

9 July 2020

Steppe Cement Ltd

Market update for the first half of 2020

In the first half of 2020, Steppe Cement Ltd (“Steppe Cement” or the “Company”) sold 764,752 tonnes of cement for 13,677 million Tenge, compared with 780,315 tonnes of cement for 14,079 million Tenge in the first half of 2019. This represents a decrease of 2% in volume and a decrease of 3% in turnover over the same period in 2019.

The average price for the current period for delivered cement was 17,884 Tenge per tonne (ex-VAT), compared with 18,042 Tenge per tonne in the corresponding period of 2019. The ex-factory price for the current period was 14,727 Tenge per tonne, compared with 15,148 Tenge per tonne in the corresponding period of 2019.

The cement market in Kazakhstan increased by 2% during the first half of 2020, compared with the same period last year. Shipments of cement from local companies followed the same trend. Imports represented 6% of the local market, remaining stable, and exports from Kazakhstan were reduced by 2% to 0.84 million tonnes. Steppe Cement’s local market share was 16.5% in the first half of 2020 and the Company exported 11% of its sales, as in 2019.

It is difficult to predict the market in 2020 as the government has declared a new country wide lockdown for two weeks from 5<sup>th</sup> July due to Covid 19. This could be extended.

Steppe Cement's AIM nominated adviser and broker is RFC Ambrian Limited.

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