



VALLOUREC ANNOUNCES THE LAUNCH OF A RIGHTS ISSUE FOR C. €300 MILLION WITH SHAREHOLDERS' PREFERENTIAL SUBSCRIPTION RIGHTS

- **Subscription ratio: 37 new shares for 8 existing shares**
- **Subscription price: €5.66 per new share**
- **Subscription commitments from Nippon Steel Corporation et Bpifrance Participations for an aggregate amount of €55 million**
- **Trading period of the subscription rights: from 4 to 17 June 2021 inclusive**
- **Subscription period: from 8 to 21 June 2021 inclusive**

Boulogne-Billancourt (France), 3 June 2021 – Vallourec S.A. (Euronext Paris: VK) (“**Vallourec**” or the “**Company**”) announces today the launch of a share capital increase with shareholders’ subscription rights for an amount of c. €300 million (the “**Rights Issue**”), the last stage of the Company’s financial restructuring whose safeguard plan was approved by the commercial court of Nanterre by judgment made on 19 May 2021 (the “**Safeguard Plan**”).

The proceeds of the Rights issue will be used to for the partial repayment of the Other Claims in proportion to their holdings by the creditors of the Company under the various RCF and bonds, but excluding the commercial banks¹ (the “**Converting Creditors**”). Any New Shares not subscribed in the Rights Issue will be subscribed by the Converting Creditors, with the subscription price paid by way of setoff against their claims.

Main terms of the Rights Issue

The Rights Issue will be carried out with preservation of the shareholders’ preferential subscription rights (the “**Rights**”), pursuant to the 16th resolution of the combined general meeting of 20 April 2021, and will result in the issuance of 52,954,807 new shares (the “**New Shares**”), at a subscription price of €5.66 per share (i.e. a nominal value of €0.02 plus an issue premium of €5.64), to be fully paid up upon subscription, representing gross proceeds, including the issue premium of €299,724,207.62.

On 4 June 2021, each of the Company’s shareholders will receive one (1) Right per share recorded at the end of the accounting day on 3 June 2021. 8 (eight) Rights will entitle their holder to subscribe for 37 (thirty-seven) New Shares on an irreducible basis (*à titre irréductible*).

Subscriptions on a reducible basis (*à titre réductible*) will be accepted but are subject to reduction in the event of oversubscription. Any New Shares not covered by subscriptions on an irreducible basis (*à titre irréductible*) will be divided up and allocated to holders of Rights having submitted additional subscription orders on a reducible basis (*à titre réductible*) but are subject to reduction.

On the basis of the closing price of the Vallourec share on the regulated market of Euronext Paris on 1st June 2021, i.e. €28.98, the theoretical value of one (1) Right is €19.17 and the theoretical value of the share ex-rights is €9.81. For information purposes, the issue price represents a discount of 42.3% to the theoretical value of the Vallourec share ex-rights based on the volume-weighted average share price as of 1st June 2021 and a 80.5% discount to the share price at the close of trading as of 1st June 2021.

These values do not necessarily reflect the value of the Rights during their trading period and the value of the Vallourec share ex-rights, as determined in the market (see the independent expert’s report, an extract of which is reproduced in section 5.1.3.2 of the Securities Note).

The Rights Issue will be open to the public in France only.

¹ The Commercial Banks refer to BNP Paribas, Banque Fédérative du Crédit Mutuel / CIC and Natixis.

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BNP Paribas and Natixis act as Global Coordinators, Lead Managers and Joint Bookrunners and CIC Market Solutions acts as Joint Bookrunner for the Rights Issue.

Indicative timetable of the Rights Issue

The subscription for the New Shares will be open from 8 June 2021 until the close of trading on 21 June 2021. The Rights will be detached and tradeable from 4 June 2021 until 17 June 2021 on the regulated market of Euronext Paris under the ISIN code FR00140030J9. Unexercised Rights will automatically lapse at the end of the subscription period, i.e. 21 June 2021 at the close of trading.

The issue of the New Shares, settlement-delivery and admission of the New Shares to trading on the regulated market of Euronext Paris are expected to take place on 30 June 2021, together with the settlement of the Reserved Capital Increase and the issuance of Warrants which were the subject of a prospectus approved by the AMF on 31 March 2021, under number 21-093.

New Shares will immediately entitle their holders to receive dividends declared by Vallourec as from the date of issuance. They will be immediately fungible with existing shares of the Company and will be traded on the same line under the ISIN code FR0013506730.

Subscription commitments for the Rights Issue

Nippon Steel Corporation (which currently holds 14.6 % of the share capital and 14.9 % of the voting rights of the Company) undertook, subject to customary conditions, to subscribe to New Shares of Vallourec in the amount of approximately €35 million in the context of the Rights Issue (representing approximately 11.68% of the total amount of the Rights Issue).

Bpifrance Participations (which currently holds 14.6 % of the share capital and 14.8 % of the voting rights of the Company) undertook, subject to customary conditions, to subscribe to New Shares of Vallourec in the amount of approximately €20 million in the context of the Rights Issue (representing approximately 6.67% of the total amount of the Rights Issue).

It is furthermore recalled that the Converting Creditors undertook to subscribe to the Rights Issue as a guarantee (in proportion to their respective holdings on the Other Claims), by way of setoff against their claims.

Edouard Guinotte and Olivier Mallet have indicated their intention to participate in the Rights Issue, at least by exercising all the Preferential Subscription Rights attached to the shares they hold.

As at the date of this press release, the Company is not aware of the subscription intentions of any other shareholders or managers in the context of the Rights Issue.

Lock-up commitments

Subject to certain exceptions, each of Apollo and SPVGlobal has agreed not to transfer its New Shares for a period of six (6) months after the Completion Date.

Apollo and SPVGlobal have further undertaken with respect to the Company, not to sell during any one trading session an amount of shares of the Company representing more than 25% of the average daily number of shares traded during the 30 days preceding the date of the proposed sale (subject to certain exceptions).

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Further, the Company will maintain a right of first offer in the event of a proposed disposal of shares by Apollo or SPVGlobal to a competitor.

Nippon Steel Corporation has undertaken not to transfer shares of the Company that it holds or comes to hold from 3 February 2021 and for a period of six months after the Completion Date (subject to certain exceptions).

Bpifrance Participations has undertaken to retain shares of the Company that it holds or comes to hold from 3 February 2021 until the completion of the Rights Issue, it being specified that the New Shares held by Bpifrance Participations will be retained for a period of six months after the Completion Date (subject to certain exceptions).

The Company has also agreed to a lock-up period ending 180 calendar days after the completion of the Rights Issue, subject to certain exceptions.

Dilution

For illustrative purposes only, a shareholder holding 1% of the Company's share capital and who does not participate in the Rights Issue, would hold 0.18% of the capital following the issuance of the New Shares and hold 0.04% of the capital following the issuance of the new shares resulting from the Rights Issue, the Reserved Capital Increase and the exercise of all the Warrants.

Guarantee of the Rights Issue

The Rights Issue is not secured by a bank syndicate or underwriting agreement.

However, the Rights issue is secured, pursuant to the Safeguard Plan, by subscription commitments from Converting Creditors (in proportion to their holdings in the Other Claims), by way of setoff against their claims. This guarantee covers the full amount of the Rights Issue.

These undertakings do not constitute a performance guarantee (*garantie de bonne fin*) within the meaning of Article L. 225-145 of the French Commercial Code.

Availability of the Prospectus

The prospectus (the "**Prospectus**") approved by the French *Autorité des marchés financiers* (the "**AMF**") under number 21-199 on 2 June consists of (i) Vallourec's universal registration document filed with the AMF on 29 March 2021 under number D21.0226 (the "**Universal Registration Document**"), (ii) the amendment of the Universal Registration Document filed with the AMF on 2 June 2021 under number D.21-0226-A01 (the "**Amendment**"), (iii) a securities note dated 2 June 2021 (the "**Securities Note**") and (iv) the summary of the Prospectus (included in the Securities Note).

The Prospectus may be consulted on the AMF's website (www.amf-france.org) and on the Company's website (www.vallourec.com/en/investors). Copies of the Prospectus are available free of charge at the Company's registered office (27, avenue du Général Leclerc – 92100 Boulogne-Billancourt, France).

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Risk Factors

Investors' attention is drawn to the risk factors included in chapter 5 "Risk Factors" of the Universal Registration Document, as amended in section 3 " Risk Factors" of the Amendment, and in chapter 2 " Risk Factors" of the Securities Note.

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About Vallourec

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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: US92023R4074, Ticker: VLOWY). Parity between ADR and a Vallourec ordinary share has been set at 5:1.

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