

10 April 2019

Steppe Cement Ltd

Market update for the quarter ended 31 March 2019

In the first quarter of 2019, Steppe Cement Ltd ("Steppe Cement" or the "Company") sold 266,393 tonnes of cement for 4,455 million Tenge, compared to 197,179 tonnes of cement for 2,313 million Tenge in the first quarter of 2018, representing an increase of 35% and 93% respectively.

The cement market in Kazakhstan during 1Q 2019 increased by 3.6% over the corresponding quarter last year.

Steppe Cement increased its market share to 17.4% in the first quarter of 2019 from 14% in the first quarter of 2018.

The average price for the current quarter for delivered cement was 16,723 Tenge per tonne (ex VAT) compared with 11,732 Tenge per tonne in the corresponding quarter of 2018, an increase of 43%. Prices have been maintained this winter at the same level as last year.

The ex-factory price for the current quarter stood at 13,614 Tenge per tonne, compared to 8,304 Tenge per tonne in 1Q 2018, an increase of 64%. The higher transport tariffs and rental expenses have been compensated with savings due to better utilization of the wagon fleet (less idle wagons, more sublets) and increased sales in markets close to the factory.

The Company estimates Kazakhstan's cement market demand will increase to 9.0 million tonnes in 2019 from 8.6 million tonnes in 2018. Exports from Kazakhstan have reduced from 2018 but the outlook continues to be optimistic in Uzbekistan.

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

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