	—
- Capital expenditure with no impact on net debt	—	—
RECURRING CAPITAL EXPENDITURE	**240**	**269**

4.4 Cash flows

	(In millions of euros)	1st half 2025	1st half 2024
	Cash flow from operating activities	275	380
+	Cash flow from investing activities	(346)	(386)
	NET CASH FLOW	**(71)**	**(6)**
-	Net cash flow from portfolio management operations	(7)	(41)
	FREE CASH FLOW	**(64)**	**35**
-	Exceptional capital expenditure	—	—
-	Non-recurring cash flow	(37)	(37)
	RECURRING CASH FLOW	**(27)**	**72**
-	Recurring capital expenditure	(240)	(269)
	OPERATING CASH FLOW	**213**	**341**

4.5 Net debt

	(In millions of euros)	Notes	30 June 2025	31 December 2024
	Non-current debt	*(10.2)*	3,644	3,680
+	Current debt	*(10.2)*	147	874
-	Cash and cash equivalents	*(10.2)*	1,311	2,013
	NET DEBT		**2,480**	**2,541**
+	Hybrid bonds	*(11.2)*	1,100	700
	NET DEBT AND HYBRID BONDS		**3,580**	**3,241**
	Last twelve months EBITDA		1,424	1,532
	NET DEBT AND HYBRID BONDS TO EBITDA RATIO		**2.5**	**2.1**

4.6 Working capital

	(In millions of euros)	Notes	30 June 2025	31 December 2024
	Inventories		1,309	1,348
+	Accounts receivable		1,435	1,312
+	Other receivables including income taxes recoverable		319	302
+	Current financial derivative assets		35	20
-	Accounts payable (operating suppliers)		935	1,074
-	Other liabilities including income taxes		518	506
-	Current financial derivative liabilities		16	32
	WORKING CAPITAL		**1,629**	**1,370**

4.7 Capital employed

	(In millions of euros)	Notes	30 June 2025	31 December 2024
	Goodwill, net	*(8.1)*	2,898	3,071
+	Intangible assets (excluding goodwill) and property, plant and equipment, net	*(8.2 & 8.3)*	6,096	6,600
+	Investments in equity affiliates		10	11
+	Other investments and other non-current assets		364	377
+	Working capital		1,629	1,370
	CAPITAL EMPLOYED		**10,997**	**11,429**

4.8 Information by segment

As required by IFRS 8 "Operating segments", segment information for the Group is presented in accordance with the internal reporting structure that is used by executive management in order to assess financial performance and allocate resources.

Arkema is organized around three complementary, coherent segments dedicated to Specialty Materials, namely Adhesive Solutions, Advanced Materials and Coating Solutions, and an Intermediates segment consisting of activities with more volatile results.

The Adhesive Solutions segment is headed by a member of the Executive Committee, and the Advanced Materials, Coating Solutions and Intermediates segments are directed by a Chief Operating Officer who is also a member of the Executive Committee. Both of these segment heads report to the Chairman and CEO, Arkema's chief operating decision-maker as defined by IFRS 8, and are in regular contact with him for the purpose of discussing their segments' operating activities, financial results, forecasts and plans.

The Chief Operating Officer is supported by three other Executive Committee members, who report to him and are respectively in charge of the Coating Solutions segment and each of the two Business Lines [(1)] making up the Advanced Materials segment: High Performance Polymers and Performance Additives.

The content of the segments is as follows:

- Adhesive Solutions comprises the following Business Lines:
  - Construction and Consumer, providing solutions for construction, renovation of buildings, and DIY; and
  - Industrial Assembly, comprising high performance adhesives for durable goods, and adhesive solutions for packaging and non-woven.

The Adhesive Solutions segment supplies technologies used in building activities for businesses and individuals, including sealants, tile and flooring adhesives and waterproofing systems, and technologies used in industry, including state-of-the-art know-how in the automotive, textiles, glazing, flexible and rigid packaging, and hygiene markets.

- Advanced Materials comprises the following Business Lines:
  - High Performance Polymers, consisting of specialty polyamides, PVDF, polyimides, fluorospecialties and PEKK, and
  - Performance Additives, covering interface agents combining specialty surfactants and molecular sieves, organic peroxides, thiochemicals and hydrogen peroxide.

The Advanced Materials segment offers innovative solutions with high added value to meet the major challenges of sustainable development, including lightweighting, new energies, access to water, bio-based products and recycling. These solutions are used in a wide variety of sectors such as the automotive and transportation sectors, oil and gas, renewable energies (photovoltaics, lithium-ion batteries, wind power), consumer goods (sports equipment, packaging, beauty and health products, etc.), electronics, construction, coatings, animal nutrition and water treatment.

- Coating Solutions comprises the following Business Lines:
  - Coating Resins, combining the EU/US acrylics activities and coating resins; and
  - Coating Additives, combining Sartomer photocure resins and Coatex rheology additives and specialties.

This segment offers a broad range of innovative products for decorative paints, industrial coatings and adhesives, and also provides solutions for applications in the paper industry, superabsorbents, water treatment and oil and gas extraction, and in cutting-edge high-growth markets such as 3D printing and electronics.

- The Intermediates segment comprises the following activities:
  - Fluorogases, and
  - Asia Acrylics.

These industrial intermediate chemicals activities, in which Arkema holds leading positions, concern competitive global product lines used in several industrial sectors such as construction, production of cold (refrigeration and air conditioning), the automotive industry, coatings and water treatment.

Functional and financial activities which cannot be directly allocated to operational activities (notably certain research costs and central costs) are brought together in a Corporate segment.

(1) Business Lines are activities or groups of activities.

1st half 2025 *(In millions of euros)*	Adhesive Solutions	Advanced Materials	Coating Solutions	Intermediates	Corporate	**Total**
Sales	**1,431**	**1,811**	**1,172**	**345**	**17**	**4,776**
EBITDA	**202**	**351**	**111**	**78**	**(49)**	**693**
Recurring depreciation and amortization of property, plant and equipment and intangible assets	(51)	(197)	(63)	(15)	(9)	(335)
Recurring operating income (REBIT)	**151**	**154**	**48**	**63**	**(58)**	**358**
Depreciation and amortization related to the revaluation of property, plant and equipment and intangible assets as part of the allocation of the purchase price of businesses	(49)	(18)	(3)	—	—	(70)
Other income and expenses	(19)	(43)	—	3	(10)	(69)
Operating income	**83**	**93**	**45**	**66**	**(68)**	**219**
Equity in income of affiliates	—	0	—	—	—	0
Intangible assets and property, plant and equipment additions	26	121	76	7	10	240
Of which: recurring capital expenditure	26	121	76	7	10	240

1st half 2024 *(In millions of euros)*	Adhesive Solutions	Advanced Materials	Coating Solutions	Intermediates	Corporate	Total
Sales	**1,386**	**1,796**	**1,263**	**412**	**20**	**4,877**
EBITDA	**214**	**352**	**166**	**123**	**(54)**	**801**
Recurring depreciation and amortization of property, plant and equipment and intangible assets	(44)	(169)	(61)	(20)	(3)	(297)
Recurring operating income (REBIT)	**170**	**183**	**105**	**103**	**(57)**	**504**
Depreciation and amortization related to the revaluation of property, plant and equipment and intangible assets as part of the allocation of the purchase price of businesses	(53)	(19)	(3)	—	—	(75)
Other income and expenses	(16)	(51)	0	(1)	(9)	(77)
Operating income	**101**	**113**	**102**	**102**	**(66)**	**352**
Equity in income of affiliates	—	(2)	—	—	—	(2)
Intangible assets and property, plant and equipment additions	27	176	43	11	12	269
Of which: recurring capital expenditure	27	176	43	11	12	269

4.9 Information by geographical area

Sales are presented on the basis of the geographical location of customers.

1st half 2025 *(In millions of euros)*	Non-Group sales
Europe	1,582
of which France	*349*
NAFTA*	1,659
of which United States	*1,484*
Asia	1,295
*of which China***	*636*
Rest of the world	240
TOTAL	**4,776**

* *USA, Canada, Mexico.*
** *China, Hong Kong and Taiwan.*

1st half 2024 *(In millions of euros)*	Non-Group sales
Europe	1,658
of which France	*373*
NAFTA*	1,717
of which United States	*1,526*
Asia	1,262
*of which China***	*609*
Rest of the world	240
TOTAL	**4,877**

* *USA, Canada, Mexico.*
** *China, Hong Kong and Taiwan.*

4.10 Definitions of alternative performance indicators

Recurring depreciation and amortization of property, plant and equipment and intangible assets

This alternative performance indicator corresponds to depreciation, amortization and impairment of property, plant and equipment and intangible assets before taking into account:

(i) depreciation and amortization related to the revaluation of property, plant and equipment and intangible assets as part of the allocation of the purchase price of businesses, and

(ii) impairment included in other income and expenses.

The indicator facilitates period-to-period comparisons by eliminating non-recurring items.

Working capital

This alternative performance indicator corresponds to the net amount of current assets and liabilities relating to operating activities, capital expenditure and financing activities. It reflects the Group's short-term financing requirements resulting from cash flow timing differences between outflows and inflows relating to operating activities.

Capital employed

This alternative performance indicator corresponds to the sum of the following:

(i) the net book value of goodwill,

(ii) the net book value of intangible assets (excluding goodwill) and property, plant and equipment,

(iii) the amount of investments in equity affiliates,

(iv) the amount of other investments and other non-current assets, and

(v) working capital.

Capital employed is used to analyze the amount of capital invested by the Group to conduct its business.

Adjusted capital employed

This alternative performance indicator corresponds to capital employed adjusted for divestments and acquisitions, to ensure consistency between the numerator and denominator items used to calculate ROCE.

In the case of an announced divestment of a business announced and not finalized by 31 December, the operating income of this business remains consolidated in the income statement, and is therefore included in the calculation of REBIT, whereas items relating to capital employed are classified as assets/liabilities held for sale and are therefore excluded from the calculation of capital employed. To ensure consistency between the numerator and denominator items used to calculate ROCE, capital employed at 31 December is increased by the capital employed relating to the business being sold.

When an acquisition is finalized during the year, operating results are only consolidated in the income statement from the date of acquisition, and not for the full year, while capital employed is recognized in full at 31 December. When the acquisition has not generated a material contribution to the year's earnings, in order to ensure consistency between the numerator and denominator items used to calculate ROCE, capital employed at 31 December is reduced by the capital employed relating to the acquired business, unless they are considered as not material.

Net debt

This alternative performance indicator corresponds to the sum of current and non-current debt less cash and cash equivalents.

Net debt and hybrid bonds

This alternative performance indicator corresponds to the amount of net debt and hybrid bonds.

Net debt and hybrid bonds to EBITDA ratio

This alternative performance indicator corresponds to the ratio of net debt and hybrid bonds to EBITDA. The indicator measures the level of debt in relation to the Group's operating performance, and provides a consistent basis for comparison with our peers.

Earnings before interest, tax, depreciation and amortization (EBITDA)

The IFRS item most similar to this alternative performance indicator is operating income.

The indicator corresponds to operating income before taking into account:

(i) recurring depreciation and amortization of property, plant and equipment and intangible assets,

(ii) other income and expenses, and

(iii) depreciation and amortization related to the revaluation of property, plant and equipment and intangible assets as part of the allocation of the purchase price of businesses.

This indicator is used to assess the Group's operating profitability and its ability to generate operating cash flow before changes in working capital, capital expenditure and cash flow from financing and tax expenses. It also facilitates period-to-period comparisons by eliminating non-recurring items, and provides a consistent basis for comparison with our peers.

Recurring cash flow

This alternative performance indicator corresponds to free cash flow excluding non-recurring or exceptional items, *i.e.*, non-recurring cash flow and exceptional capital expenditure. The indicator enables period-to-period comparisons by eliminating the impact of exceptional or non-recurring items and portfolio management, and provides a consistent basis for comparison with our peers. It is used to assess the Group's ability to generate cash to finance its shareholder returns, non-recurring or exceptional items and acquisitions.

Free cash flow

This alternative performance indicator corresponds to net cash flow before taking into account net cash flow from portfolio management operations. It enables period-to-period comparisons by eliminating portfolio management, and provides a consistent basis for comparison with our peers.

Net cash flow

This alternative performance indicator corresponds to the sum of two IFRS items, cash flow from operations and cash flow from net investments. It provides an estimate of Group cash flow before changes in cash flow from financing activities.

Net cash flow from portfolio management operations

This alternative performance indicator corresponds to cash flows from acquisitions and divestments as described in note 3.1 “Business combinations”.

Non-recurring cash flow

This alternative performance indicator corresponds to cash flow from other income and expenses, as described in note 5.1 "Other income and expenses".

Operating cash flow

This alternative performance indicator corresponds to free cash flow before taking into account intangible assets and property, plant and equipment additions, adjusted for non-recurring cash flows. It is used to assess the Group's ability to generate cash to finance its intangible assets and property, plant and equipment additions, shareholder returns and acquisitions. It corresponds to and replaces the "Operating cash flow" indicator defined at the Capital Markets Day on 27 September 2023.

Recurring capital expenditure

The IFRS item most similar to this alternative performance indicator is intangible assets and property, plant and equipment additions. Recurring capital expenditure includes all intangible assets and property, plant and equipment additions, adjusted for exceptional capital expenditure, investments linked to portfolio management operations and investments with no impact on net debt (financed by third parties). This indicator enables period-to-period comparisons by eliminating exceptional items, and provides a consistent basis for comparison with our peers.

Exceptional capital expenditure

Alternative performance indicator corresponding to a very limited number of capital expenditure items for major development projects that the Group presents separately in its financial communication due to their size and nature.

REBIT margin

This alternative performance indicator corresponds to the recurring operating income (REBIT) to sales ratio. It facilitates period-to-period comparisons by eliminating non-recurring items, and provides a consistent basis for comparison with our peers.

EBITDA margin

This alternative performance indicator corresponds to the EBITDA to sales ratio. It facilitates period-to-period comparisons by eliminating non-recurring items, and provides a consistent basis for comparison with our peers. It is also one of the financial performance criteria linked to performance share plans.

Recurring operating income (REBIT)

The IFRS item most similar to this alternative performance indicator is operating income. The indicator corresponds to operating income before taking into account:

(i) depreciation and amortization related to the revaluation of property, plant and equipment and intangible assets as part of the allocation of the purchase price of businesses, and

(ii) other income and expenses.

The indicator assesses the Group's operating profitability before tax and excluding non-recurring items, whatever the financing structure, since it does not take into account financial result. It facilitates period-to-period comparisons by eliminating non-recurring items, and provides a consistent basis for comparison with our peers.

Adjusted net income

The IFRS item most similar to this alternative performance indicator is net income – Group share. This indicator corresponds to net income – Group share before non-recurring items. Exceptional or non-recurring items correspond to:

(i) other income and expenses, net of applicable taxes,

(ii) depreciation and amortization related to the revaluation of property, plant and equipment and intangible assets as part of the allocation of the purchase price of businesses, net of applicable taxes, and

(iii) one-time tax effects unrelated to other income and expenses and relating to events that are exceptional in terms of frequency and amount, such as the recognition or impairment of deferred tax assets, or the impact of a change in tax rates on deferred taxes.

This indicator enables us to assess the Group's profitability by taking account of not only operating items, but also the Group's financing structure and income taxes. It facilitates period-to-period comparisons by eliminating non-recurring items, and provides a consistent basis for comparison with our peers.

Adjusted earnings per share

This alternative performance indicator is calculated by dividing adjusted net income for the period by the weighted average number of ordinary shares outstanding during the period.

Diluted adjusted earnings per share

This alternative performance indicator corresponds to earnings per share adjusted for the dilutive effect of all potential ordinary shares. It is calculated by dividing adjusted net income for the period by the weighted average number of potential ordinary shares outstanding during the period.

Return on capital employed (ROCE)

This alternative performance indicator corresponds to the ratio of recurring operating income (REBIT) for the period to capital employed at the end of the period. It is used to assess the profitability of capital expenditure over time.

Return on adjusted capital employed

This alternative performance indicator corresponds to the ratio of recurring operating income (REBIT) for the period to the adjusted capital employed at the end of the period. It is used to assess the profitability of capital expenditure over time, by adjusting items relating to capital employed acquired during the period or in the course of disposal to bring them into line with the items used in REBIT.

EBITDA to cash conversion rate

This alternative performance indicator corresponds to the ratio of recurring cash flow to EBITDA. The indicator is used to assess the Group's ability to generate cash to finance, in particular, returns to shareholders, exceptional capital expenditure and acquisitions.

EBITDA to operating cash conversion rate

This alternative performance indicator corresponds to the ratio of operating cash flow to EBITDA. The indicator provides a consistent basis for comparison between periods and with our peers, whatever the growth strategy adopted, whether external growth through acquisitions or internal growth through capital expenditure. It is also one of the financial performance criteria linked to performance share plans. It corresponds to and replaces the "Operating cash conversion rate" indicator defined at the Capital Markets Day on 27 September 2023.

Note 5 Other information relating to operating activities

5.1 Other income and expenses

Other income and expenses concern a limited number of well-identified non-recurring items of income and expense of a particularly material nature that the Group presents separately in its income statement in order to facilitate understanding of its recurring operational performance.

	1st half 2025			1st half 2024		
(In millions of euros)	Expenses	Income	Net	Expenses	Income	Net
Restructuring and environment	(54)	1	(53)	(22)	1	(21)
Goodwill impairment	—	—	—	—	—	—
Asset impairment (excluding goodwill)	—	—	—	(10)	—	(10)
Litigation and damages	(9)	—	(9)	(17)	7	(10)
Gains (losses) on sales and purchases of assets	(6)	—	(6)	(13)	—	(13)
Other	(1)	—	(1)	(23)	—	(23)
TOTAL OTHER INCOME AND EXPENSES	**(70)**	**1**	**(69)**	**(85)**	**8**	**(77)**

In first-half 2025, restructuring and environmental expenses were mainly incurred by Advanced Materials in relation to the restructuring of the Hydrogen Peroxide activities at the Jarrie site in France, as well as by Adhesive Solutions segment. Expenses related to litigation and damages were primarily attributable to legal fees for ongoing proceedings in the United States. The income and expenses relating to sales and purchases of assets chiefly correspond to the acquisition of Dow's flexible packaging laminating adhesives business.

In the first half of 2024, restructuring and environmental expenses mainly concern the Corporate segment in the United States, as well as Adhesive Solutions and Advanced Materials. Specific asset impairments have mainly been recognized in the Hydrogen Peroxide activities for the Jarrie site in France. Expenses related to litigation and damages notably include legal fees for ongoing proceedings in the United States. The income and expenses relating to sales and purchases of assets were mainly attributable to the acquisition of Dow's flexible packaging laminating adhesives business. "Other" mainly includes start-up costs for the Singapore platform.

5.2 Working capital

Cash flows in foreign currencies are translated into euros using the average exchange rates of each period. Cash flow statements exclude foreign exchange differences arising from the translation into euros of assets and liabilities recognized in balance sheets denominated in foreign currencies at the end of the period (except for cash and cash equivalents).

The change in working capital reported in the cash flow statement amounts to €231 million in cash flow from operating activities and a negative €99 million in cash flow from investing activities.

(In millions of euros)	31 December 2024	Changes in scope	Monetary flows in the cash flow statement (operating and investing activities)	Translation adjustments	Other non-monetary flows	30 June 2025
Inventories	1,348	(1)	34	(72)	—	1,309
+ Accounts receivable, excluding fixed asset receivables	1,304	—	214	(84)	1	1,435
+ Other receivables, including income taxes recoverable	302	—	42	(14)	(11)	319
- Accounts payable, excluding fixed asset payables	862	—	22	(47)	—	837
- Other liabilities, including income taxes	506	1	37	(17)	(9)	518
TOTAL OPERATING CATEGORIES	**1,586**	**(2)**	**231**	**(106)**	**(1)**	**1,708**
+ Fixed asset receivables	8	—	(8)	—	—	0
- Other creditors and fixed asset payables	212	—	(107)	(7)	—	98
TOTAL INVESTING CATEGORIES	**(204)**	**—**	**99**	**7**	**—**	**(98)**
+ Current financial derivative assets and liabilities	(12)	—	—	10	21	19
TOTAL WORKING CAPITAL [(a)]	**1,370**	**(2)**	**330**	**(89)**	**20**	**1,629**

(a) Alternative performance indicator: see note 4 for concordance tables and definitions.

5.3 Off-balance sheet commitments related to operating activities

5.3.1 Off-balance sheet commitments related to the Group’s operating activities

The main commitments given are summarized in the table below:

(In millions of euros)	30 June 2025	31 December 2024
Guarantees granted	120	150
Comfort letters	—	—
Contractual guarantees	12	11
Customs and excise guarantees	47	34
TOTAL	**179**	**195**

Guarantees granted are mainly bank guarantees in favor of local authorities and public bodies (state agencies, environmental agencies) in respect of environmental obligations or concerning classified sites, as well as rent guarantees for the Group's new headquarters.

5.3.2 Contractual commitments related to the Group’s operating activities

In the normal course of business, the Arkema Group has signed multi-year purchase agreements for raw materials and energy for the operational requirements of its factories, in order to guarantee the security and continuity of supply. Signature of such contracts over initial periods generally comprised between one and ten years is a normal practice for companies in the Group's business sector in order to cover their needs.

These purchase commitments were valued taking into account, on a case-by-case basis, Arkema's financial commitment to its suppliers, as certain of these contracts include clauses which oblige the Group to take delivery of the minimum volumes as set out in the contract or, otherwise, to pay financial compensation to the supplier. Depending on the case, these commitments are reflected in the purchase contracts in the form of notice periods, indemnification to be paid to the supplier in case of early termination of the contract or "take or pay" clauses. The value of these agreements thus corresponds to the minimum amount payable to suppliers as indemnification in the event of termination of the contracts or failure to take delivery of the minimum contractual quantities, less any quantities that can be resold on the market when the Group is able to do so (even though this may not be its intention upon entering into the agreements).

Some lease or purchase commitments do not fall within the scope of IFRS 16. Many of them are irrevocable purchase commitments described above, and service contracts or asset provision contracts that are not identified or controlled by Arkema at 30 June 2025. Only the irrevocable portion of outstanding future purchases has been valued.

The corresponding amounts are included in the table below at 30 June 2025.

The total amount of the Group's financial commitments is €1,167 million at 30 June 2025 (year Y), maturing as follows:

(In millions of euros)	30 June 2025	31 December 2024
Y	237	293
Y+1	156	148
Y+2	108	96
Y+3	98	85
Y+4	91	80
Y+5 until expiry of the contracts	477	427
TOTAL	**1,167**	**1,129**

Note 6 Provisions for pensions and other employee benefits

6.1 Provisions for pensions and other employee benefits

At 30 June 2025, provisions for pensions and other employee benefits break down as follows:

(In millions of euros)	30 June 2025	31 December 2024
Pension obligations	239	262
Healthcare and similar coverage	38	42
Dispensation from work	12	13
Post-employment benefits	**289**	**317**
Long service awards	72	74
Other long-term benefits	**72**	**74**
Provisions for pensions and other employee benefits	**361**	**391**

(In millions of euros)	30 June 2025	31 December 2024
Provision recognized in liabilities	361	391
Amount recognized in assets	(2)	(4)
Net provisions for pensions and other employee benefits	**359**	**387**

The discount rates used by the Arkema Group are as follows:

Pension obligations, healthcare and similar coverage	France	Germany	UK	Rest of Europe	USA
2025	4.00	4.10	5.60	3.26	5.35
2024	3.50	3.60	5.50	3.26	5.50

The present value of benefit obligations at the end of 2024 has been adjusted at 30 June 2025 on the basis of sensitivity analysis tables prepared by the Group's external actuaries in the context of the full-year 2024 closing, to take account of the change in interest rates over the half-year. The fair value of plan assets has also been reassessed on the basis of new valuations at 30 June 2025. The effects of the change in discount rates and the revaluation of assets are included in actuarial gains and losses for the period.

The change in net provisions for post-employment benefits over the first half of 2025 is as follows:

(In millions of euros)	Pension obligations	Healthcare and similar coverage	Dispensation from work	Total post-employment benefits
Net liability (asset) at beginning of period	**258**	**42**	**13**	**313**
Provision recognized in liabilities	*262*	*42*	*13*	*317*
Amount recognized in assets	*(4)*	—	—	*(4)*
(Income)/Expense for the period	10	1	—	11
Net benefits paid by the employer	(16)	(1)	(1)	(18)
Changes in scope	—	—	—	—
Reclassification as liabilities held for sale under IFRS 5	—	—	—	—
Actuarial gains and losses recognized in shareholders' equity	(10)	(1)	—	(11)
Translation adjustments	(5)	(3)	—	(8)
Net liability (asset) at end of period	**237**	**38**	**12**	**287**
Provision recognized in liabilities	*239*	*38*	*12*	*289*
Amount recognized in assets	*(2)*	—	—	*(2)*

6.2 Share-based payments

6.2.1 Free share grants

On 5 November 2024, the Board of Directors decided to introduce two free performance share plans for employees, particularly people in positions of responsibility whose work has an influence on the Group's results.

Performance shares are generally granted on the condition of continued presence within the Group and achievement of financial and CSR objectives.

Movements in the free share grant plans existing at 30 June 2025 are as follows:

Plan	Grant date	Vesting period	Holding period	Total number of free shares granted	Number of shares subject to performance conditions	Fair value *(euros per share)*	Number of shares vested in 1st half 2025	Number of shares canceled in 1st half 2025	Total number of shares still to be granted at 30 June 2025
2021-2	9 Nov. 2021	4 years	-	124,713 (1)	105,293	83.92	109	1,035	112,490
2022-1, 2	9 Nov. 2022	3-4 years	0-3 years	52,255	-	63.45-70.51	-	-	52,244
2022-3	9 Nov. 2022	3 years	2 years	234,715 (2)	219,835	68.26	-	670	225,535
2022-4	9 Nov. 2022	4 years	-	128,540 (3)	106,515	66.15	-	1,030	120,825
2023-1	8 Nov. 2023	3 years	2 years	247,665 (4)	232,980	69.45	-	760	240,995
2023-2	8 Nov. 2023	4 years	-	126,995 (5)	102,800	67.68	-	860	122,510
2024-1, 2	5 Nov. 2024	3-4 years	0-3 years	64,093	-	61.90-63.65	-	-	64,093
2024-4	5 Nov. 2024	3 years	2 years	243,330 (6)	229,545	64.48	-	590	242,620
2024-5	5 Nov. 2024	4 years	-	126,595 (7)	102,790	61.90	-	510	125,835

(1) *May be raised to 145,772 in the event of outperformance.*
(2) *May be raised to 278,682 in the event of outperformance.*
(3) *May be raised to 149,843 in the event of outperformance.*
(4) *May be raised to 294,261 in the event of outperformance.*
(5) *May be raised to 147,555 in the event of outperformance.*
(6) *May be raised to 289,239 in the event of outperformance.*
(7) *May be raised to 147,153 in the event of outperformance.*

The amount of the IFRS 2 expense recognized in respect of free shares at 30 June 2025 is €10 million (€13 million at 30 June 2024).

Note 7 Income taxes

The income tax expense breaks down as follows:

(In millions of euros)	1st half 2025	1st half 2024
Current income taxes	(61)	(81)
Deferred income taxes	(3)	(7)
TOTAL INCOME TAXES	**(64)**	**(88)**

The income tax expense amounts to €64 million for the first half of 2025, compared with €88 million for the first half of 2024.

Pillar Two provisions are applicable to the Group in 2025. The Group applies the temporary relief from deferred tax accounting. The amount of current tax relating to Pillar Two has been recognized for €1 million.

Note 8 Intangible assets and property, plant and equipment

8.1 *Goodwill*

Goodwill is initially recognized when a business combination takes place.

Goodwill is not amortized after initial recognition. It is included in the cash-generating units (CGUs) that are subject to impairment tests as soon as any indicators of potential impairment are identified. Impairment tests are performed at least annually, following the methodology described in note 8.5 "Asset value monitoring".

	30 June 2025			31 December 2024
(In millions of euros)	Gross book value	Accumulated depreciation and impairment	Net book value	Net book value
Goodwill	3,398	(500)	2,898	3,071

The breakdown by segment is as follows:

Goodwill by segment	30 June 2025 Net book value	31 December 2024 Net book value
Adhesive Solutions	1,640	1,743
Advanced Materials	831	899
Coating Solutions	383	385
Intermediates	44	44
Corporate	—	—
TOTAL	**2,898**	**3,071**

Changes in the net book value of goodwill are as follows:

(In millions of euros)	2025
At 1 January	**3,071**
Acquisitions	(2)
Impairment	—
Translation adjustments	(171)
Reclassifications	—
At 30 June	**2,898**

In 2025, the “acquisitions” line corresponds to the reduction in goodwill following the purchase price allocation for Proionic GmbH (see note 3.1 “Business combinations”).

8.2 Other intangible assets

Other intangible assets mainly include patents and technologies, trademarks, software and IT licenses, capitalized contracts, customer relations, and capitalized research expenses. Intangible assets are recognized in the balance sheet at their acquisition or production cost, less any accumulated amortization and impairment losses recognized following impairment tests as described in note 8.5 "Asset value monitoring".

At 30 June 2025, the net book value of intangible assets excluding Goodwill amounts to €2,194 million.

	30 June 2025			31 December 2024
(In millions of euros)	Gross book value	Accumulated amortization and impairment	Net book value	Net book value
Patents and technologies	691	(357)	334	362
Trademarks	695	(16)	679	693
Software and IT licenses	506	(428)	78	84
Capitalized REACH costs	104	(69)	35	31
Other capitalized research expenses	28	(28)	0	0
Capitalized contracts	254	(93)	161	181
Asset rights	94	(42)	52	56
Customer relations	1,096	(300)	796	867
Other intangible assets	57	(55)	2	37
Intangible assets in progress	82	(25)	57	62
TOTAL	**3,607**	**(1,413)**	**2,194**	**2,373**

Trademarks essentially comprise the Bostik® and Den Braven® trademarks, which are part of the Adhesive Solutions segment.

Changes in the net book value of intangible assets are as follows:

(In millions of euros)	2025
At 1 January	**2,373**
Acquisitions	23
Amortization	(97)
Impairment	—
Disposals	(1)
Changes in scope	5
Translation adjustments	(112)
Reclassifications (including reclassifications as assets held for sale)	3
At 30 June	**2,194**

At 30 June 2025, “Changes in scope” included intangible assets of Proionic GmbH.

8.3 Other property, plant and equipment

	30 June 2025			31 December 2024
(In millions of euros)	Gross book value	Accumulated depreciation and impairment	Net book value	Net book value
Land and buildings	2,420	(1,549)	871	916
Complex industrial facilities	3,641	(3,097)	544	551
Other property, plant and equipment	4,867	(3,325)	1,542	1,682
Construction in progress	627	(22)	605	707
TOTAL PROPERTY, PLANT AND EQUIPMENT EXCLUDING RIGHTS OF USE	**11,555**	**(7,993)**	**3,562**	**3,856**
Rights of use	572	(232)	340	371
TOTAL PROPERTY, PLANT AND EQUIPMENT	**12,127**	**(8,225)**	**3,902**	**4,227**

Changes in the net book value of property, plant and equipment excluding rights of use are as follows:

(In millions of euros)	2025
At 1 January	**3,856**
Acquisitions	217
Depreciation	(243)
Impairment	(9)
Disposals	(2)
Changes in scope	1
Translation adjustments	(255)
Other	—
Reclassifications (including reclassifications as assets held for sale)	(3)
At 30 June	**3,562**

Impairment at 30 June 2025 mainly concerns specific property, plant and equipment for Hydrogen Peroxide activities at the Jarrie site in France.

8.4 IFRS 16 Leases: Rights of use and IFRS 16 debt

At 30 June 2025, the net book value of rights of use related to leases is €340 million.

	30 June 2025			31 December 2024
(In millions of euros)	Gross book value	Accumulated depreciation and impairment	Net book value	Net book value
Rights of use: real estate assets (head offices, offices)	164	(28)	136	159
Rights of use: industrial assets (factories, land, warehouses)	72	(27)	45	41
Rights of use: logistics assets (trucks, containers, trolleys)	268	(151)	117	124
Rights of use: other assets (cars, etc.)	68	(26)	42	47
TOTAL RIGHTS OF USE	**572**	**(232)**	**340**	**371**

Changes in the net book value of rights of use are as follows:

(In millions of euros)	2025
At 1 January	**371**
Acquisitions	54
Depreciation	(55)
Disposals	(8)
Changes in scope	—
Translation adjustments	(22)
Reclassifications (including reclassifications as assets held for sale)	—
At 30 June	**340**

The IFRS 16 debt amounts to €353 million at 30 June 2025 (see note 10.2 "Debt"). The total non-discounted value of the Group's future lease payments amounts to €443 million at 30 June 2025, maturing as follows:

(In millions of euros)	30 June 2025
Within one year	82
1-5 years	209
After 5 years	152
TOTAL	**443**

At 30 June 2025, the cash outflows associated with leases amount to €46 million for the year. The financial expenses related to the IFRS 16 debt amount to €8 million.

The application of exemptions for short-term leases and leases of low-value assets concerns amounts that are not material at Group level.

8.5 Asset value monitoring

The recoverable amount of property, plant and equipment and intangible assets is tested as soon as any indication of impairment is identified. A review to identify if any such indication exists is performed at each year-end, based on a five-year plan validated by the Executive Committee. This impairment test is performed at least once a year and includes goodwill and trademarks with indefinite useful lives.

An asset's recoverable amount corresponds to the greater of its value in use and its fair value less costs to sell.

Tests are performed for each autonomous group of assets, termed Cash Generating Units (CGUs). A CGU is a group of assets whose continued use generates cash flows that are substantially independent of cash flows generated by other groups of assets. They are worldwide business operations, which bring together groups of similar products in strategic, commercial and industrial terms.

The value in use of a CGU is determined on the basis of the discounted future cash flows that are expected to be generated by the assets in question, based upon Group executive management's expectation of future economic and operating conditions over the next five years or, when the asset is to be sold, by comparison with its market value. Any impairment is calculated as the difference between the recoverable amount and the carrying amount of the CGU. Because of its unusual nature, any such impairment is presented separately in the income statement under the "Other income and expenses" caption. Impairment may be reversed, up to the maximum carrying amount that would have been recognized for the asset had the asset not been impaired. Impairment losses on goodwill are irreversible (in application of IFRIC 10, impairment losses on goodwill recognized in previous interim accounting periods cannot be written back).

In 2024, the terminal value was calculated based on mid-cycle cash flows and a perpetuity growth rate of 2% for all these CGUs except Fluorogases and Adhesive Solutions, for which the rates used were 0% and 2.5% respectively. The rate used to discount future cash flows and the terminal value is the Group's weighted average cost of capital, estimated at 8.5% in 2024, except for the Asia Acrylics CGU, for which the rate was estimated at 9.0%.

At the end of June 2025, new tests were carried out for the Hydrogen Peroxide CGU after indications of impairment were identified – in particular a change in EBITDA in first-half 2025 compared with first-half 2024. These tests assumed perpetuity growth rate of 2%. The discount rate used at end-June 2025 was the same as at end-December 2024. These tests did not lead to recognition of impairment.

The sensitivity analyses were carried out on the Hydrogen Peroxide CGU at 30 June 2025, allowing for reasonable changes in the basic assumptions – in particular the impact of a 1-point increase in the discount rate, a change of minus 0.5 of a point in the perpetuity growth rate, or minus 10% in EBITDA, or plus 20% in capital expenditure. The maximum exposure in terms of the CGU net book value is approximately €70 million.

As Arkema anticipates a limited direct impact from the recent increase in tariffs, the assumptions used in the sensitivity analyses carried out at 30 June 2025 have been maintained.

Note 9 Other provisions and other non-current liabilities, contingent liabilities and litigation

9.1 Other provisions and non-current liabilities

9.1.1 Other non-current liabilities

Other non-current liabilities amount to €14 million at 30 June 2025 versus €13 million at 31 December 2024.

9.1.2 Other provisions

(In millions of euros)	Environmental contingencies	Restructuring	Other	Total
At 1 January 2025	**260**	**20**	**163**	**443**
Increases in provisions	4	21	22	47
Reversals of provisions on use	(14)	(2)	(23)	(39)
Reversals of unused provisions	—	—	(4)	(4)
Changes in scope	—	—	—	—
Translation adjustments	(17)	(1)	(10)	(28)
Other	—	—	—	—
At 30 June 2025	**233**	**38**	**148**	**419**

Furthermore, certain provisions are covered by non-current assets (receivables and deposits):

(In millions of euros)	Environmental contingencies	Restructuring	Other	Total
Total provisions at 30 June 2025	**233**	**38**	**148**	**419**
Portion of provisions covered by receivables or deposits	82	—	42	124
Deferred tax asset related to amounts covered by the TotalEnergies SE indemnity	24	—	—	24
Provisions at 30 June 2025 net of non-current assets	**127**	**38**	**106**	**271**
For information: Provisions at 1 January 2025 net of non-current assets	**134**	**20**	**116**	**270**

Environmental contingencies

Environmental provisions are recognized mainly to cover expenses related to soil and water table clean-up, as well as, to a lesser extent, expenses related to the reinforcement of certain structures to address physical climate risks such as flooding. Environmental provisions are mainly for:

- France for €95 million (€98 million at 31 December 2024);
- the United States for €127 million (€150 million at 31 December 2024), of which €106 million in respect of former industrial sites covered 100% by the TotalEnergies SE group indemnity to the benefit of Arkema Group (receivable recognized in “Other non-current assets” for an amount of €82 million and €24 million recognized in deferred tax assets) (see note 9.2 “Liabilities and contingent liabilities”).

Restructuring provisions

Restructuring provisions are mainly in respect of restructuring measures in France for €28 million (€15 million at 31 December 2024), in Europe excluding France for €3 million (€4 million at 31 December 2024) and in the United States for €2 million (€2 million at 31 December 2024).

Increases in such provisions in the period mainly correspond to the restructuring plans described in note 5.1 “Other income and expenses”.

Other provisions

Other provisions amount to €148 million and mainly comprise:

- provisions for labor litigation for €77 million (€83 million at 31 December 2024);
- provisions for commercial litigation and warranties for €28 million (€32 million at 31 December 2024);
- provisions for tax litigation for €25 million (€26 million at 31 December 2024); and
- provisions for other risks for €18 million (€22 million at 31 December 2024).

9.2 Liabilities and contingent liabilities

Liabilities and contingent liabilities are described in note 11.2 to the consolidated financial statements at 31 December 2024. There was no development in liabilities and contingent liabilities during the first half of 2025 with an actual or potential material effect on the Group's consolidated financial statements, outside of the developments outlined below.

Pierre-Bénite (Arkema France)

Concerning the environmental summary proceedings procedure (*référé pénal environnemental*) initiated against Arkema France by several associations on 30 May 2023: the court of first instance dismissed the request on 16 November 2023, upholding the arguments put forward by the Group, and the appeal lodged by the associations was deemed inadmissible. On 18 March 2025, the French Supreme Court (*Cour de Cassation)* rejected the appeals and confirmed the position of the Lyon Court of Appeal. This decision puts an end to the environmental summary proceedings procedure initiated against Arkema France. As for the proceedings filed by the "Bien vivre à Pierre-Bénite" association and several local residents before the Lyon Administrative Court against the Rhône Prefect's order of 14 May 2024 authorizing the operation of a third PFAS fluorosurfactant-free PVDF production site (eLynx), the interim relief judge dismissed the request for suspended summary proceedings in an order dated 13 September 2024. On 7 April 2025, the *Conseil d'Etat* dismissed the appeal lodged by the "Bien vivre à Pierre-Bénite" association, thus putting an end to the request for suspended summary proceedings initiated by the association. The annulment procedure is still ongoing.

Anxiety suffered as a result of exposure to asbestos or a harmful or toxic substance (Arkema France)

In a ruling of 11 May 2010, the labor chamber of the French Supreme Court *(Cour de Cassation)* recognized the existence of a prejudice of anxiety, eligible for compensation, for employees who in the past worked on sites included in the list of establishments whose workers were eligible for the early retirement system for asbestos workers.

Two decisions by the French Supreme Court (*Cour de Cassation*, on 5 April 2019 and 11 September 2019) extended the right to compensation for the prejudice of anxiety to employees who have not worked in an establishment classified as exposing workers to asbestos, but can prove they have been exposed to asbestos, and employees who can prove they have been exposed to a harmful or toxic substance entailing a high risk of developing a serious medical condition.

Fifty-two former employees of the Carling plant have appealed to the employee claims court seeking damages for anxiety suffered as a result of alleged past exposure to trichloroethylene during their working lives. During the proceedings, only 19 employees maintained their action against Arkema France. On 17 April 2025, the employee claims court dismissed all the claims brought by an initial wave of six employees. Only one of the employees has decided to appeal the decision to the Metz Court of Appeal. Fourteen claims are therefore pending before the Court of Appeal or the employee claims court.

A former employee of the Pierre-Bénite site has also lodged several claims with the Lyon employee claims court, including one for the prejudice of anxiety caused by alleged past exposure to various PVDFs used at the Pierre-Bénite site during the time he was employed there.

It is possible that other current or former employees of Arkema France who were effectively exposed to asbestos, who worked on sites that are added by ministerial decision to the official list of eligible sites, or who may have been exposed to carcinogenic or other toxic substances during their working lives, could bring action in the future before an employee claims court to claim compensation for the prejudice of anxiety.

Partial shutdown of the Jarrie site

Alongside the restructuring costs associated with the reorganization of the Jarrie site (see note 5.1 "Other income and expenses"), the Company has identified contingent liabilities related to this situation, including (i) potential compensation claims from customers due to the supply disruption for the relevant activities, (ii) additional operating costs associated with the reorganization of production flows, (iii) expenditure to secure the affected site and facilities, and (iv) costs of dismantling and restoring infrastructure, including any environmental remediation obligations in the event of definitive ceasing of activity.

No provision has been made for these contingent liabilities at 30 June 2025, as the impacts of reorganizing the site remain uncertain and difficult to estimate. The Company is closely monitoring developments and will continue its efforts to mitigate potential impacts.

9.3 Commitments received

Commitments received from TotalEnergies SE in 2006

In connection with the Spin-Off of Arkema's Businesses, TotalEnergies SE and certain TotalEnergies companies extended certain indemnities, or assumed certain obligations, for the benefit of the Arkema Group. Some are still in application while others terminated during 2017. The indemnities and obligations concerned are described below, and relate to actual or potential environmental liabilities of the Group arising from certain sites in France, Belgium and the United States, the operations of which in the majority of cases have ceased.

Obligations and indemnities given in respect of Former Industrial Sites

In order to cover certain risks relating to certain industrial sites situated in France, Belgium and the United States in respect of which the Group is or could be held liable, and where, for the most part, operations have ceased (the Former Industrial Sites), TotalEnergies SE companies have entered into indemnity and service agreements with Arkema or its subsidiaries.

Pursuant to these agreements, the obligations and environmental responsibilities associated with these former industrial sites in France and at Rieme in Belgium were transferred to TotalEnergies SE group companies.

Agreement relating to certain former industrial sites located in the United States

In March 2006, Arkema Participations (which absorbed Arkema Amériques SAS in 2023) completed the acquisition from Elf Aquitaine Inc. and Arkema France of Arkema Delaware Inc., a holding company for most of the Group's operations in the United States. The negotiated terms of the stock purchase agreement among Elf Aquitaine Inc., Legacy Site Services and Arkema Participations (which absorbed Arkema Amériques SAS in 2023), dated 7 March 2006 (the Arkema Delaware Main SPA) required Elf Aquitaine Inc. to use US$270 million to capitalize a new subsidiary, Legacy Site Services LLC, to perform remediation services and indemnify the Group against the cost of environmental contamination liabilities incurred by the Group entities covered by this indemnity, and related personal injury and property damage claims associated with contamination at 35 of the Group's closed and formerly operated facilities and 24 third party sites where the Group's liability arises solely out of waste shipments from the sites other than currently operated sites. In exchange for this indemnification, Arkema Participations (which absorbed Arkema Amériques SAS in 2023) agreed to grant to Legacy Site Services LLC control over remediation activities and the defense of claims relating to contamination liabilities at these facilities and sites.

The sites currently operated by the Group are excluded from this indemnity, as are sites that received waste associated with current operations of the Group, certain sites where no significant restoration work is currently underway or anticipated, and other sites where the Group could be held liable for environmental pollution. These other sites include, for example, sites where remediation has been conducted in the past or where future remediation costs or liability are believed to be insignificant or non-existent based upon information available at the time when the indemnity was entered into. Arkema Participations (which absorbed Arkema Amériques SAS in 2023) has waived any claims against Legacy Site Services LLC, TotalEnergies SE or their respective subsidiaries in respect of the sites not covered by the indemnity.

The Legacy Site Services LLC indemnity covers the costs of restoration and clean-up of the soil and groundwater, the costs of related defense and settlement costs and personal injury, property and natural resource damages. The indemnity does not cover liabilities unrelated to site remediation, in particular liabilities in respect of products manufactured on the said sites, liability arising from certain dangerous and potentially dangerous substances, particularly asbestos exposure, and criminal liability.

The indemnity described above is capped at US$270 million. The amount received by Arkema under this indemnity amounts to US$191 million. At the same time as the stock purchase agreement and the indemnity described above, Legacy Site Services LLC and Arkema Inc. entered into a supplemental contamination indemnity agreement pursuant to which Legacy Site Services LLC will indemnify the liabilities of the Group in excess of US$270 million, on the same terms, for the same sites and subject to the same exceptions as the indemnity described in the preceding paragraph.

Note 10 Financing

10.1 Financial result

Financial result includes the cost of debt adjusted for capitalized financial expenses, and as regards provisions for pensions and employee benefits, the interest cost, the expected return on plan assets and the actuarial gains and losses related to changes in the discount rate on other long-term benefits. It also includes the portion of foreign exchange gains and losses corresponding to the interest income/expense reflected by the difference between the spot exchange rate and the forward exchange rate, and the foreign exchange gain/loss on unhedged financing.

(In millions of euros)	**1st half 2025**	1st half 2024
Cost of debt	(32)	(15)
Spot/forward exchange rate difference and foreign exchange gain/loss on unhedged financing	(18)	(11)
Financial income/expenses on provisions for pensions and employee benefits	(5)	(7)
Capitalized interest	5	4
Interest expenses on leases	(8)	(4)
Other	0	0
FINANCIAL RESULT	**(58)**	**(33)**

10.2 Other current debt

Group net debt amounted to €2,480 million at 30 June 2025, taking account of cash and cash equivalents of €1,311 million.

10.2.1 Analysis of net debt by category

(In millions of euros)	**30 June 2025**	31 December 2024
Bonds	3,282	3,280
Bank loans	57	71
Other non-current debt	20	21
Non-current debt excluding IFRS 16 debt	**3,359**	**3,372**
Bonds	—	700
Syndicated credit facility	—	—
Negotiable European Commercial Paper	—	—
Other bank loans	52	47
Other non-current debt	27	58
Current debt excluding IFRS 16 debt	**79**	**805**
Debt excluding IFRS 16 debt	**3,438**	**4,177**
Non-current IFRS 16 debt	285	308
Current IFRS 16 debt	68	69
Debt	**3,791**	**4,554**
Cash and cash equivalents	1,311	2,013
NET DEBT (a)	**2,480**	**2,541**

(a) Alternative performance indicator: see note 4 for concordance tables and definitions.

Bonds

- In January 2015, the Group issued a €700 million bond with a fixed coupon of 1.50%, which was redeemed at maturity on 20 January 2025.
- In April 2017, the Group issued a €700 million bond that will mature on 20 April 2027, with a fixed coupon of 1.50%. A further €200 million tap issue was undertaken in June 2017, bringing the total amount of this bond issue to €900 million.

  At 30 June 2025, the fair value of this bond is €884 million.
- In December 2019, the Group issued a €500 million bond that will mature on 3 December 2029, with a fixed coupon of 0.75%.

  At 30 June 2025, the fair value of this bond is €460 million.
- In October 2020, the Group issued a €300 million green bond that will mature on 14 October 2026, with a fixed coupon of 0.125%. This bond is entirely dedicated to the financing of Arkema's new, world-scale plant in Singapore to manufacture 100% bio-based Rilsan® polyamide 11.

  At 30 June 2025, the fair value of this bond is €290 million.
- In January 2023, the Group issued a €400 million bond that will mature on 23 January 2031, with a fixed coupon of 3.50%.

  At 30 June 2025, the fair value of this bond is €407 million.
- In November 2023, the Group issued a €700 million bond that will mature on 20 May 2030, with a fixed coupon of 4.25%.

  At 30 June 2025, the fair value of this bond is €739 million.
- In September 2024, the Group issued a €500 million bond that will mature on 12 September 2034, with a fixed coupon of 3.50%.

  At 30 June 2025, the fair value of this bond is €493 million.

These issues are part of the Group's Euro Medium Term Notes (EMTN) program introduced in October 2013.

Negotiable European Commercial Paper

In April 2013, the Group introduced an annually renewed Negotiable European Commercial Paper program. The maximum amount of this debt program is €2 billion.

No issues are outstanding as part of this program at 30 June 2025.

Syndicated line of credit

On 28 July 2022, the Group amended and extended its syndicated line of credit maturing on 29 July 2024. The amount was increased to €1.1 billion and the maturity extended to 28 July 2027 with two one-year extension options subject to lender approval. The second option was exercised in July 2024, extending maturity to 28 July 2029.

The cost of the credit line is linked to three key CSR criteria for the Group: greenhouse gas emissions, volatile organic compound emissions and the total recordable injury rate (TRIR). These indicators are calculated each year.

This line is intended to finance the general needs of the Group and serves as a back-up facility for the short-term negotiable securities program.

IFRS 16 debt

The maturities of the Group's future lease payments, at non-discounted value, are presented in note 8.4 "IFRS 16 leases: rights of use and IFRS 16 debt".

10.2.2 Analysis of debt excluding IFRS 16 debt by currency

The Arkema Group's debt excluding IFRS 16 debt is mainly denominated in euros.

(In millions of euros)	30 June 2025	31 December 2024
Euros	3,319	4,047
South Korean won	69	88
Chinese yuan	24	11
Other	26	31
TOTAL DEBT EXCLUDING IFRS 16 DEBT	**3,438**	**4,177**

Part of the debt in euros is converted through swaps to the accounting currency of internally financed subsidiaries, in line with the Group's policy. At 30 June 2025, the swapped portion, mainly in US dollars, represented approximately 27% of gross debt excluding IFRS 16 debt.

10.2.3 Analysis of debt excluding IFRS 16 debt by maturity

The breakdown of debt by maturity, excluding IFRS 16 debt and including interest costs, is as follows:

(In millions of euros)	30 June 2025	31 December 2024
Less than 1 year	137	846
Between 1 and 2 years	1,282	382
Between 2 and 3 years	76	989
Between 3 and 4 years	93	68
Between 4 and 5 years	1,293	631
More than 5 years	897	1,749
TOTAL DEBT EXCLUDING IFRS 16 DEBT	**3,778**	**4,665**

10.2.4 Changes in liabilities from financing activities

(In millions of euros)	31 December 2024	Changes in scope	Monetary flows in the cash flow statement (financing activities)	Translation adjustments	Non-current/ current reclassifications	Other non-monetary flows	30 June 2025
Non-current debt excluding IFRS 16 debt	3,372	—	11	(17)	(7)	—	3,359
Current debt excluding IFRS 16 debt	805	—	(731)	(1)	7	(1)	79
IFRS 16 debt	377	—	(54)	(23)	—	53	353
- Cash and cash equivalents	2,013	—	(774)	70	2	—	1,311
NET DEBT [(a)]	**2,541**	**—**	**0**	**(111)**	**(2)**	**52**	**2,480**

(a) Alternative performance indicator: see note 4 for concordance tables and definitions.

Note 11 Shareholders' equity and earnings per share

At 30 June 2025, Arkema's share capital amounted to €761 million, divided into 76,060,831 shares with a par value of €10.

11.1 Changes in share capital and paid-in surplus

	1st half 2025	2024
Number of shares at 1 January	**76,060,831**	**75,043,514**
Issuance of shares following the capital increase reserved for employees	—	1,017,317
Issuance of shares following the exercise of subscription options	—	—
Share capital reduction	—	—
Number of shares at end of period	**76,060,831**	**76,060,831**

11.2 Hybrid bonds

At 30 June 2025, the total nominal value of Arkema's perpetual hybrid bonds is €1,100 million. The breakdown is as follows:

Issue date	Nominal value *(in millions)*	Currency	Redemption option	Annual coupon rate
21 January 2020	300	EUR	6 years	1.50%
25 March 2024	400	EUR	5 years	4.80%
27 May 2025	400	EUR	5 years	4.25%

Arkema has an option to defer payment of coupons for the above bonds.

In accordance with IAS 32, when there is an unconditional right to avoid delivering cash or another financial asset in the form of repayment of principal or interest, an instrument is recognized in shareholders' equity. In application of this principle, the hybrid bonds are recorded in shareholders' equity, and the coupons paid are recorded as dividends in the Group's consolidated financial statements.

11.3 Treasury shares

On 1 October 2024, Arkema appointed Natixis Oddo BHF to implement a liquidity and market surveillance contract for its ordinary shares, for a period of one year, tacitly renewable.

As part of the liquidity contract, the Company bought back 1,427,206 shares and sold 1,415,777 shares during the first half.

Arkema held 635,480 of its own shares at 30 June 2025, including 549,832 shares to cover free share grant plans and 85,648 shares held under the liquidity contract.

	1st half 2025	2024
Number of treasury shares at 1 January	**257,160**	**228,901**
Purchase of treasury shares (excluding liquidity contract)*	367,000	330,266
Liquidity contract*	11,429	74,219
Grants of treasury shares	(109)	(376,226)
Share capital reduction	—	—
Number of treasury shares at end of period	**635,480**	**257,160**

* *Transactions on treasury shares take account of the settlement-delivery deadline of two working days.*

11.4 Dividends

The combined annual general meeting of 22 May 2025 approved the distribution of a €3.60 dividend per share in respect of the 2024 financial year, or a total amount of €272 million. This dividend was paid out on 28 May 2025.

11.5 Translation adjustments

The change in translation adjustments recognized in other recyclable comprehensive income mainly comprises the impacts of movements in the USD-EUR exchange rate.

11.6 Earnings per share

In accordance with IAS 33, the earnings per share and diluted earnings per share are calculated based on net income (Group share) less the net-of-tax interest paid to bearers of subordinated perpetual notes (hybrid bonds).

After this adjustment, the net income (Group share) is divided by the weighted average number of ordinary shares outstanding since the start of the year to calculate the earnings per share.

Diluted earnings per share corresponds to earnings per share adjusted for the dilutive effect of all potential ordinary shares.

	1st half 2025	1st half 2024
Weighted average number of ordinary shares	75,597,121	74,748,618
Dilutive effect of stock options	0	0
Dilutive effect of free share grants	390,089	294,896
Weighted average number of potential ordinary shares	75,987,210	75,043,514

(In millions of euros)	1st half 2025	1st half 2024
Net income – Group share	96	224
Interest on subordinated perpetual notes, net of tax	(24)	(5)
Net income used in calculating earnings per share	72	219

	1st half 2025	1st half 2024
Earnings per share *(in euros)*	0.95	2.93
Diluted earnings per share *(in euros)*	0.95	2.92

Note 12 Subsequent events

None.

Note 13 List of consolidated companies

The percentage of control indicated below also corresponds to the Group's ownership interest.

AEC Polymers		France	100.00	FC
Afinitica Technologies, S.L.		Spain	100.00	FC
Agiplast Italia S.r.l.		Italy	100.00	FC
American Acryl L.P.		United States	50.00	JO
American Acryl NA, LLC		United States	50.00	JO
Arkema Co., Ltd.		South Korea	100.00	FC
Arkema		France		FC
Arkema Adesivi S.r.l.		Italy	100.00	FC
Arkema Antwerp		Belgium	100.00	FC
Arkema Argentina S.A.U.		Argentina	100.00	FC
Arkema B.V.		Netherlands	100.00	FC
Arkema Canada Inc.		Canada	100.00	FC
Arkema (Changshu) Specialty Materials Co., Ltd.		China	100.00	FC
Arkema Chemicals India Private Limited		India	100.00	FC
Arkema (China) Investment Co., Ltd.		China	100.00	FC
Arkema Coatex Brasil Indústria e Comércio Ltda.		Brazil	100.00	FC
Arkema Coating Resins Malaysia Sdn. Bhd.		Malaysia	100.00	FC
ARKEMA UK LIMITED		United Kingdom	100.00	FC
Arkema Company Limited		Hong Kong	100.00	FC
Arkema Delaware Inc.		United States	100.00	FC
Arkema France		France	100.00	FC
Arkema GmbH		Germany	100.00	FC
Arkema Hydrogen Peroxide Co., Ltd., Shanghai		China	66.67	FC
Arkema Inc.		United States	100.00	FC
Arkema Insurance Designated Activity Company		Ireland	100.00	FC
Arkema K.K.		Japan	100.00	FC
Arkema Kimya Sanayi ve Ticaret Anonim Sirketi		Turkey	100.00	FC
Arkema Korea Holding Co., Ltd.		South Korea	100.00	FC
ARKEMA Holding Limited		United Kingdom	100.00	FC
ARKEMA Magyarország Kereskedelmi Korlátolt Felelősségű		Hungary	100.00	FC
Arkema Mexico S.A. de C.V.		Mexico	100.00	FC
Arkema Participations		France	100.00	FC
Arkema Peroxides India Private Limited		India	100.00	FC
Arkema Pte. Ltd.		Singapore	100.00	FC
Arkema Pty Ltd		Australia	100.00	FC
Arkema Quimica S.A.U.		Spain	100.00	FC
Arkema Chemicals Saudi Arabia		Saudi Arabia	100.00	FC
Arkema (Shanghai) Distribution Co., Ltd.		China	100.00	FC
Arkema Sp. z.o.o		Poland	100.00	FC
Arkema S.r.l.		Italy	100.00	FC
ARKEMA s.r.o		Czech Republic	100.00	FC
Arkema (Suzhou) Polyamides Co., Ltd.		China	100.00	FC
Arkema Taixing Chemicals Co., Ltd.		China	100.00	FC
Arkema Thiochemicals Sdn. Bhd.		Malaysia	86.00	FC
Arkema Yoshitomi, Ltd.		Japan	49.00	SI
AMP Trucking, Inc.		United States	100.00	FC
ARR MAZ GLOBAL HOLDINGS, S.L.		Spain	100.00	FC
ARR-MAZ Brazil LLC		United States	100.00	FC
ArrMaz Chemicals (Yunnan) Co., Ltd.		China	100.00	FC
ArrMaz China, LLC	(c)	United States	100.00	FC
ARR-MAZ DO BRASIL LTDA.		Brazil	99.99	FC
ArrMaz Gulf Chemicals Ltd.		Saudi Arabia	100.00	FC
ARRMAZ MOROCCO SARLAU		Morocco	100.00	FC

ArrMaz Morocco, LLC		United States	100.00	FC
ArrMaz Products Inc.		United States	100.00	FC
ArrMaz Speciality Chemicals, Inc.		United States	100.00	FC
ARRMAZ TECHNOLOGY AFRICA, SARL		Morocco	100.00	FC
A/S LIP Bygningsartikler. Nørre Aaby		Denmark	100.00	FC
Bostik Aktiebolag		Sweden	100.00	FC
Bostik Adhesives Limited		United Kingdom	100.00	FC
Bostik Argentina S. A.		Argentina	100.00	FC
Bostik A/S		Denmark	100.00	FC
Bostik AS		Norway	100.00	FC
Bostik Australia Pty Ltd.		Australia	100.00	FC
Bostik Benelux B.V.		Netherlands	100.00	FC
Bostik Bulgaria EOOD	(d)	Bulgaria	100.00	FC
Bostik B.V.	(h)	Netherlands	100.00	FC
Bostik Canada Ltd.		Canada	100.00	FC
Bostik Croatia d.o.o.	(d)	Croatia	100.00	FC
Bostik Egypt for the production of adhesive materials (Bostik Egypt) S.A.E.		Egypt	100.00	FC
Bostik (Guangzhou) Adhesive Co., Ltd.	(a)	China	100.00	FC
Bostik Malaysia SdN. BHD.		Malaysia	100.00	FC
Bostik GmbH		Germany	100.00	FC
Bostik Hellas S.A.		Greece	100.00	FC
Bostik Holding		France	100.00	FC
Bostik, Inc.		United States	100.00	FC
Bostik India Private Limited		India	100.00	FC
Bostik Industries Limited		Ireland	100.00	FC
BOSTİK KİMYA SANAYİ VE TİCARET ANONİM ŞİRKETİ		Turkey	100.00	FC
Bostik Korea Limited		South Korea	100.00	FC
Bostik Limited		United Kingdom	100.00	FC
Bostik Mexicana, S.A. de C.V.		Mexico	100.00	FC
Bostik Nederland B.V.	(h)	Netherlands	100.00	FC
Bostik New Zealand Limited		New Zealand	100.00	FC
Bostik-Nitta Co., Ltd.		Japan	80.00	FC
Bostik L.L.C.		Russia	100.00	FC
Bostik OY		Finland	100.00	FC
Bostik Philippines, Inc.		Philippines	100.00	FC
Bostik Portugal Unipessoal Lda		Portugal	100.00	FC
Bostik Romania S.r.l		Romania	100.00	FC
Bostik SA		France	100.00	FC
Bostik Schweiz AG		Switzerland	100.00	FC
Bostik S.A.		Spain	100.00	FC
Bostik (Shanghai) Management Co., Ltd.		China	100.00	FC
BOSTIK SOUTH AFRICA (PTY) LTD		South Africa	100.00	FC
Bostik Sp. z.o.o.		Poland	100.00	FC
Bostik (Thailand) Co., Ltd.		Thailand	100.00	FC
Bostik Vietnam Company Limited		Vietnam	100.00	FC
CJ Bio Malaysia Sdn. Bhd.		Malaysia	14.00	SI
Coatex Inc.		United States	100.00	FC
Coatex Netherlands B.V.		Netherlands	100.00	FC
Coatex		France	100.00	FC
CRACKLESS MONOMER Co Ltd		Taiwan	51.00	FC
Den Braven SA (Pty) Ltd.	(c)	South Africa	100.00	FC
Delaware Chemicals Corporation		United States	100.00	FC
DIFI 13		France	100.00	FC
DIFI 14		France	100.00	FC
DIFI 16		France	100.00	FC
ERPRO 3D FACTORY		France	10.00	SI
FDM ARC Manufacturing Limited		Ireland	100.00	FC

FIXATTI		Belgium	100.00	FC
FIXATTI (CHINA) POLYMER SPECIALTIES Co., Ltd		China	100.00	FC
Fixatti Holding AG		Switzerland	100.00	FC
IDEAL WORK Srl		Italy	100.00	FC
Ihsedu Agrochem Private Limited		India	24.90	SI
Jiangsu Bostik Adhesive Co., Ltd.		China	100.00	FC
Lambson Limited		United Kingdom	100.00	FC
Lip Norge AS	(c)	Norway	100.00	FC
Lip Sverige AB		Sweden	100.00	FC
Michelet Finance, Inc.		United States	100.00	FC
MLPC International		France	100.00	FC
Mozzpar S.r.l.	(d)	Italy	100.00	FC
Ozark- Mahoning Company		United States	100.00	FC
PI Advanced Materials Co., Ltd.		South Korea	54.07	FC
Polimeros Especiales, S.A. de C.V.		Mexico	100.00	FC
POLYTEC PT GmbH Polymere Technologien		Germany	100.00	FC
Prochimir		France	100.00	FC
Proionic GmbH		Austria	77.75	FC
PT. Bostik Indonesia		Indonesia	100.00	FC
Sartomer (Guangzhou) Chemicals Ltd.		China	100.00	FC
SDP Holding		Belgium	100.00	FC
Seki Arkema Co., Ltd.		South Korea	51.00	FC
Shanghai Zhiguan Polymer Materials Co., Ltd.	(h)	China	100.00	FC
Siroflex Limited		United Kingdom	100.00	FC
Société Marocaine des Colles		Morocco	97.01	FC
Sovereign Chemicals Limited		United Kingdom	100.00	FC
Taixing Sunke Chemicals Co., Ltd.		China	100.00	FC
The LightLock Company Limited		Hong Kong	55.00	FC
Thermoplastic Powder Holding AG		Switzerland	100.00	FC
Turkish Products, Inc.		United States	100.00	FC
Usina Fortaleza Indústria E Comércio de Massa Fina Ltda.		Brazil	100.00	FC
Viking Chemical Company		United States	100.00	FC

(a) Companies that changed their name in the period.
(b) Companies merged in the period.
(c) Companies liquidated in the period.
(d) Companies consolidated for the first time in the period.
(e) Companies for which the percentage ownership changed in the period, with no change in control.
(f) Companies for which the percentage ownership changed in the period, with change in control.
(g) Companies deconsolidated in the period.
(h) Companies merging during the period.
NB: FC: full consolidation.
JO: joint operation – consolidated based on shares of assets, liabilities, income and expenses.
JV: joint venture – consolidation by the equity method.
SI: significant influence – consolidation by the equity method.

3. **Declaration by the person responsible** for the half-year financial report at 30 June 2025

I declare that, to the best of my knowledge, the condensed consolidated interim financial statements for the first half of the year have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and results of the Company and all of the companies included in the scope of consolidation. I further declare that the half-year activity report, presented on pages 1 to 9, presents a fair review of the major events that occurred in the first half of the financial year, their impact on the financial statements and the main related-party transactions, and that it provides a description of the main risks and uncertainties for the remaining six months of the financial year.

Puteaux – La Défense, 30 July 2025

Thierry Le Hénaff

Chairman and Chief Executive Officer

4. **Statutory Auditors' Review** Report on the Half-yearly Financial Information 2025

KPMG S.A.

Tour Eqho
2, avenue Gambetta
CS 60055
92066 Paris-La Défense cedex
S.A. au capital de € 5 497 100
775 726 417 R.C.S. Nanterre

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles et du Centre

ERNST & YOUNG Audit

Tour First
TSA 14444
92037 Paris-La Défense cedex
S.A.S. à capital variable
344 366 315 R.C.S. Nanterre

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles et du Centre

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.

Arkema S.A.

For the period from January 1 to June 30, 2025

Statutory Auditors' Review Report on the Half-yearly Financial Information 2025

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meetings and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial Code ("Code monétaire et financier"), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of Arkema S.A., for the period from January 1 to June 30, 2025,
- the verification of the information presented in the half-yearly management report.

These condensed 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.

1. Conclusion on the financial statements

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

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - standard of the IFRSs as adopted by the European Union applicable to interim financial information.

2. Specific verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review. We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Paris-La Défense, July 30th 2025

The Statutory Auditors

French original signed by

KPMG S.A.	**ERNST & YOUNG Audit**
François Quédiniac	Laurent Vitse

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