

### **Consolidated Financial Statements**

(revised for a technical error identified in the version published on 2 October 2019)

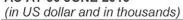
Consolidated statement of financial position Consolidated statement of comprehensive income Consolidated statement of changes in equity Consolidated statement of cash flows

Six Months Ended 30 June 2019

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# CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019





	30 June 2019	31 December 2018
ASSETS		
Non-current assets		
Property, plant and equipment	553,513	515,446
Intangible assets and goodwill	2,885	2,584
Investments in associates	1,102	1,201
Investment in joint venture	3,126	3,230
Deferred tax assets	3,802	2,024
Prepaid income tax	2,310	1,867
Other non-current assets	287	180
	567,025	526,532
Current assets		
Inventories	209,138	155,367
Trade and other accounts receivable	141,535	106,372
Prepayments and other current assets	22,695	27,201
Prepaid current income tax	485	132
Taxes recoverable, other than income tax	17,385	18,587
Other financial assets	5,208	11,494
Cash and cash equivalents	199,997	130,884
	596,443	450,037
TOTAL ASSETS	1,163,468	976,569
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Issued capital	62,304	62,304
Share premium	426,065	426,065
Revaluation reserve	423,389	434,151
Accumulated deficit	(300,070)	(281,229)
Cash flow hedge reserve	(129,725)	(183,283)
Foreign currency translation reserve	(1,098,618)	(1,132,256)
10	(616,655)	(674,248)
Non-controlling interests	9,322	4,749
Total equity	(607,333)	(669,499)
Non-current liabilities		
Subordinated loan	63,085	59,938
Deferred tax liabilities	26,749	21,602
Defined employee obligations	26,678	25,176
	116,512	106,716
Current liabilities	1 414 020	1.254.777
Borrowings and interest payable	1,414,020	1,354,766
Trade and other accounts payable	97,848	89,665
Advances and other current liabilities	56,246	40,947
Current income tax payable	10,617	6,290
Taxes payable, other than income tax Provisions	5,927 69,631	4,405 43,279
1 10 7 10 10 113	1,654,289	1,539,352
Total liabilities	1,770,801	1,646,068
TOTAL EQUITY AND LIABILITIES	1,163,468	976,569
TOTAL EQUIT MAD DIADIDITIES	1,105,406	770,509

Signed and authorised for issue on behalf of the Board of the Company:

Member of the Board, Chief Executive Officer

Fadi Khraybe

Member of the Board, Non-Executive Director

Andrii Dudnyk

2 October 2019

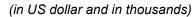
# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2019



(in US dollar and in thousands)

	For the six month ended 30 J		
	2019	2018	
Revenue	557,166	542,269	
Cost of sales	(395,996)	(407,124)	
Gross profit	161,170	135,145	
Selling and distribution expenses	(64,729)	(70,285)	
General and administrative expenses	(27,507)	(23,453)	
Other operating income and expenses	5,635	(1,793)	
Operating foreign exchange difference	(11,002)	(18,055)	
Operating profit	63,567	21,559	
Finance income	1,354	401	
Finance costs	(72,064)	(65,851)	
Non-operating foreign exchange difference	(11,379)	5,656	
Share of loss of joint venture	(104)	-	
Share of (loss) / profit of associates	(164)	42	
Loss before tax	(18,790)	(38,193)	
Income tax	(6,627)	(2,590)	
Loss for the period	(25,417)	(40,783)	
Profit / (loss) attributable to:			
Equity holders of the parent	(29,603)	(42,377)	
Non-controlling interests	4,186	1,594	
	(25,417)	(40,783)	
Other comprehensive income / (loss) to be reclassified to profit			
or loss in subsequent periods:  Net income on cash flow hedges	53,558	86,464	
Exchange differences on translation of foreign operations	34,025	(22,429)	
Net other comprehensive income to be reclassified to profit or	87,583	64,035	
loss in subsequent periods:	- /		
Other comprehensive income for the year, net of tax:	87,583	64,035	
Total comprehensive income attributable to:			
Equity holders of the parent	57,593	21,489	
Non-controlling interests	4,573	1,763	
	62,166	23,252	

# CONSOLIDATED STATEMENT OF CHANGE IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2019





#### Attributable to equity holders of the parent

						Foreign currency			
	Issued	Share	Revaluation	Accumulated	Cash flow	translation	No	n-controlling	
	capital	premium	reserve	deficit	hedge reserve	reserve	Total	interests	Total equity
At 1 January 2018	62,304	426,065	269,387	(246,746)	(248,852)	(1,122,204)	(860,046)	2,689	(857,357)
Loss for the period	-	-	-	(42,377)	-	-	(42,377)	1,594	(40,783)
Other comprehensive income / (loss)	-	-	-	-	86,464	(22,598)	63,866	169	64,035
Total comprehensive income / (loss)	-	-	-	(42,377)	86,464	(22,598)	21,489	1,763	23,252
Depreciation transfer	-	-	(9,003)	9,003	-	-	-	-	-
At 30 June 2018	62,304	426,065	260,384	(280,120)	(162,388)	(1,144,802)	(838,557)	4,452	(834,105)

#### Attributable to equity holders of the parent

						Foreign currency			
	Issued	Share	Revaluation	Accumulated	Cash flow	translation	No	n-controlling	
	capital	premium	reserve	deficit	hedge reserve	reserve	Total	interests	Total equity
At 1 January 2019	62,304	426,065	434,151	(281,229)	(183,283)	(1,132,256)	(674,248)	4,749	(669,499)
Loss for the period	-	-	-	(29,603)	-	-	(29,603)	4,186	(25,417)
Other comprehensive income	-	-	-	-	53,558	33,638	87,196	387	87,583
Total comprehensive income / (loss)	-	-	-	(29,603)	53,558	33,638	57,593	4,573	62,166
Depreciation transfer	-	-	(10,762)	10,762	-	-	-	-	-
At 30 June 2019	62,304	426,065	423,389	(300,070)	(129,725)	(1,098,618)	(616,655)	9,322	(607,333)

# CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2019



(in US dollar and in thousands)

	For the six month ended 30		
	2019	2018	
Loss before tax	(18,790)	(38,193)	
Adjustments for:			
Depreciation and amortisation	22,235	22,220	
Movement in provisions less interest cost	10,950	26,465	
Loss on disposal of property, plant and equipment	1,286	845	
Reclassification of the foreign exchange loss to cost of sales	27,347	28,607	
Finance costs	72,064	65,851	
Finance income	(1,354)	(401)	
Share of (profit) / loss of associates	164	(42)	
Share of loss of joint venture	104	-	
Translation difference and foreign exchange difference	23,176	10,451	
Operating cash flows before working capital changes	137,182	115,803	
Increase in inventories	(42,287)	(37,503)	
Increase in trade and other accounts receivable	(26,137)	(68,307)	
Decrease / (increase) in prepayments and other assets	5,470	(600)	
Decrease in taxes recoverable, other than income tax	2,233	6,119	
Increase / (decrease) in trade and other accounts payable	(2,352)	3,411	
Increase in taxes payable, other than income tax	1,005	3,015	
Increase in advances and other current liabilities	13,711	4,757	
Cash generated from operations	88,825	26,695	
Income tax paid	(1,419)	(3,581)	
Interest and other finance costs paid	(3,167)	(3,608)	
Net cash inflow from operating activities	84,239	19,506	
Cash flow from investing activities			
Purchases of property, plant and equipment and intangible assets	(24,304)	(21,283)	
Proceeds from sale of property, plant and equipment	14	40	
Interest received	1,396	345	
Net cash outflow from investing activities	(22,894)	(20,898)	
Cash flows from financing activities			
Repayments of borrowings	(49)	(336)	
Proceeds from restricted cash accounts	6,525	128	
Net cash inflow / (outflow) from financing activities	6,476	(208)	
Net increase / (decrease) in cash and cash equivalents	67,821	(1,600)	
Net foreign exchange difference	1,292	4,044	
Cash and cash equivalents at period beginning	130,884	70,253	
Cash and cash equivalents at period end	199,997	72,697	

# SEGMENT INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2019

INTERPIPE

(in US dollar and in thousands)

### Segment information

#### Segment revenues and results

Six months ended 30 June 2019	Pipes	Railway wheels	Steel making	Other operations	Total
Revenue	362,799	175,562	241,445	7,034	786,840
Elimination of sales to other segments	-	-	(229,674)	-	(229,674)
Revenue – external	362,799	175,562	11,771	7,034	557,166
Operating profit	689	55,435	6,809	634	63,567
Finance income					1,354
Finance costs					(72,064)
Non-operating foreign exchange difference					(11,379)
Share of loss of associates					(164)
Share of loss of joint venture					(104)
Income tax					(6,627)
Loss for the period				_	(25,417)

For the six months ended 30 June 2019 share of profit of associates was attributable to the seamless pipes segment.

### EBITDA by segments

Six month ended 30 June 2019	Pipes	Railway wheels	Steel making	Other operations	Total
Operating profit	689	55,435	6,809	634	63,567
Depreciation and amortisation	7,560	3,000	11,618	57	22,235
Loss on disposal of property, plant and equipment	727	562	(3)	-	1,286
Foreign exchange cash flow hedges	26,404	565	378	-	27,347
Operating foreign exchange difference	9,126	666	1,210	-	11,002
EBITDA	44,506	60,228	20,012	691	125,437

# SEGMENT INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2019



(in US dollar and in thousands)

Segment revenues an	d i	results
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Six month ended 30 June 2018	Pipes	Railway wheels	Steel making	Other operations	Total
Revenue Elimination of sales to other segments	388,530	135,385	270,590 (262,451)	10,215	804,720 (262,451)
Revenue – external	388,530	135,385	8,139	10,215	542,269
Operating profit / (loss)	(20,357)	11,756	31,041	(881)	21,559
Finance income Finance costs Non-operating foreign exchange difference Share of profit of associates					401 (65,851) 5,656 42
Income tax  Loss for the period				_	(2,590) (40,783)

For the six months ended 30 June 2018 share of profit of associates was attributable to the seamless pipes segment.

### EBIDTA by segments

Six month ended 30 June 2018	Pipes	Railway wheels	Steel making	Other operations	Total
Operating profit / (loss)	(20,357)	11,756	31,041	(881)	21,559
Depreciation and amortisation	9,721	4,878	7,604	17	22,220
Gain on disposal of property, plant and equipment	630	204	11	-	845
Foreign exchange cash flow hedges	27,998	-	609	-	28,607
Operating foreign exchange difference	13,927	4,038	33	57	18,055
EBIDTA	31,919	20,876	39,298	(807)	91,286