



United Cement Group Plc

**International Financial Reporting Standards Consolidated
Financial statements and Independent Auditor's Report
for the year ended 31 December 2017**

UNITED CEMENT GROUP PLC

BOARD OF DIRECTORS AND PROFESSIONAL ADVISORS

Board of Directors	Michalis Zambartas, Cypriot Effrosini Christou, Cypriot Makhfirat Tulendibayeva, Kyrgyzstani (resigned on 7 January 2020) Usenjan Turdiev, Kyrgyzstani (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	Michalis Zambartas
Independent Auditor	PricewaterhouseCoopers Limited
Legal advisors	Michalis Zambartas
Banker	Bank of Cyprus Public Company Ltd BTA Bank, JSC
Registered Office	39, Themistokli Dervi, 5 th Floor, Office 502, 1066 Nicosia, Cyprus
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 2017.

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 profit of the Group for the year ended 31 December 2017 was USD 346,577 thousand (2016: profit USD 503,023 thousand). On 31 December 2017 the total assets of the Group were USD 60,205 thousand (2016: USD 120,007 thousand) and the net liabilities were USD 43,943 thousand (2016: USD 261,323 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 2017 are set out on page 1 of the consolidated financial statements. The profit for the current year is US Dollars 346,577 thousand (profit for 2016: US Dollars 503,023 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 2017-2020 and budgets 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, 27 and 28 of the consolidated financial statements.

BOARD OF DIRECTORS

The members of the Company's Board of Directors as at 31 December 2017 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 events, which have a bearing on the understanding of the consolidated financial statements, are presented in detail in Note 30 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.

BOARD OF DIRECTORS' REPORT (CONTINUED)

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

A handwritten signature in blue ink, appearing to read "Michalis Zambartas", with a horizontal line underneath it.

Michalis Zambartas
Secretary
Nicosia, 17 January 2022



Independent Auditor's Report

To the Members of United Cement Group Plc

Report on the Audit of the Consolidated Financial Statements

Qualified 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 1 to 49 and comprise the consolidated statement of financial position as at 31 December 2017, 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, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2017, 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 Qualified Opinion

Non-attendance at inventory count

We were not invited to attend the stock count and did not observe the counting of the physical inventories with carrying amount of USD 12,852 thousand and USD 16,007 thousand as at 31 December 2017 and 2016, respectively. We were unable to satisfy ourselves by alternative means in respect of inventory quantities held as of these dates. Accordingly, we were unable to determine whether any adjustments might have been necessary in respect of the inventory balances as at 31 December 2017 and 2016. In addition, since opening and closing inventory balances enter into the determination of the financial performance and cash flows, we were unable to determine whether adjustments might have been necessary in respect of the profit or loss for the year reported in the consolidated statements of profit or loss and other comprehensive income and the net cash flows from operating activities reported in the consolidated statement of cash flows for the years ended 31 December 2017 and 2016, respectively.

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PricewaterhouseCoopers Ltd is a private company registered in Cyprus (Reg. No.143594). Its registered office is at 3 Themistocles Dervis Street, CY-1066, Nicosia. A list of the company's directors, including for individuals the present and former (if any) name and surname and nationality, if not Cypriot and for legal entities the corporate name, is kept by the Secretary of the company at its registered office. PwC refers to the Cyprus member firm, PricewaterhouseCoopers Ltd and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see www.pwc.com/structure for further details.



Potential impairment of grinding station

As described in Note 16 to the consolidated financial statements, the Group's property, plant and equipment include grinding station located in Yangi-Yul district of Tashkent region (the "Yangi-Yul station") with the carrying amount of USD 3,986 thousand and USD 8,319 thousand at 31 December 2016 and 31 December 2015, respectively. The Group has not carried out an impairment assessment of the Yangi-Yul station at 31 December 2017, 31 December 2016 and 31 December 2015 as required by IAS 36 'Impairment of assets' besides the existence of impairment indicators. We were unable to obtain sufficient appropriate audit evidence to assess the recoverability of the Yangi-Yul station. Our prior year audit report was qualified in respect of this matter. In the absence of information to assess the recoverability of the Yangi-Yul station, we were unable to satisfy ourselves as to its carrying amount as of 31 December 2016 and 31 December 2015 by other audit procedures. Accordingly, we were unable to determine whether any adjustments are required in respect of the carrying amount of the Yangi-Yul station in the consolidated statement of financial position as of 31 December 2016 and the potential impairment charge or reversal in the consolidated statement of profit or loss and other comprehensive income for the years ended 31 December 2017 and 31 December 2016.

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 qualified 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.

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 'Yiannos Kaponides', is written over a light blue horizontal line.

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

PricewaterhouseCoopers Limited
Certified Public Accountants and Registered Auditors

Limassol, 17 January 2022

United Cement Group Plc and Subsidiaries
Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended
31 December 2017

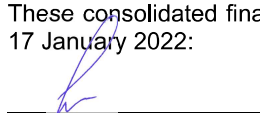
<i>In thousands of US Dollars</i>	Note	2017	2016
Continued operations			
Revenue	7	79,083	104,183
Cost of sales	8	(61,923)	(79,609)
Gross profit		17,160	24,574
Other income		676	296
Distribution expenses		(1,312)	(1,491)
Administrative expenses	9	(11,751)	(13,327)
Impairment loss on prepayments for current assets and trade and other receivables	10	(665)	(6,906)
Other expenses		(641)	(702)
Operating profit		3,467	2,444
Gain on loan restructuring	12	-	798,313
Finance income	13	615	7,204
Finance costs	14	(25,464)	(31,961)
Fines and penalties on bank loans	25	-	(167,351)
Share of result of associates		1,320	1,744
(Loss)/profit before income tax		(20,062)	610,393
Income tax benefit / (expense)	15	137	(559)
(Loss)/profit for the year from continuing operations		(19,925)	609,834
Profit/(loss) for the year from discontinued operations	22	366,502	(106,811)
Profit for the year		346,577	503,023
Other comprehensive income/(loss)			
Translation of financial information of foreign operations to presentation currency		(21,616)	3,697
Currency translation differences reclassified to profit or loss upon disposal of subsidiaries		(102,399)	13,536
Total comprehensive (loss)/income for the year		(124,015)	17,233
Total comprehensive income for the year		222,562	520,256
Profit attributable to:			
Owners of the Group		345,920	499,639
Non-controlling interest	24	657	3,384
Profit for the year		346,577	503,023
Total comprehensive income/(loss) is attributable to:			
Owners of the Group		223,860	517,510
Non-controlling interest		(1,298)	2,746
Total comprehensive income for the year		222,562	520,256
Total comprehensive income/(loss) for the year arises from:			
- Continuing operations		(41,541)	613,352
- Discontinued operations		264,103	(93,096)

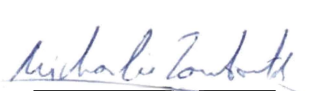
The accompanying notes on pages 5 to 49 are an integral part of these consolidated financial statements

United Cement Group Plc and Subsidiaries
Consolidated Statement of Financial Position as at 31 December 2017

<i>In thousands of US Dollars</i>	Note	2017	2016
ASSETS			
Non-current assets			
Property, plant and equipment	16	26,380	33,892
Intangible assets	17	1,405	2,186
Investments in associates		1,247	1,423
Prepayment for non-current assets		-	680
Deferred income tax asset	15	782	1,393
Trade and other receivables	19	523	2
Total non-current assets		30,337	39,576
Current assets			
Inventories	18	12,852	16,007
Trade and other receivables	19	4,293	15,632
Current income tax prepayments		143	900
Prepayments for current assets	20	4,146	4,330
Cash and cash equivalents	21	8,434	16,166
Assets of disposal group classified as held-for-sale	22	-	27,396
Total current assets		29,868	80,431
TOTAL ASSETS		60,205	120,007
EQUITY AND LIABILITIES			
EQUITY			
Share capital	23	400	400
Additional paid-in capital	23	24,308	24,308
Foreign currency translation reserve		(88,678)	33,382
Accumulated deficit		15,568	(330,352)
Equity attributable to the Company's owners		(48,402)	(272,262)
Non-controlling interest	24	4,459	10,939
TOTAL EQUITY		(43,943)	(261,323)
Non-current liabilities			
Loans and borrowings	25	92,766	95,376
Deferred income tax liability	15	70	120
Other payables		22	54
Total non-current liabilities		92,858	95,550
Current liabilities			
Loans and borrowings	25	2,841	7,225
Advances received		1,725	1,015
Trade and other payables	26	6,694	12,087
Current income tax payable		30	30
Liabilities of disposal group classified as held-for-sale	22	-	265,423
Total current liabilities		11,290	285,780
TOTAL LIABILITIES		104,148	381,330
TOTAL EQUITY AND LIABILITIES		60,205	120,007

These consolidated financial statements were approved for issue and signed on behalf of the Board of Directors on 17 January 2022:


 Denis Trussevich
 Director


 Michalis Zambartas
 Director

The accompanying notes on pages 5 to 49 are an integral part of these consolidated financial statements

United Cement Group Plc and subsidiaries
Consolidated Statement of Cash Flows for the year ended 31 December 2017

<i>In thousands of US Dollars</i>	Note	2017	2016
Cash flows from operating activities			
(Loss)/profit before tax for the year from continuing operations		(20,062)	610,393
Profit/(loss) before tax for the year from discontinued operations		367,156	(106,910)
<i>Adjustments for:</i>			
Depreciation and amortisation	16, 17	4,284	7,768
Losses on disposal of property, plant and equipment		314	538
Net finance costs		9,341	16,162
Foreign exchange differences on cash and cash equivalents		-	141
Non-cash forex differences		(22,207)	(4,134)
Interest income		(615)	(843)
Share of results of associate		(1,320)	(1,744)
Impairment of trade and other receivables		665	7,417
Penalties accrued on bank loans	25	29,447	242,895
Gain on loan restructuring	12	-	(798,313)
(Gain)/loss on disposal of subsidiaries	22	(378,924)	26,453
Other		1,769	1,775
Operating cash flows before working capital changes		(10,152)	1,598
Decrease/(increase) in trade and other receivables		12,955	(472)
Decrease in prepayments for current assets		184	527
Decrease/(increase) in inventories		3,155	(1,483)
(Decrease)/increase in trade and other payables		(4,683)	2,451
Cash flows from operations before income tax and interest paid		1,459	2,621
Interest paid of discontinued operations		(281)	(831)
Net cash from operating activities, including		1,178	1,790
Net cash (used in) / from discontinued operating activities		(647)	21,548
Cash flows from investing activities			
Purchase of property, plant and equipment	16	(4,084)	(7,343)
Proceeds from disposal of property plant and equipment		-	2,583
Interest income received		-	843
Dividends received from associate		-	1,326
Withdrawal of restricted cash		-	100
Net cash used in investing activities, including		(4,084)	(2,491)
Net cash used in discontinued investing activities		-	(949)
Cash flows from financing activities			
Proceeds from borrowings	25	11,183	20,668
Repayment of borrowings	25	(13,767)	(42,014)
Proceed from issue of shares	23	-	20,000
Distribution to non-controlling interests		(2,434)	(2,328)
Net cash used in financing activities, including		(5,018)	(3,674)
Net cash from/(used in) discontinued financing activities		454	(20,645)
Effect of exchange rates changes on cash and cash equivalents		-	(141)
Net decrease in cash and cash equivalents, including		(7,924)	(4,516)
Net decrease in cash and cash equivalents of discontinued operations		(193)	(46)
Cash and cash equivalents at the beginning of the year of continuing operations	21	16,166	20,636
Cash and cash equivalents at the beginning of the year of discontinued operations	22	193	239
Cash and cash equivalents at the end of the year, including		8,434	16,166
Cash and cash equivalents at the end of the year of discontinued operations		-	193

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

United Cement Group Plc and subsidiaries
Consolidated Statement of Changes in Equity for the year ended 31 December 2017

	Note	Attributable to owners of the Company			Non-controlling interest	Total equity
		Share capital	Additional paid-in capital	Currency translation reserve		
<i>In thousands of US Dollars</i>						
Balance at 1 January 2016		400	4,308	15,511	(819,991)	(787,335)
Total comprehensive income/(loss) for the year		-	-	-	499,639	503,023
Profit for the year		-	-	-	499,639	3,384
Foreign currency translation differences		-	-	4,335	-	(638)
Currency translation differences reclassified to profit or loss upon disposal of subsidiary		-	-	13,536	-	13,536
Total comprehensive income/(loss) for the year		-	-	17,871	499,639	517,510
Transactions with owners recorded directly in equity		-	20,000	-	-	20,196
Distributions to owners other than dividends	23	-	-	-	(10,000)	(10,000)
Dividends declared	23	-	-	-	-	(4,440)
Total transactions with owners		-	20,000	-	(10,000)	5,756
Balance at 31 December 2016		400	24,308	33,382	(330,352)	(261,323)
<i>In thousands of US Dollars</i>						
Balance at 1 January 2017		400	24,308	33,382	(330,352)	(261,323)
Total comprehensive income/(loss) for the year		-	-	-	345,920	346,577
Profit for the year		-	-	-	345,920	657
Foreign currency translation differences		-	-	(19,661)	-	(1,955)
Currency translation differences reclassified to profit or loss upon disposal of subsidiary		-	-	(102,399)	-	(102,399)
Total comprehensive income/(loss) for the year		-	-	(122,060)	345,920	222,562
Transactions with owners recorded directly in equity		-	-	-	-	(974)
Disposal of subsidiaries		-	-	-	-	(1,774)
Dividends declared	23	-	-	-	-	(2,434)
Total transactions with owners		-	-	-	-	(5,182)
Balance at 31 December 2017		400	24,308	(88,678)	15,568	(43,943)

The accompanying notes on pages 5 to 49 are an integral part of these consolidated financial statements