

12 April 2021

Steppe Cement Ltd

Market update for the quarter ended 31 March 2021

In the first quarter of 2021, Steppe Cement Ltd ("Steppe Cement" or the "Company") sold 265,556 tonnes of cement for 4,882 million Tenge, compared to 235,896 tonnes of cement for 4,003 million Tenge in the first quarter of 2020, representing an increase of 13% and 22% respectively as the Company.

The Kazakh cement market in Q1 2021 increased by 12% over the corresponding quarter last year. Steppe Cement's market share increased to 13.2% in the first quarter of 2021 from 12.6% in the first quarter of 2020.

The average price for delivered cement in Q1 was 18,384 Tenge per tonne (ex VAT) compared with 16,970 Tenge per tonne in the corresponding quarter of 2020, an increase of 8%.

The ex-factory price for the current quarter stood at 14,568 Tenge per tonne, compared to 13,149 Tenge per tonne in 1Q 2020, an increase of 11%. The transport tariffs and rental expenses were maintained.

Exports from Kazakhstan decreased by 9% from 2020 but it is difficult to have visibility over the output in the coming months.

The Company estimates Kazakhstan's cement market demand will increase due to infrastructure and housing projects initiated by the Government. We continue to operate the factory at capacity, and we do not anticipate any liquidity problems with sufficient clinker in store and credit lines from the main banks in Kazakhstan.

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

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