

17 October 2025

Steppe Cement Ltd
(“Steppe Cement” or the “Company”)

Trading Update for the Third Quarter ended 30 September 2025

Steppe Cement Ltd (AIM: STCM), is pleased to announce the following trading update for the third quarter ended 30 September 2025 (“**Q3 2025**” or the “**Period**”), and general corporate update. All numbers referenced below are unaudited.

Operational and Financial Highlights:

- Steppe Cement generated revenue of KZT 18,284 million (approximately USD 34.1 million) in Q3 2025, which was 21% higher in KZT than the revenue achieved in Q3 2024 of KZT 15,085 million (approximately USD 31.6 million).
- For the nine months ended 30 September 2025, Steppe Cement recorded revenue of KZT 39,002 million (approximately USD 75 million) compared with KZT 30,520 million (approximately USD 66.6 million) in the corresponding nine-month period in 2024 (a 28% increase).
- The increased revenue in the 3 months to 30 September 2025 was largely attributable to the increase in the volume of sales during the period to 701,643 tonnes, 13% higher than in 2024 as well as a 7% increase in KZT in the price of products sold in Q3 2025.
- For the first 9 months of 2025, the volume of sales totalled 1.55 million tonnes versus 1.34 million in 2024.
- The average price (excluding VAT) for delivered cement was KZT 25,145 (approximately USD 48.4) per tonne in the first 9 months, compared with KZT 22,755 (approximately USD 49.6) per tonne in the corresponding period in 2024. This represents an increase of 10% in KZT but a decrease of 3% USD due to the devaluation of the Kazakh tenge against the US dollar of approximately 13% (from 459 to 520 KZT/USD) during the comparative periods.
- Steppe Cement had cash and cash equivalents of USD 14 million, as of 6 October 2025. The Company intends to reserve a portion of this for growth capex plans that it is in the process of finalising, and will update the market as and when appropriate. The Board still envisages returning surplus capital to shareholders towards the end of the year

For the first nine months of 2025, domestic cement demand in Kazakhstan reached 11.2 million tonnes, which is 1.8 million tonnes higher compared to the same period in 2024. Cement imports into Kazakhstan accounted for 7.3% of total consumption, up from 5.5% in the corresponding period of 2024, while exports from Kazakhstan decreased to 0.62 million tonnes, compared with 0.72 million tonnes in the same period of 2024. During the Period, at a macro level, exports to Uzbekistan have virtually stopped due to oversupply in the Uzbek market, while remaining export destinations are Kyrgyzstan and Russia.

The current estimate of total Kazakh cement market demand for the full year 2025 is expected to reach approximately 13.0 million tonnes, and Steppe Cement's market share is expected to stay at 14 to 15%.

Despite the substantial increase in cement demand, producer prices have not shown a corresponding increase in KZT for the following reasons:

- reduced exports and competitive pressure from exporters to the oversupplied Uzbek market;
- the commissioning of a new cement plant, by a competitor, in the Zhambyl region;
- a sharp rise in railway transportation costs; and

- the short-term shortage observed earlier in the season was quickly offset, stabilising prices.

Corporate Developments:

The Company is also pleased to provide the following corporate updates.

Steppe currently maintains a USD 27 million inter-company loan to its wholly owned subsidiary, Karcement JSC, with an interest rate of approximately 8-9% per year and which is subject to 10-15% withholding tax on the interest. The Company intends to restructure this loan into a publicly listed bond, to be issued by Karcement JSC on the Astana International Exchange, to Steppe, for the same principal amount, with a fixed 8% coupon. As part of this process, the Company intends to register documentation enabling the issue of bonds of up to USD 50 million and whilst there is no immediate intention to issue additional debt to Karcement, this listing will provide flexibility to raise funds from local institutional investors in the future to support growth projects. The Company will provide a further update to the internal debt refinancing as and when appropriate.

In addition, the previously disclosed tax dispute between the Company's subsidiaries, CAC JSC and KC JSC, and the Republic of Kazakhstan tax authorities, relating to the period 2016 to 2020 and discussed in Note 32 of the Company's annual report for the year ended 31 December 2024, which outlined the Company's latest position on the matter, were resolved during the third quarter. The CAC JSC case was concluded in the Company's favour by the Supreme Court of the Republic of Kazakhstan, and the KAC JSC case was settled for approximately USD 0.1 million, with the remainder of the claims withdrawn and dismissed.

Javier del Ser Perez, Chief Executive Officer of Steppe Cement, commented:

"During the first nine months of 2025, the Company has achieved record production volumes of clinker and cement, exceeding the results of any comparable period in previous years. The plant continues to increase production and remains focused on driving further growth whilst limiting the capex required."

****Ends****

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The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014 as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended by virtue of the Market Abuse (Amendment) (EU Exit) Regulations 2019.