

VALLOUREC SUCCESSFULLY COMPLETES ITS FINANCIAL RESTRUCTURING AND ADOPTS A NEW GOVERNANCE STRUCTURE

Boulogne-Billancourt, July 1, 2021 – Vallourec announces today the finalization of its financial restructuring, thanks to the successful completion of the final steps of the safeguard plan approved by the Nanterre Commercial Court on May 19, 2021. Edouard Guinotte, Chairman and Chief Executive Officer, stated:

“We successfully completed the final stages of our financial restructuring. Thanks to a sound financial structure and the support of our new reference shareholders, Apollo and SVPGlobal, we are in a position to fully deploy our strategic plan.

Our roadmap is clear. It relies on strengthening the profitability of our core business and activating additional levers of value creation such as exploiting the full potential of our iron mine in Brazil and accelerating our commitment to the energy transition to meet the growing needs of our clients.

I would like to thank our clients and partners for their lasting trust in Vallourec in this unprecedented context, as well as our teams, in all regions, for their continued and exemplary commitment and determination.”

The significant reduction of the Group's debt, representing approximately EUR 1,800 million, which is more than half of the principal amount of Vallourec's debt, as well as the setting up of new medium-term financing, have been finalized as part of the final completion of, in particular:

- the settlement and delivery transactions of:
 - the rights issue for a total gross amount, including issue premium, of EUR 299,724,207.62, through the issuance of 52,954,807 new shares subscribed in cash by the shareholders of the Company, the proceeds of which being used to partially repay the claims of the Converted Creditors under the Company's Bonds and RCFs,
 - the share capital increase for a total gross amount, including issue premium, of EUR 1,330,998,569.43, with removal of the shareholders' preferential subscription rights in favor of the Converted Creditors, through the issuance of 164,523,927 new shares subscribed for by the Converted Creditors by way of set-off against part of their claims under the Company's Bonds and RCFs,
 - the issuance of 30,342,337 Warrants in favor of the Commercial Banks, subscribed by them by way of set-off against part of their claims under the Company's RCFs, and
 - the issuance of New Bonds for a total nominal amount of EUR 1,023 million, subscribed by the Converted Creditors by way of set-off against part of their claims under the Company's Bonds and RCFs;
- the repayment of EUR 262 million to all creditors under the Bonds and RCFs in proportion to their restructured claims, as well as the payment to creditors of interest, commitment fees, utilization fees and default interest under the RCFs and Bonds for the period up to and including February 1st, 2021;
- the debt write-off granted by the Commercial Banks in the amount of EUR 169 million; and
- the setting up by the Commercial Banks of (i) a revolving credit facility of EUR 462 million, (ii) State-guaranteed loans (*prêts garantis par l'Etat*) in the amount of EUR 262 million and (iii) bonding lines of EUR 178 million over a 5-year horizon.

The Bonds are therefore cancelled and delisted from their respective markets today.

In accordance with the resolutions adopted on April 20, 2021 by the combined general meeting of shareholders of the Company, the Company's new form of governance will come into effect today, upon decision of the Chairman of the Management Board acknowledging that the Restructuring Effective Date occurred on June 30, 2021, with:

- the modification of the Company's governance and management structure to a structure with a board of directors instead of the structure with a management board and supervisory board; and
- the termination of the mandates of the members of the Company's supervisory board and management board.

The Company's new articles of association, including in particular the removal of double voting rights, will enter into force as of this date.

The new board of directors of the Company will meet for the first time today. Following this meeting and subject to the approval of the relevant decisions, the composition of the board of directors should be the following:

- Mr. Édouard Guinotte;
- Mr. Gareth Turner, whose appointment is proposed by Apollo;
- Mr. Pierre Vareille, independent member, whose appointment is proposed by Apollo;
- Mr. William de Wulf, whose appointment is proposed by SVPGlobal;
- Ms. Corine de Bilbao, independent member;
- Ms. Maria Silvia Marques, independent member;
- Ms. Hera Siu, independent member;
- Ms. Angela Minas, independent member.

Finally, the representative of the employees will be appointed at a later date in accordance with the applicable legal and statutory provisions.

The Board of Directors will resolve on the combination of the duties of the Chairman of the Board of Directors (*Président du Conseil d'administration*) and Chief Executive Officer (*Directeur Général*), which should be conferred to Mr. Edouard Guinotte. Mr. Pierre Vareille should be appointed as Vice-Chairman (*Vice-Président*) and Lead Independent Director (*Administrateur Référent*) of the Company's Board of Directors and Mr. Olivier Mallet as Deputy CEO (*Directeur Général Délégué*) of the Company. In addition, Mr. Paul Marchand for SVPGlobal and Mr. Conor J. Sutherland for Apollo should be appointed as non-voting observers.

The proposed composition of the committees of the Board of Directors will be the following:

- Audit Committee:
 - i. Ms. Angela Minas, chairman and independent director;
 - ii. Ms. Hera Siu, independent director;
 - iii. Ms. Maria Silvia Marques, independent director;
 - iv. Ms. Corine de Bilbao, independent director;
 - v. Mr. Gareth Turner; and
 - vi. Mr. William de Wulf.
- Remuneration, Nomination and Governance Committee:
 - i. Mr. Pierre Vareille, chairman and independent director;
 - ii. Mr. William de Wulf;
 - iii. Ms. Angela Minas, independent director; and
 - iv. Ms. Maria Silvia Marques, independent director.
- Strategic and Financial Committee:
 - i. Mr. Gareth Turner, chairman;
 - ii. Mr. William de Wulf; and
 - iii. Ms. Corine de Bilbao, independent director.
- Corporate and Social Responsibility Committee (CSR):
 - i. Ms. Corine de Bilbao, chairman and independent director;
 - ii. Ms. Angela Minas, independent director;
 - iii. Ms. Hera Siu, independent director; and
 - iv. Ms. Maria Silvia Marques, independent director.

Following the completion of the share capital increases (before and after exercise of the Warrants) and to the knowledge of the Company, the shareholding structure of the Company is the following:

Shareholders	Before exercise of the Warrants		After exercise of the Warrants	
	Number of ordinary shares / voting rights	% of the share capital / voting rights	Number of ordinary shares / voting rights	% of the share capital / voting rights
Apollo	53,168,605	23.2%	53,168,605	20.5%
SVPGlobal	28,159,346	12.3%	28,159,346	10.9%
BNP Paribas	-	-	13,147,015	5.1%
Natixis	-	-	13,113,508	5.1%
CIC	-	-	4,081,814	1.6%
Nippon Steel Corporation	7,851,128	3.4%	7,851,128	3.0%
Bpifrance Participations	5,200,929	2.3%	5,200,929	2.0%
Group Employees	335,430	0.1%	335,430	0.1%
Treasury shares	14,397	0.0%	14,397	0.0%
Public	134,198,593	58.6%	134,198,593	51.8%
<i>Existing public</i>	51,002,617	22.3%	51,002,617	19.7%
<i>Creditors other than Apollo and SVPGlobal</i>	83,195,976	36.3%	83,195,976	32.1%
TOTAL	228,928,428	100.0%	259,270,765	100.0%

For the purposes of this press release:

“Apollo”	means certain investment funds managed by affiliates of Apollo Global Management, Inc.
“2022 OCEANE”	means the EUR250 million 4.125% OCEANE bonds due 2022 (ISIN: FR0013285046).
“2022 Senior Notes”	means the EUR550 million 6.625% senior notes due 2022 (ISIN: XS1700480160 / XS1700591313).
“2023 Senior Notes”	means the EUR400 million 6.375% senior notes due 2023 (ISIN: XS1807435026 / XS1807435539).
“2024 Bonds”	means the EUR500 million 2.250% bonds due 2024 (ISIN: FR0012188456).
“2027 Bonds”	means the EUR55 million 4.125% bonds due 2027 (ISIN: FR0011292457).
“Bonds”	means the 2022 OCEANE, 2022 Senior Notes, 2023 Senior Notes, 2024 Bonds and the 2027 Bonds.
“Commercial Banks”	means BNP Paribas, Natixis et CIC.
“Converted Creditors”	means all creditors of Vallourec SA under the RCFs and the Bonds, other than the Commercial Banks, as of June 21, 2021.
“New Bonds”	means the senior notes governed by the laws of the State of New York issued by the Company on June 30, 2021 for an aggregate principal amount of EUR1,023 million (Regulation S ISIN: XS2352739184; Rule 114 A ISIN: XS2352739770; IAI ISIN: XS2352740604).
“RCF”	means (a) the facility agreement governed by French law and entered into on February 12, 2014, (b) the facility agreement governed by French law and entered into on May 2, 2016, (c) the facility agreement governed by French law and entered into on September 21, 2015 and (d) the facility agreement governed by French law and entered into on June 25, 2015, in each case, as amended.
“Warrants”	means the 30,342,337 share subscription warrants issued on June 30, 2021 by the Company, each Warrant conferring the right to subscribe to one new share at an exercise price of €10.11 per Warrant at any time during 5 years from their date of issue, the terms and conditions of which are described in the prospectus approved by the AMF on March 31, 2021 under number 21-093 (ISIN Code: FR00140030K7; denomination: VALLOUREC BSA 21).
“SVPGlobal”	means Strategic Value Partners, LLC, acting in the name and on behalf of Emerald Health Designated Activity Company, Emerald Moor Designated Activity Company, Emerald Meadow Designated Activity Company, Emerald Pasture Designated Activity Company.

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.

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, 2021 under filing number n° D.21-0226 and the amendment to the Universal Registration Document filed with the AMF on June 2, 2021 under filing number n° D.21-0226-A01.

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

Calendar

July 28th 2021 Release of second quarter and first half 2021 results

For further information, please contact:

Investor relations

Jérôme Friboulet
Tel: +33 (0)1 49 09 39 77
Investor.relations@vallourec.com

Press relations

Héloïse Rothenbühler
Tel: +33 (0)1 41 03 77 50
heloise.rothenbuhler@vallourec.com

Individual shareholders

Toll Free Number (from France): 0 805 65 10 10
actionnaires@vallourec.com