

INTERPIPE

REPORT 2024

of Interpipe Group

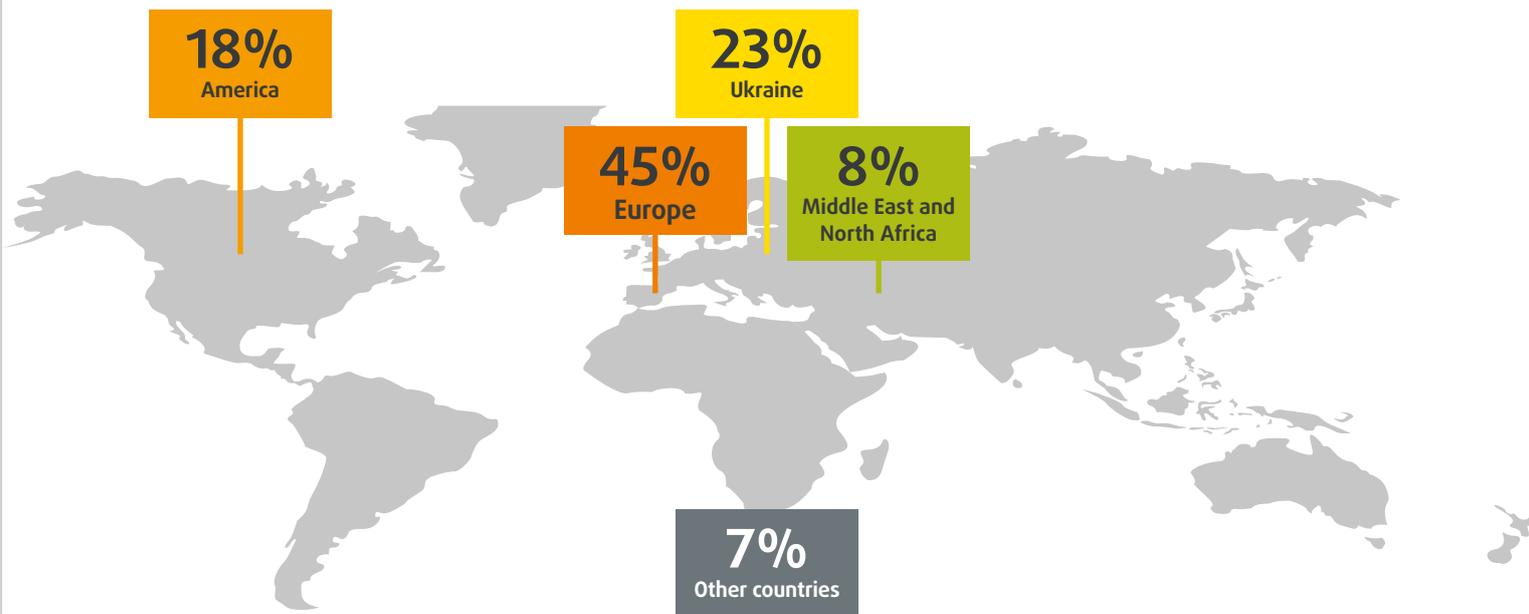
CONTENTS

Annual Review 2024	3
Interpipe at a glance	3
Highlights 2024	4
Interpipe Group Management Statement	5
Business Overview	7
Interpipe's path to green steelmaking	8
Business model and Strategy	12
External initiatives and industry partnership	18
Group of products	20
Operating Environment	23
Markets and customers	25
Financial review	31
Corporate Governance	39
Governance Structure	39
Risk management	46
Sustainability Statement	53
General Disclosures	54
Basis for preparation (BP)	54
Governance (GOV)	55
Strategy (SBM)	57
Impact, Risk and Opportunity management (IRO)	61
Environmental Information	66
Climate Change	66
Pollution	80
Water and marine resources	83
Use of resources and circular economy	90
Social information	97
Own workforce	97
Affected communities	123
Governance information	131
Business conduct	131
Financial Statements	138
About the Report	221
Annexes	222

INTERPIPE AT A GLANCE

Ukrainian industrial company Interpipe is a leading manufacturer and exporter of pipe and railway products, supplying dozens of countries worldwide through a network of sales offices located in key markets of Europe, North America, and the Middle

East. Among Interpipe's clients are major global energy giants, engineering conglomerates, construction and development companies, as well as international railcar manufacturing and repair holdings.



8 regional offices

2 in USA

2 in Switzerland

1 in Germany

1 in Abu Dhabi

1 in Dubai



9000+
global
staff members



80+
international destinations
for Interpipe's export
operations

An innovative steelmaking complex featuring an electric arc furnace

Ranked among Europe's top three seamless pipe manufacturers

Globally ranked among the top five railway wheel exporters

How Interpipe Creates Value:

- Product and geographic diversification of its production portfolio
- Vertical integration: from metal scraps procurement

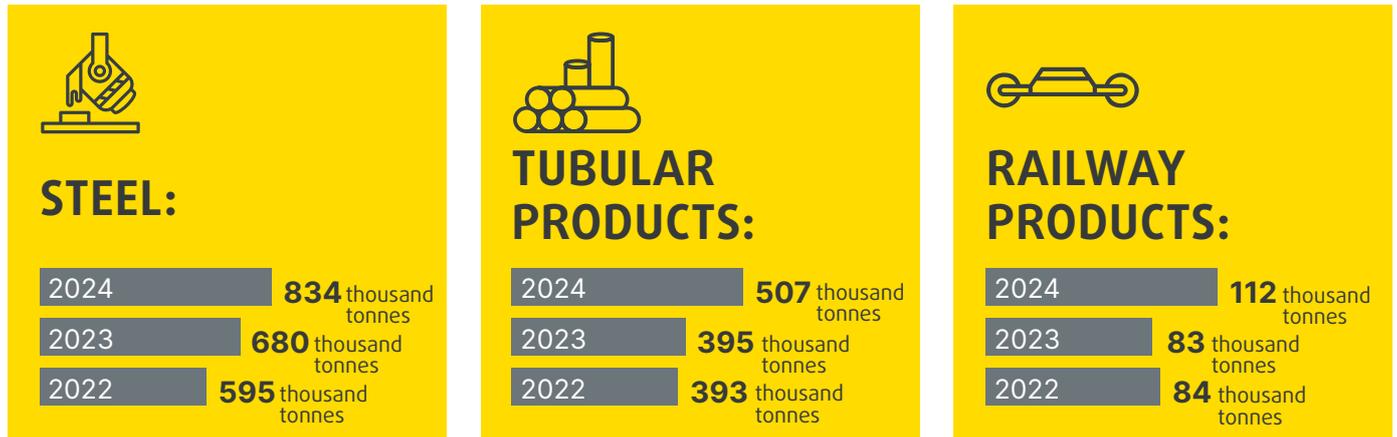
to manufacturing of finished products

- Focus on innovation and high value-added products
- Commitment to financial discipline
- Reduction of CO₂ emission magnitude across products
- Care for employees and local communities

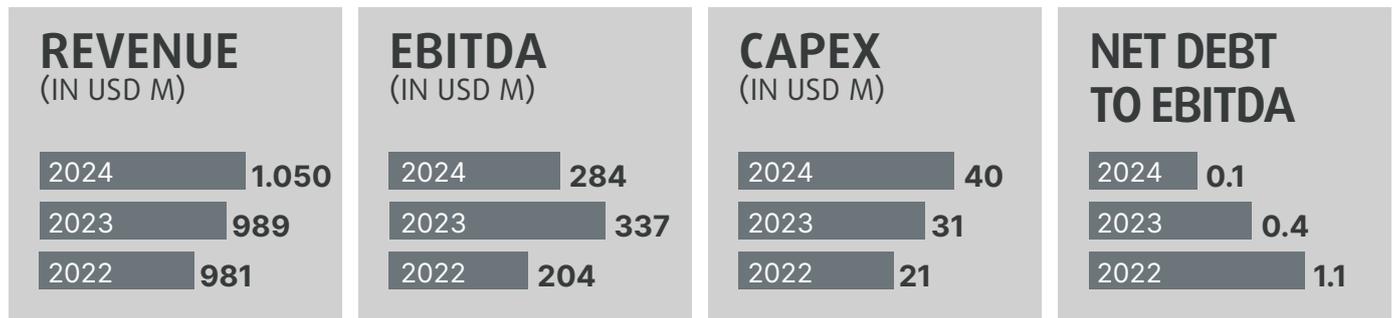
HIGHLIGHTS 2024

In the face of challenging market conditions, Interpipe continues to deliver resilient and consistent financial results

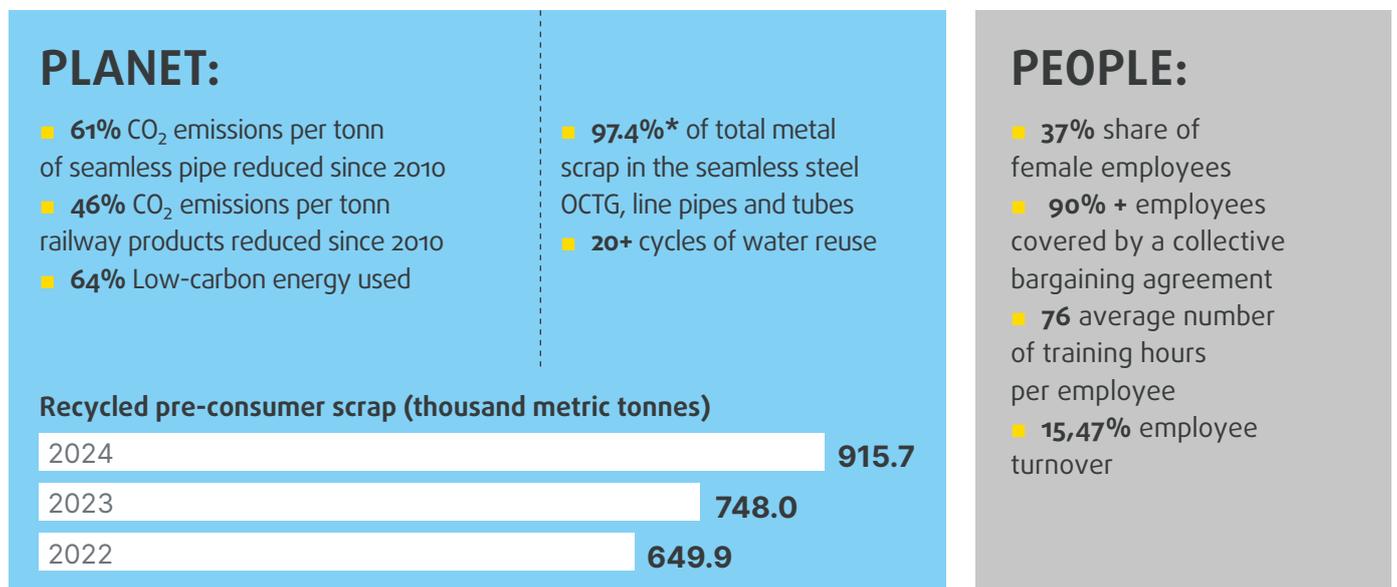
SHIPMENT VOLUMES



FINANCIAL FIGURES



NON-FINANCIAL FIGURES



*including pre-consumer and post-consumer scrap

INTERPIPE GROUP MANAGEMENT STATEMENT

Interpipe Group has been operating in the ongoing war conditions for the fourth consecutive year. In the face of the challenges, the company has preserved its teams, strengthened its positions in major EU and US export markets and continued implementing its investment strategy. Interpipe plays a significant role in the region's social stability by providing stable income to our nine thousand employees, engaging in the reinforcement of the region's defence, and improving healthcare and educational infrastructure in the Dnipropetrovsk region.

We, as Interpipe Group, are excited to share our key 2024 accomplishments and performance highlights. This document showcases our resilience, our focus on innovation and strategic responsibility and reflects our comprehensive business approach, at the intersection of economic efficiency, technological disruption and sustainability.

The major challenges we faced during 2024 remained the same. These include operating our production facilities in wartime conditions, considering that Dnipropetrovsk region is a frontline region, and workplace safety of our people. Each one of our buildings contains a large shelter that is fully equipped and operational.

Custom restrictions in export markets are among the key external challenges. The extension of the 'trade visa-free access' for Ukrainian metal products by the EU and the USA marked a significant milestone for the Company. During the war, this step represented vital support from Ukrainian authorities and our Western partners for the companies located in regions exposed to constant wartime shelling.

In the recent years, the European market has undoubtedly become our home market. Our major competitive factor is our R&D, encompassing the development, launch and production of new products. The Company introduced over 250 new types of mostly niche pipe products to meet specific needs of our EU customers.

Thanks to retaining stable positions in the international market, Interpipe improved its overall production and financial performance in 2024. The Company increased the production output of steel (+23% y.o.y.),

pipes (+28% y.o.y.) and rail products (+12% y.o.y.). In addition, the revenue has increased by 6% y.o.y., whilst the share of exports in total sales continues to exceed 80%. EBITDA remains high at USD 284 million, despite the price adjustments for pipes and rail products during the previous year.

With the unceasing war in Ukraine, Interpipe continues to implement its investment strategy to remain competitive in international markets. Notably, Company's CAPEX increased in 2024 by 29% y.o.y. to USD 40 million. Major projects include the construction of a new pipe heat treatment site at Interpipe Niko Tube and the launch of a hydraulic press at Interpipe NTRP.

Last year, Interpipe finalized an essential document, Path to Decarbonization. The rates of reducing the share of GHG emissions at the Company are already among the best in the industry by meeting the European Green Deal 2030 target to achieve a 55% reduction in emissions.

In particular, Interpipe reduced the CO₂ emissions per 1 tonne of seamless pipe produced by 61% and CO₂ emissions per 1 tonne of rail products by 46% compared to 2010. This impressive progress was driven primarily by the upgrade of steel production facilities. Another positive impact on the emission reduction trend represented the increasing share of premium products in the Company's total sales and changes in the overall product portfolio.

A reduction in the share of carbon-intensive electricity used and an increase in the representation of green energy became a notable accomplishment. During 2024, the share of electricity from renewable sources and hydro power plants reached 28% in the total mix compared to 7% in 2010. Overall, the share of carbon neutral electricity sources (nuclear and hydro/renewable) in the Company's total consumption for the previous year amounted to 64%.

The hallmark of our decarbonization journey and sustainability efforts was the silver award from EcoVadis, which Interpipe received in July 2025. Since receiving the bronze award in 2021, Interpipe has improved its performance in each category: environment, human rights, ethics, and sustainable procurement.

INTERPIPE GROUP MANAGEMENT STATEMENT

During 2024, Interpipe actively developed the projects focusing on the social support to its employees and local communities. The Company continued its intensive care for families of its Nikopol employees, having evacuated them to safer districts in Dnipropetrovsk oblast and providing aid to the employees whose homes were damaged by the enemy's attacks. Additionally, Interpipe has fully resumed the project focusing on promoting STEM subjects at schools and universities, in particular, mechatronics and crafts classes at Dnipro schools. Last year, the Company donated to 7 hospitals in Dnipropetrovsk region by purchasing the medical equipment required.

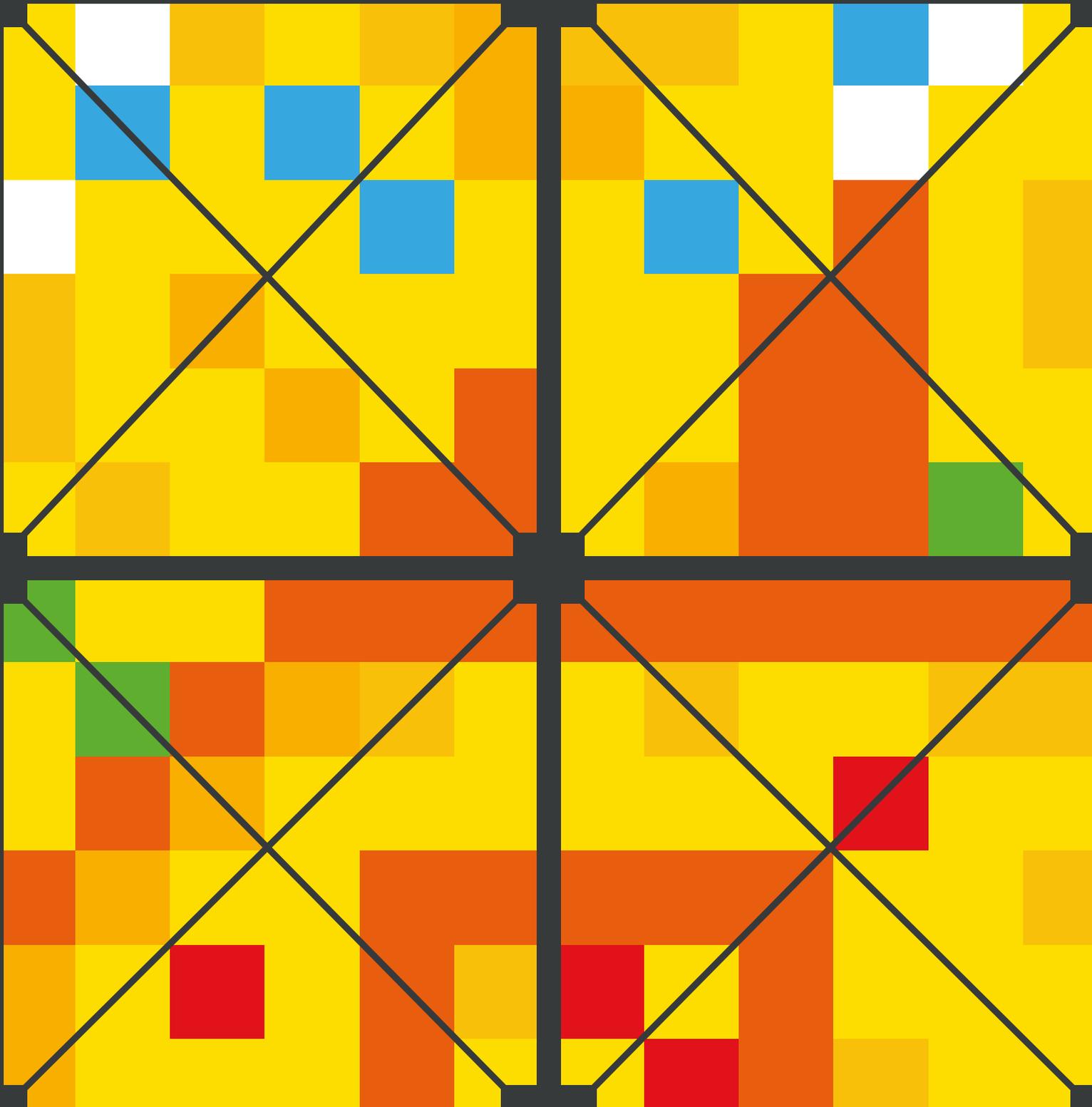
Supporting the military and veterans remains the most important and effort intensive part of our community engagement work. The community outreach team at Interpipe keeps in touch with each employee called to the military, providing the essential protective gear, tactical first-aid kits, general medication, vehicles, power banks and other equipment. Interpipe Group also demonstrated significant progress in developing its veteran support team, providing support to its 120+ (and counting) veterans. We focus our efforts on reintegration of veterans and creating a veteran community within the Company.

**Sincerely,
Interpipe Group Management Team**



BUSINESS OVERVIEW

of Interpipe Group





INTERPIPE'S PATH TO GREEN STEELMAKING

The commencement of the industrial path:

1891 – Establishment of the Hantke Nail Plant in Katerynoslav (now Dnipro), specializing in the production of metal goods

1895 – Adoption of the then-innovative seamless pipe manufacturing technology

Independent transformation:

1990 – Establishment of the Interpipe Corporation

1994 – The Nyzhniodniprovskiy Pipe Rolling Plant (future Interpipe NTRP) was certified by the American Petroleum Institute (API), permitting the export of oil and gas-grade pipes abroad

1999 :

- Launch of the KLV railway brand to export railway wheels to the global market
- Consolidation of enterprises under the unified Interpipe brand

Soviet Industrialization Era:

1931 – Launch of the open-heart furnace shop, providing steel billets to produce seamless pipes and railway wheels

1933 – Production of the first railway wheel, opening of the wheel-rolling shop

1950–1960s – Inauguration of the electric welding shop and development of pipe production for the oil and gas industry

1962 – Introduction of radio-frequency welding technology for pipes

Green Steelmaking:

2012 – Opening of the Interpipe Steel electric arc furnace complex, marking a complete transition away from open-hearth steelmaking

2017 – Launch of railway axle and wheelset production

2018 – Commissioning of new pipe finishing lines in Nikopol

2021 – Formation of a divisional business structure

War-time Operating:

2022 – Intensified support for mobilized employees

2023 – Resumption of capital investments in production

Interpipe is a modern industrial group and a leading global manufacturer and exporter of railway products and pipes. The Group's industrial assets are concentrated in Dnipropetrovsk region in Ukraine and structured into three major manufacturing divisions, each covering a full cycle of raw material processing into hi-tech products:



Steel Division: green steel manufacturing

Between 2007 and 2012, the Group invested over USD 1 billion in the design and construction of **DniproSteel**, a cutting-edge metals complex. The company operates an electric arc furnace technology (EAF) and is one of the largest round steel billet producers in Eastern Europe. The factory's CO₂ emission metric is among the lowest in the EU at below 110kg CO₂ per tonne of steel output. The facility fully meets the latest environmental standards, operates without dumping industrial wastewaters and has low noise pollution.

To source raw materials for its steel production, the Group established an extensive network of scrap metal yards across Ukraine. Interpipe Dniprovttormet collects and delivers metal charge to the factory. The in-house scrap metal collection system is a key element of the vertically integrated business model. Scrap metal yards are located in Dnipro, Nikopol, Pavlograd, Kyiv, Poltava, Zhytomyr, Odesa, Vinnytsia and Cherkassy.

INTERPIPE'S PATH TO GREEN STEELMAKING



The Steel Division allows the Group to fully cover the needs of its pipe and railway manufacturers with in-house-produced round still billets, whilst also managing their chemical composition, mechanical properties and quality of the steel. At the same time, scrap metals represent 96% of raw materials in steel manufacturing, reducing the need for primary raw materials and air emissions.

As such, the vertical integration significantly reduces the time to manufacture and deliver products thanks to the control over all supply chain stages, from raw materials to finished goods. By using in-house-produced still billets, the Group is able to address any demand fluctuations quicker, improve its production processes and ensure reliable lead times. In addition, the vertical integration accelerates new product R&D. By integrating its research, design and manufacturing units into a holistic system, Interpipe can test, improve and launch new solutions quicker. Having control over the key technologies and production stages opens the space for innovation and technology customisation.

Another important advantage is a low carbon footprint of the finished goods thanks to the low-carbon electric arc furnace (EAF) technology used.

Pipe Division

Interpipe manufactures a wide range of seamless and welded pipes for oil and gas, construction, transport and industrial uses. Interpipe Niko Tube operates two pipe manufacturing factories producing various types of seamless pipes for the energy, oil and gas production, machine building and construction sectors.

Novomoskovsk Pipe Plant (NMPP) specialises in general-purpose welded pipes crafted from steel sheets.

The Group's flagship products are well drilling pipes with premium and semi-premium Interpipe's proprietary UPJ and INTREPID-series threaded connections. The Group invests in improving its products and technologies and expanding its product ranges.

Despite the full-scale war that began in 2022, the Group has retained its position as a top-10 global seamless pipe exporter. Today, the Group works on developing new products and improving heat treatment and non-destructive testing technologies.





INTERPIPE'S PATH TO GREEN STEELMAKING

Railway Product Division

The Railway Product Division is represented by Nizhnedneprovsky Tube-Rolling Plant (NTRP) that manufactures railway wheels, wheelsets and bandages for railway operators, wagon building and maintenance in Ukraine, Europe and globally.

In this sector, the Group serves customers in Germany, Poland, the USA, Austria, India, Bulgaria, Slovenia, the UK, etc.

As part of its product diversification strategy, Interpipe Group develops its production of railway wheels for cargo and high-speed passenger transport and supplies hi-tech solutions to leading Ukrainian and international railway operators.



Kitchenware production

In addition to the assets in the steel semi-finished products, railway and pipe segments, the Group also includes Society Dishware Novomoskovsk, a producer of enamelled kitchenware. The Company is a leading kitchenware producer with many years in business and a strong reputation in the market. Quality, environmental safety, and a customer focus are the key priorities for the Company.

The Company markets its products under Idilia brand. The products are sold in 40 countries worldwide, including Ukraine and countries across Europe, Central Asia, Middle East, China and North America. The product range comprises approximately 6,500 items in 180 product groups.

The production is ISO 9001:2018 compliant, guaranteeing ongoing control at all stages of the manufacturing process. The Company places specific focus is on the environmental safety of its production by using raw materials that are safe for human health and ensuring that the kitchenware does not emit any harmful substances in contact with foods.

The enamelled kitchenware is a sustainable alternative to plastic and single-use materials.





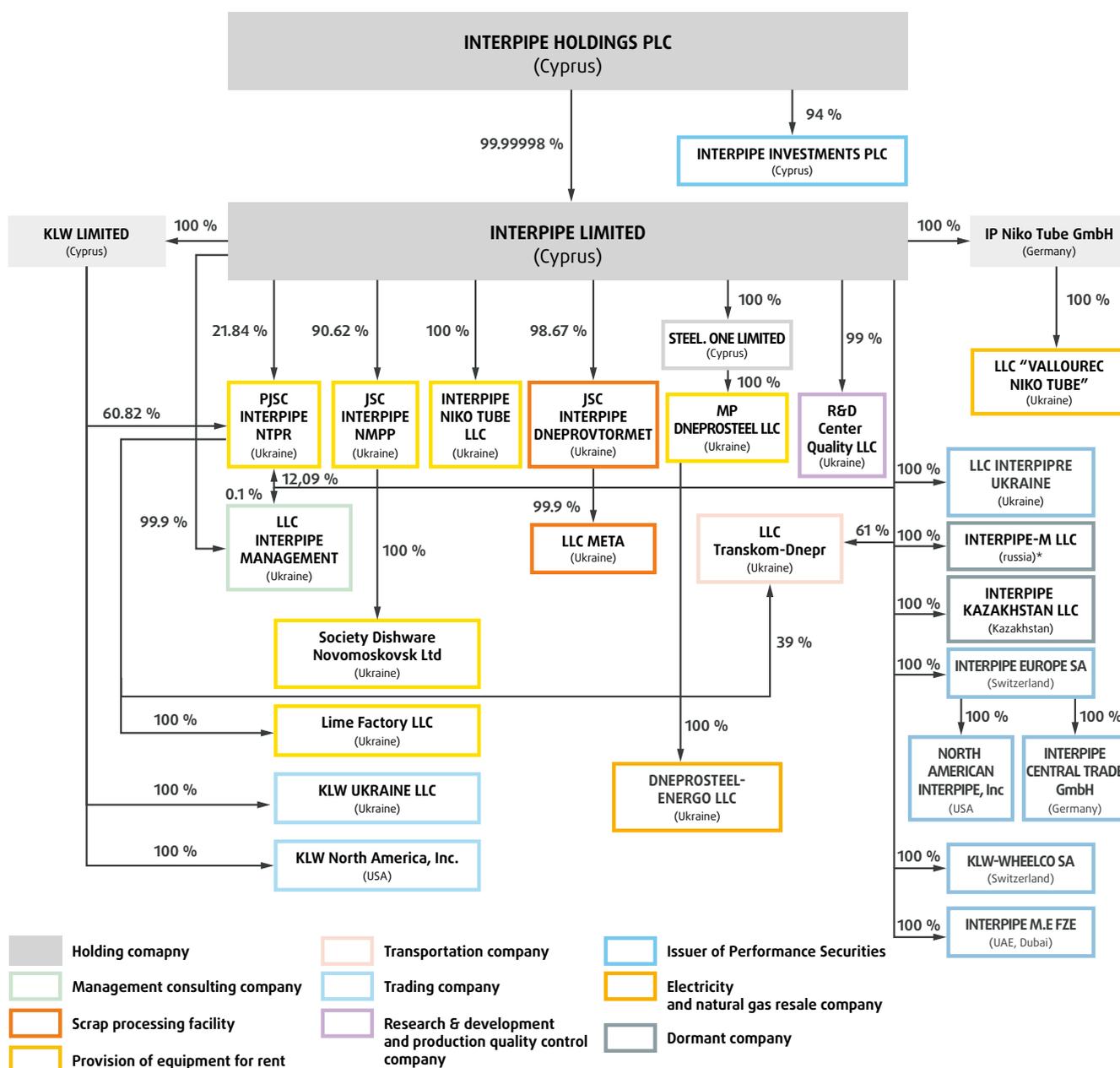
INTERPIPE'S PATH TO GREEN STEELMAKING

Trade offices

The Group includes 8 trade offices located in its strategic distribution regions, namely, in Kyiv, Lugano (Switzerland), Frankfurt am Main (Germany), Houston (US), and Abu Dhabi and Dubai (UAE). Trade offices are responsible for sales of products, representing the Group in the region, and improving logistical routes.

Interpipe products are supplied to over 80 countries worldwide, including markets in Europe, North America, Middle East, Asia, and CIS. Railway products are marketed under KLV brand.

The Group's parent company is Interpipe Holdings Plc. All assets of the Group are presented on the diagram below.



On or immediately after 24 February 2022 the Group suspended all shipments of goods to russia, belorussia and made a decision on liquidation of its trading company in russia Interpipe-M LLC followed by the dismissal of its employees and bankruptcy procedure. As of the date of the Report publication, the Group does not control any assets in russia. All assets of and processes on Interpipe-M LLC have been transferred to the bankruptcy trustee.



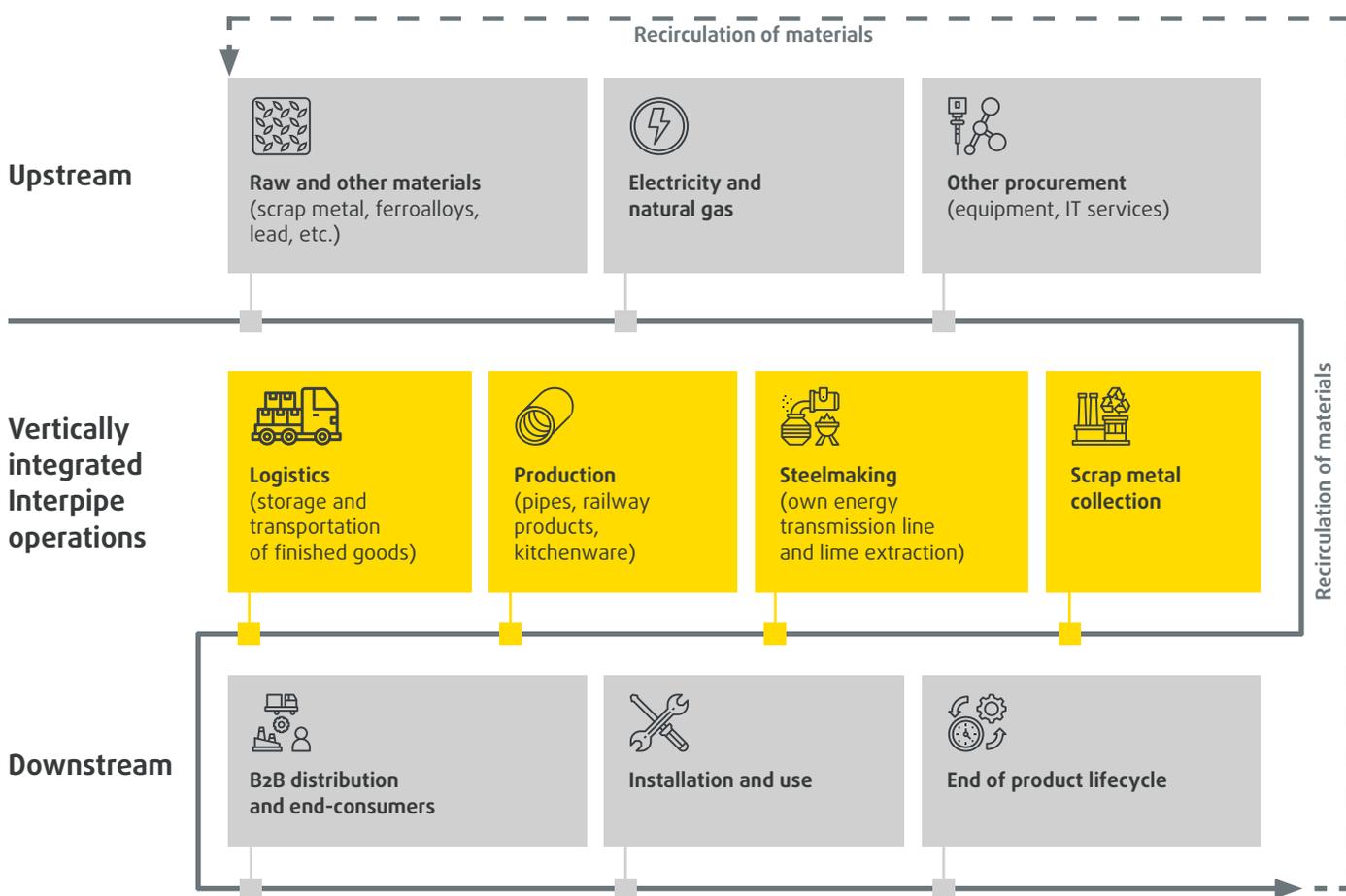
BUSINESS MODEL

The Group operates full-cycle production, from collection of scrap metals and steel making to manufacturing of finished pipes and railway products supplied to customers in Ukraine and globally. Modern production facilities, in-house logistical infrastructure,

and R&D facilities drive the creation of long-term economic, social and environmental value for the Group's stakeholders, including employees, customers and end users, investors and creditors, and local communities.

Interpipe Group's value chain is presented below:

Value chain



Upstream value chain

At this stage, the Group works with suppliers of its raw materials (scrap metals, ferroalloys and lead), electricity, gas, and production equipment. These are supplied both by in-house transport and by outsourced carriers.

Procurement is managed on a centralised Group-wide basis; however, strategic and high-value resources (such as scrap metals, gas and electricity) are procured using special procedures. This allows the Group to

maintain flexibility and secure competitive terms and conditions in sourcing production inputs.

All communications with suppliers are predominantly via the corporate e-tendering platform. To obtain access, suppliers go through the accreditation process, enabling the Group to reduce costs and make sure that products and services meet the applicable quality and safety standards.

Natural gas and water are the key natural resources used in manufacturing.

BUSINESS MODEL

Own operations

The Group operates own scrap metal yards, giving it control over the sourcing of scrap metal and meeting the needs of its production facilities for scrap metal as the key input. Raw and other materials are supplied to the production sites of Interpipe Steel for steel making and production of billets. In-house-produced steel billets are then used in production of pipes and railway products. The geographic concentration of production sites reduces logistical costs and allows the Group to quickly adapt to changing customer needs.

To ensure uninterrupted supply of electricity, the production facilities are connected to electricity main line, while Interpipe Steel has its own 330kV electricity line connecting its production complex to Pichna substation.

Water supply and special drilling are coordinated through the in-house technical team.

Downstream value chain

Interpipe's key products include steel billets, welded and seamless pipes, and railway products. Interpipe Group's sales geography includes over 80 countries worldwide. The key economic sectors of sales are railway transportation, oil and gas, construction, energy and heavy machinery. Prior to being despatched, some products go through the final mechanical treatment and all products are subject to mandatory quality and packaging control.

The Group also provides supporting services, including technical support, certification and custom tailoring of the products to meet the customer's individual needs. Products are delivered by sea, rail and road.

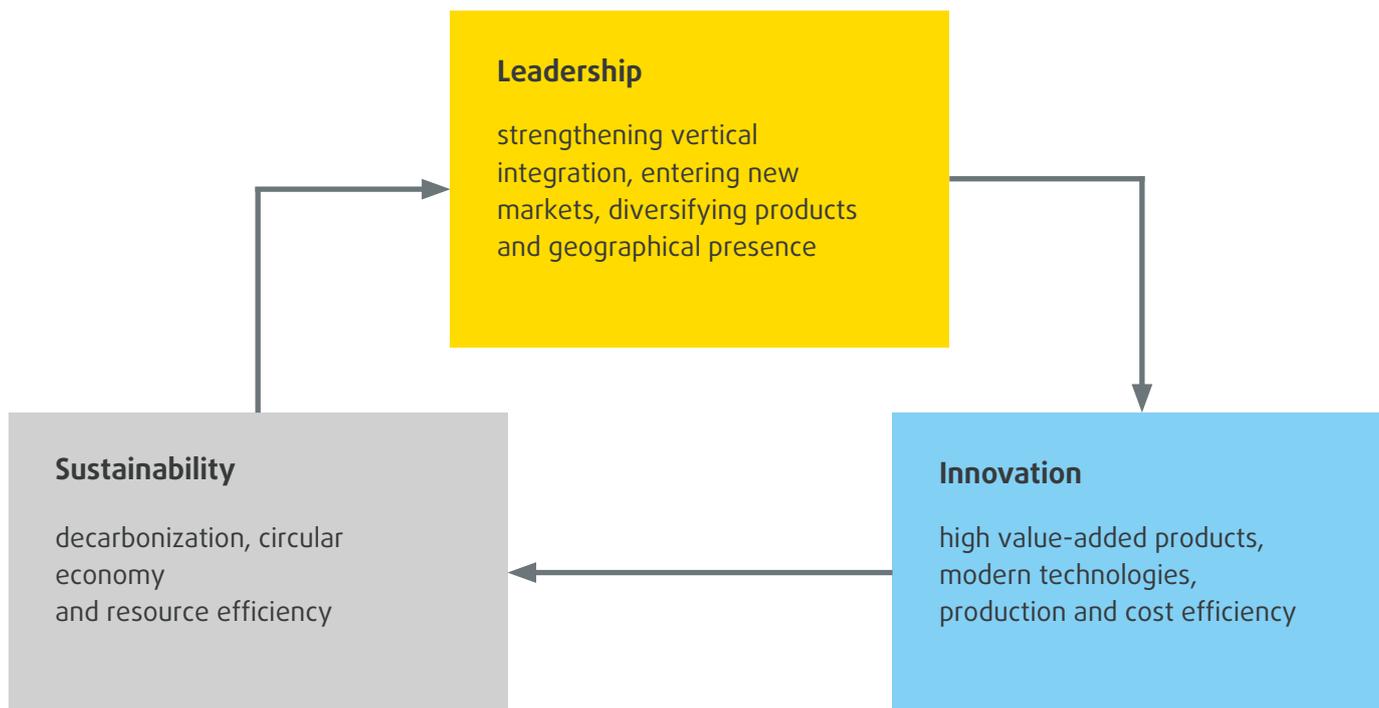




STRATEGY

Interpipe’s strategic development is driven by a commitment to **leadership, innovation, and decarbonisation**. These are the three pillars underlying the Group’s vision for sustainable growth, whilst also

supporting resilience in the ever-changing global markets and meeting the demands of customers and stakeholders.



Leadership

The ambitious goal to become a market leader reflects Interpipe’s commitment to achieving the highest standards of product quality, customer service and operational excellence.

Vertical integration

Vertical integration is a priority within the leadership pillar and focuses on strengthening control over the entire value chain, from sourcing of materials to manufacturing of finished goods. This strategic integration enables Interpipe Group to manage supply chain risks effectively, whilst also improving the reliability of supplies and maintaining control over all production stages. The vertical integration also improves the coordination between the Production, Logistics and Commercial functions, resulting in a quicker response to customer needs and development of new product types.

The business segment collecting and processing scrap metal and producing steel is a key element of the Group’s vertical integration. The steel manufacturing business is strategically important as it supplies round steel billets to the Group’s two other businesses, being pipe and railway product manufacturing.

This provides the following competitive advantages:

- control and reduction of costs for sourcing of scrap metal used in the manufacturing of finished goods;
- quality control and managing across all the critical stages affecting the properties of the final product;
- emission control and management;
- ability to quickly develop new products with integrated solutions, including new steel grades and manufacturing technologies, making an essential contribution towards the strategic goals of the Pipe and Railway segments to create high-added-value products.



STRATEGY

Pipe Division

Seamless pipes, including OCTG pipes for oil and gas production, linear pipes for construction, industrial production, heavy machinery and infrastructure, as well as mechanical pipes for energy and heavy machinery represent the majority of sales and revenues in this segment.

The Group's key strategic priorities in the steel pipe business include:

- **Diversification by product and geography:** the supply structure of steel pipes is balanced across five main regional markets, i.e. Europe, Americas, Ukraine, Middle East and North Africa, and Central Asia. The Group specifically focuses on expanding its product and geography portfolios, in particular, to increase the share of high-added-value products, such as OCTG and mechanical pipes, particularly in North American, Middle Eastern and North African markets. The Group is also actively targeting new customers in Europe, Middle East, North America and other regions by expanding its lead portfolio through tenders and auctions.

- **Stronger focus on high-added-value products:** The Group prioritises increasing production of high-added-value products with a focus on premium and semi-premium OCTG products. This includes expanding production facilities for premium connectors and couplings, investment in developing new types of connectors, expanding the service network in Northern America and Middle East, as well as customer support in Ukraine.

The welded pipe segment including round and profiled pipes has a smaller share in the sales structure and is not strategic to the Group.

Railway Product Division

The product range includes over 250 types of wheels, axles, wheelsets and bandages for wagons and passenger cars and locomotives.

The key strategic factors in growing the railway segment for the Group are:

- **EU market leadership:** the strategy includes achieving leadership in the European market. The Group intends to reinforce its position in the passenger transportation market by developing new products and technologies and having them certified with leading railway operators and original equipment manufacturers. The strategy includes achieving technological advantage in the European market by developing process technologies and CAPEX to meet DBS (Deutsche Bahn Standard) requirements.

- **Protecting the domestic position in the Ukrainian market:** the strategy includes maintaining strong position in the domestic market focusing on the sales directly related to the post-war growth of the railway transportation industry.

- **Cost optimisation:** the Group focuses on improving its cost position through the implementation of the energy saving plan and reducing costs per product unit in manufacturing axles and wheelsets.

- **Presence in non-EU markets:** Interpipe Group intends to maintain its presence in target global markets through opportunity sales and cooperation with selected customers.

Through the expansion to new markets, diversification and strengthening of the vertical integration, Interpipe Group strengthens its competitive position as a reliable and efficient manufacturer with a capacity to supply steel pipes and added-value railway solutions to international customers.



STRATEGY

Sustainability

Sustainability represents the third strategic pillar for Interpipe Group and reflects the Group's approach to responsible industrial growth. In a global context of rising environmental standards and stakeholder expectations, the Group is proactively advancing its sustainability agenda to maintain competitiveness, reduce environmental impact, and support long-term value creation.

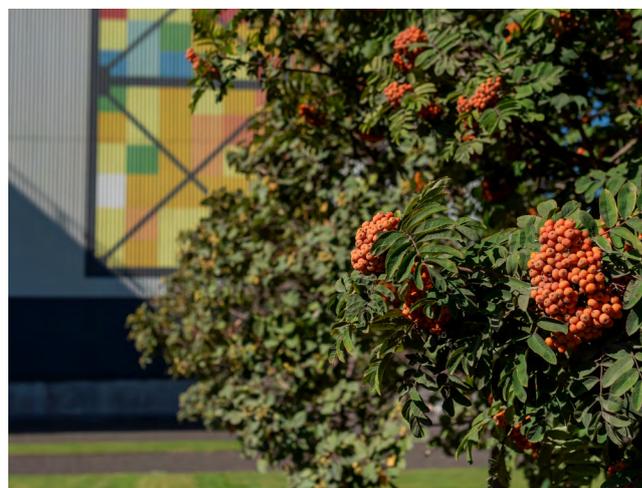
This strategic direction is increasingly shaped by tightening regulations, particularly the introduction of the Carbon Border Adjustment Mechanism (CBAM). CBAM places direct financial pressure on high-emission imports into the EU, making low-carbon production a critical factor for market access and competitiveness. Starting from 2010, the Group has made substantial progress in decarbonising production, most notably achieving a 61% reduction in CO₂ emissions in seamless pipe manufacturing and a 46% reduction in railway product manufacturing.

A key enabler of this achievement is the Group's use of Electric Arc Furnace (EAF) technology, implemented during the 2010 transformation of a dirty open-hearth steel plant into a modern electric steel complex. Interpipe is pioneering green steel producer in Ukraine, using low-carbon electricity to power EAF operations, which reduces Scope 2 emissions.

In line with circular economy principles, Interpipe's production is based almost entirely on metal scrap, a fully recyclable raw material. Steel, an everlasting resource, can be recycled indefinitely without losing its properties. This unique characteristic allows Interpipe to operate a circular steel production model, reducing reliance on virgin materials and significantly lowering the environmental damage.

Water management is another core element of the sustainability strategy. Steel production processes rely heavily on water, especially for cooling. Interpipe Group operates high-efficiency recirculation systems, enabling the reuse of the same water over 20 times throughout the production cycle. This drastically reduces both freshwater consumption and wastewater discharge, reinforcing Interpipe's commitment to a responsible resource use.

By embedding decarbonisation, circularity and resource efficiency into its strategic framework, Interpipe Group ensures environmental compliance, meets evolving customer expectations, and strengthens its competitive position in the regulated markets such as the EU. These sustainability efforts help Interpipe meet regulatory expectations, whilst also defining Interpipe's role as a regional leader in green steel manufacturing.





STRATEGY

Interpipe's strategy benefits all stakeholders



SHAREHOLDERS

Consistent long-term financial performance and returns for shareholders



ENVIRONMENT

Reducing CO2 emissions while reinforcing the world's infrastructure



CUSTOMERS

Delivering high quality, low-CO2-emission products that help customers meet both performance and sustainability goals



EMPLOYEES

Providing stable, meaningful jobs in the growing industry



COMMUNITIES

Making a positive impact on communities by creating jobs and supporting local economic development



EXTERNAL INITIATIVES AND INDUSTRY PARTNERSHIPS

External initiatives and industry partnerships

Interpipe Group actively cooperates with international initiatives and professional associations promoting sustainability, innovation, transparent business environment, and regulatory reform. Association with such platforms is seen as an important element of making business and promoting sustainable change in the industry.

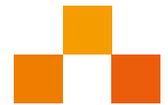
Endorsement of the UN Global Compact

The Group has been a member of the UN Global Compact Network Ukraine since 2009. In 2021, active membership resumed after a six-year break.

As part of this initiative, the Group, on an annual basis:

- prepares and issues a Communication on Progress (CoP) report;
- attends conferences, forums and discussions focusing on environmental matters, anti-corruption, human rights, appropriate workplace conditions, and post-war recovery of Ukraine.





EXTERNAL INITIATIVES AND INDUSTRY PARTNERSHIPS

During 2024, the Group focused on promoting the following Sustainable Development Goals in the three key areas:



Planet:

6 - CLEAN WATER AND SANITATION

- Optimise the use of water resources - build recirculating water systems

12 - RESPONSIBLE CONSUMPTION AND PRODUCTION

- Contribution to the circular economy by collecting and recycling scrap metal
- ISO 14001:2015 enterprise certification
- Monitoring of air and water resource pollution

13 - CLIMATE ACTION

- An emission reduction strategy aligned with the EU climate targets
- The target is to reduce GHG emissions from production of seamless pipes by 26% and from production of railway products by 25% by 2030 compared to 2023
- High-scale technology upgrade from an outdated open hearth furnace to the innovative electric arc furnace facility



Business:

8 - DECENT WORK AND ECONOMIC GROWTH

- Support job creation, fair labour practices and local suppliers
- The products manufactured are a basis for sustainable economic growth and recovery of the country

9 - INDUSTRY, INNOVATION AND INFRASTRUCTURE

- Investment in innovative production technology
- R&D in Metals sector
- New products and solutions for our customers



People:

3 - GOOD HEALTH AND WELL-BEING

- Health and safety of employees
- Improved workplace conditions

4 - QUALITY EDUCATION

- Development of technical education in colleges, universities and vocational training schools
- Paid specialised tuition for employees

11 - SUSTAINABLE CITIES AND COMMUNITIES

- Contribution to the sustainability and wellbeing of the communities where Interpipe operates
- Supporting access to high-quality education by improving the local educational infrastructure

16 - PEACE, JUSTICE AND STRONG INSTITUTIONS

- Supporting conscripted employees: from donating the required protective gear and humanitarian aid to psychological counselling and medical support
- Helping families of the military and those affected by the war

17 - PARTNERSHIPS FOR THE GOALS

- Working with our partners, business associations, NGOs and other stakeholders to share best practices and foster sustainable development of our communities

GROUP OF PRODUCTS

Pipe products

Seamless pipes for oil and gas, mechanical engineering industries, construction and general-purpose pipes represent a significant share in the Group's product portfolio. Interpipe offers premium and semi-premium lines of proprietary connections for the oil and gas industry. The Group also offers additional corrosion protection solutions for pipe products, such as the double- and triple-layer polyethylene and polypropylene external coating¹.

Interpipe offers premium solutions for its products used in oil and gas extraction, **UPJ™** and **INTREPID™**. **UPJ™** is a line of proprietary premium and semi-premium threaded steel connections certified to Connection Application Level IV in accordance with ISO 13679. They are used for seamless casing and tubing pipes to ensure reliable operation of well casings in wells with complex profiles in the construction of horizontal, directional and vertical wells.

INTREPID™ is a trademark of premium and semi-premium threaded casing and tubing pipe connections for oil and gas extractions designed especially for the US market. This solution is key to the reliable operation of casings in difficult geological conditions.

In addition, Interpipe manufactures a wide range of seamless pipes used in lifting and handling machinery, in components of hoisting crane booms, heavy excavators, quarry equipment, mining machinery, as well as agricultural and chemical engineering. Additionally, the Group offers a wide range of seamless, heavy-wall, high-strength alloy and carbon steel pipes designed for use in boiler power plants, including immersed pumps and submersible motors, steam boilers and pipelines.

In addition to the products for engineering and energy sectors, the Group offers a wide range of solutions for civil engineering and communications.

Such solutions include seamless and welded pipes:

- General purpose for construction of oil and gas pipelines and plumbing, including drinking water pipes, as well as for construction of heating, fire extinguishing, cooling and air-conditioning systems.
- Construction (line) pipes are used in metal structures for construction of pipelines and for the production of parts for machinery and equipment.
- Shaped square and rectangular tubes used in construction, underground and overground structures, and construction of bridges and cranes.



¹ On request, Interpipe also offers a service to add internal coating to any of its product range. The thickness of the coating depends on the required operating conditions, number of layers and diameter of the pipe and ranges between 1.5 and 6 mm.

GROUP OF PRODUCTS

Railway products

Manufacturing of railway products is the other key business area for the Group. This product type is manufactured by one of the Group's main assets, Interpipe Nizhnedneprovsky Tube-Rolling Plant ("Interpipe NTRP"), ensuring a high quality and conformity with up-to-date standards. Today, the Group offers over 250 standard sizes of solid-rolled wheels, axles, bandages and wheelsets for passenger and cargo railway transport, underground and rail public transport.



The Group's railway products include:

- A wide range of railway wheels for freight wagons certified to international standards such as ISO/TS, EN, DB BN and customer specifications.
- Wheels for heavy-laden wagons crafted from B, C and D grade steel to AAR M 107/208 standard. Wheels made of D grade steel have a higher wear resistance thanks to their high solidity and plasticity.
- Locomotive wheels crafted from B, C and D grade steel to AAR M107/M208 standard and from ER8 and ER9 grade steel to EN standard.
- Rough and finished mechanically treated railway axles, over 8 standard sizes of bandages for railway wheels, and freight wheelsets.
- A wide range of wheel designs for suburban trains, underground trains and rail public transport; and
- Express and high-speed passenger train wheels

Ultimate is Interpipe's innovative railway product line comprising the wheel and wheelset product line with a low tension in the discs. This line has an improved wheel disk design, allowing the wheel to withstand higher loads. In addition, this product line meets European requirements for mechanical and thermomechanical braking properties and noise level requirements.

Steel billets

In addition to the finished rolled products, the Group manufactures round steel billets in a variety of sizes for the following uses: production of pipes, railway wheels, energy and general engineering parts.

Interpipe billets are manufactured without any mechanical surface treatment (such as surface grinding and stripping) in random lengths, fixed lengths and multiple random lengths within the following ranges:

- 150 mm to 290 mm diameter - 6.0 m to 11.7 m, inclusive
- 385 mm to 470 mm diameter - 5.4 m to 9.85 m, inclusive





GROUP OF PRODUCTS

Enamelled kitchenware

Society Dishware Novomoskovsk LTD is the non-core component of Interpipe Group manufacturing enamelled steel kitchenware used for cooking and storing food. The products include a range of enamelled pans and baking trays, kettles, tanks and buckets, mixing and serving bowls, pots and many other items. This type of kitchenware is durable and does not emit any harmful substances during the cooking process.

Interpipe products have been successfully sold in Ukrainian and CIS markets for over 70 years and have entered the European, US and Middle Eastern markets.

For more details on Interpipe’s production processes, please refer to the Business Profile and Key Segments section in the previous annual reports².

The product quality management system at Interpipe Group entities is in line with global best practices and fully certified to ISO 9001, confirmed annually by recertification audits. Each Group’s entity also has its own product quality management policy outlining the main growth paths in this area.

Interpipe products are manufactured in conformity with the highest requirements of recognised international standards, including IRIS, EN, API, ASTM, DNV, and others. The full list of quality certificates for each product group can be viewed on Interpipe Group website³.

Quality Assurance units of the Group’s manufacturing entities are responsible for the quality control and product inspections for conformity with production standards. Interpipe has certified testing centres that perform metallographic, physical and chemical testing of finished products and other materials used in production processes. For the inspected products ready for delivery to the customers, the Group issues a quality certificate and all supporting documents required by applicable regulations.

Interpipe runs an annual customer satisfaction survey in terms of product quality, range, service level, logistics, etc., and has multiple feedback channels available to customers; e.g., the customers can directly contact sales managers or the back office or email their feedback to the Interpipe Group mailbox. Findings of the surveys are an important tool for identifying priority ways to enhance customer service and improve products. They help Interpipe better understand customer expectations and consistently improve the level of service.

Product quality standards

Manufacturing high-quality products is a strategic pillar of Interpipe operations. The Group has built its product quality management processes on consistent compliance with international standards and internal regulations. Interpipe is looking to maintain its market leadership by continuously working on improving production processes and enhancing product quality.

Findings of the Product Quality Customer Satisfaction Survey



² Interpipe Group Annual Report for [2022](#) and [2023 years](#).

³ Interpipe Niko Tube: the production sites in [Dnipro](#) and [Nikopol](#); NMPP certificates; [Railway Division](#) certificates; [Steel Division](#) certificates.



OPERATING ENVIRONMENT

Key changes in Interpipe Group's operating environment compared to 2023

In 2024, Interpipe Group continued operating in the difficult operating environment defined by the risks arising from the Russian Federation's military invasion, energy challenges and evolving market trends. In early 2024, the Group normalised its logistics and resumed product delivery by sea shipments from Odesa port; however, new massive missile attacks on the Ukrainian energy infrastructure during March-August 2024 and ongoing strikes on Nikopol complicated its operations, putting stress on production costs.

The new US administration restored the 25% Section 232 tariff⁴ affecting Interpipe's seamless steel pipes before increasing it to 50% on 4 June 2025. Additionally, the USA imposed an additional 10% tariff also affecting Interpipe's railway products. The outcomes of these events for the Group are currently difficult to assess and quantify, since additional tariffs were imposed on all US imports and are likely to be fully or partially offset by price hikes. This also fully depends on exemptions or lower customs rates that may be additionally negotiated by each individual country.

In its turn, the EU extended the duty-free imports and no quotas on steel products and pipes from Ukraine from June 2025 to June 2028⁵, which, together with the appreciation of the Euro, is expected to have a positive impact on the Group's performance in the current year.

Similar to 2023, most markets demonstrated a decline in pipe prices (-28% against 2023 for oil and gas extraction pipes, -22% for line pipes), which, combined with the growing competition from cheaper Chinese products, became a challenge for Interpipe during 2024.

The global wagon-building market has somewhat shrunk during 2024 compared to 2023 (-1.0%) and is expected to continue shrinking in 2025. Despite this fact, railway product prices remained relatively flat during the year, demonstrating only a +2.42% increase against 2023. Despite growing by 25% in 2024, the Ukrainian railway product and wagon-building market shows no signs of any further significant growth. Considering the limited demand for railway products in Ukraine, the European market continues to represent a significant share in Interpipe's portfolio, accounting for approximately 2/3 of sales.

Interpipe's key competitive advantages and key challenges during 2024

Interpipe's key competitive advantages during 2024 included:

- the presence in the global market and trade liberalisation measures,
- significant strengthening of Interpipe's position in the European market,
- strong financial performance and proven resilience amidst geopolitical challenges, and
- vertical integration and cost effectiveness,
- clean nature of the steel manufactures (electric arc furnace manufacturing), which serves as an advantage in the markets, particularly in Europe, with growing sustainability pressures.

⁴The White House - [Fact Sheet: President Donald J. Trump Restores Section 232 Tariffs](#)

⁵ European Parliament News - [Parliament backs extension of trade liberalisation measure for Ukrainian imports](#)

OPERATING ENVIRONMENT

Key challenges arising for Interpipe during 2024:

- war-related risks, such as damages to the assets and power supply limitations,
- increasing competition in the raw material market, particularly due to the low availability of scrap metal in Ukraine,
- labour shortages,
- growing competition in certain markets amidst the expansion of Chinese exporters.

However, despite the challenges, Interpipe continues expanding its business in the pipe and railway product segments and investing in its production. Compared to 2023, the Group demonstrated a 27% sales growth whilst also increasing the share of export sales from 73% to 81%. As for the investments, the Group has expanded its heat processing capabilities as part of its high-margin product strategy.

Key changes in raw material and energy markets

Scrap metal

During 2024, the scrap steel market in Ukraine remained limited due to the continuing decline in supplies caused by Russia's war against Ukraine, as well as growing exports. The collection of scrap metal increased by 37% to 1,749 million tonnes, of which 1,343 million tonnes were supplied by domestic steel producers (+30% y.o.y.) and 0.293 million tonnes were exported (+61% y.o.y.), mostly to Poland (85%).

At the same time, Ukrzaliznytsia JSC's absence from the market continued, additionally limiting domestic supplies of scrap metal. Thanks to the zero export tariff for the EU exports, all the exported scrap metal was directed to this region. This raised concerns regarding the potential re-export of scrap metal as a critical raw material to third countries.

Considering the importance of scrap steel to Ukraine's steel industry, the Ministry of Economics of Ukraine is currently considering potential new export restrictions⁶ in addition to the previously imposed export duties

(EUR 180 per tonne exported to all countries except the EU). In this context, securing sustainable supplies of scrap metal remains strategically important to Interpipe operations.

Electricity and energy resources

During 2024, Ukraine continued facing regular power outages and frequent emergency blackouts caused by air attacks on power generation and distribution facilities. Under the new electricity import rules introduced in May 2024, industrial electricity consumers were exempt from the planned restrictions if the share of imports in their consumption structure was 80% or higher. Despite the high risks relating to the shortage of electricity generated in Ukraine and the limited import capacity from the EU, Interpipe has successfully secured the continuity of its production processes. The Group became a leading importer of electricity in Ukraine, procuring it mostly from Moldova and Romania.

Since electricity represents almost a quarter of production costs in the production of steel, the Group carefully monitors the situation in the energy market, adapting its strategy to any developments in the regulatory and market environment.

Other raw and auxiliary materials

During 2024, the market for raw materials, including ferroalloys and auxiliary materials, shrank due to the weak global demand caused by the decline in the steel market. In addition to the impact of the global trends, the Group also faced further challenges in the Ukrainian supply market. In particular, the production output of Ukrainian ferroalloys almost halved due to high electricity costs, labour shortages and logistical challenges.

⁶ GMK Center - [the Ministry of Economy to consider imposing quotas on scrap metal exports](#)

MARKET OVERVIEW

As before, the European market remains the key sales market for Interpipe products, accounting for over 40% of pipe product sales and 66% of Railway Division product sales. A significant share of sales is also represented by the South American and Middle East and North Africa market (MENA).

Sales of Pipe Division products

Interpipe focuses on growing the value of its business through expanding production and increasing sales of high-margin products with significant added value and contributes to sustainable development of the business. The Group's production strategy is based on market forecasts and sales trends in order to improve its position as a national and international industry leader.

In June 2024, the Group did its first pilot supply of thick-walled pipes to the Australian market, delivered to Solsteel, having replaced Chinese suppliers. The final consumer was a manufacturer of high-quality drilling equipment. The products were manufactured to ASTM A519 standard with additional tight tolerances for geometric parameters, yield strength and hardness.

In addition, Interpipe Group strengthened its profile in the Middle East with new major customers in the energy sector by supplying over 9 thousand tonnes of seamless pipes to Occidental Petroleum in Oman and almost 7 thousand seamless OCTG⁷ pipes to EBS Petroleum Company in Iraq.

Interpipe continues marketing its proprietary engineering solution in the OCTG segment. Its best-known premium product is UPJ-M, a threaded connection certified in accordance with ISO 13679



for CAL IV requirement level. It can withstand up to 100% tensile, compression, internal and external pressure loads, whilst providing an airtight seal and environmental safety. During 2024, the Group sold a total of 34 thousand pipes with this connection to Turkey, West Africa and the Gulf countries.

Sales by key market

The foreign trade policy is critical to the Group's business. The recent three-year extension of the 'industrial visa-free regimen' granted by the EU allows Ukrainian products to maintain the level of exports to European countries. However, the restored Section 232 tariff in the US gives rise to risks to the continued access to this market.



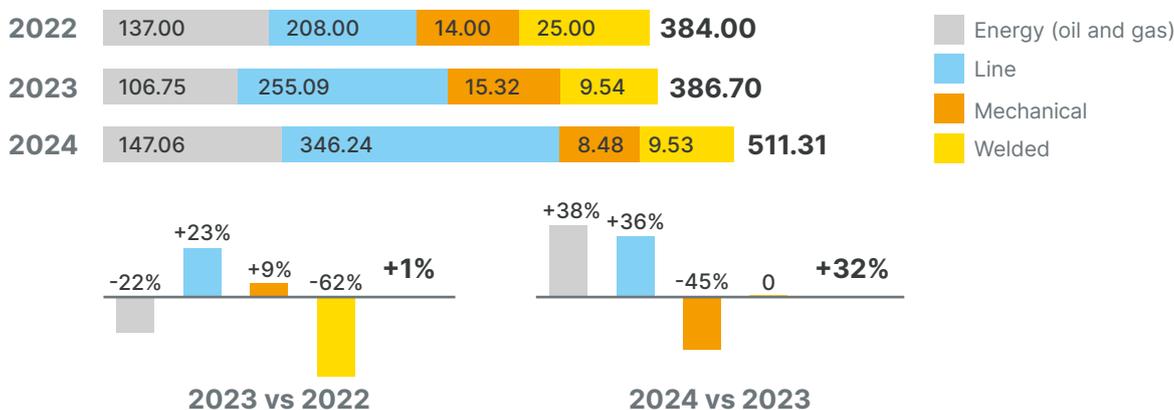
During 2024, the Group's total sales exceeded 511 thousand tonnes, a 32% increase from the previous year. The major share of sales represented line pipes at 346 thousand tonnes (68%) and oil and gas extraction pipes at 147 thousand tonnes (29%). Of the oil and gas pipes, over 51% represented pipes with premium or semi-premium connections, 93% of which were Interpipe's proprietary designs, UPJ™ and INTREPID™.

⁷ OCTG (Oil Country Tubular Goods) is a pipe product class used in the drilling and extraction of oil and gas. OCTG comprises three main types of pipes: drilling, casing and tubing pipes.

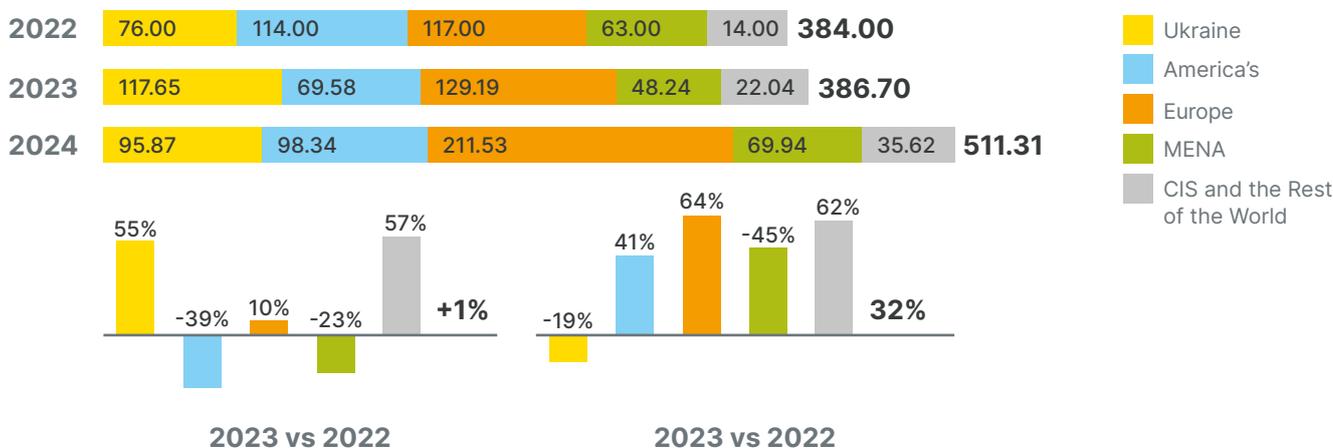


MARKET OVERVIEW

Sales of pipe products by Interpipe Group entities in 2022-2024 (by product type), in thousand tonnes



Sales of pipe products by Interpipe Group entities in 2022-2024 in the markets of presence, in thousand tonnes



In the US, the Group sold 98 thousand tonnes of seamless pipes, a 41% increase compared to 2023. The increase was driven mainly by the 75% increase in sales of oil and gas extraction pipes. As a result, OCTG represented half of the total sales in this region, with the other half represented by line pipes. The share of premium and semi-premium OCTG products grew to 41%, a 15 p.p. increase on the previous year.

Sales of pipes in the MENA region increased by 45% to 70 thousand tonnes. Line pipes remained the flagship product, although the most significant growth was recorded in the pipes for the energy sector, which demonstrated a threefold growth.

Sales of pipes in Europe increased by 64% to 212 thousand tonnes. Seamless line pipes represented over 95% in total sales. Engineering and oil and gas pipes represented 3% and 2% of total sales, respectively.

In the domestic Ukrainian market, the Group sold 96 thousand tonnes of pipes, a 19% decline on the previous year. The decline was recorded across all segments, with the biggest drop in the OCTG pipe segment.

MARKET OVERVIEW

Development of new product types

In March 2024, a new semi-premium connection, UPJ-QR "Quick Run", was first used in Ukraine. It was developed for a simpler assembly of large-diameter casing pipes. The design allows quick assembly in approximately 19 seconds (4.5 rotations) and provides high warp resistance. The product demonstrated strong performance during the field testing at a gas condensate field in Poltava region.

During the previous year, both Interpipe Niko Tube production sites successfully underwent recertification audits by the American Petroleum Institute (API). The Dnipro factory was audited to the API Q1 standard (9th edition with elements of the 10th edition), while the Nikopol site was certified to the new 10th edition of API Q1 with elements of API 5CT, 11th edition.

Strategic investments include the launch of a coupling threading line at the Dnipro Interpipe Niko Tube factory (commissioned in July 2025). The project covers the purchase of three machines, one of which is designed to thread premium connections. Concurrently, the Group is implementing projects to extend the production of couplings and recover the coupling finishing and assembly lines.

During 2024, Interpipe also received its first direct order since 2022 for line pipes from ADNOC, the oil-producing powerhouse, for close to 5 thousand tonnes, including X65 steel that had never been previously produced for this customer.

The Group also actively expands its product range. Since the beginning of the war, Interpipe has designed over 200 new types of pipes for European customers, including pipes for micropiles, fittings, bends, and mobile cranes. The launch of automotive axle tubes was a landmark accomplishment. Following the extensive R&D, the Group has become one of the few manufacturers of this product in Europe and now supplies it to two leading manufacturers of axles for lorry trailers and semi-trailers.

+ 200 new pipe types for European customers since 2022

In addition, in December 2024, the Group launched a heat processing shop for seamless pipes at Interpipe Niko Tube to expand its production capabilities and grow the sales of premium pipes in the global market.

Sales of Railway Division products

Interpipe's Railway Division is currently focused on developing its product range, production capacity and product quality, offering over 250 types of railway wheels for freight wagons and long-distance passenger coaches, as well as for locomotives and public rail transport. In addition, the Group offers close to 80 types of railway bandages for locomotives, underground trains and light rail transport.

During 2024, the Group confirmed its international certificates required to export products to Europe, the Americas and regions in the Middle East. In particular, the Group successfully underwent certification audits by reputable organisations such as AAR, TTCI, DQS, VUD, Sconrail and TDT, which confirms that the product meets the highest quality and safety standards.

Interpipe markets its export sales under a separate brand: the wheels are known abroad under the **KLW brand**. The Group has built a solid reputation as a reliable supplier in the freight wagon segment in Europe and globally.

Expanding the portfolio and strengthening positions in the passenger segment is a key growth area for the Railway Division. KLW brand products are currently exported to over 60 countries worldwide, including European countries, the USA and India. The Railway Division's portfolio includes supplies to the major rolling stock manufacturers, including the powerhouses such as Siemens and Alstom.

Interpipe's strategic goal is to become a railway product market leader in the EU and achieve a significant presence in the passenger segment in the EU, whilst growing its product range and new technology solutions.

MARKET OVERVIEW

In late 2024, Interpipe completed another major contract ahead of term to supply a batch of 10 thousand wheels for Indian Railways, the Indian state-owned railway operator. Additionally, during 2024, the Group started working with Greenbrier, one of the largest European manufacturers of wagons.

During the reporting year, KLV also started supplying R29 design wheelsets with a smaller wheel diameter for low-floor Megafret railway platforms to VTG, allowing the transportation of oversize freight with a height of up to 3 metres via the Eurotunnel (the Channel Tunnel).



Sales by key market

The global railway wheel market is currently estimated at circa 5.6 million wheels per annum ("wpa"⁸), while the annual production capacity is close to 7.8 million wpa. The relatively low capacity utilisation reveals the oversaturation of the market and strong competition. Based on its 2024 performance, Interpipe is a Top 5 global manufacturer and a Top 3 global exporter of railway wheels.

The Group's position in the railway product market is assessed as strong, particularly in the European and domestic markets. According to the customs data, Interpipe's share among the wheel products supplied to European railways from outside the EU during 2024 was 74%, an 18% increase on the previous year, with a respective increase in the level of supplies by 26%.

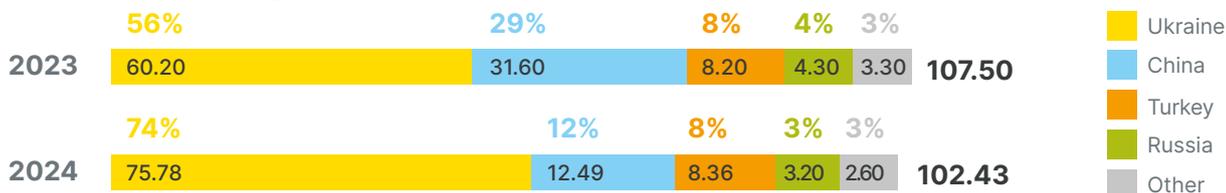


⁸ Wpa - wheel per annum



MARKET OVERVIEW

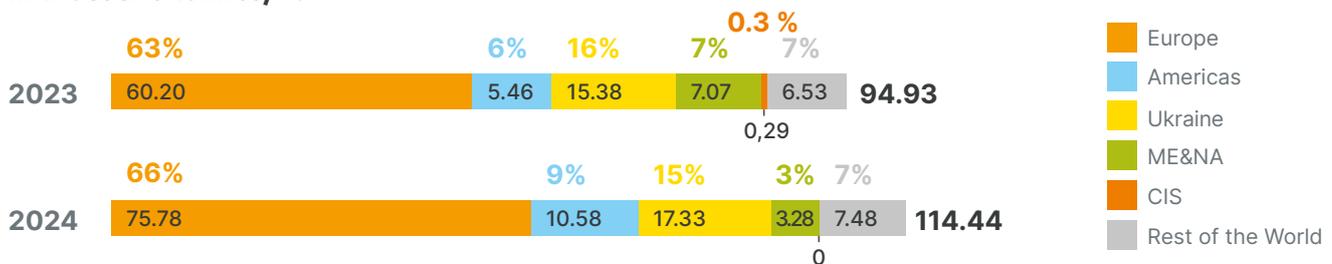
Levels of railway product imports to the EU countries from outside the EU, 2024 vs. 2023, in thousand tonnes



North American, Asian and Middle Eastern markets remain the Group's priority for the diversification and sales growth. In 2024, sales to North America nearly doubled, accounting for over 9% of the Group's sales portfolio. Despite a minor sales decline in the Middle East, this region also remains strategically important for the diversification and sales growth. In 2024, Interpipe continued focusing on improving the competitive power of its products and growing its regional presence. The Group increased supplies to India, Thailand and Saudi Arabia and resumed sales to Canada and South Africa. The factors contributing to this included improved logistical routes and the availability of sea shipments.

At the same time, Europe remains a key market for the Group's railway products, accounting for 66% in total sales of the Railway Division in 2024 (almost 76 thousand tonnes). The major consumers in Europe were customers from Bulgaria, Germany, Slovakia, Poland and Romania. At the same time, the growth of supplies to Germany was 64% p.a., and to Romania, it was nearly 8-fold. Europe demonstrated the highest demand for freight wagon wheels (58% in total sales in 2024) and finished wheelsets (33%, respectively).

Sales of Interpipe railway products in 2023-2024, in thousand tonnes/%



During 2024, Chinese manufacturers lost part of their standing, in particular, in the European market, while Turkey continued actively marketing its products, seeking to secure its market niche. In this environment, the Group was able to retain its market share whilst also growing its presence and sales volumes across multiple geographies. This was possible thanks to the effective customer engagement, in particular, by improving the level of service and strictly meeting the committed lead times and quality levels of products. Having strengthened its position in the European freight wagon segment, the Group continues improving the characteristics of its products to achieve leadership in the passenger coach segment. To this end, the Group's efforts include expanding both the product range and the

production capacities. The domestic market also remains important to Interpipe as a current leading supplier of wheel products in Ukraine. In 2024, the domestic market accounted for 15% of wheel product sales, a 2% decline on the previous year. At the same time, the total sales increased by 13% to 17 thousand tonnes, mainly due to the increase in the volumes of production and repairs of wagons.

Overall, the Railway Division sold 114 thousand tonnes of products in 2024, having recorded a 21% increase on the previous year. Wheels represent 72% in the total production output of the division. The production output of finished wheelsets increased by 18% to 23% in the total portfolio.



MARKET OVERVIEW

Sales of Steel Division products

Interpipe mainly uses the steel billets in its production of seamless pipes and railway products. Any surplus stock is supplied to the Ukrainian market and exported to Europe, the Middle East and Africa.

At the same time, the Group continues exploring the opportunities for growing sales in the steel segment. During 2024, Interpipe signed a strategic contract with ThyssenKrupp Rothe Erde, a major European industrial manufacturer, taking the opportunity to increase the export of steel billets. In addition, Interpipe

strengthened its partnership with Romania-based Donalam and intends to supply new steel grades to this company starting from the first quarter of 2025.

Sales by key market

In 2024, the Group sold 31.12 thousand tonnes of steel billets (compared to 52.24 thousand tonnes in 2022 and 33.18 thousand tonnes in 2023) with supplies to the domestic market and exports to several European, Middle Eastern and African countries. The key final consumers of Interpipe's steel billets are major producers of finished steel products and, to a lesser extent, distributors.

Sales of Interpipe steel billet products in 2022-2024, in thousand tonnes



The European steel billet market remained limited due to the shortage of supply and high production costs driven by the ongoing energy crisis. Instead, Middle Eastern and African markets recorded a high demand, mainly due to the active implementation of infrastructure, construction and energy projects, although they remained highly competitive.

Over 60% of the steel billets sold by Interpipe during 2024 was supplied to Europe, while 33% of supplies represented the domestic market and 5% represented the Middle East and Africa.

FINANCIAL REVIEW

Approach to financial management

In 2024, the Group’s approach towards financial management is to ensure the financial stability, solvency and high liquidity of Interpipe Group, preventing default and aligning rules and guidance for financial activities of all companies of the Group. The approach covers the management of cash balances, currency risks, debt burden, and dividend payments. Despite the challenging operating environment caused by Russia’s full-scale invasion of Ukraine, the Group’s leverage was unprecedentedly lower than the Group’s threshold net debt to EBITDA ratio of 2 for the threshold and 1.5 for the target calculated in accordance with the terms specified in the Trust Deed of the Eurobonds due 2026.

Over 75% of the Group’s revenue are generated in USD and EUR, while less than 20% of the Group’s operating expenses are incurred in these currencies. In this regard, Interpipe Group has a ‘natural’

currency hedge, as its foreign currency revenues fully cover its foreign currency expenditures and capital investments. Consequently, the Group raises targeted debt financing in foreign currency – in USD or EUR. The Group’s financial instruments are issued in USD and EUR to reduce cost of financing through lower interest rates.

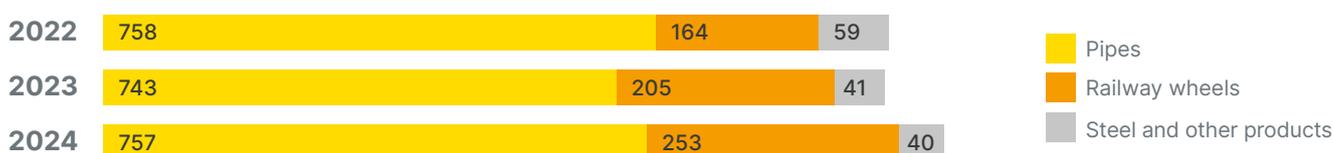
The Group upholds the established approach to selecting financial institutions for cash placements to minimise currency risk and primarily relies on foreign banks. In Ukraine, the Group holds its cash balances primarily with state-owned banks and banks that are subsidiaries of international banks. The Group has also set minimum limits of cash balances to be held in USD and EUR at the level of 50% or more. The Treasury Department of the Group’s Financial and Economic Service monitors compliance with the regulatory requirements to balances and cash storage thresholds.

INCOME STATEMENT

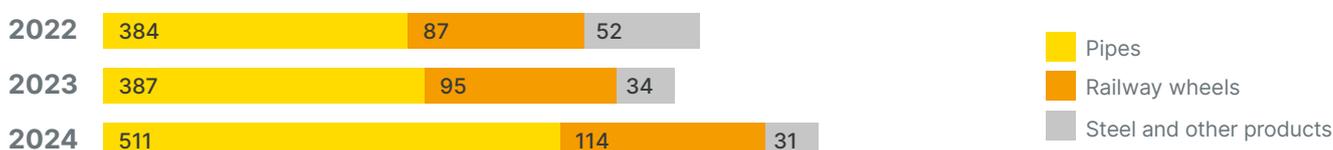
In 2024, Interpipe Group reported total annual revenue of USD 1,050 million representing a 6% increase compared to the previous year. This growth was

driven by higher sales volumes across all key products – pipes and railway products. However, the increase was partially offset by lower sales prices.

Total revenue for three years, in USD mln.



Sales volumes for three years, in tones





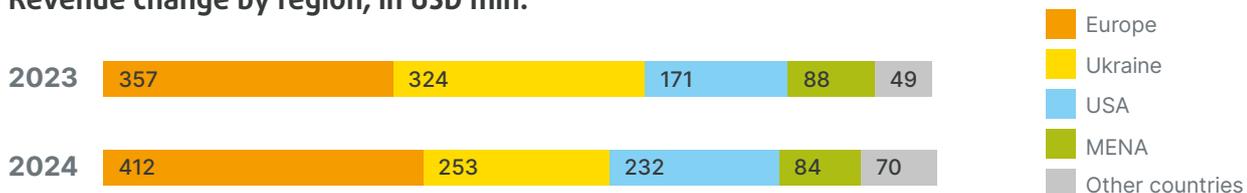
FINANCIAL REVIEW

In 2024, total sales surged by 32% (hereafter percentage ratio of 2024 financial year's figure compared to 2023 financial year) mostly ramped up shipments to European and American customers. OCTG sales volumes surged by 38%, while linepipe volumes expanded by 36%. American sales rose by 41% fuelled mainly by a sharp growth in OCTG sales volumes on the back of robust demand from the oil and gas sector. European sales exhibited even stronger growth of 64% largely attributable to significantly higher linepipe sales. Sales to the MENA hiked by 45% amid tripled OCTG sales volumes compare to the previous year. However, domestic sales in 2024 dropped by 19% amid weaker demand from the state-

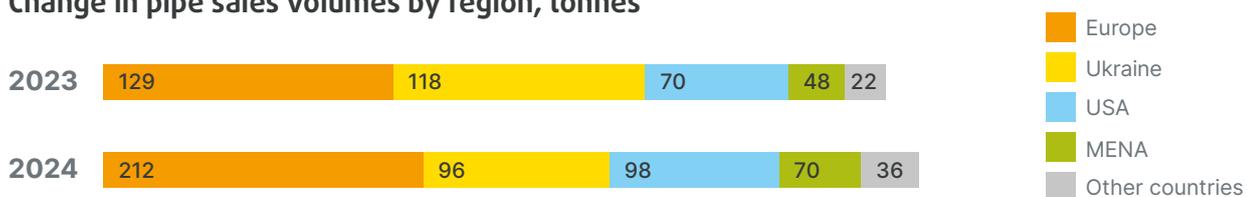
owned oil and gas producers. Pipe sales prices fell across all markets in 2024 after record highs in 2023. On average, OCTG sales prices decreased by 28% and linepipe sales prices – by 22%.

One of the pillars of the Interpipe Group's strategy is to operate in high-margin markets, which increases the Group's competitiveness by strengthening its position in developing new products and improving the technological efficiency of its processes. In the reporting year, the Group's focus was on the Ukrainian and European markets, where revenue grew significantly.

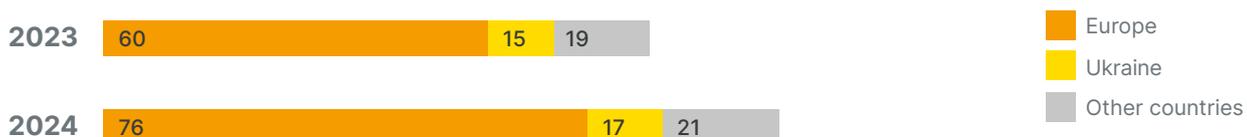
Revenue change by region, in USD mln.



Change in pipe sales volumes by region, tonnes



Change in railway wheel sales volumes by region, tonnes



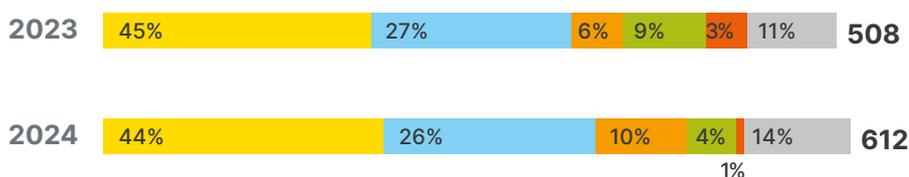
FINANCIAL REVIEW

In 2024, the cost of goods sold amounted to USD 648 million. This represents a 23% increase compared to the previous year. The structure of the Interpipe Group's cost of sales also changed in the year under review.

Compared to 2023, the share of raw materials and supplies remained mostly flat, having decreased by only 1%. In 2024, this category accounted for 42% of the cost price or USD 270 million. The main factor

behind this was a reduction in the price of natural gas (by 22%). At the same time, the price of scrap metal has grown by 14% on average in the domestic market in 2024 due to, among other things, the devaluation of Hryvnia. The market price of electricity has increased by 22% amid enemy attacks on energy infrastructure. A raise in salaries and related expenses resulted in an increase of its share in the total cost price structure to 10% in the year under review.

Breakdown of Interpipe Group's cost of sales expenditure in 2023-2024%



- Materials
- Energy and utilities
- Salaries and related expenses
- Trade duties
- Transport services
- Other

Breakdown of Interpipe Group's cost of sales expenditure in 2024%



- Materials
- Energy and utilities
- Salaries and related expenses
- Trade taxes
- Transportation, freight
- Other expenses

Dynamics of prices for scrap metal, natural gas and electricity in 2023-2024, USD mln.



- Gas price in Ukraine including VAT, USD/thousand cubic meters
- Scrap metal, CPT Ukraine USD/t
- Power price in Ukraine, USD/MWh per year

FINANCIAL REVIEW

In 2024, selling and distribution expenses increased by 55%, reaching USD 132 million mainly driven by higher forwarding and transportation costs due to a growth in total sales volumes across all business segments by 22% on average.

General and administrative expenses amounted to USD 47 million, which is slightly higher by 7% than in the previous year mainly due to an increase in professional fee expenses.

EBITDA

EBITDA (Earnings before Interest, Taxes, Depreciation and Amortisation) is the key measure of the Group's operating segments' performance.

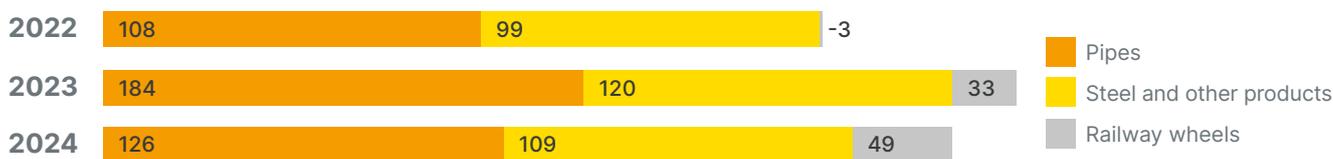
In 2024, EBITDA decreased by 16% to USD 284 million compared to 2023. This decline was primarily driven by a rise in expenses across all business segments, totalling USD 79 million, largely due to increased prices for electricity and materials, as well as higher employee payroll charges. This was partially mitigated by the increase in total sales volumes across all business

segments of the Group by 22% on average, however, sales prices were significantly lower compared to the prior year. Changes in sales volumes and prices have had an effect of USD 61 million. The increase in total sales volumes resulted in an additional growth of transportation expenses amounting to USD 35 million in 2024.

The pipe and steel segments generated the bulk of EBITDA – 83% totalling USD 235 million. At the same time, the pipe segment's EBITDA contribution to the Group's total performance decreased to 44% in 2024, mainly due to a decline in sales prices of seamless pipes after their record highs (the end of 2022 – the beginning of 2023).

The railway segment's EBITDA reached USD 49 million in 2024. Sales prices of railway products remained fairly stable through the year. The steel segment consistently accounts for a significant share of total EBITDA. In 2024, the segment accounted for 38% of the total due to a significant spread between the market price of steel billets and the price of scrap and other materials in Ukraine.

EBITDA by segment of Interpipe Group in 2022-2024, USD mln



To assess the performance of the business segments, the Group's management also uses a pass-through EBITDA analysis, where the relevant parts of the steel segment's EBITDA are reallocated to the pipes and railway segments. In the comprehensive analysis of the Group's EBITDA by segment for 2023-2024, the pipe segment remains the primary driver and contributor to the Group's total EBITDA.

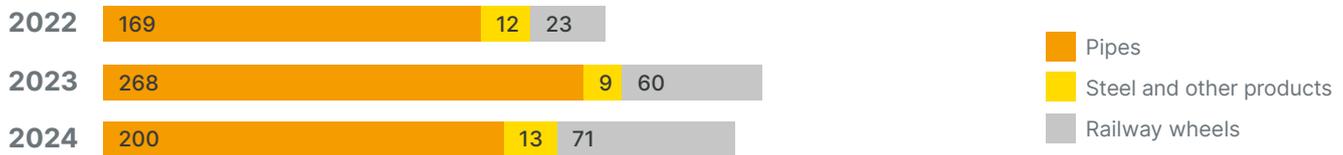
The Group's business demonstrates strong performance driven by a growth in total sales volumes across all business segments, especially in Europe

and America. EBITDA from the railway and steel segments increased by 18% and 44%, respectively. EBITDA from the pipe segment slightly decreased due to a decline in sales prices after their record highs in 2023. In general, one of the fundamental aspects of the Interpipe Group's strategy is mutual hedging of the Group's segments, if one of them enters a downward trend in its market cycle. This contributes to the overall resilience of the business and allows the Group to make and plan capital investments for further development.

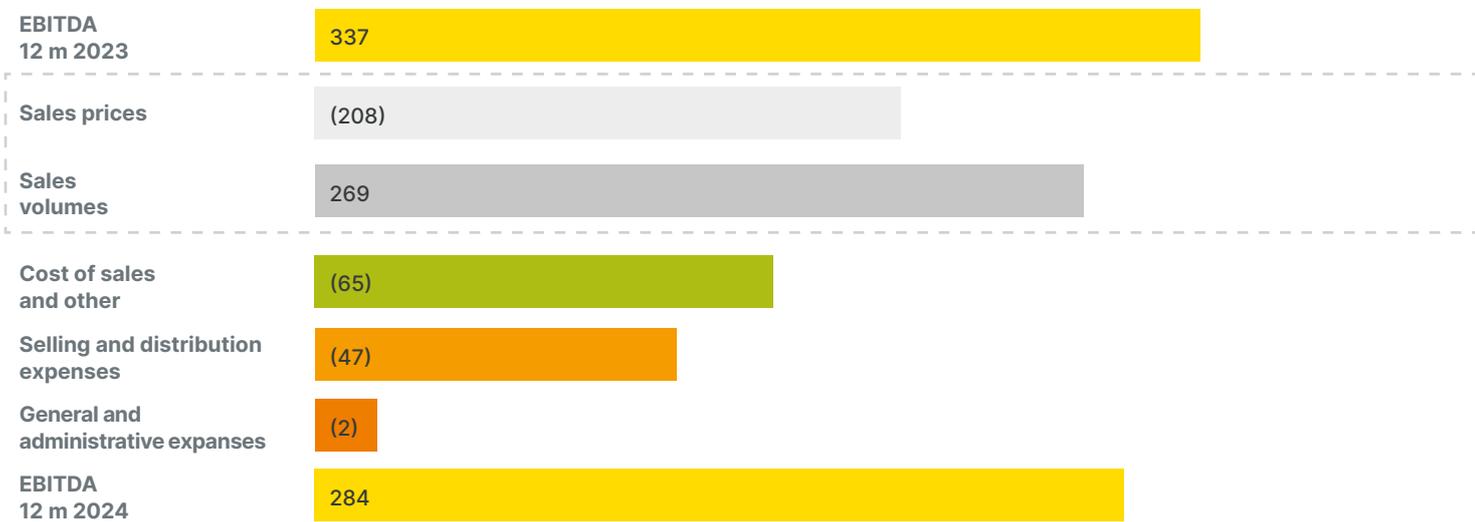


FINANCIAL REVIEW

Dynamics of pass-through EBITDA by segment of Interpipe Group in 2022-2024, USD mln



Factor analysis of EBITDA change in 2024 compared to 2023 USD mln





FINANCIAL REVIEW

CASH FLOW

The cash balance is calculated in accordance with IFRS Accounting Standards. Free cash flow is calculated as net cash flows from operating activities minus net cash flows from investing activities. In addition to EBITDA, cash flow is a key performance indicator for the Group. Interpipe regularly carries out an analysis of the main elements affecting its cash flow performance.

It is remarkable that 2024 became the third year in a row when the Group had full conversion of EBITDA to operating cash flow before changes in working capital (USD 307 million), which allowed it to finance all of Interpipe’s needs in 2024 and accumulate a significant cash balance of USD 286 million.

Working Capital increased by USD 6 million caused by a growth of the Group sales and an increase in receivables. Also, the one-off effect of return of the duty deposits customs deposits for supplying pipes to the U.S. market, in the amount USD 50 million has an impact on the increase in Working Capital.

The Group fully and timely fulfils its obligations to pay income tax and service its financial liabilities. In 2024, this amount was USD 62 million. Of this amount, USD 27 million were used to service debt obligations: coupons on the Eurobonds due 2026 and interest on bank debts were paid on time and in full.

The net cash outflow from investing activities was USD 76 million, of which USD 40 million were used for capital expenditure, and USD 14 million were received as interest on deposits in term and current accounts. The Group spent USD 68 million on debt repayment in 2024.

The Group made a full repayment of Performance Sharing Fees and Securities (Commissions and Securities for the restoration of value) in the total amount of approximately USD 47 million.

By fulfilling its obligations on time, Interpipe Group remains a sustainable, competitive and solvent business for both the state and financial institutions.

Free cash flow in 2024 amounted to USD 113 million.

Factor analysis of cash flow in 2024 USD mln

Cash as 31 Dec. 2023	337
Operating cash flows before working capital change	(65)
Change in W/C	(47)
Income tax paid	(47)
Interest and other finance cost paid	(47)
Net cash outflow from investing activities	(2)
Net cash outflow from financing activities	284
Net foreign exchange difference	284
Cash as 31 Dec. 2024	284

FINANCIAL REVIEW

CAPITAL INVESTMENTS OF THE GROUP IN 2024

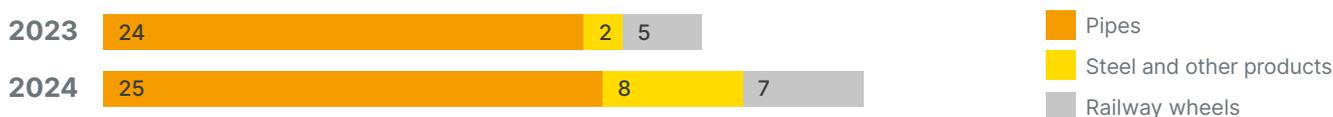
Since the beginning of Russia’s full-scale military invasion of Ukraine, capital investments in development projects have been suspended. At that time, the Group focused on addressing urgent operational issues and carrying out the necessary capital repairs and maintenance projects to keep its industrial assets running.

However, the Board of Directors has announced a gradual resumption of investments in development projects, with the first phase scheduled for

August 2023. One of the priorities was to resume the project of a new heat recovery unit at the Nikopol site of Interpipe Niko Tube LLC.

Therefore, compared to 2023, the Group’s capital investments increased by almost half to USD 40 million. In 2024, most capital investments were made in capital repairs and maintenance of assets and equipment in an operational state. Approximately 63% of total capital expenditure were in the pipes segment (due to the resumption of the above-mentioned project to build a new heat treatment facility), 20% - in the railway wheels segment and the remaining 17% - in the steel segment.

Capital Expenditures by Group segments in 2023-2024, USD mln



A detailed list of the ongoing capital expenditure projects and the amounts of capital investments for their implementation is provided in the Strategy part of the Annual Report.

LIQUIDITY

As of 31 December 2024, the Group has a positive net liquidity position in the amount of USD 193 million. Also, the Group accumulated cash and cash equivalents totalling USD 286 million to cover the scheduled maturity of Notes 2026 in May 2026. This underscores the Group’s commitment to maintaining a good credit history and strong liquidity position, which allows to attract external funds on more favourable terms in the future.

DEBT BURDEN

For Interpipe Group, debt is one of the sources of funding that allows it to maintain a healthy capital structure in the long term. In view of the financial performance in 2024 and the current volume of business in general, the current debt level is sustainable for the Group, allowing it to achieve its strategic goals.

By the end of 2024, Interpipe Group's total debt amounted to USD 313 million, with no new debt incurred during the year. Compared to 2023, total debt decreased by USD 64 million due to a repayment of the final annual instalment under the Performance Sharing Fees and Securities and a decrease in the bank debt in the amount of USD 23 million. Thus, Performance Sharing Fees and Securities had been fully discharged as of 31 December 2024.



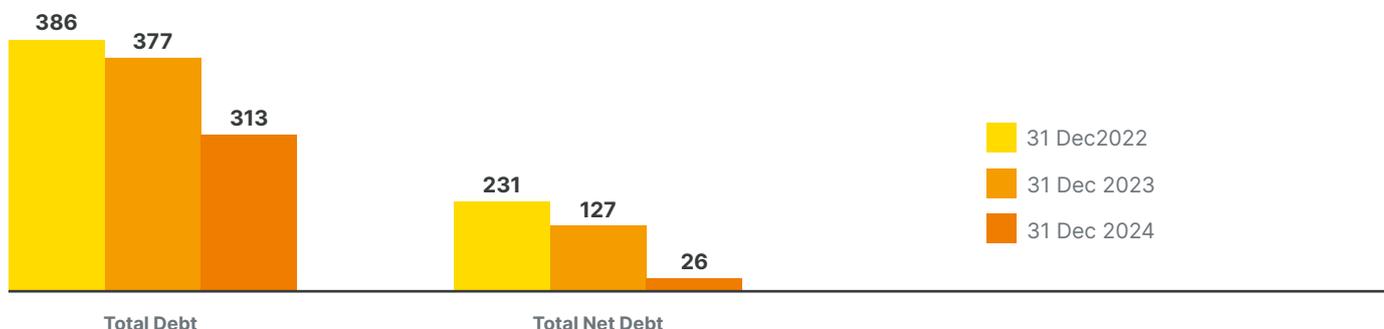
FINANCIAL REVIEW

The components of the Interpipe Group’s total debt as of 31 December 2024 were as follows:

- USD 299 million of 5-year Eurobonds (at amortised cost). The nominal amount of the debt is USD 300 million, and the coupon rate is 8.375% per annum (payable twice a year). The final maturity date is 13 May 2026. The Eurobonds are listed on the Official List of the Luxembourg Stock Exchange.
- Debt consists of two loans from Ukgasbank JSC, both featuring variable interest rates that adjust annually. The rates are set at the 12-month UIRD index in Euros plus 3.88% per annum. These debts are denominated in Euros for the total equivalent of approximately USD 14 million (as of 31 December 2024).

The Group’s net debt at the end of 2024 decreased by USD 121 million to USD 26 million. Despite the unfavourable business environment in 2024, the Group continued to consistently and faithfully fulfil all its obligations to repay and service its debts to creditors and investors.

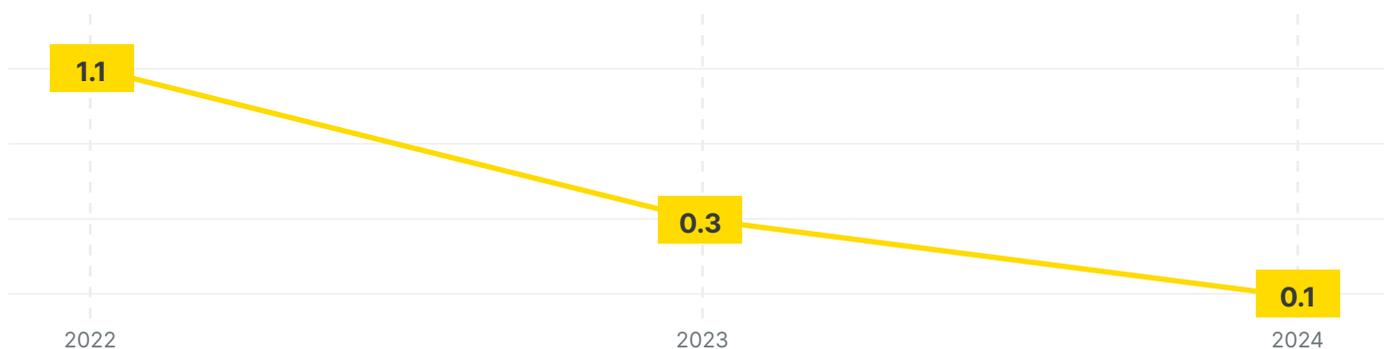
Dynamics of total and net debts (USD mln.)



Moreover, the net debt to EBITDA ratio as at 31 December 2024 strengthened to 0.1, driven by strong

financial results and well below regulatory targets in line with the Group’s debt management approach.

Dynamics of net debt to EBITDA ratio in 2022-2024



CORPORATE GOVERNANCE STRUCTURE

As of the date of publication of the Report, Interpipe Group consists of 30 companies including 15 companies registered in Ukraine and 15 companies registered abroad. The parent company of the Group is Interpipe Holdings Plc. registered in Cyprus, Nicosia. The legal form of Interpipe Holdings Plc is a public limited liability company.

The production facilities are located in Dnipro, Nikopol and Samar (former Novomoskovsk) in the Dnipropetrovsk Region. The trading companies are registered in Dnipro (Ukraine), Paradiso (Switzerland), Dubai (UAE), Frankfurt am Main (Germany) and Houston (USA).

The Group's governance bodies include the General Meeting of Shareholders, the Board of Directors and the governance and oversight bodies of individual enterprises. In 2024, Andrii Korotkov and Yakiv Konstantynivsky left the Board of Directors.

In 2025, the following changes occurred in the Board of Directors:

- Fadi Hraibi was appointed Chairman of the Board of Directors in January 2025;
- Luca Zanotti was appointed Director and Group's Chief Executive Officer in May 2025;
- Ganna Khomenko stepped down as Director and Nikolaos Theodoulou was appointed Director in August 2025;
- Fiona Jane Marie Paulus and Thomas Myer Kearney left their positions as Directors and Nataliia Burnosova was appointed Director in September 2025.

General Meeting of Shareholders



Budget and International
Audit Committee

Strategy and Investment
Committee

Appointment and
Remuneration Committee

Independent Members of the Board
of Directors

the Board of Directors

CORPORATE GOVERNANCE STRUCTURE

As at 31 December 2024 and throughout 1-3 quarters 2025, the Group was organised into three divisions (business segments) according to the key product type, such as Steel, Pipe, and Railway Products. The divisions consist of production enterprises and support companies.

In addition, the Group encompasses enterprises beyond these divisions (business segments), including those engaged in kitchenware manufacturing, lime supply, electricity and natural gas purchases and sales, R&D and product quality control, as well as transportation and consulting services. The Group also includes trading companies in Ukraine and abroad.

During the reporting period, Interpipe had a professional and experienced top management team who was responsible for operational management of the Group.

As at 31 December 2024, top management comprised Chief Executive Officer, Chief Financial Officer, HR Director, Directors of all three divisions (Steel, Pipe, and Railway Products), who were responsible for product manufacturing and sales, Director of Economic Security and Director of Corporate Affairs. In addition, certain business areas were managed by Director of Products and Resources, Technical Director, Director of Procurement and Logistics, and Director of Environmental and Industrial Safety.

In May 2025, Luca Zanotti was appointed Group's Chief Executive Officer. In the same month, Andrii Korotkov assumed the role of Chief Operating Officer.

In October 2025, a new mixed functional and divisional management model was implemented:

- the Railway Product Division remained unchanged, reporting to Director of the Railway Product Division, whereas other business units of the Group switched to a functional management model;
- the Pipe Division and the Steel Division were reorganised, resulting in the elimination of the positions of Director of the Pipe Division and Director of the Steel Division. Furthermore, production facilities and supporting companies previously included in the Pipe Division and the Steel Division were placed under the authority of Chief Operating Officer;
- the positions of Director of Procurement and Logistics and Director of Environmental and Industrial Safety were subordinated to Chief Operating Officer;
- a new position of Director of Pipe Sales was introduced, with regional directors of pipe sales being placed under the authority of this role;
- a new position of Director of Business Development was established.

As of the date of publication of the Report, top management includes Chief Executive Officer, Chief Operating Officer, Director of Finance and Economics, Director of Business Development, Director of the Railway Product Division, Director of Economic Security, HR Director, Director of Corporate Affairs, Director of Products and Resources, Technical Director, and Chief Commercial Officer.

Recommendations and proposals from top management are reviewed by the independent governance bodies of each individual enterprise within the Group.

CORPORATE GOVERNANCE STRUCTURE

Board of Directors as of the date of publication of the Report



FADI HRAIBI

Director, Chairman of the Board of Directors

Fadi Hraibi has a long-term extensive experience in managing industrial companies. In 2016-2020, he was CEO at Interpipe. Previously, he held the position of Senior Vice President at Argo Investment and was the Managing Director of the shipbuilding company Nordic Yards.

Educational background: American University of Beirut (Lebanon), INSEAD (France)



LUCA ZANOTTI

Chief Executive Officer

Prior to joining Interpipe Group, Luca Zanotti held management roles in Tenaris. He was appointed President of Tenaris in the USA in 2018 after holding the position of its Vice President since 2015. He joined Tenaris in 2011 as its President in Europe. Before that, Mr. Zanotti was involved in procurement, management consulting and business development in Europe, South America and South-east Asia.

Educational background: Polytechnic Institute of Milan (Italy), SDA Bocconi (Italy)



OLEKSANDR KIRICHKO

Director

Mr. Kirichko has extensive industry management experience. He held the position of CEO at Interpipe.

Educational background: Dnipropetrovsk National University (Ukraine)



IULIIA CHEBOTAROVA

Director

Ms. Chebotarova served as Executive Director and COO at EastOne Group and as Vice President for Corporate Property at Interpipe Group.

Educational background: Dnipropetrovsk National University (Ukraine), Interregional Academy of Personnel Management (Ukraine)

CORPORATE GOVERNANCE STRUCTURE

Board of Directors as of the date of publication of the Report



NATALIIA BURNOSOVA
Director

As the Corporate Counsel Natalia supervises all material transactions of Interpipe, advise on corporate governance matters and ensures communication between the Board and the shareholders of Interpipe Group.

Educational background: Donetsk State University, Faculty of Economics and Law, 1992–1997 (Civil and Commercial Law); Queen Mary University of London, 2002–2003 (EC Business law).



PHILIPPE BIDEAU
Independent Director

Prior to his appointment to the Board of Directors, Philippe Bideau served as Director at McKinsey&Company.

Educational background: Stanford University (California, United States)



NIKOLAOS THEODOULOU
Independent Director

Nikolaos Theodoulou has over 30 years of Partner's experience with PricewaterhouseCoopers focusing on multinational companies, specifically in the Ukrainian market. He implemented international audit and consulting projects in numerous industries, including oil and gas, metal and other industries. At PwC, Mr. Theodoulou held key leadership and management roles. He is also a fellow member of the Institute of Chartered Accountants in England and Wales (ICAEW).

Educational background: University of Cambridge (UK)

As of the date of publication of the Report, the Board of Directors consists of 7 members, including one executive director (Group's Chief Executive Officer) and three independent directors. They are ultimately responsible for strategic management of the Group. The process for nominating candidates and selecting them to the Board of Directors is approved by the General Meeting of Shareholders. Such candidates must have specialised education and the appropriate experience, qualification and expertise in sectors that are directly related to the Group's business.

The Board of Directors has three standing committees:

- Budget and Internal Audit Committee,
- Strategy and Investment Committee,
- Appointment and Remuneration Committee.

They provide advice to the Board of Directors on various issues related to the Group companies. In particular, the Strategy and Investment Committee defines the direction towards the achievement of the Sustainable Development Goals.

CORPORATE GOVERNANCE STRUCTURE

Competencies of the Board of Directors' members

Full name	Position	Work experience in Interpipe	Corporate planning/ Business strategy	Finance/ Accounting/ Economics	HR management	Risk management/ Compliance	Technologies/ Research and development	Sales/ Procurement/ Marketing	Management of international companies	Environment/ Sustainable development	Public administration/ Public policy
Fadi Hraibi	Director, Chairman of the Board of Directors	13 years +	■	■	■	■	■	■	■	■	
Luca Zanotti	Chief Executive Officer	less than 1 year	■	■	■	■	■	■	■	■	
Oleksandr Kirichko	Director	24 years +	■	■	■		■		■	■	
Iuliia Chebotarova	Director	12 years +	■	■	■	■			■		■
Nataliia Burnosova	Director	20 years	■			■					
Philippe Bideau	Independent Director	8 years +	■	■		■	■	■	■		
Nikolaos Theodoulou	Independent Director	less than 1 year	■	■		■					

According to the Articles of Association of Interpipe Holdings PLC, members of the Board of Directors do not have the right to vote on issues on which they may have a conflict of interest. If a member of the Board of Directors votes on the issue that raises such conflict of interest, his/her vote will be considered invalid.

Process for determining remuneration

Interpipe Group has the Compensation Policy in place, which regulates remuneration and motivation of the Group employees and is approved by the Board of Directors. This document is a set of principles, rules and procedures. The Policy was developed to engage, motivate and incentivise qualified employees, as well as to ensure fairness and competitiveness in the labour market.

The remuneration of the Group employees consists of a fixed part and a variable part. A fixed part represents the established official salary, and a variable part represents performance bonuses. Bonuses are paid for the implementation of specific performance indicators that are set in accordance with the strategic and operational goals of the Group. The key performance indicators for all

employees include those aimed at increasing the Group's profit, reducing costs and improving business efficiency.

The remuneration of the key management personnel of the Group is determined by:

- the position evaluation level based on the required professional and managerial knowledge and skills, the complexity of tasks to be performed in the role, and its contribution to achieving the Company's targets;
- the market value of the position within a specific geographic and industry market, considering its evaluation and the situation in the labour market;
- the stage of business development and the financial position of the Company;
- the employee's competencies, qualifications and motivation that are necessary in the position to solve certain tasks, and effectiveness in achieving goals.

The Group does not have fixed dates for reviewing remuneration levels. The review takes place depending on the financial capabilities of Interpipe Group and the situation in the labour market. Employees are informed about changes in the level of remuneration through written notification within the timeframes established by the current labour law.

CORPORATE GOVERNANCE STRUCTURE

Internal codes and policies

We adhere to the principles and rules set out in our internal codes and policies. These documents cover various aspects of the Group's operations, including HR management, financial transactions, production processes, marketing, safety, etc.

All internal regulations of the Group are developed by the relevant functions of the Company independently or in collaboration with the owners of specific business processes. All regulations (policies, codes, etc.) envisaging public commitments of the Group are initially reviewed by the ESG Committee and subsequently approved by the Board of Directors. In developing the policies and codes, external standards and methodologies, as well as the regulatory frameworks of all jurisdictions where the Group operates are analysed to ensure their further adaptation and integration. Interpipe management is responsible for developing and implementing the necessary measures to achieve the strategic goals set by the policies.

The Investment Policy of the Group is designed to stimulate growth in the value of the Group's pipe, steel and railway product business segments. The policy addresses the key objectives, including ensuring compliance of equipment and technologies with the planned sales volumes, reducing production costs, improving product quality and promoting higher staff productivity. It includes a list of projects, project implementation schedules, capital expenditure estimates and project payback calculations. Decisions

on the Group's investments are initially considered by the Board of Directors' Strategy and Investment Committee and subsequently approved by the Board of Directors.

The Accounting Policy defines a set of principles, methods and procedures used by the Group to maintain its accounting records and to prepare financial statements in accordance with applicable standards. It contains approaches to the translation of foreign currencies, investments in foreign operations, goodwill valuation, depreciation/amortisation of assets, lease operations, borrowings, accounting for intangible assets, investments, dividends, etc. These approaches are reflected in the Group's consolidated financial statements.

Most of the Group's policies and codes apply to all divisions and companies of the Group. However, some policies (the Occupational Health and Safety Policy, the Environmental Policy, etc.) are developed specifically for individual enterprises. Individual Group policies cover specific operating activities, such as the Trade Policy and the Procurement Policy.

Risk management

The effective and efficient risk management system plays a significant role in business development and improvement. The risk management functions within Interpipe Group are distributed between its main services based on their competences.

Distribution of risk management functions and authorities between Interpipe Group services

Nº	Risk description	Service responsible for risk management as at 31 December 2024
1	Financial risks	Financial and Economic Service
2	Legal (legislative) risks	Corporate Affairs Service
3	Reputational risks	Corporate Affairs Service
4	Counterparts' credit risks	Financial and Economic Service and Sales Services
5	Ecology, occupational safety and technology-related risks	Environmental and Occupational Safety Service
6	Human rights, sanctions	Corporate Affairs Service
7	Fraud, corruption, intellectual property	Economic Security Service

CORPORATE GOVERNANCE STRUCTURE

Material risks are identified in a centralised manner, and each risk is subsequently analysed by a specific service of the Group in accordance with its competences to mitigate or prevent potential threats.

Risks associated with the impact on the Group's financial results are disclosed in the consolidated financial statements and are subject to audit by external auditing entities. Senior managers are involved in the preparation and presentation of the Group's reports. The consolidated financial statements are approved by the Board of Directors.

Tax management

Transparent business conduct is one of the fundamental principles upheld by the Group. We diligently fulfil our obligations to check the accurate calculation and timely payment of taxes and other mandatory payments as required by law.

The Chief Financial Officer is responsible for the general principles of compliance with tax legislation. The responsibility for exercising control over financial and tax accounting rests with the respective governance bodies of each individual legal entity.

In addition, the Group has the Tax Planning Department performing the following consultative functions:

- supporting the preparation of transfer pricing reports and documentation;
- financial planning in terms of Income Tax and Value Added Tax calculation and payment;
- preparing conclusions on tax issues at the request of stakeholders and holding meetings on current issues related to tax calculation and payment;
- monitoring and analysing current changes in tax and currency legislation and informing the relevant divisions of the Group in a timely manner;
- sending requests to the State Tax Service of Ukraine for clarification of complex tax issues;
- preparing responses to inquiries from regulatory authorities and written requests regarding complex tax issues;
- participating in the preparation of objections and complaints in the framework of administrative or judicial appeals against the results of tax audits;
- working with external consultants, such as auditing firms, etc.

All information about taxation is disclosed in the consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS).

RISK MANAGEMENT

Risk management approach

Interpipe follows a structured and dynamic risk management system that ensures that risks are identified, assessed and mitigated on a timely basis across all organisational levels. Dedicated business units are responsible for identification and management of risks relevant to their role. Finance Department provides methodology support, monitoring and oversight.

The Board of Directors performs annual risk reviews, risk analysis and makes decisions on management of key risks.

Key risks and risk trends

Interpipe is exposed to a range of material risks, a significant part of which is caused by external economic and geopolitical factors. Presented below is a risk matrix and a description of key risks that are continuously tracked and managed as part of the risk response system. The list is not exhaustive and may change depending on the circumstances.

Category	Risk factor	Severity	Probability	Trend
Strategic risks	Unfavourable macroeconomic and geopolitical environment	■	■	↑
	Competition	■	■	↑
	Volatility of market demand from key sales markets	■	■	-
Operational risks	Electricity supply and market price fluctuations	■	■	↑
	Cost and availability of labour	■	■	↑
	Natural gas supply and market price fluctuations	■	■	↑
	Scrap metal availability and market price fluctuations	■	■	↑
	Disruption of logistical routes	■	■	↓
Financial risks	Trade barriers and restrictions	■	■	↑
	Currency risks	■	■	-
	Regulatory currency restrictions and capital restrictions	■	■	-
	Liquidity risks	■	■	↓
Sustainability risks	Safety and wellbeing of employees	■	■	↑
	Climate risks	■	■	↑
	Other ESG risks	■	■	-

Level of severity and probability

■ High ■ Medium ■ Low

Trend

↑ Increasing - Stable ↓ Decreasing

RISK MANAGEMENT

1. UNFAVOURABLE MACROECONOMIC AND GEOPOLITICAL ENVIRONMENT

Risk description: Interpipe is directly affected by the overall economic and political environment both in Ukraine and in external markets. The Company faces significant uncertainties caused by the full-

scale war, global economic challenges, changes in the geopolitical balance of power, as well as the growing sustainability demands.

Key risk factors:

- Russian Federation's military invasion of Ukraine
- Macroeconomic instability and declining investment activity

- Recessionary expectations in leading global economies
- Changes in geopolitical alliances and trade restrictions: sanctions, quotas
- Growing decarbonisation requirements

Risk mitigation activities:

- Diversification of export markets and the product portfolio

- Expansion of production of high-added-value products
- Decarbonisation and development of the ESG architecture

2. COMPETITION

Risk description: stronger competition in the global market of seamless steel pipes and railway products, in particular, from low-cost geographies, creating pressure on prices, margins and market shares.

Additionally, competition by low-carbon steel producers may affect Interpipe's strategic positions.

Key risk factors:

- Price dumping by manufacturers with access to cheap raw materials, energy resources and government support

- Evolving customer specifications, increasingly including low carbon footprint and other ESG-related requirements

Risk mitigation activities:

- investment in decarbonisation
- Increasing the share of premium products differentiating Interpipe from mass suppliers

- Expanding local presence in the key markets (Ukraine, EU, USA, MENA)
- Improving production efficiency and cost optimisation

3. VOLATILITY OF MARKET DEMAND FROM KEY SALES MARKETS

Risk description: demand for Interpipe products (particularly for seamless pipes) is volatile and depends on global economic trends, particularly in sectors such as construction, infrastructure and oil and gas. For example, when oil and gas prices decline,

oil and gas companies typically reduce their operating and exploration costs, as a result decreasing their purchases of steel pipe products.

RISK MANAGEMENT

Key risk factors:

- Declining economic growth across key export regions
- Volatility in the global energy sector, including changes in oil and gas prices that directly affect the drilling volumes and related demand for pipe products

- Structural changes in consumer industries, in particular, gradual transition from the conventional energy to renewable energy sources, which drives the changes in the structure of pipe consumption

Risk mitigation activities:

- Diversification of sales markets
- Focus on high-added-value products (premium segment)
- Developing flexible production highly adaptable to market changes

- Systematic exploration of customer needs and market trends
- New product launch and innovation (R&D)



4. TRADE BARRIERS AND RESTRICTIONS

Risk description: risk of new trade barriers or restrictions in key markets is material to Interpipe's

operational and financial stability.

Key risk factors:

- Global trade wars
- Anti-dumping and special duties that may apply to Ukrainian pipe and steel products as a result of trade

investigations

- Quoting or licensing of imports limiting supply volumes

Risk mitigation activities:

- Diversification of export geography
- Highly skilled team specialising exclusively in anti-dumping cases
- Transparent accounting for business transactions
- Engaging reputable legal counsels to protect the Group's rights

- Monitoring of international trade, involvement in the protection of interests during trade investigations
- Membership in international business associations, industry associations, dialogue with government and regulatory bodies



5. DISRUPTION OF LOGISTICAL ROUTES

Risk description: Interpipe's operations to a significant extent depend on the reliability of logistical routes, particularly for its exports of finished goods. The

risk of disruption of logistical chains has significantly increased since the beginning of the full-scale war in Ukraine.

Key risk factors:

- Blockage or destruction of transport infrastructure, particularly in frontline regions
- Temporary or extended unavailability of Ukrainian sea ports, restricted Black Sea access

- Restricted transit via neighbouring countries or changes in the political direction in the countries used for logistical alternatives
- Increased transportation costs caused by extended routed, restricted throughput capacities, etc.

RISK MANAGEMENT

Risk mitigation activities:

- Vertical integration of the Group
- Supply diversification by product and geography:
- Development of new alternative logistical routes
- Cooperation with international logistical companies and terminals



6. ELECTRICITY SUPPLY AND MARKET PRICE FLUCTUATIONS

Risk description: Interpipe is an energy intensive manufacturer with a significant dependency on reliable and affordable electricity. Any disruptions

in supply of electricity or significant price fluctuations directly affect the cost of products and production processes.

Key risk factors:

- Physical electricity supply disruptions due to the infrastructure damaged as a result of combat
- Capacity restrictions during peak demand periods
- Market price fluctuations for electricity
- Insufficient supply and a high cost of renewable electricity, which is increasingly more important to meet decarbonisation commitments

Risk mitigation activities:

- Installation of alternative power sources
- Improving energy efficiency through CAPEX projects
- Effective procurement management



7. NATURAL GAS SUPPLY AND MARKET PRICE FLUCTUATIONS

Risk description: Interpipe uses natural gas as one of its key energy resources, in particular in heating and heat treatment of seamless pipes and railway products. Considering the volatile energy market environment,

military risks and the dependency on imported gas, the Group is exposed to the risks of supply disruptions and steep fluctuations of gas prices.

Key risk factors:

- Damages to the Ukrainian gas extraction infrastructure as a result of combat
- Physical supply disruptions due to the damages to gas distribution grid or consumption nodes
- Ukraine's dependency on imported gas with pricing linked to EU markets or stock exchange indices
- Volatility of global gas prices

Risk mitigation activities:

- Optimising energy consumptions via CAPEX projects aiming to reduce the consumption of gas
- Effective procurement management

RISK MANAGEMENT



8. SCRAP METAL AVAILABILITY AND MARKET PRICE FLUCTUATIONS

Risk description: scrap metal is the main raw material for Interpipe DniproSteel electric arc furnaces. Therefore, the uninterrupted supply and pricing of scrap metal directly affects the cost of producing steel

billets and availability of raw materials to pipe and railway product manufacturers

Key risk factors:

- Volatile situation in the domestic scrap metal market resulting from the military activities

- Limited supply of scrap metal due to the temporary occupation of certain territories in Ukraine and combat along the 1,500 kilometre frontline
- Global scrap metal price fluctuations

Risk mitigation activities:

- Vertical integration of the Group, developing own scrap metal collection and sorting infrastructure (sites)
- Strategic partnerships with scrap metal collectors

- Using internal scrap metal sources, including secondary processing



9. COST AND AVAILABILITY OF LABOUR

Risk description: Interpipe is critically dependent on the availability of skilled labour, particularly engineering and technical personnel and production equipment operators. In the current social and

economic environment in Ukraine, the Group faces a range of challenges relating to the shortage of skills, growing labour costs and intensifying competition of talent.

Key risk factors:

- Migration of workforce abroad
- Military mobilisation activities and restrictions
- Growing average pay caused by inflation and workforce shortage

- Waning popularity of technical occupations among the younger generation
- Labour market competition

Risk mitigation activities:

- Increasing the attractiveness of Interpipe as an employer through competitive pay, health insurance, social guarantees, flexible hours, etc.

- Talent pool and HR development programmes
- Partnerships with schools and universities
- Monitoring of the labour market



10. CURRENCY RISKS

Risk description: The Company operates in Ukraine where the national currency, the hryvnia ("UAH"),

has historically depreciated against the main global currencies.

Key risk factors:

- Official and market UAH exchange rate fluctuations against USD

- The structure of assets and liabilities by currency

RISK MANAGEMENT

Risk mitigation activities:

- A high percentage of export revenue from exports of own products (over 75%) is mostly USD and EUR-denominated

- A significant percentage of costs originates and is settled in UAH

11. REGULATORY CURRENCY RESTRICTIONS AND CAPITAL RESTRICTIONS

Risk description: the risk is related to current currency restrictions imposed by the National Bank of Ukraine as a result of the Russian Federation's full-scale invasion of Ukraine. In particular, restrictions were imposed on

cross-border payments towards financial liabilities from Ukraine to other jurisdictions, including intragroup loans and dividends, and reduced deadlines for currency revenue recovery

Key risk factors:

- The restrictions imposed by the National Bank of Ukraine regarding the servicing of external financial liabilities and reduced deadlines for currency revenue recovery impairs the flexibility in financial planning

and liquidity management and affects the timeliness and completeness of payments made to service and repay liabilities to external international lenders and investors

Risk mitigation activities:

- Negotiations with State authorities to further extend currency liberalisation measures

- Effective treasury management policy taking into account currency regulations

12. LIQUIDITY RISKS

Risk description: the risk represents the inability to settle financial liabilities on a timely basis due to cash

shortages or limited access to the sources of finance.

Key risk factors:

- Untimely or incomplete collection of revenue from customers

- Strengthening of regulatory restrictions on currency and banking transactions
- Steep increase in costs
- Worse lending conditions

Risk mitigation activities:

- Cash flow planning and forecasting
- Significant working capital

- New lines of credit in Ukraine and abroad

13. SAFETY AND WELLBEING OF EMPLOYEES

Risk description: considering the ongoing war in Ukraine and a high level of production and technical risks in the steel industry, Interpipe prioritises the

safety and physical, psychological and social wellbeing of its people.

RISK MANAGEMENT

Key risk factors:

- Threat of missile attacks on production sites

- Working with heavy machinery, in high-temperature and high-noise conditions
- Burnout

Risk mitigation activities:

- Integrated occupational health and safety system
- Occupational health and safety and accident response training and briefings

- Improved workplace conditions, equipment upgrades
- Supporting employees during the war: bomb shelters on site, evacuation of families, financial aid

14. CLIMATE RISKS

Risk description: Interpipe's climate risks include both transitional and physical risks. Key transitional risks relate to tightening regulatory climate change requirements regarding the transition to Net Zero economy. Physical risks include droughts, storms

(including snowstorms, dust storms, sandstorms), floods, water shortage, heat stress. Please refer to ESRS E1 Climate Change section for details of climate risk assessment.

Key risk factors:

- Physical risks: extreme weather conditions (rainstorms, floods, droughts, etc.)
- Increasing regulatory pressure

- Implementation of CBAM imposing carbon duties on exports of steel and steel products to the EU
- Increasing cost of resources

Risk mitigation activities:

- Climate risk assessment
- Implementation of energy efficiency programmes

- Development of decarbonisation programmes
- Implementation of adaptive climate solutions

15. OTHER ESG RISKS

Risk description: in addition to climate risks, Interpipe is exposed to wider environmental, social and governance (ESG) risks that may affect the Company's financial position. During 0224, Interpipe completed a

double materiality assessment and identified material risks. This Annual Report includes the findings of this assessment in Management of Impacts, Risks and Opportunities section.

Key risk factors:

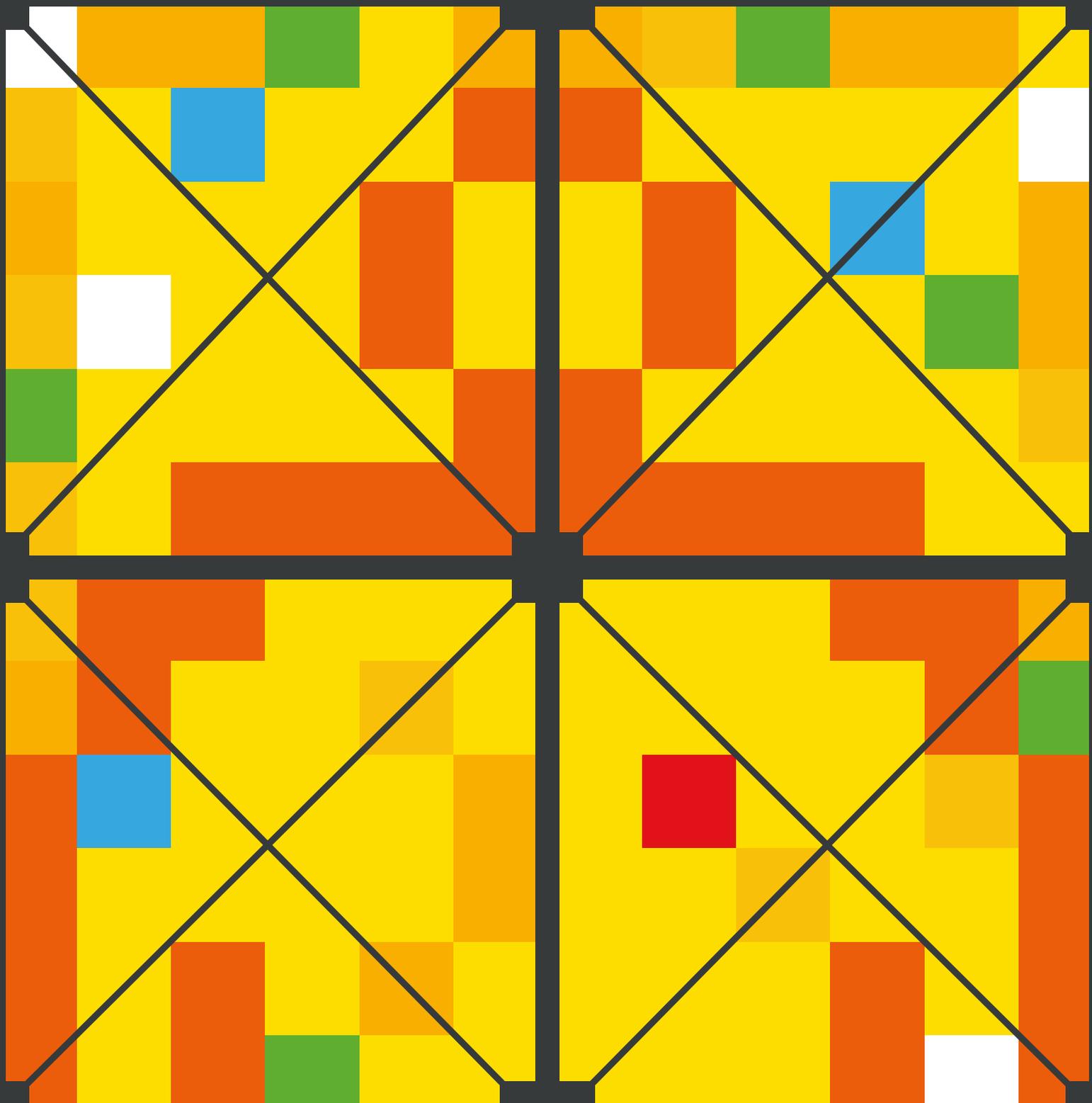
described in individual Sustainability sections

Risk mitigation activities:

Risk mitigation activities: risk mitigation activities are disclosed in individual Sustainability sections

SUSTAINABILITY STATEMENT

of Interpipe Group



GENERAL DISCLOSURES

Basis for preparation [BP-1]

The Sustainability Statement is prepared in accordance with the requirements of the GRI (Global Reporting Initiative) Standards. Additionally, the following document is partially aligned with the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS) to the extent that the preliminary information is available. Interpipe is voluntarily aligning with CSRD as part of its preparation for the time when reporting becomes mandatory. Interpipe's mission has been to maximize the implementation of the ESRS for the 2024 reporting year and to deliver an integrated annual report.

The Sustainability Statement has been issued for the entire Interpipe Group (hereinafter "the Group" or "Interpipe") on a consolidated basis and covers the period of 1 January 2024 to 31 December 2024. The scope of consolidation corresponds to that of the consolidated financial statements.

The statement incorporates the double materiality assessment (DMA), addressing impacts, risks and opportunities (IROs) related to Interpipe's own operations, as well as its upstream and downstream value chain.

The Sustainability Statement provides an overview of the Interpipe's policies, actions, targets and metrics regarding material IROs on various sustainability topics. No relevant information concerning intellectual property, know-how or the results of innovation has been omitted from the Sustainability Statement.

The material disclosure requirements that are subject to phased-in implementation according to Appendix C of ESRS 1, will be incorporated into future sustainability reports.

Disclosures in relation to specific circumstances [BP-2]

Time horizons

For reporting purposes, time horizons are defined with a distinction between short-, medium- and long-term perspectives. Interpipe has not deviated from time horizons specified in ESRS 1.

Value chain, estimation and outcome uncertainty

To ensure consistent and comprehensive reporting, estimations and assumptions were used for Scope 3 calculation. Calculation of this indicator uses estimates based on the best available information, such as sector-average data. Therefore, indicator Scope 3 is subject to uncertainty, in particular emissions associated with Category 1 (Purchased goods and services), Category 4 (Logistics), Category 7 (Employee commuting), Category 10 (Processing of sold products) and Category 15 (Investments).

The estimates used during the reporting period include, in particular, those relating to:

- data on volumes of atmospheric emissions (some pollutants whose quantities are below the measurement limits of the instruments);
- weights of certain waste types (e.g. wastewater treatment sludge).

Reporting errors in prior periods

Interpipe has not identified material errors in relation to information reported in prior periods.

SUSTAINABILITY GOVERNANCE

The role of the administrative, management and supervisory bodies [GOV-1]

The Board of Directors has overall responsibility for overseeing the Group's internal control and governance systems. Within this framework, the Budget and Audit Committee, a sub-committee of the Board, is in charge with monitoring the effectiveness of internal controls.

Operational responsibility for sustainability is delegated to senior managers across key functions, each accountable for specific ESG domains.

These include:

- The Director for the Environment and Industrial Safety, who leads the company's climate change strategy and oversees environmental and occupational health and safety (OHS) matters.
- The HR Director, responsible for social and human capital issues, including employee wellbeing, training, and diversity.
- The Director for Procurement and Logistics, tasked with integrating sustainability principles into the supply chain, including responsible sourcing and logistics emissions.
- The Chief Compliance Officer, who leads governance initiatives, including anti-corruption, ethical business conduct, and compliance with relevant regulations.
- The Director for PR and Communications is responsible for stakeholder communications, with a particular focus on building relationships with local communities and veterans.

These senior managers report directly to the top management of the Company when material IROs are identified or when urgent sustainability-related issues arise. The top management sets ESG-related targets for each function, which form the basis for ongoing performance tracking and alignment with broader corporate goals.

Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies [GOV-2]

As a first-time voluntary reporter under the European Sustainability Reporting Standards (ESRS), Interpipe Group has not yet established formal sustainability reporting cycles.

For example, IROs related to the energy transition and climate change have been actively considered during the developing of the Group's decarbonisation strategy, helping to shape mitigation measures.

The company recognises the need to enhance its governance practices and internal reporting systems in line with ESRS expectations. Plans are in place to formalise sustainability reporting processes, expand training, and strengthen oversight structures to ensure that sustainability considerations are fully embedded into strategic decision-making and risk management in future reporting periods.

Integration of sustainability related performance in incentive scheme [GOV-3]

As of 2024, Interpipe Group does not yet have a comprehensive sustainability-related incentive scheme in place. However, certain roles—such as the Director for Environment and Industrial Safety and directors of production enterprises—already have performance indicators linked to work-related incidents, reflecting an initial integration of ESG metrics into operational accountability. Remuneration for members of the administrative, management, or supervisory bodies, as well as other key personnel, is not yet systematically linked to broader environmental, social, or governance (ESG) performance indicators.

However, the Group acknowledges the importance of aligning incentive structures with its sustainability strategy and long-term value creation. As part of its ongoing ESG integration efforts, the company plans to incorporate sustainability-related performance criteria into its incentive and remuneration frameworks in future reporting periods.

SUSTAINABILITY GOVERNANCE

Statement on sustainability due diligence [GOV-4]

Core elements of sustainability due diligence		Paragraphs in the sustainability statement
a)	Embedding sustainability due diligence in governance, strategy, and business model	<ul style="list-style-type: none"> ■ Business model and strategy ■ Contribution to SDGs ■ Policies related to thematic standards
b)	Engaging with affected stakeholders in all key steps of the sustainability due diligence	<ul style="list-style-type: none"> ■ SBM-2 Interest and views of stakeholders ■ S1-2 Employee engagement
c)	Identifying and assessing adverse impacts	IRO-1 Double materiality assessment process
d)	Taking actions to address those adverse impacts	Actions related to thematic standards
e)	Tracking the effectiveness of these efforts and communicating	Targets related to thematic standards

Sustainability reporting risk management [GOV-5]

As of the reporting period, Interpipe Group is in the early stages of implementing the Corporate Sustainability Reporting Directive (CSRD) and the associated European Sustainability Reporting Standards (ESRS). As such, formalized risk management and internal control systems specifically dedicated to the sustainability reporting process are not yet fully established and remain under development. Currently, the identification and management of risks related to sustainability data and reporting are conducted on a case-by-case basis. This process involves direct engagement with relevant data owners, operational management, and subject-matter experts, depending on materiality.

The main sustainability reporting risks identified to date relate to the availability and accuracy

of data across the value chain, particularly for Scope 3 emissions. As Interpipe Group does not have full operational control over value chain information, this presents challenges in validating data received from upstream and downstream actors.

To mitigate these risks, the Group collaborates with both internal and external subject-matter experts. These experts support the Interpipe in interpreting available data, applying estimation methodologies where necessary, and building an understanding of value chain dynamics.

Interpipe Group is committed to enhancing the robustness of its sustainability reporting processes and is actively working toward establishing integrated internal controls and risk management mechanisms following an approach similar to the financial reporting control system. These developments are expected to progress as part of the CSRD implementation roadmap in the coming reporting periods.

STRATEGY

Strategy, business model and value chain [SBM-1]

Key areas of Interpipe’s activities in the sustainability sector focus on job preservation, ensuring medical support, developing local educational institutions, adhering to principles of equality and diversity, increasing the share of renewable energy, promoting environmentally-friendly metallurgy, digital automation, cooperation with local communities, and encouraging suppliers and consumers towards responsible production and consumption, combating climate change, preserving local ecosystems, and maintaining partnerships with stakeholders.

Indeed, to attain these goals, despite the perilous environment, the Group ensures stable operation of its industrial production, engages local and foreign contractors, maintains its medical infrastructure, provides aid to regional medical institutions, secures the needs of local educational institutions, cultivates new innovative products and markets, persists in modernizing enterprise and infrastructure, aids employees and their families, collaborates with partners and community organizations, substantially minimizes both absolute and specific greenhouse gas emissions, assesses the impact on biodiversity, and participates in associations and international organizations.

Specifically, in 2024, in the face of energy challenges and military threats, the Group succeeded in securing uninterrupted operation of its enterprises and related infrastructure, conducting a planned wage increase, initiating several major energy-efficient and resource-saving investment projects, organizing a variety of activities for employees’ children and families, holding meetings and discussions of Company’s strategic documents with representatives of community organizations, developing and publishing an environmental declaration for pipe products, and submitting greenhouse gas emission reports at national (reporting, monitoring, and verification system) as well as European and international levels (CBAM and GHG Inventory).

Interests and views of stakeholders [SBM-2]

Interpipe regularly engages with a wide range of stakeholders, including investors, suppliers, local communities, employees, government authorities, customers, and others. Findings from these continuous dialogues are also factored into Interpipe’s due diligence processes and the double materiality assessment.

Stakeholders	Purpose of engagement	Methods of engagement	Engagement results and their integration into decision-making	Frequency
External stakeholders:				
Government and local authorities	<ul style="list-style-type: none"> Constructive interaction with relevant state and local authorities Understanding trends and upcoming regulations Guidance on sustainability reporting and strategy development Strengthening social partnership with communities and Mitigating regulatory risks 	<ul style="list-style-type: none"> Appeals Statements Meetings 	<ul style="list-style-type: none"> Making decisions that comply with relevant regulations and are developed in accordance with new requirements and standards Obtaining professional, high-quality information for use in decision-making Creating market strategies based on the interests and views of governments and regulatory bodies and Roadmaps for compliance with relevant sustainability standards, such as CSRD. 	Upon request

STRATEGY

Stakeholders	Purpose of engagement	Methods of engagement	Engagement results and their integration into decision-making	Frequency
External stakeholders:				
Investors and creditors	<ul style="list-style-type: none"> Understanding by investors and creditors of the company's business model and strategy Valuation of the Group Attracting and retaining investors Collecting feedback and opinions from investors regarding strategy, performance, governance, sustainability, and other matters. 	<ul style="list-style-type: none"> Publication of financial statements Publication of non-financial statements that allow investors to track progress in the area of sustainability and Presentations and discussion of business results through webcasts, conferences, training seminars, and dedicated meetings 	<ul style="list-style-type: none"> Gaining insights from investors on the relevance of ESG topics (e.g., for the double materiality assessment process) Improving public disclosure to enhance investors' understanding of the company 	Quarterly Annually Upon request
Suppliers and contractors	<ul style="list-style-type: none"> Fostering long-term, mutually beneficial relationships Introducing suppliers and contractors to the requirements of the Code of Ethics and other codes and policies Collaborating on key issues such as innovation Research and development, as well as decarbonization of the supply chain Ensuring uninterrupted operations of key suppliers. 	<ul style="list-style-type: none"> Strategic partnerships Supplier events, workshops, dialogues Supplier verification and audits 	<ul style="list-style-type: none"> Joint research with key suppliers for product development Incorporating ESG criteria into the supplier verification process Aligning efforts to decarbonize the supply chain 	Regularly
Customers and end-users	<ul style="list-style-type: none"> Improving customer satisfaction Enhancing the product and service offering Informing customers about new product development plans 	<ul style="list-style-type: none"> Regular dialogue through the sales, marketing, and customer service teams Customer feedback research, surveys, and focus groups Collaboration with customers on product development Questionnaires, including those related to sustainability indicators Webinars or (virtual) discussions 	<ul style="list-style-type: none"> Understanding customer needs and pain points to develop relevant and practical solutions Product development based on customer requests Understanding customer requirements regarding product carbon footprint Considering decisions on product certification 	Regularly

STRATEGY



Stakeholders	Purpose of engagement	Methods of engagement	Engagement results and their integration into decision-making	Frequency
External stakeholders:				
Educational institutions	<ul style="list-style-type: none"> Talent search for employment at Interpipe 	<ul style="list-style-type: none"> Meetings Correspondence Job fairs Engaging pupils and students in educational competitions and championships. 	<ul style="list-style-type: none"> Promotion of industrial professions among youth Hiring of young employees Supporting the development of the educational process through the promotion of technical disciplines 	As the opportunity arises
Labor unions	<ul style="list-style-type: none"> Protection of workers' rights and ensuring fair working conditions 	<ul style="list-style-type: none"> Meetings Negotiations Correspondence Discussion of working conditions and reporting 	Considering the views and interests of trade unions when shaping the personnel development strategy, determining remuneration, and working conditions	As the opportunity arises
NGOs	<ul style="list-style-type: none"> Assessment of environmental impact Participation in joint initiatives 	<ul style="list-style-type: none"> Meetings Interviews Public hearings 	<ul style="list-style-type: none"> Reducing environmental impact Collaboration on community projects and local initiatives 	As the opportunity arises
Mass media (national, local, international)	<ul style="list-style-type: none"> Informing the public about the Group's activities and shaping a positive image 	<ul style="list-style-type: none"> Meetings Interviews Press releases Briefings Social media Public hearings 	<ul style="list-style-type: none"> Increasing the Group's visibility Monitoring information about the company in the public domain 	Regularly
Local communities	<ul style="list-style-type: none"> Creating value through tax payments, contributions to education, and employment Environmental performance Strengthening community trust and support Addressing community concerns, questions, and feedback 	<ul style="list-style-type: none"> Community meetings Local sponsorships Open days at manufacture sites 	<ul style="list-style-type: none"> Increasing community support Reducing conflicts Collecting community opinions and feedback during decision-making 	Regularly
Vulnerable groups (women, elderly people, persons with disabilities, veterans)	<ul style="list-style-type: none"> Promote social inclusion and equality Enable vulnerable groups to participate in decision-making 	<ul style="list-style-type: none"> Community meetings/workshops Focus groups Surveys 	<ul style="list-style-type: none"> Representatives of all groups have the opportunity to speak up Vulnerable groups feel more confident and active in public life Feedback received from vulnerable groups is used to improve decisions 	Regularly

STRATEGY

Stakeholders	Purpose of engagement	Methods of engagement	Engagement results and their integration into decision-making	Frequency
Internal stakeholders:				
The highest governance bodies and management	<ul style="list-style-type: none"> Ensure awareness, engagement, and strategic support from leadership and management Enhance understanding of risks and needs of individual projects 	<ul style="list-style-type: none"> Strategic briefings Committees and Supervisory boards Meetings and conferences Reports 	<ul style="list-style-type: none"> Align actions with the overall goals and strategic vision of the Interpipe Group Ensure “green light” for the implementation of initiatives and projects Secure necessary funding, personnel, and administrative support Approval of strategic documents Understanding and readiness for potential risks 	Quarterly Annually
Own employees	<ul style="list-style-type: none"> Inform employees about business strategy, policies, resources, and performance indicators Promote programs and initiatives for employees Collect feedback and ideas from employees Resolve conflicts Foster engagement and a sense of belonging to Interpipe’s corporate culture 	<ul style="list-style-type: none"> Targeted surveys Focus groups Meetings Intranet and internal messaging platforms Single Trust Line 	<ul style="list-style-type: none"> Inclusive culture and a sense of belonging Development of employee skills to support career growth 	Regularly

Material impacts, risks and opportunities [SBM-3]

Interpipe’s material impacts on the environment or people are identified at the start of each thematic standard. Additionally, the chapters on thematic standards detail the description of these impacts and their relationship with the Group’s strategy and business model. The most material impacts result from Interpipe’s own operations, such as manufacturing of steel, pipes and railway products.

Current and anticipated financial effects

Interpipe performed a high-level assessment of current financial effects to identify materiality of risks and opportunities. In the upcoming years, the Group plans to conduct a quantitative analysis of climate-related risks and assessment of the financial position of its assets and liabilities.

Interpipe has opted not to report information on the anticipated financial effects of impacts, risks and opportunities, in accordance with Appendix C of ESRS 1.

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

Double materiality assessment process [IRO-1]

As part of the preparation towards alignment with the requirements of the EU Corporate Sustainability Reporting Directive (CSRD), Interpipe voluntarily conducted a double materiality assessment (DMA) for 2024. The double materiality assessment has been prepared in close collaboration with the Group’s business teams and with input from external stakeholders. Interpipe applied the guidance provided by the European Financial Reporting Advisory Group (EFRAG) in combination with the recommendations outlined by the Global Reporting Initiative in its GRI 3: Material Topics 202 standard to develop a tailored approach to perform DMA. The DMA scope included the same reporting undertakings as the financial statement and was extended to Interpipe’s direct and indirect business relationships in the upstream and/or downstream value chain. It is important to note that

Interpipe does not assume any reporting obligations under ESRS until such reporting becomes mandatory.

The double materiality approach integrates **impact materiality**, which considers Interpipe’s influence on the environment and society, with **financial materiality**, which determines how environmental and societal factors affect Interpipe’s financial performance.

Interpipe’s materiality assessment process consists of four key phases, as illustrated in Figure 1.

Phase 1 describes the process of understanding the sustainability context of the Interpipe Group.

Phase 2 covers identifying relevant sustainability-related IROs.

Phase 3 involves assessing of IROs.

Phase 4 describes determining material IROs and documenting the assessment process.

Phase 1: Understanding

- 1 Determine CSRD perimeter:** Understand which entities are in scope of the CSRD’s double materiality assessment.
- 2 Identifying and classifying stakeholders:** Identify key internal and external stakeholders and classify them into users or affected stakeholders.
- 3 Develop engagement methods:** Map put methods to engage with your stakeholders throughout the different steps of the double materiality exercise.
- 4 List of sustainability topics:** Generate list of sector-agnostic, sector-specific, and entity-specific sustainability topics, based on standards and benchmarks.
- 5 Value chain mapping:** Assignment of sustainability topics (and stakeholders) to value chain mapping.

Phase 3: Assessment

- 7 Impact materiality assessment:**
Assessment of the impact materiality of sustainability topics and related disclosures.
Determine the scale, scope, and remediability of (negative) impact as well as the overall preliminary impact materiality of the analysed areas.
- 8 Financial materiality assessment:**
Assessment of the financial materiality of sustainability topics and related disclosures.
Assess triggers of effects such as the ability to obtain resources and to rely on relationships.

Phase 2: Identification

- 6a Impact materiality:**
Identification of particular impacts, resulting from the undertakings operations and value chain.
- 6b Financial materiality:**
Identification of ESG risks, and opportunities resulting in impacts on businesses costs, revenue and asset values.

Phase 4: Determination

- 9 Consolidation of assessment results:** Overall conclusion on the undertaking’s material impacts, risks, and opportunities.
- 10 Process documentation:** Written process documentation including information on all relevant steps, due diligence processes, as well as revision dates of assessment.

Interaction with stakeholders throughout the double materiality process

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

Phase 1 – Understanding

In the commencement of the materiality assessment, we conducted an assessment of Interpipe's own operations and value chain mapping. At this stage, relationships and affected stakeholders along Group's value chain were defined.

Phase 2 – Identification

The phase 2 began with a comprehensive business review using a range of sources as input: internal documentation, insights from the value chain mapping and due diligence process, secondary research on sustainability concerns applicable to the metallurgical industry, international standards (e.g. Sustainability Accounting Standards Board (SASB)), peer analysis and external experts' reports (e.g. climate risk reports).

The review aimed at assessing the relevance of sustainability matters, both, those listed within the ESRS 1 - Application Requirement 16 and the additional matters that are potentially relevant for the company's sector, operations and value chain.

In identifying impacts, Interpipe considered:

- Interpipe's affiliated impacts, produced due to its own operations or through its business relationships;
- The stage(s) at which Interpipe's operations and its upstream and downstream value chain interface with nature.

In the specific case of environmental matters, Interpipe used a range of science-based databases and indices, such as Exploring Natural Capital Opportunities, Risks and Exposure (ENCORE), Integrated Biodiversity Assessment Tool (IBAT), and Aqueduct Water Atlas to identify locations of interface with biodiversity and water resources.

Potential risks and opportunities for Interpipe were derived from the analysis of dependencies and the identified impacts. The company assessed the dependencies for financial materiality based on:

- impact on resource availability and cost;
- impact on maintaining necessary business relationships on acceptable terms.

The analysis is risk-based, and hence, the opportunities were identified only when there was a direct business opportunity linked to a subject that is not resulting from managing a risk.

The DMA process considered IROs across the time horizons set out in the ESRS – short- (the reporting period), medium- (from end of the reporting period and up to five years), and long-term (more than five years).

All identified IROs were mapped against the ESRS topics, sub-topics and sub-sub topics and included into a longlist of sustainability matters. The longlist was carefully reviewed by the core project team and top management and refined into a shortlist of sustainability matters, where certain topics were excluded due to its irrelevance to Interpipe's operations and business model.

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

Phase 3 – Assessment

Impact materiality

The impacts identified in the previous phase are assessed based on the following parameters:

Scale: how grave or beneficial the impact is or would be for people or the environment.

Scope: how widespread the impact is, based on the geographic extent of the effects and the stakeholders affected.

Remediability (assessed only for negative impacts): to which extent the impact can be remediated.

Likelihood: possibility of a potential impact happening.

The method for calculating severity differs between positive and negative impacts:

Severity of negative impacts is calculated as average between the three parameters:

- Scale (0-5)
- Scope (0-5)
- Irremediability (0-5)

Severity of positive impacts is calculated as average between the two parameters:

- Scale (0-5)
- Scope (0-5)

For potential negative and positive impacts, the likelihood of the impact occurring is estimated and mapped to the relevant time horizon. To ensure consistency and comparability with the rest of the scoring framework, Interpipe estimates likelihood to be 5 (max.) for all actual impacts.

For impacts, the assessment result is derived from the average of severity (average of scale, scope and irremediability) and likelihood, except for human rights impacts. For human rights impacts, if the average of severity and likelihood results in an assessment lower than severity, the assessment result is equal to severity. Otherwise, the assessment result is the average of severity and likelihood.

Financial materiality

To assess the financial materiality of the risks and opportunities, Interpipe determines the following parameters:

Magnitude of the financial effect: actual or potential impact on EBITDA estimated by Interpipe in the various time horizons. For the financial materiality, the cash-value scoring was developed to assess the financial effect on EBITDA. Magnitude was assessed on a scale from 0 to 5.

Likelihood: possibility of a potential risk or opportunity taking place in a specific time horizon. Likelihood was assessed on a scale from 0 to 5.

The assessment result for a financial risk or opportunity is average between likelihood and magnitude.

Phase 4 – Determination

The fourth phase entailed consolidating the outcomes from the previous steps and establishing the list of material IROs, serving as the foundation for the preparation of the sustainability statement.

Thresholds were set at a scoring point level, that sort out an appropriate number of topics as material.

The materiality thresholds were defined as follows:

- 3.5 for the impact materiality (scale out of 5).
- 3.5 for the financial materiality (scale out of 5)

When the ultimate allocations of scores were finalized, a thorough analysis and industry benchmarking of impacts, risks and opportunities that have scores between 3.0 and 3.5 was done to verify if any IROs in this range might be material.

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

Stakeholder involvement

When performing the DMA for 2024, Interpipe leveraged on its regular dialogue with affected stakeholders and contacted the stakeholders specifically in the context of its reporting process.

Internal stakeholders from all business areas and corporate functions were actively involved in the process. Various workshops were held with relevant departments of Interpipe Group. We collaborated and consulted with external stakeholders through questionnaires and regular communication.

Stakeholder	Relevant ESRS Standard	Direct engagement	Indirect engagement
Employees	S1	Online questionnaire sent to all employees Workshops with workers at production facilities	Expert interviews with HR management
Investors	All Standards	Questionnaire	ESG ratings, expert interview with Investor Relations Team
Suppliers and business partners	S2, G1	Questionnaire sent to the largest suppliers	Expert interviews with commercial and procurement management
Customers	S4, G1	Questionnaire	Expert interviews with commercial management
Planet	E1, E2, E3, E4, E5		Extensive desk research (TNFD, ENCORE etc.) PwC Climate Excellence Tool
Local communities	S3		Expert interviews with responsible for local communities Analysis of received grievances

Results

In 2024, Interpipe Group identified 45 material impacts, risks and opportunities. More information on IROs can be found in the topical standards in this Report.

The entire process of identifying impacts, risks and opportunities was supported and monitored by external advisors. All steps of the process were thoroughly documented for the consequent rounds of DMA and audit purposes.

Impact Materiality	Absolute (4-5)	G1 Business Conduct	E2 Pollution	E5 Resource use and circular economy & S3 Affected communities	S1 Own workforce	E1 Climate change
	High (3-4)					
	Medium (2-3)	E4 Biodiversity and Ecosystems		E3 Water and marine resources		
	Low (1-2)		S4 Consumers and end-users			
	Minimal (0-1)	S2 Workers in the value chain				
		Minimal (0-1)	Low (1-2)	Medium (2-3)	High (3-4)	Absolute (4-5)
Financial Materiality						

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

Non-material ESRS topics

ESRS E4 Biodiversity and ecosystems is not a material topic for Interpipe Group. Interpipe conducted an assessment of its own facilities' locations in relation to biodiversity-sensitive areas, using indications provided in the IBAT tool. Given the nature of Interpipe's activities, a distance of 1 km was taken to indicate high probability of interference with the protected areas. Although the assessment identified a number of Interpipe's facilities located near ecologically sensitive areas, the installations classify as isolated production facilities – having no material impact on biodiversity due to the profile of their operations.

During the reporting period, Interpipe did not identify any significant impacts, risks or opportunities related to **workers in its value chain**, and no concerns were raised by value chain workers or other relevant stakeholders. Based on this, ESRS S2 has been assessed as non-material for the current reporting year. However, Interpipe Group acknowledges the importance of proactively managing potential impacts on value chain workers. As part of its ongoing commitment to responsible business conduct and in line with the ESRS requirements, the Group plans to implement a formal due diligence process in the coming years to strengthen its ability to identify and respond to any future risks or impacts in this area.

ESRS S4 Consumers and end users have been assessed as non-material for Interpipe Group due to the nature of the business model, high product quality standards and customer base. There are limited issues related to product labelling, product safety and privacy.

Changes from 2023 assessment

As a result of CSRD pre-implementation, the material topics described in the Annual Report 2023 have been assessed with more granularity, considering sub and sub-sub-topics per CSRD requirements. Thus, the materiality matrix differs from the one presented in Annual Report 2023.

Disclosure requirements in ESRS covered by the Sustainability Statement [IRO-2]

The materiality of information was determined on the basis of the material IROs resulting from Interpipe's double materiality assessment. After identifying the material topical standards, materiality was assessed with regard to disclosure requirements and datapoints. The disclosure requirements addressed by Interpipe through this Sustainability Statement, along with the list of data points arising from other EU legislation, are outlined in Annex 1 ESRS Correspondence Tables.



CLIMATE CHANGE

The metallurgical, pipe and rolling industries, in which Interpipe operates, has a significant carbon footprint, as the majority of the equipment used in the industry still runs on fossil fuels. Interpipe's GHG emissions are mainly resulting from the fossil fuel combustion,

supporting technological processes in steel production, thermal processing of semi-finished products and electricity consumption in rolling production.

	TYPE	IMPACT/RISK DESCRIPTION	VALUE CHAIN STAGE	TIME HORIZON	RELATED POLICIES
Sub-topic: Climate change mitigation					
	Negative actual impact	Emissions of greenhouse gases (Scope 1 and Scope 2)	Own operations	Short-, medium- and long-term	Environmental Policy Decarbonisation Path
	Negative actual impact	Emission of greenhouse gases in value chain (Scope 3)	Upstream/ downstream	Short-, medium- and long-term	
	Negative actual impact	Energy consumed from non-renewable sources in own operations contributes to climate change	Own operations	Short-, medium- and long-term	
Sub-topic: Climate change adaptation					
	Acute physical risks	Physical impacts of climate change, through extreme weather events (e.g. drought, heavy rainfall).	Own operations	Short-, medium- and long-term	Environmental Policy
	Chronic physical risk	Increase in severity and frequency of water scarcity in operational sites	Own operations	Long-term	
	Risk	Higher carbon price	Own operations	Short-, medium- and long-term	
	Risk	Mandates on and regulation of existing production processes	Own operations	Medium- and long-term	
	Risk	Costs to transition to lower emissions technology	Own operations	Medium- and long-term	
	Risk	Changing customer behaviour	Own operations	Short-, medium- and long-term	
	Risk	Increased cost of raw materials	Own operations	Short-, medium- and long-term	

CLIMATE CHANGE

NAME	TYPE	IMPACT/RISK DESCRIPTION	VALUE CHAIN STAGE	TIME HORIZON	RELATED POLICIES
	Risk	Increased cost of energy sources	Own operations	Medium- and long-term	
	Opportunity	Use of more efficient production and distribution processes	Own operations	Long-term	
	Opportunity	Use of lower-emission energy sources	Own operations	Short-, medium- and long-term	
	Opportunity	Access to new markets	Own operations	Medium- and long-term	

Description of the processes to identify material climate risks and opportunities [IRO -1]

In 2025, Interpipe Group completed its climate risk assessment to provide a greater understanding of the long-term sensitivity of the Group's critical industrial assets to the impact of climate hazards and transitional climate risks. The physical risk assessment covered 5 locations that concentrate all production facilities, namely: the production site in Dnipro, Interpipe water intake point in Dnipro, the Group HQ office in Dnipro, the production site in Samar, and the production site in Nikopol. The transitional risk analysis covered own production processes and some elements of the Group's value chain.

The following time horizons have been used for the purpose of climate-related risk and opportunity assessment:

- Short-term - until 2030;
- Medium-term - until 2040;
- Long-term - until 2050.

Following a thorough analysis of existing climate change scenarios, Interpipe selected the International Energy Agency's (IEA) Net-zero emissions (NZE) to analyse transitional climate risks and the SSP-8.5 scenario by the Intergovernmental Panel on Climate Change (IPCC) for the analysis of physical climate risks.

NZE scenario represents a clear, science-based path to limiting global warming to 1.5°C and achieving zero CO₂ emissions by 2050. The selection of this scenario is based on the fact that the transition risks are generally more severe in 1.5°C scenario and NZE is being widely recognised as a transitional risk analysis standard, in particular, by the Taskforce for Climate-related Financial Disclosures (TCFD) and the Science-Based Target Initiative (SBTi).

Physical risks tend to be more severe in the 4°C climate scenario (SSP-8.5 scenario). Given that in this scenario the likelihood of the occurrence and severity of extreme climate events is greater, Interpipe used it to assess physical risks.

CLIMATE CHANGE

Methodology used for physical climate risk assessment

Interpipe's operations and assets were analysed against 28 hazards required by ESRS E1 and the EU Taxonomy, including both acute and chronic hazards. For each hazard, thresholds were identified based on scientific data where threats are severe or sufficiently frequent to cause material damage to Interpipe assets.

Cumulatively, the exposure to a physical gross risk for an Interpipe asset is confirmed if this asset or business is, at the same time, exposed to a given threat due to its location and is sensitive to that threat.

As a final stage of physical climate risk assessment, Interpipe analysed the climate adaptation steps taken to identify physical residual risks. Such steps include using high-speed wind-resistant materials (such as reinforced concrete) to build production premises and equipping production sites with mobile fans and air-conditioned

Methodology used for transition climate risk and opportunity assessment

As part of the assessment of transition climate risks, the Group evaluated the potential impact of all 15 climate transition aspects required by ESRS E1, as well as numerous climate-related opportunities. The selection of the most material aspects for Interpipe is based on the development of climate scenarios and the specific characteristics of Interpipe's business activities. The combination and analysis of interdependencies between these data helped identify the most material transition risks and opportunities for Interpipe.

Each transition risk was assessed along two dimensions: likelihood of occurrence and magnitude of impact. Both dimensions are evaluated using a six-point scale adapted from Interpipe Group's Double Materiality Assessment (DMA) process: the likelihood scale ranges from 0 (extremely unlikely) to 5 (actual risk), and the impact scale ranges from 0 (none) to 5 (absolute). These scores are aggregated by averaging the impact and likelihood values to determine the overall risk rating.

Climate risk and opportunity assessment findings [SBM-3]

Physical climate risks

Based on the initial assessment of climate change-related risks and opportunities, it was identified that the Group's assets and production processes are exposed to 4 physical risks:

- Droughts
- Storms (incl. snowstorms, sandstorms and dust storms)
- Water stress, and
- Heat stress.

The further analysis of climate adaptation measures demonstrated that the storms and heat stress were immaterial, as the Group has already had implemented relevant measures (e.g., production buildings constructed using resistant materials, additional steps to cool air in workspaces and air-conditioned staff lounges). Therefore, based on the assessment, the Group confirmed the material impact of three physical residual risks (refer to Table 1 below for further details).

CLIMATE CHANGE

Table 1 - List of physical climate residual risks with a material impact on Interpipe

Interpipe location	Potentially material risk identified	Type of impact	Short-term, medium-term and long-term impact		
			Short-term (until 2030)	Medium-term (until 2040)	Long-term (until 2050)
Production site in Dnipro	Droughts	Acute	No	No	Yes
Water intake point in Dnipro	Droughts	Acute	No	No	Yes
Water intake point in Dnipro	Water stress	Chronic	No	No	Yes
Production site in Nikopol	Droughts	Acute	No	Yes	Yes

Droughts may directly contribute to limited availability of water resources in Interpipe regions and, therefore, result in reduced outputs or suspension of production during drought periods. In addition, droughts may indirectly boost the fire hazard due to the lower environmental humidity, posing an additional threat to the production sites. Extensive droughts may additionally lead to air quality issues, as reduced air

humidity contributes to a greater concentration of dust in the air, which may have adverse effects on the health of Interpipe employees. Water stress risk has similar effects.

Transition climate risks

Interpipe Group identified 6 transition climate risks which are presented in the table below.

Table 2 - List of material transition climate risks

Risk drivers	Risk type	Short-term, medium-term and long-term impact		
		Short-term (until 2030)	Medium-term (until 2040)	Long-term (until 2050)
Increased cost of GHG emissions	Political and legal	Yes	Yes	Yes
Mandates and regulation of the existing production processes	Political and legal	No	Yes	Yes
Cost of adoption of low-emission technologies	Technology-related	No	Yes	Yes
Changing customer behaviours	Market	Yes	Yes	Yes
Increased cost of raw materials	Market	Yes	Yes	Yes
Increased cost of energy resources	Market	No	Yes	Yes

CLIMATE CHANGE

Implementation of the emission trading system in Ukraine will drive an increase in the cost of carbon dioxide emissions from the current UAH 30 per tonne (USD 0.75 per tonne) to USD 40 per tonne in 2030 (according to the APS scenario developed by the IEA¹). This increase in the cost of emissions will drive a growth of operating costs and the need to offset these costs to retain sustainable profitability.

Implementation of new mandates and additional regulation of the existing Interpipe Group processes may drive a significant growth of CAPEX for re-equipment of production. Although Interpipe already uses low-emission steel technologies (electric arc furnaces), the use of natural gas to heat the workpiece prior to rolling may give rise to a high level of future risk. This risk may be avoided by reequipping heating furnaces for the use of alternative resources such as hydrogen or biogas. However, according to the NZE climate scenario, hydrogen prices are expected to remain high, driving the growth of OPEX.

The transition away from using fossil fuels (including natural gas and oil) will reduce the demand for pipes for extraction of oil and gas, which may have a significant effect on Interpipe's business. However, the growing use of hydrogen may offer an additional opportunity to Interpipe, particularly taking into account the current H2 Ready certification process.

Continued expansion of low-emission steel-making technologies in Ukraine and globally will significantly affect the cost of scrap steel as the main raw material for furnace production of steel. Considering that scrap metal represents a significant portion of the cost of Interpipe's steel, any further price growth may trigger an increase in OPEX and a decrease in the overall profitability of the Group's business. Growing energy costs, particularly those of electricity, have a similar effect, as the demand for energy will increase in response to the expansion of steel-making from scrap metal and an extensive increase in the use of electricity to replace fossil fuels. In its turn, this may drive an upward trend for the cost of electricity and increase the operating expenses related to its procurement.

Climate opportunities

In addition to transition risks, the analysis revealed 3 opportunities relating to resource efficiency, energy sources and new markets. Please refer to Table 3 below for further details.

Table 3 - List of climate opportunities with a material impact on Interpipe

Opportunity drivers	Type of opportunity	Short-term, medium-term and long-term impact		
		Short-term (until 2030)	Medium-term (until 2040)	Long-term (until 2050)
Using more efficient production and distribution processes	Resource efficiency	No	No	Yes
Using low-emission energy sources	Energy sources	Yes	Yes	Yes
Access to new markets	New markets	No	Yes	Yes

¹ To assess this risk, the IEA's "Announced Pledges" scenario for developing countries (including Ukraine) with net-zero emissions commitments was chosen, as it appears more realistic for Ukraine, but is also quite ambitious. Under this scenario, the price of CO₂ emissions is expected to increase to USD 40 (or EUR 38) per ton of CO₂ by 2030 and to USD 160 (EUR 152) per ton of CO₂ by 2050. Source: National Energy and Climate Plan of Ukraine on the period up to 2030 – [Ministry of Economy, Environment and Agriculture](#)

CLIMATE CHANGE

According to the NZE scenario developed by the IEA, an increased use of hydrogen as an alternative to fossil natural gas is expected. Therefore, adopting hydrogen technologies in Interpipe's production processes (such as an upgrade of heating furnaces in rolling mills) represents an opportunity for Interpipe and will help reduce carbon dioxide emissions.

Continued expansion of renewable electricity generation will contribute to the downward price trend, according to the NZE climate scenario. As a result, lower electricity purchase costs will drive Interpipe's OPEX downwards.

As opposed to the risk relating to changing customer preferences, Interpipe has an opportunity to develop new sales markets by selling products for the production and transportation of hydrogen. In addition, the railway transportation market is expected to develop, considering a lower carbon intensity of railway transportation, which may offer an additional opportunity for Interpipe to grow.



Transition plan [E1-1]

Interpipe supports the goals of the European Green Deal and has already achieved an ambitious 61% reduction in greenhouse gas emissions by the end of 2024 compared to the baseline year of 2010. **The Group's transition plan enables to align Interpipe's strategy and business model with the target of 1.5°, through a number of key initiatives:**

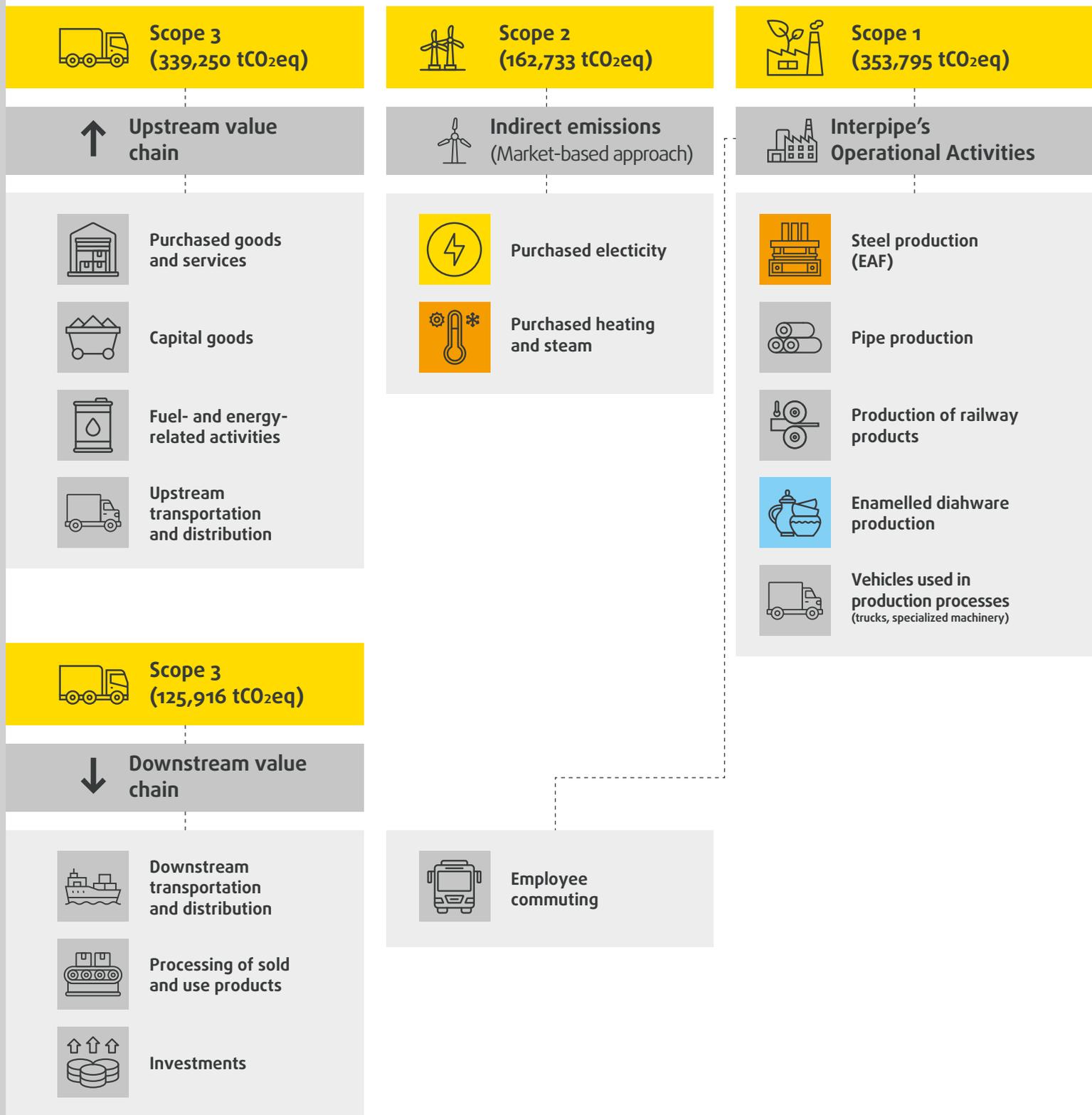
- **Climate scenario analysis and risk management:** the analysis of climate-related risks and opportunities was conducted using two climate scenarios: SSP5-8.5 (high emission climate scenarios, for physical risks) and Net Zero Emissions by 2050 Scenario, developed by IEA (for transition risks and opportunities), assessing the resilience of the Interpipe's strategy in the face of possible regulatory and market changes.
- **Design of a "Decarbonisation Path":** sets two specific targets for cutting the GHG emissions intensity of Interpipe's main products: 26% cut in tCO₂-eq per ton of seamless pipes by 2030, in relation to 2023; 25% cut in tCO₂-eq per ton of railway products by 2030, in relation to 2023.
- **Carbon-neutral and low-carbon energy:** In 2024, Interpipe Group significantly improved the energy mix structure of its overall energy supply. Compared to 2023, the percentage of carbon-neutral and low-carbon electricity was increased from 2% to 28%, and low-carbon nuclear energy amounted to 36%.

To drive the climate ambition and emission reductions in practice, Interpipe takes action in all parts of its value chain: in the upstream; in its own operations; and in the downstream.

CLIMATE CHANGE

Decarbonisation levers

Total GHG Emissions of the Group



CLIMATE CHANGE

Interpipe's biggest emission reduction potential lies in its own operations, as greenhouse gas emissions related to direct emissions and indirect emissions from the purchase of electricity, steam, heat, or cooling constitute approximately 54 percent of the Group's total emissions. The second biggest reduction potential lies in the upstream, within the purchased goods and services category, which forms approximately 22 percent of the Group's total emissions. In the upstream of the value chain, the manufacturing of pig iron, ferroalloys, refractories and metal scrap is the major contributor to greenhouse gas emissions in the purchased goods and services category.

Emissions arising from the transportation, distribution and processing of Interpipe's sold products represent a relatively minor share of the Group's Scope 3 emissions. This is primarily due to the nature of the company's core products – seamless pipes and railway wheelsets – which are typically delivered in near-final form and do not require extensive downstream processing prior to end use.

Interpipe's climate transition plan "Decarbonisation Path" is based on several levers and actions for cutting GHG emissions, aligned with the targets and strategy for climate change mitigation. The main measures adopted and planned include operational optimisation, continuous improvement of energy efficiency and implementation of new technologies as presented below.

Transition to carbon-neutral and low-carbon power sources

Interpipe is focussed on decarbonising electricity supply at its industrial complexes through Power Purchase Agreements (PPAs) with low-carbon energy producers such as solar, wind, hydro and nuclear.

New investment projects in Pipe and Railway Product Divisions

Interpipe Group is implementing a series of targeted investment projects within its Pipe and Railway Products divisions. These initiatives aim to improve energy efficiency, reduce material usage, and lower direct and indirect GHG emissions across production processes. Key projects are presented in the section Actions.

Energy efficiency

In addition to the decarbonised electricity supply, Interpipe is working on operational efficiency projects at its industrial plants to optimise energy intensity on an ongoing basis. Examples of energy efficiency projects include modernization of pump-compressor equipment, decentralization of heating systems, transition to new lighting systems, etc.

Initiatives along the supply chain

Interpipe is also aiming to reduce the emissions along its value chain (Scope 3).

The Group is working closely with its suppliers to collect reliable carbon-related data and to establish partnerships aimed at finding more sustainable alternatives to the materials and components used today. Interpipe's biggest emission reduction potential lies in the replacement of a portion of pig iron used in electric arc furnace processes with railway scrap from Ukrainian Railways (UZ).

Policies [E1-2]

[Interpipe's Environmental Policy](#) reflects a wide-ranging commitment to sustainability and response to climate change.

The Environmental Policy and the Decarbonisation Path are framed by Interpipe's strategy and commitments for the climate and nature, contributing to the successful implementation of the UN Sustainable Development Goals (SDGs).

The main focus is on mitigating climate change, promoting reduction of greenhouse gas emissions and encouraging investment in low-carbon energy sources and energy efficiency.

In particular, the Environmental Policy lays down the following commitments:

- Reduce GHG emissions with a view to achieving carbon neutrality, in line with the aims of climate action as set out in the Paris Agreement.
- Increase the share of renewable energy sources in total energy consumption by developing partnerships with green energy suppliers;
- Incorporate climate risk assessments in the decision-making and stakeholder engagement processes.

CLIMATE CHANGE

- Implement adaptive climate solutions, including energy efficiency programs, decarbonization initiatives, and modernization of production facilities;
 - Improve production processes and technologies to enhance energy efficiency.
 - Provide support for resource efficient metallurgy while transforming metal scraps into new products.
- The Environmental Policy applies to Interpipe’s own operations and impacts upstream and downstream in the value chain, including suppliers and local communities.

The governing bodies and management of Interpipe’s enterprises, together with the Environmental and Industrial Safety Department, are responsible for implementation of the Environmental Policy.

The Environmental Policy is available on the Intranet and online.

Actions [E1-3]

To reduce greenhouse gas emissions, Interpipe drives forward its energy efficiency and process optimization processes. The actions involve increasing the energy efficiency of production plants through process innovations and efficient technologies. Certifications according to the international standards ISO 14001 (Environmental Management) and ISO 50001 (Energy Management) help identify the energy savings potential both in the existing production processes and in the development of new production processes. The energy management systems of PJSC Interpipe NTRP, Interpipe Niko Tube LLC, and Dniprostal Steel Works LLC have been found to comply with the international standard ISO 50001:2018, having successfully passed the recertification process in 2023-2024.

The following table presents a detailed description of the actions carried out and planned, including their impacts on GHG Scopes, time horizon and the results already achieved or expected.

Project	Implementation	Planned emission reduction	Scope 1	Scope 2	Scope 3
Construction of heat treatment line for pipes (NIKO TUBE, Nikopol)	2021-2024	191 kg of CO2 per tonne of OCTG seamless pipe			
Mastering of steel billets with 130 mm diameter	2025	211 kg of CO2 per tonne of seamless pipe for which production billet is used: <ul style="list-style-type: none"> ■ 153 kg/t due to a decrease of natural gas consumption by 80 m3/t ■ 58 kg/t due to a decrease of electricity consumption by 150 kWt*h/t 			

CLIMATE CHANGE

Project	Implementation	Planned emission reduction	Scope 1	Scope 2	Scope 3
Modernization of wheels heat treatment line (NTRP)	2025-2026	61 kg of CO ₂ per tonne of wheel: <ul style="list-style-type: none"> ■ 53 kg of CO₂/t due to a decrease of natural gas consumption up to 30 m³/t ■ 4 kg of CO₂/t due to a decrease of electricity consumption by 10 kWt*h/t 			
Installation of finishing line for pipes (NIKO TUBE, Dnipro)	2025-2026	1.3 kg of CO ₂ per tonne of seamless pipe due to a decrease in chemical paints usage by 1,6 kg/t of pipe			
Transitioning to renewable energy	2024 - onforward				
ISO 14001 and ISO 50001 certification	Regularly				
Verification of GHG emissions amounts	Regularly				

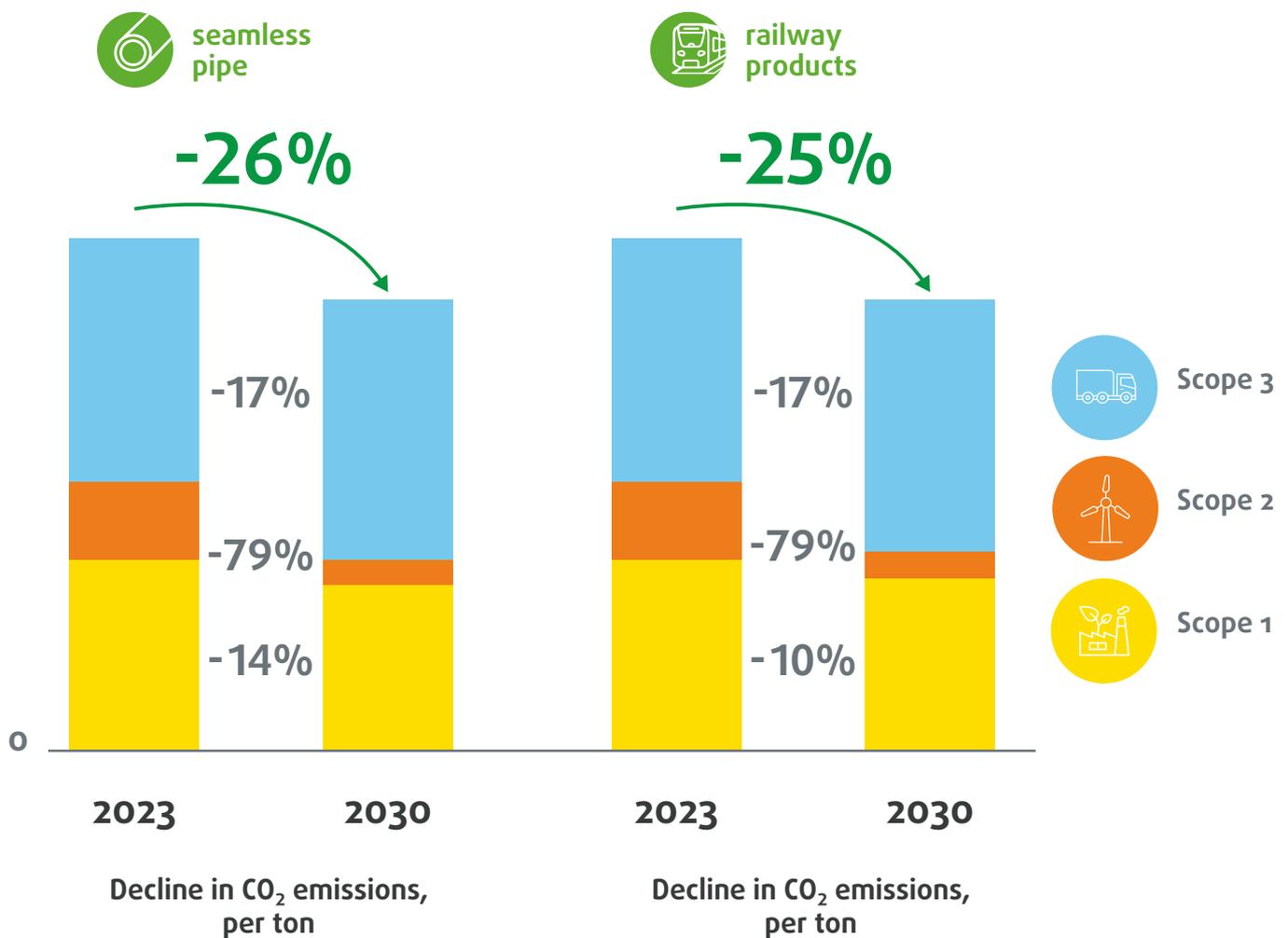
CLIMATE CHANGE

Targets [E1-4]

In our Decarbonisation Strategy, attention is drawn to the objective of cutting emissions intensity per tonne of products. By 2030, Interpipe Group aims to achieve a reduction of 26% in GHG emissions intensity per tonne of seamless pipes, and also to cut GHG emissions

per tonne of railway products by 25%. Reductions are compared to the 2023 baseline year.

These reductions will be achieved through targeted actions across Scope 1, Scope 2 and Scope 3 emissions categories as presented below.



The targets set for reducing CO₂ emissions directly relate to our Decarbonisation Path and Environmental Policy, reflecting Interpipe's commitment to sustainability and reducing GHG emissions.

CLIMATE CHANGE

Energy consumption and mix [E1-5]

Energy Mix MWh

	2022	2023	2024
Fuel consumption from coal and coal products	185,676	23,201	83,821
Fuel consumption from crude oil and petroleum products	0	0	0
Fuel consumption from natural gas	7,448	387,215	216,009
Fuel consumption from other fossil sources	81,089	56,707	51,969
Consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources	0	0	0
Total energy consumed from fossil sources	274,213	467,123	351,799
Total energy consumed from nuclear sources	191,828	226,267	347,390
Fuel consumption for renewable sources including biomass	0	0	0
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	151,528	12,440	263,774
Consumption of self-generated non-fuel renewable energy	0	0	0
Total energy consumed from renewable sources	151,528	12,440	263,774
Total energy consumption	617,569	705,830	962,963
Fossil sources as % of total energy consumption	44%	66%	37%
Nuclear sources as % of total energy consumption	31%	32%	36%
Renewable sources as % of total energy consumption	25%	2%	27%

Calculation approach

The energy consumption reported includes primary energy and electricity consumed by Interpipe's enterprises in Ukraine. It excludes consumption of electricity at offices in other countries as it is not material.

The implementation of an automated commercial energy metering system (ACES) and remote updating of meter data within the IT Enterprise corporate system enables the automation of data transmission channels to the internal energy service and the energy supply company. Interpipe Group maintains a daily monitoring system for both electricity and natural gas consumption.

There was a reduction of approximately 44% in the natural gas consumption in 2024 in relation to 2023. The reduction in natural gas consumption is achieved by adjusting the combustion process, using gas analysis methods and redesigning the compressed air networks between the various operational facilities. One of the primary objectives is to facilitate the energy efficient use of natural gas. To achieve this, the development of an Automated Gas Control and Metering System (AGCMS) is being pursued. Interpipe Group regularly conducts training courses for energy service employees who are responsible for the operation of energy management systems.

CLIMATE CHANGE

Energy intensity

	2022	2023	2024
Consumption of energy in HCIS [MWh]	617,569	705,830	962,963
Net revenues from HCIS [M€]	839.6	845.9	898.7
Energy intensity based on net revenue (MWh / M€)	735.5	834.4	1,071.5

Calculation approach

Energy intensity is calculated on the basis of total energy

consumption and total revenues, as Interpipe's economic activities are classified as high climate impact sectors (HCIS).

Gross Scopes 1, 2, 3 and total GHG emissions [E1-6]

GHG emissions tCO₂eq

	2022	2023	2024
Scope 1	222,833	302,625	353,795
Scope 2 (market based)	232,751	132,122	162,733
Scope 3 (indirect emission categories)			
Category 1: Purchased goods and services	213,847	211,806	238,134
Category 2: Capital goods	2,153	5,223	8,293
Category 3: Fuel- and Energy-Related Activities. Not Included in Scope 1 or Scope 2	98,162	60,789	70,488
Category 4: Upstream transportation and distribution	21,166	19,414	22,335
Category 7: Employee commuting	18,371	17,606	17,495
Category 9: Downstream transportation and distribution	66,140	65,388	96,573
Category 10: Processing of sold products	27,415	12,690	11,234
Category 15: Investments	2,575	666	614
Scope 3 total	449,829	393,582	465,167
Scope 1+2 total (market based), total	455,584	434,747	516,528
Total GHG emissions	905,413	828,329	981,695

In 2024, Interpipe observed a 17% increase in **Scope 1 GHG emissions** compared to 2023, driven by a combination of factors that directly relate to increased production levels. This rise is reflected across all production entities within the Group, where higher production activities led to greater consumption of key raw materials, including natural gas, diesel fuel, and lime, all of which are carbon-intensive inputs.

Scope 2 emissions increased by 23% compared to 2023, a rise that is closely tied to the increase in electricity consumption across the Group. However, the emission increase was at a lower rate than the increase in electricity consumption. This decoupling of emissions from consumption can be attributed to changes in the Ukrainian energy mix.

Scope 3 emissions increased by 18% compared to 2023.

CLIMATE CHANGE

This increase was driven by a variety of factors across different Scope 3 categories, with certain categories experiencing growth in emissions due to changes in procurement practices, logistics, transportation methods, and sales trends.

As production ramped up to meet demand, this naturally resulted in higher consumption of raw materials, energy and transportation volumes, all of which contributed to a rise of total GHG emissions.

Calculation approach

1. The GHG Protocol guidelines have been followed. GHG emissions are calculated as CO₂ eq, encompassing CO₂, CH₄, N₂O, HFCs, PFCs, SF₆ and NF₃. Calculation of direct (Scope 1) GHG emissions is based on the mass balance of technological processes in steel production and fuel combustion in stationary installations. Indirect (Scope 2) greenhouse gas emissions are calculated based on electricity consumption.
2. Interpipe discloses Scope 1 and Scope 2 greenhouse gas emissions from consolidated group **material** entities that are included in the group financial statements, as the Group does not exercise operational control over investees that are not consolidated in the financial statements. Assets in which the Group has an ownership interest but does not have operational control are included in the **Category 15 Scope 3** greenhouse gas inventory.

3. Scopes 1, 2 and 3 emissions include emissions associated with operations of Dneprosteel LLC, Niko Tube LLC, PJSC Interpipe NTRP, Interpipe NMPP JSC, Society Dishware Novomoskovsk LTD, Interpipe Dneprovtoormet JSC, Limestone Factory LLC. Greenhouse gas emissions associated with international offices and other Interpipe entities are not disclosed, as their values fall below the materiality threshold, which is set at 1,000 tCO₂-eq for Scope 1 or Scope 2 emissions per individual asset or per individual Scope 3 category.

4. Scope 2 market-based emissions are calculated based on emission factors from contractual agreements, which are associated with the source of energy Interpipe purchases. Scope 2 emissions (market-based approach) are based on IEA emission factors for specific energy sources (coal, gas, fuel oil, industrial gases, and carbon-free sources) in Ukraine, as well as the structure of energy sources used to generate electricity purchased by Interpipe (based on supplier data).

5. Reporting boundaries for Scope 3 cover the entire value chain: from purchased materials and logistics, capital projects and energy, to distribution, employee transportation, and processing of sold products – reflecting the Group’s integrated structure.

6. In Scope 3, categories 5, 6, 8, 11, 12, 13 and 14 are excluded, due to their low materiality or irrelevance to Interpipe’s business.

GHG Intensity based on net revenue

	2022	2023	2024
GHG emissions intensity (market-based) (tonnes-CO ₂ e/million euro)	1,040.7	979.2	1,092.4

Anticipated financial effects from material physical and transition risks and potential climate-related opportunities [E1-9]

In 2024, Interpipe conducted an analysis of climate-related risks and opportunities, evaluating the impact

of 6 risks and 3 opportunities (see section on SBM-3). Nonetheless, as permitted by Appendix C to ESRS 1, Interpipe Group opted not to report additional information on this analysis.

POLLUTION

Significant impacts, risks and opportunities [SBM-3]

NAME	TYPE	IMPACT/RISK DESCRIPTION	VALUE CHAIN STAGE	TIME HORIZON	RELATED POLICIES
Impact:					
Air pollution	Negative actual impact	Interpipe's production assets emit pollutants in the atmosphere, which may affect the air quality.	Own operations	Short-term, Medium-term	Environmental policy

Interpipe performs regular assessment of its assets in the context of impacts related to air, water resource and soil pollution. Potential impacts related to water and soil pollution were assessed as immaterial. This conclusion is based on no historical incidents of excessive water and soil pollution and Interpipe's effective environmental risk management approaches. The Group strictly complies with the applicable statutory requirements for storage of waste and materials in order to prevent pollution of soil. The quantity of pollutants in discharged water is minimal.

At the same time, Interpipe's core production operations are accompanied by significant emissions of pollutants in the air. In particular, the main pollutants from the steelmaking process are carbon oxide, undifferentiated suspended solids, nitrogen oxides, sulphur dioxide, hydrogen fluoride. In production of rail products, the major sources of pollutants are ring furnaces, lime kilns, performance coating lines, water boilers, etc., that emit nitrogen oxides, carbon oxide, undifferentiated suspended solids, non-methane volatile organic compounds (NMVOCs). In pipe production processes, the core production process (i.e. cutting and heating a workpiece, rolling and machining the pipe) generate emissions of nitrogen oxides, sulphur dioxide, carbon oxide, undifferentiated suspended solids, NMVOCs, vaporous compounds of chlorine expressed as hydrogen chloride, iron and its compound

Policies related to pollution [E2-1]

[Interpipe Environmental Policy](#) regulates, among other things, the Group's approaches to reducing environmental impacts, including emissions of pollutant in the air, water environment, and soils. To this end, Interpipe implements new technologies for processing raw materials and manufacturing products and takes action to reduce emissions of pollutants.

The policy covers all stages of the Group's production and business operations, from sourcing raw materials and semi-finished products to logistics processes and distribution of finished goods.

Environmental and Industrial Safety Director is responsible for compliance with the Policy and emission standards. In production units of the Group, heads of business units are responsible for matters relating to pollution of air, water environment, and soils.

Actions [E2-2]

Interpipe takes action to prevent and control air pollution on a regular basis.

To reduce the adverse impacts of the Group entities on the environment and comply with air emission permits, Interpipe has the following set of actions in place:

1. systematic control over the quality and quantities of air emissions;

POLLUTION

2. regular performance testing of dust collectors at the Group entities;
3. regular and timely maintenance of filters installed on dust collecting devices;
4. maintenance of gas boilers at heat generating entities within the Group;
5. monitoring of compliance with maximum permissible emission standards and control over compliance with the effective air emission permits.

All scheduled initiatives to minimise air pollution are funded by the Group and implemented by the Group's in-house teams and external contractors.

Interpipe is not currently involved in any collective initiatives or joint projects with third parties. However, in assessing the impacts of the Group entities on the environment, Interpipe engages representatives from local communities for discussion. When the Group applies for air emission permits, it makes its intentions publicly known via publication in local mass media. The Group also makes publicly available its environmental performance indicators and post-project monitoring findings.

Targets [E2-3]

As of the time of publishing this Report, Interpipe Group has no specific measurable targets related to prevention, mitigation or control of air pollution. Interpipe has made a decision to delay the development of such targets for the period of martial law in Ukraine taking also into account that the measurements of air, water and soil emissions taken in 2024 recorded no excess over the statutory standards of Ukraine.

Metrics [E2-4]

Interpipe Group periodically takes laboratory measurement of emissions from stationary sources using the accredited lab at Interpipe NTRP Environmental and Industrial Hygiene Unit. The conditions attached the Emission Permit mandate annual measurements of these emissions plus quarterly measurements for statutory pollutant standards in gases exhausted from certain types of equipment.

An increase in most air emissions was recorded during the reporting period. This trend is mainly explained by an increased production output leading to an increased usage of raw materials and fuel.



POLLUTION

The emission trend for 2022-2024 is presented below:

Type of pollutant	2022	2023	2024
Sulphur dioxide (SO ₂)	174.6	225.8	282.8
Carbon monoxide (CO)	1,414.2	1,654.0	1,641.7
Nitrogen oxides (NO _x)	798.9	997.7	1,103.7
Non-methane volatile organic compounds (NMVOCs)	71.6	80.8	88.6
Benzene	0.0	0.0	0.0
Acetone	0.0	0.0	0.0
PAH (polyaromatic hydrocarbons)	0.0	0.0	0.0
Fine dust (PM _{2,5})	237.8	308.3	385.4
BaP (benzo[a]pyrene)	0.0	0.0	0.0
Fluoride compounds	7.4	9.8	11.3
Ammonium (NH ₃)	0.0	0.0	0.0
Heavy metals:	5.70	19.90	43.55
Nickel and nickel compounds	0.0	0.0	0.0
Lead and lead compounds	0.04	0.04	0.1
Zinc and zinc compounds	0.0	0.0	0.0
Mercury and mercury compounds	0.0	0.0	0.0
Copper and copper compounds	0.0	0.0	0.0
Arsenic and arsenic compounds	0.0	0.0	0.0
Chrome and chrome compounds	0.016	0.079	0.037
Chlorine and compounds of chlorine (expressed as hydrogen chloride)	5.7	19.9	43.5
Persistent organic pollutants (POPs)	0.0	0.0	0.0
Sulphuric acid	0.001	0.003	0.004
Acetic acid	0.106	0.140	0.151
Phenol	0.104	0.002	0.000
Methan	0.004	0.010	0.012
Hydrogen chloride (hydrochloric acid expressed as HCL)	0.091	0.086	0.082
Butyl acetate	0.117	0.173	0.013
Ethyl cellosolve	0.115	0.170	0.013
Ethyl acetate	0.103	0.152	0.006
Acetic acid	0.644	0.950	0.256
Xylol	0.043	0.063	0.019
Toluene	0.057	0.084	0.033
1-chloro-2,3-epoxypropane (epichlorohydrin)	0.001	0.001	0.002

Calculation approach

The calculation of air emissions covered all Interpipe Group entities, namely, Interpipe NTRP, Interpipe Niko Tube, DniproSteel, Interpipe Dniprovskiy Vtormet, NMPP and Society Dishware Novomoskovsk. Interpipe uses the calculation of emissions based on the volume of raw materials used, fuel consumed, and operating hours of emission

sources. For example, for DniproSteel, the calculations are based on scrap metal and natural gas used, while for Interpipe NTRP, they are based on the quantities of raw and other materials, natural gas and the actual operating hours of emission sources. As reference values for calculations of emissions, Interpipe uses the standard values recorded in emission permits and the statutory statistical reports.

WATER AND MARINE RESOURCES

Material impacts, risks and opportunities

During 2024, Interpipe Group completed an assessment of water resources-related impacts, risks and opportunities, both in its own operations and in the value chain. No material risks and/or opportunities were identified in the course of this assessment.

The Group does not use or rely on marine resources; hence, no material impacts, risks and opportunities related to this area were identified. The material actual water resources-related impacts are presented in the table below.

NAME	TYPE	IMPACT/RISK DESCRIPTION	VALUE CHAIN STAGE	TIME HORIZON	RELATED POLICIES
Impacts:					
Use of water	Negative actual impact	The manufacturing of steel and steel products (i.e. pipes and rail products) requires a significant volume of water, which is primarily collected from surface waters. This impact can be mitigated through the reuse of water resources but remains material to the Group due to its extent and regularity.	Own operations	Short-term, Medium-term, Long-term	
Reuse of water	Positive actual impact	Interpipe Group's main production facilities demonstrate a high level of water reuse, namely: 96% for Interpipe NTRP, 95% for DniproSteel, 92% for Interpipe NMPP, 90% for Society Dishware Novomoskovsk, and 76% for Interpipe Niko Tube. This approach helps the Group significantly reduce the intake of fresh water and preserve water-absorbing strata and ecosystems.	Own operations	Short-term, Medium-term, Long-term	Environmental policy



WATER AND MARINE RESOURCES

Interaction with strategy and business model [SBM-3]

The significant quantities of water used in production processes create a dependency on the ongoing water supply and make the Group sensitive to changes in the availability of water resources. This may result in increased costs of water intake and treatment and to reputational risks in case of any adverse impacts on local communities.

At the same time, a systematic reuse of water demonstrated by the Group entities is an integrated component of a sustainable business model.

This approach allows the Group to:

- reduce operating costs of water supply;
- mitigate the environmental stress;
- decrease dependency on external water sources;
- meet regulatory and stakeholder expectations regarding the efficient management of water resources.

As such, improved water efficiency contributes to strengthening of the long-term business resilience and improving its adaptability to environmental and regulatory developments.

Policies [E3-1]

[Interpipe Environmental Policy](#), among other things, regulates Interpipe's approaches to managing water resources by mandating rational water consumption, monitoring of consumption, reuse of water, treatment of wastewater and reducing impacts on bodies of water. The document applies to all Interpipe Group entities.

The policy covers all stages of the Group's production and business operations, from sourcing of raw materials, manufacturing of products and provision of services to the supporting logistical processes.

Use of water by Interpipe Group entities

The Group entities use water for the following key purposes:

■ Production equipment cooling

A major part of the water consumed is used for cooling rolling mills, hardening units, furnaces, machine tools, presses, and other equipment. The water recirculation systems help minimise the freshwater intake.

■ Technical and auxiliary processes

Water is also used in testing stands, baths and other process units where it may be affected by insignificant heat or chemical loads.

■ Administrative needs

Some water is used to meet staff needs at various amenities, cafeteria, administrative buildings, etc.

Governance bodies of Interpipe group entities, Environment and Industrial Safety function and managers at all levels are responsible for compliance with the Policy and oversee its implementation and control within the scope of their authority.

The Policy requires transparent stakeholder engagement on environmental issues, regular communications on environmental performance, seeking their input as part of impact assessments, and providing free access to the content of the Policy.

WATER AND MARINE RESOURCES

Actions [E3-2]

During 2024, Interpipe Group entities took a range of actions to improve their management of water resources, reduce the stress on the bodies of water,

reuse technical water, and improve water treatment at production facilities.

The key actions taken during 2024-2025 are as follows:

Entity	Actions	Cost of works
Interpipe NTRP	<ul style="list-style-type: none"> ■ Cleaning of the intake chambers at secondary clarifiers and the accumulation pond. The pond has been cleaned with 3,000 m3 sludge removed. ■ Acquisition of containment booms for collection of oil spills that prevent petroleum products from being released into the water environment. 	UAH 855,000
Interpipe Niko Tube, Nikopol	The company completed the construction of a recirculating water system for its pipe-rolling shop PRS-2 that will significantly reduce the use of fresh water and minimise the level of discharge.	UAH 71,075,088
Interpipe Niko Tube, Dnipro	Recirculating water facilities cleaned from excess sludge, improving the performance of the system and mitigating environmental risks. The settling tank has been cleaned with 1,244 m³ sludge removed.	UAH 1,060,290

These actions are in line with clause 4.4.1 of the Environmental Policy that requires monitoring and analysing the use of water, developing water reuse actions, reducing the discharge into bodies of water.

Wastewater treatment

The quality of wastewater discharged into surface waters is regulated through the maximum allowable wastewater discharge in backwash waters. Interpipe NTRP, an entity discharging wastewater into the River Dnieper based on the relevant permit, has implemented a Wastewater Quality Assurance procedure. This procedure defines key requirements to monitor the quality of circulating water, drainage water and wastewater at the company. Any accumulated wastewater is redirected to pumping and filtering stations.

At Dnipro-based facilities (Interpipe NTRP, DniproSteel, Interpipe Niko Tube), wastewater is treated as a two-stage process as follows:

1. Local treatment, performed in primary clarifiers to remove any suspended solids.
2. Additional filtration at the pumping and filtering station using sodium cation exchange filters and coal filters followed by settling at specialised units.

WATER AND MARINE RESOURCES

Based on the findings of lab tests, all quality metrics of wastewater (chemical and biochemical oxygen demand, suspended solids, petroleum content, etc.) meet the applicable standards.

At the Nikopol facility (Interpipe Niko Tube), wastewater is removed through the industrial sewage system operated by Energoresursy PrJSC based on the respective contract.

This water is then treated at Energoresursy's treatment units including:

1. horizontal and radial sedimentation tanks;
2. reagent-treated clarifiers.

The laboratory quality control is performed prior to discharge into the River Dnieper.

In particular, an accredited laboratory is engaged to perform the following:

- water sampling and testing in the entities' circulating cycles to control the effectiveness of treatment and technical condition of the equipment;
- quality control of the water discharged in outlet points into the River Dnieper, including compliance with applicable standards.

The findings of this monitoring are recorded, reviewed by environmental teams of the entities and used as a basis for continuous improvement of technical solutions in the area of water use.

The actions taken cover both the operations of the Group entities - specifically, Interpipe NTRP, Interpipe Niko Tube and DniproSteel - and indirectly the entities in the value chain. In particular, operations in Nikopol are closely linked to the water supplier, Energoresursy PrJSC, to whom the Group provides technical assistance to enable operation of the water supply system damaged by military activities.

As of the year 2024, Interpipe Group is not party to any international or industry water initiatives. At the same time, the Group engages in partnership initiatives on a local level, in particular, by working with Energoresursy PrJSC to provide water supply to its Nikopol site.

Targets [E3-3]

Interpipe Group currently has no individual material water intake targets to be reported. At the same time, the Group's functions are responsible for the day-to-day compliance with the Environmental Policy,

including its water resource management section. The water consumption matters are a constant focus of Interpipe's ISO 14001-certified environmental management systems.

During 2024, the Group established a target for reduction in the quantity of wastewater produced:

Target	Baseline year	Baseline value	Target (2024)	Value achieved (2024)
Reduce the quantity of wastewater produced by Workshop 2 at INTERPIPE NIKO TUBE LLC (Nikopol) compared to 2023 (1,402,505 m ³)	2023	1,402,505 m ³	87% reduction	The outcome will be measured based on the first full year of the new system (2025)

WATER AND MARINE RESOURCES

Metrics [E3-4]

Water intake

The majority of the Group entities are secondary water users not engaging in direct water intake or discharge and instead relying on the services of utility

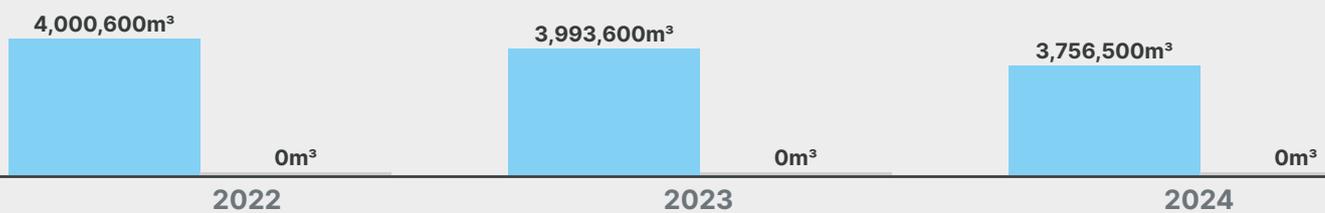
providers. The only exception is Interpipe NTRP, the only Interpipe Group entity that holds a respective special water use permit allowing the intake of water from and the discharge of the water into the River Dnieper.

Total water intake



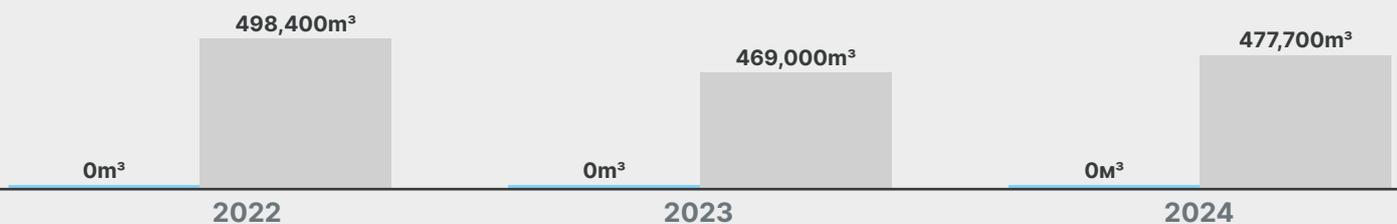
By source:

Third party water



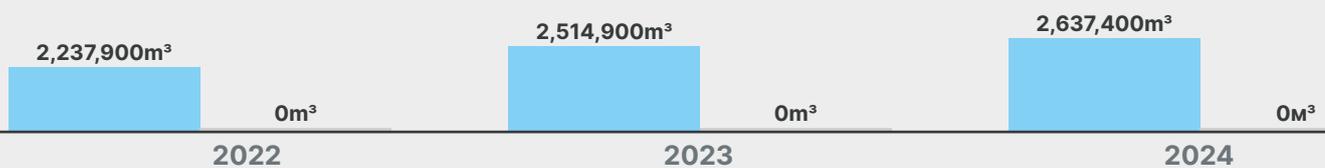
■ Fresh water (≤1,000 mg/l of total solutes)
■ Other water (> 1,000 mg/l of total solutes)

Drainage water



■ Fresh water (≤1,000 mg/l of total solutes)
■ Other water (> 1,000 mg/l of total solutes)

Surface water (the River Dnieper)

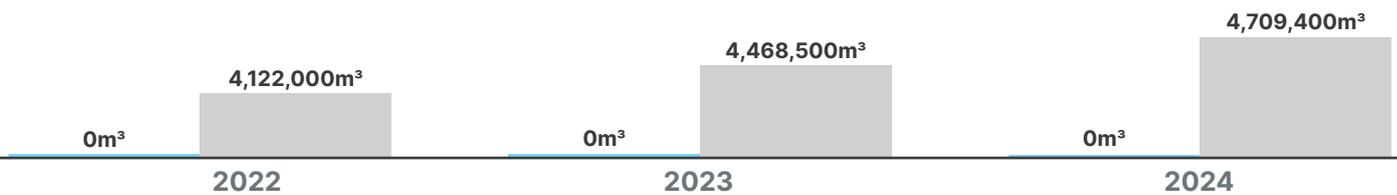


■ Fresh water (≤1,000 mg/l of total solutes)
■ Other water (> 1,000 mg/l of total solutes)

WATER AND MARINE RESOURCES

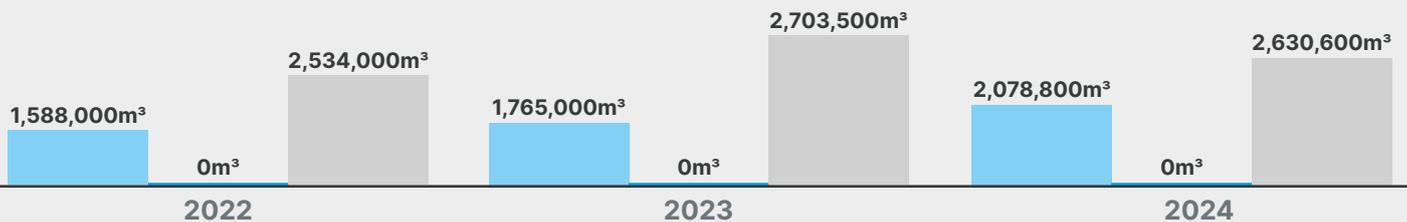
Water discharge

Total water discharge



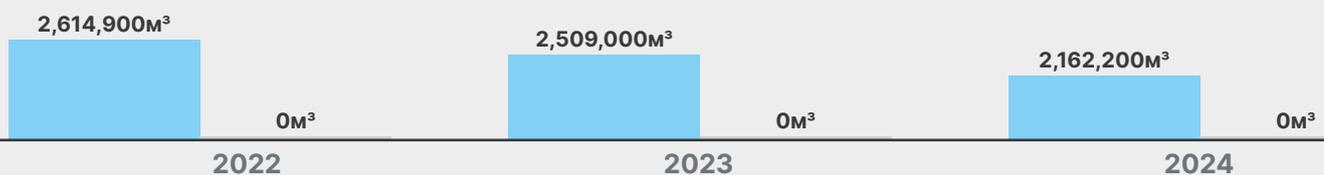
- Fresh water (≤1,000 mg/l of total solutes)
- Other water (> 1,000 mg/l of total solutes)

Water discharge by type of wastewater receiving body



- Discharge to surface water
- Discharge to underground water
- Discharge through third parties

Use of water



- Total water consumption¹
- Consumption in water stress areas

¹ The quantity of water used, consumed or polluted to the extent that it cannot be reused, returned to surface or underground waters or transferred to a third party.

WATER AND MARINE RESOURCES

Water treated and reused

Interpipe Group is committed to upgrading its production processes by implementing innovative technologies focusing on rational use of water resources. To this end, a key area is improving the level of water reuse in production cycles. During 2024, 95.27% water was reused in production following the treatment.

The Group has a highly efficient water consumption system in place where water goes through recirculating water systems for over 20 cycles, significantly reducing the quantity of the freshwater intake required.

Total water treated and reused

2022	142,829,700m ³
2023	142,829,700m ³
2024	144,933,400m ³

Calculation approach

The calculation covers six Group entities, namely Interpipe NTRP, Interpipe Dniproviskyi Vtormet, DniproSteel, Interpipe Niko Tube, NMPP and Society Dishware Novomoskovsk. Other Interpipe entities and trade offices account for less than 1% of the Group's total water consumption and are therefore identified as immaterial for disclosure. The entities use metering equipment to measure their volumes of water used and sewerage. Data is collected and processed centrally via the corporate ERP system, IT-Enterprise, providing a unified approach to the measurement of water resources throughout the Group. The Group

uses the WRI (World Resources Institute) Water Risk Atlas. According to the 2024 analysis, one Interpipe Dniproviskyi Vtormet production site is located in a water stress area, in Vinnytsia region, however, no water intake is practiced in this location.

The volumes of wastewater discharged is estimated based on the technical specifications and operating times of pumping equipment.

The actual water used was estimated as a difference between the total water intake and water discharge. The estimates cover the same entities as water intake and discharge reporting.

Water intensity

This metric shows the ratio of total water used to net revenue, reflecting the resource efficiency of production.

The trend for the latest three-year period is presented below:

Water intensity

2022	2785.36m ³ /EUR 1 million of revenue
2023	2650.81m ³ / EUR 1 million of revenue
2024	2151.87m ³ / EUR 1 million of revenue

During 2024, an improved water use performance was recorded, reflecting the reduced intensity of water use to net revenue.

USE OF RESOURCES AND CIRCULAR ECONOMY

Material impacts, risks and opportunities [SBM-3]

As a result of the assessment, the Group identified both positive and negative actual impacts; however,

no material risks and opportunities were identified. The findings of the assessment revealed that the following impacts are the most material for the Group:

NAME	TYPE	IMPACT/RISK DESCRIPTION	VALUE CHAIN STAGE	TIME HORIZON	RELATED POLICIES
Impacts:					
Use of materials to produce steel	Negative actual impact	In addition to scrap metal, the Group uses iron ore, graphite electrodes, coal, fluxes, coke, alloying elements (Nb, Ti, V). The extraction of these resources may result in a degradation of soil, changes in landscapes and contamination.	Own operations	Short-term, Medium-term, and Long-term	Environmental policy
Waste generation	Negative actual impact	In the process of steel production, Interpipe entities generate waste, including hazardous waste (e.g., spent lubricants, slime with heavy metal impurities). Despite the high level of production waste disposal, certain waste requires specialised burial or processing and may cause environmental pollution if discarded to landfill.	Own operations	Short-term, Medium-term, and Long-term	
Reuse of waste	Positive actual impact	Interpipe transfers certain steel production waste, such as slags and scale, for further use in construction, road works and cement production, thereby reducing the volume of waste requiring processing.	Own operations	Short-term, Medium-term, and Long-term	
Contribution to circular economy: use of scrap metals	Positive actual impact	The electric arc furnace production of steel by Interpipe entities allows the Group to use up to 90% scrap metals as raw materials, reducing the required volume of primary resources extracted. This approach contributes to the development of a circular economy and significantly reduces CO ₂ emissions.	Own operations	Short-term, Medium-term, and Long-term	

Rational use of resources is a key principle underlying Interpipe's business model. The Group consistently reduces the use of new materials, integrating renewable raw materials in its production. Scrap metals, including those obtained from own operations, serve as a key production resource. Waste management is integrated

into the production cycle to ensure waste is minimised, reused and safely disposed of in line with circular economy principles. Such an approach allows the Group to mitigate its environmental impacts, reduce costs and ensure continuous competitive advantages for its products.

USE OF RESOURCES AND CIRCULAR ECONOMY

Waste is generated by the Group entities at all stages of the value chain, from sourcing of raw materials to production, processing and sales:

Upstream value chain

Sourcing of raw materials generates waste resulting from their unpacking and preparation. This waste represents discarded wooden, metal, plastic and cardboard packaging, wooden spacers and wedges, textile straps from lifting works, used PE and other non-hazardous materials. In addition, the unloading, weighing and storage of rolled steel generates ferrous metal waste, such as packaging wire and metal strips, as well as timber waste, including beams and planks.

Own operations

The majority of waste is generated by Interpipe's own operations. Most of them are non-hazardous and include electric steelmaking slag, rolling scale and scrap ferrous metals (leftover pipe billets).

At the same time, tube processing lines generate hazardous waste, including used process liquids, such as the cooling and lubricating liquids used by metalworking machines, test fluids for hydraulic presses and sludge generated in the process of equipment maintenance.

Additional hazardous waste is generated from repairs of core and auxiliary equipment on production sites and from maintenance of vehicles. These include sludge, oiled cloths, wood shavings, sand, used petroleum products, oiled filters, metal paint, and fuel tins.

Downstream value chain

In the downstream value chain, waste is generated both during the finishing production process, requiring third-party disposal, and when products are used by consumers. In particular, labelling and protective coating of pipes is accompanied by the creation of hazardous waste, such as used tins and plastic containers contaminated by paints and varnishes.

After products are unpacked by final consumers, the following types of waste are generated: ribbon ties and wires, wooden beams and support shields, textile straps, as well as labels, recyclable paper and cardboard.

Policies [E5-1]

The Group's [Environmental Policy](#), among other things, defines the principles of using materials rationally and mandates a consistent waste management approach. The Policy applies to all Group's entities.

This Policy requires the Group to follow the waste management hierarchy. The Group, first of all, prevents generation of waste by implementing modern technologies and improving its production processes, in particular, using the electric arc furnace steel-making technology that allows the Group to recycle scrap metal and re-introduce it to the production cycle.

A significant focus is placed on reusing resources and recycling waste. In particular, scrap metal becomes the main raw material for steel-making, steelmaking slag is handed over to be used in construction and road works, scale is used in the production of cement, and used lubricants are handed over to licensed contractors for disposal. This allows Interpipe to circulate materials and reduce the volume of primary materials required.

Non-reusable and non-recyclable waste is disposed of, in some cases producing renewable energy, and residual waste is removed in line with environmental guidelines. Interpipe continuously improves its waste management system with reference to international standards using the best available technology.

The Group has plans to develop the Waste Management Plans in 2025. Such a Plan has currently been developed and approved by Interpipe NTRP. For other Group entities, contractors have been engaged to develop Waste Management Plans.

USE OF RESOURCES AND CIRCULAR ECONOMY

Actions [E5-2]

Interpipe follows the waste management hierarchy defined in EU Directive 2008/98/EC (Waste Framework Directive). This hierarchy prioritises preventing

generation of waste, preparing waste for reuse, recovery of items and materials and recycling over other forms of disposal or removal. The actions below, in particular, comply with the Interpipe Environmental Policy that enforces the waste hierarchy:

Level in the hierarchy	Actions in own operations of the Group
Preventing waste generation	<p>During 2024, INTERPIPE NIKO TUBE implemented standards for using raw and other materials in pipe production. The regular analysis of resource consumption practices allows the Company to adjust consumption ratios and improve production processes.</p> <p>The Company installs new equipment and implements solutions designed to save resources, such as:</p> <ul style="list-style-type: none"> ■ improving operating manuals to reduce consumption of chemicals and paints; ■ pre-treatment of cooling and lubricating liquids to extend useful lives of process solutions; ■ removing lubricants from cooling and lubricating liquids to extend their useful lives; ■ oxygen purging and tank bottom cleaning during manganese phosphating¹ to reduce reagent consumption rates and enable not having to drain the tank for a long period of time.
Preparing for reuse	<ul style="list-style-type: none"> ■ Sorting waste on specially designed sites; ■ Recording waste and preventing waste from mixing. ■ Reusing previously used packaging to pack waste.
Reuse	<ul style="list-style-type: none"> ■ At INTERPIPE NIKO TUBE, faulty billets and pipes are repaired (by defect grinding). ■ At the export unit of Pipe Rolling Shop 2, pipes are cleaned for reuse using a shotblast machine and any waste from the shotblast machine² is given away to specialised providers for other recovery or disposal. ■ At Interpipe NTRP, during the maintenance of oil-filled equipment, protective drip trays are reused multiple times and recirculated water system caissons³ are cleaned on a regular basis to maintain performance. ■ Used hazardous material packaging (kegs, heavy-duty bags⁴) that's not reusable as an item of inventory is used to package hazardous waste, such as sludge, oiled cloths, wood shavings, paint and varnish waste. This waste is handed over to licensed contractors for either disposal or recovery. ■ Fuel and lubricant packaging is used to store and pack used fuel and lubricant materials. ■ Recovery of pipes, wheels and other products damaged in transportation or storage to the brand-new product quality. ■ Maintenance of equipment and vehicles to reduce the need to purchase new assets and reduce waste. ■ INTERPIPE NIKO TUBE introduced the practice of using reusable textile straps to store pipe packages instead of wooden spacers, which helps reduce the volume of single-use materials.

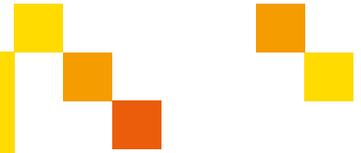
¹ Manganese phosphating process represents chemical treatment of metal parts in a special tank containing a phosphate solution, creating a protective coat on the surface, where oxygen purging and tank bottom cleaning reduce reagent consumption rates and extend the useful life of the tank before it needs to be drained.

² A shotblast machine is a production machine used to clean the surface of metal products with a pressurised blast of fine metal particles (shots).

³ Caissons are large metal or concrete tanks used in recirculating water systems to accumulate, settle and treat technical water recirculating in a closed loop in industrial settings.

⁴ A heavy-duty bag is a large polypropylene bag used to collect, transport and store sediment, sludge or other loose industrial waste generated during production processes, such as phosphating.

USE OF RESOURCES AND CIRCULAR ECONOMY



Level in the hierarchy	Actions in own operations of the Group
Recycling	<ul style="list-style-type: none"> ■ Crushed mag-carbon bricks⁵ are used as recycled inputs for the production of refractories. ■ Scrap ferrous metals are returned to the steel-making process for the production of new steel products. ■ Certain hazardous waste is handed over to licensed providers for recycling.
Removal	<p>Non-hazardous waste (such as mixed domestic waste, garden waste, swept outdoor rubbish, construction waste, used textile straps⁶, sandpaper, etc.) is removed to local landfills. Slime is placed in slag dumps⁷ at Interpipe NTRP based on the Waste Processing Permit.</p>

Targets [E5-3]

Interpipe Group has identified a range of important targets to improve its resource efficiency and implement circular economy principles. These targets cover both core production units and supporting business units within the Group, providing a holistic approach.

The Director of Environmental and Industrial Safety and heads of relevant production units are responsible for meeting these targets. Such role assignment guarantees that efforts are coordinated effectively and environmental initiatives are embedded in day-to-day operations of the entities.



⁵ Crushed mag-carbon bricks are fragments of special heat-resistant bricks used for the inner lining of steel furnaces and broken during the operation.

⁶ Textile straps are flexible lifting belts or loops crafted from durable synthetic materials (such as polyester, polyamide or polypropylene) and used to lift, move and secure cargo.

⁷ A slag dump is a waste accumulation site designed for the waste that can be reused but is often stored for extended periods of time without processing.

USE OF RESOURCES AND CIRCULAR ECONOMY

The following targets were set for 2024:

Goal	Baseline year	Progress made
Reduce the volume of hazardous waste generated	2024	Interpipe NMPP: <ul style="list-style-type: none"> Overhaul of the mechanical part of the automated pipe cutting machine (PCM #1), improving the reliability of equipment and reducing the risk of technical leaks. Replaced hydraulic valves and high-pressure hoses in PCM #1, contributing to a reduced likelihood of accidents and hydraulic liquid leaks. Replaced sealing components of the pipe cutting machine's cutter head to ensure air-tight nodes and reduce lubricant waste. Implemented the practice of using a special protective tray during the maintenance of oil-filled equipment, localising any potential leaks and preventing environmental contamination.
		Interpipe Niko Tube <ul style="list-style-type: none"> 1,200 tonnes of cooling and lubricating liquid waste handed over to licensed providers on a timely basis. Cleaned NS-1 horizontal sedimentation tanks to remove slime impurities at production sites in Dnipro.
		Interpipe NTRP: <ul style="list-style-type: none"> Upgraded lighting at the wheel rolling shop to replace mercury bulbs with halogen bulbs. Mercury bulbs phased out in favour of LED bulbs at staff lounges and office premises. Soil sampled and tested from waste removal sites. A set of comprehensive chemical and toxico-hygienic studies of industrial waste has been commissioned at all entities within the Company, with resulting opinions on the hazard and toxicity class of each type of waste.

Planned objectives

For 2025, Society Dishware Novomoskovsk intends to set an objective to construct a temporary storage site for heavy-duty bags containing paper waste generated in the process of decaling.⁸



⁸ Decaling is a process where an image or script is applied to a surface (e.g., dishes) using special printed paper. This paper is removed once the image is transferred, leaving behind waste.

USE OF RESOURCES AND CIRCULAR ECONOMY

Metrics

Resource inflows [E5-4]

An increase in the volume of input materials used during 2024 is related to an increased production output.

The upward trend is observed for all categories of input materials, as shown below:

Metric	Value	2022	2023	2024
Total mass of products and materials	tonnes	730,900	835,400	1,019,800
By type:				
Scrap metal	tonnes	649,900	748,000	915,700
Lead	tonnes	17,400	14,800	14,100
Ferroalloys	tonnes	11,400	12,600	14,800
Lime (calcium carbonate)	tonnes	35,100	38,900	51,200
Other slime-generating additives	tonnes	2,600	3,800	4,500
Carbonisation materials	tonnes	10,200	12,600	13,900
Refractories	tonnes	3,100	3,300	4,000
Electrodes	tonnes	1,200	1,400	1,600

Resource outflows [E5-5]

Waste streams

The majority of waste is generated in the production of steel billets and seamless pipes. Hazardous waste is generated in maintenance and repairs.

The key types of waste are:

- Metal waste, such as slime from steelmaking processes, scale from rolling processes, or metal shavings.
- Non-metal waste, such as plastics, paper, cloth, glass, and timber.
- Secondary materials, such as mag-carbon bricks and scrap ferrous metals, that are recycled and reused in production processes.
- Mixed domestic waste, such as swept outdoor rubbish, garden waste, construction waste, used textile straps, or sandpaper.
- Hazardous waste, such as used lubricants, cooling and lubricating liquids, paint and varnish waste, accumulators and chemical reagents.

Waste quantities are reported for 2024 only, as the data collection and presentation methodology was revised compared to the previous periods based on ESRS requirements. During 2021-2023, the Group made disclosures in accordance with the national statutory requirements based on the four-class hazard classification of waste.

Waste generated as a result of the Group's operations is mostly non-hazardous, accounting for 97.4 % of total waste generated in 2024.

USE OF RESOURCES AND CIRCULAR ECONOMY

Total waste generated operations, tonnes	Hazardous waste 2024	Non-hazardous waste 2024	Total waste 2024
Total waste	5,663	212,228	217,891
Waste diverted from disposal	5,604	24,256	29,860
Recycling	0	24,256	24,256
Other recovery operations	5,604	0	5,604
Waste directed to disposal	59	187,972	188,031
Landfill	0	176,529	176,529
Other disposal operations	59	11,443	11,502
Percentage of waste directed to disposal, %	1%	89%	86%

Calculation approach

The calculation covers the Interpipe Group entities within the scope of its consolidated financial statements: INTERPIPE NTRP, INTERPIPE NIKO TUBE (Nikopol and Dnipro), DNIPROSTEEL, INTERPIPE DNIPROVSKYI VTORMET, INTERPIPE NMPP, Society Dishware Novomoskovsk. To measure the resources used and waste generated, Group entities use measuring equipment, such as scales, to determine the quantities of materials and waste by direct weighing. This allows the Group to ensure the accuracy and reliability of any metrics in the area of resource efficiency and input resource and waste management.

Data is collected and processed centrally via the corporate ERP system, IT-Enterprise, providing a unified approach to the measurement across the Group. Data is collected at least quarterly, or more frequently if needed.

The quantity of slime accumulated in the accumulation pond after the water clarification at INTERPIPE NMPP was estimated based on the process parameters.

All resources, materials and waste are reported in metric units, i.e., tonnes.



OWN WORKFORCE



Material Impacts Risks and Opportunities [SBM-3]

During 2024, the Group analysed actual and potential positive and adverse impacts on its own workforce as part of the double materiality assessment, as well as the HR risks that may affect sustainability of the Group.

The table below summarises the material impacts and risks. At the same time, opportunities were identified but assessed as immaterial.

NAME	TYPE	IMPACT/RISK DESCRIPTION	VALUE CHAIN STAGE	TIME HORIZON	RELATED POLICIES
Impacts:					
Subtopic: Equal treatment and equal opportunities for all					
Staff diversity	Positive actual impact	The workforce with diverse professional backgrounds, ages, and genders enriches Interpipe Group with various approaches and views, contributing to the innovation and effective teamwork. The inclusive corporate culture also strengthens the employer's image and supports the Group's sustainable development.	Own operations	Long-term	Policies and codes: <ul style="list-style-type: none"> ■ The Code of Ethics; ■ Equality, Diversity and Engagement Charter; ■ Human Rights Policy;
Reintegration of demobilised veterans	Positive actual impact	Reintegration of demobilised veterans contributes to the socially responsible mission and supporting the veterans' adaptation to civilian lives, whilst also preserving the valuable expertise, experience, and skills to strengthen the Group's HR resilience and sustainability.	Own operations	Medium-term	
Financial risks associated with veteran reintegration	Risk	Integrating war veterans into the workforce will require additional investment from the Company, in particular, to cover the costs of reskilling, onboarding programmes and creating an inclusive work infrastructure. This may create a financial strain, particularly with limited budgets.	Own operations	Medium-term	
Training and skills development	Positive actual impact	Upskilling and learning programmes for employees contribute to the professional development, competency building and long-term employment with the Group. They also improve motivation, loyalty and staff retention.	Own operations	Long-term	



OWN WORKFORCE



NAME	TYPE	IMPACT/RISK DESCRIPTION	VALUE CHAIN STAGE	TIME HORIZON	RELATED POLICIES
Subtopic: Workplace conditions					
Overtimes	Negative potential impact	During the peak workload periods, employees may face unexpected business needs and the lack of workload distribution balance.	Own operations	Short-term	Operating regulations and policies: <ul style="list-style-type: none"> ■ Regulation on Recruitment, Hiring and Termination of Employees; ■ Collective Agreement; ■ Internal Policies; ■ Regulation on Financial and Social Aid Provided to Employees; ■ Compensation and Bonus Policy; ■ Disciplinary Policy; ■ Regulation on Russian-Ukrainian War Veteran Engagement; ■ Regulation on Talent Pool Establishment and Development at Interpipe.
Harmful workplace conditions	Risk	Due to difficult and harmful workplace conditions, Interpipe Group entities incur additional costs to pay increased pensions to the employees working at hazardous production facilities. Additionally, such workplaces complicate recruitment of younger talent by making factory work less attractive to the younger generation.	Own operations	Short-term	
Improved workplace conditions	Positive potential impact	Creating a comfortable and safe work environment, e.g., by improving workplace conditions, enhances the motivation and work satisfaction.	Own operations	Long-term	
Occupational injuries and fatalities	Negative potential impact	Due to the high level of hazard at certain production sites, workers face the hazards that may result in occupational injuries and accidents.	Own operations	Long-term	
Employee safety threats due to the geopolitical instability	Negative potential impact	Operating during the war gives rise to negative impacts on employee safety, including the threat of physical injuries and lethality in case of missiles hitting production facilities, and adversely affect the staff's morale due to the constant danger and stress.	Own operations	Long-term	
Financial risks associated with hazardous workplace conditions	Risk	Injuries and fatalities among staff may result in regulatory sanctions, reputational damages, reduce productivity of employees, as well as higher healthcare costs and compensations.	Own operations	Short-term	

OWN WORKFORCE



NAME	TYPE	IMPACT/RISK DESCRIPTION	VALUE CHAIN STAGE	TIME HORIZON	RELATED POLICIES
Subtopic: Workplace conditions					
Increased payroll	Risk	Failure to provide market-based remuneration gives rise to the risks of workforce attrition to other businesses and impaired motivation and productivity. On the other hand, an increase in payroll would result in increased operating costs and cost of sales, thereby reducing the competitive power of the Group's products in global markets.	Own operations	Medium-term	Operating regulations and policies: <ul style="list-style-type: none"> ■ Regulation on Recruitment, Hiring and Termination of Employees; ■ Collective Agreement; ■ Internal Policies; ■ Regulation on Financial and Social Aid Provided to Employees; ■ Compensation and Bonus Policy; ■ Disciplinary Policy; ■ Regulation on Russian-Ukrainian War Veteran Engagement; ■ Regulation on Talent Pool Establishment and Development at Interpipe.
Collective bargaining and the freedom of association	Positive actual impact	Unionising, having a collective agreement in place, and having effective communication between Interpipe Group management and staff representatives as a social dialogue tool have a positive impact on the employees by making sure their needs are taken into account in the Company's operations.	Own operations	Long-term	
Social security	Positive actual impact	Having social guarantees, health insurance and financial support in case of critical life events improves staff loyalty and motivation.	Own operations	Long-term	
Supporting conscripted employees and their families	Positive actual impact	Providing financial support to the employees called up for military duty and their families has a positive impact on staff wellbeing in difficult life circumstances, maintains trust in the employer, improves loyalty, and supports social cohesion in the teams.	Own operations	Medium-term	
Available communication channels for employees	Positive actual impact	The available effective feedback channels ensure 360-degree feedback with employees, improve their engagement in internal processes and decision-making, which has a positive effect on transparent governance and effective organisational interactions.	Own operations	Long-term	

OWN WORKFORCE



NAME	TYPE	IMPACT/RISK DESCRIPTION	VALUE CHAIN STAGE	TIME HORIZON	RELATED POLICIES
Subtopic: Group-specific aspects					
Staff turnover	Risk	Staff turnover creates a significant financial strain for Interpipe Group due to the costs of recruitment, hiring and training new people. In the context of the full-scale war, ongoing shelling, the threats of conscription and migration, there is an outflow of talent to other regions of Ukraine, abroad or to the military. This results in talent shortages in the labour market. The lack of appropriate replacement may lead to a loss of critical competences and a reduced production output.	Own operations	Short-, medium- and long-term	
Staff-related financial risks related in wartime conditions	Risk	Financial costs incurred to provide bomb shelters, higher pay reflecting enhanced risks and the recovery of staff homes damaged by missile strikes create a significant strain on the Group's budget and require additional planning of resources during martial law.	Own operations	Short-term	
Financial and reputational risks arising from discontinued support of conscripted employees	Risk	Declining or stopping the support to conscripted employees and their families may adversely affect the Group's reputation and impair staff trust and loyalty.	Own operations	Short-term	

Production processes require rotating shift schedules and the risks of injuries and accidents inherent in the industry. The key impact of Interpipe's business model on its own employees results from the nature of its production facilities: the work is shift-based and often involves difficult workplace conditions, such as physically demanding tasks. These factors may affect employee health and increase the likelihood of occupational injuries. Interpipe Group seeks to mitigate the inherent risks by implementing strict occupational health and safety standards, certification and regular training.

Martial law and the ongoing conscription complicate talent retention and attraction. These conditions increase the production workload on the existing personnel, giving rise to additional risks to staff health and morale, disrupting

the work-life balance and increasing the likelihood of the emotional burnout. Wartime conditions increase the level of workplace hazards. This is particularly the case for the production site of Interpipe Niko Tube in the town of Nikopol, which is located in the frontline area and subject to regular shelling.

The talent shortage in the Ukrainian market is accompanied by financial risks since the recruitment and hiring of new employees requires significant financial costs. As a result, Interpipe Group treats talent retention and development as an important opportunity to ensure business sustainability. With this in mind, the Group develops training and career planning programmes tailored to the current conditions and strategic needs. Specific focus is placed on occupational health and safety and staff wellbeing initiatives, both at production units and at the overall HR management level.

OWN WORKFORCE

The Group prioritises reintegration of its demobilised employees returning to their civilian lives after retirement from military service. This is part of Interpipe's socially responsible stance involving veteran support, adaptation and fair workplace conditions. At the same time, this allows the Group to retain valuable expertise and skills critical for the production. The Group offers gradual return to work, adapted conditions, counselling and access to training.

Reintegration of veterans contributes to staff retention and team cohesion and builds trust in the employer. However, it requires additional resources to cover the administrative support, training and creating an inclusive environment.

All the impacts and risks mentioned above have been identified as part of the process described in ESRS 2 IRO-1 section and are used in reviews of the HR strategy, HR policies, and the organisational HR management model.

The impacts and risks identified were used as a basis for the following actions:

- extended occupational health and safety, training and counselling programmes;
- talent pool creation;
- implementation of inclusivity, adaptive employment, women and veteran support measures;
- refocusing the HR policy on retention and development of the internal capabilities;
- strengthening the role of social dialogue and internal communication channels.

In this context, a number of internal regulations were developed and implemented during 2024, including the following:

- Regulation on Russian-Ukrainian War Veteran Engagement describing the tools for adaptation, reintegration and support of veteran employees in the Company;
- Regulation on Talent Pool Establishment and Development at Interpipe focusing on succession planning, internal talent development and preparing personnel for key positions.

Please refer to the subsection Actions [S1-4] for the actions relating to mitigation of risks.

Policies [S1-1]

Interpipe Group has implemented the following policies to manage the risks and impacts on its own employees, which are approved by the Board of Directors.

■ Human Rights Policy

Interpipe's commitment to respect for employee rights is set forth in the Human Rights Policy. The document defines the requirements for creating a safe, non-discriminatory and inclusive work environment across all sites within the Group. The policy bans forced and child labour, requires respect for the freedom of association and right to collective bargaining, and guarantees equal opportunities to all employees. Moreover, the document calls for implementation of training programmes, periodic risk assessment and availability of transparent channels for complaints without the fear of retaliation. The document has been developed in line with the internationally recognised human rights standards, in particular, the UN Guiding Principles on Business and Human Rights, the Declaration of the ILO on Fundamental Principles and Rights at Work, and the Principles of the UN Global Compact.

Governance bodies of each Group entity have overall responsibility for implementation of this policy and compliance with legal and ethical commitments. Compliance and HR functions are responsible for monitoring, performance oversight, risk assessment and any clarifications regarding the provisions of the Policy. Managers at all levels oversee the implementation of the Policy at their business units.

■ The Code of Ethics

The Code of Ethics documents the Group's commitment to respect human rights, ensure safe and decent workplace conditions, ban forced and child labour, and enable fair employment relationships, freedom of association and collective bargaining. The Code also provides for ethical business conduct, zero tolerance for corruption, respect for privacy and personal data protection. Compliance function, heads of legal entities and other functions as appropriate are responsible for implementation and compliance with the Code.

■ Equality, Diversity and Engagement Charter

The document provides for no discrimination, development of an inclusive workplace environment,

OWN WORKFORCE

equal access to opportunities for all employees, and a systematic measurement of progress in achieving diversity and engagement. In developing this document, the Group considered international framework documents, such as the Principles of the UN Global Compact Framework, the Sustainable Development Goals (specifically Goal 5, Gender equality, and Goal 10, Reduced inequalities), and the International Labour Organisation (ILO) guidance. The document takes into account stakeholder interests through engagement of employees, their representatives, customers, suppliers and partners, and through the development of a social dialogue in order to align approaches to inclusivity and building a shared culture of respect, equality and equal opportunities across the Group.

Zero tolerance towards discrimination within the above Policies

Interpipe proactively implements international human rights, equality and social fairness standards. The Group is currently in the process of endorsing the UN Global Compact and pledges complete support of all ten of its principles. The Group pays special attention to respecting human rights, providing equal opportunities and developing an inclusive workplace environment.



The Group operates a zero-tolerance policy towards any forms of discrimination and actively promotes the culture of equality, inclusion and respect in all aspects of its business. This commitment is recorded in the Human Rights Policy, the Equality, Diversity and Engagement Charter, and the Code of Ethics.

Any discrimination by race, ethnicity, disability, age, sex, gender identity, sexual orientation, health, religion, political views or other social characteristics is not tolerated at all levels across the Group.

Supporting vulnerable individuals, such as people with disabilities, women in professional development and veterans, is a special area of focus.

HR function coordinates the implementation of this approach and is in charge of developing appropriate policies, arranging training and adopting response procedures, while Compliance function ensures the transparency of processes by operating a dedicated Hotline.

The commitment to equality, respect and diversity is recorded in Interpipe's Code of Ethics that covers all levels of stakeholder engagement, from the internal environment to external partnerships.

■ Occupational Health and Safety Policy

The Group-wide Occupational Health and Safety Policy is in the process of development and approval. It is expected to be approved on a Group level and made publicly available in the second half of 2025.

Each entity within the Group currently operates an entity-specific **Occupational Health and Safety Policy**. Entity policies mandate systematic control over the conformity of the occupational health and safety system with national law and international standards, including ISO 45000. The processes described in the Policies are aimed at timely identification of hazards, assessment and management of occupational risks, prevention of workplace injuries and damage to employee health. Special attention is paid to creating a safe workplace environment, implementing preventive measures and continuous process improvement, taking into account the safety culture principles.

Directors of each entity are responsible for the implementation of the Occupational Health and Safety Policy. Stakeholder interests are taken into account by engaging with employees, contractors and individuals performing works on-site or visiting the entity for business purposes.

OWN WORKFORCE

COVERAGE BY POLICIES

Policies	Scope	Working time	Social dialogue	Freedom of association	Collective bargaining	Occupational health and safety	Training and skills development	Staff diversity	Human rights
Human Rights Policy	Group		■	■				■	■
The Code of Ethics	Group	■	■	■	■	■	■	■	■
Equality, Diversity and Engagement Charter	Group							■	■
Occupational Health and Safety Policy	The Group-wide policy is expected to be approved in 2025. Each entity within the Group currently operates an entity-specific Occupational Health and Safety Policy.					■			

All corporate policies are made available on the official website of the Group in Ukrainian and English. In addition, to make sure that all employees are aware of the effective policies and any updates, the Group implements training programmes, monitoring plans and other internal communication tools.

Specifically, the Group has developed and implemented an Anti-corruption and Ethical Principles Compliance Programme mandating compliance with corporate codes and policies for all staff.

Employee engagement [S1-2]

In the metals industry, where safety, stable employment and effective communication are critical, Interpipe Group focuses on systematic engagement of employees in impact management and discussing matters relating to workplace conditions, career development, safety, wellbeing, and corporate culture. This is why the Group has implemented interaction and dialogue tools that allow it to incorporate views of its employees in the decision-making process. Employee engagement happens in two ways:

Direct engagement of employees:

- The Group conducts **regular working meetings between management and teams** to discuss any current matters and the Group’s plans.
- The information support is provided via the **corporate paper, Steel News**, where each issue publishes news on recent appointments, new products, attendance of trade fairs, repairs, accidents, developments in logistics, and military support initiatives. Additionally, quick access to news is available via the **corporate portal, chat bot, email newsletters, and information stands on sites**.
- The **annual performance appraisal and development process** provides employees with an opportunity to discuss their performance with their seniors, formulate development plans, and provide direct feedback on processes within the organisation.
- **Learning and development programmes** are implemented on a regular basis and focus on upskilling the employees, developing a safety culture, compliance with ethical standards, and promotion of corporate values.
- All ethical commitments assumed by the Group are communicated to employees via the **publications on the corporate portal, communications within day-to-day working processes, learning events, trainings**

OWN WORKFORCE

and webinars on responsible business conduct, particularly respect for human rights.

■ To submit any reports, complaints or feedback, staff may use the dedicated **confidential email account and hotline** or ask questions during the working meetings. Interpipe Group actively responds to any complaints and feedback received. The response mechanism includes processing the complaint, providing feedback, improving processes and addressing any issues.

HR function is responsible for the continuity of employee engagement processes. Thanks to these tools, Interpipe involves its people in impact management, taking their views into account during the development and evaluation of impact prevention and mitigation strategies. HR Director of the Group is responsible for employee engagement, except for the Hotline that is operated outside of this role.

Engagement through representation of employees:

■ **Collective Agreement and social dialogue**
Interpipe Group actively develops the social dialogue with employees through signing the collective agreements with clauses designed to ensure decent work, social protection, equal rights, and safety. As of the end of 2024, collective agreements were in place at most Group entities and covered over 90% of employees.

■ **Trade unions and employee associations**
The Code of Ethics guarantees all employees the right to unionise, enter or establish associations at their own discretion, and the right to collective bargaining. The Code also mandates respect for the employee right to be represented by trade unions or reps in the process of negotiating work conditions.

■ **Regular meetings with union reps** provide a forum for discussing strategic matters relating to work conditions, safety, compensations and changes in production processes. Unions are also involved in formulating sustainability policies where they affect employee interests.

■ **Employee communications about significant operating developments in the Group** that may significantly affect their work conditions, typically made two months prior to their introduction,

while trade unions are informed three months in advance. Employees are usually notified of significant operational changes in the Group that may significantly affect their working conditions two months prior to their implementation, and trade union organizations are informed three months in advance. However, this timing does not apply during martial law: under paragraph 2 clause 3 of the Law of Ukraine on Employment Relationships under Martial Law No. 2136 dated 2 December 2023, provisions of section 3 Article 32 of the Labour Code of Ukraine and other regulations on advance notices of changes in significant terms of employment do not apply. During this period, employees must be notified no later than immediately before the implementation of respective changes.

Processes to remediate negative impacts and channels for own workers to raise concerns [S1-3]

The Group has a system in place allowing the employees to raise concerns relating to working conditions, respect for human rights or non-compliance with internal policies, including the Code of Ethics. All employees are encouraged to report their concerns directly to their line managers and local HR representatives. Minor infractions are usually resolved at this stage.

Channels to report concerns

The Group-wide **Whistleblowing Hotline** available to employees and other stakeholders is the key tool.

This channel allows whistleblowers to:

- report any concerns anonymously;
- report any breaches of the Code of Conduct, company policies or human rights.

The hotline is publicly available to both internal and external stakeholders on the Group's official website. All concerns reported to the hotline are escalated to Compliance Director or Economic Security, depending on the nature of the concern. Besides, employees have an opportunity to contact Compliance Director directly by email.

OWN WORKFORCE

Transparency, feedback and unbiased investigation

All reports are processed in accordance with data privacy law and feedback is provided to whistleblowers together with the consultation on processing outcomes.

All reports are processed based on the principles of fair and unbiased treatment. Whistleblowers can count on respectful and appropriate treatment. If the allegation is confirmed during the investigation, the perpetrator is then subject to appropriate measures. Depending on the nature of the Human Rights Policy breach, this may be either disciplinary action or legal liability under applicable law. Interpipe monitors performance of whistleblowing channels on a regular basis.

You may reach us through any convenient channel below:

Whistleblowing Hotline:

+380 67 622 56 10

Whistleblowing email account:

compliance@m.interpipe.biz

Website:

[Hotline](#)

Actions [S1-4]

Equal treatment and equal opportunities for all

Impact: Staff diversity

Interpipe prioritises providing equal workplace opportunities and supporting inclusivity both within workplace teams and in a wider social context.

Key activities in this area include:

■ Raising awareness on non-discrimination

The Group implements special programmes for managers and employees involved in recruitment, L&D and career management processes. These programmes seek to instil a culture of respect for diversity and prevent any occurrence of discrimination. Each manager is expected to lead by example in ethical conduct and integrity-based leadership.



■ Social dialogue and supporting vulnerable populations

Compliance with the effective collective agreements is assessed on an annual basis.

In 2024, the Group continued working with trade unions to support vulnerable populations, such as:

- individuals affected by missile strikes;
- families of the military killed in action;
- retired former employees.

■ Non-discriminatory remuneration system

All aspects of the employee remuneration system (wages/salaries, bonuses, benefits and other incentives) are based on the principles of transparency, fairness and non-discrimination by gender, race, religion or union membership.

OWN WORKFORCE



Impact: Reintegration of demobilised veterans

■ Support and reintegration of demobilised veterans

Interpipe Group operates a Veteran Reintegration Programme covering both the demobilised employees of the Group and external candidates eligible as ex-combatants. The programme covers the following areas:

- Medical support. All veterans have an extended health checkup and, where appropriate, additional tests, treatment and rehabilitation based on a personalised plan. The services are provided at the Company's expense at the corporate clinic and other healthcare facilities. Psychological counselling and health insurance are provided. If necessary, veterans are referred for rehabilitation to a facility operated by RECOVERY, a nationwide chain for rehabilitation facilities for the injured military.
- Psychological counselling. The Group facilitated weekly events for veterans and their families, including hippotherapy¹, pet therapy, adaptive fishing, pottery, arts master classes, etc. The programme is based on the international social adaptation good practices and has no restrictions by health status or demobilisation period.
- Established community outreach team - a specialised internal team of 9 specialists created to provide one-on-one support to demobilised employees returning to civilian lives and work in the Group.
- Tailored career advice. The community outreach team works with each veteran one-on-one to adapt the workplace conditions, role and working hours to their health, skills and experience. Decisions are made with business needs in mind.
- Legal support. Veterans receive legal support to help them apply for the combatant status and receive the respective badge, as well as legal advice on compensations, social guarantees and benefits. Further legal support is provided following the demobilisation.

Workplace conditions

Impact: Overtime

The Group has the following set of measures in place to regulate overtime:

- Any prospective overtime is reviewed for feasibility in the context of business needs.
- Overtime is subject to preapproval in accordance with internal policies and employment law.
- Each case of overtime work is documented using the pre-defined forms.
- Compensation for overtime is provided in accordance with applicable law of Ukraine (e.g., extra payment or time off in lieu).
- Overtime hours are tracked to ensure transparency and accountability.

Impact: Improved workplace conditions

Impact: Occupational injuries and fatalities

As part of its efforts to manage the risks relating to hazardous workplace conditions, including occupational injuries and fatalities. The Group has implemented an Occupational Health and Safety Management System covering all production sites and businesses within the Group.

Several Group entities, such as Interpipe Niko Tube, Interpipe NTRP and Interpipe NMPP, are certified to the ISO 45000 standard and have a respective management system in place.

Other production entities within the Group operate occupational health and safety management systems that meet the requirements of applicable law of Ukraine and relevant regulations. For the entities where the occupational health and safety systems are not yet certified to international standards, such certification is planned for the nearest future.

Interpipe strives to achieve a zero fatality level and a reduced injury incidence rate. Regular audits and training are conducted as part of the ISO 45001 certification.

The Occupational Health and Safety Management System at Interpipe Group covers all levels of the organisation and comprises a range of integrated activities designed to save lives, health and wellbeing of employees.

¹ Therapeutic horseback riding

OWN WORKFORCE



In particular:

- effective occupational health and safety management by creating dedicated functions and appointing responsible individuals;
- developing and implementing relevant regulations (policies, orders, instructions);
- continuous business process monitoring to identify potential threats to the health and safety of employees, risk assessment and prevention;
- upgrading plant and equipment, implementing modern technologies and working practices to improve industrial safety;
- ensuring adequate competencies for employees, raising awareness of occupational health and safety, supporting and encouraging safe behaviours of employees;
- complying with effective occupational health and safety law taking into account international good practices.

The Group engages with stakeholders on occupational health and safety on a regular basis. As part of this engagement, the Group facilitates awareness talks, provides methodology support and arranges training to identify potential hazards and harmful production factors.

Prior to the beginning of any works, employees and contractors are required to complete a briefing and receive relevant documentation. For contractors bidding in tenders there is a clear set of mandatory health and safety standards and policies.

Performance of works is only permitted after completion of training. For hazardous works, an order of access is issued, serving as a permit for performing the work subject to all applicable safety requirements.

Preventive and operating control of workplace conditions is a special area of focus. The Group completes the following checks on a regular basis:

- workplace condition check;
- confirmation that health and safety warning signs and posters are available and readable;
- examination of positive-pressure ventilation systems, air conditioning systems, and fire

extinguishing devices;

- evaluation of light level and provision of personal protective equipment (PPE) checked for technical condition to employees.

Occupational hazards are the key professional risk factors for the Group's employees, particularly where acceptable levels are exceeded. These include increased levels of noise, vibration, temperature, gas contamination of the air and risks arising from the operation of production equipment, lifting mechanisms, polishing, painting and other potentially hazardous works.

A set of organisational and technical measures has been implemented to mitigate the effect of the above factors, comprising the following:

■ Protection from the effects of chemicals

The employees handling dangerous chemicals are issued certified PPEs, special uniforms and complete specialised training. Group entities have developed and adopted internal instructions and procedures to ensure safe handling of chemicals.

■ Protection from the effects of high temperatures and pressure

Space heaters, fans and warm air curtains are used during colder months to maintain a comfortable microclimate. During the summer, workplaces are equipped with ventilation and air conditioning systems.

■ Protection from noise

Collective noise-cancelling devices used include noise-cancelling partitions, insulating materials and individual hearing protection devices such as noise-cancelling headphones and earplugs.



OWN WORKFORCE

■ Provision of personal and collective protective equipment (PPEs)

Where occupational hazards are present, employees are issued appropriate personal and collective protective equipment, such as uniforms, protective footwear, hard hats, respirators, hearing and eye protection aids, etc.

The types of PPEs and the positions and roles for which PPEs are mandatory are defined in the internal regulations. PPEs are issued and replaced within the times mandated by applicable law, including Article 8 of the Law of Ukraine on Occupational Health and Safety and Article 163 of the Labour Code of Ukraine.

■ Control and monitoring

Workplaces are assessed for adequate working conditions at least once every five years. Additionally, noise levels, harmful chemical concentrations and other potential hazards are measured on production and administrative premises on a regular basis. This allows the Group to identify any non-compliance with standards on a timely basis and take corrective action to maintain safe workplace conditions.

■ Benefits, compensations, reimbursements in case of occupational diseases

Employees of the Group entities are entitled to relevant benefits, compensations, reimbursements in case of workplace conditions-related diseases, such as high blood pressure, vibration syndrome or impaired hearing.

During 2024, Interpipe NTRP upgraded ceiling lights at several sites, replaced some windows with a total area of over 400 m², renovated offices and the laboratory belonging to the Environmental, Health and Safety team, and purchased and installed 36 air conditioning units and 5 anti-vibration chairs. Automated fire extinguishment systems were installed on production premises at Interpipe Niko Tube and Society Dishware Novomoskovsk.

The Group intends to continue the technical upgrades during 2025, focusing on the upgrades of lights, replacement of windows, renovation of premises, installation of exhaust ventilation, local heating systems, air conditioners and anti-vibration chairs. In addition, the Group plans on designing and installing additional aerosol fire suppression systems and fire doors.

To improve staff lounge infrastructure, during 2024, the Group completed renovations of 22 sites, including the renovation of staff lounges, purchase and fitting of 195 cupboards, upgrades of furniture, and replacement of windows.

Impact: Employee safety threats due to the geopolitical instability

During 2024, Interpipe continued improving the existing and introducing new actions for the safety of its personnel in wartime conditions, in particular:

- Bomb shelters at all entities within the Group were brought to a proper condition and fully equipped with appropriate items, such as warm clothing, drinking water, communication devices, first-aid kits and medication.
- Air raid alarms work without interruption as intended.
- Additional Dome-type reinforced concrete structures have been installed on Interpipe Niko Tube site in Nikopol to improve staff safety during air raids and missile strikes.
- Each entity is equipped with backup power sources (generators) used in case of blackouts. Interpipe has also developed the sequence of steps and instructions to ensure safety and business continuity during martial law.

Provision of resources for workplace condition improvement activities

Environment and Industrial Safety function at Interpipe Group has a headcount of 67 employees. The function's 2024 budget amounts to USD 3.25 million and is used to fund a range of activities to enhance safety, improve workplace conditions and reduce occupational risks.

OWN WORKFORCE

GROUP-SPECIFIC ASPECTS RELATED TO THE IMPACT OF THE WAR

High staff turnover risk

Risk of overtime as a result of martial law-related understaffing

Impact: Social security

The Group identifies the **risk of high staff turnover, skill shortages and overtime as a result of martial law-related understaffing** as material risks.

The following steps have been taken to mitigate the effect of these risks on business continuity:

1. Talent pool establishment

A talent pool establishment programme is in place at all entities within the Group and seeks to develop candidates for key managerial roles as defined by the Regulation on Talent Pool Establishment and Development at Interpipe. This approach allows the Group to fill any vacancies quicker and reduces its dependency on the external labour market. The programme comprises training, mentoring and potential assessment. In particular, talent pool development efforts include the project, Succession Lines, that ensures a comprehensive assessment of candidates at the Assessment Centres prior to their enrolment. This approach allows the Group to analyse the personal, professional and psychological profiles of the employees, determine whether they meet the requirements of a given role and evaluate their development potential within the Group.

Additionally, the Group ran an awareness campaign covering outdoor ads (billboards), online ads and job ads posted to work sites. In particular, Interpipe developed partner communications with Job Centres and relevant educational facilities.

2. Engagement of recent graduates

Interpipe actively works with universities and colleges in the regions of its presence. Group entities provide internship opportunities for students based on the approved programme for interactions with universities. During 2024, the Group granted internships to 219 students from various years and universities. As a result of the internships, 51 individuals were offered employment, amounting to 23% of total interns.

3. Non-financial staff retention incentives

- additional paid time off and flexible hours;
- education and upskilling, including universities;
- career planning and development;
- corporate transportation, subsidised meals, uniform laundering;
- support to families, including paid holidays for children.

4. Financial aid in critical situations

The Group provides financial support in case of an illness of an employee or their family member, death of an employee, conscripted family member or home lost due to combat.

5. Benefits and insurance

All employees, regardless of the type of employment are eligible for:

- statutory paid time off
- health tourism vouchers for the employees and their children
- equal access to parental leave for women and men
- subsidised meals
- compensation of sick leaves and disability
- retirement benefits
- health insurance (37% of employees covered in 2024)
- life insurance.

6. Performance monitoring

The Group monitors the effectiveness of its HR policies and actions based on regular measurements of metrics such as staff turnover ratio, staff costs, productivity, staff engagement index and achievement of key performance indicators (KPIs).

OWN WORKFORCE

Provision of resources for staff development, engagement and retention

HR function includes a Staff Recruitment and Development team with a headcount of 24 individuals. The budget of this team in 2024 totalled USD 734,000. This budget was used to fund various activities related to adaptation, training, talent pool establishment and internal mobility maintenance.

Impact: Supporting conscripted employees and their families

As part of its social responsibility efforts and supporting the employees defending Ukraine, Interpipe has implemented a range of systematic actions:

1. Equipment and gear

Each defender of Ukraine is eligible for support from the Group. First of all, this applies to tactical first aid kits, armoured vests, hard hats, footwear and clothing (boots, uniforms, thermal underwear), ammunition vests, knee sleeves, tactical gloves, etc. Interpipe also donates cars and equipment, such as walkie-talkies, thermal imagers, power generators, and drones.

2. Legal advice

Employees called up for military duty are eligible for personalised legal advice. The Company explains legal requirements, helps preparing the required paperwork and supports in receiving state benefits.

3. Medical support

For injured or sick conscripted employees Interpipe covers medicines, medical equipment, consultations with civilian doctors, diagnostics and, if appropriate, additional care at hospitals and transfers between hospitals and military units.

4. Personal coordinator

A personal coordinator is assigned to each conscripted employee, maintains contact with this employee for the entire duration of their service and serves as a link between the employee and the Company. The coordinator also interacts with families of servicemen and ensures ongoing communication and support.

In particular, Interpipe Group has launched the **Programme for Supporting Families of Employees Killed or Missing in Action or Held in Captivity**. This programme is based at a rehabilitation camp in the Carpathian Mountains seeking to provide psychological counselling and grief guidance. Children of the employees killed or missing in action or held in captivity are also issued UAH 5,000 vouchers to be redeemed in appliance and gadget stores.

For St. Nicholas Day and Christmas, the children employees killed or missing in action or held in captivity receive personally selected dream presents. The presents are cleared with families in advance.

Training and skills development

Impact: Professional education and training

The Group considers professional education and development of its people to be the key factors of increased productivity, safety and long-term competitiveness and as such, invests in the following systematic actions:

1. Centralised management of L&D processes

The Group has implemented a centralised approach to staff learning and development. For this purpose, the Group has established a dedicated unit, the Staff Recruitment and Development team responsible for the strategic and operational management of these processes across all Group entities.

All activities in this area are regulated by the following internal regulations:

- Staff Learning and Development Policy;
- Regulation on Incentives for Employees Attending Learning Activities;
- Regulation on Interaction with Universities and Colleges.

2. Digitisation of learning processes

Interpipe has implemented modern IT solutions to automate the learning processes:

- Upskilling module supports digital learning requests, contracting, personal file maintenance
- MOCO platform is used for remote learning, testing, examinations and reporting

OWN WORKFORCE



3. L&D planning and budgeting

The Group prepares an annual vocational training plan, which is then approved by management. This is accompanied by an L&D budget covering both internal and external learning programmes.

4. 2024 learning priorities and training plans

The key areas of focus are:

- improved management quality;
- testing of employees in working roles;
- building staff skill matrices;
- upskilling of tutors and instructors.

In addition, external learning was provided for some employees in the following areas:

- Changes in API Q1 specification (10th edition) - the American Petroleum Institute standard;
- Quality management system in accordance with ISO 9001:2015

- Internal audit of energy management systems (ISO 50001:2018 and ISO 19011:2018);

- Internal audit of quality management systems (ISO 9001:2018 and ISO 19011:2018).

5. Learning outcome assessment

The assessment covers two areas:

- the student's feedback on learning;
- knowledge level for the learning area.

The target score is at least 3.5 points on a 1 to 5 scale in the feedback. This approach allows the Group to analyse the quality of learning and enable systematic development of its people.

The Group has implemented a number of L&D programmes contributing to improved competencies, motivation and staff engagement. These programmes are listed in the table below.

Learning programmes

Learning programmes	Purpose/description
Onboarding programme	Accelerate onboarding in a new role, encourage corporate and social adaptation.
Talent pool and competency development programmes	Establish a talent pool, improve competencies.
Social partnership with core universities and colleges	Provide professional orientation for students, enable the initial professional skills and working methods in a real production environment for students and provide a choice of future employees among students for the Company.
University degrees obtained remotely and covered by the Group	Degrees in technical fields
Vocational training	Enable vocational training in working roles (initial training, reskilling and training in adjacent fields; upskilling and certification targeted courses such as learning to operate new equipment, new control methods and others). <u>During 2024, e-testing on maintenance and repairs of equipment was arranged in MOCO system for 9 employees.</u>
Upskilling courses for tutors and production training instructors	Improve the competences of employees without teaching degrees who are used as tutors for courses and instructors delivering production and internal workshop training to staff.

OWN WORKFORCE



Targets [S1-5]

L&D

Target	Baseline year	Target (2024)	Value achieved (2024)
Deliver internal training to employees	2024	3,210 individuals	3,030 individuals
Upskill tutors and instructors	2024	160 individuals	150 individuals
Deliver external training to employees	2024	1,646 individuals	1,399 individuals
Deliver Changes in API Q1 specification (10th edition) training	2024	9 individuals	17 individuals
Deliver SQM under ISO 9001:2015 training	2024	17 individuals	0 individuals
Deliver ISO 50001:2018 and ISO 19011:2018 Internal Auditor training	2024	5 individuals	20 individuals
Deliver external training on updated API versions (Q1, 5CT, Errata 1/2)	2024	9 individuals	162 individuals
Deliver internal and external training on NDT methods (UT, VT, MT, ET)	2024	87 individuals	221 individuals
Implement Master School development programme	2024	90 individuals	89 individuals
Learning delivered jointly with Dnipro Polytechnic University	2024	750 individuals	582 individuals

Occupational Health and Safety

Target 2024 (baseline year 2024)

Implement a system of multi-level safety audits

Adopt a practice of delivering hands-on workplace briefings

Agree a consistent methodology and determine the periodicity of occupational risk assessment

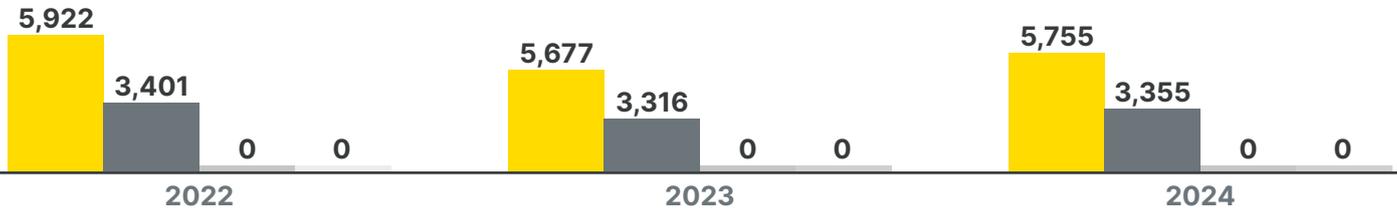
Workplace conditions

Target	Baseline year	Target (2024)	Value achieved (2024)
Commission social infrastructure facilities (staff lounges, bathrooms, cafeteria, etc.)	2024	At least 19	22

OWN WORKFORCE

Metrics

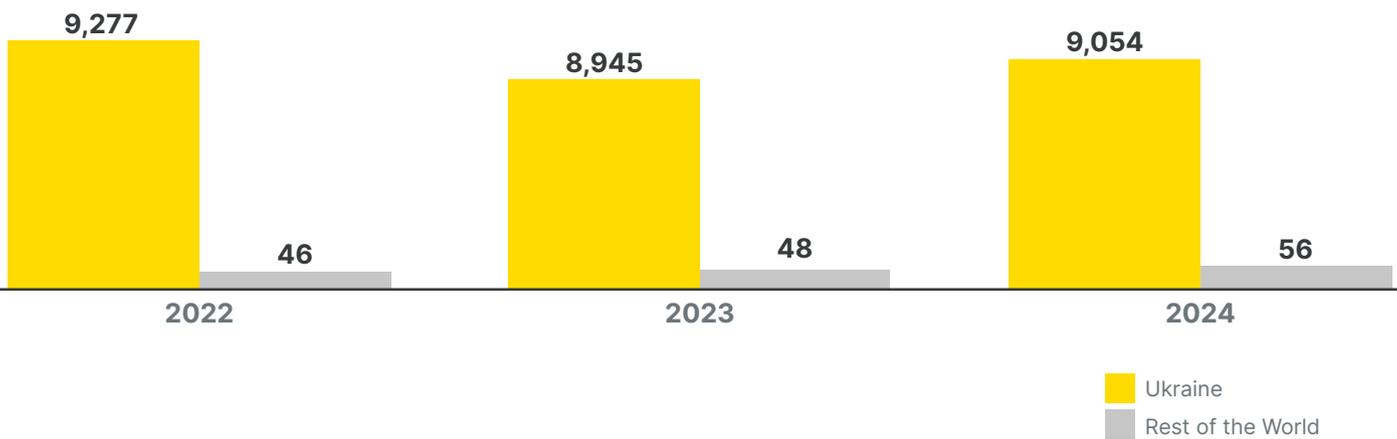
Characteristics of the Group employees [S1-6]



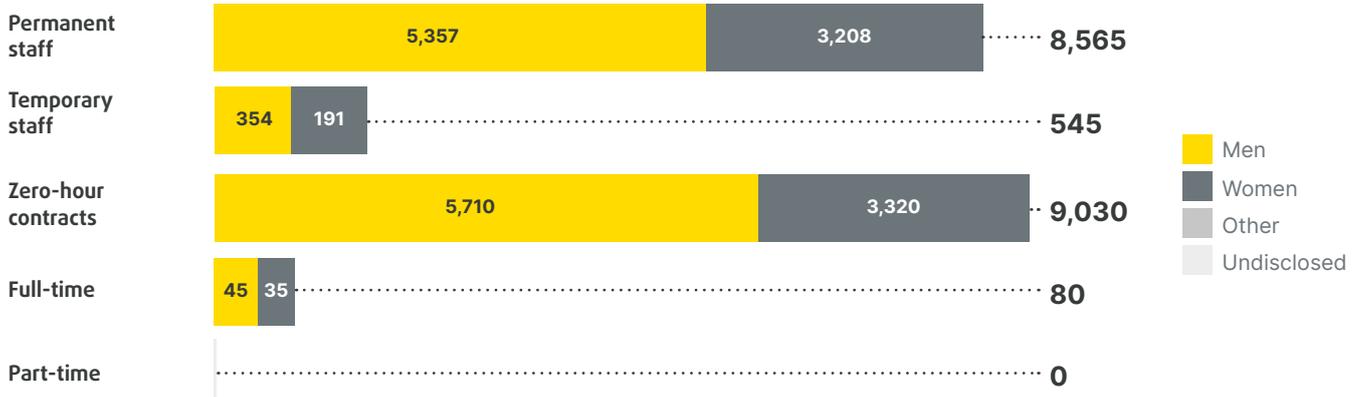
Total employees



Headcount by geography



Employees by type of employment contract and type of employment



OWN WORKFORCE



Calculation approach

In this report, the term Employees means solely in-house staff, as the Group currently does not track its outsourced personnel. Such a tracking system is expected to be implemented in 2025. In-house staff are the individuals with direct employment relationships with the Group.

All staff data above has been calculated using the headcount recorded as of 31 December 2024. This approach is common for the metals industry, where the structure of employment is stable and ensures consistency with the Group's financial statements. Included in employees are only in-house staff performing the work on a permanent or temporary basis under an employment contract. Interns are excluded from own employee metrics.

Permanent staff headcount is defined as the number of employees on employment contracts, regardless of whether those contracts have fixed expiry dates.

The Group's staff mostly comprises permanent employees, which helps the Group attract and retain the best talent to create a team of experienced and competent people. This enables Interpipe to invest in the development of employees, whilst the reciprocal approach ensures continuity and operating efficiency.

Temporary staff headcount is defined as the number of employees whose employment is contingent on completion of a specific project or is for a pre-determined period.

Number of new joiners and leavers

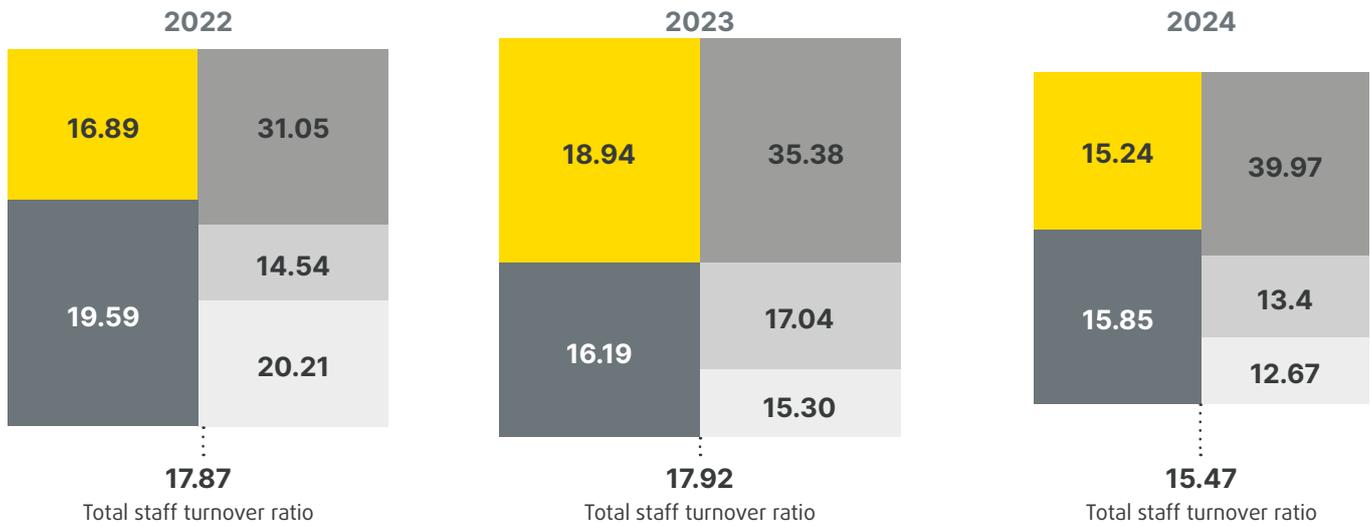
	2022	2023	2024
Total new joiners:	821	1,025	1,285
Men	626	671	780
Women	195	354	505
Total leavers:	1,597	1,360	1,171
Men	963	902	714
Women	634	458	457
Total leavers (voluntary termination):	668	818	888
Men	398	509	537
Women	270	309	351

Staff turnover ratio

The data reflecting the staff turnover ratio is presented below. The total staff turnover ratio decreased from 17.87% in 2022 to 15.47% in 2024, indicating a positive trend towards improving the personnel stability.

At the same time, an increased staff turnover ratio among the under-30s remains a challenge for HR. To overcome this challenge, the Group has implemented a programme for engaging with students and interns with a subsequent chance of being offered employment.

OWN WORKFORCE



By gender:

Men (Yellow) Women (Dark Grey)

By age:

Under 30 (Dark Grey) 30-50 (Light Grey) Over 50 (Very Light Grey)

Calculation approach

Leavers include voluntary terminations, terminations by the employer, retirements or deaths. The staff

turnover ratio is defined as the ratio of total leavers (other than internal intragroup transfers) to the average headcount for the respective period.

Employees covered by collective bargaining agreements and social dialogue [S1-8]

As of the end of 2024, collective agreements were signed by the following Group entities: Interpipe NTRP, Interpipe NMPP, Interpipe Niko Tube, DniproSteel, Society Dishware Novomoskovsk, and Interpipe Dniprovortormet.

The total percentage of employees covered by collective agreements is 91%.

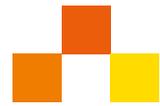
Collective agreements regulate, among other areas:

- remunerations, bonuses and benefits;
- working hours and rest;
- mechanisms in place to protect employee rights and settle employment disputes;

- provision of financial aid, annual leaves, benefits and compensations;
- guarantees for conscripted employees and veteran support.

Interpipe Group operates in European Economic Area (“EEA”) countries; however, the trading entities in those territories have headcounts under 50 individuals and represent less than 10% in the total headcount of the Group. As a result, these branches are excluded from the collective agreement coverage analyses presented in the table below.

OWN WORKFORCE



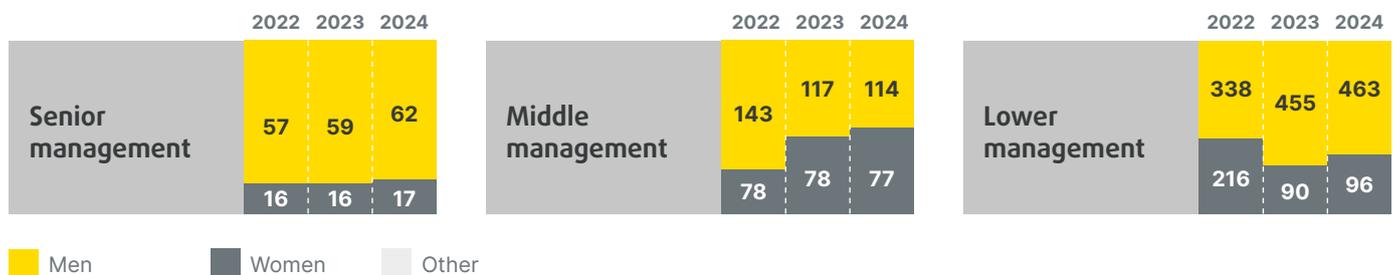
Coverage level	Employees - EEA countries ²	Employees - of non-EEA countries	Workplace representation of employees (EEA countries only)
0-19%			
20-39%			
40-59%			
60-79%			
80-100%		Ukraine	

Diversity metrics [S1-9]

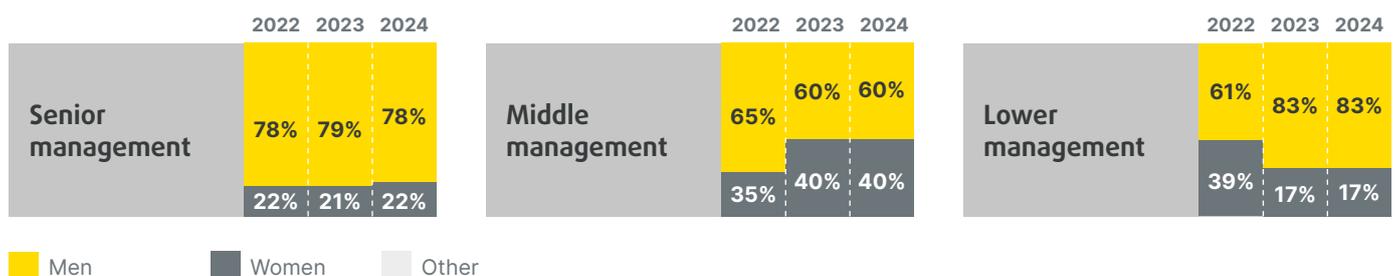
The Group creates diverse and inclusive jobs where women, who represent 37% of the Group’s workforce, have professional growth opportunities and are protected from any forms of discrimination.

Diversification of the governance bodies, the Board of Directors and management by gender is presented in the [Corporate Governance](#) section.

Number of employees in management, by gender



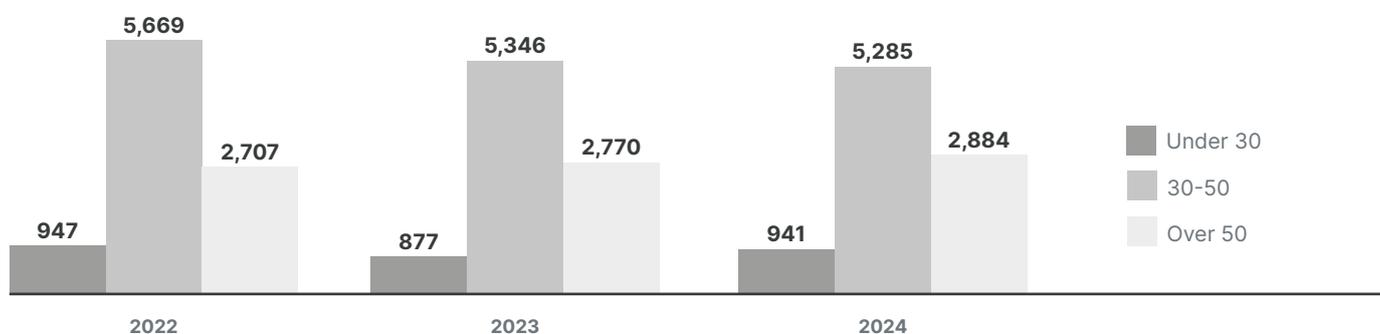
Management structure by gender, in percent



² European Economic Area countries: EU + Iceland, Norway, Lichtenstein

OWN WORKFORCE

Total employees by age



Calculation approach

Included in management are three management tiers: top, middle and lower management. **Top management** includes governance bodies of individual entities, i.e., entity directors and other employees of a relevant level. As of the end of 2024, the headcount of this management group totalled 79 individuals, of whom 22% were women. All members of top management are Ukrainian nationals.

Middle management includes heads of business units and departments, while **lower management** includes foremen and site supervisors.

The percentage of female employees at each management tier is calculated as a whole number.

To obtain the percentage, this number is divided by the total headcount in management roles and then multiplied by 100. This is then repeated for men and other employees. Figures are disclosed as numbers and percentages of managerial staff as of 31 December 2024.

Headcount by age represents the number of employees on employment contracts with Interpipe Group entities aged under 30, 30 to 50, and over 50 years old, respectively. The figure is calculated as the sum of all employees in the respective age groups. The figures include the headcount as of 31 December 2024.

Social protection [S1-11]

Coverage of employees by social protection in case of critical life events is disclosed in the table below.

Life event	Coverage by the Group's social protection or a national programme
Illness	Yes
Unemployment (from the beginning of employment with the Group)	Yes
Occupational injury or acquired disability	Yes
Maternity leave	Yes
Retirement	Yes

OWN WORKFORCE

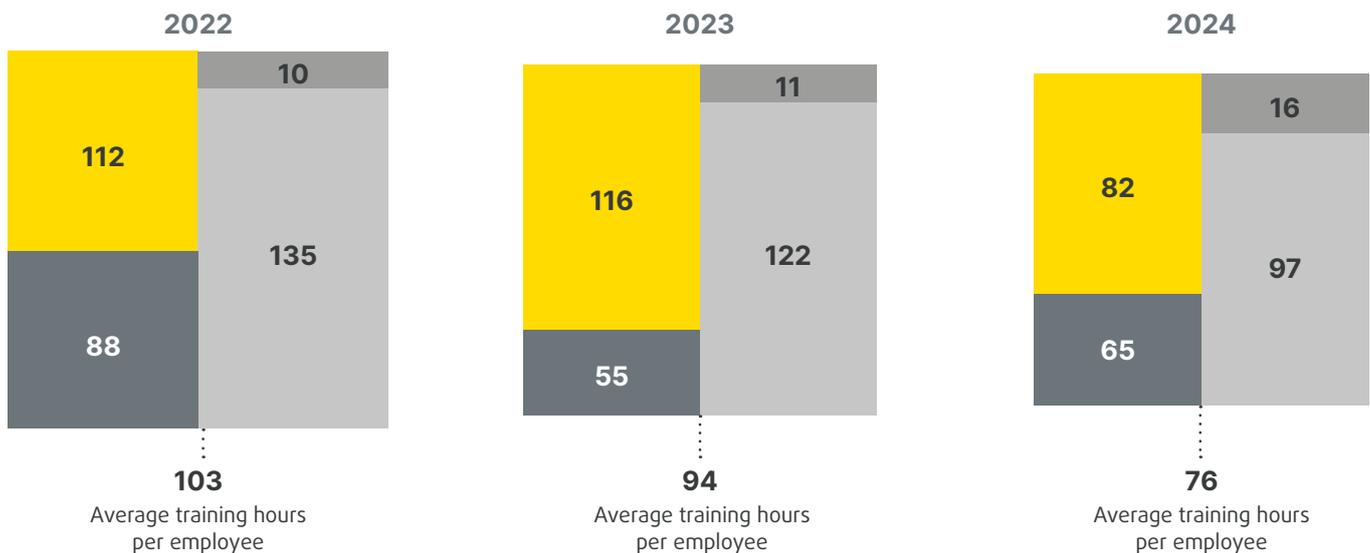
Training and skills development indicators [S1-13]

The average number of training hours per employee reduced by 19% compared to 2023. This is due to the shorter duration of training and reskilling programmes for working roles and the focus on using short-term courses.

For men, the average number of hours reduced by 29% and for working roles, by 20%. This is explained by a reduced scope of long-term training for technical roles, where the majority of employees are men.

The average number of training hours for women increased by 18% compared to 2023. This reflects greater involvement of women in various training programmes.

In Managers, Specialists, Admin category the number of training hours increased by 45% compared to 2023 due to the launch of various development programmes, such as Master School and Talent Pool.



Average training hours by gender:



Average training hours by employee category:



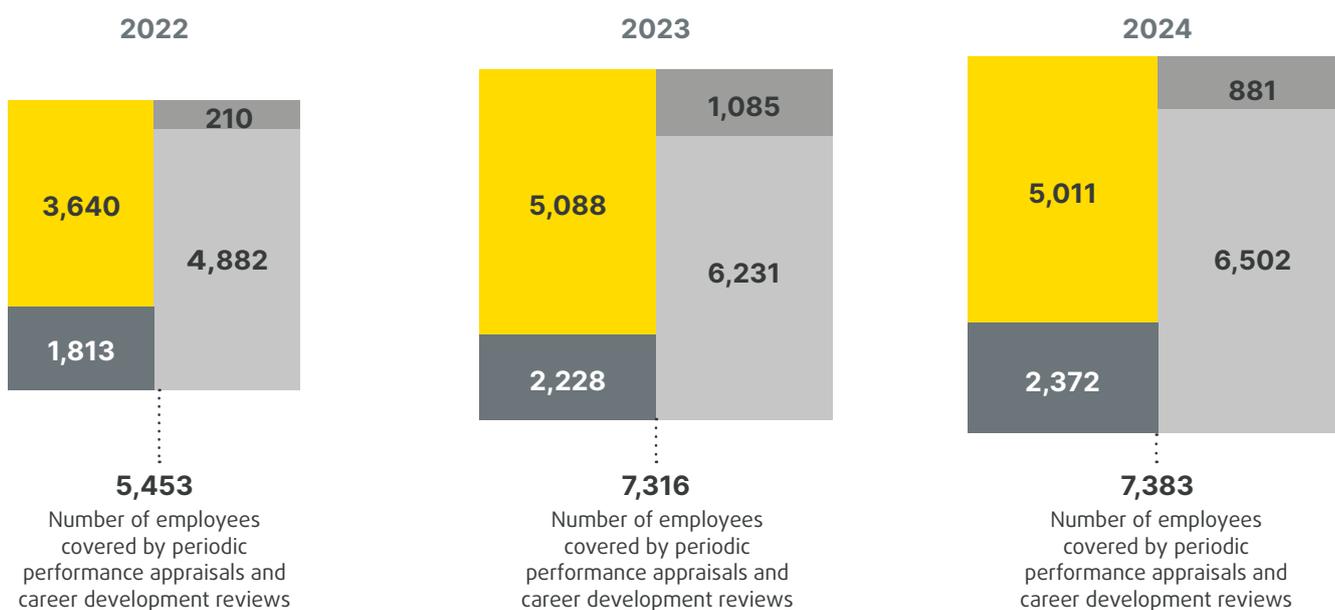
OWN WORKFORCE



Number of employees covered by periodic performance appraisals and career development reviews

During 2023, Interpipe completed an ad-hoc knowledge assessment review that does not require annual repetitions.

This explains the lower number of assessments in the Managers, Specialists, Admin category by 19% in 2024.



By gender:

■ Men ■ Women

By employee category:

■ Managers, Specialists, Admin ■ Workers

Depending on the classification of the role, in-house employees include the categories defined in accordance with the Ukrainian National Classifier of Professions:

- **Managers** are defined as the employees in managerial roles at the level of an entity or its business units. This category includes directors (including General Directors), heads of units, leads, chiefs, supervisors, foremen and some senior specialists, including Chief Accountant, Chief Engineer, Chief Mechanic, etc. Managerial roles also include deputy managers appointed for the respective roles.
- **Specialists** are defined as the employees performing engineering, technical, economic, legal, social and other analytical or advisory roles. This category includes, inter alia, engineers, analysts, accountants, rate fixers, administrators, legal counsels, sociologists, etc.

- **Administrative** staff are defined as the employees involved in preparing, issuing and recording documentation, controlling functions and household services. They perform primarily technical work. Administrative staff include record secretaries, clerks, archive specialists, agents, draftsmen, typists, shorthand printers and other similar employees.
- **Workers** are defined as the employees directly involved in producing the products, repairs, transportation of cargo and passengers, provision of inventory services, etc. This category also includes janitors, cleaners, couriers, cloakroom attendants and other employees involved in support processes.

OWN WORKFORCE

Occupational Health and Safety [S1-14]

All Interpipe employees and contractors are covered by the OHS management system, both through compliance with the national statutory requirements and through implementation of international standards. This metric amounted to 100% in 2024 reporting year.

As of 2024, the Group has implemented and certified **ISO 45001:2018** -compliant management system at three of its entities, namely, Interpipe NTRP, Interpipe NMPP, and Interpipe Niko Tube. The system was audited by external auditors in 2024 and covers **75,9%** of the Group employees.

Other Group entities, such as DniproSteel, Interpipe Dniprovortormet and Society Dishware Novomoskovsk, operate in accordance with the national statutory health and safety management system, which mandates compliance with safety requirements, risk assessments, staff training and internal controls. This system was audited by internal auditors in accordance

with Ukrainian health and safety law and covered **24,1%** of the Group employees in 2024.

Group management obtains health and safety information via:

- the system of reports (reports by heads of business units, the analyst and the Health and Safety function recommendations);
- findings of internal and external audits of the health and safety management system;
- production environment inspections by Health and Safety function or external experts;
- consultations with staff.

This information is used as a basis for management decisions made to improve the health and safety system and address any weaknesses identified. Entity directors, Health and Safety function and heads of business units are responsible for implementing these decisions in accordance with their responsibilities in the management structure.

Workplace injuries and occupational diseases among employees

Metric	2022	2023	2024
Number of fatalities ³ as a result of workplace injuries	1	1	4
Fatality rate as a result of workplace injuries	0.09	0.06	0.29
Number of workplace injuries with grave consequences ⁴ (excluding fatalities)	10	7	5
Rate of workplace injuries with grave consequences (excluding fatalities)	0.91	0.57	0.36
Number of recorded workplace injuries	11	8	9
Rate of recorded workplace injuries ⁵	1.01	0.65	0.65
Working days missed due to workplace injuries, occupational diseases and fatalities ⁶	411	697	336
Number of hours worked	10,949,776	12,363,463	13,683,519
Number of occupational diseases	0	0	0

³ Fatalities are incidents resulting in death of the employee as a result of a workplace injury.

⁴ Workplace injuries with grave consequences are the injuries that did not result in death but had grave consequences (e.g., loss of a limb, disability, etc.).

⁵ Recorded incidents or occupational diseases are defined as an injury or disease that occurred in the workplace and resulted in any of the following: death, loss of capacity to work for at least one day, limitations in performing work duties or transfer to another role, medical treatment beyond first aid, loss of conscience or a significant injury or disease diagnosed by a doctor or another licensed healthcare professional, even if it did not result in any of the above consequences.

⁶ number of calendar days when the employee is absent due to an injury, occupational disease, death, including weekends and public holidays, starting from the day following the incident

OWN WORKFORCE

Calculation approach

All metrics relate to the Group's in-house employees performing work at the facilities controlled by the Group. The data includes only the incidents occurring directly in the workplace or during the performance of work duties (excluding any incidents travelling to/from work). All data has been extracted from the entities' internal reports and incident reports prepared under the statutory law and/or under ISO 45001.

Calculation of rates:

The rates are calculated per 1,000,000 hours worked using the formula: Rate = (Number of incidents/ Number of hours worked) x 1,000,000.

Fatalities

During 2024, there were 4 fatalities. This increase is mainly explained by the employees losing focus on hazards such as moving mechanism parts, electric current, etc. In the immediate aftermath of each incident, the Group delivered ad-hoc briefings, special training and tests.

As a safeguard, in the second half of 2025, the Group intends to implement a programme to involve managers at all levels in OHS processes and to upskill the personnel using a risk-oriented approach. The purpose of this programme is to reduce the risk that these events may reoccur in the future.

Professional hazards identified

The Group identified the following major hazards for employees, contractors and other stakeholders based on the risk assessment performed for employees by position/grade and role in accordance with entity-specific procedures in place for identification of occupational hazards and risk assessment:

- moving and rotating parts of equipment, machinery and mechanisms;
- handling loads using lifting equipment;
- electric current shock;
- exposure to open flames, sparks and melted metal spills;
- hot surfaces;
- fire risk
- items falling from a height;
- height drop;
- operating manual tools;
- minor obstacles on the route;
- slippery surfaces;
- vehicles;
- military activities.

The following hazards resulted in or contributed to serious injuries: moving and rotating parts of equipment, height drops, electric current shocks, and military activities.

OWN WORKFORCE

Parental leave [S1-15]

The Group provides equal access to parental leave for women and men. Despite the impact of martial law, during 2024, the number of employees who used their entitlement to the parental leave increased to 694, a 6% increase compared to 2023 (655 employees). At the same time, similar to the previous year, 100% of employees returned to work following the completion of their parental leaves.

In addition, during 2024, there was an increase in the number of men eligible for parental leave to 671 employees vs. 348 in 2023, representing a 93% increase and showing a gradual reduction of gender barriers in family responsibilities and changing social roles in the team.

At the same time, the level of retention of female employees 12 months following their return dropped from 97.15% in 2023 to 87.44% in 2024, representing a decrease of approximately 10%. This decrease is mainly explained by external circumstances: some female employees chose to stay in safer regions or abroad and were unable to document their return to work as required. In this context, an increase in the retention rate for men appears to be a positive trend: from 71.43% in 2023 to 89.76% in 2024, representing an increase of about 25.7%, which is a record rate over the last three years. The key metrics relating to parental leave are presented in the table below:

Metric	2022	2023	2024
Total employees eligible for parental leave:	2,090	2,222	1711
Men	406	348	671
Women	1,684	1874	1,040
Total employees using parental leave:	538	655	694
Men	100	79	80
Women	438	568	582
Total employees returning to work in the reporting period from their parental leaves:	465	450	258
Men	100	87	112
Women	365	371	178
Total employees returning to work from their parental leaves and remaining employed 12 months after returning to work:	425	411	395
Men	93	70	71
Women	332	341	324
Return-to-work rate for women	96,16%	100%	100%
Return-to-work rate for men	98%	100%	100%
Retention rate for female employees	84.05%	97.15%	87.44%
Retention rate for male employees	84.55%	71.43%	89.76%

Calculaion approach

The return-to-work rate is calculated as the ratio of the number of employees actually returning to work from their parental leaves to the number of employees that were expected to return to work from their parental leaves.

The retention rate is calculated as the ratio of total employees remaining employed 12 months after returning from parental leave to total employees returning from parental leave in the previous reporting period.

AFFECTED COMMUNITIES

NAME	TYPE	IMPACT/RISK DESCRIPTION	VALUE CHAIN STAGE	TIME HORIZON	RELATED POLICIES
Economic development of local communities	Positive actual impact	Interpipe Group operations contribute to economic growth in the regions of its presence through the creation of jobs and development of partnerships with local authorities and has a positive impact on local entrepreneurs whilst supporting the region's economic resilience. Local stakeholder engagement allows the Group to address social and economic needs of community, thereby ensuring sustainable development of the regions.	Own operations	Short-term, Medium-term, Long-term	Policy on Interaction with Local Communities in Regions of Company's Operations
Social projects for local residents	Positive actual impact	Interpipe Group implements large-scale social initiatives focusing on improving the wellbeing of local residents. In particular, Interpipe provides support to the Ukrainian Armed Forces and healthcare facilities and implements educational programmes for internally displaced individuals. Developing vocational training in the region is a special area of focus for the Group. The Group supports vocational training colleges to enable the training of skilled talent and promote technical careers among the younger populations.	Own operations	Short-term, Medium-term, Long-term	Human Rights Policy

AFFECTED COMMUNITIES

Source of impacts and their interaction with strategy and business model [SBM-3]

Interpipe Group recognises the important role of local communities as one of its key stakeholders in the context of its operations and strategic activities. Successful business of the Group entities is closely linked to the wellbeing of residents in the regions of its presence, to the level of social infrastructure development and to the trust communities have in businesses both on the local and national level.

The Group makes positive impacts on communities in various formats, in particular, by creating stable jobs, contributing to the development of social infrastructure, supporting healthcare and educational facilities, as well as by implementing aid programmes for the benefit of internally displaced individuals and veterans. Expectations of local communities regarding the involvement of businesses in the social life have an immediate impact on the Group's decisions. Interpipe addresses the feedback received and adapts its operational decisions and support formats depending on the situation.

The Group's impacts extend to families of its employees, residents of territorial communities in the locations of its production facilities, stakeholders from educational and cultural facilities, local authorities, internally displaced individuals, NGOs and charities. The key communities engaged on a regular basis include Dnipro, Nikopol and Novomoskovsk communities in Dnipropetrovsk region.

To identify material impacts around community engagement, the Group completed an internal analysis that involved its responsible functions and took into account expectations of external stakeholders

Two key positive impacts with a long-term effect on the Group's business and community wellbeing have been identified based on the assessment performed:

- economic development of local communities; and
- social projects for local residents.

These impacts are directly linked to the key areas identified in the internal community engagement policy, namely, healthcare, economic development, infrastructure development in the cities and towns of presence and supporting peace and fairness, including reintegration of veterans (please refer to the section Interpipe's Policy on Interaction with Local Communities in Regions of Company's Operations section for further details).

During 2024, Interpipe Group recorded no adverse impacts on the local communities or other stakeholders caused by its operations. At the same time, the Group reviews social and environmental impacts on an annual basis and takes action to identify and address any potential adverse impacts.

No material risks or opportunities have been identified as part of the double materiality assessment.

Policies [S3-1]

In its community engagement activities, Interpipe Group is governed by the **Policy on Interaction with Local Communities in Regions of Company's Operations** (hereinafter the "Policy" or "Community Engagement Policy"), developed in 2024 and approved by the Group's Board of Directors on 6 March 2025. Please follow the [link](#) to access the full document.

The Policy applies to all Group entities, its employees, management, agents, joint venture partners and other individuals acting on behalf of Interpipe. Governance bodies of each Group entity have overall responsibility

for implementation of this policy and Communications Director is in charge of monitoring the implementation.

In accordance with the Community Engagement Policy, Interpipe is committed to building transparent, constructive and long-term relationships with local communities. In doing so, the Group relies on a clear set of principles, namely: respect for human rights, transparency of actions, community involvement in decision-making, and monitoring of social, economic and environmental impacts of its business.

AFFECTED COMMUNITIES

The Policy describes four key goals:

- identify the priority areas of community engagement;
- develop overall principles of communications and partnerships;
- implement mechanisms to manage material positive and adverse impacts of the Group's business on local communities; and
- set out the principles for implementing social programmes and projects focusing on sustainability.

These goals can only be met in active interaction with a wide range of stakeholders. In particular, the Policy defines the key stakeholders as employees of the Groups and their families, local communities, including NGOs and foundations, stakeholders from educational, cultural and healthcare facilities, local authorities and oversight bodies, media and influencers, and the Group's suppliers. Interactions with each of these groups considers specific areas of their interests and expectations.

In addition, the Community Engagement Policy requires periodic assessment of potential social and environmental impacts on communities. If any risks are identified, the Group takes prompt action to address these risks and communicates them to stakeholders.

The commitments relating to the respect for human rights are described in our Human Rights Policy. The approved **Human Rights Policy** is consistent with:

- The United Nations (UN) Universal Declaration of Human Rights
- UN Guiding Principles on Business and Human Rights
- The Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work.

The Human Rights Policy requires respecting the rights of local communities, including the rights to land, water, health, involvement in decision-making, and respect for cultural and social diversity.

Local community engagement [S3-2]

Interpipe Group engages with communities in a transparent and flexible dialogue custom tailored to meet the goals of projects and needs of specific population groups. Considering the diversity of stakeholders, engagement tools may cover both direct communications and communications through official channels.

Communication channels vary depending on the situation and needs. Direct communications take place, in particular, with employees and their families, the employees called up for military duty, healthcare facilities and veterans via the internal communication system (corporate newspaper, chat bot), official requests or partner arrangements. For the wider audiences, external communications are used, such as posts in the official social media accounts ([Facebook](#), [LinkedIn](#), [Instagram](#)), news in mass media, and news releases posted on the Group's website¹.

Interpipe provides transparent and convenient feedback channels via the CSR manager's email, community engagement hotline and comments or messages on Interpipe's official social media accounts. In certain cases, communications take place through members of local authorities.

Community engagement is used on various stages of the project lifecycle, in particular:

- during the identification and monitoring of social, economic and environmental impacts;
- during the discussion and implementation of projects;
- as part of communicating the outcomes of initiatives or changes in operations of entities.

The frequency and type of interactions depend on the specific project and needs of the community; hence the approaches remain custom tailored.

¹<https://interpipe.biz/>

AFFECTED COMMUNITIES

Communications Director is responsible for the local community engagement process.

The effectiveness of such engagement is based on an analysis of metrics for each project and on quality

feedback from stakeholders, whether positive, neutral or negative. This allows the Group to adjust the approaches on a timely basis and build trust with communities.

Actions [S3-4]

Supporting families of employees

Despite the martial law challenges, during 2024, Interpipe focused on supporting the families of its employees, veterans and communities where the Group entities operate. In the context of safety and care for its people, the Group continues supporting its employees for whom evacuation was arranged in the early days of the invasion, specifically 76 individuals from Nikopol, including 47 children. The Group fully covers accommodation, meals, healthcare, education and recreational costs for these people. The Group

provided financial aid to its employees affected by consequences of the war to cover repairs of their homes for over 450 families. In addition, over 48 thousand grocery vouchers for local supermarkets were issued to the employees in Nikopol. The Company continued arranging summer holidays for employee's children in Carpathian Mountains-based camps, with over 700 children using this option during 2024. On top of that, almost 200 Year 1 school students received school gift sets (consisting of a backpack, lunchbox, stationary items).

Access to quality healthcare (SDG #3- Strong health)

Interpipe's production operations serve as a key industrialisation drivers in its regions of presence, which places an additional strain on local healthcare systems. As a result, the Group considers supporting the healthcare infrastructure to be an element of responsible community engagement. The Company provides systemic donations to hospital and medical centres in Dnipropetrovsk region by supplying equipment, consumables and funding maintenance of premises as appropriate.

Since the beginning of the full-scale invasion, the Group has intensified its support of healthcare facilities treating people injured by the enemy's attacks. Rehabilitation of the military and veterans are a specific area of focus for Interpipe. At the

same time, the Group continues focusing on other vulnerable populations, such as internally displaced individuals, children with disabilities, senior citizens, families of deceased employees and veterans. These categories receive targeted support to help meet their basic healthcare and social needs.

Interpipe actively sponsors healthcare facilities, from donating equipment to funding overhauls and emergency repairs. During 2024, the Group donated to seven hospitals in Dnipro, in particular, Interpipe purchased devices for rehabilitation of limbs, treatment and operating tables, and provided financial and admin assistance in replacing windows, repairing roofs, facades, and installing insulation. Four further hospitals in Dnipro, Nikopol and Novomoskovsk are in the process of repairs scheduled for completion during 2025.

AFFECTED COMMUNITIES

Development of technical and vocational education (SDG #4 - Quality education)

Interpipe supports the development of technical education by working with universities and vocational training colleges, in particular, with Dnipro Polytechnic University, and contributes to updating resource centres and creating technical laboratories.

For the first time since the beginning of the full-scale invasion, Interpipe was able to go back to working on educational projects during 2024. As part of the development of technical and vocational education, the Group facilitated the launch of new mechatronics and crafts classes at Gymnasiums 121 and 24 and purchased training equipment. In addition, Interpipe updated learning resources at four mechatronics classes, three crafts classes and the labs previously launched with the Company's support.



During the reporting period, the Group also scaled its technical education promotion project to vocational training colleges.

In particular, this included an upgrade of the machine shop at Vocational Training College 2, where the Group funded:

- the repairs of 2 classes
- and donate modern lathe, milling and bandsaw machines, furniture, computers and an interactive board.



The class is now able to train up to 150 skilled tradesmen a year.

For the first time, Interpipe facilitated a children's technical camp for 9-15-year-olds at uPipe educational centre. The curriculum included transport modelling, drone operating, chemical experiments, art therapy and tours of manufacturing facilities. The camp was attended by 130 children.

To promote technical careers among the younger populations, the Group resumes tours of its production facilities in 2024. Such visits were organised for students from 15 schools and 5 vocational training and general education colleges.

AFFECTED COMMUNITIES

Development of the cities of presence (SDG #11 - Sustainable cities and communities)

Interpipe Group contributes to developing urban infrastructure in the communities where its facilities are located, including small towns, initiates and supports landscaping projects, building of parks, children’s playgrounds and athletic grounds, and public recreational spaces.

Prior to the full-scale invasion, Interpipe was among the initiators of a large recreational space to be created in Nikopol, implemented landscaping projects in Dnipro and contributed to establishing a pet rescue shelter. Despite the wartime limitations, the Group intends to continue supporting such initiatives in the communities of its presence.

Supporting conscripted employees, veterans and IDPs

Since the beginning of the full-scale invasion, many employees of the Group, both conscripted and volunteers, joined the Armed Forces and Territorial Defence Forces to defend Ukraine. Since day 1 and until now, supporting the conscripted employees has remained a key priority for the Group as over 1,000 its employees served in the Armed Forces of Ukraine and Territorial Defence Forces as of the year-end 2024.

The Community Outreach team at Interpipe looks after the conscripted employees and veterans returning to work in the Group entities after the demobilisation from the military. Each serviceman is provided targeted aid and advice from their personal coordinator. The conscripted employees receive ballistic ammunition, footwear, first-aid kits, medication, hygiene supplies and groceries on a regular basis. On special request, the Community Outreach team purchases the requested equipment for the military, such as power generators, power banks, computer equipment, and vehicles.



Since the beginning of the war, Interpipe Group has donated to the military:



4,000+
items of equipment



3,000+
sets of uniforms



4,000+
pairs of footwear



3,000
first-aid kits

In 2024, Interpipe created a separate team for working with veterans. Out of the conscripted contingent, 95 veterans have already returned to their civilian lives and employment with the Group, whilst 28 further veterans were hired by the Group entities following the demobilisation from the military. The Community Outreach team provides comprehensive support to each veteran during the reintegration process by arranging medical and psychological care, legal advice and employment in a role that meets the needs and fits the abilities of the employee. The Group also facilitates regular veteran meetings at its entities run as mentored support groups.



AFFECTED COMMUNITIES



Additionally, a range of reintegration activities, such as group trips, hobby groups, art therapy, hippotherapy, etc.

As of the end of 2024, Interpipe has lost 76 employees killed in action at the frontline. The Company did not leave the families of the deceased employees alone in their grieving and provided financial aid of UAH 100 thousand to each family. Interpipe continues providing support to the families of its deceased employees with young children or family members requiring ongoing medical care by funding their treatment, donating various items they require and providing appropriate support in day-to-day matters.

To those who have returned from the war injured, both the conscripted employees and veterans with no prior employment with the Group, Interpipe provides everything they need to recover, from medication and medical equipment to admin support.

Additionally, Interpipe Group continues to prioritise IDPs: in 2024, the Group provided heating timber to the displaced families, donated to shelters and helped with arranging maintenance works.

Interpipe also focuses its efforts on supporting the Armed Forces of Ukraine by donating various required gear to military units.

AFFECTED COMMUNITIES

Identifying community needs in the regions of presence

The needs of local communities are identified through the ongoing dialogue with stakeholders. Interpipe prepares and maintains community engagement plans for the purpose of joint identification of priority social initiatives. The Group involves representatives from the communities, local authorities, employees and other stakeholders in the preparation and oversight of such plans.

If any new social or environmental challenges are identified, the Group assesses their materiality involving relevant stakeholders to better understand the topics of the greatest concern among the population.

Interim metrics are used to evaluate the effectiveness of the action taken, such as:

- number of requests from healthcare facilities met in the reporting period;
- number of school and college students regularly attending Interpipe’s educational initiatives;
- employees’ trust in the company to support their families in the evacuation;
- percentage of military unit requests met;
- share of veterans returning to work in the Group following the demobilisation from the military;
- quality of feedback received through both internal and external communication channels.

Plans for 2025

In 2025, Interpipe Group intends to continue working on all the key social initiatives launched in previous years. Remaining among the constant priorities are systematic assistance to conscripted employees, veterans and their families, and support of the Ukrainian Armed Forces and Territorial Defence Forces.

In 2025, Interpipe will continue donating to local hospitals, with construction work projects currently being funded for four hospitals and new requests for donations incoming from the hospitals the Group has supported before. The Group will continue covering the accommodation, meals and daily costs for the families of employees in evacuation, while those remaining in frontline districts will continue receiving monthly grocery certificates.

For children, the Group will cover summer and technical camps, gift bags for Year 1 school students and various support and development activities.



Targets [S3-5]

In its community engagement work, Interpipe Group identifies a number of key targets that reflect its long-term commitments to local communities and address today’s challenges. Some targets are indefinite in nature, in particular, including assisting communities in overcoming the consequences of the war, supporting healthcare facilities, providing stable jobs to employees and supporting veterans and conscripted employees in the process of returning to civilian lives.

Another important component is also creating decent

living conditions for vulnerable populations, including internally displaced persons. Interpipe continues contributing towards their accommodation, daily living costs and adaptation to the new conditions. Another target is related to the development of technical and vocational education, where Interpipe commits to providing access to modern training resources for the youth and children and promote technical careers in the region. These targets are incorporated in the long-term community engagement strategy and achieved working closely with local residents.

BUSINESS CONDUCT

Material impacts, risks and opportunities [SBM-3]

Based on the double materiality assessment, Interpipe has identified material impacts related to responsible business conduct. No material risks and opportunities were identified in 2024. Given the nature of the Group's business, the Group considered the following

issues in assessing impacts, risks and opportunities: bribery, corruption, fraud, conflicts of interests, anti-competitive behaviours, whistleblower protection, abuse of human rights and supplier relationship management.

NAME	TYPE	IMPACT/RISK DESCRIPTION	VALUE CHAIN STAGE	TIME HORIZON	RELATED POLICIES
Impacts:					
High level of corporate culture	Positive actual impact	Interpipe's strong corporate culture is focused on facilitating the ethical and transparent business environment, promoting respect for human rights at all activity levels, and commitment to employees, partners and consumers.	Own operations	Short-term, Medium-term, Long-term	
Prevention and detection of corruption and bribery	Positive actual impact	Implementing a consistent comprehensive approach to corruption and bribery prevention by the Group has a positive impact on strengthening the ethical culture, transparency and confidence within the Group and of external stakeholders.	Own operations	Short-term, Medium-term, Long-term	<ul style="list-style-type: none"> ■ The Code of Ethics; ■ The Human Rights Protection Policy; ■ The Personal Data Protection Policy; ■ The Anti-corruption Policy; ■ The Code of Ethics and the Equality, Diversity and Engagement Charter; ■ The Responsible Procurement Charter.
Whistleblower protection (confidentiality of complaints)	Positive actual impact	Maintaining an effective mechanism of whistleblower protection and malpractice reporting confidentiality is an important element of ethical management within the Group, which has a positive impact on the identification and elimination of irregularities, and the strengthening of internal controls and confidence in the governance system.	Own operations	Short-term, Medium-term, Long-term	<ul style="list-style-type: none"> ■ The Code of Ethics and the Equality, Diversity and Engagement Charter; ■ The Responsible Procurement Charter.
Supplier relationship management	Positive actual impact	The Group has set out supplier requirements for compliance with ethical principles, prevention of corruption, respect for human rights, a decent working, health and safety environment, and the environmental protection, which has a positive impact on the mitigation of environmental and social risks, ensures that stakeholders' expectations are met, and facilitates establishing sustainable and responsible partnership relations within a supply chain.	Own operations	Short-term, Medium-term, Long-term	

BUSINESS CONDUCT

Role of governance bodies in the business conduct area [GOV-1]

Key responsibilities for promoting appropriate business conduct are assigned to the Compliance Director who oversees:

- maintaining compliance and business conduct management;
- sustaining regular staff communications about business conduct expectations of the Group;
- supporting the operation of the Whistleblowing Hotline;
- exercising control over compliance with the policies.

In addition, the Departments for Legal Support, Economic Security and Compliance are responsible for ethical and anti-competitive behaviour management. These Departments also initiate a regular review of relevant policies and procedures to update them in line with legislative developments and emerging risks.

Members of the Board Directors have extensive expertise in appropriate business conduct covering:

- experience in strategic management, including the implementation of controls and transparent management systems in international businesses;
- compliance, risk management, human capital, finance, sustainability and public policy competencies specified in the Group's authority matrix;
- hands-on experience in promoting an integrity-focused corporate culture.

In particular, all independent directors previously held senior positions in international companies having responsibility for good corporate governance, compliance with ethical standards, transparency and accountability. Top management undergoes all mandatory business conduct and compliance training courses as required for other employees.

Corporate culture and business conduct policies [G1-1]

Interpipe pursues initiatives designed to establish, develop and support a strong corporate culture based on the ethical business principles.

To implement those initiatives, Interpipe has a comprehensive system of responsible business

conduct policies in place at the Group level:

- The Code of Ethics;
- The Personal Data Protection Policy;
- The Anti-corruption Policy;
- The Responsible Procurement Charter;
- The Anti-corruption and Ethical Principles Compliance Programme.

All effective Policies are approved by the Board of Directors of the Group and, if necessary, by responsible bodies for management of legal entities. These Policies are publicly available at the official website and are based on principles of the International Labour Organisation Conventions and the UN Global Compact.

The above documents are designed to ensure that all employees, irrespective of their level, comply with the highest integrity, transparency and ethical conduct standards.

The Code of Ethics already referred to in the sections related to the policies for own employees (S1-1) and for remediation of negative impacts and complaint channels (S1-3) reflects Interpipe's commitment to the ethics, human rights and transparency principles.

The Code of Ethics regulates fundamental principles of conduct of the employees and the Group to ensure integrity and accountability of all activities. It sets out a duty to comply with the legislation and to ensure that human rights, a decent working environment, and non-discrimination and anti-corruption are promoted. The Code defines standards of engagement with customers, partners and competitors by safeguarding the Group's confidential information and assets. It also commits the Group to act in an environmentally sustainable manner and with respect for local communities. The Code provides for whistleblowing mechanisms, whistleblower safeguards and incident response procedures to facilitate ongoing ethical culture enhancements within the organisation.

The Code is applicable globally and is relevant for various groups of stakeholders, specifically for employees and business partners within the supply chain.

The company does not currently have a dedicated approved Whistleblower Protection Policy; however, it is at the final stage of development. The policy is expected to be adopted shortly and to ensure that additional whistleblower safeguards are implemented.

BUSINESS CONDUCT

The Personal Data Protection Policy defines Interpipe's personal data processing and protection approaches as required by the General Data Protection Regulation (GDPR) and other applicable regulations.

The Anti-corruption Policy regulates the principles of preventing, detecting and addressing bribes, abuse of office and embezzlements at all Group entities. It sets forth mandatory integrity requirements for employees and partners and determines whistleblowing mechanisms.

Furthermore, **the Anti-corruption and Ethical Principles Compliance Programme** establishes clear conduct rules and expectations to be met by all employees, management and stakeholders of the Group.

The Responsible Procurement Code sets out the ethical, social and legal standards for the Group's interactions with its suppliers. The Group is committed to ensuring fair treatment of suppliers, compliance with anti-corruption principles, data privacy, developing effective and responsible partnerships, preventing economic dependencies, and support of local communities.

The Group expects that its suppliers comply with a range of key principles, in particular: no child and forced labour, no discrimination, fair compensation and compliance with employment law, respect for the right of employees to freely associate and collectively bargain, ensuring safety and wellbeing of employees, and compliance with environmental requirements.

The ethical norms, principles and standards apply to all entities within the Group and are binding for all employees regardless of their role or business unit. All commitments assumed by the Group are systematically communicated to employees, business partners and other stakeholders. These commitments are communicated via public posts on the corporate portal and embedded in day-to-day working processes.

Ethical standards are reinforced by awareness campaigns and training delivered to employees. To this end, the Group:

- Delivers mandatory ethics, compliance and human rights e-learning and webinars;
- Encourages its employees to read codes and policies regulating ethical behaviours and responsible business conduct;
- Provides access to training materials through internal communication platforms.

Managers at all levels are responsible for adoption and compliance with ethical conduct principles. Compliance Director is immediately responsible for monitoring compliance with the requirements set out in the Policies, while CEO provides overall guidance and support to ethical culture within the Group. To monitor the training effectiveness, Interpipe conducts assessments via questionnaires and testing once every two years (or more frequently where appropriate). This enables the Group to identify knowledge gaps on a timely basis, adapt training approaches and ensure consistent adoption of ethical standard in day-to-day activities.

Interpipe Group operates a **Group-wide Whistleblowing Hotline** available to employees and other stakeholders to report potential non-compliance with ethical standards or provide feedback on potential improvements of business conduct. All concerns reported to the hotline are escalated to Compliance Director or Economic Security, depending on the nature of the concern. Reports are investigated in compliance with applicable data privacy and personal data protection law. Responsible employees analyse the reports and provide a motivated response or consultation to the whistleblower based on the outcomes of such analysis. The Group guarantees fair and unbiased treatment of each whistleblower.

BUSINESS CONDUCT

Management of relationships with suppliers [G1-2]

Interpipe Group’s policy is to adopt a socially and environmentally responsible approach to procurement. **The Responsible Procurement Charter** sets out requirements for suppliers and covers a range of matters such as ethics, anti-corruption, human rights, employment standards, occupational health and safety, and environmental matters. The Group’s procurement processes are regulated by internal regulations and policies that are reviewed and updated on a regular basis.

During 2024, key goods sourced from local suppliers included ferroalloys, fuel, spare parts, metal products, wooden packaging, rolling tools, personal protective equipment, lubricant, rollers, scrap metals, electricity and natural gas. At the same time, key goods sourced from international suppliers included refractory materials, components, cutting tools and paint products.

The Group uses a system of targets, metrics and indicators to measure the performance of its

procurement approaches and initiatives. In particular, it involves mandatory checks for ties with the aggressor state, sanctioned jurisdictions and for compliance with international and national sanction restrictions for ultimate beneficial owners of all counterparties. In addition, the Group monitors compliance with the Law of Ukraine on Prevention and Counteraction to Legalisation (Laundering) of the Proceeds of Crime, Terrorist Financing and Financing of Proliferation of Weapons of Mass Destruction and applicable sanction law.

The procurement management system within the Group is built on the centralised approach to meeting production needs where individual procurement categories are then allocated based on functional requests from internal business units. Strategic high-value resources that immediately affect the production of finished goods, such as scrap metal, electricity, and natural gas, are subject to special controls. The officials responsible for the oversight of each respective procurement category are presented in the table below.

Responsibility for procurement and supplier due diligence within the Group

Commercial Director, Interpipe Dniprovstmet JSC	.....	Scrap metal
Director, Dniprosteel-Energo LLC	.....	Electricity
CEO, CFO, Tube Division Director, Interpipe Ukraine LLC	.....	Natural gas
Procurement and Logistics Director, Interpipe Ukraine LLC	.....	Goods and services
Communications Director, Interpipe Ukraine LLC	.....	Marketing and Advertising procurement
Head of IT, Interpipe Ukraine LLC	.....	IT procurement
HR Director, Interpipe Ukraine LLC	.....	HR procurement

BUSINESS CONDUCT

The Group thoroughly monitors the origination and production conditions of the raw materials and products it sources. In particular, when the Group purchases electricity, a written confirmation of origin is required from suppliers. For goods, works and services, suppliers are required to provide relevant certificates of quality and origin.

As for interactions with suppliers, the Group follows a range of principles:

- fair and non-discriminatory treatment of all suppliers;
- anti-corruption;
- support of supplier performance improvement and involvement in the development of local communities;
- no economic dependency;
- transparent communications and confidentiality.

Please refer to the Responsible Procurement Charter for further details on these commitments.

Based on the above principles, the Group adopts a systematic approach to the selection of new suppliers covering several stages and sources:

- audits to evaluate the performance and quality of components;
- accreditation on the e-tendering platform;
- analysis to establish whether the procured item meets the criteria;
- monitoring of scrap metal quotes on e-trading platforms;
- direct contacts with relevant industrial companies;
- attending discussions and meetings between scrap production industry players.

For local suppliers¹ the key assessment criteria are conformity with quality standards for their products and beneficial commercial terms offered. A similar set of criteria is applied for international suppliers.

In addition, Interpipe conducts supplier and contractor due diligence to evaluate the manufacturing conditions and compliance of products with the requirements.

The Group also requests details of scrap origin from its suppliers, including the dismantled facilities the scrap originates from. The quality control of each batch is based on the acceptance and origin confirmation statements.

Procedures in place for direct supplies of scrap metals are governed by a separate regulation that sets out a clear set of acceptance requirements. Interpipe Group ensures compliance with the national standards and technical requirements, which are agreed with suppliers.

To enable effective interactions and quick response to potential issues by scrap metal suppliers (2024: 158 suppliers), the Group facilitates meetings attended by Interpipe Dniprovtormet management, site visits to suppliers' production facilities, attends industry conferences and encourages membership in industry associations.

Potential risks arising from doing business with a new scrap metal supplier are assessed prior to contracting based on internal risk management procedures and applicable law of Ukraine.

The Group works with scrap metal suppliers based on annual contracts, monthly supply schedules and public auctions.

For purchases of electricity (25 suppliers in 2024), counterparties are sourced through bidding in auctions run at the Ukrainian Energy Exchange or based on direct arrangements with private traders or suppliers.

For purchases of products and services (2024: 3,640 suppliers), the Group is governed by the internal policies, relevant internal regulations, and quality management system documentation.

All procurement-related communications - from production needs to marketing, IT and HR services - are organised through the integrated internal e-tendering platform.

¹ Residents of Ukraine

BUSINESS CONDUCT

Prevention and detection of corruption and bribery [G1-3]

As disclosed above, the Group has the Anti-corruption Policy and the Anti-corruption and Ethical Principles Compliance Programme in place that implement a set of measures to prevent, identify and respond to corruption and bribery.

The Group has implemented the following key procedures to support these two documents:

- Anti-corruption training delivered for employees of all entities within the Group. Training events are delivered by Compliance and Economic Security functions. The attendance rate for the reporting year was 100%, excluding production roles. Out of this, 65.8% employees of Ukrainian companies and 63.6% employees of international companies have successfully passed assessment tests on completion of these training events. In particular, during the reporting year, the Group delivered mandatory anti-corruption policy training for employees in high-risk roles, including Procurement.
- Internal controls covering legal compliance checks and checks of compliance with internal policies and codes, control over key business processes, reasonability and feasibility of spending.
- Procurement procedure requiring mandatory approval of any procurement above USD 10,000 by the Tender Committee.

The Anti-corruption Policy applies to all employees, suppliers, contractors and other counterparties. Anti-corruption clauses are also integrated in the Code of Ethics and the Responsible Procurement Code.

During 2024, the anti-corruption policies and procedures were communicated to all employees and external partners of the Group. The Group disseminates communications about the instances of non-compliance identified via the corporate newsletter and printed media.

Head of Economic Security and Compliance Director are responsible for managing prevention and counteraction of corruption. These officials are in charge of investigating any confirmed or alleged corruption incidents, in cooperation with Controlling department where appropriate. The investigation is conducted

independent of the business units employing the investigated individuals and independent of the Group management.

Upon completion, a report is issued and presented for consideration and approval to Head of Economic Security and Head of Legal and other responsible business units as appropriate. Where appropriate, the report is provided to the head of the respective legal entity who approves relevant decisions or documents. In addition, Economic Security prepares summarised reports on a regular basis and presents them to the Board of Directors for consideration. These reports are used as a basis for decisions on the future course of action.

In addition, the Group implemented a range of safeguards in this area applied on an ongoing basis:

- Transparency of tender-based procurement;
- Anti-corruption risk assessment;
- Communicating potential implication of non-compliance with anti-corruption law and Group policies to all employees;
- Periodic monitoring of activities of management and third parties that mitigates the risks arising from abuse of power, conflict of interests or unauthorised influence;
- Identifying illegal activities where the perpetrator may be subject to administrative or criminal charges;
- Protection of whistleblowers (individuals reporting incidents such as embezzlement, fraud, bribery, conflict of interests, etc.) and those refusing to be involved in or enable such acts.

In addition, the Group uses the following responses to corruption incidents:

- Investigation of corruption-related incidents followed by reporting the case to law enforcement authorities and monitoring the ultimate outcome of such cases;
- Initiating lawsuits with courts;
- Seeking reimbursement of damages for embezzlement, abuse, fraud, theft and other offences.

If any non-compliance is identified, Interpipe always reaches out to all employees via the corporate newsletter and newspapers to communicate the

BUSINESS CONDUCT

incident and reinforces that non-compliance with the Group rules and policies and applicable law is unacceptable.

In particular, the Group has a system of whistleblowing for reports of bribery, abuse of office and embezzlement for its employees, customers and partners including hotlines and communication channels via the website and email.

Economic Security hotline:

+38 (056) 747-40-90

+38 (056) 747-40-76

Direct line to Head of Economic Security:

+38 (0562) 747-40-70

Whistleblowing email account:

antifraud@interpipe.biz

Reported incidents are processed following the procedure below:

1. The report is recorded and a message confirming receipt is sent to the whistleblower within five business days.
2. The report is processed by Economic Security, Compliance or Internal Audit. If appropriate, the report may be escalated to the Group top management.
3. To ensure an unbiased and confidential investigation, employees are involved in the investigation process strictly on a need-to-know basis.
4. An investigation typically takes up to 90 days, however in certain cases may be extended depending on the complexity of the case.
5. Based on the outcomes of the investigation, management approves a decision on relevant actions (including any potential disciplinary or legal steps) and gives the final response to the whistleblower (provided that contact details were provided).

FINANCIAL STATEMENTS

of Interpipe Group



Consolidated Financial Statements

year ended 31 December 2024

CONTENT

MANAGEMENT REPORT	140
STATEMENT OF DIRECTORS' AND MANAGEMENT'S RESPONSIBILITIES	143
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024	144
Consolidated statement of financial position	144
Consolidated statement of comprehensive income	147
Consolidated statement of changes in equity	149
Consolidated statement of cash flows	150
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	
Corporate information	152
Operating environment and risks of the Group	152
Basis of preparation	155
Material accounting policy information	158
Significant accounting judgements and estimates	168
Segment information	171
Fair value measurement	179
Property, plant and equipment	181
Intangible assets	184
Investments in associates	185
Income tax	187
Inventories	192
Trade and other accounts receivable	192
Other non-current assets, prepayments and other current assets	193
Taxes recoverable, other than income tax	194
Cash and cash equivalents	194
Borrowings and interest payable	195
Provisions	197
Trade and other accounts payable	200
Advances and other current liabilities	201
Taxes payable, other than income tax	201
Cost of sales	201
Selling and distribution expenses	202
General and administrative expenses	202
Other operating income and expenses	203
Operating and non-operating foreign exchange differences	204
Finance income	204
Finance costs	205
Equity	205
Principal subsidiaries	206
Related party transactions	207
Commitments, contingencies and operating risks	208
Financial instruments	210
Financial risk management	214
Events after the reporting period	220

MANAGEMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

The directors present their Report together with the accompanying Consolidated Financial Statements of Interpipe Holdings PLC (referred to herein as the “Company”) and its subsidiaries (collectively referred to herein as the “Interpipe” or the “Group”), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statements of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information (the “Consolidated Financial Statements”).

Principal Activity and Subsidiaries

The Company was incorporated as a limited liability company under the name of Interpipe Holdings Limited in accordance with the Companies Law of Cyprus on 4 April 2019. It was changed to a public company with limited liability under the Laws of Cyprus and renamed to Interpipe Holdings PLC on 24 July 2019. The registered office and the principal place of business of the Company is Stasikratous 16, Paloma Court, 5th floor, flat/office 501, 1065, Nicosia, Cyprus.

The Company operates through a number of subsidiaries in various jurisdictions (the list of the subsidiaries is disclosed in Note 30 to the accompanying Consolidated Financial Statements) and has concentration of its business in Ukraine, where its production subsidiaries are located.

The principal activity of the Company, which remains unchanged from the prior year, is holding ownership interests in its subsidiaries, their financing and strategic management. The Group’s activities, which are not changed from the prior year, comprise design, manufacture and distribution of steel tubes, solid-rolled railway wheels, wheelsets and steel billets.

Development and Performance of the Business

The Group is the largest vertically integrated manufacturer of steel billets, steel pipes and railway wheels and wheelsets in Ukraine. The vertical integration secures cost control and global competitive advantage, leading position in cost amongst peers and performance in line with market leaders. In addition it allows successful scaling of the production across all segments with preservation of low cost base. The Group is a significant player in (I) the steel pipes international market supplying its products to customers in more than 60 countries and (II) in the railway wheels and wheel sets market being the number one wheels’ exporter in the world, with presence in more than 30 countries globally and sizable market share in every important geographical region.

The Group’s financial position and performance as at and for the year ended 31 December 2024 are set out on pages 13 and 14 of the accompanying Consolidated Financial Statements, respectively.

Principal Risks and Uncertainties and Going concern

The Group is largely exposed to the risks of operating environment in Ukraine.

The full-scale war in Ukraine that commenced with the Russian invasion of Ukraine on 24 February 2022 is still ongoing. The military attack has led, and continues to lead, to significant casualties, dislocation of the population, damage to infrastructure and disruption of economic activity in Ukraine. Due to the adaptation of businesses and households to the new conditions GDP growth rate comprised 2.9% and 5.3% in 2024 and 2023, respectively.

MANAGEMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

Management of the Group has reorganised the business processes based on the following key assumptions:

- no further significant progression of Russian troops into the territory of Ukraine and no further escalation of military actions that could severely affect the Group's assets;
- Ukrainian logistics systems, both automobile and railroad, will allow internal and export shipments to be carried in limited volumes at least;
- the Group's operations will be focused on expense minimization, cash outflows reduction combined with the support of the key personnel together with core equipment functionality maintenance and preservation.

Further discussion on the operating environment and related risks of the Group and going concern considerations is included in Note 2 to the accompanying Consolidated Financial Statements.

Other principal operating and financial risks of the Group are discussed in Notes 32 and 34 to the accompanying Consolidated Financial Statements.

Main Strategic Objectives

The Group's key long-standing strategic objectives are to diversify its geographic presence and product mix in order to enhance its position as a leading producer of pipes and wheels and to expand the presence of its products in the global markets. The Group intends to pursue this strategy by increasing its seamless pipes and railway wheels production, enhancing its product mix, improving quality of its products and services, expanding its global presence and working more closely with its customers to deliver higher value-added products and services while improving profit

margins. The Group is in the process of implementation of its strategic investment programme which should enable the Group's products to meet more challenging and demanding quality requirements in the new markets. The success of this initiative is viewed as the key success factor for the Group in penetrating new markets and diversifying the customer base to compensate for a significant reduction of demand in our traditional geographical segments.

For more information on operating environment and risks of the Group, refer to Note 2 to the accompanying Consolidated Financial Statements.

Research and Development

In 2024, the Group did not carry out any material research and development activities meeting capitalisation criteria under IFRS Accounting Standards.

Issued Capital and Distributions

Details of the Company's equity accounts formation and changes are disclosed in Note 29 to the accompanying Consolidated Financial Statements.

There were no dividends paid during the years ended 31 December 2024 and 31 December 2023.

Branches

The Company did not operate through any registered branches during the reporting periods.

MANAGEMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

Board of Directors

As at 31 December 2024, composition and responsibilities of the Company's Board of Directors was as follows:

Name	Function	Date of initial appointment to the Board of Directors
Ganna Khomenko	Non-Executive Director	9 December 2009
Iuliia Chebotarova	Non-Executive Director	10 October 2012
Philippe Bideau	Independent Non-Executive Director	15 June 2016
Oleksandr Kirichko	Non-Executive Director	1 December 2018
Thomas Myer Kearney	Independent Non-Executive Director	23 July 2020
Fiona Jane Mary Paulus	Independent Non-Executive Director	23 July 2020
Fadi Hraibi	Chairman of the Board, Non-Executive Director	1 November 2016

There is no requirement in the Company's Articles of Association for the retirement of the Directors by rotation, the respective Directors presently members of the Board continue in the office.

The following changes occurred in the Board of Directors' composition and allocation of responsibilities during the year and up to the date of this report:

- in May 2024, Andrii Korotkov resigned from the position of the Director of the Board of Directors and the CEO of the Company;
- in May 2024, Yakiv Konstantyniv's'ky resigned from the position of the Non-Executive Director of the Board of Directors;
- in January 2025, Fadi Hraibi was appointed as Chairman of the Board of Directors;
- starting from 1 May 2025, Luca Zanotti was appointed as a Director of the Company.

Except for the changes disclosed above, there were no other changes in the assignment of responsibilities and remuneration of the Board of Directors during the year and up to the date of this report.

Events after the Reporting Period

Events after the reporting period date are disclosed in Note 35 to the accompanying Consolidated Financial Statements.

Independent Auditors

The independent auditors, Ernst & Young Cyprus Limited, have expressed their willingness to continue in office. A resolution for their reappointment and for giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

STATEMENT OF THE DIRECTORS' AND MANAGEMENT'S RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2024

The following statement is made with a view to specifying the respective responsibilities of the Board of Directors in relation to the Consolidated Financial Statements of Interpipe Holdings PLC and its subsidiaries (collectively referred to as the "Group").

The Board of Directors is responsible for the preparation of the Consolidated Financial Statements which present fairly the consolidated financial position of the Group as at 31 December 2024 and the consolidated statements of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the Consolidated Financial Statements, including material accounting policy information, in accordance with IFRS as adopted by the European Union and the Cyprus Companies Law, Cap.113.

In preparing the Consolidated Financial Statements, the Board of Directors is responsible for:

- selecting suitable accounting principles and applying them consistently;
- making judgements and estimates that are reasonable and prudent;
- stating whether IFRS Accounting Standards have been followed, subject to any material departures disclosed and explained in the Consolidated Financial

Statements; and

- preparation of the Consolidated Financial Statements on a going concern basis, unless it is inappropriate to presume that the Group will continue in business for the foreseeable future.

The Board of Directors, within their competencies, is also responsible for:

- designing, implementing and maintaining an effective system of internal controls, throughout the Group;
- maintaining statutory accounting records in compliance with local legislation and accounting standards in the respective jurisdictions of countries of incorporation;
- taking steps to safeguard the assets of the Group; and
- detecting and preventing fraud and other irregularities.

The Consolidated Financial Statements for the year ended 31 December 2024 were authorised for issue on 9 May 2025.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

(in thousands of US dollar)

ASSETS	Notes	31 December 2024	31 December 2023
Non-current assets			
Property, plant and equipment	8	332,414	379,718
Intangible assets	9	3,957	3,438
Investments in associates	10	534	544
Deferred tax assets	11	11,487	11,075
Prepaid income tax		135	156
Other non-current assets	14	147,164	117,280
		495,691	512,21
Current assets			
Inventories	12	171,867	184,493
Trade and other accounts receivable	13	110,123	108,499
Prepayments and other current assets	14	89,212	24,150
Prepaid current income tax		1,471	723
Taxes recoverable other than income tax	15	31,558	29,831
Cash and cash equivalents	16	285,504	247,473
		689,735	595,169
TOTAL ASSETS		1,185,426	1,107,380

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

(in thousands of US dollar)

EQUITY AND LIABILITIES	Notes	31 December 2024	31 December 2023
Equity attributable to equity holders of the parent company			
Issued capital, net of unpaid	29	5	5
Share premium		94,277	94,277
Revaluation reserve		379,924	409,171
Retained earnings		1,870,006	1,573,543
Foreign currency translation reserve		(1,704,741)	(1,556,058)
		495,691	512,211
Non-controlling interests			
Non-controlling interests		7,064	9,629
TOTAL EQUITY	29	646,535	530,567

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

(in thousands of US dollar)

EQUITY AND LIABILITIES	Notes	31 December 2024	31 December 2023
Non-current liabilities			
Long-term borrowings	17	301,671	315,644
Deferred tax liabilities	11	7,881	20,872
Provisions	18	27,006	21,008
		336,558	357,524
Current liabilities			
Current portion of the long-term borrowings and accrued interest payable	17	18,124	68,532
Trade and other accounts payable	19	96,282	89,877
Advances and other current liabilities	20	37,382	30,199
Current income tax payable		39,967	22,143
Taxes payable other than income tax	21	6,730	5,258
Provisions	18	3,848	3,280
		202,333	219,289
TOTAL LIABILITIES		538,891	576,813
TOTAL EQUITY AND LIABILITIES		1,185,426	1,107,380

The Notes presented on pages 156 – 224 form an integral part of these Consolidated Financial Statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AS AT 31 DECEMBER 2024

(in thousands of US dollar)

	Notes	2024	2023
Revenue	6	1,050,391	988,706
Cost of sales	22	(648,407)	(527,933)
Gross profit		401,984	460,773
Selling and distribution expenses	23	(131,808)	(85,252)
General and administrative expenses	24	(47,392)	(44,093)
Loss on revaluation of property, plant and equipment	8	-	(867)
Other operating income	25	55,536	13,137
Other operating expenses	25	(43,244)	(30,104)
Operating foreign exchange differences	26	101,971	44,864
Operating profit		337,047	358,458
Gain on disposal of subsidiary	30	1,573	-
Finance income	27	30,672	12,248
Finance costs	28	(39,848)	(76,895)
Non-operating foreign exchange differences	26	(2,296)	(2,380)
Share of profit of associates and joint venture	10	43	153
Profit before tax		327,191	291,584
Income tax expense	11	(46,712)	(38,691)
Profit for the year		280,479	252,893
Profit/(loss) attributable to:			
Equity holders of the parent company		281,330	250,895
Non-controlling interests		(851)	1,998
		280,479	252,893

The Notes presented on pages 156 – 224 form an integral part of these Consolidated Financial Statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AS AT 31 DECEMBER 2024

(in thousands of US dollar)

	Notes	2024	2023
Other comprehensive loss to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations	34	(148,900)	(56,159)
Gain reclassified to profit or loss from disposal of foreign operation	30, 34	(1,257)	-
Net other comprehensive loss to be reclassified to profit or loss in subsequent periods		(150,157)	(56,159)
Other comprehensive (loss)/income not to be reclassified to profit or loss in subsequent periods:			
Remeasurement loss on defined benefit plans	18	(5,920)	(481)
Income tax effect	11	1,066	86
		(4,854)	(395)
(Effect of impairment of individual assets)/ Revaluation of property, plant and equipment	8	(5,454)	156,684
Income tax effect	11	982	(28,203)
		(4,472)	128,481
Net other comprehensive (loss)/income not to be reclassified to profit or loss in subsequent periods		(9,326)	128,086
Other comprehensive (loss)/income for the year, net of tax		(159,483)	71,927
Total comprehensive income/(loss) attributable to:			
Equity holders of the parent company		123,561	321,092
Non-controlling interests		(2,565)	3,728
		120,996	324,820

The Notes presented on pages 156 – 224 form an integral part of these Consolidated Financial Statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2024

(in thousands of US dollar)

Attributable to equity holders of the parent company

	Issued capital net of unpaid	Share premium	Revaluation reserve	Retained earnings	Foreign currency translation reserve	Total	Non-controlling interests	Total equity
At 1 January 2023	5	94,277	291,779	1,313,973	(1,500,188)	199,846	5,901	205,747
Profit for the year	-	-	-	250,895	-	250,895	1,998	252,893
Other comprehensive income/(loss) (Note 8, 11, 18)	-	-	126,462	(395)	(55,870)	70,197	1,730	71,927
Total comprehensive income/(loss)	-	-	126,462	250,500	(55,870)	321,092	3,728	324,820
Depreciation transfer	-	-	(9,070)	9,070	-	-	-	-
At 31 December 2023	5	94,277	409,171	1,573,543	(1,556,058)	520,938	9,629	530,567
Profit for the year	-	-	-	281,330	-	281,330	(851)	280,479
Other comprehensive loss (Note 8, 11, 18)	-	-	(4,232)	(4,854)	(148,683)	(157,769)	(1,714)	(159,483)
Total comprehensive income/(loss)	-	-	(4,232)	276,476	(148,683)	123,561	(2,565)	120,996
Depreciation transfer	-	(25,015)	25,015	-	-	-	-	-
Loans granted remeasurement (Note 14)	-	-	-	(5,028)	-	(5,028)	-	(5,028)
At 31 December 2024	5	94,277	379,924	1,870,006	(1,704,741)	639,471	7,064	646,535

Share premium is not available for distribution.

CONSOLIDATED STATEMENT OF CASH FLOWS AS AT 31 DECEMBER 2024

(in thousands of US dollar)

	Notes	2024	2023
Profit before tax		327,191	291,584
Adjustments for:			
Depreciation and amortisation	22, 23, 24	39,938	23,002
Loss on revaluation of property, plant and equipment	8	-	867
Loss/(gain) on disposal of property, plant and equipment and intangible assets	25	965	(715)
Impairment losses on individual assets	8	1,891	-
Finance costs	28	39,848	76,895
Finance income	27	(30,672)	(12,248)
Movement in provisions, less interest cost, and other movements		30,543	7,372
Share of gain of associates	10	(43)	(153)
Gain from the disposal of subsidiary	30	(1,573)	-
Foreign exchange differences		(101,520)	(41,503)
Operating cash flows before working capital changes		495,691	512,211
Increase in inventories		(8,129)	(19,591)
(Increase)/decrease in trade and other accounts receivable		(8,818)	39,090
Increase in prepayments and other assets		(50,366)	(15,536)
(Increase)/decrease in taxes recoverable, other than income tax		(3,824)	2,034
Increase/(decrease) in trade and other accounts payable		11,613	(10,473)
Increase in taxes payable other than income tax		1,816	4,380
Increase/(decrease) in advances and other current liabilities	1,368	(10,776)	
Cash generated from operations		250,228	334,229
Income tax paid		(34,687)	(48,997)
Interest and other finance costs paid		(27,045)	(27,554)
Net cash inflow from operating activities		188,496	257,678

The Notes presented on pages 156 – 224 form an integral part of these Consolidated Financial Statements

CONSOLIDATED STATEMENT OF CASH FLOWS AS AT 31 DECEMBER 2024

(in thousands of US dollar)

	Notes	2024	2023
Cash flow from investing activities			
Purchases of property, plant and equipment and intangible assets		(39,707)	(30,815)
Proceeds from sale of property, plant and equipment		311	111
Loans granted		(50,000)	(85,000)
Interest received		13,634	5,771
Net cash flows from investing activities		(75,762)	(109,933)
Cash flows from financing activities			
Repayments of borrowings		(68,444)	(51,949)
Net cash flows from financing activities		(68,444)	(51,949)
Net increase in cash and cash equivalents		44,290	95,796
Net foreign exchange differences*		(6,259)	(2,100)
Cash and cash equivalents at period beginning		247,473	153,777
Cash and cash equivalents at period end	16	285,504	247,473

* includes net change in allowance for expected credit losses on cash and cash equivalents of USD 508 thousand for 2024 (2023: nil).

The Notes presented on pages 156 – 224 form an integral part of these Consolidated Financial Statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(in thousands of US dollar)

1. CORPORATE INFORMATION

The Consolidated Financial Statements of Interpipe Holdings PLC (the “Company”) and its subsidiaries (collectively, the “Interpipe” or the “Group”) as at 31 December 2024 and for the year then ended were authorised for issue in accordance with the Company’s Board Resolution on 9 May 2025.

The Group was formed in April-September 2006 through a series of transactions that ultimately resulted in obtaining controlling ownership interest in the subsidiaries.

The Initial Parent company was incorporated as a limited liability company under the name of Ramelton Holdings Limited in accordance with the Companies Law of Cyprus on 30 December 2005. It was renamed to Interpipe Limited on 15 May 2007.

In the course of the legal reorganisation in 2019 the Company:

- was incorporated as a limited liability company under the name of Interpipe Holdings Limited in accordance with the Companies Law of Cyprus on 4 April 2019. It was changed to a public company with limited liability under the Laws of Cyprus and renamed to Interpipe Holdings PLC on 24 July 2019.
- became the new parent for the Group, with substantially the same ownership structure as the Initial Parent. Accordingly, the Initial Parent became a subsidiary of the Company and an interim holding company within the Group holding structure.
- became a successor and a new reporting entity of the same pool of companies under common control previously consolidated under the predecessor reporting entity of the Initial Parent.

As part of the reorganisation all the shares of the Initial Parent have been transferred to and, since 2006 are ultimately held by a number of discretionary trusts established to operate the Group as well as certain other investments. Mr. Viktor Pinchuk, a citizen of Ukraine, and his family members are beneficiaries of these discretionary trusts. The trustees engaged to manage the trusts are professional, experienced and

reputable trust management companies.

The registered office and principal place of business of the Company is Stasikratous 16, P.C. 1065 Nicosia, Cyprus.

The principal business activities of the Group are described in more detail in Note 6. The average number of employees for 2024 and 2023 was 9.7 thousand.

2. OPERATING ENVIRONMENT AND RISKS OF THE GROUP

The Consolidated Financial Statements have been prepared on a going concern basis that contemplates the realisation of assets and satisfaction of liabilities and commitments in the normal course of business.

Operating environment in Ukraine

The full-scale war in Ukraine that commenced with the Russian invasion of Ukraine on 24 February 2022 is still ongoing. The military attack has led, and continues to lead, to significant casualties, dislocation of the population, damage to infrastructure and disruption of economic activity in Ukraine. Due to the adaptation of businesses and households to the new conditions GDP growth rate comprised 2.9% and 5.3% in 2024 and 2023, respectively. According to the most recent forecast of the National Bank of Ukraine (hereafter “NBU”) a real GDP growth is expected to be within a range of 3.6-4.0% per annum during 2025 and 2026.

Inflation expectations of businesses and households remain high. In 2024 annualised inflation has increased up to 12% as compared to 5.1% as of the end of 2023. According to the NBU forecast annualized inflation in 2025 is expected at the level of 8.4% and it will decrease to 5.0% in 2026.

Ukraine faces large fiscal and financing challenges. After the successful completion of its Eurobond debt exchange in September 2024, the government ordered temporary suspensions of payments on an external commercial loan, state-guaranteed Eurobond and GDP warrants. The country remains in the process of restructuring its external commercial debt and the payment system

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(in thousands of US dollar)

remains operational, with banks open and largely liquid. International organizations (IMF, EBRD, EU, World Bank), along with individual countries and charities, have been providing Ukraine with financing, donations and material support.

Since October 2023, the NBU has shifted to a regime of managed flexibility of the UAH/USD exchange rate. As at 31 December 2024 and 2023, an exchange rate of UAH against US Dollar was 42.04 and 37.98, respectively.

In 2024, the NBU, in order to support domestic producers and to improve the business environment in Ukraine eased a number of foreign exchange restrictions including, but not limited to the following:

- to repatriate dividends on corporate interest or shares abroad accrued based on the performance results for the period starting from 1 January 2024. This easement does not apply to the payment of dividends from retained earnings for previous periods or reserve capital;
- to prepay principal and interest on loans from non-residents (received after 20 June 2023);
- to pay overdue interest on external loans (received before 20 June 2023) accumulated for the period from 24 February 2022 through 30 April 2024 within the limit of EUR 1 million per quarter, and make scheduled interest payments from 1 May 2024 without any limitation on the amount;
- to pay dividends abroad over the established limit of EUR 1 million per month to ensure the regular coupon payments or compensation for already paid coupon payments on Eurobonds (subject to certain requirements and at the expense of the own foreign currency).

During the years 2023 and 2024 the NBU decreased the key policy rate from 25.0% p.a. to 13.5% p.a. as of 31 December 2024 to support lending development and economic recovery without posing additional risks to price and financial stability. In March 2025 the NBU decided to raise the key policy rate to 15.5% p.a. to support the sustainability of the foreign exchange market and price stability in Ukraine.

The banking system remains stable, with sufficient liquidity even as martial law continues, all banking services are available to its customers, both legal entities and individuals.

The economic consequences of the war are serious, the situation remains fluid and the outlook is subject to further developments and uncertainty.

The Group's operations

The Group's utmost priority is safety and security of its employees, and the second priority is preservation of the assets and business continuity. The Group supports all its employees with the necessary financial support. The Group actively supports the Armed Forces of Ukraine and the Territorial Defense.

In 2024, the Group's level of production increased as compared with 2023. The Group continues running its operations due to unstable electricity supplies and market prices for it caused by frequent massive air attacks. The deficit of skilled work force remains an important factor influencing operations of the Group in Ukraine.

The Group is fully compliant with all sanctions rules and regulations imposed by various countries and organizations against russian and belarusian persons or organizations. The Group does not expect any impact of the imposed sanctions on the supplying chain and payments flow.

The Group also has not been conducting any business activities on occupied territories of Ukraine.

On or immediately after 24 February 2022 the Group suspended all shipments of goods to russia, belorussia and made a decision on liquidation of its trading company in russia Interpipe-M LLC followed by the dismissal of its employees and bankruptcy procedure. As of the date of approval of these Consolidated Financial Statements, the Group does not control any assets in russia. All assets of and processes on Interpipe-M LLC have been transferred to the bankruptcy trustee.

Debt service payments in 2024 were covered by available cash balances and cash flows from the Group's operating activities. The Group fully discharged the Performance Sharing Fees (Note 17) upon the repayment of the final annual instalment in October 2024. As at 31 December

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(in thousands of US dollar)

2024, the Group had sufficient funds on the current bank accounts of USD 285,504 thousand (Note 16) to serve the existing debt for at least 12 months from the date of approval of these Consolidated Financial Statements.

The full extent of the adverse impact on the Group's business generally is not yet known and will largely depend on the duration and extent of the military actions as well as on their impact on the Group's key production assets.

International trade regimes

The Group's target business model assumes an extensive geographical diversification of its sales and presence in different markets. The Group's ability to operate in particular regions is highly dependent on specific trade regimes.

In the USA, a process of administrative reviews of the antidumping duty orders on import of the following assortments of pipes is ongoing:

- OCTG pipes – in March 2023 the dumping margin of 1.55% was determined instead of previously effective 27.80% on import of OCTG pipes produced by Interpipe with a further increase to 4.89% in December 2023. In November 2024, the dumping margin was lowered to 1.39 % due to the respective administrative review completion.
- Seamless standard, line and pressure pipes – in 2023 the Group's seamless standard, line and pressure pipes remain subject to an antidumping duty with a dumping margin of 23.75% imposed in mid-2021 with a further decrease to 4.99% in March 2024 due to the respective administrative review completion. On 24 March 2025, the anti-dumping duty rate was revised and reduced to 2.07%.

In addition, a safeguard tariff of 25% previously imposed in the USA for all steel products from Ukraine (including all of the Group's pipe products supplied to the USA market) was initially suspended in 2022 till June 2023 with a further extension to June 2024. In 2024 the suspension of the protective safeguard tariff was extended. Starting from 12 March 2025, a 25% tariff will apply to all steel, aluminum and their derivatives imports into the United States. Starting from 10 March 2025, 10% tariff will apply

to all imports from Ukraine (including all of the Group's Railway wheels segment production) the USA, which are not subject to the 25% tariff rate.

There were no anti-dumping duties for seamless pipe products in the European market for 2024. There is no information about complaints filed or the preparation of complaints from the EU industry on imports of pipe products from Ukraine.

Since 2019, the European Commission has put in place country-specific quotas for steel product imports, including Ukrainian seamless tubes and welded pipes, with 25% duty levied on any excess. In June 2022, the country-specific quota applicable to products originating from Ukraine was initially suspended until June 2023 with a further continuous extension to June 2024 and June 2025.

Going concern basis

As at 31 December 2024, the net assets of the Group were USD 644,590 thousand, the current assets exceeded current liabilities by USD 487,402 thousand. In 2024, the Group's revenue amounted to USD 1,050,391 thousand and increased by about 6% due to existing demand for Group's finished goods. In 2024, the Group earned a net profit of USD 277,408 thousand.

Notwithstanding the Group's performance in 2023 and 2024 calendar years, ongoing military actions create material uncertainty for the Group in future, including the risk of damage of assets and loss of inventory either through physical loss as a result of military actions or appropriation for military needs under the Martial Law in Ukraine. The full extent of the impact of further development of military actions on the Group's business is unknown, but its magnitude might be severe.

In order to analyze the impact of foregoing risks and support its going concern assumption, the management has prepared a cash flow forecast for the period of 12 months from the date of approval of these Consolidated Financial Statements, which showed that the Group's net operating cash flow is expected to be positive.

The management's forecast was based on the following significant assumptions and continuous management actions to support sustainability of the Group's operations:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(in thousands of US dollar)

- no further escalation of military actions that could severely affect or lead to damage of the Group's assets;
- the demand in the tube market will be sufficient for the improved utilization of the production facilities;
- continuous monitoring of prices and control of scrap, fuel, electricity and gas costs;
- the possibility of shifting the production to night hours in case of limitation of electricity consumption during the daytime hours;
- availability of logistics routes, including the alternative routes through foreign ports, road and rail, to ensure delivery of raw materials and fuel to the Group production plants and transportation of finished goods to customers;
- availability of alternative suppliers to ensure the uninterrupted supply of raw materials required for production;
- optimization of cash flows, decrease of outstanding accounts receivable;
- reducing expenses by cancelling non-essential capital and operating expenditures while maintaining equipment in working condition.

These management plans indicate that, given current developments, the Group has adequate resources to continue operating for the foreseeable future. The management acknowledges that future development of military actions and their duration represent a single source of material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and, therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Despite the single material uncertainty relating to the war in Ukraine, management continues to take actions to minimise the impact on the Group and thus believes that the use of the going concern assumption for the preparation of these Consolidated Financial Statements is appropriate and that the Group will be able to manage various risks and continue its operations for the foreseeable future in the normal course of business.

3. BASIS OF PREPARATION

Statement of Compliance

These Consolidated Financial Statements have been prepared in accordance with IFRS Accounting Standards as adopted by the European Union (EU) ("IFRS Accounting Standards") as well as in accordance with the requirements of the Cyprus Companies Law, Cap.113. These Consolidated Financial Statements have been prepared on a going concern basis as disclosed in Note 2.

These Consolidated Financial Statements have been prepared on a historical cost basis except for property, plant, and equipment, and construction in progress, that are carried at a revalued amount, investment in associates accounted for using the equity method, post-employment benefits measured in accordance with the requirements of IAS 19 "Employee benefits" and financial instruments measured in accordance with the requirements of IFRS 9 "Financial instruments".

The preparation of these Consolidated Financial Statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and reported amounts of revenue and expenses during the reporting period.

Due to the inherent uncertainty in making those estimates, actual results reported in future periods could differ from such estimates. The areas involving higher degree of judgement or complexity, or areas where assumptions and estimates are significant to these Consolidated Financial Statements are disclosed in Note 5.

These Consolidated Financial Statements are presented in US dollars ("USD"), and all values are rounded to the nearest thousand except when otherwise indicated; all expenses are shown in brackets (unless otherwise indicated in notes).

The Consolidated Financial Statements provide comparative information in respect of the previous period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(in thousands of US dollar)

New and amended standards and interpretations

The standards/amendments that are effective and have been endorsed:

During the current year, the Group adopted all of the amendments to IFRS Accounting Standards as adopted by the EU that are relevant to its operations and are effective for accounting periods beginning on 1 January 2024. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The following amendments became effective on 1 January 2024:

- Amendments to IAS 1 – Classification of Liabilities as Current or Non-current;
- Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback
- Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangements.

Amendments to IAS 1 - Classification of Liabilities as Current or Non-current

The amendments are effective for annual reporting periods beginning on or after January 1, 2024, and are applied retrospectively. The objective of the amendments is to clarify the principles in IAS 1 for the classification of liabilities as either current or non-current. The amendments clarify the meaning of a right to defer settlement, the requirement for this right to exist at the end of the reporting period, that management intent does not affect current or non-current classification, and that options by the counterparty that could result in settlement by the transfer of the entity's own equity instruments, do not affect current or non-current classification. Also, the amendments specify that only covenants with which an entity must comply on or before the reporting date will affect a liability's classification. Additional disclosures are also required for non-current liabilities arising from loan arrangements that are subject to covenants to be complied with within twelve months after the reporting period. The amendments had no material impact on the Group's Consolidated Financial Statements.

Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback

The amendments are effective for annual reporting periods beginning on or after January 1, 2024. The amendments are intended to improve the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction in IFRS 16, while it does not change the accounting for leases unrelated to sale and leaseback transactions. Under the amendments, the seller-lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use it retains. Applying these requirements does not prevent the seller-lessee from recognising, in profit or loss, any gain or loss relating to the partial or full termination of a lease. The amendments apply retrospectively to sale and leaseback transactions entered into after the date of initial application, being the beginning of the annual reporting period in which an entity first applied IFRS 16. The amendments had no material impact on the Group's Consolidated Financial Statements.

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

The amendments are effective for annual reporting periods beginning on or after January 1, 2024. The amendments supplement requirements already in IFRS and require an entity to disclose the terms and conditions of supplier finance arrangements. Additionally, entities are required to disclose at the beginning and at the end of the reporting period the carrying amounts of supplier finance arrangement financial liabilities and the line items in which those liabilities are presented as well as the carrying amounts of financial liabilities and line items, for which the finance providers have already settled the corresponding trade payables. Entities should also disclose the type and effect of non-cash changes in the carrying amounts of supplier finance arrangement financial liabilities, which prevent the carrying amounts of the financial liabilities from being comparable. Furthermore, the amendments

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(in thousands of US dollar)

require an entity to disclose at the beginning and at the end of the reporting period the range of payment due dates for financial liabilities owed to the finance providers and for comparable trade payables that are not part of those arrangements. The Group has revised disclosures of accounting policies to ensure consistency with the amended requirements.

Other new and amended standards effective since 1 January 2024 have no impact on the Consolidated Financial Statements of the Group.

Basis of consolidation

The Consolidated Financial Statements comprise the financial statements of the Company and its subsidiaries at 31 December 2024 and for the year then ended. At each reporting date, the Company, regardless of the nature of its involvement with an entity (the investee), determines whether it is a parent by assessing whether it controls the investee. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if, and only if, the Group has:

- power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee;
- the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement with the other vote holders of the investee;
- rights arising from other contractual arrangements;

- the Group's voting rights and potential voting rights
- The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. The financial statements of the subsidiaries are prepared for the same reporting period as the parent, using consistent accounting policies. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests represent the interest in subsidiaries not held by the Group. Non-controlling interests at the reporting date represent the non-controlling shareholders' portion of the fair value of the identifiable assets and liabilities of the subsidiary at the acquisition date and the non-controlling shareholders' portion of changes in net assets since the date of the combination. Non-controlling interests are presented within the shareholders' equity.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets, liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment remains recognised at fair value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(in thousands of US dollar)

4. MATERIAL ACCOUNTING POLICY INFORMATION

Foreign currency translation

The Consolidated Financial Statements are presented in USD, which is the Company's functional and presentation currency. Items in the financial statements of each entity included in the Consolidated Financial Statements are measured using the functional currency determined for that entity. Transactions in foreign currencies are initially recorded in the functional currency at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date. All differences upon re-measurement are recognised in the profit or loss. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

Ukrainian hryvnia is the functional currency of the subsidiaries domiciled in Ukraine. The functional currencies of the subsidiaries domiciled outside of Ukraine are as follows: the United States dollar for those registered in Switzerland, United Arab Emirates, Republic of Cyprus and the United States of America, Euro for a subsidiary in Germany and Kazakhstani tenge for a subsidiary in Kazakhstan.

As at the reporting date, the assets and liabilities of these companies are translated into the presentation currency of the Group at the rate of exchange at the reporting date. For the reporting year, the amounts presented in their statements of comprehensive income and cash flows are translated at the monthly weighted average exchange rates. All equity transactions and significant transactions relating to the statement of comprehensive income such as revaluation and impairment of property, plant and equipment and write down of inventories to net realisable value were translated using the exchange rate ruling at the date of transaction. The exchange differences arising on the translation are taken to a separate component of equity through the other

comprehensive income.

On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the profit or loss.

Net investments in foreign operations

Net investments in foreign operations are accounted for in accordance with provisions of IAS 21 "The Effects of Changes in Foreign Exchange Rates".

Net investments are considered to be monetary items with the settlement which is neither planned nor likely to occur in the foreseeable future. Such monetary items may consist of intercompany loans and may include long-term receivables and payables.

In the Consolidated Financial Statements of the Group exchange differences arising on monetary items that are designated to form part of the net investments are recognised in other comprehensive income and taken to a separate component in equity during the period of designation.

Exchange differences recognised in other comprehensive income should be reclassified from equity to profit or loss only on disposal of the respective net investment in accordance with provisions of IAS 21 "The Effects of Changes in Foreign Exchange Rates".

Property, plant and equipment

Property, plant and equipment are initially recognised at cost. Subsequently, property, plant and equipment are carried at revalued amounts, being their fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. When no market values are available, fair value of specific machinery and equipment is determined by using depreciated replacement cost approach. Fair values of other items of property, plant and equipment are determined by reference to market-based evidence, which is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

The revaluations are made with sufficient regularity

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(in thousands of US dollar)

to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. The last revaluation was performed an independent appraiser as at 31 December 2023 (Note 8).

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is adjusted to the revalued amount of the asset.

Increases in carrying amount arising on revaluation of property, plant and equipment are recorded in other comprehensive income and credited to revaluation reserve in equity. However, such increase is to be recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss. If the asset's carrying amount is decreased as a result of the revaluation, the decrease is recognised in profit or loss. However, the decrease is recognised in other comprehensive income to the extent of any credit balance existing in the revaluation reserve in respect of that asset. The decrease recognised in other comprehensive income reduces the amount accumulated in equity under the heading of revaluation reserve.

As the asset is used by the Group, the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost is transferred to retained earnings. On the subsequent sale or retirement of a revalued property, the respective revaluation surplus carried in equity is transferred directly to retained earnings.

The depreciable amount is the cost or revalued amount of the item of property, plant and equipment less estimated residual value at the end of the useful life. Depreciation is calculated on a straight-line basis over the estimated remaining useful life of the assets, determined at the date of revaluation, or estimated useful life of the assets, determined at the date the asset is available for use.

The asset's residual values, useful lives and methods are reviewed, and adjusted, if appropriate, at each financial year end. Depreciation is calculated over the estimated remaining useful life of the assets as follows:

Buildings and structures	1-70 years
Machinery and equipment	1-37 years
Transport and motor vehicles	1-22 years
Fixtures and office equipment	3-16 years

Construction in progress comprises prepayments made and letters of credit issued for purchases of property, plant and equipment, as well as property, plant and equipment which have not yet been constructed. No depreciation is recorded on such assets until they are available for use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the year when the item is derecognised.

The Group has the title to certain non-production and social assets, primarily buildings and social infrastructure facilities held by production subsidiaries in Ukraine, which do not meet the definition of an asset according to IFRS and are not included in the Consolidated Financial Statements.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(in thousands of US dollar)

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section Impairment of non-financial assets.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest

rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term and low-value assets lease recognition exemption to its short-term leases of office equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option as well as leases where underlying assets are considered to be low value). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Intangible assets

Intangible assets include patents and trademarks, accounting and other software acquired separately a business combination and measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. Intangible assets are amortised using the straight-line method over estimated useful lives from three to eight years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(in thousands of US dollar)

Investments in associates

The Group's investments in associates are accounted for under the equity method of accounting. An associate is an entity in which the Group has significant influence.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

The consolidated statement of comprehensive income reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the consolidated statement of comprehensive income outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying amount, and then recognises the loss within "Share of profit of an associate" in the consolidated statement of comprehensive income.

Impairment of non-financial assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

Impairment losses on non-revalued assets are recognised in profit or loss. However, an impairment loss on a revalued asset is recognised directly against any revaluation surplus attributable to the asset to the extent that the impairment loss does not exceed the amount of the revaluation surplus for that same asset.

An assessment is made at each reporting date whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in the prior years in profit or loss. After such reversal, the depreciation charge in future periods is adjusted to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(in thousands of US dollar)

Dividends

The Group recognises a liability to pay a dividend when the distribution is authorised, and the distribution is no longer at the discretion of the Company. A distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity. The Group measures a liability to distribute non-cash assets as a dividend to its owners at the fair value of the assets to be distributed. If the Group gives its owners a choice of receiving either a non-cash asset or a cash alternative, the Group estimates the dividend payable by considering both the fair value of each alternative and the associated probability of owners selecting each alternative. At the end of each reporting period and at the date of settlement, the Group reviews and adjusts the carrying amount of the dividend payable with any changes in the carrying amount of the dividend payable recognised in equity as adjustments to the amount of the distribution. When the Group settles the dividend payable, it recognises the difference, if any, between the carrying amount of the assets distributed and the carrying amount of the dividend payable in profit or loss.

Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (the “OCI”) and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset’s contractual cash flow characteristics and the Group’s business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures

a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 as described in the section Revenue from contracts with customers below.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are ‘solely payments of principal and interest (the “SPPI”)’ on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at the instrument level.

The Group’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular-way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- financial assets at amortised cost (debt instruments);
- financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments);
- financial assets at fair value through profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(in thousands of US dollar)

As at 31 December 2024 and 2023, the Group had no financial assets at fair value through OCI with recycling of cumulative gains and losses, financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition and financial assets at fair value through profit or loss.

Financial assets at amortised cost

The Group measures financial assets at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (the "EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired as well as through the amortisation process.

The Group's financial assets at amortised cost include trade and other receivables, current and non-current deposits included under other current assets and other non-current assets, respectively.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognised in profit or loss.

This category includes liquidity, bonds and equity investments which the Group had not irrevocably elected to classify at fair value through OCI.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (the "ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract, and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(in thousands of US dollar)

credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months from the reporting date. For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. As an insolvency event (assumption that the contractor defaults), the Group recognises the failure to repay more than 90 days from the maturity of receivables, high probability of bankruptcy, pending bankruptcy/composition proceedings of the counterparty, legal dispute regarding the size or legitimacy of the claim being the basis for a given receivable and other qualitative information indicating the inability to fully satisfy all financial claims on the part of the counterparty.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables and loans and borrowings. The Group also has the Performance Sharing Fee at fair value through profit or loss. The Group has no derivative instruments designated as hedging instruments for effective hedging.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- financial liabilities at fair value through profit or loss;
- financial liabilities at amortised cost (loans and borrowings).

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities at amortised cost (Accounts payable, loans and borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of comprehensive income.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(in thousands of US dollar)

amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Inventories

Inventories are recorded at the lower of cost and net realisable value. Cost of inventory is determined on the first-in, first-out ("FIFO") basis, except for cost of work-in-process (comprising unfinished products and metal billets) which is determined on weighted average basis. The cost of finished goods and work in progress comprises raw material, direct labour, other direct costs and related production overheads (based on normal operating capacity) but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Net realisable value adjustment is recognised within cost of sales.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Pension obligations

In the normal course of business the Group contributes to the Ukrainian state pension schemes at the statutory rates in force during the year, based on gross salary payments; such expense is charged in the period the related salaries are earned. The Group has also agreed to provide certain defined contribution pension benefits in Switzerland and the USA. The

Group has no legal or constructive obligations to pay further contributions in respect of those benefits. Its only obligation is to pay contributions as they fall due. These contributions are expensed as incurred.

In addition, the Group's Ukrainian production subsidiaries provide other post-employment benefits to their employees. There are two significant defined benefit post-employment plans in Ukraine, both of which are unfunded.

These plans comprise:

- the Group's legal and contractual obligation to its employees to make one-off payment and other benefits according to the collective agreements on retirement of employees with long service, and
- the Group's legal obligation to compensate the Ukrainian state pension fund for additional pensions paid to certain categories of the eligible employees of the Group.

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method in respect of those employees entitled to such payments. Management uses actuarial techniques in calculating the liability related to these retirement obligations at each reporting date. Actual results could vary from estimates made to the date.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised in the Group's consolidated statement of financial position with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service cost resulting from introduction of pension benefits is recognised immediately in the profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(in thousands of US dollar)

Income tax

Income tax expense represents the sum of the current and deferred tax expense.

Deferred tax

Deferred income tax is recognised, using the balance sheet liability method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the Consolidated Financial Statements.

Deferred income tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future

and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Pillar Two application

The basis and assessment on Pillar Two taxes are derived from the Consolidated Financial Statements. The Group recognises income tax expense/(benefit) related to Pillar Two taxes within its total income tax expense/(benefit) in the consolidated statement of comprehensive income and discloses separately its current tax expense/(benefit) related to Pillar Two taxes in the related notes. The liability for current income tax related to Pillar Two is recognised within Current income tax payable.

The Company and the Group applied a mandatory temporary exception to the accounting for deferred taxes arising from the jurisdictional implementation of

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(in thousands of US dollar)

the Pillar Two model rules and disclosure requirements for affected entities on the potential exposure to Pillar Two income taxes.

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Revenue from sale of steel products is recognised at the point in time when control of the asset is transferred to the customer, generally on dispatch or delivery of the products.

Revenue reflects the sale of finished products and services.

The Group analyses the following five stages to determine the criteria for recognizing revenue:

1. identification of contract;
2. identification of distinct performance obligations within the contract;
3. evaluation of contract price;
4. allocation of overall price to each performance obligation pro rata of their specific selling prices;
5. recording of revenue when a performance obligation has been satisfied.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties). In determining the transaction price for the sale of steel products, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The existing contracts for the sale of steel products do not provide customers with the right of return of the products of good quality and do not include volume rebates, therefore do not result in variable consideration.

Significant financing component

Generally, the Group receives short-term advances from its customers. Using the practical expedient in IFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

Cost of sales and other expenses recognition

Cost of revenue that relates to the same transaction is recognised simultaneously with the respective revenue.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

Comparatives

Where necessary, comparative figures have been reclassified to conform with changes in presentation in the current year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(in thousands of US dollar)

New standards and interpretations not yet adopted

At the date of authorisation of these Consolidated Financial Statements, the Group has not applied the following new and revised IFRSs that have been issued, but are not yet effective:

	Endorsement by EU status	Effective for annual period beginning on or after
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability	Endorsed	1 January 2025
Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	Not yet endorsed	1 January 2026
Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	Not yet endorsed	1 January 2026
Annual Improvements Volume 11	Not yet endorsed	1 January 2026
IFRS 18 Presentation and Disclosure in Financial Statements	Not yet endorsed	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	Not yet endorsed	1 January 2027
Amendment in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Not yet endorsed	Not yet determined
IFRS 14 Regulatory Deferral Accounts	Not yet endorsed	The EC has decided not to launch the endorsement process of the interim standard and to wait for the final IFRS Standard

Apart from IFRS 18, for which management still evaluates the impact, the other standards and interpretations are not expected to have a material impact on the Consolidated Financial Statements of the Group in future periods.

5. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and

liabilities within the next financial year are discussed below:

Pension obligations under defined benefit plan

The Group collects information relating to its employees in service and pensioners receiving pension benefits and uses the actuarial valuation method for measurement of the present value of post-employment benefit obligations and related

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(in thousands of US dollar)

current service cost. These calculations require the use of demographic assumptions about the future characteristics of current and former employees who are eligible for benefits (mortality, both during and after employment, rates of employee turnover, disability and early retirement, etc.) as well as financial assumptions (discount rate and future projected salary).

Further details are disclosed in Note 18.

Revaluation of property, plant and equipment

As described in Note 4, the Group applies the revaluation model to its property, plant and equipment.

At each reporting date the Group carries out the review of the carrying amount of these assets in order to determine whether it is materially different from the fair value. The majority of the Group's property, plant and equipment represent specialised items used in production process. Accordingly, management primarily uses the expected future cash flow models applied to the respective cash generating unit (the "CGU") and considers such approach to be the most appropriate in the current operating environment of the Group (Note 8).

When determining whether to perform a fair value assessment in a given period, management considers the development of macroeconomic indicators, including changes in prices (producer price indices, price indices for non-residential buildings, transport facilities, utilities, and other engineering structures), inflation rates, GDP growth rates and changes of the Ukrainian Hryvnia ("UAH") against USD and EUR. Also, different internal and external factors, such as political, legislative and economic situations, are reviewed. Based on the results of this review, the management of the Group concluded that the carrying value of the property, plant and equipment, accounted for using revaluation model, as at 31 December 2024 was not materially different from those which would arise as a result of new revaluation.

Useful life of property, plant and equipment and residual value

The Group assesses the remaining useful lives of items of property, plant and equipment at least at each

reporting date. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". These estimates may have a material impact on the carrying amount of property, plant and equipment and on depreciation recognised in the consolidated statement of comprehensive income.

Impairment of non-financial assets

The Group assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. This requires an estimation of the value in use of the CGU to which the item is allocated. Estimating the value in use/fair value less costs of disposal requires the Group to make an estimate of the expected future cash flows from CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (the "DCF") model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments (Note 7).

Net realisable value of inventories

Inventory is carried at lower of cost and net realisable value. Estimates of net realisable value of raw materials, work in progress and finished goods are based on the most reliable evidence available at the time the estimates are made. These estimates take into consideration fluctuations of price or cost directly relating to events occurring subsequent to the reporting date to the extent that such events confirm conditions existing at the end of the period (Note 12).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(in thousands of US dollar)

Taxes

Uncertainties may exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded.

If the Group concludes that it is 'probable' that the taxation authority will accept a specific tax treatment, then the Group determines its accounting for income taxes (e.g. in determining the related taxable profit (tax loss), tax bases, unused tax losses, unused tax credits, tax rates) consistently with the tax treatment.

Where the Group concludes that it is 'not probable' that the tax authority will accept a specific treatment, then the Group reflects the effect of that uncertainty in its income tax accounting (e.g., in determining the related taxable profit (tax loss), tax bases, unused tax losses, unused tax credits, tax rates) in the period in which that determination is made. The effect of each uncertainty is reflected using either the 'most likely amount' method or the 'expected value' method, whichever better predicts the resolution of the uncertainty.

Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. The estimation of that probability includes judgements based on the expected future performance.

Further details on taxes are disclosed in Note 11 and 32.

Value-added tax recoverable

Value-added tax ("VAT") recoverable is reviewed at each reporting date and reduced to the extent that it is no longer probable that a refund or VAT liabilities for netting will be available. The Group considers that the amount due from the state as at the reporting date will be either recovered in cash or reclaimed against the VAT liabilities related to sales.

Allowance for expected credit losses of financial assets

The Group uses a provision matrix to calculate ECLs for financial assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's financial assets is disclosed in Note 13 and Note 33.

Judgements

Litigations

The Group exercises considerable judgement in measuring and recognising provisions and the exposure to contingent liabilities related to pending litigations or other outstanding claims subject to negotiated settlement, mediation or arbitration, as well as other contingent liabilities. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, as well as in determining a possible range of any final settlement. Because of the inherent uncertainties in evaluation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(in thousands of US dollar)

process, actual losses may be different from the originally estimated provision. These estimates are subject to change as any new information becomes available, primarily with the support of, as appropriate, internal specialists or outside consultants, such as legal counsel. Revisions to the estimates may significantly affect future operating results (Notes 18 and 32).

Designation of monetary items as part of net investment in foreign operations

Throughout the Group there are various intercompany balances between subsidiaries, including loans that are used to finance mainly capital expenditure projects as well as working capital requirements. The majority of these balances are denominated in the USD and are translated into the respective local functional currencies in the subsidiaries' local accounts. Balances for which settlement is neither planned nor likely to occur in the foreseeable future are, in substance, a part of the Group's net investment in that foreign operation and exchange differences on these balances are recognised in other comprehensive income and only reclassified from the equity to profit or loss on disposal of the respective net investment. It is the Group management's view that substantial part of the loans and other liabilities granted by the parent and subholding companies to its Ukrainian subsidiaries as from 1 January 2014 qualify as net investments in its foreign operations (Note 34).

Land lease

The Group's majority of lease agreements refer to land leases for its production facilities under agreements with local authorities. Lease payments are variable and calculated as a percentage of "normative monetary appraisal of land". Normative monetary appraisal of land does not constitute fair value of land as at reporting date since in Ukraine active market of land sales is absent. Furthermore, changes in normative monetary appraisal of land would not represent a variable to the change in fair value of land. In general, normative monetary appraisal of land is based on specific requirements in the legislation. Therefore, management concluded that normative monetary appraisal of land does not meet the definition of an index or a rate under IFRS

16, and, respectively, no right-of-use asset and lease liability should be recorded for lease of land contracts. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

6. SEGMENT INFORMATION

A business segment is a distinguishable component of the Group that is engaged in providing an individual product or service or a group of related products or services and that is subject to risks and returns that are different from those of other business segments.

For management purposes, the Group is organised into business units based on its products and

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(in thousands of US dollar)

services, and has four reportable operating segments as follows:

1. Pipes segment - production and distribution of:
 - seamless oil country tubular goods ("OCTG"), used for oil and gas exploration and production;
 - seamless transportation line pipes, used for oil and gas transportation in severe pressure and temperature conditions;
 - seamless industrial pipes, used in a large variety of infrastructure and industrial applications;
 - seamless special applications pipes, used in various applications by the machine-building, power and heat generation and petrochemical industries, among others;
 - industrial welded pipes, used mainly in the construction industry and in local water distribution networks;
 - transportation line welded pipes, used to transport water, crude oil and natural gas in moderate pressure and temperature conditions.
2. Railway wheels segment - production and distribution of an extensive range of forged wheels used for freight cars, passenger carriages, locomotives and underground trains, as well as wheel sets and tyres for wheel sets used on locomotives, underground trains and trams.
3. Steel making segment:
 - collection and processing of scrap for internal consumption in steel billets production. Scrap not usable for the Group's production purposes is sold to external customers;
 - production and distribution of pipe steel billets – used both for internal production of the extensive range of seamless pipes and distribution to the external customers;
 - production and distribution of wheels steel billets – used for railway wheels production and distribution to the external customers.

The Other operations segment includes the production and sale of enamelware and other by-products and services.

The Group management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. The Group's financing activities (including finance costs and finance income) and income taxes are managed on the Group level and are not allocated to the operating segments.

Inter-segment sales primarily consisted of:

- steel billets sold by "Metallurgical Plant Dneprosteel" LLC to JSC "Interpipe Niznedneprovsky Tube Rolling Plant" and "Interpipe Niko Tube" LLC, the cost of which was included in the cost of pipes and wheels;
- toll processing of scrap metal into steel billets by "Metallurgical Plant Dneprosteel" LLC primarily for JSC "Interpipe Niznedneprovsky Tube Rolling Plant" and "Interpipe Niko Tube" LLC.

Recognising the scope and magnitude of the steelmaking integration and its influence on the pipes and railway wheels economy, the Group management decided to amend and expand segment information with additional allocation of the steel making EBITDA to pipes and wheels respective EBITDA pro-rata to relevant external revenues from sales of the Group products - thus, explicitly demonstrating the Group key final-product-segments (seamless pipes and railway wheels) throughput results - leaving to the steel-making segment only the portion of the result attributable to the external steel billets sales.

In 2024, IFRS Interpretation Committee ("the Committee") focused on the application of the requirements of IFRS 8 "Operating Segments", namely disclosure of specified amounts related to segment profit or loss for each reportable segment. As a result, the Committee issued an agenda discussion, which contains information and explanatory material about how the standards should be applied. Accordingly, the management of the Group adopted the clarifications discussed by the Committee in the Consolidated Financial Statements and amended corresponding segment information for the year ended 31 December 2023 to ensure comparability.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(in thousands of US dollar)

Segment revenues and results

Year ended 31 December 2024	Pipes	Railway wheels	Steel making	Other operations	Total
Revenue	757,485	252,994	378,385	8,741	1,397,605
Elimination of sales to other segments	-	-	(347,214)	-	(347,214)
Revenue - external	757,485	252,994	31,171	8,741	1,050,391
Cost of sales	(543,377)	(174,320)	77,175	(7,885)	(648,407)
Gross profit	214,108	78,674	108,346	856	401,984
Selling and distribution expenses	(91,989)	(26,442)	(12,773)	(604)	(131,808)
General and administrative expenses	(34,667)	(8,104)	(4,133)	(488)	(47,392)
Other operating income/ (expenses), net	18,388	(5,956)	413	(553)	12,292
Operating foreign exchange differences	69,058	27,965	4,948	-	101,971
Operating profit	174,898	66,137	96,801	(789)	337,047
Gain from the disposal of a subsidiary					1,573
Finance income					30,672
Finance costs					(39,848)
Non-operating foreign exchange differences					(2,296)
Share of profit of associates					43
Income tax expense					(46,712)
Profit for the year					280,479

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(in thousands of US dollar)

Segment revenues and results (continued)

Year ended 31 December 2023	Pipes	Railway wheels	Steel making	Other operations	Total
Revenue	743,123	205,126	324,580	9,392	1,282,221
Elimination of sales to other segments	-	-	(293,515)	-	(293,515)
Revenue - external	743,123	205,126	31,065	9,392	988,706
Cost of sales	(463,148)	(152,124)	94,500	(7,161)	(527,933)
Gross profit	279,975	53,002	125,565	2,231	460,773
Selling and distribution expenses	(55,683)	(16,785)	(11,298)	(1,486)	(85,252)
General and administrative expenses	(33,011)	(7,317)	(3,355)	(410)	(44,093)
Gain/(loss) on revaluation of property, plant and equipment	20,406	(6,829)	(14,444)	-	(867)
Other operating income/ (expenses), net	(15,741)	(39)	(1,187)	-	(16,967)
Operating foreign exchange differences	29,519	15,297	48	-	44,86
Operating profit	225,465	37,329	95,329	335	358,458
Finance income					12,248
Finance costs					(76,895)
Non-operating foreign exchange differences					(2,380)
Share of profit of associates					153
Income tax expense					(38,691)
Profit for the year					252,893

For the year ended 31 December 2024 and 2023, share of loss of associates was attributable to pipes segment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(in thousands of US dollar)

Segment assets, liabilities and other information

Year ended 31 December 2024	Pipes	Railway wheels	Steel making	Other operations	Total
Segment assets	428,772	125,671	126,217	9,169	689,829
Segment liabilities	77,612	52,764	33,386	617	164,379
Investment in associates (Note 10)	534	-	-	-	534
Additions to property, plant and equipment (Note 8)	22,059	8,390	6,594	-	37,043
Movement in provisions	4,248	6,279	1,001	-	11,528
Other non-cash items	13,370	4,390	1,598	-	19,358
Effect of impairment of individual assets	(6,574)	-	-	(771)	(7,345)

Year ended 31 December 2023	Pipes	Railway wheels	Steel making	Other operations	Total
Segment assets	441,458	144,142	130,105	5,287	720,992
Segment liabilities	66,244	46,386	31,504	76	144,210
Investment in associates (Note 10)	544	-	-	-	544
Additions to property, plant and equipment (Note 8)	25,157	2,579	5,188	-	32,924
Movement in provisions	796	2,667	480	-	3,943
Other non-cash items	10,673	(4,852)	(992)	-	4,829
Effect of revaluation of property, plant and equipment	(20,406)	6,829	14,444	-	867

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(in thousands of US dollar)

Reportable segments' assets are reconciled to total assets as follows:

	31 December 2024	31 December 2023
Segment assets for reportable segments	681,194	716,249
Other operations	9,169	5,287
Unallocated		
Intangible assets	3,957	3,438
Deferred tax assets	11,487	11,075
Prepaid income tax (non-current)	135	156
Prepaid current income tax	1,471	723
Taxes recoverable, other than income tax	31,558	29,831
Trade and other accounts receivable	-	5,533
Prepayments and other current assets	22,912	2,615
Cash and cash equivalents	285,504	247,473
Other non-current assets	138,039	85,000
Total assets	495,063	385,844
	1,185,426	1,107,380

Reportable segments' liabilities are reconciled to total liabilities as follows:

	31 December 2024	31 December 2023
Segment liabilities for reportable segments	163,762	144,134
Other operations	617	76
Unallocated		
Deferred tax liabilities	7,881	20,872
Taxes payable, other than income tax	6,730	5,258
Current income tax liabilities	39,967	22,143
Borrowings	316,386	380,678
Interest payable	3,409	3,498
Dividends payable to non-controlling interest owners	139	154
Total liabilities	374,512	432,603
	538,891	576,813

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(in thousands of US dollar)

The Group measures the performance of its operating segments through a measure of earnings before interest, tax, depreciation and amortisation (the "EBITDA"). EBITDA is calculated as operating profit or (loss) plus depreciation and amortisation charge, plus impairment of property, plant, equipment and intangible assets plus loss/(gain) on disposal of property, plant and equipment, plus extraordinary losses/(gains) and plus operating foreign exchange gain/(loss).

EBITDA is not a measure of financial performance under IFRS Accounting Standards. The calculation of EBITDA by the Group may be different from the calculations of similarly labelled measures used by other companies and it should therefore not be used to compare one company against another or as a

substitute for analysis of the Group's operating results as reported under IFRS Accounting Standards. EBITDA is not a direct measure of the Group's liquidity, nor is it an alternative to cash flows from operating activities as a measure of liquidity, and it needs to be considered in the context of the Group's financial commitments. EBITDA may not be indicative of the Group's historical operating results, nor is it meant to be predictive of the Group's potential future results. The Group believes that EBITDA provides useful information to the users of the Consolidated Financial Statements because it is an indicator of the strength and performance of the Group's ongoing business operations, including the Group's ability to fund discretionary spending such as capital expenditure, acquisitions and other investments and the Group's ability to incur and service debt.

EBITDA by segments

Year ended 31 December 2024	Pipes	Railway wheels	Steel making	Other operations	Total
Operating profit	174,898	66,137	96,801	(789)	337,047
Other non-operational losses	-	-	-	6,477	6,477
Depreciation and amortisation	18,281	10,259	11,240	158	39,938
Effect of individual impairment of property, plant and equipment	1,449	-	-	442	1,891
Loss on disposal of property, plant and equipment	763	160	42	-	965
Operating foreign exchange differences	(69,058)	(27,965)	(4,948)	-	(101,971)
EBITDA	126,333	48,591	103,135	6,288	284,347
Reallocation of EBITDA from Steelmaking to Pipes and Railway wheels segments	73,611	22,200	(95,811)	-	-
EBITDA (on a pass-through basis)	199,944	70,791	7,324	6,288	284,347

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(in thousands of US dollar)

EBITDA by segments

Year ended 31 December 2023	Pipes	Railway wheels	Steel making	Other operations	Total
Operating profit	225,465	37,329	95,329	335	358,458
Depreciation and amortisation	8,756	4,571	9,674	1	23,002
Effect of revaluation of property, plant and equipment	(20,406)	6,829	14,444	-	867
Gain on disposal of property, plant and equipment	(579)	(64)	(72)	-	(715)
Operating foreign exchange differences	(29,519)	(15,297)	(48)	-	(44,864)
EBITDA	183,717	33,368	119,327	336	336,748
Reallocation of EBITDA from Steelmaking to Pipes and Railway wheels segments	83,786	26,924	(110,710)	-	-
EBITDA (on a pass-through basis)	267,503	60,292	8,617	336	336,748

Geographical information

Revenues from external customers	For the year ended 31 December 2024	For the year ended 31 December 2023
Europe	411,621	357,350
Ukraine	252,854	323,829
Americas	231,556	170,676
Middle East and Africa	84,342	88,094
Other countries	70,018	48,757
	1,050,391	988,706

Americas region includes the USA, Canada and Latin America countries.

The revenue received from one major customer, which individually accounted for about 9% of total revenue, amounted to USD 93,086 thousand

(2023: one major customer, individually accounted for about 17% of total revenue, USD 174,606 thousand) arising from sales in Ukraine geographical segments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(in thousands of US dollar)

Non-current assets

Non-current assets comprising property, plant and equipment, intangible assets are presented in the table below. Non-current assets are allocated by

foreign countries in which the Group holds assets. If non-current assets in an individual foreign country are material, those assets are disclosed separately.

	31 December 2024	31 December 2023
Ukraine	333,557	379,916
Europe	391	474
Other countries	2,423	2,766
	336,371	383,156

7. FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability or
- in the absence of a principal market, in the most advantageous market for the asset or liability

All assets and liabilities for which fair value is measured or disclosed in these

Consolidated Financial Statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities

- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in these Consolidated Financial Statements on a recurring basis, the Group determines whether transfers have occurred between levels of the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The carrying amounts of financial instruments, consisting of loans granted, cash at banks, short-term accounts receivable and payable, other financial assets, short-term loans and borrowings approximate their fair values. Further details on fair value measurement of property, plant and equipment are presented in Note 8.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(in thousands of US dollar)

Fair value measurement hierarchy for liabilities as at 31 December 2024:

	Fair value measurement using				
	Carrying value	Fair value	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Fair value of liabilities:					
Borrowings and interest payable					
- borrowings at amortised cost	319,795	319,795	-	319,795	-
	319,795	319,795	-	319,795	-

Fair value measurement hierarchy for liabilities as at 31 December 2023:

	Fair value measurement using				
	Carrying value	Fair value	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Fair value of liabilities:					
Borrowings and interest payable					
- borrowings at amortised cost	338,808	338,808	-	338,808	-
- financial liability at fair value	41,491	41,491	-	-	41,491
	380,299	380,299	-	338,808	41,491

There have been no transfers between Level 1 and Level 2 during 2024 and 2023.

Reconciliation of fair value measurement of Performance Sharing Fee categorised within Level 3

is presented in Note 17. The fair value of Notes 2026 and General Loan Facility was estimated using the discounted cash flow method applying current interest rates for new instruments with similar credit risk and remaining maturity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(in thousands of US dollar)

8. PROPERTY, PLANT AND EQUIPMENT

Movement in property, plant and equipment and related accumulated depreciation for the years ended 31 December 2024 and 2023 were as follows:

Cost or valuation:	Buildings and structures	Machinery and equipment	Transport and motor vehicles	Fixtures and office equipment	Construction in-progress and uninstalled equipment	Right-of-use assets	Total
At 1 January 2023	73,462	114,608	8,470	1,369	25,885	361	224,155
Additions	-	-	-	-	29,093	3,831	32,924
Transfers	3,535	22,249	1,023	1,444	(28,251)	-	-
Disposals and write-offs	(806)	(330)	(636)	(304)	(3,169)	-	(5,245)
Elimination against gross carrying amount	(4,636)	(12,082)	(1,019)	(890)	-	(294)	(18,921)
Revaluation	44,172	60,044	4,854	22,529	24,218	-	155,817
Translation differences	(2,784)	(5,043)	(334)	(94)	(757)	-	(9,012)
At 31 December 2023	112,943	179,446	12,358	24,054	47,019	3,898	379,718
Additions	-	-	-	-	37,003	40	37,043
Transfers	4,393	16,280	476	1,239	(22,388)	-	-
Disposals and write-offs	(793)	(461)	(582)	(130)	(96)	-	(2,062)
Translation differences	(10,988)	(17,742)	(1,206)	(2,440)	(5,200)	-	(37,576)
At 31 December 2024	105,555	177,523	11,046	22,723	56,338	3,938	377,123
Accumulated depreciation and impairment:	Buildings and structures	Machinery and equipment	Transport and motor vehicles	Fixtures and office equipment	Construction in-progress and uninstalled equipment	Right-of-use assets	Total
At 1 January 2022	-	-	-	-	-	-	-
Depreciation for the year	4,777	12,623	1,131	1,062	-	294	19,887
Disposals and write-offs	(15)	(117)	(66)	(132)	-	-	(330)
Elimination against gross carrying amount	(4,636)	(12,082)	(1,019)	(890)	-	(294)	(18,921)
Translation differences	(126)	(424)	(46)	(40)	-	-	(636)
At 31 December 2023	-	-	-	-	-	-	-
Depreciation for the year	10,207	21,253	2,407	5,002	-	767	39,636
Impairment of individual assets	1,027	5,989	295	17	17	-	7,345
Disposals and write-offs	(60)	(81)	(58)	(110)	-	-	(309)
Translation differences	(447)	(1,042)	(145)	(329)	-	-	(1,963)
At 31 December 2024	10,727	26,119	2,499	4,580	17	767	44,709

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(in thousands of US dollar)

Net book value:	Buildings and structures	Machinery and equipment	Transport and motor vehicles	Fixtures and office equipment	Construction in-progress and uninstalled equipment	Right-of-use assets	Total
At 31 December 2023	112,943	179,446	12,358	24,054	47,019	3,898	379,718
At 31 December 2024	94,828	151,404	8,547	18,143	56,321	3,171	332,414

As at 31 December 2024 and 2023, property, plant and equipment with carrying amount of USD 45,934 thousand and USD 50,280 thousand, respectively, were pledged as a security for the Group's borrowings (Note 17).

Revaluation increase/ Decrease/ Reversal of decrease:	Buildings and structures	Machinery and equipment	Transport and motor vehicles	Fixtures and office equipment	Construction in-progress and uninstalled equipment	Total
At 31 December 2023						
Loss on revaluation recognised in profit or loss	(14,074)	(18,394)	(128)	(236)	-	(32,832)
Reversal of loss on previous revaluation recognised in profit or loss	1,743	13,887	233	255	15 847	31,965
Loss on revaluations recognised in other comprehensive income	(6,126)	(6,366)	(626)	(6)	-	(13,124)
Gain on revaluations recognised in other comprehensive income	62,629	70,917	5,375	22,516	8,371	169,808
Total	44,172	60,044	4,854	22,529	24,218	155,817

The revalued property, plant and equipment are presented by buildings and structures; machinery and equipment; transport and motor vehicles; fixtures and office equipment; construction-in-progress and uninstalled equipment. Management determined that these constitute one category within the fair value hierarchy of assets under IFRS 13 (Level 3), based on the lowest level input that is significant to the fair value measurement as a whole.

The Group engaged an independent appraiser to determine the fair value for all groups of property plant and equipment as at 31 December 2023. Valuation analysis and estimates of value, performed by the independent appraiser, were based on historical, current and prospective information, adjusted for any difference in nature, location or condition of the specific property compared to similar assets and benchmarks used.

Depending on the item of the property plant and equipment, fair value was determined using the combination of the following three methods:

- comparative method;
- cost method;
- discounted cash flows method.

The most significant observable and unobservable valuation inputs are listed below and their changes would result in a significant increase or decrease in fair value of the revalued assets:

- price per square metre – 211-703 USD: significant increases (decreases) in estimated price per square metre in isolation would result in a significantly higher (lower) fair value on a linear basis;
- discount rate – 25.3%-28.3%: significant increases (decreases) in discount rate in isolation would result in a significantly higher (lower) fair value on a linear basis;

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(in thousands of US dollar)

- terminal growth rate – 1.9%: significant increases (decreases) in terminal growth rate in isolation would result in a significantly higher (lower) fair value on a linear basis;
- inflation rate – 2.3-2.5%: significant increases (decreases) in inflation rate in isolation would result in a significantly higher (lower) fair value on a linear basis.

As at 31 December 2024, management recognised the impairment on individual assets from welded pipe segment due to the deterioration of transportation routes for material supply during 2024, which led to a decrease in production in subsequent reporting periods. The effect of impairment of individual assets recognised in the profit or loss statement and other comprehensive income in the amount of USD 1,891 thousand (Note 25) and USD 5,454 thousand, respectively.

Based on the analysis of fluctuations of the cumulative index of producer's prices, the cumulative index of inflation of construction works, the index of physical depreciation and the functional currency depreciation, Management concluded that the carrying value of these groups of property, plant and equipment, except for the matter described above, was not materially different from their fair values as at 31 December 2024. The Group reviews its property, plant and equipment each period to determine if any indication of impairment exists. Based on these reviews, there have been no additional indicators of impairment as of 31 December 2024 comparing to those indicators existed as of December 2023.

As at 31 December 2024 and 2023, the cost of fully depreciated items of property, plant and equipment, which remain in use, amounted to USD 343 thousand and USD 373 thousand, respectively.

If property, plant and equipment continued to be measured using cost model, their carrying amount would be as follows:

	Buildings and structures	Machinery and equipment	Transport and motor vehicles	Fixtures and office equipment	Construction in-progress and uninstalled equipment	Total
31 December 2023	50,626	123,944	3,578	1,564	52,165	231,877
31 December 2024	45,381	113,722	2,949	2,339	60,146	224,537

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(in thousands of US dollar)

9. INTANGIBLE ASSETS

Movement in intangible assets and related accumulated amortisation for the years ended 31 December 2024 and 2023 was as follows:

Cost:	Patents and trademarks	Accounting software	Other software	Intangible assets under development	Total
At 1 January 2023	48	3,639	2,945	1,106	7,738
Additions	-	-	-	811	811
Transfers	-	728	824	(1,552)	-
Disposals	-	-	(108)	(9)	(117)
Translation differences	(2)	(213)	(135)	(8)	(358)
At 31 December 2023	46	4,154	3,526	348	8,074
Additions	-	-	-	2,021	2,021
Transfers	8	597	563	(1,168)	-
Disposals	-	(271)	(42)	(4)	(317)
Translation differences	(5)	(404)	(362)	(300)	(1,071)
At 31 December 2024	49	4,076	3,685	897	8,707

Accumulated amortisation and impairment:	Patents and trademarks	Accounting software	Other software	Intangible assets under development	Total
At 1 January 2023	24	1,818	2,145	109	4,096
Amortisation for the year	3	426	384	-	813
Disposals	-	-	(100)	-	(100)
Translation differences	(3)	(79)	(87)	(4)	(173)
At 31 December 2023	24	2,165	2,342	105	4,636
Amortisation for the year	3	404	475	-	882
Disposals	-	(271)	(42)	-	(313)
Translation differences	(2)	(203)	(240)	(10)	(455)
At 31 December 2024	25	2,095	2,535	95	4,750

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(in thousands of US dollar)

Net book value:	Patents and trademarks	Accounting software	Other software	Intangible assets under development	Total
At 31 December 2023	22	1,989	1,184	243	3,438
At 31 December 2024	24	1,981	1,150	802	3,957

Accounting and other software is determined to have finite lives ranging from three to seven years; patents and trademark are determined to have finite lives ranging from three to eight years. Amortization of intangible assets is included in general and administrative expenses in the consolidated statement of comprehensive income

10. INVESTMENTS IN ASSOCIATES

The Group's investments in associates were as follows:

Entity	Activity	% of the Group ownership	31 December 2024	31 December 2023
PrJSC "Nikopolsky Tooling Plant"	Tooling for machines	25%	534	544
PrJSC "Nikopolsky Repairing Plant"	Repairs	25%	-	-
PrJSC "Teplogeneratzia"	Utility services	30%	-	-
			534	544

PrJSC "Teplogeneratzia", PrJSC "Nikopolsky Tooling Plant" and PrJSC "Nikopolsky Repairing Plant" are entities incorporated in Ukraine. They are private companies not listed on any public exchange.

The following table illustrates changes in carrying value of the Group's investments in associates:

	For the year ended 31 December 2024	For the year ended 31 December 2023
At period beginning	544	412
Share of profit	43	153
Translation differences	(53)	(21)
At period end	534	544

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(in thousands of US dollar)

The Group's share in net assets of its associates was as follows:

	PrJSC "Teplo-generatzia"	PrJSC Nikopolsky Tooling Plant"	PrJSC "Nikopolsky Repairing Plant"
At 31 December 2024			
Assets	-	1,087	-
Liabilities	-	(553)	-
Net assets – carrying amounts of investments	-	534	-
At 31 December 2023			
Assets	-	986	-
Liabilities	-	(442)	-
Net assets – carrying amounts of investments	-	544	-

The following table illustrates the Group's share in revenues and profit or loss of associates:

	For the year ended 31 December 2024		For the year ended 31 December 2023	
	Revenue	Profit for the year	Revenue	Profit for the year
PrJSC "Teplogeneratzia"	2	-	2	-
PrJSC "Nikopolsky Repairing Plant"	2,775	-	2,787	-
PrJSC "Nikopolsky Tooling Plant"	4,205	43	2,734	153

The Group had a cumulative unrecognised share of losses in the amount of UAH 15,350 thousand from the associates with zero carrying value as at 31 December 2024 (31 December 2023: UAH 14,304 thousand). The associates with zero carrying value represented the associates which had negative net assets as at the reporting date. Considering that the Group has no formal obligation to fulfil its share of the associates' liabilities, the carrying value of the investment in respective associates is kept at zero in the financial statements. Associates had no contingent liabilities and commitments as at 31 December 2024 and 2023, respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(in thousands of US dollar)

11. INCOME TAX

Each subsidiary of the Group, except for Cyprus based subsidiaries, is treated as a separate taxpayer.

The components of income tax expense for the years ended 31 December 2024 and 2023 were as follows:

	For the year ended 31 December 2024	For the year ended 31 December 2023
Current income tax expense	(55,301)	(38,351)
Effect of foreign taxes - current withholding tax	(4,022)	-
Income tax related to adjustments of past periods	2,217	-
Deferred income tax benefit/(expense)	10,394	(340)
	(46,712)	(38,691)

Income tax (expense)/benefit for the years ended 31 December 2024 and 2023 originated in the following tax jurisdictions:

	Domestic tax rates applicable to individual group entities as at		For the year ended	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Ukraine	18%	18%	(13,856)	(43,793)
Switzerland	11%	11%	(19,667)	(6,387)
Germany	34%	34%	(2)	(27)
The USA	21%	21%	(7,664)	1,216
Cyprus	12.5%	12.5%	(5,523)	10,290
Other countries	20%	20%	-	10
The UAE*	-	-	-	-
			(46,712)	(38,691)

* Tax (expense)/benefit calculated at domestic rates applicable to individual Group entities for 2024 and 2023 was affected by the financial results of the Group subsidiary, Interpipe M.E, a free zone establishment with limited liability, which is not subject to corporate tax in the United Arab Emirates in 2024. For the details of changes in geographical operations please refer to Note 6.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(in thousands of US dollar)

Profit before tax for financial reporting purposes is reconciled to tax benefit as follows:

	For the year ended 31 December 2024	For the year ended 31 December 2023
Accounting profit before tax	327,191	291,584
Tax expenses calculated at domestic rates applicable to individual Group entities	(53,280)	(39,860)
Tax effect of non-deductible expenses	(4,766)	(6,515)
Tax effect of non-taxable incomes	12,871	341
Effect of foreign taxes - withholding tax (current and deferred)	(5,103)	-
Income tax related to adjustments of past periods	2,217	-
Change in unrecognised deferred tax assets	892	9,397
Reassessment of previous years temporary differences	-	(1,171)
Translation differences	457	(165)
Other differences	-	(718)
	(46,712)	(38,691)

Deferred tax assets and liabilities for the year ended 31 December 2024 related to the following:

Deferred tax liabilities:	31 December 2024	Change recognised in profit or loss	Change recognised in other compre- hensive income	Translation differences	31 December 2023
Investments' valuation	(7)	(6)	-	1	(2)
Withholding tax accrued on outstanding dividends receivables	(1,081)	(1,081)	-	-	-
Accelerated depreciation for tax purposes and revaluation of property, plant and equipment or financial reporting purposes	(18,252)	4,060	982	1,792	(25,086)
	(19,340)	2,973	982	1,793	(25,088)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(in thousands of US dollar)

Deferred tax assets:	31 December 2024	Change recognised in profit or loss	Change recognised in other comprehensive income	Translation difference	31 December 2023
Accrued liabilities and provisions	2,181	(694)	1,066	(192)	2,001
Allowance for expected credit losses	4,150	838	-	(374)	3,686
Inventories valuation	15,992	6,351	-	(309)	9,950
Loans and interest payable	742	629	-	(35)	148
Other assets and liabilities	75	(80)	-	(16)	171
Tax losses carried forward	28,173	(515)	-	(597)	29,285
	51,313	6,529	1,066	(1,523)	45,241

Unrecognised deferred tax asset	(28,367)	892	-	691	(29,950)
Deferred income tax benefit from origination and reversal of temporary differences		10,394	2,048		

Presented in the consolidated statement of financial position as follows:

	31 December 2024	Change recognised in profit or loss	Change recognised in other comprehensive income	Translation difference	31 December 2023
Deferred tax assets	11,487				11,075
Deferred tax liabilities	(7,881)				(20,872)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(in US dollars and in thousands)

Deferred tax assets and liabilities for the year ended 31 December 2023 related to the following:

Deferred tax liabilities:					
Investments valuation	(2)	(2)	-	-	-
Accelerated depreciation for tax purposes and revaluation of property, plant and equipment for financial reporting purposes	(25 086)	5 631	(15 881)	(7)	(14 829)
	(25 088)	5 629	(15 881)	(7)	(14 829)
Deferred tax assets:					
	31 December 2023	Change recognised in profit or loss	Change recognised in other comprehensive income	Translation difference	31 December 2023
Investments valuation	-	(24)	-	-	24
Accelerated depreciation for tax purposes and revaluation of property, plant and equipment for financial reporting purposes	-	(5,017)	(12,322)	(229)	17,568
Accrued liabilities and provisions	2,001	(323)	86	(67)	2,305
Allowance for expected credit losses	3,686	795	-	(145)	3,036
Inventories valuation	9,950	(5,462)	-	(42)	15,454
Loans and interest payable	148	(134)	-	(6)	288
Other assets and liabilities	171	(514)	-	(9)	694
Tax losses carried forward	29,285	(4,687)	-	(293)	34,265
	45,241	(15,366)	(12,236)	(791)	73,634
Unrecognised deferred tax asset	(29,950)	9,397	-	116	(39,463)
Deferred income tax expense from origination and reversal of temporary differences		(340)	(28,117)		
Presented in the consolidated statement of financial position as follows:					
Deferred tax assets	11,075				30 131
Deferred tax liabilities	(20,872)				(10 789)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(in US dollars and in thousands)

The deferred tax effect on tax losses carried forward was as follows:

Country of origination	For the year ended 31 December 2024	For the year ended 31 December 2023
Ukraine	4,271	6,405
Cyprus	23,692	22,539
The USA	47	152
Kazakhstan	163	189
	28,173	29,285

Tax losses carried forward are available for offset against future taxable profits of the companies in which the losses arose for 20 years in the USA, for 5 years in Cyprus, 10 years in Kazakhstan and indefinitely in all other jurisdictions.

As at 31 December 2024 and 2023, the Company has not recognised deferred tax asset in respect of temporary differences amounting to USD 1,007 thousand and USD 3,056 thousand, respectively, associated with investments in the Group subsidiaries as the Company is able to control the timing of the reversal of those temporary differences and does not intend to reverse them in the foreseeable future.

Pillar Two rules

The Organisation for Economic Co-operation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) addresses the tax challenges arising from the digitalisation of the global economy. The Global Anti-Base Erosion Model Rules (Pillar Two model rules) apply to multinational enterprises with annual revenue in excess of EUR 750 million per their consolidated financial statements.

On 12 December 2024, the Cyprus House of Representatives voted to transpose into law Council Directive (EU) 2022/2523 of 14 December 2022 to ensure a global minimum level of taxation of multinational enterprise (MNE) groups and large domestic groups in the Union (the Law), also known as the Pillar Two Directive.

The Pillar Two model rules introduce new taxing mechanisms under which MNEs would pay a minimum level of tax (the Minimum Tax):

- the Income Inclusion Rule (IIR). The law introduced IIR for financial years starting from 31 December 2023 in line with the Pillar Two Directive. The IIR requires a parent entity of an MNE group or a large-scale domestic group to pay a top-up tax on its low-taxed income and the low-taxed income of its subsidiaries to ensure that the group's overall income is taxed at a minimum rate of 15%;
- the Qualified Domestic Minimum Top-up Tax (QDMTT) is introduced for financial years starting from 31 December 2024;
- the Under Taxed Payments/Profits Rule (UTPR) is introduced for financial years starting from 31 December 2024.

The Pillar Two model rules are applicable to the Group starting from 1 January 2024. According to these rules, the Group is considered a multinational enterprise to which the Pillar Two rules shall be applied.

The Pillar Two effective tax rates in most of the jurisdictions, in which the Group operates, exceed 15%. The application of Pillar Two model rules had no material impact on the consolidated financial statements for the year ended 31 December 2024.

In addition, based on the current assessment there is no material impact from exposure to Pillar Two legislation on the going concern assessment or on any asset impairment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(in US dollars and in thousands)

Deferred tax (IAS 12 Income Taxes amendments implication)

The Group applied a mandatory temporary exception to the accounting for deferred taxes arising from the

jurisdictional implementation of the Pillar Two model rules and disclosure requirements for affected entities on the potential exposure to Pillar Two income taxes.

12. INVENTORIES

Inventories at lower of cost and net realisable value consisted of the following:

	31 December 2024	31 December 2023
Raw materials	49,819	38,948
Work in process	25,632	16,414
Finished goods	96,416	129,131
	171,867	184,493

As at 31 December 2024 and 2023, the Group inventories balances are carried at lower of cost and net realisable value and, accordingly, the write down adjustments bringing the inventories to the net realisable values amounted to USD 42,888 thousand and USD 35,487 thousand, respectively.

13. TRADE AND OTHER ACCOUNTS RECEIVABLE

Trade and other accounts receivable consisted of the following:

	31 December 2024	31 December 2023
Trade accounts receivable	125,261	111,740
Less allowance for expected credit losses	(18,786)	(12,797)
	106,475	98,943
Other receivables	11,077	10,363
Current portion of loans granted	-	5,533
Less of allowance for expected credit losses	(7,429)	(6,340)
	3,648	9,556
	110,123	108,499

As at 31 December 2024 and 2023, trade receivables were not pledged as a security for the Group's borrowings.

Movement in expected credit losses is disclosed in Note 33. As at 31 December 2024 and 2023, there were no debtors with significant financial difficulties or with estimated high probability of their insolvency, for which an individual allowance for expected credit losses was accrued. An impaired trade account receivable is written off against the allowance when there is no reasonable expectation of recovering the contractual cash flows. Trade receivables are non-interest bearing and are generally collected within a three-month term.

As at 31 December 2024 and 2023, 53% and 60% of trade accounts receivable, respectively, were due from twenty major customers.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(in US dollars and in thousands)

14. OTHER NON-CURRENT ASSETS, PREPAYMENTS AND OTHER CURRENT ASSETS

Prepayments consisted of the following:	31 December 2024	31 December 2023
Prepayments to suppliers	10,035	12,662
Prepaid land tax	943	2,323
	10,978	14,985

Other current assets consisted of the following:	31 December 2024	31 December 2023
Custom duties to be reversed	54,509	5,994
Guarantee deposits	22,880	2,572
Restricted bank deposit	32	43
Prepaid insurance expense	153	107
Other current assets	660	449
	78,234	9,165
Total prepayments and other current assets	89,212	24,150

Customs duties to be reversed are related to the amount of an excessive customs duties paid in the USA on imports of pipe products during previous years.

As at 31 December 2024 and 2023, the guarantee deposits represented collateral for US customs bond and restricted bank deposits were related to the letters of credit issued by banks in favor of the Group's suppliers with the contractual maturity exceeding 3-month period. As at 31 December 2024 and 2023, non-current portion of collateral for US customs bond is presented in other non-current assets as disclosed below.

Other non-current assets consisted of the following:	31 December 2024	31 December 2023
Loans granted, including interest accrued	138,039	85,000
Guarantee deposits	9,125	32,280
	147,164	117,280

During 2023, the Group provided interest-bearing loans to related parties in the amount of USD 85,000 thousand with original maturity at 31 December 2023 and interest rate of 9% p.a. Management of the Group does not expect settlement of these loans during 12 months from the balance sheet date. Accordingly, USD 85,000 thousand of loans principal amount provided to related parties are presented within other non-current assets, while interest accrued interest of USD 5,533 thousand are presented within trade and other

accounts receivable (Note 13). As at 1 January 2024, the Group prolonged terms for existing loans up to December 2029. The principal amount of the loans and interest are payable at the maturity date.

During 2024, the Group provided interest-bearing loans to related parties in amount of USD 50,000 thousand with maturity at December 2029 and interest rate of 9% p.a. Loans principal amount and interest are payable at the maturity date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(in US dollars and in thousands)

Accordingly, USD 135,000 thousand of loans provided to related parties and USD 14,092 thousand of interest receivables (both represent nominal amounts) are presented within other non-current assets. As at 31 December 2024, the expected credit losses on other non-current assets balance is USD 6,477 thousand (31 December 2023: nil).

As at the date of initial recognition, the carrying amount of the loans granted to related parties were recognised at their fair value with subsequent accounting at amortised cost using the EIR method with the initial recognition loss in amount of USD 5,028 thousand taken directly to equity. Unwinding of the discount on loans granted to related parties in amount of USD 452 thousand was recognised within finance income (Note 27).

15. TAXES RECOVERABLE, OTHER THAN INCOME TAX

Taxes recoverable, other than income tax consisted of the following:

	31 December 2024	31 December 2023
Value-added tax recoverable	31,480	29,773
Other taxes recoverable	78	58
	31,558	29,831

VAT recoverable primarily originated in Ukraine.

16. CASH AND CASH EQUIVALENTS

Cash and cash equivalents (net of expected credit losses) consisted of the following:

	31 December 2024	31 December 2023
Time deposits at banks with maturity less than three months	190,585	119,601
Current accounts and deposits on demand at banks	94,913	127,850
Cash in hand	6	22
	285,504	247,473

As at 31 December 2024, the Group recognised USD 508 thousand of allowance for expected credit losses (31 December 2023: nil).

As at 31 December 2023, cash and cash equivalents served as a cash cover for the letters of credit issued by banks in favor of the Group's suppliers and guarantees issued by banks in favor of the Group's customers with the contractual maturity of less than 3 months amounted to USD 257 thousand (31 December 2024: nil).

As at 31 December 2024 and 2023, cash and cash equivalents were not placed as security for the Group's borrowings (Note 17).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(in US dollars and in thousands)

Cash in banks is placed with the financial institutions with the following ratings:	31 December 2024	31 December 2023
AA	6,500	9,862
A	248,879	201,277
BBB	595	2,350
Not rated and other	29,530	33,984
	285,504	247,473

17. BORROWINGS AND INTEREST PAYABLE

As at 31 December 2024 and 2023 interest bearing borrowings comprised:	31 December 2024	31 December 2023
Notes 2026	299,254	298,778
Performance Sharing Fee (fair value)	-	41,491
General Loan Facility (principal)	13,975	36,532
	313,229	376,801
Interest payable (current)	3,409	3,498
Lease liability	3,157	3,877
Total borrowings and interest payable	319,795	384,176
Current portion of long-term borrowings	18,124	68,532
Long-term borrowings	301,671	315,644

The Notes 2026 were 8.375% senior secured notes due in 2026 and included in the Securities Official List of the Luxembourg Stock Exchange.

The General Loan Facility was initially granted by a Ukrainian bank to a Group's Ukrainian subsidiary and consisted of EUR 30,000 thousand term loan and revolving EUR 7,000 thousand facility due in 2025. The interest rate under the General Loan Facility was set at 4.5% for the first year and UIRD 12m EUR + 3.88% onwards.

As at 31 December 2024 the interest rate for the outstanding term loan in the amount of EUR 12,375 thousand due in 2025 was set at the rate of UIRD 12m EUR + 3.88% (4.45% per annum) and for the outstanding revolving loan in the amount of EUR 1,000 thousand due in 2025 was set at the rate of 6.5% per annum.

The General Loan Facility is secured by the pledge of certain items of movable and immovable property of the Group's Ukrainian subsidiary and sureties granted by Ukrainian subsidiaries of the Group.

The Performance Sharing Fee represented obligations, contingent upon the Group's performance after occurrence of the Final Repayment Date. The last payment under the Performance Sharing Fee agreement was made in October 2024. Accordingly, as at 31 December 2024, no obligation under the Performance Sharing Fee exists for the Group. The sensitivities of the Performance Sharing Fee as at 31 December 2023 are further disclosed in Note 34.

As at 31 December 2023, the carrying amount of the Performance Sharing Fee was determined at its fair value based on the best management estimates

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(in US dollars and in thousands)

available to-date: the estimated performance of the Group in the Performance Assessment Period of the the 2nd half of 2023 – 1st half of 2024 as the notional annualised amounts in the range of USD 160-253 million of the Group Adjusted Cashflow multiplied by the Applicable Percentage of 22.5% and using EIR

of 24.87% p.a. with a shift in payment for one year plus 115 days after each of the 12 month periods then ending.

As at 31 December 2024, the Performance Sharing Fee obligations were settled.

	2024	2023
Fair value at the beginning of the year	41 491	49,485
Performance Fee re-measurement (Note 28)	5,565	41,144
Performance Fee payment	(47,056)	(49,138)
Fair value at the end of the year	-	41,491

As mentioned above, the last payment under the Performance Sharing Fee was made in October 2024 and no related obligation exists for the Group at 31 December 2024. Similarly, no obligation under the Proceeds Sharing Fee exists for the Group as at 31 December 2024. As at 31 December 2023, no assessment is made for the Proceeds Sharing Fee element of the Performance Sharing Securities and obligations under the Performance Fee Agreement since (I) the amount and timing of the underlying capital transaction (if any) or the Net Proceeds thereof could not be reliably established, and (II) there's no sufficient information as to the prior Performance Sharing Fee payment profile (deductible from the amount due and payable in respect of the Proceeds Sharing Fee).

As at 31 December 2024 and 2023, the long-term lease liability comprised USD 2,417 thousand and USD 3,115 thousand, respectively; short-term lease obligations comprised USD 740 thousand and USD 762 thousand, respectively.

Security package and pledges of assets

As at 31 December 2024 and 2023, the General Loan Facility is secured by the pledge of certain items of movable property of the Group's Ukrainian subsidiary with the carrying amount of USD 45,934 thousand and USD 50,280 thousand, respectively (Note 8), and sureties granted by other Ukrainian subsidiaries of the Group.

As at 31 December 2024 and 2023, there was no pledge of the Group subsidiaries' shares and participatory interest.

As at 31 December 2024 and 2023, the Group was subject to certain covenants:

- under Notes 2026 related primarily to the limitation of the dividends distribution and new borrowings;
- under General Loan Facility (Net Debt/EBITDA > 3.0, Debt Service Coverage Ratio > 1.25, etc.).

In case of breach of any of the covenants, the management will apply all necessary and available remediation actions.

The Group was in compliance with the covenants as at 31 December 2024 and 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(in US dollars and in thousands)

18. PROVISIONS

Provisions and employee benefits included the following:	31 December 2024	31 December 2023
Provision for customers' and other claims	1,101	481
Defined benefit state pension plan	28,198	22,453
Retirement benefit plan	1,555	1,354
	30,854	24,288
Provision – current portion	3,848	3,280
Provision – non-current portion	27,006	21,008

Non-current portion of the provisions relates to defined benefit state pension plan and retirement benefit plan.

Changes in the provisions:	Provision for customers' and other claims	Defined benefit state pension plan	Retirement benefit plan	Total provisions
At 1 January 2023	2,271	20,433	1,089	23,793
Charge for the year	-	5,385	333	5,718
Payments and utilisation	(2)	(2,502)	(12)	(2,516)
Reversal	(1,775)	-	-	(1,775)
Translation differences	(13)	(863)	(56)	(932)
At 31 December 2023	481	22,453	1,354	24,288
Charge for the year	716	10,420	438	11,574
Payments and utilisation	-	(2,482)	(16)	(2,498)
Reversal	(46)	-	-	(46)
Translation differences	(50)	(2,193)	(221)	(2,464)
At 31 December 2024	1,101	28,198	1,555	30,854

For the year ended 31 December 2024, interest costs attributable to the defined benefit state pension plan and retirement benefit plan, and amounting to USD 4,104 thousand and USD 264 thousand, respectively, were included in finance costs in the consolidated statement of comprehensive income (year ended 31 December 2023: USD 4,430 thousand and USD 250 thousand, respectively).

Provision for customers' and other claims

Provision for customers' and other claims represents provision for probable losses and costs which the Group might incur relating to customers' possible future quality claims with respect to some new products and pipe solutions designed, delivered and sold by the Group where technical probation is still ongoing and other litigations (Note 32) filed against the Group in the courts. Charge and reversal for the

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(in US dollars and in thousands)

year ended 31 December 2024 amounted to USD 716 thousand and USD 46 thousand, respectively, (reversal of USD 1,775 thousand for the year ended 31 December 2023) is included in the consolidated statement of comprehensive income.

Defined benefit state pension plan

Production subsidiaries of the Group domiciled in Ukraine have a legal obligation to compensate the Ukrainian State Pension Fund for additional pensions paid to certain categories of the former and existing employees of the Group. Under the plan the Group's employees who have qualifying working experience in health-hazardous

environment and thus eligible to early retirement are entitled to additional compensations financed by the Group and paid through the Ukrainian State Pension Fund. These obligations fall under definition of a defined benefit plan.

The following tables summarise the components of benefit expense recognised in the consolidated statement of comprehensive income and the amounts recognised in the consolidated statement of financial position with respect to the plan. Benefit expense, with the exception of interest costs, is included in payroll and related expenses within costs of sales (Note 22). Interest cost is included in finance costs (Note 28).

Benefit expense recognised in the profit or loss section of the consolidated statement of comprehensive income

Interest cost (Note 28)

For the year ended
31 December 2024

For the year ended
31 December 2023

Current service cost

4,104

4,430

541

517

4,645

4,947

Changes in the present value of the defined benefit state pension plan

For the year ended
31 December 2024

For the year ended
31 December 2023

Present value at the beginning of the year

22,453

20,433

Current service cost

541

517

Interest cost (Note 28)

4,104

4,430

Payment

(2,482)

(2,502)

Re-measurement losses/(gains) on defined benefit plans:

- changes in financial assumptions

5,615

1,741

- experience adjustments

160

(1,303)

Translation differences

(2,193)

(863)

Present value at the end of the year

28,198

22,453

The average duration of the defined benefit state pension plan at the end of the reporting period is 14.4 years (2023: 11.5 years).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(in US dollars and in thousands)

Retirement benefit plan

Some production subsidiaries of the Group domiciled in Ukraine have contractual commitments to pay certain lump-sum payments to the retiring employees with a long service period as well as certain other post retirement and employment benefits according to the collective agreements. The following tables summarise the components of benefit expense recognised in the

consolidated statement of comprehensive income and the amounts recognised in the consolidated statement of financial position with respect to the plan. Benefit expense, with the exception of interest cost, is included in payroll and related expenses within costs of sales and general and administrative expenses as appropriate. Interest cost is included in the finance costs (Note 28).

Benefit expense recognised in the consolidated statement of comprehensive income

Interest cost (Note 28)

For the year ended
31 December 2024

For the year ended
31 December 2023

Current service cost

264

250

29

40

293

290

Changes in the present value of retirement benefit plan

For the year ended
31 December 2024

For the year ended
31 December 2023

Present value at the beginning of the year

1,354

1,089

Current service cost

29

40

Interest cost (Note 28)

264

250

Payment

(16)

(12)

Re-measurement losses/(gains) on defined benefit plans:

- changes in financial assumptions

(52)

140

- experience adjustments

197

(97)

Translation differences

(221)

(56)

Present value at the end of the year

1,555

1,354

The average duration of the retirement benefit plan at the end of the reporting period is 14.8 years (2023: 15.4 years).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(in US dollars and in thousands)

Principal assumptions applicable to all plans

The principal assumptions used in determining defined benefit obligations for the Group's defined benefit plans are shown below:

	31 December 2024	31 December 2023
Annual discount rate	17%	20,7%
Annual salary increase rate	12% in 2025, 6% afterwards	18% in 2024, 6% afterwards
Staff turnover	7,9%	9,6%
Mortality	0,97	0,97

■ Sensitivity analysis

A quantitative sensitivity analysis for significant assumption as at 31 December 2024 is as shown below:

Assumptions	Discount rate		Future salary increases		Staff turnover		Annual mortality	
	1% increase	1% decrease	1% increase	1% decrease	1% increase	1% decrease	1% increase	1% decrease
Impact on the net defined benefit obligation	(1,725)	1,957	234	(175)	(155)	251	(313)	432

The sensitivity analysis above were made based on a method that extrapolates the impact on net defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

19. TRADE AND OTHER ACCOUNTS PAYABLE

Trade and other accounts payable consisted of the following:

	31 December 2024	31 December 2023
Trade accounts payable to suppliers	91,520	84,218
Dividends payable to non-controlling interest owners	139	154
Other accounts payable	4,623	5,505
	96,282	89,877

Trade accounts payable are non-interest bearing and are generally settled within a three-month term.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(in US dollars and in thousands)

20. ADVANCES AND OTHER CURRENT LIABILITIES

Advances and other current liabilities consisted of the following:	31 December 2024	31 December 2023
Short-term employee benefits	19,837	18,113
Advances from customers	17,536	12,005
Other current liabilities	9	81
	37,38	30,199

Advances from customers comprise the advances received for the Group's products which are to be supplied to these customers within a twelve-month period and are recognised as revenue from sales in full amount in the subsequent period.

21. TAXES PAYABLE, OTHER THAN INCOME TAX

Taxes payable, other than income tax consisted of the following:	31 December 2024	31 December 2023
VAT payable	4,285	3,478
Accrued and withheld payroll taxes	2,177	1,567
Other miscellaneous taxes payable	268	213
	6,730	5,258

22. COST OF SALES

Cost of sales consisted of the following:	For the year ended 31 December 2024	For the year ended 31 December 2023
Materials	(270,399)	(226,295)
Energy and utilities	(160,295)	(138,346)
Payroll and related expenses*	(63,492)	(43,954)
Depreciation	(36,215)	(19,748)
Duties	(23,390)	(28,333)
Rolling tools and instruments	(22,335)	(18,049)
Repairs and maintenance	(14,824)	(11,008)
Services of third parties	(11,009)	(11,096)
Accrual of adjustment of inventories to NRV, net	(8,106)	(2,292)
Transport services	(7,526)	(17,180)
Other variable land lease payments	(3,161)	133
Other	(27,655)	(11,765)
	(648,407)	(527,933)

* Payroll and related expenses line includes social insurance and other payroll related taxes in amount of USD 11,191 thousand for the year ended 31 December 2024 (2023: USD 8,399 thousand).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(in US dollars and in thousands)

23. SELLING AND DISTRIBUTION EXPENSES

Selling and distribution expenses consisted of the following:	For the year ended 31 December 2024	For the year ended 31 December 2023
Forwarding and transportation services	(95,151)	(59,728)
Payroll and related expenses*	(11,165)	(13,502)
Expected credit losses on trade receivables, net (Note 33)	(7,386)	(1,274)
Storage and packaging expenses	(5,023)	(4,660)
Professional fees, related to market research, and other service fees	(3,759)	(3,442)
Sales agency fees	(3,321)	(850)
Advertising and promotion	(1,966)	(1,047)
Customs services and duties	(1,220)	(599)
Provision for claims, net	(595)	1,655
Depreciation	(416)	(477)
Insurance expense	(210)	(314)
Other	(1,596)	(1,014)
	(131,808)	(85,252)

* The payroll and related expenses line includes social insurance and other payroll related taxes in the amount of USD 715 thousand for the year ended 31 December 2024 (2023: USD 1,244 thousand).

24. GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses consisted of the following:	For the year ended 31 December 2024	For the year ended 31 December 2023
Payroll and related expenses*	(27,837)	(28,426)
Professional fees	(11,734)	(8,924)
Depreciation and amortisation	(3,307)	(2,503)
Business trips and transportation	(1,414)	(950)
Insurance expense	(682)	(629)
Bank fees	(469)	(532)
Communication	(399)	(384)
Taxes, other than income tax	(207)	(331)
Repairs and maintenance	(186)	(163)
Rent (for items exempt under IFRS 16 – low-value and short-term)	(45)	(387)
Other	(1,112)	(864)
	(47,392)	(44,093)

* The payroll and related expenses line includes social insurance and other payroll related taxes in the amount of USD 3,626 thousand for the year ended 31 December 2024 (2023: USD 4,236 thousand).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(in US dollars and in thousands)

Auditors' remuneration

Auditors' remuneration for the year ended 31 December 2024 is included in professional fees above and comprises statutory audit fee for the audit of these Consolidated

Financial Statements and stand-alone financial statements of certain Group subsidiaries of USD 551 thousand (2023: USD 451 thousand) as well as non-audit fees of USD 129 thousand (2023: USD 15 thousand).

25. OTHER OPERATING INCOME AND EXPENSES

Other operating income consisted of the following:

	For the year ended 31 December 2024	For the year ended 31 December 2023
Customs duty reimbursements*	49,543	7,187
Gain on disposal of by-products	3,605	1,817
Gain from write-off of accounts payable	973	66
Gain on disposal of property, plant and equipment and intangible assets	-	715
Other	1,415	3,352
	55,536	13,137

* Customs duty reimbursements are related to the amount of excessive customs duties paid in the USA on imports of pipe products during previous years.

Other operating expenses consisted of the following:

	For the year ended 31 December 2024	For the year ended 31 December 2023
Maintenance of social assets*	(25,307)	(20,277)
Expected credit losses on other financial assets, including loans granted	(8,728)	-
Fines, penalties, claims and litigation income/expenses	(3,278)	(1,785)
Loss on individual impairment of property, plant and equipment (Note 8)	(1,891)	-
Impairment of prepayments and other assets	(1,773)	(4,245)
Loss on disposal of property, plant and equipment and intangible assets	(965)	-
Other	(1,302)	(3,797)
	(43,244)	(30,104)

* Maintenance of social assets line includes charitable donations which are directly related to the war of USD 23,244 thousand for the year ended 31 December 2024 (2023: USD 19,739 thousand).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(in US dollars and in thousands)

26. OPERATING AND NON-OPERATING FOREIGN EXCHANGE DIFFERENCES

Foreign currency translation differences on monetary assets and liabilities consisted of the following:	For the year ended 31 December 2024	For the year ended 31 December 2023
Operating foreign exchange gains/ losses) originated on		
- trade accounts receivable	69,377	52,505
- settlements with suppliers	32,749	(7,129)
- other operating exchange differences	(155)	(512)
	101,971	44,864
Non-operating foreign exchange losses originated on		
- loans payable other than those designated as net investments in foreign operations	(266)	(823)
- cash balances	(2,030)	(1,557)
	(2,296)	(2,380)

27. FINANCE INCOME

Finance income consisted of the following:	For the year ended 31 December 2024	For the year ended 31 December 2023
Interest income on short-term deposits and cash balance	21,493	6,694
Interest income on loans granted (Note 14)	8,559	5,533
Unwinding of discount on loans granted to related parties (Note 14)	452	-
Other finance income	168	21
	30,672	12,248

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(in US dollars and in thousands)

28. FINANCE COSTS

Finance costs consisted of the following:	For the year ended 31 December 2024	For the year ended 31 December 2023
Interest expense	(26,466)	(26,726)
Performance Sharing Fee re-measurement (Note 17)	(5,565)	(41,144)
Defined benefit state pension plan interest costs (Note 18)	(4,104)	(4,430)
Insurance expenses	(2,117)	(2,616)
Amortisation costs	(477)	(438)
Retirement benefit plan interest costs (Note 18)	(264)	(250)
Other finance costs	(855)	(1,291)
	(39,848)	(76,895)

29. EQUITY

Issued capital

As at 31 December 2024 and 2023, the Company's number of shares amounted to 30,000 ordinary shares of EUR 1 each and the authorised, issued and fully paid capital (4,350 ordinary shares of EUR 1 each) amounted to EUR 4 thousand (equivalent of USD 5 thousand as at 31 December 2024 and 2023). The shares of the Company are not listed.

Unpaid share capital

As at 31 December 2024 and 2023, the Company's 25,650 ordinary shares at par value of EUR 26 thousand (equivalent of USD 29 thousand and USD 29 thousand as at 31 December 2024 and 2023) remained unpaid.

Revaluation reserve

Revaluation reserve is used to record increases in the fair value of property, plant and equipment as well as decreases to the extent that such decreases relate to any prior increase on the same asset previously recognised in OCI. Revaluation reserve is limited in respect of dividends distribution.

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations denominated in their respective functional currencies into the Group reporting currency as well as monetary items that form part of the net investment in these foreign operations.

Dividends payable by the Company and its subsidiaries

There were no dividends declared by the Company or its subsidiaries that should be paid to the shareholders for the year ended 31 December 2023 and 31 December 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(in US dollars and in thousands)

30. PRINCIPAL SUBSIDIARIES

The Group included the following subsidiaries as at 31 December 2024 and 2023:

Name of the company	Country of incorporation	Business activities	Ефективна власність	
			31 December 2024	31 December 2023
PJSC "Interpipe Nizhnedneprovsky Tube Rolling Plant"	Ukraine	Production of railway wheels, axels and wheelset	94,75040%	94,75040%
JSC "Interpipe Novomoskovsk Pipe-Production Plant"	Ukraine	Production of welded pipes	90,62046%	90,62046%
"Interpipe Niko Tube" LLC	Ukraine	Production of seamless pipe	99,99998%	99,99998%
"MP "Dneprosteel" LLC	Ukraine	Production of steel billets	99,99998%	99,99998%
"Dneprosteel-Energo" LLC	Ukraine	Resale of electricity and natural gas	99,99998%	99,99998%
"Transkom - Dnepr" LLC	Ukraine	Transportation services	97,94998%	97,94998%
"Limestone factory" LLC	Ukraine	Production of limestone	94,75038%	94,75038%
Society "Dishware Novomoskovsk" Ltd	Ukraine	Production of dishware	90,62044%	90,62044%
JSC "Interpipe Dneprovtoormet"	Ukraine	Scrap metal processing	98,71033%	98,71033%
"META" LLC	Ukraine	Scrap metal processing	98,71467%	98,71467%
"Luganskiy Kombinat Vtoormet" LLC*	Ukraine	Scrap metal processing, dormant company	-98,67332%	
"Research and development center "Quality" LLC	Ukraine	Research and development	99,99998%	99,99998%
"Interpipe Management" LLC	Ukraine	Management services	99,99998%	99,99998%
"Interpipe Ukraine" LLC	Ukraine	Trading	99,99998%	99,99998%
"KLW Ukraine" LLC (former "KLW Production" LLC)	Ukraine	Trading	99,99998%	99,99998%
"Interpipe Kazakhstan" LLC	Kazakhstan	Trading, dormant company	99,99998%	99,99998%
Interpipe Europe SA	Switzerland	Trading	99,99998%	99,99998%
Klw-Wheelco SA	Switzerland	Trading	99,99998%	99,99998%
North American Interpipe, Inc	The United States	Trading	99,99998%	99,99998%
KLW North America, Inc	The United States	Trading	99,99998%	99,99998%
Interpipe M.E, a free zone establishment with limited liability	The United Arab Emirates	Trading	99,99998%	99,99998%
Interpipe Central Trade GmbH	Germany	Trading	99,99998%	99,99998%
Steel.One Limited	Cyprus	Subholding	99,99998%	99,99998%
KLW Limited (former Saleks Investments Limited)	Cyprus	Subholding	99,99998%	99,99998%
Interpipe Limited	Cyprus	Subholding	99,99998%	99,99998%
Interpipe Investments PLC	Cyprus	Performance Fee Debtor	94,00000%	94,00000%
IP Niko Tube GmbH	Germany	Subholding	99,99998%	99,99998%
Vallourec Niko Tube LLC	Ukraine	Production of seamless pipe	99,99998%	99,99998%

* In August 2024 Group sold its share in "Luganskiy Kombinat Vtoormet" LLC for USD 0.7 thousand. Effect from the disposal of "Luganskiy Kombinat Vtoormet" LLC recognised in the profit and loss statement in the amount of USD 1,573 thousand, consisting of disposal of net liabilities and currency translation difference reserve in the amount of USD 316 thousand and USD 1,257 thousand, respectively.

On or immediately after 24 February 2022 the Group suspended all shipments of goods to russia, belorussia and made a decision on liquidation of its trading company in russia Interpipe-M LLC followed by the dismissal of its employees and bankruptcy procedure. As at the date of approval of these Consolidated Financial Statements, the Group does not control any assets in russia. All assets of and processes on Interpipe-M LLC have been transferred to the bankruptcy trustee.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(in US dollars and in thousands)

31. RELATED PARTY TRANSACTIONS

The Group defines related parties in accordance with IAS 24 "Related Party Disclosures". IAS 24 focuses significantly on the concept of "control" (including common control) and "significant influence" as primary methods of related party identification.

During the years ended 31 December 2024 and 2023, the Group's transactions with its related parties comprised those with its associates (Note 10), shareholders, key management personnel and other related parties.

Transactions with associates and other related parties

The transactions and outstanding balances of the Group with its related parties are presented below:

	2024			2023		
	Associates	Other	Total	Associates	Other	Total
Transactions:						
Sales	4,062	57	4,119	1,966	12,102	14,068
Purchases	13,627	22,516	36,143	9,631	22,842	32,473
Finance income	-	8,559	8,559	-	5,533	5,533
Other operating income	-	-	-	-	758	758
Outstanding balances:						
Amounts owed to the Group	2,907	138,070	140,977	8,305	90,608	98,913
Amounts owed by the Group	7,262	23,669	30,931	6,477	15,177	21,654

Terms and conditions of transactions with associates, joint ventures and other related parties

The sales to and purchases from the related parties are made at terms equivalent to those that exist in arm's length transactions. Outstanding balances at the year-end are unsecured, interest-free and settlement occurs in cash. For the year ended 31 December 2024, the Group has recorded charge of an expected credit loss allowance relating to receivables from the related parties amounting to USD 4,480 thousand (2023: expected credit loss release USD 1,036 thousand). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which it operates.

Information regarding the expected credit loss allowance for loans granted to related parties is presented in Note 14.

Transactions with shareholders

Accounts payable to shareholders

As at 31 December 2024, accounts payable to shareholders, included in other accounts payable and, amounted to USD 218 thousand, (2023: USD 232 thousand) were interest free, unsecured and payable on demand.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(in US dollars and in thousands)

Compensation to key management personnel

Key management personnel of the Group as at 31 December 2024 comprised:

The members of the Board of Directors:

Name	Function
Ganna Khomenko	Non-Executive Director
Iuliia Chebotarova	Non-Executive Director
Philippe Bideau	Independent Non-Executive Director
Oleksandr Kirichko	Non-Executive Director
Thomas Myer Kearney	Independent Non-Executive Director
Fiona Jane Mary Paulus	Independent Non-Executive Director
Fadi Hraibi	Chairman of the Board, Non-Executive Director

For the year ended 31 December 2024, total compensation, comprising short-term employee benefits, to the members of the Board of Directors amounted to USD 1,330 thousand (2023: USD 1,125 thousand) and total compensation to the members of Senior Management of the Group amounted to USD 4,427 thousand (2023: USD 3,761 thousand). The compensation was included in general and administrative expenses in the consolidated statement of comprehensive income.

In addition to the above, no other incentives were attributable to the key management personnel of the Group.

32. COMMITMENTS, CONTINGENCIES AND OPERATING RISKS

Operating environment

The Group has operations in Ukraine, Europe, Americas (includes the USA, Canada and Latin America countries) and other countries.

The full-scale war in Ukraine that commenced with the Russian invasion of Ukraine on 24 February 2022 is still ongoing. The economic consequences of the war are serious, the situation remains fluid and the outlook is subject to further developments and uncertainty.

The Group's target business model assumes an extensive geographical diversification of its sales and presence in different markets.

The Group's ability to operate in particular regions is highly dependent on specific trade regimes:

- In the USA market: OCTG pipes – in November 2024 the dumping margin was lowered to 1.39%; seamless standard, line and pressure pipes – on 24 March 2025, the anti-dumping duty rate was revised and reduced to 2.07%. Starting from 12 March 2025, a 25% tariff will apply to all steel, aluminum and their derivatives

imports into the United States. Starting from 10 March 2025, 10% tariff will apply to all imports from Ukraine (including all of the Group's Railway wheels segment production) to USA which are not subject for 25% tariff rate;

- The European Commission gave a notice of expiry of the antidumping measures related to products originating from Ukraine in 2023 and the country-specific quota for Ukrainian steel products was suspended until June 2025.

All of the above factors, as disclosed in Note 2 "Operating environment and risks of the Group", had already affected and may have a further adverse effect on the Group's consolidated financial position and results of operations.

Taxation

The international tax environment is becoming more complex in terms of tax administration, which could

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(in US dollars and in thousands)

increase tax pressure on taxpayers. In particular, a key part of the OECD/G20 BEPS Project is addressing the tax challenges arising from the digitalization of the economy. The Global Anti-Base Erosion Rules (GloBE) are a key component of this plan and ensure large multinational enterprises pay a minimum level of tax on the income arising in each of the jurisdictions where they operate. More specifically, the GloBE Rules provide for a coordinated system of taxation that imposes a top-up tax on profits arising in jurisdiction whenever the effective tax rate, determined on jurisdictional basis, is below the minimum rate. The effect of introduction of Pillar 2 is presented in Note 11.

Ukrainian legislation and regulations regarding taxation and other regulatory matters, including currency exchange control and custom regulations, continue to evolve. The legislations and regulations are not always clearly written and are subject to varying interpretations by local, regional and national authorities, and other governmental bodies. Instances of inconsistent interpretations continue to be not unusual.

The Ukrainian tax authorities have been seen to consistently increase their audit activity for transactions with non-resident entities, to which they seek to apply such relatively new requirements as “beneficial ownership”, “substance over form”, and other similar principles. The transfer pricing legislation allows the tax authorities to make transfer pricing adjustments and impose additional tax liabilities in respect of controlled transactions (transactions with related parties and some types of transactions with unrelated parties), if the transaction price is not arm’s length and not supported by relevant documentation.

In March 2025, Cyprus Tax Authorities finalised the review of the tax results for the periods from 2011 to 2016 for Interpipe Limited and from 2008 to 2013 for Steel. Once Limited. No additional income tax liability arose as a result of the assessment.

Management has implemented internal controls to be in compliance with such regulatory and tax compliance matters in the countries where the Group operates, including new Ukrainian transfer pricing legislation and believes that its interpretation of the

relevant legislations is appropriate and that the Group has complied with all regulations, and paid or accrued all taxes and withholdings that are applicable. Where the risk of outflow of resources is probable, the Group has accrued tax liabilities based on management’s best estimate.

Nevertheless, the uncertainty related to inconsistent enforcement and application of the tax legislation in the above countries creates a risk of substantial additional tax liabilities and penalties being claimed by the tax authorities, which cannot be reliably estimated, but, if sustained, could have a material effect on the Group’s financial position, results of operations and cash flows. Management believes that there are strong arguments to successfully defend any such challenge and does not believe that the risk is any more significant than those of similar enterprises operating in Ukraine. When it is not considered probable that a material claim will arise, no provision has been established in the Consolidated Financial Statements. Management further believes that ascertained risks of possible outflow of resources arising from tax and other regulatory compliance matters are immaterial as at 31 December 2024 and 2023.

Environmental matters

The enforcement of environmental regulation in Ukraine and globally is evolving and the enforcement posture of government authorities is continually being reconsidered. The Group periodically evaluates its obligations (including asset retirement obligations) under environmental regulations of the countries it operates in. As obligations are determined, they are recognised immediately. Potential liabilities, which might arise as a result of changes in existing regulations, civil litigation or legislation, cannot be estimated, but could be material. In the current enforcement climate under existing legislation, management believes that there are no significant liabilities for environmental damage.

Litigations

As at 31 December 2024 and 2023, PJSC “Interpipe Nizhnedneprovsky Tube Rolling Plant”, MP “Dneprosteel” LLC and Interpipe Ukraine were

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(in US dollars and in thousands)

defendants in several litigations with a total potential claimed payments amounting to approximately USD 117 thousand and USD 51 thousand, respectively. Provision for probable adverse consequences of the above cases amounting to USD 117 thousand and USD 51 thousand was included in total provision for customers' and other claims in the consolidated statement of financial position as at 31 December 2024 and 2023, respectively (Note 18).

In addition to the specific cases mentioned above, in the ordinary course of business the Group is subject to legal actions and complaints. As at 31 December 2024 and 2023, there were no provisions due to the low risk of the negative consequences for the Group. Management believes that the ultimate liability arising from such actions or complaints will not have a material adverse effect on the consolidated financial position or the results of future operations of the Group.

Perpetual land lease rights

The Group has the right of permanent use of the land plots on which its Ukrainian production facilities are located and pays land tax as assessed annually by the state based on the total area and use for which the land is zoned. The Group assessed the terms of land plots as permanent use arrangements and concluded that related payments should not be capitalised as they do not meet respective criteria set by IFRS 16.

Contractual commitments for the acquisition of property, plant and equipment

As at 31 December 2024 and 2023, the Group's contractual commitments for acquisition and modernisation of production equipment amounted to USD 26,986 thousand and USD 29,353 thousand, respectively.

33. FINANCIAL INSTRUMENTS

Carrying amount of financial assets

The carrying amounts of financial assets measured at amortised cost were as follows:

	31 December 2024	31 December 2023
Other non-current assets (Note 14)	147,164	117,280
Trade and other accounts receivable (Note 13)	110,123	108,499
Other current assets	77,421	8,609
Cash and cash equivalents (Note 16)	285,504	247,473
	620,212	481,861

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(in US dollars and in thousands)

None of the above assets are individually materially credit-impaired and there has been no significant increase in credit risk since initial recognition. The amounts presented above also represent the maximum exposure to credit risk.

The loss allowance as at 31 December 2024 and 2023 is based on the simplified approach for lifetime expected credit losses ("ECL") and is presented in the table below.

	ECL weighted rate 2024	ECL weighted rate 2023	31 December 2024	31 December 2023
Trade accounts receivable:				
Current	2%	1%	1,252	507
Past due up to 3 months	8%	4%	2,907	1,482
Past due from 3 month up to 6 months	40%	24%	2,682	663
Past due over 6 months	98%	58%	11,945	10,145
Total expected credit loss			18,786	12,797
Other accounts receivable:				
Current	1%	17%	25	191
Past due up to 3 months	23%	2%	43	3
Past due from 3 month up to 6 months	69%	25%	71	31
Past due over 6 months	96%	99%	7,290	6,11
Total expected credit loss			7,429	6,340

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(in US dollars and in thousands)

A reconciliation of the changes in the loss allowance is set out below:	For the year ended 31 December 2024	For the year ended 31 December 2023
Trade accounts receivable:		
At period beginning	12,797	11,905
Charge for the year	7,386	1,274
Write-off	(627)	(41)
Translation differences	(770)	(341)
At period end	18,786	12,797
Other accounts receivable:		
At period beginning	6,340	8,056
Charge/(Reversal) for the year	1,743	(1,357)
Write-off	(218)	(14)
Translation differences	(436)	(345)
At period end	7,429	6,340
Cash and cash equivalents:		
At period beginning	-	-
Charge for the year	508	-
At period end	508	-
Loans granted, including interest accrued		
At period beginning	-	-
Charge for the year	6,477	-
At period end	6,477	-

Carrying amount of financial liabilities

The carrying amounts of financial liabilities measured at amortised cost comprised:	31 December 2024	31 December 2023
Borrowings and interest payable (Note 17)	319,795	342,685
Trade and other accounts payable (Note 19)	96,282	89,877
	416,077	432,562

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(in US dollars and in thousands)

Changes in liabilities arising from financing activities:	1 January 2024	Changes from financing cash flows*	The effect of changes in foreign exchange rates	Interest, finance costs and other changes	31 December 2024
Borrowings and interest payable (Note 17):					
Notes 2026	298,778	-	-	476	299,254
General Loan Facility	36,532	(21,388)	(1,169)	-	13,975
Performance Sharing Fee	41,491	(47,056)	-	5,565	-
Lease liability	3,877	(855)	(69)	204	3,157
Interest accrued but not paid	3,498	(26,540)	(15)	26,466	3,409
Total	384,176	(95,839)	(1,253)	32,711	319,795

* Cash flow includes amounts of interest paid and repayment of lease liability principal amount, presented within cash flows from operating activity in order to reconcile balances.

Changes in liabilities arising from financing activities:	1 January 2023	Changes from financing cash flows*	The effect of changes in foreign exchange rates	Interest, finance costs and other changes	31 December 2023
Borrowings and interest payable (Note 17):					
Notes 2026	298,339	-	-	439	298,778
General Loan Facility	37,706	(2,811)	1,637	-	36,532
Performance Sharing Fee	49,485	(49,138)	-	41,144	41,491
Lease liability	647	(579)	297	3,512	3,877
Interest accrued but not paid	3,489	(27,554)	(8)	27,571	3,498
Total	389,666	(80,082)	1,926	72,666	384,176

* Cash flow includes amounts of interest paid and repayment of lease liability principal amount, presented within cash flows from operating activity in order to reconcile balances.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(in US dollars and in thousands)

34. FINANCIAL RISK MANAGEMENT

The Group's principal financial instruments comprise trade receivables and payables, interest-bearing loans due to banks, bonds issued, Performance Sharing Fee, other current financial assets, cash and cash equivalents. The main purpose of these financial instruments is to provide funding for the Group's operations. The Group has various other financial assets and liabilities such as other receivables and other payables, which arise directly from its operations.

The Group may from time to time also enter into derivative transactions, primarily forward currency contracts. The purpose is to manage currency risks arising from Group's operations and its sources of financing.

The main risks arising from the Group's financial instruments are foreign currency risk, liquidity risk, credit risk and interest rate risk. The policies for managing each of these risks are summarised below.

Foreign currency risk

The Group performs its operations mainly in the following currencies: the Ukrainian hryvnia ("UAH"), the US dollar ("USD"), and the Euro ("EUR").

The exchange rate of USD to UAH and related cross-rates to other currencies as set by the National Bank of Ukraine ("NBU") as at the dates stated were as follows:

	100 UAH	1 EUR
As at 31 December 2024	2.379	1.045
As at 31 December 2023	2.633	1.111

The Group sells its products to Europe, Middle East and Africa, Americas, and other regions; purchases materials from other countries; and attracts substantial amounts of foreign currency denominated short-term and long-term borrowings, and is, thus, exposed to foreign exchange risk. Foreign currency denominated trade receivables and payables, and borrowings give rise to foreign exchange exposure.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(in US dollars and in thousands)

The following tables demonstrate USD equivalents of the monetary assets and liabilities originally denominated in different currencies, as at 31 December 2024 and 2023:

As at 31 December 2024	UAH	USD	EUR	Other	Total
Other non-current assets	29	146,878	228	29	147,164
Other current assets	-	77,419	-	2	77,421
Trade and other accounts receivable	16,356	57,547	35,786	434	110,123
Cash and bank deposits	18,036	252,161	13,342	1,965	285,504
	34,421	534,005	49,356	2,430	620,212
Borrowings and interest payable	-	305,820	13,975	-	319,795
Trade and other accounts payable	70,013	14,419	11,783	67	96,282
	70,013	320,239	25,758	67	416,077

As at 31 December 2023	UAH	USD	EUR	Other	Total
Other non-current assets	32	117,066	144	38	117,280
Other current assets	302	8,264	-	43	8,609
Trade and other accounts receivable	11,787	63,514	32,616	582	108,499
Cash and bank deposits	17,458	203,716	22,288	4,011	247,473
	29,579	392,560	55,048	4,674	481,861
Borrowings and interest payable	-	347,644	36,532	-	384,176
Trade and other accounts payable	58,337	20,001	11,193	34	89,877
	58,337	367,645	47,725	346	474,053

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(in US dollars and in thousands)

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in the foreign currency exchange rate, with all other variables held constant:

For the year ended 31 December 2024	High/low limits of change in currency exchange rate, %	Effect on profit before tax	Effect on other comprehensive income
USD/UAH	+10,00%	(2,568)	(51,706)
EUR/UAH	+10,00%	50,906	-
EUR/USD	+10,00%	(48,297)	-
USD/UAH	-5,00%	1,284	25,853
EUR/UAH	-5,00%	(25,453)	-
EUR/USD	-5,00%	24,149	-
For the year ended 31 December 2023	High/low limits of change in currency exchange rate, %	Effect on profit before tax	Effect on other comprehensive income
USD/UAH	+21,86%	13,806	(52,125)
EUR/UAH	+17,09%	43,360	-
EUR/USD	+10,60%	(35,496)	-
USD/UAH	-21,86%	(6,903)	26,063
EUR/UAH	-17,09%	(21,680)	-
EUR/USD	-10,60%	17,748	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(in US dollars and in thousands)

Net investments in foreign operations

On 1 January 2014, the Company designated certain intragroup financial instruments which settlement was neither planned nor likely to occur in the foreseeable future, as net investments in a number of its Ukrainian subsidiaries in accordance with IAS 21 "The Effects of Changes in Foreign Exchange Rates". Such financial instruments comprised of intercompany loans and, in

some cases, other long-term receivables and payables. Accordingly, foreign exchange differences arising on such financial instruments after the designation date had been recognised in other comprehensive income.

As at 31 December 2024 and 2023, the accumulated balance of exchange differences on net investment in foreign operations amounted to USD 1,094,651 thousand and USD 1,011,370 thousand, respectively.

The impact of exchange differences on other comprehensive income The table below summarises the maturity profile of the Group's financial liabilities based on their contractual undiscounted payments (estimated for contingent liabilities of the Performance Sharing Fee) and maturities:

As at 31 December 2024	Less than 3 months	3-12 months	1-5 years	More than years	Total
Notes 2026	-	21,775	312,563	-	334,338
General Loan Facility	3,673	10,651	-	-	14,324
Lease liability	214	643	2,573	-	3,430
Interest payable	3,409	-	-	-	3,409
Trade and other accounts payable	80,123	16,159	-	-	96,282
	87,419	49,228	315,136	-	451,783

As at 31 December 2023	Less than 3 months	3-12 months	1-5 years	More than years	Total
Notes 2026	-	21,775	337,688	-	359,463
General Loan Facility	3,765	20,589	14,207	-	38,561
Performance Sharing Fee	-	49,709	-	-	49,709
Lease liability	214	643	3,430	-	4,287
Interest payable	-	3,498	-	-	3,498
Trade and other accounts payable	75,199	14,678	-	-	89,877
	79,178	110,892	355,325	-	545,395

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt

obligations (Note 17). The Group's policy is to manage its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(in US dollars and in thousands)

The following table demonstrates the annualised sensitivity of the Group's profit before tax to a reasonably possible change in interest rates, with all other variables held constant:

For the year ended 31 December 2024	High/low limits of change in interest rate, %	Effect on profit before tax
Interest rate	-1%	140
Interest rate	+1%	(140)

For the year ended 31 December 2023	High/low limits of change in interest rate, %	Effect on profit before tax
Interest rate	-1%	365
Interest rate	+1%	(365)

Credit risk

Financial instruments, which potentially subject the Group to significant concentrations of credit risk, consist principally of bank deposits (Notes 16) and trade

and other accounts receivable (Note 13). Information regarding expected credit losses is presented in Note 33.

Cash in banks is placed with the financial institutions with the following ratings:

As rated by Fitch:	31 December 2024	31 December 2023
AA	6,500	9,862
A	248,879	201,277
BBB	595	2,350
Not rated and other	29,530	33,984
	285,504	247,473

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed for all customers requiring credit over a certain amount. Most of the Group's sales are made to customers with appropriate credit history or on a prepayment basis. The Group does not require collateral in respect of its financial assets. The credit risk exposure of the Group is monitored and analysed on a case-by-case basis.

Based on historical collection statistics, the Group's management believes that there is no significant risk of loss to the Group beyond the impairment allowances already recognised against the assets. The maximum exposure to credit risk is represented by the carrying amounts of the financial assets that are carried in the consolidated statement of financial position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(in US dollars and in thousands)

Capital risk management

The Group considers its debt and shareholders' equity as the primary sources of capital. The Group's objectives when managing capital are to safeguard

the Group's ability to continue as a going concern, in order to provide returns to the shareholders and benefits to other stakeholders as well as to provide for its operating requirements, capital expenditures and the Group's development strategy.

	31 December 2024	31 December 2023
Borrowings and interest payable (Note 17)	319,795	384,176
Trade and other accounts payable (Note 19)	96,282	89,877
Less: Cash and cash equivalents (Note 16)	(285,504)	(247,473)
Net debt	130,573	226,580
Equity	646,535	530,567
Capital and net debt	777,108	757,147
Gearing ratio*	17%	30%

* Gearing ratio = Net debt / (Capital and net debt)

The Group's capital management policies aim to ensure and maintain an optimal capital structure, to reduce the overall cost of capital and to provide flexibility relating to the Group's access to capital markets. Furthermore, the Group makes its investment decisions taking into consideration its capital structure.

Risk of change in value/timing of the payment of the Performance Sharing Fee

As discussed in the Note 17, the obligation under the Performance Sharing Fee was fully repaid in October 2024.

The Performance Sharing Fee valuation depends on the level of the Group performance during the Fee Assessment Period as well as on the EIR applied in determination of its carrying amount (amortised cost) applied 24.87% per annum as at 31 December 2023.

The table below summarises the Performance Sharing Fee change (+ or -) of its carrying amount of USD 41,491 thousand as at 31 December 2023, depending on (I) change of the notional amount (Group Adjusted Cashflow for 2023) by USD 10 million per annum during the Fee Assessment Period and (II) & (III) changes in the EIR (24.87% for 2023) by 1% used in the Performance Sharing Fee fair value determination as at 31 December 2023:

	31 December 2023
Change of notional amount by USD 10 million (plus/minus) – (I)	1 878
Market rate plus 1.00% – (II)	(259)
Market rate minus 1.00% – (III)	263

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(in US dollars and in thousands)

Fair values of financial instruments

The fair value of the Groups' financial instruments disclosed in the Note 7.

35. EVENTS AFTER THE REPORTING PERIOD

The Group has issued the Consolidated Financial Statements later than required, however the management applied remediation actions during the permitted grace period of 30 days and issued the Consolidated Financial Statements on 9 May 2025.

The events after the reporting date, which relate to the operating environment of the Group, are disclosed in the Note 2.

After 31 December 2024, the Group has partially redeemed bonds for a total amount USD 57,143 thousand with cash consideration USD 52,683 thousand. The remaining principal amount of unredeemed bonds is USD 242,857 thousand.

The following changes occurred in Board of Directors' composition and responsibilities allocation from the end of the reporting period and up to the date of approval of the Consolidated Financial Statements:

- in January 2025, Fadi Hraibi was appointed as Chairman of the Board of Directors;
- starting from 1 May 2025, Luca Zanotti was appointed as a Director of the Company.

ABOUT THE REPORT

This Annual Report 2024 provides a comprehensive overview of Interpipe's financial and non-financial performance for the year ended 31 December 2024, with selected information and developments extending into 2025 where relevant. It integrates **Sustainability Statement** with audited financial report, offering a unified view of Interpipe's strategy, operations, performance, and impact.

Reporting Frameworks

Sustainability Statement is prepared in accordance with the Global Reporting Initiative (GRI) Standards, fully complying with the GRI 2021 Universal Standards and appropriate topic-specific guidelines. This reflects Interpipe's continued commitment to exhibit the best global practices in sustainability reporting, transparency, and stakeholder accountability.

In 2024, the Group has embarked on reporting under the European Sustainability Reporting Standards (ESRS) by incorporating partial alignment with selected ESRS requirements. This marks the beginning of Interpipe's journey toward complete conformity with the Corporate Sustainability Reporting Directive (CSRD) in future reporting periods [A detailed ESRS alignment roadmap is provided within the Sustainability Statement.](#)

Scope of the Report

Unless otherwise indicated, this report covers the operations and performance of the following legal entities:

[Include the list of entities from Excel](#)

The financial and sustainability data in this report represents the consolidated activities of Interpipe Group.

Any divergences in the data's scope are clearly indicated in the relevant sections.

Forward-Looking Statements

This report contains forward-looking statements, which may include projections, expectations, plans or future performance. These statements are based on management's current expectations and beliefs about future events and are inherently subject to risks, uncertainties and assumptions. Actual outcomes and results may differ materially from those expressed in or implied by forward-looking statements.

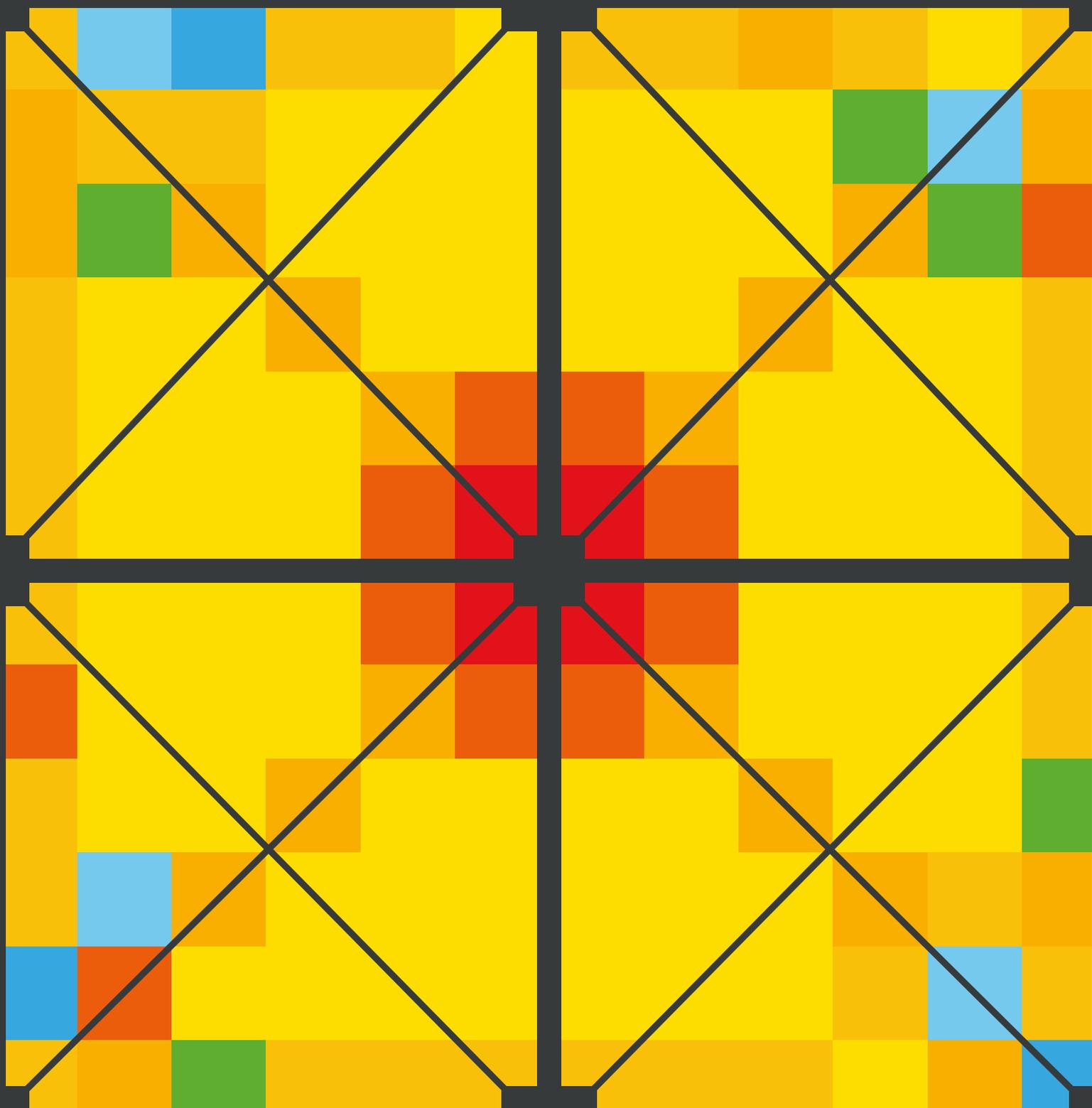
Assurance and Accessibility

The consolidated financial statements included in this report have been independently audited. Selected sustainability information, particularly disclosures prepared under the GRI and ESR, has undergone internal review. Additional information on assurance is provided in the relevant sections.

[This report is available on Interpipe's corporate website at:](#)



ANNEXES



Appendix 1. GRI and ESRS content index

Statement of use: Interpipe has reported the information cited in this GRI content index for the period January 1, 2024, to December 31, 2024, with reference to the GRI Standards. The required GRI Sectoral Standards have not yet been published as of

the date of this Annual Report. This report also contains selected disclosures from the European Sustainability Reporting Standards (ESRS). The index maps the reported ESRS data points to the GRI disclosures.

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	ESRS REFERENCE	LOCATION/ COMMENTS	OMISSION		
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION
General disclosures						
GRI 2: General Disclosures 2021	2-1 Organisational details		<p>Business Overview About the Report</p> <p>The parent company, Interpipe Holdings Plc, is registered at Paloma Court, 5th floor, Office 501,1065 Nicosia, Cyprus.</p>			
	2-2 Entities included in the organisation's sustainability reporting	ESRS 2 BP-1	<p>Sustainability Statement – General Disclosures – Basis for preparation</p> <p>All entities covered by this Annual Report of Interpipe Group are also covered by the Consolidated Financial Statements of Interpipe Holdings Plc for 2024.</p>			
	2-3 Reporting period, frequency and contact point	ESRS 2 BP-1	<p>Sustainability Statement – General Disclosures – Basis for preparation</p> <p>The financial statements and the annual report are prepared on a calendar year basis, from January 1 to December 31.</p> <p>Reporting frequency: annually Publication date: February 2026 Contact point: Andrii Okolnych, Head of Investor Relations Andrii.Okolnych@interpipe.cy Liudmyla Novak, Director of Communications Ludmila.Novak@m.interpipe.biz</p>			
	2-4 Restatements of information	ESRS 2 BP-2 §13, §14 (a) to (b)	<p>The 2024 Annual Report of Interpipe Group includes some revised indicators that differ from those stated in the 2023 Annual Report of Interpipe Group. The revised indicators are as follows:</p> <ul style="list-style-type: none"> ■ amount of water withdrawal <p>The reasons for these corrections are primarily related to data clarification and changes in calculation methodologies.</p>			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	ESRS REFERENCE	LOCATION/ COMMENTS	OMISSION		
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION
General disclosures						
GRI 2: General Disclosures 2021	2-5 External assurance	External assurance requirements of Directive (EU) 2022/246	The report is not externally assured.			
	2-6 Activities, value chain and other business relationships	ESRS 2 SBM- 1 §40 (a) i to (a) ii, (b) to (c), §42 (c)	Business Overview - Business model and Strategy			
	2-7 Employees	ESRS 2 SBM-1 §40 (a) III; ESRS S1 S1-6 §50 (a) to (b) and (d) to (e), §51 to §52	Sustainability Statement - Social information - ESRS S1 Own workforce			
	2-8 Workers who are not employees	ESRS 2 GOV-1 §21, §22 (a), §23; ESRS G1 §5 (b)	Interpipe Group does not engage the services of external personnel for the fulfilment of its operational requirements.			
	2-9 Governance structure and composition	ESRS 2 GOV- 1 §21, §22 (a), §23; ESRS G1 §5 (b)	Corporate Governance – Governance Structure			
	2-10 Nomination and selection of the highest governance body		Corporate Governance – Governance Structure			
	2-11 Chair of the highest governance body		The Board of Directors of the Group does not have a permanent chairman; instead, one is elected at each meeting.			
	2-12 Role of the highest governance body in overseeing the management of impacts	ESRS 2 GOV-1 §22 (c); GOV-2 §26 (a) to (b); SBM-2 §45 (d); ESRS G1 §5 (a)	Sustainability Statement – General Disclosures – Sustainability Governance (GOV) Sustainability Statement – ESRS G1 Business Conduct – Role of Governance Bodies in the Business Conduct Area			
	2-13 Delegation of responsibility for managing impacts	ESRS 2 GOV-1 §22 (c) I and II; GOV2 §26 (a); ESRS G1 G1-3 §18 (c)	Sustainability Statement – General Disclosures – Sustainability Governance (GOV)			
	2-14 Role of the highest governance body in sustainability reporting	ESRS 2 GOV-1 §AR 3 (a) II and IV; IRO-1 §53 (d)	Sustainability Statement – General Disclosures – Sustainability Governance (GOV) The Board of Directors reviews and approves the annual report of Interpipe Group prior to its official publication.			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	ESRS REFERENCE	LOCATION/ COMMENTS	OMISSION		
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION
General disclosures						
GRI 2: General Disclosures 2021	2-15 Conflicts of interest		Corporate Governance – Governance Structure In accordance with the Charter of Interpipe Holdings PLC, members of the Board of Directors are prohibited from voting on matters in which they have or may have a conflict of interest. The Group's Codes and policies strictly prohibit conflicts of interest. The names and details of the members of the Board of Directors are available for review by any interested party.			
	2-16 Communication of critical concerns	ESRS 2 GOV-2 §26 (a); ESRS G1-3 §18 (c)	Interpipe Group does not currently have established procedures for discussing concerns at the level of the supreme governing body			
	2-17 Collective knowledge of the highest governance body	ESRS 2 GOV-1 §23	No special events were held in 2024			
	2-18 Evaluation of the performance of the highest governance body		The performance of the Board of Directors was not subject to evaluation in 2024			
	2-19 Remuneration policies	ESRS 2 GOV-3 §29 (a) to (c); ESRS E1 §13	Corporate Governance – Governance Structure			
	2-20 Process to determine remuneration	ESRS 2 GOV-3 §29 (e)	Corporate Governance – Governance Structure Sustainability Statement – General Disclosures – Sustainability Governance (GOV)			
	2-21 Annual total compensation ratio	ESRS S1 S1-16 §97 (b) - (c)	Indicator is not disclosed	2-21	Confidentiality constraints	Total annual compensation ratio is considered confidential and is not publicly disclosed.
	2-22 Statement on sustainable development strategy	ESRS 2 SBM-1 §40 (g)	INTERPIPE Group management statement Sustainability Statement – General Disclosures – Strategy, business model and value chain (SBM)			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	ESRS REFERENCE	LOCATION/ COMMENTS	OMISSION		
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION
General disclosures						
GRI 2: General Disclosures 2021	2-23 Policy commitments	ESRS E1-2 ESRS E2-1 ESRS E3-1 ESRS S1-1 ESRS S3-1 ESRS G1-1	<p>Climate Change – Policies</p> <p>Pollution - Policies related to pollution</p> <p>Water and Marine Resources – Policies</p> <p>Own Employees – Policies</p> <p>Affected Communities – Policies</p> <p>Business Conduct - Corporate Culture and Business Conduct Policies</p>			
	2-24 Embedding policy commitments	ESRS E1-2 ESRS E2-1 ESRS E3-1 ESRS S1-1 ESRS S3-1 ESRS G1-1	The implementation of obligations in accordance with policies specific to certain functions is described in the respective sections of this Annual Report.			
	2-25 Processes to remediate negative impacts	ESRS S1-1, S1-3, S1-17 ESRS S2-1, S2-3 ESRS S3-1, S3-3 ESRS S4-1, S4-3	Interpipe Group has no procedures or policies in place for engaging stakeholders in improving mechanisms for addressing negative outcomes.			
	2-26 Mechanisms for seeking advice and raising concerns	ESRS S1 S1-3 §AR 32 (d); ESRS S3 S3-3 §AR 24 (d); ESRS G1 G1-1 §10 (a); G1-3 §18 (a)	Own Employees – Processes to remediate negative impacts and channels for own workers to raise concerns			
	2-27 Compliance with laws and regulations		Indicator is not disclosed The Group takes measures to avoid violation or non-compliance with the applicable laws of the various jurisdictions where the Group's legal entities operate	2-27	Confidentiality constraints	The information involves sensitive legal and regulatory matters that cannot be publicly shared without compromising privacy and compliance obligations.
	2-28 Membership associations	Entity-specific	Business Overview - External initiatives and industry partnerships			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	ESRS REFERENCE	LOCATION/ COMMENTS	OMISSION		
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION
General disclosures						
GRI 2: General Disclosures 2021	2-29 Approach to stakeholder engagement	ESRS 2 SMB-2 §45 (a) I to (a) IV; ESRS S1 S1-1 §20 (b); S1-2 §27 (e), §28; ESRS S3 S3-1 §16 (b); S3-2 §21 (d), §22	Sustainability Statement – General Disclosures - Interests and views of stakeholders Sustainability Statement - Own Employees - Employee engagement Sustainability Statement – Affected Communities - Local community engagement			
	2-30 Collective bargaining agreements	ESRS S1 S1-8 §60 (a) and §61	Sustainability Statement - Own Employees - Employees covered by collective bargaining agreements and social dialogue Note: Interpipe recognises the right of our employees to join trade unions and engage in collective bargaining in accordance with local law.			
Material topics						
GRI 3: Material Topics 2021	3-1 Process to determine material topics	ESRS 2 IRO-1 §53 (b) II to (b) IV	Sustainability Statement – General Disclosures - Impact, risk and opportunity management - Double materiality assessment process Sustainability Statement – Climate Change - Description of the processes to identify material climate risks and opportunities			
	3-2 List of material topics	ESRS 2 SBM-3 §48 (a) and (g); BP-2 §17 (a)	Sustainability Statement – General Disclosures – Strategy - Material impacts, risks and opportunities Sustainability Statement – Climate Change - Climate risk and opportunity assessment findings Note: the chapters on thematic standards detail the description of material impacts, risks and opportunities			

Annexes

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	ESRS REFERENCE	LOCATION/ COMMENTS	OMISSION		
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION
Anti-corruption						
GRI 3: Material Topics 2021	3-3 Management of material topics	ESRS G1 G1-1 §7; G1-3 §18 (a); G1- 4 §24 (b)	Sustainability Statement - Business Conduct - Corporate Culture and Business Conduct Policies Sustainability Statement - Business Conduct - Prevention and detection of corruption and bribery			
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	ESRS G1 G1-3 §AR 5	Information unavailable	205-1	Information unavailable, incomplete	Interpipe Group assesses corruption risks, but the number or proportion of operations that underwent such assessment in 2024 was not calculated.
	205-2 Communication and training about anti- corruption policies and procedures	ESRS G1 G1-3 §20, §21	Sustainability Statement - Business Conduct - Prevention and detection of corruption and bribery			
	205-3 Confirmed Cases of Corruption and Actions Taken	ESRS G1 G1-4 §25	Disclosure is not applicable due to immateriality for Interpipe Group.			
Materials						
GRI 3: Material Topics 2021	3-3 Management of material topics	ESRS E5 E5-1 §14; E5-2 §19; E5-3 §23	Sustainability Statement - Use of resources and circular economy – Policies Sustainability Statement - Use of resources and circular economy – Actions Sustainability Statement - Use of resources and circular economy – Targets			
GRI 301: Materials 2016	301-1 Amount of recycled/ reused materials used	ESRS E5 E5-4 §31 (a) τa (b)	Sustainability Statement - Use of resources and circular economy – Metrics: Resource inflows [E5-4]			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	ESRS REFERENCE	LOCATION/ COMMENTS	OMISSION		
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION
Materials						
GRI 301: Materials 2016	301-2 Amount of recycled/reused materials used	ESRS E5 E5-4 §31 (c)	Sustainability Statement - Use of resources and circular economy – Metrics: Resource inflows [E5-4]			
	301-3 Number of products and packaging materials recovered after use		Disclosure is not applicable due to immateriality for Interpipe Group.	301-3	Is not applicable	Due to immateriality for Interpipe Group.
Energy						
GRI 3: Material Topics 2021	3-3 Management of material topics	ESRS E1 E1-2 §24 and §25 (c) to (d); E1-3 §28; E1-4 §32 and §33	Sustainability Statement – Climate Change – Policies Sustainability Statement – Climate Change – Actions Sustainability Statement – Climate Change – Targets			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	ESRS E1 E1-5 §37; §38	Sustainability Statement – Climate Change - E1-5 Energy consumption and mix			
	302-3 Energy intensity	ESRS E1 E1-5 §40	Sustainability Statement – Climate Change - Energy intensity			
	302-4 Reduction of energy consumption		Disclosure is not applicable due to immateriality for Interpipe Group	303-4	Is not applicable	Due to immateriality for Interpipe Group.
Water resources and wastewater						
GRI 3: Material Topics 2021	3-3 Management of material topics	ESRS E3 E3- 1 §11; E3-2 §17; E3-3 §22	Sustainability Statement – Water and marine resources – Policies Sustainability Statement – Water and marine resources – Actions Sustainability Statement – Water and marine resources – Targets			
GRI 303: Water and wastewater 2018	303-1 Management of water as a shared resource	ESRS 2 SBM-3 §48 (c) i and (c) iv; MDR-T §80 (f); ESRS E3 §8 (a) ta (b); E3-2 §17, E3-3 §24 ta §2	Sustainability Statement – Water and marine resources – Interaction with strategy and business model Sustainability Statement – Water and marine resources – Actions Sustainability Statement – Water and marine resources – Targets			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	ESRS REFERENCE	LOCATION/ COMMENTS	OMISSION		
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION
Water resources and wastewater						
GRI 303: Water and wastewater 2018	303-2 Management of impacts arising from wastewater discharges	ESRS E2 E2-3 §24 (a)	Sustainability Statement – Water and marine resources – Actions			
	303-3 Water withdrawal	ESRS E3 E3-4	Sustainability Statement – Water and marine resources – Metrics – Water intake			
	303-4 Waste water discharges	ESRS E3 E3-4	Sustainability Statement – Water and marine resources – Metrics – Water discharge			
	303-5 Water consumption	ESRS E3 E3-4 §28 (a), (b), (d) та (e)	Sustainability Statement – Water and marine resources – Metrics – Water consumption			
Emissions						
GRI 3: Material Topics 2021	3-3 Management of material topics	ESRS E1 E1-2 §24; E1-3 §28; E1-4 §32, §33 та §34 (b); E1-7 §56 §58 (a); §59 (a); §61 (a) та (c); §AR 61; §AR 62 (b); ESRS E2 E2- 1 §14; E2-2 §18 та §19; E2-3 §2	Sustainability Statement – Climate Change – Policies Sustainability Statement – Climate Change – Actions Sustainability Statement – Climate Change – Targets Sustainability Statement – Pollution – Policies Sustainability Statement – Pollution – Actions Sustainability Statement – Pollution – Targets			
GRI 303: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	ESRS E1 E1-4 §34 (c); E1-6 §44 (a); §46; §48 (a); §50	Sustainability Statement– Climate Change – Transition Plan Sustainability Statement – Climate Change – E1-6 Gross Scopes 1, 2, 3 and total GHG emissions	305-1 c.	Not applicable	Biogenic emissions are not material for Interpipe Group

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	ESRS REFERENCE	LOCATION/ COMMENTS	OMISSION		
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION
Emissions						
GRI 303: Emissions 2016	305-2 Energy indirect (Scope 2) GHG emissions	ESRS E1 E1-4 §34 (c); E1-6 §44 (b); §46; §49; §50	Sustainability Statement – Climate Change – E1-6 Gross Scopes 1, 2, 3 and total GHG emissions	305-2 a.	Information unavailable, incomplete	Scope 2 (location-based) is not calculated
	305-3 Other indirect (Scope 3) GHG emissions	ESRS E1 E1-4 §34 (c); E1-6 §44 (c); §51	Sustainability Statement – Climate Change – E1-6 Gross Scopes 1, 2, 3 and total GHG emissions	305-3 c.	Not applicable	Biogenic emissions are not material for Interpipe Group
	305-4 GHG emissions intensity	ESRS E1 E1-6 §53	Sustainability Statement – Climate Change- GHG Intensity based on net revenue			
	305-5 Reduction of GHG emissions	ESRS E1 E1-3 §29 (b); E1-4 §34 (a) to (c)	Sustainability Statement – Climate Change – Actions Sustainability Statement – Climate Change – Targets			
	305-6 Emissions of ozone-depleting substances	ESRS E2 E2-5 §3		305-6	Not applicable	Interpipe Group does not emit, produce, import or export ozone-depleting substances in the course of its operations
	305-7 Emissions of nitrogen oxides (NOx), sulphur oxides (SOx) and other pollutants	ESRS E2 E2-4 §28 (a); §30 (b) та (c); §31	Sustainability Statement – Pollution - Metrics [E2-4]	305-7 a.III, IV, V	Not applicable	Interpipe Group does not carry out any production activities that emit the following substances into the atmosphere: Polyaromatic Hydrocarbons (PAHs), Persistent Organic Pollutants (POPs) and Hazardous Air Pollutants (HAPs).

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	ESRS REFERENCE	LOCATION/ COMMENTS	OMISSION		
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION
Waste						
GRI 3: Material Topics 2021	3-3 Management of material topics	ESRS E5 E5-1 §14; E5-2 §19; E5-3 §23	<p>Sustainability Statement – Use of resources and circular economy - Policies</p> <p>Sustainability Statement – Use of resources and circular economy – Actions</p> <p>Sustainability Statement – Use of resources and circular economy - Targets</p>			
GRI 306:Waste 2020	306-1 Waste generation and significant waste- related impacts	ESRS 2 SBM-3 §48 (a), (c) II та IV; ESRS E5 E5-4 §30	<p>Sustainability Statement – Use of resources and circular economy - Waste- related impacts, risks and opportunities [SBM-3]</p> <p>Sustainability Statement – Use of resources and circular economy – Actions</p>			
	306-2 Management of significant waste- related impacts	ESRS E5 E5-2 §19 та §20 (e) та (f); E5-5 §40	<p>Sustainability Statement – Use of resources and circular economy – Actions</p> <p>Sustainability Statement - Use of resources and circular economy - Metrics - Resource outflows</p>			
	306-3 Waste generated	ESRS E5 E5-5 §37 (a), §38 до §40	Sustainability Statement – ESRS E5 Use of resources and circular economy - Resource outflows			
	306-4 Waste that was not sent for disposal	ESRS E5 E5-5 §37 (b), §38 та §40	Sustainability Statement - Use of resources and circular economy - Metrics - Resource outflows			
	306-5 Waste sent for disposal	ESRS E5 E5-5 §37 (c), §38 до §40	Sustainability Statement – Use of resources and circular economy - Resource outflows			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	ESRS REFERENCE	LOCATION/ COMMENTS	OMISSION		
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION
Supplier environmental assessment						
GRI 3: Material Topics 2021	3-3 Management of material topics	ESRS G1 G1-2	Sustainability Statement – Business Conduct - Management of relationships with suppliers			
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	ESRS G1 G1-2		308-1 a.	Information unavailable, incomplete	In 2024-2025, Interpipe is working to introduce a mechanism to assess suppliers for their environmental impact.
	308-2 Negative environmental impacts in the supply chain and actions taken	ESRS 2 SBM-3 §48 (c) I and IV	Sustainability Statement – Business Conduct - Management of relationships with suppliers	308-1 a.	Information unavailable, incomplete	In 2024-2025, Interpipe is working to introduce a mechanism to assess suppliers for their environmental impact.
Employment						
GRI 3: Material Topics 2021	3-3 Management of material topics	ESRS S1 S1-1 §19; §20 (c); S1-2 §27; S1-4 §37 to §39; S1-5 §46; §47 (b) and (c); S1-17 §104 (a)	Sustainability Statement – Own Workforce – Policies Sustainability Statement – Own Workforce – Employee engagement Sustainability Statement – Own Workforce – Actions Sustainability Statement – Own Workforce – Targets No severe human rights incidents connected to the Interpipe's workforce in the reporting period, were recorded			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	ESRS S1 S1-6	Sustainability Statement – Own Workforce – Metrics - Characteristics of the Group employees			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	ESRS S1 S1-11	Sustainability Statement – Own Workforce – Social protection			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	ESRS REFERENCE	LOCATION/ COMMENTS	OMISSION		
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION
Employment						
GRI 401: Employment 2016	401-3 Parental leave	ESRS S1 S1-15	Sustainability Statement – Own Workforce – Parental leave			
Occupational health and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	ESRS S1 S1-1 §19; §20 (c); S1-2 §27; S1-4 §37 to §39; §AR 33; §AR 40 (a); S1-5 §46; §47 (b) та (c); S1- 17 §104 (a)	Sustainability Statement – Own Workforce – Policies Sustainability Statement – Own Workforce – Employee engagement Sustainability Statement – Own Workforce – Actions Sustainability Statement – Own Workforce – Targets			
GRI 403: Occupational health and safety 2018	403-1 Occupational health and safety management systems	ESRS S1 S1-1 §23	Sustainability Statement – Own Workforce – Occupational Health and Safety			
	403- 2 Hazard identification, risk assessment and incident investigation	ESRS S1 S1-1 §32 (b) та §33	Sustainability Statement – Own Workforce – Occupational Health and Safety			
	403-3 Occupational health and safety measures	ESRS S1 S1-1 §AR 17 (d)	Sustainability Statement – Own Workforce – Occupational Health and Safety			
	403-4 Employee involvement, consultation and communication on occupational health and safety	Health and safety' and 'Training and skills development' are sustainability matters for S1 covered by ESRS 1 §AR 16. Hence this GRI disclosure is covered by MDR-P, MDR-A, MDR-T, and/or as an entity-specific metric to be disclosed according to ESRS 1 §11 and pursuant to MDR-M.	Sustainability Statement – Own Workforce – Actions			
	403-5 Навчання з охорони праці та безпеки		Sustainability Statement – Own Workforce – Actions			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	ESRS REFERENCE	LOCATION/ COMMENTS	OMISSION		
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION
Occupational health and safety						
GRI 403: Occupational health and safety 2018	403-6 Employee health promotion activities	'Social protection' is a sustainability matter for S1 covered by ESRS 1 §AR 16. Hence this GRI disclosure is covered by MDR-P, MDR-A, MDR-T, and/or as an entity- specific metric to be disclosed according to ESRS 1 §11 and pursuant to MDR-	Sustainability Statement – Own Workforce – Actions			
	403-7 Preventing and managing health and safety risks arising from business interactions	ESRS S2 S2-4 §32 (a)	Sustainability Statement – Own Workforce – Occupational Health and Safety			
	403-8 Employees covered by the occupational health and safety management system	ESRS S1 S1-14 §88 (a); §90	Sustainability Statement – Own Workforce – Occupational Health and Safety			
	403-9 Occupational injuries	ESRS S1 S1-4, §38 (a); S1-14 §88 (b) Ta (c); §AR 82	Sustainability Statement – Own Workforce – Occupational Health and Safety Note: All groups of employees are included in the accident records in accordance with the requirements of applicable legislation.			
	403-10 Occupational diseases	ESRS S1 S1-4, §38 (a); S1-14 §88 (b) Ta (d); §89; §AR 8	Sustainability Statement – Own Workforce – Occupational Health and Safety			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	ESRS REFERENCE	LOCATION/ COMMENTS	OMISSION		
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION
Training and education						
GRI 3: Material Topics 2021	3-3 Management of material topics	ESRS S1 S1-1 §19; §20 (c); S1-2 §27; S1-4 §37 до §39; §AR 33; §AR 40 (a); S1-5 §46; §47 (b) та (c)	Sustainability Statement – Own Workforce – Policies Sustainability Statement – Own Workforce – Employee engagement Sustainability Statement – Own Workforce – Actions Sustainability Statement – Own Workforce – Targets			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	ESRS S1 S1-13 §83 (b) та §84	Sustainability Statement – Own Workforce - Training and skills development indicators			
	404-2 Programs for upgrading employee skills and transition assistance programs	ESRS S1 S1-1 §AR 17 (h)	Sustainability Statement – Own Workforce – Policies Sustainability Statement – Own Workforce – Actions			
	404-3 Percentage of employees receiving regular performance and career development reviews	ESRS S1 S1-13 §83 (a) та §84	Sustainability Statement – Own Workforce - Training and skills development indicators			
Diversity and equal opportunity						
GRI 3: Material Topics 2021	3-3 Management of material topics	ESRS S1 S1-1 §19; §20 (c); S1-2 §27; S1-4 §37 to §39; §AR 33; §AR 40 (a); S1-5 §46; §47 (b) та (c); S1- 17 §104 (a)	Sustainability Statement – Own Workforce – Policies Sustainability Statement – Own Workforce – Employee engagement Sustainability Statement – Own Workforce – Actions Sustainability Statement – Own Workforce – Targets			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	ESRS REFERENCE	LOCATION/ COMMENTS	OMISSION		
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION
Diversity and equal opportunity						
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	ESRS 2 GOV-1 §21 (d); ESRS S1 S1-6 §50 (a); S1-9 §66 (a) to (b); S1- 12 §7	Corporate Governance – Governance Structure Sustainability Statement – Own Workforce – Metrics - Characteristics of the Group employees Sustainability Statement – Own Workforce - Diversity metrics			
Local communities						
GRI 3: Material Topics 2021	3-3 Management of material topics	ESRS S3 §9 (b); S3-1 §14 τa §16 (c); S3-2 §21; S3-4 §32 (a) to (d), §33 (a) τa (b), §35, 36; §AR 31, §AR 34 (a); S3-5 §41, §43	Sustainability Statement – Affected Communities – Policies Sustainability Statement – Affected Communities – Local community engagement Sustainability Statement – Affected Communities – Actions Sustainability Statement – Affected Communities – Targets			
GRI 413: Local communities 2016	413-1 Units with implemented local community engagement programmes, impact assessment programmes and local community development programmes	ESRS S3 S3-2 §22; S3-3 §27 (b)	Sustainability Statement – Affected Communities Interpipe Group regularly assesses the environmental impact in accordance with current legislation on the regulation and monitoring of emissions from production. The social impact of the Group's activities on individual local communities was not been assessed in 2024.			
	413-2 Units with significant actual or potential negative impacts on local communities	ESRS 2 SBM-3 §48 (c) I τa IV τa ESRS S3 §9 (a) I τa (b)	Sustainability Statement – Affected Communities In 2024, no Group units were identified as having a significant actual or potential risk of negative impacts on local communities.			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	ESRS REFERENCE	LOCATION/ COMMENTS	OMISSION		
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION
Supplier social assessment						
GRI 3: Material Topics 2021	3-3 Management of material topics	ESRS G1 G1-2 §15 (a)	Sustainability Statement – Business Conduct - Management of relationships with suppliers			
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	ESRS G1 G1-2 §15 (b)	Sustainability Statement – Business Conduct - Management of relationships with suppliers	414-1 a.	Information unavailable, incomplete	Interpipe conducts supplier due diligence focusing on ownership structure, manufacturing conditions, and anti-money laundering compliance; however, there is currently no formal process to assess potential negative social impacts. Additionally, the percentage of new suppliers screened using social criteria is not tracked or available.
	414-2 Negative social impacts in the supply chain and actions take	ESRS 2 SBM-3 §48 (c) I та IV	In 2024, no suppliers were assessed for their social impact and no impacts were identified.			

Annex 2. ESRS-related disclosure requirements covered by the sustainability statement – EU legislation

ESRS	Disclosure requirement	Legislation requirement	Materiality	Annual Report Reference
ESRS 2 GOV-1 21 d	Board's gender diversity ratio	SFDR	Material	Corporate Governance – Governance Structure
ESRS 2 GOV-1 21 e	Percentage of independent board members	SFDR	Material	Corporate Governance – Governance Structure
ESRS 2 GOV-4 30; 32	Disclosure of mapping of information provided in sustainability statement about due diligence process	SFDR	Material	Sustainability Statement – Sustainability Governance
ESRS 2 SBM-1 40 d I	Undertaking is active in fossil fuel (coal, oil and gas) sector	SFDR	Not material	
ESRS 2 SBM-1 40 d II	Undertaking is active in chemicals production	SFDR	Not material	
ESRS 2 SBM-1 40 d II	Revenue from chemicals production	SFDR	Not material	
ESRS 2 SBM-1 40 d III	Undertaking is active in controversial weapons	SFDR	Not material	
ESRS 2 SBM-1 40 d III	Revenue from controversial weapons	SFDR	Not material	
ESRS 2 SBM-1 40 d IV	Undertaking is active in cultivation and production of tobacco	SFDR	Not material	
ESRS 2 SBM-1 40 d IV	Revenue from cultivation and production of tobacco	SFDR	Not material	
E1 E1-1 14	Disclosure of transition plan for climate change mitigation	EUCL	Material	Sustainability Statement – ESRS E1 Climate Change – Transition plan
E1 E1-4 34	Targets for greenhouse gas emissions reduction	SFDR, P3, BRR	Material	Sustainability Statement – ESRS E1 Climate Change – Targets
E1 E1-5 38	Consumption of energy from fossil sources, broken down by type (only for sectors with high climate impact)	SFDR	Material	Sustainability Statement – ESRS E1 Climate Change – Energy consumption and mix
E1 E1-5 37	Energy consumption and its structure	SFDR	Material	Sustainability Statement – ESRS E1 Climate Change – E1-5 Energy consumption and mix
E1 E1-5 40-43	Energy consumption intensity from activities in sectors with high climate impact (total energy consumption per unit of net revenue)	SFDR	Material	Sustainability Statement – ESRS E1 Climate Change – Energy intensity

Annexes

ESRS	Disclosure requirement	Legislation requirement	Materiality	Annual Report Reference
E1 E1-6 44	Greenhouse gas emissions in total and broken down by Scope 1, Scope 2, Scope 3	SFDR, P3, BRR	Material	Sustainability Statement – ESRS E1 Climate Change – E1-6 Gross Scopes 1, 2, 3 and total GHG emissions
E1 E1-6 53-55	Greenhouse gas emissions intensity	SFDR, P3, BRR	Material	Sustainability Statement – ESRS E1 Climate Change – E1-6 Gross Scopes 1, 2, 3 and total GHG emissions
E1 E1-7 56	Disclosure of information on greenhouse gas removals and storage	EUCL	Not material	
E1 E1-9 66	Exposure of the benchmark portfolio to climate-related physical risks	BRR	Not material	
E1 E1-9 66 a	Disaggregation of monetary amounts by acute and chronic physical risk	P3	Material	As permitted by Appendix C to ESRS 1, Interpipe Group opted not to report this disclosure
E1 E1-9 66 c	Disclosure of location of significant assets at material physical risk	P3	Material	Sustainability Statement – ESRS E1 Climate Change – Climate risk and opportunity assessment findings
E1 E1-9 67 c	Total carrying amount of real estate assets by energy efficiency classes	P3	Not material	
E1 E1-9 69	Degree of exposure of the portfolio to climate-related opportunities	BRR	Material	As permitted by Appendix C to ESRS 1, Interpipe Group opted not to report this disclosure
E2 E2-4 28 a	Emissions to air by pollutant	SFDR	Material	Sustainability Statement – ESRS E 2 Pollution - Metrics
E2 E2-4 28 a	Emissions to water by pollutant [+ by sectors/ Geographical Area/Type of source/Site location]	SFDR	Not material	
E2 E2-4 28 a	Emissions to soil by pollutant [+ by sectors/Geographical Area/Type of source/Site location]	SFDR	Not material	
E3 E3-1 9	Water and marine resources	SFDR	Material	Sustainability Statement – ESRS E3 Water and marine resources - Metrics
E3 E3-1 13	Dedicated policy	SFDR	Material	Sustainability Statement – ESRS E3 Water and marine resources -Policies

Annexes

ESRS	Disclosure requirement	Legislation requirement	Materiality	Annual Report Reference
E3 E3-1 14	Sustainable oceans and seas	SFDR	Not material	
E3 E3-4 28 c	Total water recycled and reused	SFDR	Material	Sustainability Statement – ESRS E3 Water and marine resources - Metrics
E3 E3-4 29	Water intensity ratio	SFDR	Material	Sustainability Statement – ESRS E3 Water and marine resources - Metrics
E4 E4.SBM-3 16 a i	Disclosure of activities that negatively impact various sensitive areas	SFDR	Not material	
E4 E4.SBM-3 16 b	Material negative impacts with regards to land degradation, desertification or soil sealing have been identified	SFDR	Not material	
E4 E4.SBM-3 16 c	Own operations affect threatened species	SFDR	Material	
E4 E4-2 24 b	Sustainable land or agriculture practices or policies have been adopted	SFDR	Not material	
E4 E4-2 24 c	Sustainable oceans or seas practices or policies have been adopted	SFDR	Not material	
E4 E4-2 24 d	Policies to address deforestation have been adopted	SFDR	Not material	
E5 E5-5 37 d	Non-recycled waste	SFDR	Material	Sustainability Statement – ESRS E5 Resource use and circular economy – Metrics
E5 E5-5 37 d	Percentage of non-recycled waste	SFDR	Material	Sustainability Statement – ESRS E5 Resource use and circular economy – Metrics
E5 E5-5 39	Total amount of hazardous waste	SFDR	Material	Sustainability Statement – ESRS E5 Resource use and circular economy – Metrics
E5 E5-5 39	Total amount of radioactive waste	SFDR	Not material	
S1 S1.SBM-3 14 f	Risk of incidents of forced labour	SFDR	Not material	
S1 S1.SBM-3 14 g	Risk of incidents of child labour	SFDR	Not material	

Annexes

ESRS	Disclosure requirement	Legislation requirement	Materiality	Annual Report Reference
S1 S1-1 20	Human rights policy commitments	SFDR	Material	Sustainability Statement – ESRS S1 Own Workforce - Policies
S1 S1-1 21	Disclosure of whether and how policies are aligned with relevant internationally recognised instruments	SFDR	Material	Sustainability Statement – ESRS S1 Own Workforce - Policies
S1 S1-1 22	Policies explicitly address trafficking in human beings, forced labour or compulsory labour and child labour	SFDR	Not material	
S1 S1-1 23	Workplace accident prevention policy or management system is in place	SFDR	Material	Sustainability Statement – ESRS S1 Own Workforce - Policies
S1 S1-3 32 c	Grievance or complaints handling mechanisms related to employee matters exist	SFDR	Material	Sustainability Statement – ESRS S1 Own Workforce - Processes to remediate negative impacts and channels for own workers to raise concerns
S1 S1-14 88 b and c	Number of fatalities and number and rate of work-related accidents	SFDR, BRR	Material	Sustainability Statement – ESRS S1 Own Workforce - Occupational Health and Safety
S1 S1-14 88 e	Number of days lost to injuries, accidents, fatalities or illness	SFDR	Material	Sustainability Statement – ESRS S1 Own Workforce - Occupational Health and Safety
S1 S1-16 97 a	Unadjusted gender pay gap	SFDR, BRR	Not material	
S1 S1-16 97 b	Excessive CEO pay ratio	SFDR	Not material	
S1 S1-17 103 a	Number of incidents of discrimination	SFDR	Not material	
S1 S1-17 104 a	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	SFDR, BRR	Not material	
S2 S2.SBM-3 11 b	Disclosure of geographies or commodities for which there is significant risk of child labour, or of forced or compulsory labour, among workers in undertaking's value chain	SFDR	Not material	
S2 S2-1 17	Human rights policy commitments	SFDR	Not material	
S2 S2-1 18	Policies related to value chain workers	SFDR	Not material	

Annexes

ESRS	Disclosure requirement	Legislation requirement	Materiality	Annual Report Reference
S2 S2-1 19	Nonrespect of UNGPs on Business and Human Rights principles and OECD guidelines	SFDR, BRR	Not material	
S2 S2-1 19	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8	BRR	Not material	
S3 S3-4 36	Human rights issues and incidents	SFDR	Not material	
S3 S3-1 16	Policies related to consumers and end-users	SFDR	Not material	
S3 S3-1 17	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	SFDR, BRR	Not material	
S4 S4-4 35	Human rights issues and incidents	SFDR	Not material	
G1 G1-1 10 b	United Nations Convention against Corruption	SFDR	Material	Sustainability Statement – ESRS G1 Business Conduct – Corporate Culture and Business Conduct Policies Sustainability Statement – ESRS G1 Business Conduct – Prevention and detection of corruption and bribery
G1 G1-1 10 d	Protection of whistle-blowers	SFDR	Material	Sustainability Statement – ESRS G1 Business Conduct – Prevention and detection of corruption and bribery
G1 G1-4 24 a	Fines for violation of anti-corruption and anti-bribery laws	SFDR, BRR	Not material	
G1 G1-4 24 b	Standards of anti-corruption and anti- bribery	SFDR	Not material	