

# VALLOUREC

A French *Société anonyme* with a share capital of EUR 4 745 436,56 €  
Registered Office : 12 rue de la Verrerie - 92 190 Meudon  
552 142 200 R.C.S. Paris

(the "*Company*")

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## ADDITIONAL REPORT OF THE BOARD OF DIRECTORS

### CONCERNING THE 13<sup>TH</sup> AND 14<sup>TH</sup> RESOLUTIONS OF THE SHAREHOLDERS' GENERAL MEETING OF 25 MAY 2023 ON THE CAPITAL INCREASE IN THE CONTEXT OF THE "VALLOUREC INVEST 2023" EMPLOYEE SHAREHOLDING OFFER

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This additional report has been prepared in accordance with Articles L. 225-129-5 and R. 225-116 of the French Commercial Code in the framework of the 13<sup>th</sup> and the 14<sup>th</sup> resolutions of the shareholders' general meeting of May 25, 2023, decided on July 27, 2023 by the Board of Directors on the implementation of an employee shareholding offer reserved for employees "Vallourec Invest 2023" (the "*Offer*").

#### 1. Overview of the Company's governing bodies' decisions and main features of the offer

The Board of Directors, in its decision dated Thursday, July 27 2023, made use of the delegation of authority granted by the shareholders' general meeting of May 25, 2023 in its 13<sup>th</sup> resolution, pursuant to Articles L. 3332-18 and seq. of the French Labour Code, and in its 14<sup>th</sup> resolution, pursuant to Articles L. 225-138 of the French Commercial Code, and approved the principle of implementing a collective employee shareholding offer reserved for employees of the Vallourec group's companies, the registered offices of which are located in France, Brazil or the USA (the "*Group*").

By the same decision, the Board of Directors decided the main terms and conditions of the Offer, and particularly decided that the subscription to the shares in the framework of the Offer would be offered at a price equal to the average of the share price during the twenty trading days preceding the date on which the Chairman and Chief Executive Officer would determine the subscription period (the "*Reference Price*"), minus a 20% discount (the "*Subscription Price*").

The beneficiaries in France are entitled to subscribe to Vallourec shares through the company mutual investment fund ("*FCPE*") "VALLOUREC NEW SHARES" in Brazil and directly by the employee in registered form on securities accounts in France and the USA, subject to a two-year lock-up period, except in cases of early release.

The beneficiaries in France are entitled to subscribe to Vallourec shares in the framework of the Vallourec group savings plan ("*PEV*"), pursuant to Articles L. 3332-18 and seq. of the French Labour Code, held by the FCPE "VALLOUREC ACTIONS RELAIS 2023" and subject to a 5-year lock-up period, except in the cases of early release provided for by the PEV.

In a decision dated November 2, 2023, the Chairman and Chief Executive Officer, noted that the Reference Price was EUR 11.037 per share, and consequently set the Subscription Price of the shares in the framework of the Offer, at EUR 8.83 per share.

Participants are entitled to a matching contribution equal to 100% of their personal contribution limited to EUR 100 (gross amount).

## **2. Final conditions of the share capital increase resulting from the 13<sup>th</sup> and 14<sup>th</sup> resolutions**

On December 13, 2023, after considering the results of the subscriptions, and in particular that:

- the subscription form issued by the management company of the FCPE "VALLOUREC ACTIONS RELAIS 2023" in respect of subscription orders of employees in France;
- the subscription form issued by the management company of the FCPE "VALLOUREC NEW SHARES" in respect of subscription orders of employees in Brazil;
- the subscription orders collected from the employees who subscribed directly in France and the USA; and,
- the certificate of deposit of the funds corresponding to these subscriptions,

the Chairman and Chief Executive Officer, acknowledged the final completion of the share capital increases and consequently amended the Articles of Association:

- Final completion, in the framework of the 13<sup>th</sup> resolution of the shareholders' general meeting of May 25, 2023, of a share capital increase of a total amount of EUR 1,279,776.05, corresponding to 134,732 newly issued shares at a price of EUR 8.83 each, subscribed through the FCPE "VALLOUREC ACTIONS RELAIS 2023".

The issuance of the 134,732 new shares resulted in an increase in the nominal amount of the share capital of EUR 2,694.64 and the acknowledgement of an issuance premium of EUR 1,186,988.92, equal to the difference between the total subscription price and the nominal amount of the share capital increase.

- Final completion, in the framework of the 14<sup>th</sup> resolution of the shareholders' general meeting of May 25, 2023, of a share capital increase of a total amount of EUR 3,137,908.27, corresponding to 355,369 newly issued shares at EUR 8.83 per share, subscribed through the FCPE " VALLOUREC ACTIONS RELAIS 2023 " and the employees directly.

The issuance of the 355,369 new shares resulted in an increase in the nominal amount of the share capital of EUR 7,107.38 and the acknowledgement of an issuance premium of EUR 3,130,800.89, equal to the difference between the total subscription price and the nominal amount of the share capital increase.

As a result, the number of new shares issued under the Offer amounts to 490,101 shares.

The shares issued under the Offer are fully equivalent to the existing ordinary shares and carry current dividend rights. The admission of these shares to listing on Euronext Paris (ISIN Code: FR0013506730) has been requested since their issue.

In accordance with provisions of Article R. 225-115 of the French Commercial Code, the Chairman and Chief Executive Officer sets out below the impact of the share issuance resulting from the capital increase described above on the situation for holders of equity securities and securities giving access to the capital, in particular with regard to the portion of shareholder's equity as of 30 June, 2023, the date of the Company's latest interim statement prepared using the same methods and presentation as the annual balance sheet. This report also presents the theoretical impact of the share issuance on the current market value of the shares.

### 3. Theoretical impact of the capital increases resulting from the use of the 13<sup>th</sup> and 14<sup>th</sup> resolutions on the situation of shareholders

The impact of the share issuance of 490,101 new shares, in the framework of the 13<sup>th</sup> and the 14<sup>th</sup> resolutions of the shareholders' general meeting of May 25, 2023, on the situation for holders of equity securities and securities giving access to the capital, calculated (a) on the basis of the number of shares composing the share capital as of the date of this report (i.e. 236 781 727 shares including 7 394 758 preferred shares) and (b) taking into account all securities or rights giving access to the share capital (i.e. 267 124 064 shares on a diluted basis), is as follows:

- (1) Impact of the issuance of 490,101 new shares at the Subscription Price on the participation of a shareholder holding 1% of the Company's share capital prior to the share issuance and who has not subscribed to it

	<b>Shareholder's participation in % on the basis of share capital  (non-diluted basis)</b>	<b>Shareholder's participation in % on the basis of share capital  (diluted basis<sup>1</sup>)</b>
Before the capital increases	1%	1%
After the issuance of 490,101 shares	0,99%	0.99%

- (2) Impact of the share issuance of 490,101 new shares at the Subscription Price on the portion of the **consolidated** shareholder's equity for the holder of one share of the Company not subscribing to the above-mentioned issues (calculation made on the basis of shareholder's equity as of June 30, 2023)

	<b>Portion of consolidated shareholder's equity per share on the basis of the consolidated shareholder's equity as of June 30, 2023  (non-diluted basis)</b>	<b>Portion of consolidated shareholder's equity per share on the basis of the consolidated shareholder's equity as of June 30, 2023  (diluted basis<sup>1</sup>)</b>
Before the capital increases	8,83€	8,45€
After the issuance of 490,101 shares	8,81€	8,43€

<sup>1</sup> Estimations are based on the assumption that all securities giving access to the capital are issued.

- (3) Impact of the share issuance of 490,101 new shares at the Subscription Price on the portion of the **social** shareholder's equity for the holder of one share of the Company not subscribing to the above-mentioned issues (calculation made on the basis of shareholder's equity as of June 30, 2023)

	<b>Portion of social shareholder's equity per share on the basis of the social shareholder's equity as of June 30, 2023  (non-diluted basis)</b>	<b>Portion of social shareholder's equity per share on the basis of the social shareholder's equity as of June 30, 2023  (diluted basis<sup>1</sup>)</b>
Before the capital increases	21,90€	20,95€
After the issuance of 490,101 shares	21,86€	20,91€

#### **4. Theoretical impact of the share issuances resulting from the use of the 13<sup>th</sup> and the 14<sup>th</sup> resolutions on the market value of the Vallourec share**

After considering the results of the subscription of 490,101 new shares, jointly in accordance with the 13<sup>th</sup> and the 14<sup>th</sup> resolutions adopted by the shareholder's general meeting of May 25, 2023, the theoretical impact of the share capital increases on the current market value of the Vallourec share as obtained from the average of the 20 trading days preceding the date of issuance is as follows:

- Number of shares admitted to trading before the issuance: 229 386 969 ordinary shares
- Average of the volume-weighted average prices of the Company share on Euronext Paris during the twenty trading days preceding the date of issuance: EUR 13,21
- Theoretical share price after capital increase = [(average of the last 20 share prices prior to issue x number of shares admitted to trading before issuance) + (issuance price x number of shares issued)] / (number of shares admitted to trading before issue + number of shares issued): EUR 13,20
- The subscription price of the reserved share capital increases is EUR 8.83.

According to these assumptions, the theoretical market value of the share after the capital increases would be EUR 13,20.

It should be noted that this theoretical approach is purely for information purposes and in no way reflects the future development of the share price.

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This additional report and the auditors' report are available to the shareholders at the registered office of the Company and will be brought to their attention at the next shareholders' general meeting.

Signed in Paris, on February 29 2024

The Board of Directors