

13 April 2022

Steppe Cement Ltd

Market update for the quarter ended 31 March 2022

In the first quarter of 2022, Steppe Cement Ltd ("Steppe Cement" or the "Company") sold 281,968 tonnes of cement for 6,299 million Tenge, compared to 265,556 tonnes of cement for 4,882 million Tenge in the first quarter of 2021, representing an increase of 6% and 29% respectively.

The Kazakh cement market increased by 12% in Q1 2022 over the corresponding quarter last year. Steppe Cement's market share increased to 13.7% in the first quarter of 2022 from 13.2% in the first quarter of 2021.

The average price for delivered cement in Q1 was 22,341 Tenge per tonne (ex-VAT) compared with 21,332 Tenge per tonne in 2021, an increase of 5%. The ex-factory price for the current quarter stood at 19,006 Tenge per tonne, compared to 18,134 Tenge per tonne in 2021, an increase of 5% as well.

Exports from Kazakhstan decreased by 50% from 2021 as new factories opened in Uzbekistan while imports to Kazakhstan increased from 6.5% to 8% of the market, mostly from Russia. At the time of this report, the Russian Rouble and KZT trading range have re-aligned and are consistent with historical trends.

The Company currently estimates Kazakhstan's cement market demand will remain at 11 to 12 million tonnes but there is a high degree of uncertainty regarding this due to the geopolitical situation.

The factory's clinker production increased by 8% in the first quarter thanks to technical improvements and less stoppages. The cement mill number 1 separator will be commissioned in the summer. We have started work on the cement mill number 2 separator, to be commissioned in 2023.

Currently there are no foreign exchange restrictions on our banking operations and the Company can pay interest and dividends abroad.

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

Nominated Adviser: Contact Stephen Allen or Andrew Thomson at +61 8 9480 2500.

Broker: Contact Charlie Cryer at +44 20 3440 6800