



**United Cement Group Plc**

**International Financial Reporting Standards Consolidated  
Financial Statements and Independent Auditor's Report**

**31 December 2014**

## UNITED CEMENT GROUP PLC

### BOARD OF DIRECTORS AND PROFESSIONAL ADVISORS

Board of Directors	Mohamed Amersi, British (resigned on 31 March 2014) Marie Helen Barard Genstein, French (resigned on 28 March 2014) Vladislav Kim, Kazakhstani (resigned on 28 January 2014) Stella Kammitisi, Cypriot (resigned on 2 December 2016) Michalis Kramvis, Cypriot (resigned on 2 December 2016) Aibar Burkitbayev, Kazakhstani (resigned on 9 August 2016) Vadim Kulik, Kazakhstani (appointed on 28 January 2014; resigned on 9 August 2016) Michalis Zambartas, Cypriot (appointed on 2 December 2016) Effrosini Christou, Cypriot (appointed on 2 December 2016) Makhfirat Tulendibayeva, Kyrgyzstani (appointed on 9 August 2016; resigned on 7 January 2020) Usenjan Turdiev, Kyrgyzstani (appointed on 9 August 2016; resigned on 30 October 2020) Michael Christakis, Cypriot (appointed on 21 December 2017) Andreas Sofroniou, Cypriot (appointed on 21 December 2017; resigned on 7 January 2020) Valikhan Sabirov, Uzbekistani (appointed on 31 January 2020; resigned on 30 October 2020) Denis Trussevich, Kazakhstani (appointed on 7 January 2020)
Secretary	Savinaco Vetures Limited (resigned on 2 December 2016) Michalis Zambartas (appointed on 2 December 2016)
Independent Auditor	PricewaterhouseCoopers Limited
Legal advisors	Michalis Zambartas
Banker	Bank of Cyprus Public Company Ltd Kazkommertsbank JSC
Registered Office	39 Themistokli Dervi Office 502 P O Box 288 Nicosia
Registration number	195948

## Board of Directors' Report

The Board of Directors of United Cement Group Plc (the "Company") presents to the members their report together with the audited consolidated financial statements of the Company and its subsidiaries (the "Group") for the year ended 31 December 2014.

### **Principal activity**

The Group is primarily involved in the production and sale of cement and cement-related products.

### **Review of developments, position and performance of the group's business**

The loss of the Group for the year ended 31 December 2014 was USD 142,010 thousand (2013: USD 54,321 thousand). On 31 December 2014 the total assets of the Group were USD 215,622 thousand (2013: USD 282,235 thousand) and the net liabilities were USD 511,739 thousand (2013: USD 337,521 thousand). The financial position, development and performance of the Group as presented in these consolidated financial statements are as expected.

### **Financial results**

The Group's financial results for the year ended 31 December 2014 are set out on page 5 of the consolidated financial statements. The loss for the current year is USD 142,010 thousand (loss for 2013: USD 54,321 thousand).

### **Future developments**

The Board of Directors is evaluating various options on the future developments of the Group but no formal decision has been reached as at the date of this report.

### **Going concern**

Directors have access to all information necessary to exercise their duties. The Directors continue to adopt the going concern basis in preparing the consolidated financial statements based on the fact that, after making enquiries and following a review of the Group's actual results for 2014, 2015-2020 and budget for 2021-2022, including cash flows and borrowing facilities, the Directors consider that the Group has adequate resources to continue in operation for the foreseeable future. The Group was able to agree the restructuring debt agreement in 2016 and finally settle all debts in 2020. Refer also to Note 4 of the consolidated financial statements for more information.

### **Dividends**

The Board of Directors does not recommend the payment of a dividend.

### **Main risks and uncertainties**

The main risks and uncertainties faced by the Group and the steps taken to manage these risks are described in Notes 4, 30, 32 and 34 of the consolidated financial statements.

### **Board of Directors**

The members of the Company's Board of Directors as at 31 December 2014 and at the date of this report are presented on the previous page. There were no significant changes in the remuneration of the members of the Board of Directors.

### **Events after the balance sheet date**

Material post balance sheet event, which have a bearing on the understanding of the consolidated financial statements, are presented in detail in Note 36 of the consolidated financial statements.

### **Share capital**

There were no changes in the share capital of the Company.

### **Branches**

The Company did not operate through any branches during the year.


### **Independent auditor**

The independent auditor, PricewaterhouseCoopers Limited has expressed their willingness to continue in office. A resolution giving authority to the Board of Directors to determine their remuneration was proposed at the Annual General Meeting.

By order of the Board of Directors

Michalis Zambartas  
Secretary

Nicosia, 14 January 2022





# **Independent Auditor's Report**

## **To the Members of United Cement Group Plc**

### **Report on the Audit of the Consolidated Financial Statements**

#### **Opinion**

We have audited the consolidated financial statements of United Cement Group Plc (the "Company"), and its subsidiaries (the "Group"), which are presented in pages 5 to 63 and comprise the consolidated statement of financial position as at 31 December 2014, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2014, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Cyprus, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Other information**

The Board of Directors is responsible for the other information. The other information comprises the Management report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of the Board of Directors for the Consolidated Financial Statements**

The Board of Directors is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Report on Other Legal Requirements**

Pursuant to the additional requirements of the Auditors Law of 2017, we report the following:

- In our opinion, the consolidated management report has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap. 113, and the information given is consistent with the consolidated financial statements.
- In our opinion, and in the light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we have not identified material misstatements in the consolidated management report.



### **Other Matter**

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 69 of the Auditors Law of 2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

A handwritten signature in blue ink, appearing to read 'Yiagos Kaponides', is written over a light blue horizontal line.

Yiagos Kaponides  
Certified Public Accountant and Registered Auditor  
for and on behalf of

PricewaterhouseCoopers Limited  
Certified Public Accountants and Registered Auditors

Limassol, 14 January 2022

**United Cement Group Plc and subsidiaries**  
**Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended**  
**31 December 2014**

<i>In thousands of US Dollars</i>	<b>Note</b>	<b>2014</b>	<b>2013 (Restated)</b> <b>(Note 3)</b>
<b>Continued operations</b>			
Revenue	7	280,626	312,154
Cost of sales	8	(220,615)	(227,356)
<b>Gross profit</b>		<b>60,011</b>	<b>84,798</b>
Other income	9	4,646	3,079
Distribution costs	10	(10,476)	(6,252)
Administrative expenses	11	(22,596)	(19,949)
Other expenses		(4,034)	(299)
Impairment loss on goodwill	13,18	-	(41,000)
<b>Operating profit</b>		<b>27,551</b>	<b>20,377</b>
Finance income	14	1,065	85
Fines and penalties on bank loans	4	(190,557)	-
Finance costs	15	(51,711)	(56,169)
Share of result of associates	19	3,319	1,881
<b>Loss before income tax</b>		<b>(210,333)</b>	<b>(33,826)</b>
Income tax benefit/(expense)	16	605	(3,542)
<b>Loss for the year from continuing operations</b>		<b>(209,728)</b>	<b>(37,368)</b>
<b>Profit/(loss) for the year from discontinued operations</b>	6	<b>67,718</b>	<b>(16,953)</b>
<b>Loss for the year</b>		<b>(142,010)</b>	<b>(54,321)</b>
<b>Other comprehensive loss</b>			
Translation of financial information of foreign operations to presentation currency		14,330	(15,600)
Currency translation differences reclassified to profit or loss upon disposal of subsidiaries		(25,787)	7,082
<b>Other comprehensive loss for the year</b>		<b>(11,457)</b>	<b>(8,518)</b>
<b>Total comprehensive loss for the year</b>		<b>(153,467)</b>	<b>(62,839)</b>
<b>(Loss)/profit is attributable to:</b>			
Owners of the Company		(148,162)	(59,855)
Non-controlling interest		6,152	5,534
<b>Loss for the year</b>		<b>(142,010)</b>	<b>(54,321)</b>
<b>Total comprehensive (loss)/profit is attributable to:</b>			
Owners of the Company		(155,539)	(66,860)
Non-controlling interest		2,072	4,021
<b>Total comprehensive loss for the year</b>		<b>(153,467)</b>	<b>(62,839)</b>
<b>Total comprehensive profit/(loss) for the year arises from:</b>			
- Continuing operations		(195,398)	(52,968)
- Discontinued operations		41,931	(9,871)


The accompanying notes on pages 10 to 63 are an integral part of these consolidated financial statements

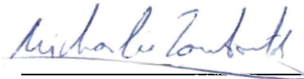


**United Cement Group Plc and subsidiaries**  
**Consolidated Statement of Financial Position as at 31 December 2014**

<i>In thousands of US Dollars</i>	<b>Note</b>	<b>2014</b>	<b>2013</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	17	98,074	144,000
Intangible assets	18	15,685	19,609
Investments in associates	19	2,300	1,866
Prepayments for non-current assets		1,335	694
Deferred income tax asset	16	2,690	1,658
Trade and other receivables	21	427	1,174
<b>Total non-current assets</b>		<b>120,511</b>	<b>169,001</b>
<b>Current assets</b>			
Inventories	20	42,946	53,638
Trade and other receivables	21	15,429	23,411
Current income tax prepayments		2,125	2,892
Prepayments for current assets	22	5,151	7,337
Cash and cash equivalents	23	29,460	25,956
<b>Total current assets</b>		<b>95,111</b>	<b>113,234</b>
<b>Total assets</b>		<b>215,622</b>	<b>282,235</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	24	400	400
Additional paid-in capital		4,308	4,308
Foreign currency translation reserve		(74,951)	(67,574)
Accumulated deficit		(460,431)	(291,406)
<b>Equity attributable to the Company's owners</b>		<b>(530,674)</b>	<b>(354,272)</b>
Non-controlling interest	25	18,935	16,751
<b>Total equity</b>		<b>(511,739)</b>	<b>(337,521)</b>
<b>Non-current liabilities</b>			
Provisions for asset retirement obligations	27	326	226
Deferred income tax liability	16	923	3,380
Other payables	28	94	-
<b>Total non-current liabilities</b>		<b>1,343</b>	<b>3,606</b>
<b>Current liabilities</b>			
Loans and borrowings	26	701,073	572,954
Advances received	29	6,509	4,066
Trade and other payables	28	18,028	33,584
Current income tax payable		408	5,546
<b>Total current liabilities</b>		<b>726,018</b>	<b>616,150</b>
<b>Total liabilities</b>		<b>727,361</b>	<b>619,756</b>
<b>Total equity and liabilities</b>		<b>215,622</b>	<b>282,235</b>

These consolidated financial statements were approved for issue and signed on behalf of the Board of Directors on 14 January 2022:

  
 \_\_\_\_\_  
 Denis Trussevich  
 Director

  
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 Michalis Zambartas  
 Director


**United Cement Group Plc and subsidiaries**  
**Consolidated Statement of Cash Flows for the year ended 31 December 2014**

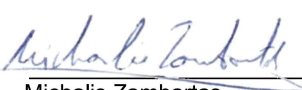
<i>In thousands of US Dollars</i>	<b>Note</b>	<b>2014</b>	<b>2013 (Restated) (Note 3)</b>
<b>Cash flows from operating activities</b>			
Loss for the year from continuing operations		(209,728)	(37,368)
Profit/(loss) for the year from discontinued operations		67,718	(16,953)
<i>Adjustments for:</i>			
Depreciation and amortisation	17,18	19,098	18,281
Fines and penalties on bank loans	4	220,133	-
Net finance costs		43,954	69,964
Non-cash foreign exchange differences		31,316	-
Share of results of associate	19	(3,319)	(1,881)
Gain on disposals of property, plant and equipment	17	108	281
Gain on disposal of subsidiaries	6	(139,782)	-
Impairment of property, plant and equipment	8,17	11,248	-
Impairment of goodwill	13	-	41,000
Impairment/(reversal) of trade and other receivables	11	2,083	(2,322)
Other		(6,266)	3,274
<b>Operating cash flows before working capital changes</b>		<b>36,563</b>	<b>74,276</b>
Increase in trade and other receivables		(20,403)	(20,740)
Decrease/(Increase) in inventories		9,415	(8,117)
Decrease/(Increase) in prepayments for current assets		1,941	(1,266)
Decrease/(Increase) in asset retirement obligations		-	(31)
Increase/(Decrease) in advances received		-	(713)
Increase/(Decrease) in trade and other payables		(2,367)	931
<b>Cash flows from operations before income taxes and interest paid</b>		<b>25,149</b>	<b>44,340</b>
Income taxes paid		(4,846)	(4,402)
Interest paid		(935)	(2,791)
<b>Net cash from operating activities Including net cash (used in)/from discontinued operating activities</b>		<b>19,368 (31,478)</b>	<b>37,147 (432)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(22,412)	(19,520)
Proceeds from disposal of property, plant and equipment		865	373
Dividends received from associate	19	2,578	793
Acquisition of intangible assets		(113)	(99)
Long term bank deposits repaid		747	166
Interest income received	14	1,065	85
<b>Net cash used in investing activities Including net cash (used in)/from discontinued investing activities</b>		<b>(17,270) (156)</b>	<b>(18,202) 54</b>
<b>Cash flows from financing activities</b>			
Distribution to non-controlling interest		(4,202)	(2,038)
Proceeds from borrowings		23,270	10,198
Repayment of borrowings		(17,662)	(10,434)
<b>Net cash (used in)/from financing activities Including net cash from discontinued financing activities</b>		<b>1,406 -</b>	<b>(2,274) -</b>
Effect of exchange rates changes on cash and cash equivalents		-	(4,728)
<b>Net increase in cash and cash equivalents Including net decrease in cash and cash equivalents of discontinued operations</b>		<b>3,504 (31,634)</b>	<b>11,943 310</b>
Cash and cash equivalents at the beginning of the year	23	25,956	14,013
<b>Cash and cash equivalents at the end of the year</b>		<b>23 29,460</b>	<b>25,956</b>

The amounts of movement in the consolidated statement of cash flows are presented on a gross basis, including discontinued operations.

Financing transaction in amount of USD 20,863 that did not require the use of cash and cash equivalents and were excluded from the consolidated statement of cash flows is disclosed in Note 24.

These consolidated financial statements were approved for issue and signed on behalf of the Board of Directors on 14 January 2022:

  
 Denis Trusevich  
 Director

  
 Michalis Zambartas  
 Director

**United Cement Group Plc and subsidiaries**  
**Consolidated Statement of Changes in Equity for the year ended 31 December 2014**

	Attributable to owners of the Company					Non-controlling interest	Total equity
	Note	Share capital	Additional paid-in capital	Currency translation reserve	Accumulated deficit		
<i>In thousands of US Dollars</i>							
Balance at 1 January 2013		400	4,308	(60,569)	(231,551)	(287,412)	14,382 (273,030)
<b>Total comprehensive income for the year</b>		-	-	-	(59,855)	(59,855)	5,534 (54,321)
Profit/(loss) for the year		-	-	-	-	-	-
<b>Other comprehensive income</b>							
Foreign currency translation differences		-	-	(7,005)	-	(7,005)	(1,513) (8,518)
Total comprehensive income/(loss) for the year		-	-	(7,005)	(59,855)	(66,860)	4,021 (62,839)
<b>Transactions with owners, recorded directly in equity</b>							
Dividends declared	24	-	-	-	-	-	(1,652) (1,652)
<b>Balance at 31 December 2013</b>		<b>400</b>	<b>4,308</b>	<b>(67,574)</b>	<b>(291,406)</b>	<b>(354,272)</b>	<b>16,751</b> <b>(337,521)</b>


The accompanying notes on pages 10 to 63 are an integral part of these consolidated financial statements

**United Cement Group Plc and subsidiaries**  
**Consolidated Statement of Changes in Equity for the year ended 31 December 2014 (Continued)**

	Attributable to owners of the Company					Non-controlling interest	Total equity
	Note	Share capital	Additional paid-in capital	Currency translation reserve	Accumulated deficit		
<i>In thousands of US Dollars</i>							
Balance at 1 January 2014	400	4,308	(67,574)	(291,406)	(354,272)	16,751	(337,521)
<b>Total comprehensive income for the year</b>							
Profit/(loss) for the year	-	-	-	(148,162)	(148,162)	6,152	(142,010)
<b>Other comprehensive income</b>							
Foreign currency translation differences	-	-	18,410	-	18,410	(4,080)	14,330
Foreign currency translation differences of disposed subsidiary	-	-	(25,787)	-	(25,787)	-	(25,787)
Total comprehensive income/(loss) for the year	-	-	(7,377)	(148,162)	(155,539)	2,072	(153,467)
<b>Transactions with owners, recorded directly in equity</b>							
Transactions with owners recorded directly in equity	-	-	-	-	-	(170)	(170)
Disposal of non-controlling interests in subsidiaries	34	-	-	-	-	4,878	4,878
Distributions to owners other than dividends	24	-	-	(20,863)	(20,863)	-	(20,863)
Dividends declared	24	-	-	-	-	(4,596)	(4,596)
Total transactions with owners	-	-	-	(20,863)	(20,863)	112	(20,751)
<b>Balance at 31 December 2014</b>	<b>400</b>	<b>4,308</b>	<b>(74,951)</b>	<b>(460,431)</b>	<b>(530,674)</b>	<b>18,935</b>	<b>(511,739)</b>

These consolidated financial statements were approved for issue and signed on behalf of the Board of Directors on 14 January 2022:

Denis Trussevich  
 Director

  
 Michalis Zambartas  
 Director

The accompanying notes on pages 10 to 63 are an integral part of these consolidated financial statements