

**AVAILABILITY OF A PROSPECTUS RELATING TO CERTAIN ISSUANCES PROVIDED FOR  
IN CONNECTION WITH THE FINANCIAL RESTRUCTURING OF VALLOUREC AND  
CONCLUSIONS OF THE INDEPENDENT EXPERT'S REPORT**

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Australia or Japan.***

***This press release is not an advertisement and does not constitute a prospectus within the meaning of  
Regulation (EU) 2017/1129.***

**Boulogne-Billancourt (France), April 1, 2021** – Vallourec S.A. (Euronext Paris: VK) (“**Vallourec**” or the “**Company**”) announces that the *Autorité des marchés financiers* (“**AMF**”) granted on March 31, 2021 approval n°21-093 to the prospectus (the “**Prospectus**») made available to the public in connection with:

- admission to trading on Euronext Paris of up to 164,524,103 new shares issued as part of a share capital increase with removal of the shareholders’ preferential subscription rights in favor of the Converted Creditors, pro rata to the Residual Restructured Claims at the Reference Date, in the maximum gross amount of €1,330,999,993.27 (including share premium), at the subscription price of €8.09 per share, subscribed by way of set-off up to the amount of the Residual Restructured Claims due and payable (*créances certaines, liquides et exigibles*) held by the Converted Creditors (the “**Reserved Share Capital Increase**”); and
- admission to trading on Euronext Paris of 30,342,337 share subscription warrants at the exercise price of €10.11, giving right to subscribe to one new share per share subscription warrant issued as part of an issuance with removal of the shareholders’ preferential subscription rights in favor of the Commercial Banks, subscribed at the subscription price of €0.01 per share subscription warrant, i.e. a total subscription price of €303,423.37, by each of the Commercial Banks by way of set-off up to the amount of their claims under the RCF (the “**Warrants**”) and admission to trading on Euronext Paris of up to 30,342,337 new shares likely to be issued upon exercise of the Warrants (together with the new shares issued as part of the Reserved Share Capital Increase, the “**New Shares**”).

It is also contemplated to launch a rights issue in the amount of €300 million (including premium) (the “**Rights Issue**”), subject in particular to obtaining the necessary authorizations from the combined general meeting of shareholders convened on April 20, 2021 (on first convening), which will be the subject of a separate prospectus whose approval by the AMF is expected on June 1, 2021, according to the indicative timetable.

The completion of the foregoing transactions is part of the draft safeguard plan approved by the Company's credit institution committee and bondholders' single general meeting on March 29, 2021, and remains subject to:

- obtaining the required antitrust clearances and foreign investment clearances from the competent authorities;
- the approval by the Company's combined general meeting of shareholders which is convened on April 20, 2021 (on first convening) to approve *inter alia* the resolutions necessary to implement the draft safeguard plan of the Company, in particular the transactions contemplated in the Prospectus, it being specified that the relevant resolutions shall be regarded as a whole and are interdependent;
- the approval of the draft safeguard plan of the Company by the Commercial Court of Nanterre. According to the indicative timetable currently contemplated, the court should examine the request for approval of the draft safeguard plan on May 11, 2021 and the judgement approving the draft safeguard plan could be rendered on May 25, 2021;
- obtaining the AMF *visa* on the prospectus relating to the Rights Issue. According to the indicative timetable currently contemplated, such *visa* may be granted on June 1, 2021; and
- the settlement of the new notes to be issued in accordance with the draft safeguard plan and of the shares resulting from the Rights Issue and the entry into force of the credit lines provided for in the draft safeguard plan, which shall be completed concomitantly.

The settlement and delivery of (i) the shares issued as part of the Reserved Share Capital Increase and the Rights Issue, (ii) the Warrants and (iii) the new notes as well as the entry into force of the credit lines provided for in the draft safeguard plan will occur concomitantly, on June 30, 2021, according to the indicative timetable, and no later than 31 July, 2021 pursuant to the provisions of the draft safeguard plan (unless postponed in compliance with the draft safeguard plan and the lock-up agreement).

All of the transactions provided for under the draft safeguard plan as approved by the Commercial Court of Nanterre shall be regarded as a whole, so that if one of those transactions cannot be implemented, none of them would be implemented.

Copies of the Prospectus consisting of: (i) the Universal Registration Document of the Company filed with the AMF on March 29, 2021 under number D.21-0226, (ii) the securities note (including the summary of the Prospectus) having received approval number 21-093 on March 31, 2021 and (iii) the summary of the Prospectus (attached to this press release) are available free of charge at the Company's registered office: 27, avenue du Général Leclerc, 92100 Boulogne-Billancourt, on the Company's website (<https://www.vallourec.com/en/hub-finance>) and on the website of the AMF ([www.amf-france.org](http://www.amf-france.org)) in French.

## Independent Opinion

The Company has voluntarily appointed the firm Finexsi as an independent expert, in accordance with Article 261-3 of the AMF General Regulations, to assess the fairness of the contemplated financial restructuring for the Company's shareholders.

The conclusion of this opinion is as follows: « *On the basis of the above and in the context of the Company's current financial difficulties, we consider that, as of the date of this report, the terms and conditions of the Transaction are fair from a financial perspective to the shareholders.* »

In order to assess the situation of the shareholder in the context of this restructuring, the independent expert carried out a multi-criteria valuation of Vallourec, with the DCF method, which was used as the main method, giving a theoretical value per share between €7.92 and €9.47. This value range takes into account the impact of the financial restructuring but also assumes that the business plan prepared by management be achieved without major disruption, both of which are conditions to the ability for the Group to continue as a going concern. The independent expert then calculated the dilution and the return on investment for the shareholder based on this value range.

The expert also performed a theoretical economic valuation of the preferential subscription right of the rights issue, taking into account all the transactions on the share capital contemplated within the framework of the financial restructuring plan (rights issue, reserved share capital increase, debt write-off, subscription price of the warrants and estimated costs of the transaction), it being specified that the listing of the preferential subscription right at this theoretical value seems unlikely to the independent expert, given (i) the unforeseeable evolution of the stock market value of the share between the date of its analysis and the date of completion of the transaction, (ii) the volume of the contemplated capital increases and (iii) the volume of the preferential subscription rights that will be sold on the market since it depends on the level of subscription by the shareholders to the rights issue. On the basis of the volume-weighted average price of Vallourec's shares over a 60-day period before March 29, 2021, this analysis shows a theoretical post-restructuring equity value per share of €9.04 and an economic value of the preferential subscription right of €1.02.

This independent opinion is quoted in its entirety in Schedule A of the aforementioned securities note and is also available in French on the Company's website ([www.vallourec.com](http://www.vallourec.com)).

## Appendix: Summary of the Prospectus

## Disclaimer

This press release and the information it contains do not constitute an offer to sell or subscribe, or a solicitation of an order to buy or subscribe, Vallourec's securities. The dissemination, publication or distribution of this press release in certain countries may constitute a violation of applicable laws and regulations. Accordingly, persons who are physically present in such countries and in which this press release is disseminated, distributed or published should inform themselves of and comply with any such local restrictions. This press release must not be released, published or distributed, directly or indirectly, in Australia, Canada, Japan or the United States of America.

This press release is not an advertisement and does not constitute a prospectus within the meaning of Regulation 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market and repealing the Prospectus Directive 2003/71/EC (the "**Prospectus Regulation**").

The information in this press release is provided for informational purposes only and does not purport to be comprehensive and no person shall rely in any manner whatsoever on the information contained herein or its accuracy, precision or completeness. Any purchase of securities must be made solely on the basis of the information contained in the Prospectus approved by the AMF and published on the Company's and the AMF's respective websites. The approval of the prospectus by the AMF should not be understood as an endorsement of the securities offered or admitted to trading on a regulated market.

#### European Economic Area (other than France) and the United Kingdom

In the Member States of the European Economic Area other than France (the "**Member States**") and the United Kingdom, no steps has been or will be taken that would make possible a public offering of the New Shares or the Warrants necessitating the publication of a prospectus in any of the Member States or the United Kingdom. Accordingly, the New Shares or the Warrants may be acquired in the Member States and the United Kingdom only (i) by qualified investors, in respect of Member States as these are defined in the Prospectus Regulation and in respect of the United Kingdom as these are defined in the regulations applicable in the United Kingdom, (ii) by fewer than 150 individuals or legal entities, other than qualified investors: (a) (as defined in the Prospectus Regulation) per Member State; and (b) (as defined in the regulations applicable in the United Kingdom) in the United Kingdom, or (iii) in all other cases where the publication by the Company of a prospectus is not required under the provisions of Article 1(4) of the Prospectus Regulation or the regulations applicable in the United Kingdom.

#### United Kingdom

The distribution of this press release has not been made, and has not been approved, by an "authorised person" within the meaning of Article 21(1) of the Financial Services and Markets Act 2000. As a consequence, this press release is only being distributed to, and is only directed at (i) persons situated outside the United Kingdom, (ii) investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 ("**Order**") or (iii) high net worth companies or any person to which Article 49(2) (a) to (d) of the Order applies (companies with high equity, unincorporated associations, etc.) (the persons covered by (i), (ii) and (iii) being together referred to as the "**Qualified Persons**"). Any investment or investment activity to which this press release relates may be addressed to or entered into only with Qualified Persons. Any person other than a Qualified Person must refrain from using or relying on this press release and the information contained therein to make any investment or investment activity.

#### United States

This press release does not constitute an offer for sale of Vallourec shares in the United States. The New Shares and the Warrants may not be offered, sold or delivered in the territory of the United States, as defined in Regulation S of the U.S. Securities Act, except to qualified institutional buyers ("**QIBs**") as defined in Rule 144A under the U.S. Securities Act or to institutional "accredited investors" as defined in Rule 501(a)(1), (2), (3), (7), (8), (9), (12) or (13) of Regulation D of the U.S. Securities Act, pursuant to an exemption from the registration requirements of the U.S. Securities Act. Accordingly, in the United States, investors who are not QIBs or institutional accredited investors will not be able to participate in the offering and subscribe for the New Shares or the Warrants. Purchasers of New Shares or Warrants will be deemed to have stated, warranted and acknowledged either that they are acquiring the New Shares or the Warrants as part of an offshore transaction as defined in Regulation S of the U.S. Securities Act or that they are a QIB or an institutional accredited investor. Vallourec does not intend to register the offering, or any portion of the offering, in the United States or to make any public offering of securities in the United States; and Vallourec's securities have not been, and will not be, registered under the U.S. Securities Act.

#### Canada, Australia and Japan

The New Shares and the Warrants may not be offered, sold, purchased or exercised in Canada, Australia and Japan.

#### Absence of a key information document

No action has been or will be taken to allow an offer of Warrants to retail investors in the European Economic Area or in the United Kingdom, within the meaning of the European regulations or those applicable in the United Kingdom. Accordingly, no key information document required by Regulation (EU) 1286/2014 (as amended, the "PRIIPs Regulation"), insofar as it applies to the Warrants, for the offer or sale of Warrants or for making them available to retail investors in the European Economic Area or the United Kingdom has been prepared and, thus, the offer or sale of Warrants or their availability to retail

investors in the European Economic Area could constitute a violation of the PRIIPs Regulation or the regulations applicable in the United Kingdom.

## Forward-Looking Statements

This press release may contain forward-looking statements. By their nature, forward-looking statements involve risks and uncertainties as they relate to events and depend on circumstances that may or may not occur in the future. These risks include those developed or identified in the public documents filed by Vallourec with the AMF, including those listed in the “Risk Factors” section of the Universal Registration Document filed with the AMF on March 29, 2020 under filing number n° D.21-0226.

## About Vallourec

Vallourec is a world leader in premium tubular solutions for the energy markets and for demanding industrial applications such as oil & gas wells in harsh environments, new generation power plants, challenging architectural projects, and high-performance mechanical equipment. Vallourec's pioneering spirit and cutting edge R&D open new technological frontiers. With close to 17,000 dedicated and passionate employees in more than 20 countries, Vallourec works hand-in-hand with its customers to offer more than just tubes: Vallourec delivers innovative, safe, competitive and smart tubular solutions, to make every project possible.

Listed on Euronext in Paris (ISIN code: FR0013506730, Ticker VK), Vallourec is part of the SBF 120 index and is eligible for Deferred Settlement Service Long Only.

In the United States, Vallourec has established a sponsored Level 1 American Depositary Receipt (ADR) program (ISIN code: US92023R2094, Ticker: VLOWY). Parity between ADR and a Vallourec ordinary share has been set at 5:1.

## Calendar

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<b>April 20th 2021</b>	Shareholders' Annual Meeting and Special Meeting
<b>May 20th 2021</b>	Release of first quarter results

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## Appendix Summary of the Prospectus

Prospectus approved by the *Autorité des marchés financiers* on March 31, 2021 under number 21-093

### Section 1 – Introduction

#### Name and ISIN Code (international securities identification number) of the securities

**Title for the shares:** VALLOUREC

**ISIN code:** FR0013506730

#### Identity and contact details of the issuer, including its legal entity identifier (LEI)

**Company name:** VALLOUREC

**Registered office:** 27, avenue du Général Leclerc, 92100 Boulogne-Billancourt

**Registration place and number:** 552 142 200 RCS Nanterre

**LEI code:** 969500P2Q1B47H4MCJ34

#### Identity and contact details of the competent authority that has approved the Prospectus

*Autorité des marchés financiers* (« AMF ») – 17 place de la Bourse, 75002 Paris, France.

The Company's universal registration document was filed on March 29, 2021 with the AMF under number D.21-0226.

**Date of approval of the Prospectus:** March 31, 2021

**Warning to the reader:** (a) the summary should be read as an introduction to the Prospectus; (b) any decision to invest in the securities being offered to the public, for which admission to trading on a regulated market is sought, should be based on a consideration of the Prospectus as a whole by the investor; (c) the investor may lose all or part of the invested capital; (d) claim relating to the information contained in the Prospectus be brought before a court, the plaintiff investor may, in accordance with the domestic law of the Member States of the European Union or parties to the agreement on the European Economic Area, have to bear the costs of translating the Prospectus before the legal proceeding is initiated; (e) civil liability attaches only to those persons who have tabled the summary, including, if applicable, any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read in together with the other parts of the Prospectus, the key information in order to aid investors when considering whether to invest in such securities.

### Section 2 – Key information on the Issuer

#### 2.1 – Who is the issuer of the securities ?

**Corporate name:** VALLOUREC

**Registered office:** 27, avenue du Général Leclerc, 92100 Boulogne-Billancourt

**Legal form:** *société anonyme* with a management board and a supervisory board

**LEI:** 969500P2Q1B47H4MCJ34

**Applicable law:** French law

**Country of origin:** France

**Main activities:** Vallourec provides premium tubular solutions for the energy markets and for demanding applications such as oil and gas wells in harsh environments, new-generation power plants, challenging architectural projects and high-performance mechanical equipment. Operating in more than 20 countries, the Group has nearly 17,000 employees.

#### Shareholding:

As of the date of the Prospectus, the Company's share capital amounts to €228,993.88 divided into 11,449,694 fully paid-up shares with a nominal value of €0.02 each. To the Company's knowledge, as of February 28, 2021, the allocation of the share capital and voting rights is as follows:

Shareholders	Number of shares	% of the share capital	Number of voting rights	% of voting rights
Nippon Steel Corporation	1,667,392	14.6%	1,756,184	14.9%
Bpifrance Participations S.A.	1,667,392	14.6%	1,750,268	14.8%
Group employees	341,215	3.0%	383,733	3.2%
Treasury shares	1,081	0.0%	1,081	0.0%
Public	7,772,614	67.9%	7,917,126	67.0%
<b>Total</b>	<b>11,449,694</b>	<b>100.0%</b>	<b>11,808,392</b>	<b>100.0%</b>

As of February 28, 2021, Nippon Steel Corporation and Bpifrance Participations S.A. are the Company's reference shareholders. They are not acting in concert. No entity controls the Company.

**Key directors:** Mr. Edouard Guinotte, Chairman of the Management Board (*Président du Directoire*) of the Company and Mr. Olivier Mallet, member of the Management Board (*Directoire*)

**Statutory auditors:** KPMG SA (Tour Egho – 2, avenue Gambetta, 92066 Paris-La Défense Cedex – France), statutory auditor of the Company, member of the *Compagnie Régionale des Commissaires aux Comptes de Versailles et du Centre*, represented by Alexandra Saastamoinen; Deloitte & Associés (Tour Majunga – 6, place de la Pyramide, 92908 Paris-La Défense Cedex – France), statutory auditor of the Company, member of the *Compagnie Régionale des Commissaires aux Comptes de Versailles et du Centre*, represented by Véronique Laurent.

#### 2.2 - What is the key financial information about the issuer?

#### Selected consolidated financial information:

Public data (in million euros)	31/12/2018	31/12/2019	31/12/2020
Production shipped	2,364	2,291	1,599
Revenue	3,921	4,173	3,242
Change in revenue	-4.6%	6.4%	-22.3%
EBITDA	150	347	258
EBITDA as a % of revenue	3.8%	8.3%	8.0%
Operating income	(277)	(17)	(1,002)

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Net interest expenses	(175)	(174)	(196)
Net income for the consolidated entity	(500)	(340)	(1,328)
Net income, Group share	(502)	(338)	(1,206)
Gross capital expenditures	(129)	(159)	(138)
Net cash flow from operating activities	(365)	118	27
Free cash flow (*)	(494)	(41)	(111)
Net cash flow from investing activities	(95)	(140)	(128)
Net cash flow from financing activities	219	1,085	(217)
Net debt	(2,058)	(2,031)	(2,214)
Equity	2,264	1,980	134
Equity, Group share	1,802	1,467	(187)
Total assets	6,413	7,305	5,048
Ratio of gearing restated	72%	81%	180%
Net financial leverage (**)	13.7x	5.9x	8.6x
Net income per share	(1.1)	(0.7)	(105.4)

(\*) Free cash flow: free cash flow is defined as cash flow from operating activities minus gross capital expenditure and plus/minus change in operating working capital requirement. (\*\*) Net financial leverage: net debt divided by EBITDA

**Concerns and observations on historical financial information:** Not applicable

**Outlook:** For the purposes of negotiating the contemplated financial restructuring, the Company prepared in October 2020 and communicated to certain of its creditors bound by confidentiality undertakings, a business plan in order to identify potential needs for new liquidity and an outlook for certain of the Group's financial aggregates derived from the business plan. In its press release dated February 3, 2021 relating to the conclusion of an agreement in principle with its main creditors in connection with its financial restructuring, the Group presented certain financial indicators for the years 2021, 2022 and 2025 for the purposes of establishing equivalence of information. The Company considered that the indicators reported for fiscal year 2021 resulting from the October 2020 works no longer reflected the outlook for fiscal year 2021 and that it was in a position to publish objectives for fiscal year 2021. These objectives are the subject of the forecast described below. The indicators for the years 2022 and 2025 were included in the press release of February 3, 2021 and are presented in the 2020 universal registration document only for the purposes of establishing equivalence of information. They should not and cannot be assimilated to profit forecasts within the meaning of Delegated Regulation (EU) 2019/980 of the Commission of March 14, 2019 and do not constitute a guidance from the Group.

**Forecast for the year 2021:** Based on an Oil & Gas activity expected to remain low for 2021, an expected higher contribution from the iron ore mine and continued efforts on cost reduction and cash management, with total investments amounting to approximately €160 million, Vallourec targets, for the financial year 2021, an EBITDA ranging from €250 million to €300 million and a free cash flow ranging from (€380) million to (€300) million (including costs related to the financial restructuring). These forecasts are based on the following main assumptions: 1. In the Oil & Gas market : - In North America, OCTG market experiencing a gradual recovery accompanied by a positive price trend despite sharp increase in raw material cost; - In the EA-MEA area, overall activity and prices expected to remain under pressure; - In Brazil, product deliveries expected to increase compared to 2020. 2. In the Industry market: - In Europe, demand expected to continue to be impacted by the Covid-19 crisis; - In Brazil, overall activity levels expected to continue to improve. 3. A higher contribution from the iron ore mine with prices expected to be higher than in 2020. 4. Implementation of the financial restructuring transactions provided for in the agreement in principle entered into with the main creditors on February 3, 2021 in the context of the financial restructuring. 5. Stability of the political, regulatory and tax environment. 6. Implementation of cost-saving measures enabling the Group to continue to reduce its cost base, as well as the continuation of strict cash control with total investments of approximately €160 million.

### 2.3 - What are the issuer's specific risks?

Investing in the Company's securities involves numerous risks and uncertainties related to the Group's activities that could result in a partial or total loss of the investment for investors, and in particular:

**Liquidity risk:** Given its financial structure, the Group is exposed to (i) liquidity risk and (ii) market risks, which include risks relating to rates, currency, credit and equity. These risks have been exacerbated in the context of the Covid-19 and the oil markets crisis. In this context, the Company engaged discussions with its main creditors under the aegis of a *mandataire ad hoc* in September 2020, with a view to achieving a financial restructuring that would enable it to deal with its upcoming maturities and rebalance its financial structure, taking into account the consequences of the Covid-19 and the oil markets crises on its business. An agreement in principle providing for in particular a significant reduction in the debt of the Company was entered into on February 3, 2021 and, the Commercial court of Nanterre opened a safeguard proceeding to the benefit of Vallourec on February 4, 2021, which aims in particular at implementing the agreement in principle as reflected in the safeguard plan (the "**Safeguard Plan**"). In the absence of the safeguard proceeding (which suspends payment obligations of the Company's debt incurred prior to February 4, 2021), the Company would not have the consolidated net working capital necessary to cover (i) its operating needs for the next 12 months, i.e. until the end of March 2022, and (ii) the repayment of the revolving credit facilities maturing as from February 9, 2021, as well as the payment of interest under the RCF and the Notes until the end of March 2022; the liquidity shortfall would be approximately €939 million, taking into account the available cash as of February 28, 2021.

**Risks relating to the implementation of the financial restructuring:** The Safeguard Plan, which provides for a major reduction in Vallourec's debt, the refinancing of residual debt and the securing of significant liquidity and operational financing, is subject to conditions precedent. In the event that these conditions precedent are not satisfied and, in particular, in the event of non-approval of the necessary resolutions (which shall be regarded as a whole) by the general meeting of shareholders of April 20, 2021, or in the event of non-approval of the Safeguard Plan by the Commercial court of Nanterre, the financial restructuring provided for by the Safeguard Plan could not be implemented. The Company would then have to initiate further discussions with the various stakeholders to find a solution to its financial difficulties, with no certainty that these negotiations would be successful. Absent such alternatives, the Company would not have sufficient consolidated net working capital to cover (i) its operating needs for the next 12 months, i.e. until the end of March 2022, and (ii) the repayment of the revolving credit facilities maturing as from February 9, 2021, as well as the payment of interest under the RCF and the Notes until 31 March 2022, and its ability to continue as a going concern would be compromised. Consequently, the safeguard proceeding could be converted into a receivership (*redressement judiciaire*) proceeding or a judicial liquidation (*liquidation judiciaire*) proceeding, which could lead to the sale of all or part of the Company's assets. If such proceedings were to be implemented, they could place (i) shareholders in the position of losing their whole investment in the Company, and (ii) creditors in the position of reduced prospects of recovering their claims. In addition, the safeguard proceeding and the ongoing financial restructuring could affect, in particular, the willingness of new or existing clients to enter into or pursue contracts and business relationships.

**Risks related to the Group's dependence on customers in the oil sector:** The Group's activity is highly dependent on the level of expenses incurred by Oil & Gas companies for the exploration, production and the development of oil and natural gas reserves, which themselves have been strongly negatively affected by the spread of the Covid-19 virus and the associated restrictive measures. Oil operators have sharply reduced their capital expenditures to an all-time low of US\$302 billion (from US\$440 billion in 2019). In North America, the active rig count reached 351 at the end of December, an all-time low. Internationally, the average active rig count was 825 in 2020, down nearly 25% from 2019. These market trends had a considerable impact on Group volumes, revenue and operating income. The level of investments of Oil & Gas companies could be

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subject to other negative factors (changes in applicable laws and regulations, changes in the political situation or weather conditions, etc.). These factors could have a negative impact on the Group's activity, results and outlook.

**Risks related to the cyclical nature of the tubes market:** The tubes market is traditionally subject to cyclical trends which result both from economic changes in the Oil & Gas sector and macroeconomic conditions, which have an impact on the Group's other business sectors. Deterioration in the global economic climate and financial markets such as that observed in 2020 due to the Covid-19 pandemic would have a significant adverse effect on the Group's revenues, income, cash flow and outlook.

**Risks related to manufacturing or service defects:** The Group's positioning in the market for premium tubular solutions requires the implementation of a demanding quality control program. Despite the emphasis on manufacturing quality, some of the Group's products or services may have manufacturing or production defects. Such defects could result in compensation from the Group, a fall in demand for its products and services or adversely affect their reputation for quality, and consequently have a significant impact on the Group's financial position, results and image.

**Risks relating to third party rights in joint ventures:** Certain industrial cooperation agreements linking the Group to Nippon Steel Corporation (NSC) and/or Sumitomo Corporation provide clauses under which they may have the option of selling their interest to the Vallourec Group in case the losses incurred by the relevant joint venture exceed certain thresholds, if they do not wish to pursue their industrial cooperation. Thus, in the event of losses incurred by Vallourec Star LP exceeding the relevant threshold, Sumitomo Corporation has the option of selling its interest in Vallourec Star LP to the Vallourec Group at a market price to be determined by an expert. In the event of losses by VAM USA LLC exceeding the relevant threshold, each party (NSC/Sumitomo on the one hand and Vallourec on the other hand) has the option of offering to sell its interest to the other parties or to buy theirs at the price determined by the party initiating this option ("*buy or sell offer*"). Vallourec expects these loss thresholds to be exceeded in respect of the year 2020 for Vallourec Star LP and VAM USA LLC. At the date of this Prospectus, NSC and Sumitomo have not indicated their intentions. In addition, certain industrial cooperation agreements linking the Group and NSC to Sumitomo Corporation contain reciprocal change-of-control clauses, under which each party benefits, subject to certain conditions, from a call option over the other party's interest, or a termination right, as appropriate, in the event of a change of control of the other party (or of its controlling entity). To the Company's knowledge, the implementation of the Safeguard Plan will not trigger the change-of-control clauses mentioned above.

### Section 3 – Key information on securities

#### 3.1 - What are the main characteristics of securities?

##### 1) New Shares issued as part of the capital increase and upon exercise of Warrants

**Nature, category and ISIN code:** The new shares issued (i) as part of the capital increase submitted to the general meeting of shareholders of April 20, 2021, with removal of the shareholders' preferential subscription right (PSR) in favor of the creditors under the RCF and the Notes on the Reference Date other than BNP Paribas, Natixis, BFCM and, as the case may be, CIC (the "**Commercial Banks**"), and the other creditors the "**Converting Creditors**") in proportion to their Residual Restructured Claims (*i.e.*, the claims under the RCF and the Notes of the Converting Creditors, after repayment of €262 million allocated on a prorata basis between all creditors under the RCF and the Notes), of a maximum gross amount, including the share premium, of €1,330,999,993.27, at a price of €8.09 per share, to be subscribed for by way of set-off against the same amount of Residual Restructured Claims which will become, pursuant to the Safeguard Plan, due and payable (*créances certaines, liquides et exigibles*) on the Restructuring Effective Date (*i.e.*, the completion date of the transactions) (the "**Reserved Share Capital Increase**") and (ii) upon exercise of the 30,342,337 warrants issued in favor of the Commercial Banks with a subscription price of €0.01 per Warrant, each entitling to subscribe for one New Share at the exercise price of €10.11 per share (the "**Warrants**"), shall be ordinary shares, of the same class as the existing shares of the Company (ISIN FR0013506730), which shall be governed by all provisions of the articles of association of the Company and which shall be governed by French law (together, the "**New Shares**").

**Currency, name, nominal value and number of New Shares that may be issued**

**Currency:** Euro

**Name for shares:** Vallourec

**Mnemonic:** VK.

**Nominal value:** €0.02

**Maximum number of New Shares that may be issued in the context of the Reserved Share Capital Increase:** 164,524,103

**Maximum number of New Shares that may be issued upon exercise of the Warrants:** 30,342,337

**Rights attached to the New Shares:** The New Shares will entitle their holders, from their issue date, to the shareholders' rights provided for by applicable law and by the Company's articles of association, in particular: (i) the right to dividends and the right to participate in the Company's profits, (ii) voting rights, (iii) preferential subscription rights for securities of the same class, and (iv) the right to participate in any excess in the event of liquidation of the Company.

**Relative ranking of the New Shares in the issuer's capital structure in the event of insolvency:** not applicable.

**Restrictions on the free negotiability of the New Shares:** No clause in the articles of association restricts the free negotiability of the shares comprising the share capital of the Company. Apollo and SVPGlobal have undertaken not to dispose of their shares for a period of 6 months from the Restructuring Effective Date (subject to contractually agreed exceptions) and to comply with orderly fashion transfer procedure in the event of a sale on the market (sale representing, on a single trading session, less than 25% of the average daily number of shares traded during the 30 previous days, subject to contractually agreed exceptions). The Company will benefit from a right of first offer in the event of a proposed sale by Apollo or SVPGlobal of their shares to a competitor. Apollo and SVPGlobal have declared that they do not intend to act in concert and will not act in concert with respect to the Company on the Restructuring Effective Date. In addition, Nippon Steel Corporation has also undertaken not to dispose of its shares for a period of six months from the Restructuring Effective Date (subject to contractually agreed exceptions).

**Dividend policy:** No dividend was paid for the fiscal years ended December 31, 2016, 2017, 2018 and 2019. In light of the negative income for fiscal year 2020, it will be proposed to the general meeting of shareholders to decide not to distribute a dividend in respect of this fiscal year. Vallourec's dividend distribution policy for the fiscal years ending as from December 31, 2021 will take into account, in particular, Vallourec's revenues, its financial position and the restrictions applicable to the payment of dividends to which the Company will be subject at the time this decision is made, in particular those provided for under the State-guaranteed loans (*prêts garantis par l'Etat*) (PGE), the New RCF and the New Notes, which notably prohibit the Company from making distributions during fiscal year 2021.

##### 2) Warrants

**Nature and category:** The Safeguard Plan provides for the issuance of 30,342,337 Warrants at a subscription price of €0.01 per Warrant. The subscription price will be paid up by way of set-off against the same amount of claim under the RCF of the relevant Commercial Bank which will become, in accordance with the Safeguard Plan, due and payable (*créance certaine, liquide et exigible*) on the Restructuring Effective Date. Prior to the issue date for the Warrants, an application will be made for admission to trading on the regulated market of Euronext Paris, under an ISIN code which will be communicated at a later date.

Warrants are securities giving access to the share capital within the meaning of Articles L. 228-91 et seq. of the French Commercial Code. They will be issued pursuant to the delegation of authority to the Management Board submitted to the general meeting of shareholders of April 20, 2021 to issue Warrants with removal of the shareholders' preferential subscription rights in favor of the Commercial Banks in accordance with the terms of Article L. 225-138 of the French Commercial Code. The Warrants will be allocated among the Commercial Banks as follows:

Commercial Banks	Number of Warrants
BNP Paribas	13,147,015

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Natixis	13,113,508
Banque Fédérative du Cr�dit Mutuel (or in case of transfer of its claims, CIC).	4,081,814
<p><b>Rights attached to Warrants:</b> One (1) Warrant will give the right to subscribe for one (1) New Share, at the exercise price of €10.11 payable in cash only. The exercise ratio may be adjusted following transactions implemented by the Company after the issue date, in accordance with applicable law, in order to maintain the rights of the holders of Warrants, as well as in the event of distribution of dividends by the Company. For the avoidance of doubt, the Reserved Share Capital Increase and the Rights Issue shall not trigger any adjustment of the exercise ratio of the Warrants. The holders of Warrants will have the right to obtain New Shares by exercising the Warrants at any time during a period of 5 years as from the Restructuring Effective Date. Warrants that have not been exercised within the aforementioned period shall expire and lose all value and rights attached. The holders of Warrants are grouped into a collective group (<i>masse</i>), which shall benefit from legal personality and be subject to provisions that are identical to those provided for in Articles L. 228-47 to L. 228-64, L. 228-66 and L. 228-90 of the French Commercial Code.</p> <p><b>Currency:</b> Euro</p> <p><b>Name of the Warrants:</b> will be communicated later</p> <p><b>Ranking of securities in the issuer's capital structure in the event of insolvency:</b> not applicable</p> <p><b>Number of Warrants:</b> 30,342,337</p> <p><b>Restrictions on the free transferability of the Warrants:</b> no clause of the article of associations limits the free negotiability of the Warrants.</p>	
<b>3.2 - Where are the securities traded?</b>	
<p>An application for admission to trading on Euronext Paris will be made for the New Shares. According to the indicative timetable, the New Shares issued as part of the Reserved Share Capital Increase will be admitted to trading on that market as from June 30, 2021. They will be fully fungible with the existing shares of the Company already traded on Euronext Paris and will be traded, as from that date, on the same trading line under ISIN code FR0013506730.</p> <p>An application for admission to trading on the regulated market of Euronext Paris will be made for the Warrants. Admission to trading on Euronext Paris is expected for June 30, 2021, according to the indicative timetable, under an ISIN code which will be communicated at a later date. No application has been made or is contemplated to be made by the Company for them to be admitted to trading on another market (regulated or not). The New Shares issued upon exercise of the Warrants will be subject to periodic requests for admission to trading on the regulated market of Euronext Paris and will be tradable on the same trading line as the existing shares.</p>	
<b>3.3 - Are the securities covered by a guarantee?</b>	
<p>The Reserved Share Capital Increase is not secured by a bank syndicate or underwriting agreement. It is subscribed to pursuant to the Safeguard Plan. Likewise, the issuance of the Warrants is subscribed to pursuant to the Safeguard Plan. These undertakings do not constitute a performance guarantee (<i>garantie de bonne fin</i>) within the meaning of Article L. 225-145 of the French Commercial Code.</p>	
<b>3.4 - What are the main risks specific to securities?</b>	
<ul style="list-style-type: none"> <li>- In the event that the conditions precedent relating to the issuances contemplated in this securities note are not satisfied, or the Safeguard Plan could not be implemented for any reason whatsoever by July 31, 2021 (or any other later date determined in accordance with the Safeguard Plan and the Lock-Up Agreement), the issuances and the other transactions provided for under the Safeguard Plan could not be implemented and, absent any alternative solutions, the ability of the Company to continue as a going concern would be compromised. Consequently, the safeguard proceeding could be converted into receivership proceedings (<i>redressement judiciaire</i>) proceeding or, as the case may be, judicial liquidation proceedings (<i>liquidation judiciaire</i>) proceeding, which could lead to the sale of all or part of the Company's assets and, as the case may be, place shareholders in the position of losing their whole investment in the Company.</li> <li>- Existing shareholders will experience a significant dilution caused by the completion of the Reserved Share Capital Increase and, potentially, the issuance of the New Shares upon exercise of the Warrants. This dilution would be more significant if existing shareholders do not participate in the Rights Issue.</li> <li>- Given the very large number of shares issued as part of the Reserved Share Capital Increase and the Rights Issue (the number of shares comprising the share capital would be increased twenty-fold) and the number of Warrants, sales of a significant number of the Company's shares, preferential subscription rights or Warrants could occur shortly after the completion date of the issuances, or such sales could be anticipated by the market, which could adversely impact the market price of the share or Warrant.</li> <li>- The market for shares and Warrants may offer only limited liquidity and be subject to high volatility.</li> <li>- The price of the Company's shares could fluctuate and fall below the subscription price of the New Shares issued in the Reserved Share Capital Increase or the New Shares issued upon exercise of the Warrants, and if that decline were to occur after subscription of the New Shares in the Reserved Share Capital Increase or the exercise of the Warrants by their holders, the subscribers of the New Shares would suffer a loss if they immediately sell those shares. Such a decline could impact the valuation of the Warrants.</li> <li>- Warrants not exercised at the latest on the expiry date of their exercise period (occurring 5 years after the Restructuring Effective Date) shall be null and void and lose all value and rights attached.</li> </ul>	
<b>Section 4 - Key information on admission to trading on a regulated market for securities</b>	
<b>4.1 - Under what conditions and according to what timetable can I invest in this security?</b>	
<p><b>Conditions to the transaction:</b></p> <p><b>Reserved Share Capital Increase:</b> The Reserved Share Capital Increase shall be implemented by way of removal of the shareholders' preferential subscription right in favor of the Converting Creditors on the Reference Date (<i>i.e.</i>, the last day of the subscription period of the Rights Issue), in proportion to their Residual Restructured Claims, by issuing 164,524,103 New Shares, which will be subscribed at a subscription price of €8.09 by way of set-off against the same amount of Residual Restructured Claims which will become, pursuant to the Safeguard Plan, due and payable (<i>cr�ances certaines, liquides et exigibles</i>) on the Restructuring Effective Date. The settlement and delivery of the Reserved Share Capital Increase is expected to occur on June 30, 2021, according to the indicative timetable.</p> <p><b>Warrants:</b> 30,342,337 Warrants will be issued in the context of an issuance with removal of the shareholders' preferential subscription right in favor of the Commercial Banks and will be subscribed by way of set-off against the same amount of claim of the relevant Commercial Bank under the RCF at a subscription price of €0.01, it being specified that this claim will become, pursuant to the Safeguard Plan, due and payable (<i>cr�ance certaine, liquide et exigible</i>) on the Restructuring Effective Date. One (1) Warrant will give the right to subscribe to one (1) New Share (subject to the adjustments described in this Prospectus), at the exercise price of €10.11 euros per Warrant (<i>i.e.</i>, an exercise price of €10.11 to subscribe for one (1) New Share on the basis of the initial exercise ratio). Payment of the exercise price will be made in cash.</p> <p><b>Admission to trading on a regulated market:</b> It is expected that the New Shares issued in the Reserved Share Capital Increase and the Warrants will be admitted to trading on Euronext Paris as from June 30, 2021, according to the indicative timetable.</p> <p><b>Distribution plan:</b></p> <p><b>Reserved Share Capital Increase:</b> The New Shares issued as part of the Reserved Share Capital Increase will be issued with removal of the shareholders' preferential subscription rights in favor of the Converting Creditors, in proportion to their Residual Restructured Claims, in accordance with the provisions of article L. 225-138 of the French Commercial Code. No subscription for the New Shares by individuals or legal entities other than those to whom the issuance is offered will be accepted and the corresponding subscription requests will be deemed null and void.</p> <p><b>Warrants:</b> The Warrants will be issued in the context of an issuance with removal of the shareholders' preferential rights in favor of the Commercial Banks in accordance with the provisions of article L. 225-138 of the French Commercial Code. No subscription for the Warrants by individuals or legal entities other than those to whom the</p>	



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issuance is offered will be accepted and the corresponding subscription requests will be deemed null and void.

**Countries in which the offer will be open:** Not applicable

**Global coordinators, lead underwriters and joint bookrunners:** Not applicable

**Settlement and delivery of the New Shares:** According to the indicative timetable, it is expected that the New Shares will be registered in a securities account and tradable as from June 30, 2021. Application will be filed for admission of the New Shares to the transactions of Euroclear France, which will be responsible for the settlement and delivery of the shares between account holders custodians.

**Indicative timetable as of the date of this Securities Note:**

March 30, 2021	Independent expert's report made available Publication of a press release announcing availability of the independent expert's report
March 31, 2021	Approval of the Prospectus relating to the Reserved Share Capital Increase and the issuance of Warrants by the AMF
April 1, 2021	Publication of a press release announcing the approval of the Prospectus relating to the Reserved Share Capital Increase and the issuance of Warrants and availability of the Prospectus Publication of the Prospectus relating to the Reserved Share Capital Increase and the issuance of Warrants and online posting on the Company's and the AMF's websites
April 20, 2021	General meeting of shareholders to authorize, in particular, the Rights Issue, the Reserved Share Capital Increase, the issuance of Warrants and the change in the Company's governance on the Restructuring Effective Date (including the appointment of the candidates proposed by Apollo and SVPGlobal) Publication by the Company of a press release describing the results of the vote on the resolutions submitted to the general meeting of shareholders
May 11, 2021	Hearing of the Commercial court of Nanterre concerning the Safeguard Plan
May 25, 2021	Approval of the Safeguard Plan by the Commercial court of Nanterre
June 1, 2021	Decision of the Management Board approving the principle of the Reserved Share Capital Increase, the principle of the Rights Issue and the principle of the issuance of Warrants; delegation of authority to the Chairman of the Management Board Approval of the prospectus relating to the Rights Issue by the AMF*
June 2, 2021	Publication of a press release by the Company announcing the approval of the prospectus relating to the Rights Issue and describing the main features of the offer and the procedures to obtain the prospectus* Publication of the prospectus relating to the Rights Issue and online posting on the Company's and AMF's websites* Publication by Euronext Paris of the notice relating to the Rights Issue announcing the listing of the preferential subscription rights*
June 3, 2021	Detachment of the preferential subscription rights and opening of the preferential subscription rights trading period on Euronext Paris*
June 7, 2021	Opening of the subscription period for the Rights Issue*
June 16, 2021	Closing of the negotiation period for the preferential subscription rights*
June 18, 2021	Closing of the subscription period for the Rights Issue* Last day of settlement and delivery of the preferential subscription rights*
June 23, 2021	Result of the subscriptions to the Rights Issue*
June 23, 2021	Decision of the Chairman of the Management Board of the Company to (i) allocate unsubscribed shares under the Rights Issue to the Converting Creditors, to be subscribed by way of set-off and (ii) implement the Reserved Share Capital Increase and the issuance of Warrants on the Restructuring Effective Date Publication by the Company of a press release announcing the results of the subscriptions to the Rights Issue*
June 30, 2021	Subscription to the Reserved Share Capital Increase Publication by Euronext of the notice of admission of the new shares resulting from the Reserved Share Capital Increase and the Rights Issue, indicating the final amount of the Rights Issue and the scale for the allocation of subscriptions on a reducible basis ( <i>souscriptions à titre réductible</i> ) Issuance and admission to trading of the new shares resulting from the Reserved Share Capital Increase and the Rights Issue Issuance and admission to trading of Warrants Settlement and delivery of the Reserved Share Capital Increase, the Rights Issue, the issuance of the Warrants and the New Notes Restructuring Effective Date and change in the Company's governance
June 30, 2026	End of the exercise period of the Warrants

The steps marked \* relate to the Rights Issue only.

**Dilution resulting from the Reserved Share Capital Increase, the issuance of the Warrants and the Rights Issue:**

For information purposes, the theoretical impact of the issuance of the new shares in the Rights Issue and of the issuance of the New Shares in the Reserved Share Capital Increase and upon exercise of all the Warrants, on the portion of consolidated equity (Group share) per share (calculations based on the consolidated equity (Group's share) as of December 31, 2020, as reported in the consolidated financial statements as of December 31, 2020, and a number of 11,449,694 shares comprising the Company's share capital as at February 28, 2021 and the issuance of 52,954,834 shares in the Rights Issue) would be as follows; these figures should be compared with the subscription price of €8.09 in the context of the Reserved Share Capital Increase and €5.66 in the context of the Rights Issue:

Portion of consolidated shareholders' equity group share per share (in euros)	Non-diluted basis	Diluted basis*
Prior to (i) the issuance of the new shares in the Rights Issue, (ii) the issuance of the New Shares in the Reserved Share Capital Increase and upon exercise of the Warrants and (iii) the Debt Write-Off	(16.34)	(16.14)
After (i) the issuance of the new shares in the Rights Issue and the New Shares in the Reserved Share Capital Increase and (ii) the Debt Write-Off, but prior to the exercise of the Warrants	7.04	7.04
After (i) the issuance of the new shares in the Rights Issue, (ii) the issuance of the New Shares in the Reserved Share Capital Increase and upon exercise of all the Warrants and (iii) the Debt Write-Off	7.40	7.40

\* In the event of exercise of all stock options, whether exercisable or not, existing as at February 28, 2021 (performance shares do not entail any share capital dilution as they will comprise existing shares only)

For information purposes, the impact of the issuance of the new shares in the Rights Issue and the issuance of the New Shares in the Reserved Share Capital Increase and upon

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exercise of all the Warrants, on the equity interest of a shareholder holding 1% of the Company's share capital prior to these issuances (calculations based on the number of 11,449,694 shares comprising the Company's share capital as at February 28, 2021 and the issuance of 52,954,834 shares in the Rights Issue) depending on its participation in the Rights Issue is as follows:

Participation of the shareholder (in %) *	No exercise of its	Exercise of 50% of	Exercise of all of its
	PSR	its PSR	PSR
Prior to (i) the issuance of the new shares in the Rights Issue and (ii) the issuance of the New Shares in the Reserved Share Capital Increase and upon exercise of the Warrants	1.00%	1.00%	1.00%
After (i) the issuance of the new shares in the Rights Issue and (ii) the issuance of the New Shares in the Reserved Share Capital Increase, but prior to the exercise of the Warrants	0.05%	0.17%	0.28%
After (i) the issuance of the new shares in the Rights Issue, (ii) the issuance of the New Shares in the Reserved Share Capital Increase and upon exercise of all the Warrants	0.04%	0.15%	0.25%

\* The charts are presented on a non-diluted basis only since the dilution resulting from the stock options existing as at February 28, 2021 does not modify the figures above (performance shares do not entail any share capital dilution as they will comprise existing shares only).

**Indicative breakdown of the share capital and voting rights following the financial restructuring of the Company:** For information purposes, following the Rights Issue and the Reserved Share Capital Increase, the share capital of the Company would be allocated as follows, depending on the participation of the existing shareholders in the Rights Issue and whether or not the Warrants are exercised :

Shareholders	Existing shareholders do not participate		Only NSC and Bpifrance Participations participate (for their commitments)		Existing shareholders fully subscribe (NSC and Bpifrance Participations for their commitments)	
	% of capital (prior to Warrant exercise) <sup>(1)</sup>	% of capital (post Warrant exercise) <sup>(1)</sup>	% of capital (prior to Warrant exercise) <sup>(1)</sup>	% of capital (post Warrant exercise) <sup>(1)</sup>	% of capital (prior to Warrant exercise) <sup>(1)</sup>	% of capital (post Warrant exercise) <sup>(1)</sup>
Apollo	30.70%	27.11%	29.33%	25.90%	23.22%	20.51%
SVPGlobal	15.77%	13.93%	15.07%	13.31%	11.93%	10.54%
BNP Paribas	-	5.07%	-	5.07%	-	5.07%
Natixis	-	5.06%	-	5.06%	-	5.06%
BFCM/CIC	-	1.57%	-	1.57%	-	1.57%
NSC	0.73%	0.64%	3.43%	3.03%	3.43%	3.03%
Bpifrance Participations	0.73%	0.64%	2.27%	2.01%	2.27%	2.01%
Group employees	0.15%	0.13%	0.15%	0.13%	0.84%	0.74%
Treasury shares	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Public	51.92%	45.84%	49.75%	43.93%	58.30%	51.48%
Existing public	3.40%	3.00%	3.40%	3.00%	21.59%	19.07%
Creditors other than Apollo and SVPGlobal	48.52%	42.85%	46.36%	40.93%	36.71%	32.41%
<b>TOTAL</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

<sup>(1)</sup> Given the number of shares issued in connection with these transactions, the percentage of share capital and percentage of voting rights are very similar and it is also reminded that cancellation of the double voting rights is proposed to the general meeting of shareholders of April 20, 2021.

Calculations based on 52,954,834 shares issued as part of the Rights Issue

**Estimated expenses related to the Reserved Share Capital Increase and the issuance of the Warrants:** For information purposes, the expenses related to the Reserved Share Capital Increase and the issuance of the Warrants are currently estimated at a maximum amount of approximately €53 million (financial intermediary fees, legal and administrative fees). In consideration for the restrictions to the transfer of their debt holding, the parties who acceded to the Lock-Up Agreement on or prior to March 1, 2021 will benefit on the Restructuring Effective Date from a specific fee (for a total amount of approximately sixteen million euros). It is specified that the expenses related to the Reserved Share Capital Increase and the issuance of the Warrants will be financed exclusively with the Group's available cash and the implementation of new financing lines.

**Expenses billed to the investor by the Company:** Not applicable

#### 4.2 - Why is this prospectus being prepared?

This Prospectus has been prepared in connection with the admission to trading on Euronext Paris of the New Shares and the Warrants. The information contained in the Prospectus allows to restore, in all material respects and where necessary, equal access between the various shareholders and investors to information relating to the Company. It is reminded that the Issuances will result from the implementation of the Safeguard Plan.

**Reason for issuances and use of proceeds: Context of Issuances:** The unprecedented drop in oil demand caused by the Covid-19 crisis has led oil and gas companies to sharply reduce their capital expenditures. In this context, the €800 million rights issue of Vallourec and the refinancing of the RCF announced in early 2020 could not be implemented. During the summer of 2020, the Company continued its discussions with its reference shareholders and banks to define an alternative refinancing arrangement. Such discussions were not successful. In this context, the Company requested and obtained in September 2020 the appointment of a *mandataire ad hoc* to assist it in its negotiations extended to its main creditors. In parallel, an *ad hoc* committee, composed exclusively of independent members of the Supervisory Board, was put in place to follow up on the discussions related to the financial restructuring. The negotiations initiated by the Company that were pursued under the aegis of the *mandataire ad hoc* led to the agreement in principle with its main creditors, announced on February 3, 2021. In this context, the Commercial Banks, an *ad hoc* group of creditors under the Notes and the RCF and the Company entered into a Lock-Up Agreement on February 3, 2021 under which the parties committed to support and take all steps and actions reasonably necessary to implement and consummate the Agreement in Principle and not to transfer their securities other than in compliance with the Lock-Up Agreement.

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In this context, a safeguard proceeding was opened to the benefit of Vallourec on February 4, 2021 by the Commercial court of Nanterre. The proceeding aims at, in particular, allowing the implementation of the Agreement in Principle as reflected in the Safeguard Plan, and suspended the payment obligations of the Company's debts in respect of the RCF that were due as from February 9, 2021 and of the Notes.

The Safeguard Plan contemplates mainly:

- (i) a major deleveraging of Vallourec, representing approximately €1,800 million, through:
  - a €300 million rights issue, at a price of €5.66 per share, to be subscribed in cash, fully backstopped by the Converting Creditors (the “Rights Issue”), the cash proceeds of which will be used to partially repay their claims;
  - the equitization of claims under the RCF and the Notes in the amount of approximately €1,331 million, through the Reserved Share Capital Increase fully subscribed by way of set-off; and
  - a debt write-off by the Commercial Banks in the amount of €169 million, combined with a better fortunes instrument (*instrument de retour à meilleure fortune*) in the form of the Warrants,
- (ii) the refinancing of the residual debt under the RCF and the Notes and the securing of significant liquidity and operational financing through:
  - a revolving credit facility of €462 million by the Commercial Banks, together with a new notes issuance of €1,023 million subscribed by the Converting Creditors (by way of set-off);
  - State-guaranteed loans (*prêts garantis par l'Etat*) in the total amount of €262 million granted by the Commercial Banks; and
  - bonding lines of €178 million provided by the Commercial Banks in favor of Vallourec Tubes and certain of its subsidiaries.
- (iii) interest accrued and unpaid under the RCF and the Notes up to February 1, 2021 in the amount of approximately €52 million will be paid in cash on the Restructuring Effective Date; interest accrued from February 2, 2021 until June 30, 2021 under the RCF and the Notes will be partly reimbursed, partly converted into capital and partly refinanced and included in the above-mentioned amounts of debt and equitization.

In addition, Nippon Steel decided to exercise the option to sell its stake in Vallourec Soluções Tubulares do Brasil (VSB) triggered by the appointment of a *mandataire ad hoc*; the sale was completed in late March 2021. The subsequent termination of the joint venture will result in the termination of the supply agreement between Nippon Steel and VSB for a volume of 300,000 tons of pipes manufactured at the Jeceaba site in Brazil, which will gradually decrease until mid-2022.

#### Consolidated net working capital

As of the date of this Prospectus and prior to the implementation of the Safeguard Plan, the Company does not have sufficient consolidated net working capital to meet its future obligations for the next twelve months. The safeguard proceeding opened to the benefit of the Company on February 4, 2021 having suspended the payment of the Company's debts incurred prior to the opening of such proceedings, in particular, the repayment of the RCF (€1,712 million) that were due as from February 9, 2021, the Company has sufficient cash to finance its activities until the completion date of the transactions provided for in the Safeguard Plan, *i.e.* June 30, 2021, according to the indicative timetable. In the absence of the safeguard proceeding, considering the cash position of the Company as at February 28, 2021, an additional amount of €939 million would have been necessary to cover the repayment of the revolving credit facilities maturing as from February 9, 2021 as well as the payment of interest under the RCF and the Notes until March 31, 2022.

#### Governance and restrictions on the transfer of shares

In accordance with the Safeguard Plan, the general meeting of shareholders of April 20, 2021 will be asked to, *inter alia*, approve the change in the governance structure to a *société anonyme* with a board of directors instead of the current structure, with effect from the Restructuring Effective Date. In addition, it will be proposed to appoint as directors with effect on the Restructuring Effective Date, Mr. Edouard Guinotte, the current Chairman of the Management Board (*Président du Directoire*), 2 directors proposed by Apollo (M. Gareth Turner and M. Pierre Vareille) and 1 director proposed by SVPGlobal (M. William de Wulf), as well as 4 independent directors including Ms. Corine de Bilbao. Adoption of the resolutions relating to the change in the governance structure and the appointment of the candidates proposed by Apollo and SVPGlobal are conditions precedent to the Safeguard Plan, thus unless adopted, the Safeguard Plan cannot be implemented.

At its first meeting, the Board of Directors will appoint Mr. Edouard Guinotte as Chairman of the Board of Directors and Chief Executive Officer (*Président-directeur général*) of the Company, Mr. Olivier Mallet, as Deputy Chief Executive Officer (*Directeur général délégué*) and Mr. Pierre Vareille, as Vice Chairman of the Board of Directors (*Vice-Président du Conseil d'administration*).

More generally, the Company is expected to enter into two agreements, one with Apollo and the other with SVPGlobal, with respect to corporate governance and restrictions on the transfer of securities, whose principal terms would be as follows:

- The governance that will reflect the new shareholding will be compliant with the AFEP-MEDEF Code.
- The Board of Directors will be composed of 10 directors, including the Chief Executive Officer, 2 directors proposed by Apollo (one of whom will be Vice Chairman and, if he meets the AFEP-MEDEF Code independence criteria for this position, lead director (*administrateur référent*)) and one director proposed by SVPGlobal (in the event that SVPGlobal were to hold more than 15% of the Company's share capital, SVPGlobal could request the appointment of a second director of the Board of Directors), 4 independent directors, one director representing the employees and one representing the employee shareholders.
- Some decisions shall be subject to the prior approval of the Board of Directors, the most material of which will require a majority of 8 (including two independent directors) out of 10 directors, while other decisions will require a simple majority.
- The Board of Directors will set up committees provided for in the AFEP-MEDEF Code, as well as a Strategy and Finance committee (which will comprise a director appointed on the proposal of Apollo and a director appointed on the proposal of SVPGlobal) and a CSR Committee.

Apollo and SVPGlobal will be required not to dispose of their securities for a period of six (6) months from the Restructuring Effective Date (subject to contractually agreed exceptions) and to comply with orderly fashion transfer procedure in the event of a sale on the market. The Company will benefit from a right of first offer in the event of a proposed sale of shares by Apollo or SVPGlobal to a competitor. Apollo and SVPGlobal have declared that they do not intend to act in concert and will not act in concert with respect to the Company on the Restructuring Effective Date.

#### Conditions precedent and implementation

The Safeguard Plan remains subject to several conditions precedent to be fulfilled:

- obtaining the required antitrust clearances and foreign investment clearances from the competent authorities necessary for the implementation of the Safeguard Plan: according to the indicative timetable, this condition should be met before May 11, 2021;
- the approval of the resolutions necessary to implement the Safeguard Plan by the combined general meeting of shareholders convened on April 20, 2021 (these resolutions being interdependent); Nippon Steel Corporation and Bpifrance Participations have undertaken to vote in favor of these resolutions;
- the approval of the Safeguard Plan of the Company by the Commercial court of Nanterre: this approval could occur on May 25, 2021;
- the approval of the AMF on the securities note relating to the Rights Issue that may be granted on June 1<sup>st</sup>, 2021; and
- the settlement of the New Notes and of the shares resulting from the Rights Issue and the entry into force of the credit lines provided for in the Safeguard Plan, which shall be completed concomitantly.

All of the transactions provided for in the Safeguard Plan as approved by the Commercial court of Nanterre shall be regarded as a whole, so that if one of the transactions could not be implemented, none of them would be implemented.

It is reminded that in the event that all conditions are fulfilled or waived, the implementation of the Safeguard Plan should occur no later than July 31, 2021, or such later date

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as may be agreed in accordance with the Safeguard Plan and the Lock-Up Agreement.

**Expert's report:** The Company's Supervisory Board has voluntarily appointed Finexsi as an independent expert pursuant to Article 261-3 of the AMF General Regulations in order to assess the fairness of the transactions provided for under the Safeguard Plan from the perspective of the existing shareholders. In order to assess the situation of the shareholders in the context of this restructuring, the independent expert carried out a multi-criteria valuation of Vallourec, with the DCF method, which was used as the main method, giving a theoretical value per share between €7.92 and €9.47. This value range takes into account the impact of the financial restructuring but also assumes that the business plan prepared by management be achieved without major disruption, both of which are conditions to the ability for the Group to continue as a going concern. The independent expert then calculated the dilution and the return on investment for the shareholder based on this value range. The expert also performed a theoretical economic valuation of the preferential subscription right of the Rights Issue, taking into account all the transactions on the share capital contemplated within the framework of the financial restructuring plan (rights issue, reserved share capital increase, debt write-off, subscription price of the warrants and estimated costs of the transaction), it being specified that the listing of the preferential subscription right at this theoretical value seems unlikely to the independent expert, given (i) the unforeseeable evolution of the stock market value of the share between the date of its analysis and the date of completion of the transaction, (ii) the volume of the contemplated capital increases and (iii) the volume of the preferential subscription rights that will be sold on the market since it depends on the level of subscription by the shareholders to the rights issue. On the basis of the volume-weighted average price of Vallourec's shares over a 60-day period before March 29, 2021, this analysis shows a theoretical post-restructuring equity value per share of €9.04 and an economic value of the preferential subscription right of €1.02. The conclusion of this opinion is as follows: "*On the basis of the above and in the context of the Company's current financial difficulties, we consider that, as of the date of this report, the terms and conditions of the Transaction are fair from a financial perspective to the shareholders.*"

**Use and estimated net proceeds:**

The Reserved Share Capital Increase of a maximum amount of €1,330,999,993.27 (share premium included), will be subscribed in full by the Converting Creditors by way of set-off against the same amount of Residual Restructured Claims that will have become due and payable (*créances certaines, liquides et exigibles*) in accordance with the Safeguard Plan. Consequently, the Reserved Share Capital Increase will enable the Company to reduce its financial indebtedness and will not generate any proceeds.

The Warrants will be subscribed by each Commercial Bank in full by way of set-off of claims at the subscription price of €0.01 per Warrant in accordance with the Safeguard Plan. Consequently, the issuance of the Warrants will enable the Company to reduce its financial indebtedness and will not generate any proceeds.

In case of exercise of the Warrants, subscription proceeds of the New Shares issued upon exercise of all the Warrants will represent, as the case may, be gross proceeds in a maximum amount of €306,761,027.07 paid in cash and will be used for general corporate purposes.

**Underwriting agreement with firm undertakings:** Not applicable.

**Lock-up undertaking:** Apollo and SVPGlobal have undertaken not to dispose of the New Shares for a period of six (6) months from the Restructuring Effective Date (subject to contractually agreed exceptions).

**Main conflicts of interest:** To the Company's knowledge, there are no interests, including conflicting interests, of any shareholder or group of shareholders that could significantly impact the Issuances (it being specified that Nippon Steel Corporation and Bpifrance Participations, under customary conditions, have undertaken to subscribe to the Rights Issue by exercising their subscription rights on a non-reducible basis (*à titre irréductible*) in the amount of €35 million and €20 million respectively).