

PRESS RELEASE

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Interpipe announces operational and financial results for the first 6 months 2023

Interpipe (referred to as “Interpipe” or the “Company”), a global producer of steel pipes and railway products based in Ukraine, released (via Interpipe Holdings Plc) its unaudited IFRS consolidated financial statements for the period from January 1 to June 30, 2023.

2 Quarter 2023 Operational and Financial Highlights:

- Steel output declined by 13% q-o-q, to 160 thousand tons, pipe production remained flat q-o-q at 105 thousand tons, whereas railway products production grew by 35% q-o-q, to 27 thousand tons;
- Overall sales hiked by 35% q-o-q, to 146 thousand tons, incl. pipe sales - by 37% q-o-q, to 112 thousand tons, railway products sales - by 37% q-o-q, to 26 thousand tons, and steel billet sales – by 17% q-o-q, to 7 thousand tons;
- Revenue improved by 26% q-o-q, to USD 289 million;
- EBITDA hiked up by 24% q-o-q, to USD 98 million;
- Net Leverage ratio (Net Debt to adjusted EBITDA) stood at 0.7x.

In Q2 2023, all Interpipe’s production facilities continued operating in challenging and fluid environment on the back of the ongoing full-scale russian invasion of Ukraine. Resolving of negative consequences of the destruction of Kakhovskaya HPP dam on water supply to the production units of Interpipe Niko Tube plant in Nikopol became a new challenge to us. The Company's capacity utilization remained averagely at 60-70% level comparing to the pre-war period.

The US pipe market continues sliding down driven by softening demand and declining prices that had negatively impacted on Interpipe’s sales volumes. Therefore, in Q2 the Company redirected a portion of pipe sales to other markets, e.g., the EU, the Middle East and Ukraine, which offset this negative effect. At the same time, railway product sales grew mainly

following restoring of a normal production mode amid stabilized electricity supply (compared to Q4 2022 and Q1 2023).

This resulted in a stark improvement of the Company's financial performance: both revenue and EBITDA surged – by 26% q-o-q and 24% q-o-q, respectively keeping Net leverage ratio at a healthy level of 0.7x.

Andriy Korotkov, CEO at Interpipe commented on the results:

- Now, Interpipe has a quite stable financial position. The company fulfills all its obligations vis-a-vis creditors and investors. All sales orders of Ukrainian and international customers are executed in-time.

Given current objective realities in Ukraine further capacity utilization of Interpipe's facilities is foreseen at 60-70% level by the end of 2023. However, it's the subject to downside risks should shelling of critical energy infrastructure during the autumn-winter heating season renew. Interpipe undertakes all necessary measures to minimize potential risks of power outages.

In August, the Board of Directors of Interpipe decided to resume important investment projects which had been suspended before. They include construction of new thermal treatment facility and hydraulic press at Interpipe Niko Tube plant, as well as other development projects in the railway and steelmaking divisions.

About the company:

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

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

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