

Statement of intent



TUBACEX signs a letter of intent in Egypt for the development of nuclear energy

- TUBACEX has established a consortium with the Russian company Tubes 2000 for the production and supply of equipment for what will be the country's first nuclear power plant in El Dabaa.
- This non-binding statement assesses the development of manufacturing capabilities in Egypt, with an expected annual turnover of €100 million as from 2020.

Llodio, October 5, 2018. TUBACEX and the Egyptian Government have signed a letter of intent with the aim of analyzing together the collaboration channels for what will be the country's first nuclear power plant in El Dabaa. This statement has been signed in consortium with the Russian company Tubes 2000, specialized in the production and supply of nuclear energy equipment, and contemplates, should the negotiations conclude, the possibility of developing local manufacturing capabilities.

This way, the company continue working on its diversification strategy by betting on growing markets and maintaining its commitment in demand segments that allow to reduce its dependence on Oil and Gas. Specifically, in the last few months the nuclear sector has shown recovery after three years of being paralyzed, highlighting this project which might mean an expected annual turnover of €100 million as from 2020.

El Dabaa (Egypt) is a project that is made up of four nuclear power plants with the capacity of generating 1,200 megawatts each. JSC Atomstroyexport, an engineering company that belongs to the Russian State-run Nuclear Energy Corporation "Rosatom", will lead the construction which is to begin in June 2020.

The development of local capabilities under the future potential agreement would mean a boost for the plants that the Tubacex Group has in Spain, Italy, and Austria, the operational synergies of which allow to have a semi-finished product that can be completed in Egypt.

Jesús Esmorís has valued this statement as an opportunity to position the company in a sector for which the company has its own manufacturing capabilities, able to supply the most complex components in the market.

About TUBACEX

TUBACEX is a multinational group with its headquarters in Alava and a global leader in the manufacture of stainless steel and high-alloyed tubular products (tubes and accessories). It also offers a wide range of services from the design of tailored solutions to installation and maintenance operations.

It has production plants in Spain, Austria, Italy, the United States, India and Thailand and worldwide service centers and sales offices in 38 countries.

The main demand segments for the tubes manufactured by TUBACEX are the oil and gas, petrochemical, chemical and power generation industries.

TUBACEX has been listed on the Spanish Stock Market since 1970 and is part of the "IBEX SMALL CAPS" Index.

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