

East Pipes' Board of Directors recommends the distribution of bonus shares

Dammam, Saudi Arabia, 08 August 2022: East Pipes Integrated Company for Industry ("East Pipes" or "the Company", 1321 on the Saudi Exchange), Saudi Arabia's leading manufacturer of Helical Submerged Arc Welded (HSAW) pipes, has announced that its Board of Directors is recommending the distribution of bonus shares at a ratio of 0.5 shares for each share held.

The Company will be seeking the required regulatory approvals in this regard, in addition to shareholder approval at an Extraordinary General Assembly Meeting, for which the date will be announced in due course.

Mohammed Al Shaheen, Chief Executive Officer at East Pipes said:

"We are delighted to have witnessed significant interest from both institutional and retail investors during our successful IPO a few months ago. Ever since the listing on Tadawul, the Board of East Pipes and the management team have been thoroughly assessing several options to optimize its capital structure, whilst returning value to our shareholders.

The Board is therefore recommending the distribution of bonus shares, as we aim to retain internal resources to deliver on East Pipes' current backlog, which is testament of the positive momentum in our industry. With the strong support by investors for our strategic growth plans, we will leverage our competitive market position, to secure a major portion of the upcoming pipeline of projects, under the Vision 2030 agenda.

As a next step, we will be seeking the necessary regulatory approvals for the bonus shares, in addition to shareholder approval during an EGM that will be scheduled soon."

Following the distribution of the bonus shares, the total number of shares of East Pipes will increase from 21 million shares currently, to 31.5 million shares, with a corresponding increase in paid-in capital from SAR 210 million to SAR 315 million.

- Ends -

About East Pipes:

Established in 2010, East Pipes Integrated Company for Industry (East Pipes) is one of the leading manufacturers of Helical Spiral Arc Welded (HSAW) pipes in Saudi Arabia, which are used in critical infrastructure sectors, predominantly water and oil & gas applications. Thanks to its state-of-the-art manufacturing capabilities and fully integrated business model, which includes a double joining plant and coating mill, the Company is capable of producing more than 500,000 metric tons of spiral pipes per annum, and pipe coating capacity up to 4.5 million sqm making it one of the largest integrated manufacturer of spiral pipes in the region.

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