

12 July 2024

Steppe Cement Limited

("Steppe Cement" or the "Company")

Result of AGM and Market Update for the First Half of 2024

Steppe Cement is pleased to announce that the resolutions proposed at the Company's Annual General Meeting held today were duly passed.

The Company also provides the following trading update for the first half of 2024 ("H1 2024" or the "Period"). All numbers referenced below are unaudited.

In H1 2024, the Company sold 719,294 tonnes of cement for KZT 15,343 million (approximately USD 34 million), compared with 749,034 tonnes of cement for KZT 16,977 million (approximately USD 38 million) in the corresponding period in 2023 ("H1 2023"). The volume of sales and turnover decreased by 3.9% and 9.6% respectively.

As a consequence of increased competition, the average price for the Period for delivered cement was KZT 21,331 (approximately USD48) per tonne (excluding VAT), compared with KZT 22,665 (approximately USD 50) per tonne in H1 2023. The ex-factory price for the current period was KZT 18,873 (approximately USD 42) per tonne, compared with KZT 19,205 (approximately USD 43) per tonne in H1 2023. Pressure in pricing was mitigated by the reduction in delivery costs as the Company focused on markets closer to the factory, namely Karaganda and Astana. Following a weak pricing environment in H1 2024, the Company expects prices to improve in the second half of 2024.

The cost of transport and some utilities, particularly electricity, have significantly increased year-on-year. However, sales focus in local markets, better production levels and higher productivity have partially compensated for these increased costs.

In H1 2024, the cement market in Kazakhstan shrank by 1.6% compared to H1 2023. There was a significant decrease in demand in the first quarter of the year. However, the market has recovered since the end of May.

The Company's market share for cement in H1 2024 was 13.6%. The Company lost market share in the first quarter as there was an increased focus on the central and northern Kazakhstan markets which are less active due to climatic conditions. However, due to improvements in production, the Company currently carries a significantly higher inventory than in 2023. The Company managed to increase sales volumes in early June and increased its market share to 17% at the end of H1 2024. Sale volumes in 2024 are expected to be above those of 2023.

Exports from Kazakhstan were reduced to 0.46 million tonnes compared to 0.55 million tonnes in 2023, and imports represented 3.7% of the local market which was 0.5% less than in 2023.

The Company currently estimates that total demand in the Kazakh cement market will be similar to 2023 at 11 million tonnes.

Inflationary pressures have started to ease in H1 2024 to 8.4% compared to 14.6% in the corresponding period in 2023. The National Bank base interest rate stands at 14.50% (compared to 16.75% in 2023), while the Kazakh Tenge has devalued by 5% against the USD since early June.

****ENDS****

For further information, please contact:

Steppe Cement Limited

Javier del Ser Pérez, Chief Executive Officer

Tel: +(603) 2166 0361

Strand Hanson Limited (Nominated & Financial Adviser and Broker)

www.strandhanson.co.uk

James Spinney / Robert Collins / Ritchie Balmer

Tel: +44 20 7409 3494

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

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact ms@seg.com or visit www.ms.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

RAGRTMLTMTMBMRI