Earnings Release

4TH QUARTER 2020

After four years in continuous decline, the Tubacex Group began the year with improved expectations for order intake. Nonetheless, the outbreak of COVID-19 altered all forecasts.

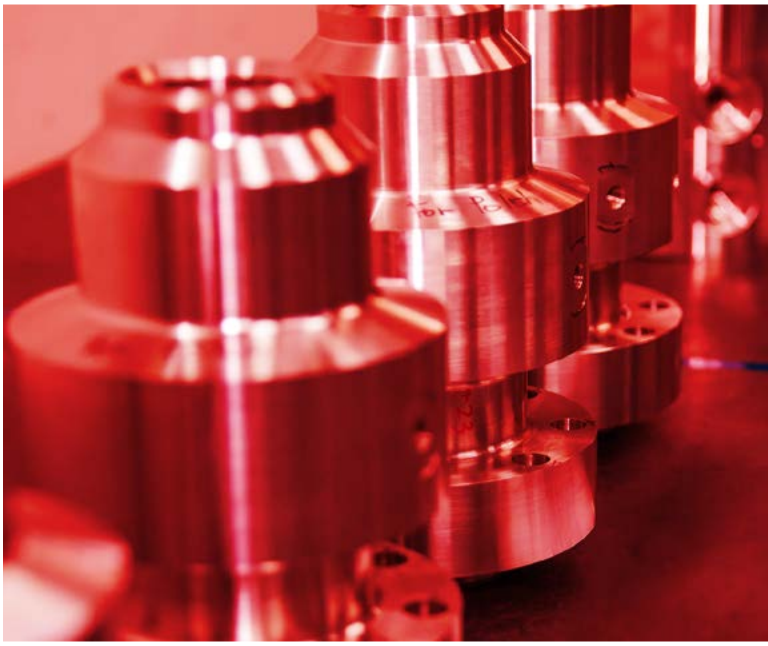
In March we were confronted with a situation no one had ever experienced before, a global pandemic which caused the progressive and repeated closure of numerous countries, as well as an unprecedented economic recession. In this context of great uncertainty, we were very quick to modify our short-term strategy and to adopt a crisis management plan with three main components; the strengthening of our financial structure, a readjustment of our cost structure, and a sales drive focused on signing multiyear contracts and long-term agreements. Thanks to efforts made in these three areas we were able to hit the targets we set for ourselves at that point in time, for this crisis-stricken year.

Firstly, we closed the year with EBITDA of 38.1M€, a remarkable figure given the economic situation which developed over the year. This is even more notable, given the extraordinary negative adjustments we chose to implement without affecting the cash position. Internally, the impact of the overall result has been felt differently across the Group, with the Spanish production plants feeling the most adverse effects, due to more serious ongoing structural problems.

Financial restructuring was also completed successfully, diversifying and significantly extending the terms of our debt. We closed the year with a liquidity position, between cash position and available assets, of more than 240 million euros, guaranteeing the Group's solvency in the short and mid-term, even in a worst-case scenario.

The efforts made by the sales team, even in such adverse market conditions, have allowed the negotiation and signing of long-term contracts with the end-users of our products with the highest added value, creating a base for the Group's future growth.

Finally, cost reduction programs have delivered recurrent annual savings of over 30M€, over the base of fixed costs. But we have not only applied short-term measures in response to the extraordinary events of 2020. We are also aware that society is changing, and we must adapt. The global pandemic has caused a change in public sensitivity to environmental issues and an acceleration of the energy transition toward clean energy. This unstoppable trend is causing underlying changes in our business which will affect, to a greater or lesser extent, all the 20 production plants that make up the Group. For those reasons, to adapt to a new reality and guarantee the continued viability of TUBACEX, we have had to take some difficult decisions, such as reducing workforces by an average of 20%.

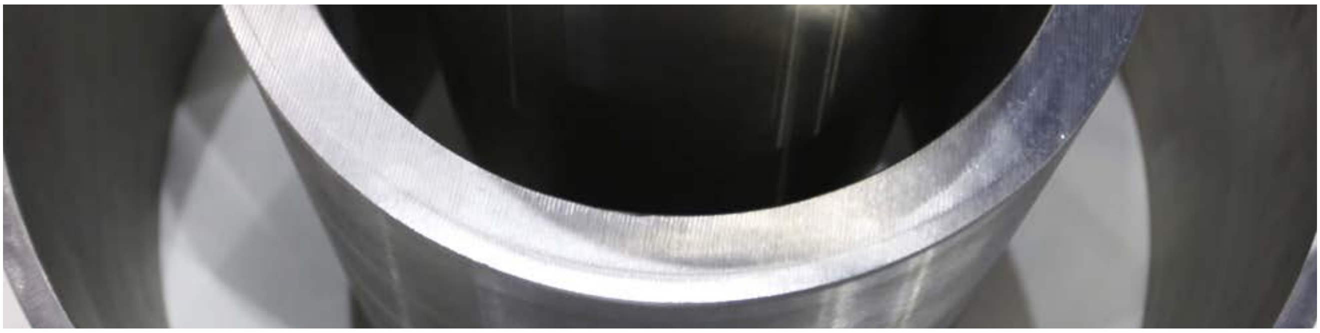


This restructuring is already at an advanced stage, pending mainly the measures tabled for the Spanish facilities, and we expect to complete the process in the near future. We must note that restructuring in the Spanish plants has been more extensive due to the underlying problems of high operating costs and reduced competitivity, which have been causing significant losses since before the effects of COVID-19.

In the knowledge that a firm commitment to sustainability is vital for all companies, we are promoting and bringing forward our commitment to the sustainable development goals. With regards to internal processes, we have submitted a letter of intent to adhere to the Science based targets (SBT), setting ourselves the goal for 2030 of reducing our CO_2 emissions by 50%. Looking outwards, we collaborate with the sectors who use our products to reduce emissions thanks to our highly resistant materials and the continuous development of new technologies. The energy transition, with a move to cleaner sources and sustainable development, is an unstoppable trend, and TUBACEX will take a leading role in the process.

We now face a 2021 full of uncertainty. Despite initial market optimism after beginning vaccination programs, a third wave and the fear of more to come, together with the appearance of new strains have delayed a return to normal activity and fuel doubt as to when a recovery will reach previous levels.

Jesús Esmorís
CEO



1 Key financial figures

The Tubacex Group began the 2020 financial year in a market which expected a progressive recovery in the mid and long-term. However, the results were affected by macro-economic and health factors and are well below initial expectations.

Sales in 2020 amounted to 479.6 million euros, with EBITDA of 38.1 million euros and a margin of 7.9%. Although these figures fall well short of Group's targets at the beginning of the year, they also reflect an ability to return positive operational values despite the drama and challenges of the current situation. It is also worth noting that the EBITDA incorporates the year's aforementioned restructuring costs, associated with adapting the Group to the new business environment.

This ability to deliver results allowed TUBACEX to take the voluntary decision of making various extraordinary adjustments, all without affecting the cash position, to safeguard the company's balance sheet and prepare for the eventual market recovery. On one hand an exceptional provision was registered, without which the EBITDA would have been greater. On the other hand, the Group willingly decided to implement other adjustments in EBIT and net profit.

The total sum of the adjustments, without any cash outflow, amounts to 20.3 million euros. This figure should be taken into account when analyzing the Group's net profit.

In 2020 the Tubacex Group voluntarily registered extraordinary adjustments to a value of 20.3 million euros, without affecting the cash position

Financial figures
€M

	FY 2020	FY 2019	% change	4Q 2020	4Q 2019	% change
Sales	**479.6**	613.5	**-21.8%**	**90.0**	137.2	**-34.4%**
EBITDA	**38.1** (1)	67.1	**-43.2%**	**11.7** (1)	20.8	**-43.9%**
EBITDA margin	*7.9%*	*10.9%*		*13.0%*	*15.2%*	
EBIT	**(11.9)** (1)	22.8	**n.m.**	**(4.7)** (1)	5.0	**n.m.**
EBIT margin	*neg.*	*3.7%*		*neg.*	*3.6%*	
Net Profit	**(25.3)** (1)	11.1	**n.m.**	**(12.3)** (1)	3.9	**n.m.**
Net margin	*neg.*	*1.8%*		*neg.*	*2.8%*	

	2020.12.31	2019.12.31
Equity Attributable to the Parent	**240.9**	287.5
Equity / Net Financial Debt	**80.8%**	113.4%
Working Capital	**206.8**	187.2
Working Capital / Sales	**43.1%**	30.5%
Structural Net Financial Debt (2)	**91.4**	66.3
Total Net Financial Debt	**298.1**	253.6
NFD/ EBITDA	*7.8x*	3.8x

neg.: negative
n.m.: not meaningful
(1) Incorporates extraordinary adjustments and provisions without impact on the cash position
(2) Total Net Financial Debt - Working Capital

With regards the balance sheet, the reduction in the parent company's equity by 46.6 million euros, is due to three main factors: The negative net profit registered, the share repurchase program, and differences in conversion rates between balance sheets reported in different currencies. Despite the reduction, net equity still represents 80.8% of net debt, showing the strength of the balance sheet.

Working capital is at 206.8 million euros, 19.5 million above its position at end-of-year 2019. This increase is exceptional and transitory and is due to the different rates at which current assets and current liabilities are reduced, together with the incorporation of stock from Amega West, mainly specialized stock for the tooling rental business. The trend expected over the coming quarters is a progressive reduction of the net amount, towards the normal operating levels of the company.

The increase in working capital together with investments in inorganic growth left end-of-year net financial debt at 298.1 million euros, above the level expected. This figure, during a period of weak results like the present and combined with the exceptional restructuring costs, put the leveraging ratio a 7.8x EBITDA. However, it is worth noting that the high debt ratio will have no impact on the financial structure of TUBACEX, nor on its cash position.

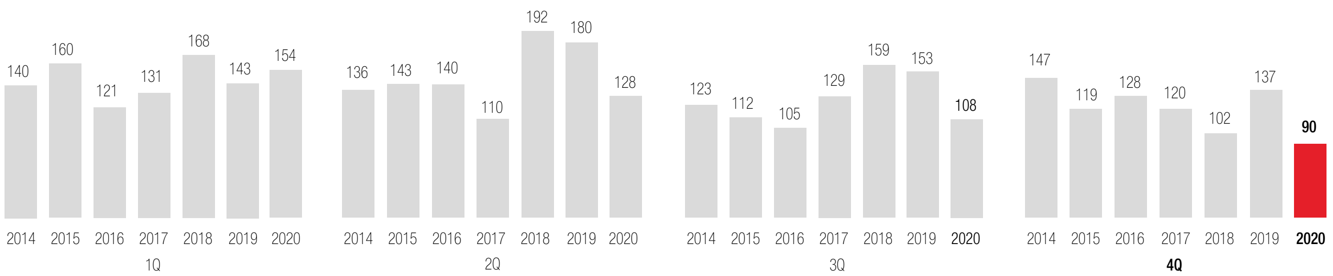
The success of efforts made by the Group to strengthen its financial structure is shown through the extended terms given on debts and by the strong cash position.

In reference to debt maturity, 52.2% of gross financial debt is now classified as long-term, compared to 39.6% at the close of 2019. TUBACEX is an integrated group which works to order, so working capital represents 69.3% of the debt, giving structural financial debt (without working capital) of 91.4 million euros. In terms of the Group's solvency, the success of financial restructuring can be seen in its liquidity of more than 240 million euros, between the cash position and available assets, guaranteeing a solid balance sheet and covering maturity on loans for well into 2024.

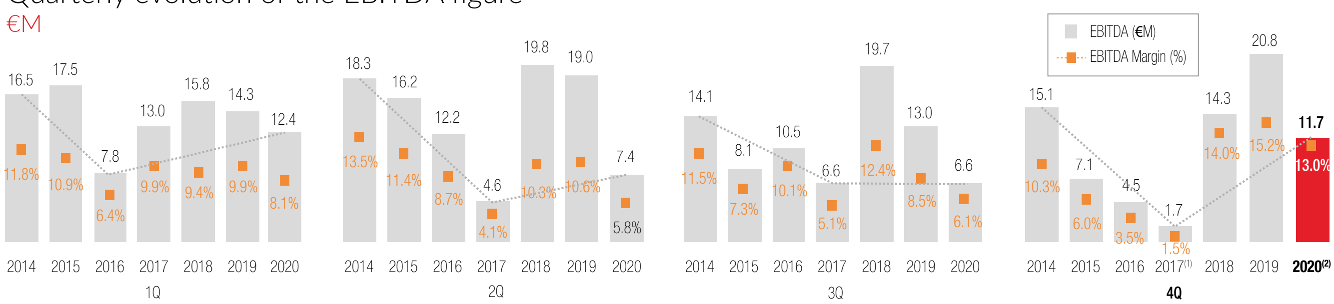
Looking to the future, in the short term, the low order intake of the last few months is expected to result in weak performance for the first two quarters of 2021. Thanks to the crisis management plan implemented over the last few months involving base cost reduction, ensuring structural liquidity and signing strategic long-term agreements with key customers, the Group offers all possible guarantees that it will successfully overcome this period. As the year progresses, and if the pandemic and vaccination programs conform to expectations, the businesses in our main target sectors should gradually recover.

In such uncertain times we predict 2021 order intake will evolve from less to more and that 2022 should not be dominated by the current, devastating external influences. We expect to close the year with a significant backlog of orders and a clear vision of how the following financial years will evolve.

Quarterly evolution of the sales figure
€M



Quarterly evolution of the EBITDA figure
€M



(1) EBITDA in Q4 2017 includes extraordinary adjustments for the inclusion of equipment, tooling and stock linked to a standard product manufactured in Austria but then transferred to India

(2) EBITDA in Q4 2020 includes extraordinary adjustments and provisions without impact on the cash position

2 Business evolution

The current market climate is still dominated by the uncertainty caused by COVID-19. Despite the optimism and confidence inspired by the first vaccinations, the third wave and the resulting closure of various countries are delaying market recovery and demand in TUBACEX's target sectors remains limited.

As part of the Group's strategy to develop tailer made tubular solutions for end-users and engineering firms, this channel remains TUBACEX's priority sales channel. The sales breakdown in this channel is as follows: Gas E&P 24%, Oil E&P 13%, Power Generation 17% and Mid & Downstream 38%.

In the **Oil&Gas E&P sector**, as mentioned throughout 2020, the crisis provoked by COVID-19 has paralyzed almost all projects under consideration and the associated orders planned for the year.

The increased consumption of oil and gas related products in the second half of 2020 was partially interrupted by the second and third waves of COVID infections in western nations, especially Europe and the USA. Nonetheless the mild economic recovery and the lack of investment undertaken in recent years had led to some renewed investment in Exploration and Production. The most active areas for OCTG CRA are Guyana, Brazil and the GCC, where TUBACEX is well positioned. Therefore, the second half of 2021 will be key for winning important contracts in these regions.

With regards the SURF segment (Subsea, Umbilicals, Risers and Flowlines) Norway and Brazil are without doubt the most active recently. Norway offers a range of fiscal incentives for any projects allocated before December 2022. Whilst in Brazil, Petrobras continues with the strategic development of Pre-Salt. On the other hand, in the final months of 2020 a number of paralyzed Subsea projects have been accepting offers in areas such as the Middle East, GoM and the Mediterranean. All of this indicating that, if the plans announced by oil companies become reality, we will see a return to "normality" in the Offshore/Subsea sector, with an increase in orders in the second half of 2021 and above all during 2022.

In the **Power Generation** sector activity in the conventional segment has seen sustained growth during the last quarter with a positive outlook for the beginning of 2021 as well. The Chinese and Indian governments are reactivating projects put on hold in 2020 because of the pandemic and are extending the scope to cater for the increased demand in the new year. In this segment two trends which give TUBACEX a clear competitive advantage, continue to grow. Firstly, the need for new grades and special services which reduce emissions for the end-users, and secondly the requirement for greater investment in the countries for which products are destined.

In the nuclear segment, the highlight is the promising evolution of a project in Turkey, led by the Russian group Rosatom, for which TUBACEX has already signed a number of orders. This group has plans for 30 more nuclear plants around the world, including various facilities in India. TUBACEX has a significant industrial and sales presence in the region, which it is using to build links with different companies with a view to participating in said projects.

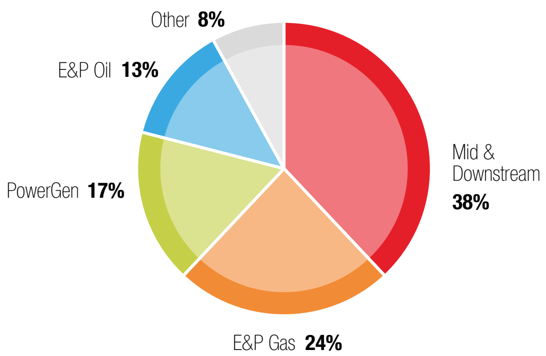
Finally, through the GNMS platform, the Group is in the negotiation phase for new orders relating to the Hinkley Point project, which EDF is developing in the UK, as well as the ITER project in France.

In the **Mid & Downstream** segment a recovery of the LNG sector is expected for the second half of 2021, when purchasing processes will be activated following large investments in liquefaction projects recently allocated to EPCs. Much of the activity in 2021 will be centered around Qatar and Mozambique, as well three important projects in the USA pending the final investment decision. The outlook for Midstream is very positive for 2021-2022 in the Caspian Sea region, based on the gas processing prospects there. In FPSO the reactivation of various tenders in Brazil and southeast Asia are also expected, although probably not until the second half of the year. By contrast, and in line with growing environmental awareness, the outlook for the refinery sector is less certain, due to the energy transition and new efficiency targets which require the reevaluation of planned investments.

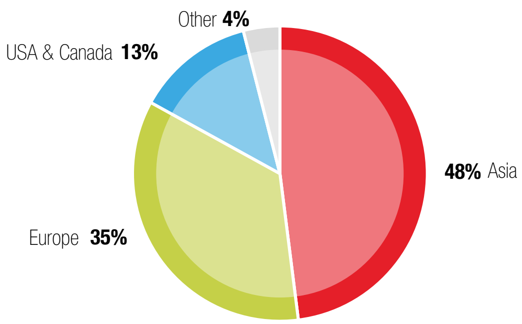
Breakdown of direct sales to engineering firms and end-users

FY 2020

Breakdown by sector



Breakdown by final destination



From a geographic perspective Asia is still the Group's main market, accounting for 48% of sales, due to an involvement in gas, both extraction and processing, and the demand in power generation. Growth predictions in the region remain high for the next few years.

The positive evolution of the north American market in 2019 was then hindered by the global pandemic, especially the aerospace sector. But with the construction of a new production plant in Oklahoma, TUBACEX is well prepared to serve this market of ever-growing importance.

3 Highlights

Acquisition of Amega West

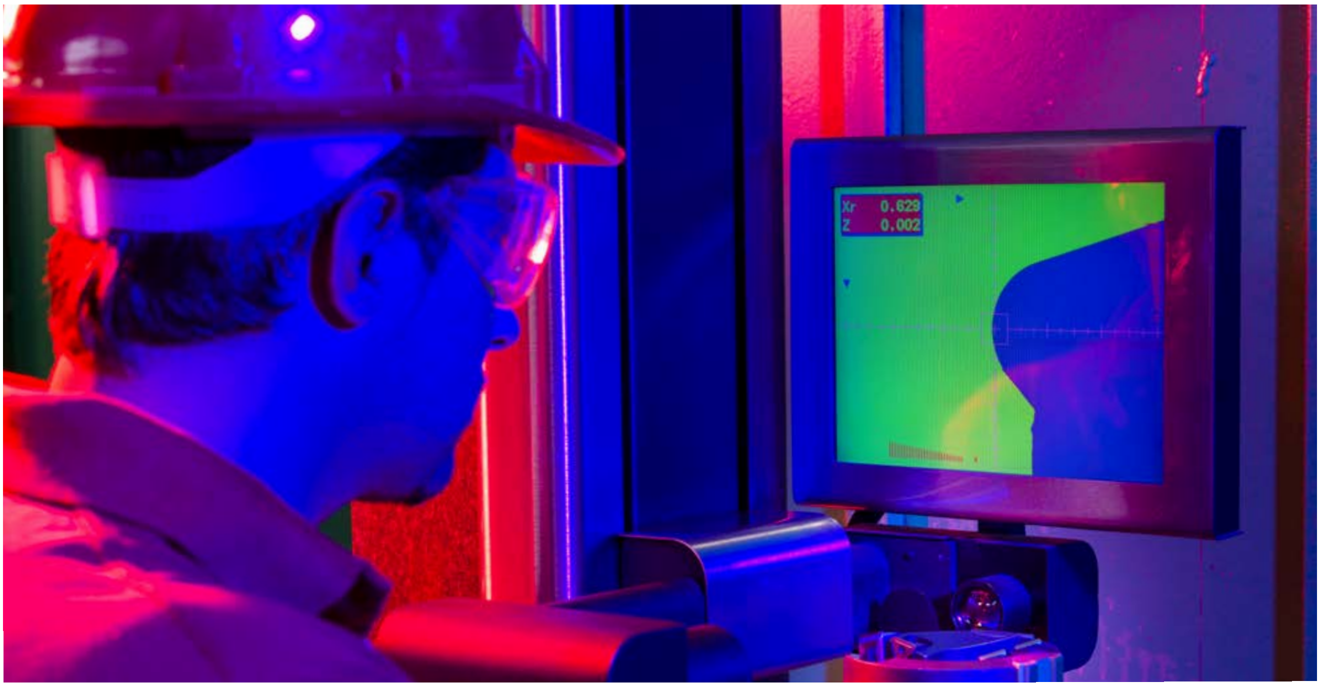
The acquisition was completed through the NTS Group, itself acquired in 2019 as part of a Joint Venture between TUBACEX and ADQ (formerly SENAAT). Amega West Services is a world leader in the manufacture and rental of drilling and downhole equipment for onshore and offshore Oil&Gas. The company has production facilities in the USA, Canada, Singapore as well as three service centers in the USA and the UK. Following the acquisition, NTS becomes the market leader in the Middle East (UAE/GCC) and number two worldwide, offering drilling kits and maintenance and repair services. The acquisition also reaffirms TUBACEX's position as an integrated supplier of high-tech solutions in stainless steel, and creates strategic links with end-users in the major oil and gas regions of the world.

NTS AMEGA WEST
USA

TUBACEX joins the Science Based Targets initiative in the fight against climate change

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

TUBACEX has signed a letter of intent, adhering to the Science Based Targets (SBT) and outlining a commitment to reduce the emission of greenhouse gases by the year 2030. Science Based Targets is a collective initiative of the CDP, the UN's Global Compact, the World Resources Institute and WWF, which identifies and promotes innovative strategies to tackle climate change and move towards a low carbon economy. The general and specific targets TUBACEX has presented for reducing emissions will be evaluated and validated independently by SBT's technical experts. Adhesion to the targets, together with a global environmental sustainability plan show TUBACEX's commitment to the environment and the fight against climate change.



4 TUBACEX on the stock market

Share evolution

JAN 20 - DEC 20

The global pandemic caused by coronavirus has translated to significant devaluation of the stock of most companies. But most of all in those cyclical sectors linked to economic growth, tourism and energy, as is the case of TUBACEX.

Following this general trend, TUBACEX's share suffered a severe decline in value during the first three quarters of the year. The final quarter saw some improvement but could not return to previous values. The share price at year-end in December was 1.37€, equivalent to a market capitalization of 182.2 million euros and a drop of 51.6% over the course of the year.

Regarding the liquidity of the stock, the number of shares traded in 2020 on the regulated stock exchange was 88.4 million, compared with 33.8 million in 2019, and equivalent to a rotation of 66.5% of the total capital.

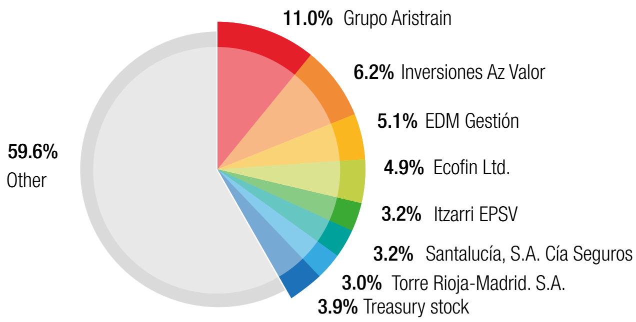
Shareholding

2020.12.31

In the forth quarter of the year no significant changes amongst the main TUBACEX shareholders was reported.

As published at the time, the only relevant change during 2020 was the declassification of Dimensional Fund Advisors LP as a significant shareholder (they reportedly held a 3% share).

As appears in the CNMV, TUBACEX shareholding on December 31st was as follows:



Source: CNMV (Spanish Securities Exchange Commission)

5 Key financial figures

Consolidated balance sheet
€M

	2020.12.31	2019.12.31	change %
Intangible assets	115.6	102.4	12.9%
Tangible assets	308.5	308.1	0.1%
Financial assets	80.3	80.5	-0.3%
Non-current assets	**504.4**	**491.1**	**2.7%**
Inventories	263.5	305.0	-13.6%
Receivables	57.4	89.0	-35.5%
Other account receivables	21.4	22.2	-3.7%
Other current assets	5.6	6.9	-19.1%
Derivative financial instruments	0.7	2.2	-68.4%
Cash and equivalents	185.9	167.2	11.2%
Current assets	**534.5**	**592.5**	**-9.8%**
TOTAL ASSETS	**1,038.9**	**1,083.6**	**-4.1%**
Equity, Group Share	240.9	287.5	-16.2%
Minority interests	57.6	48.2	19.6%
Equity	**298.4**	**335.6**	**-11.1%**
Interest-bearing debt	252.5	166.6	51.6%
Derivative financial instruments	0.6	0.1	n.m.
Provisions and other	65.2	59.6	9.3%
Non-current liabilities	**318.4**	**226.3**	**40.7%**
Interest-bearing debt	231.5	254.2	-8.9%
Derivative financial instruments	1.0	0.8	23.9%
Trade and other payables	114.1	206.8	-44.8%
Other current liabilities	75.5	59.9	25.9%
Current liabilities	**422.1**	**521.6**	**-19.1%**
TOTAL EQUITY AND LIABILITIES	**1,038.9**	**1,083.6**	**-4.1%**

n.m.: Not meaningful

Consolidated income statement
€M

	FY 2020	FY 2019	change %	4Q 2020	4Q 2019	change %
Sales	479.6	613.5	-21.8%	90.0	137.2	-34.4%
Change in inventories	(20.2)	2.9	n.m.	(2.1)	0.6	n.m.
Other income	13.8	12.6	9.5%	3.6	4.5	-21.5%
Cost of materials	(225.1)	(307.7)	-26.8%	(52.5)	(69.3)	-24.2%
Personnel expenses	(133.5)	(146.2)	-8.7%	(37.4)	(38.3)	-2.4%
Other operating costs	(86.6)	(121.0)	-28.5%	0.1	(26.8)	n.m.
Negative goodwill	10.1	13.0	-22.0%	10.1	13.0	-22.0%
EBITDA	38.1	67.1	-43.2%	11.7	20.8	-43.9%
EBITDA Margin	*7.9%*	*10.9%*		*13.0%*	*15.2%*	
Amortization and depreciation	(50.0)	(44.3)	13.0%	(16.3)	(15.9)	3.0%
EBIT	(11.9)	22.8	n.m.	(4.7)	5.0	n.m.
EBIT Margin	*neg.*	*3.7%*		*neg.*	*3.6%*	
Financial Result	(12.6)	(11.7)	7.2%	(2.8)	(3.3)	-16.1%
Exchange differences	(1.8)	0.4	n.m.	(1.1)	0.1	n.m.
Profit Before Taxes	(26.4)	11.5	n.m.	(8.5)	1.8	n.m.
Profit Before Taxes Margin	*neg.*	*1.9%*		*neg.*	*1.3%*	
Income taxes	1.2	3.2	-62.9%	(4.3)	3.0	n.m.
Consolidated Net Income	(25.2)	14.7	n.m.	(12.8)	4.8	n.m.
Minority interests	(0.1)	(3.5)	-96.5%	0.4	(0.9)	n.m.
Net Income, Group Share	(25.3)	11.1	n.m.	(12.3)	3.9	n.m.
Net Margin	*neg.*	*1.8%*		*neg.*	*2.8%*	

n.m.: Not meaningful
neg.: Negative

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