

East Pipes and Saudi Arabian Oil Co. (Aramco), mutually agree to stop and cancel SAR 153 million contract, with no impact

Dammam, Saudi Arabia, 21 March 2024: 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, announces the mutual agreement with Aramco to stop and cancel an SAR 153 million contract

It is worth highlighting that this cancellation does not have any impact on East Pipes, in light of the following reasons:

- The contract was not included in the Company's production schedules during the current fiscal year
- According to the Company's plans, the raw materials related to the contract have not been purchased yet
- The cancellation does not affect the operating plans during the period scheduled for implementation

Ali Al Makrami, Vice President – Commercial at East Pipes said:

"The mutual agreement with Aramco to stop and cancel this contract has no impact on East Pipes' substantial backlog, which is mainly linked to ongoing gas and water transmission projects. This SAR 153 million contract represents 6% of the total awards by Saudi Aramco, valued at SAR 2.7 billion, and just 3% of the total value of contracts announced during the current fiscal year (FY2023-2024), which amounts to nearly SAR 4.4 billion.

We are quite optimistic about the future prospects of our company, which are further supported by Aramco's diversification of its energy mix, as well as the increasing demand for water transmission lines to support initiatives aimed at increasing water reserves across the Kingdom, as well as other projects and programs such as NEOM, Green Riyadh Project, and other targeted projects. Moreover, the strategic alignment of our business objectives with the government's policies and initiatives, will continue to drive our growth going forward and help unlock additional opportunities that will enable East Pipes to reach new horizons."

- 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, making it one of the largest integrated manufacturers of spiral pipes in the region.

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