



# **INTERPIPE HOLDINGS PLC**

## **Consolidated Financial Statements**

Consolidated statement of financial position

Consolidated statement of comprehensive income

Consolidated statement of changes in equity

Consolidated statement of cash flows

Six Months Ended 30 June 2023

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## GROUP'S ENTITIES OPERATION STATUS UPDATE AS AT 30 JUNE 2023

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The Consolidated Financial Statements have been prepared on a going concern basis that contemplates the realization of assets and satisfaction of liabilities and commitments in the normal course of business.

The war in Ukraine that commenced with the Russian invasion of Ukraine on 24 February 2022 is still ongoing.

On the one hand, the current situation is much more stable than in the first phase of war in 1H 2022. Ukrainian army has been deliberating a significant part of the country and successfully holds back new attacks. The government could stabilize key state institutions and financial markets with significant support of international community as well as keep key infrastructure like electricity supply and transportation system going. Ukrainian business transformed its business models to new reality especially in developing new logistic channels and elaborating new products and services.

On the other hand, economic consequences are very serious and the situation remains highly fluid and the outlook is subject to extraordinary uncertainty.

The overall level of the Group's business activity remains dependent on Russian attacks on critical infrastructure of Ukraine as well as on the business assets of the Group themselves. The Group's entities located outside of Ukraine operate on a normal basis except for Russian subsidiary.

The Group is fully compliant with all sanctions' rules and regulations imposed by various countries and organizations against Russian and Belarusian persons or organizations.

On or immediately after 24 February 2022 the Group suspended all shipments of the finished goods to Russia, Belarus and made a decision on liquidation of its trading company in Russia Interpipe-M LLC followed by the dismissal of its employees with a remaining few persons involved in the process of the liquidation. The Group has been endeavoring to finalize the liquidation process, which is now driven by the remaining local employees, as soon as possible.

The Group also has not been conducting any business activity on occupied territories of Ukraine since 24 February 2022.

The management acknowledges that future development of military actions and their duration represent a single source of material uncertainty which may cast significant doubt about 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 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 to continue its operations for the foreseeable future in the regular course of business.

# INTERPIPE HOLDINGS PLC

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

(in US dollar and in thousands)



INTERPIPE

	30 June 2023	31 December 2022
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	217,603	224,155
Intangible assets and goodwill	4,058	3,642
Investments in associates	478	412
Deferred tax assets	28,379	30,131
Prepaid income tax	156	153
Other non-current assets	107,567	17,025
	<b>358,241</b>	<b>275,518</b>
<b>Current assets</b>		
Inventories	174,976	173,530
Trade and other accounts receivable	138,743	134,632
Prepayments and other current assets	79,113	28,987
Prepaid current income tax	363	944
Taxes recoverable, other than income tax	21,154	32,600
Cash and cash equivalents	158,917	153,777
	<b>573,266</b>	<b>524,470</b>
<b>TOTAL ASSETS</b>	<b>931,507</b>	<b>799,988</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Issued capital, net of unpaid	5	5
Share premium	94,277	94,277
Revaluation reserve	286,737	291,779
Retained earnings	1,439,605	1,313,973
Foreign currency translation reserve	(1,516,526)	(1,500,188)
	304,098	199,846
<b>Non-controlling interests</b>	7,741	5,901
<b>Total equity</b>	<b>311,839</b>	<b>205,747</b>
<b>Non-current liabilities</b>		
Long-term borrowings	340,566	344,534
Deferred tax liabilities	13,653	10,789
Provisions	19,700	18,820
	<b>373,919</b>	<b>374,143</b>
<b>Current liabilities</b>		
Current portion of the long-term borrowings and interest accrued and payable	66,617	45,132
Trade and other accounts payable	92,676	99,269
Advances and other current liabilities	38,276	39,861
Current income tax payable	38,590	29,815
Taxes payable, other than income tax	3,878	1,048
Provisions	5,712	4,973
	<b>245,749</b>	<b>220,098</b>
<b>Total liabilities</b>	<b>619,668</b>	<b>594,241</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>931,507</b>	<b>799,988</b>

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

Chief Executive Office

Andrii Korotkov

Sergiy Kuz'menko

25 September 2023

# INTERPIPE HOLDINGS PLC

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2023 (in US dollar and in thousands)



	For the six month ended 30 June	
	2023	2022
Revenue	518,375	461,443
Cost of sales	(281,186)	(304,615)
<b>Gross profit</b>	<b>237,189</b>	<b>156,828</b>
Selling and distribution expenses	(42,353)	(98,817)
General and administrative expenses	(22,588)	(21,591)
Other operating income and expenses, net	(5,173)	(5,661)
Operating foreign exchange difference	11,214	35,808
<b>Operating profit</b>	<b>178,289</b>	<b>66,567</b>
Finance income	3,389	389
Finance costs	(34,797)	(25,831)
Non-operating foreign exchange difference	10,552	(15,518)
Share of loss of joint venture	-	(403)
Share of profit / (loss) of associates	66	(305)
<b>Profit before tax</b>	<b>157,499</b>	<b>24,899</b>
Income tax expense	(35,069)	(5,367)
<b>Profit for the period</b>	<b>122,430</b>	<b>19,532</b>
<b>Profit attributable to:</b>		
Equity holders of the parent	120,590	21,450
Non-controlling interests	1,840	(1,918)
	<b>122,430</b>	<b>19,532</b>
<b>Other comprehensive loss to be reclassified to profit or loss in subsequent periods:</b>		
Exchange differences on translation of foreign operations	(16,338)	(63,305)
<b>Net other comprehensive loss to be reclassified to profit or loss in subsequent periods:</b>	<b>(16,338)</b>	<b>(63,305)</b>
<b>Other comprehensive loss for the period, net of tax:</b>	<b>(16,338)</b>	<b>(63,305)</b>
<b>Total comprehensive income / (loss) attributable to:</b>		
Equity holders of the parent	104,252	(41,014)
Non-controlling interests	1,840	(2,759)
	<b>106,092</b>	<b>(43,773)</b>

# INTERPIPE HOLDINGS PLC

## CONSOLIDATED STATEMENT OF CHANGE IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2023

(in US dollar and in thousands)



INTERPIPE

### Attributable to equity holders of the parent

	Issued capital	Share premium	Revaluation reserve	Retained earnings	Foreign currency translation reserve	Total	Non-controlling interests	Total equity
<b>At 1 January 2022</b>	<b>5</b>	<b>94,277</b>	<b>382,601</b>	<b>1,125,863</b>	<b>(1,180,510)</b>	<b>422,236</b>	<b>13,182</b>	<b>435,418</b>
Profit / (loss) for the period	-	-	-	21,450	-	21,450	(1,918)	19,532
Other comprehensive income	-	-	-	-	(62,464)	(62,464)	(841)	(63,305)
Total comprehensive income / (loss)	-	-	-	21,450	(62,464)	(41,014)	(2,759)	(43,773)
Depreciation transfer	-	-	(11,034)	11,034	-	-	-	-
Dividends declared	-	-	-	(48,900)	-	(48,900)	-	(48,900)
<b>At 30 June 2022</b>	<b>5</b>	<b>94,277</b>	<b>371,567</b>	<b>1,109,447</b>	<b>(1,242,974)</b>	<b>332,322</b>	<b>10,423</b>	<b>342,745</b>

### Attributable to equity holders of the parent

	Issued capital	Share premium	Revaluation reserve	Retained earnings	Foreign currency translation reserve	Total	Non-controlling interests	Total equity
<b>At 1 January 2023</b>	<b>5</b>	<b>94,277</b>	<b>291,779</b>	<b>1,313,973</b>	<b>(1,500,188)</b>	<b>199,846</b>	<b>5,901</b>	<b>205,747</b>
Profit for the period	-	-	-	120,590	-	120,590	1,840	122,430
Other comprehensive loss	-	-	-	-	(16,338)	(16,338)	-	(16,338)
Total comprehensive income / (loss)	-	-	-	120,590	(16,338)	104,252	1,840	106,092
Depreciation transfer	-	-	(5,042)	5,042	-	-	-	-
<b>At 30 June 2023</b>	<b>5</b>	<b>94,277</b>	<b>286,737</b>	<b>1,439,605</b>	<b>(1,516,526)</b>	<b>304,098</b>	<b>7,741</b>	<b>311,839</b>

# INTERPIPE HOLDINGS PLC

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2023 (in US dollar and in thousands)



	For the six month ended 30 June	
	2023	2022
<b>Profit before tax</b>	<b>157,499</b>	<b>24,899</b>
<b>Adjustments for:</b>		
Depreciation and amortisation	10,811	19,509
Movement in provisions less interest cost	19,481	35,163
(Gain) / loss on disposal of property, plant and equipment	(205)	161
Finance costs	34,797	25,831
Finance income	(3,389)	(389)
Share of loss of joint venture	-	403
Share of (profit) / loss of associates	(66)	305
Translation difference and foreign exchange difference	(21,678)	(20,158)
<b>Operating cash flows before working capital changes</b>	<b>197,250</b>	<b>85,724</b>
(Increase) / decrease in inventories	(11,674)	12,782
Decrease in trade and other accounts receivable	2,252	35,880
Increase in prepayments and other assets	(55,358)	(45,219)
Decrease/ (increase) in taxes recoverable, other than income tax	11,448	(13,531)
Decrease in trade and other accounts payable	(7,881)	(2,421)
Increase in taxes payable, other than income tax	2,824	960
(Decrease) / increase in advances and other current liabilities	(6,825)	7,699
<b>Cash generated from operations</b>	<b>132,036</b>	<b>81,874</b>
Income tax paid	(21,822)	(8,143)
Interest and other finance costs paid	(14,131)	(13,726)
<b>Net cash inflow from operating activities</b>	<b>96,083</b>	<b>60,005</b>
<b>Cash flow from investing activities</b>		
Purchases of property, plant and equipment and intangible assets	(8,656)	(9,016)
Proceeds from sale of property, plant and equipment	60	21
Interest-bearing loan granted	(85,000)	-
Interest received	1,712	389
<b>Net cash outflow from investing activities</b>	<b>(91,884)</b>	<b>(8,606)</b>
<b>Cash flows from financing activities</b>		
Repayments of borrowings	(828)	(120)
<b>Net cash outflow from financing activities</b>	<b>(828)</b>	<b>(120)</b>
Net increase in cash and cash equivalents	3,371	51,279
Net foreign exchange difference	1,769	(4,139)
<b>Cash and cash equivalents at period beginning</b>	<b>153,777</b>	<b>109,627</b>
<b>Cash and cash equivalents at period end</b>	<b>158,917</b>	<b>156,767</b>

# INTERPIPE HOLDINGS PLC

## SEGMENT INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2023 (in US dollar and in thousands)



### Segment information

#### Segment revenues and results

<i>Six months ended 30 June 2023</i>	<i>Pipes</i>	<i>Railway wheels</i>	<i>Steel making</i>	<i>Other operations</i>	<i>Total</i>
Revenue	400,288	99,946	164,385	5,378	669,997
Elimination of sales to other segments	-	-	(151,622)	-	(151,622)
<b>Revenue – external</b>	<b>400,288</b>	<b>99,946</b>	<b>12,763</b>	<b>5,378</b>	<b>518,375</b>
<b>Operating profit</b>	<b>95,806</b>	<b>17,280</b>	<b>64,814</b>	<b>389</b>	<b>178,289</b>
Finance income					3,389
Finance costs					(34,797)
Non-operating foreign exchange difference					10,552
Share of profit of associates					66
Income tax expense					(35,069)
<b>Profit for the period</b>					<b>122,430</b>

For the six months ended 30 June 2023 share of profit of associates was attributable to the seamless pipes segment.

#### EBITDA by segments

<i>Six month ended 30 June 2023</i>	<i>Pipes</i>	<i>Railway wheels</i>	<i>Steel making</i>	<i>Other operations</i>	<i>Total</i>
Operating profit	95,806	17,280	64,814	389	178,289
Depreciation and amortisation	1,903	2,852	6,056	-	10,811
(Gain) / loss on disposal of property, plant and equipment	25	(248)	18	-	(205)
Operating foreign exchange difference	(6,834)	(3,974)	(406)	-	(11,214)
<b>EBITDA</b>	<b>90,900</b>	<b>15,910</b>	<b>70,482</b>	<b>389</b>	<b>177,681</b>
Reallocation of EBITDA from Steelmaking to Pipes and Railway wheels segments	51,193	15,526	(66,719)	-	-
<b>EBITDA (on a pass-through basis)</b>	<b>142,093</b>	<b>31,436</b>	<b>3,763</b>	<b>389</b>	<b>177,681</b>



# INTERPIPE HOLDINGS PLC



## SEGMENT INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2023 (in US dollar and in thousands)

### Segment revenues and results

Six months ended 30 June 2022	Pipes	Railway wheels	Steel making	Other operations	Total
Revenue	358,043	78,611	154,193	4,791	595,638
Elimination of sales to other segments	-	-	(134,195)	-	(134,195)
<b>Revenue – external</b>	<b>358,043</b>	<b>78,611</b>	<b>19,998</b>	<b>4,791</b>	<b>461,443</b>
<b>Operating profit</b>	<b>40,088</b>	<b>2,760</b>	<b>23,707</b>	<b>12</b>	<b>66,567</b>
Finance income					389
Finance costs					(25,831)
Non-operating foreign exchange difference					(15,518)
Share of loss of joint venture					(403)
Share of loss of associates					(305)
Income tax expense					(5,367)
<b>Profit for the period</b>					<b>19,532</b>

For the six months ended 30 June 2022 share of loss of associates was attributable to the seamless pipes segment.

### EBITDA by segments

Six months ended 30 June 2022	Pipes	Railway wheels	Steel making	Other operations	Total
Operating profit	40,088	2,760	23,707	12	66,567
Depreciation and amortisation	6,751	4,566	8,118	74	19,509
Loss on disposal of property, plant and equipment	56	41	64	-	161
Operating foreign exchange difference	(24,262)	(9,898)	(1,648)	-	(35,808)
<b>EBITDA</b>	<b>22,633</b>	<b>(2,531)</b>	<b>30,241</b>	<b>86</b>	<b>50,429</b>
Reallocation of EBITDA from Steelmaking to Pipes and Railway wheels segments	20,475	8,197	(28,672)	-	-
<b>EBITDA (on a pass-through basis)</b>	<b>43,108</b>	<b>5,666</b>	<b>1,569</b>	<b>86</b>	<b>50,429</b>