

PRESS RELEASE

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Interpipe releases the FY 2022 financial statements

Interpipe (referred to as “Interpipe” or the “Company”), a global producer of steel pipes and railway products based in Ukraine, released (via Interpipe Holdings Plc) its audited IFRS consolidated financial statements for the period from 1 January to 31 December 2022.

FY 2022 Financial Highlights:

- Steel output declined by 39% y-o-y, to 595 thousand tons, pipe production went down by 36% y-o-y, to 393 thousand tons, railway products production shrank by 51% y-o-y, to 84 thousand tons;
- Overall sales contracted by 37% y-o-y, to 524 thousand tons, incl. pipe sales - by 36% y-o-y, to 384 thousand tons, railway products sales - by 50% y-o-y, to 87 thousand tons;
- Revenue slid by 13% y-o-y, to USD 981 million;
- EBITDA contracted by 11% y-o-y, to USD 204 million;
- Net Leverage ratio (Net Debt to adjusted EBITDA) remained at the strong and sustainable level of 1.1.x.

2022 was extremely challenging year for Interpipe and Ukraine as whole. After the Russian invasion of Ukraine started at the end of February the Company's management had to suspend its operations in Ukraine fully in sake of safety of its employees. And only within April-May production was gradually resumed at all Interpipe's production facilities.

However, the Company did not get back to the pre-war output level due to the ongoing blockade of Black Sea seaports, shelling and bombing of the transport infrastructure and fuel shortages. Interpipe had to adapt rebuilding and searching for new logistics routes for finished products through ports of the European Union. This triggered a drastic in transport costs by 2.5-3.5x (depending on the route).

In Q4 2022, Russia launched regular missile and kamikaze-drone attacks on Ukraine's electricity infrastructure leading to several blackouts at the national and regional levels. As a

result of electricity shortage strict limits on its consumption were introduced for industrial consumers including for Interpipe's facilities which adversely affected its production capacity utilization.

The combination of these factors and challenges resulted in Interpipe's pipes output declined by 36% y-o-y, to 393 thousand tons, railway products production shrank by 51% y-o-y, to 84 thousand tons. Sales of finished products also decreased by 37% y-o-y, to 524. thousand tons, incl. pipe sales - by 36% y-o-y, to 384 thousand tons, railway products sales - by 50% y-o-y, to 87 thousand tons.

The fall in operational indicators, in turn, led to the decrease in financial results. In particular, revenue slid by 13% y-o-y, to USD 981 million, EBITDA contracted by 11% y-o-y, to USD 204 million. Meanwhile, Net Leverage ratio (Net Debt to adjusted EBITDA) remained at the strong and sustainable level of 1.1.x.

Andriy Korotkov, CEO at Interpipe commented on the results:

- Despite a very challenging operation environment and ongoing military actions Interpipe succeeded in preserving its workforce and industrial assets. Unfortunately, we still haven't managed to return to the pre-war output level. At the same time, we expect sounder operational and financial performance in 2023, including amid the extension of the suspension period for all quotas and duties on Ukrainian goods the EU and the safeguard duty in the USA.

In addition, Interpipe remains a solvent and creditworthy partner for its creditors and investors. The Company has been continuing to service and repay its credit debt liabilities in full since the beginning of the full-scale invasion.

About the company:

Interpipe is global producer of steel pipes and railway products based in Ukraine. The company's products are marketed in more than 80 countries all around the world via the network of sales offices located in key markets of Ukraine, Europe, North America and the Middle East. In 2022, Interpipe supplied 384 kt of pipes and 87 kt of railway products.

Interpipe has 10 thousand people working at the company's facilities. During 2022 the Company transferred UAH 2.8bln in taxes to budgets of all levels and extra-budgetary funds.

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