



United Cement Group Plc

**International Financial Reporting Standards Consolidated
Financial statements and Independent Auditor's Report
for the year ended 31 December 2019**

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 Trusseovich, 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 2019.

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 2019 was USD 10,487 thousand (2018: loss USD 7,540 thousand). On 31 December 2019 the total assets of the Group were USD 56,310 thousand (2018: USD 61,937 thousand) and the net liabilities were USD 66,586 thousand (2018: USD 53,428 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 2019 are set out on page 1 of the consolidated financial statements. The loss for the current year is US Dollars 10,487 thousand (loss for 2018: US Dollars 7,540 thousand).

FUTURE DEVELOPMENTS

The Board of Directors is evaluating various options on the future developments of the Group. As at the date of this report the Group obtained the control over Bekabadcement JSC in 2020 (Note 27). In December 2021 the Group concluded the agreement on purchase of 86.92% shares in JSC "Qizilqumsement" (Note 27).

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 2019-2021 and budget for 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 (Note 22) and finally settle all debts in 2020 (Note 27).

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, 24 and 25 of the consolidated financial statements.

BOARD OF DIRECTORS

The members of the Company's Board of Directors as at 31 December 2019 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 27 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



Michalis Zambartas
Secretary
Nicosia, 1 February 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 45 and comprise the consolidated statement of financial position as at 31 December 2019, 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 matter 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 2019, 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 17.570 thousand and USD 20.779 thousand as at 31 December 2019 and 2018, 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 2019 and 2018. 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 2019 and 2018, respectively.

PricewaterhouseCoopers Ltd, City House, 6 Karaiskakis Street, CY-3032 Limassol, Cyprus
P O Box 53034, CY-3300 Limassol, Cyprus
T: +357 25 - 555 000, F: +357 - 25 555 001, www.pwc.com.cy

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.



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 Board of Directors' 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 Board of Directors' 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, 1 February 2022

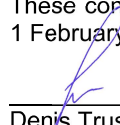
United Cement Group Plc and Subsidiaries
Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended
31 December 2019

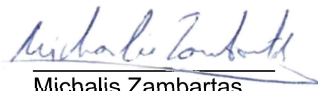
<i>In thousands of US Dollars</i>	Note	2019	2018
Revenue	7	91,677	87,652
Cost of sales	8	(72,456)	(72,225)
Gross profit		19,221	15,427
Other income		930	1,172
Distribution expenses	9	(1,842)	(2,279)
Administrative expenses	10	(19,269)	(14,923)
Other expenses		(55)	(25)
Operating loss		(1,015)	(628)
Finance income		371	1,146
Finance costs	12	(9,505)	(9,915)
Share of result of associates	15	1,783	2,532
Loss before income tax		(8,366)	(6,865)
Income tax expense	13	(2,121)	(675)
Loss for the year		(10,487)	(7,540)
Other comprehensive loss			
Translation of financial information of foreign operations to presentation currency		(1,373)	(1,446)
Other comprehensive loss for the year		(1,373)	(1,446)
Total comprehensive loss for the year		(11,860)	(8,986)
(Loss)/profit attributable to:			
Owners of the Group		(12,733)	(8,799)
Non-controlling interest	21	2,246	1,259
Loss for the year		(10,487)	(7,540)
Total comprehensive income/(loss) is attributable to:			
Owners of the Group		(13,735)	(10,148)
Non-controlling interest		1,875	1,162
Total comprehensive loss for the year		(11,860)	(8,986)

United Cement Group Plc and Subsidiaries
Consolidated Statement of Financial Position as at 31 December 2019

<i>In thousands of US Dollars</i>	Note	2019	2018
ASSETS			
Non-current assets			
Property, plant and equipment	14	26,267	27,407
Intangible assets		1,404	1,401
Investments in associates	15	1,342	1,467
Deferred income tax asset	13	1,111	920
Total non-current assets		30,124	31,195
Current assets			
Inventories	16	17,570	20,779
Trade and other receivables	17	1,545	2,706
Other receivables	17	8	300
Other refundable taxes	17	106	129
Current income tax prepayments		837	188
Prepayments for current assets	18	4,530	5,521
Cash and cash equivalents	19	1,590	1,119
Total current assets		26,186	30,742
TOTAL ASSETS		56,310	61,937
EQUITY AND LIABILITIES			
EQUITY			
Share capital	20	400	400
Additional paid-in capital	20	24,308	24,308
Foreign currency translation reserve		(91,029)	(90,027)
(Accumulated deficit)/Retained earnings		(5,964)	6,769
Equity attributable to the Company's owners		(72,285)	(58,550)
Non-controlling interest	21	5,699	5,122
TOTAL EQUITY		(66,586)	(53,428)
Non-current liabilities			
Loans and borrowings	22	106,114	99,501
Deferred income tax liability	13	255	378
Other payables		20	22
Total non-current liabilities		106,389	99,901
Current liabilities			
Loans and borrowings	22	2,938	3,679
Contract liabilities		1,005	2,033
Trade and other payables	23	12,538	9,706
Current income tax payable		26	46
Total current liabilities		16,507	15,464
TOTAL LIABILITIES		122,896	115,365
TOTAL EQUITY AND LIABILITIES		56,310	61,937

These consolidated financial statements were approved for issue and signed on behalf of the Board of Directors on 1 February 2022:


 Denis Trussevich
 Director


 Michalis Zambartas
 Director

United Cement Group Plc and subsidiaries
Consolidated Statement of Cash Flows for the year ended 31 December 2019

<i>In thousands of US Dollars</i>	Note	2019	2018
Cash flows from operating activities			
Loss before tax for the year		(8,366)	(6,865)
<i>Adjustments for:</i>			
Depreciation and amortisation		3,548	2,509
Losses on disposal of property, plant and equipment		127	131
Unwinding of discount on loan		8,614	8,015
Non-cash forex differences		(339)	(1,112)
Interest income		(32)	(34)
Share of results of associate	15	(1,783)	(2,532)
Other		(12)	522
Operating cash flows before working capital changes		1,757	634
Decrease in trade and other receivables		1,510	1,190
Decrease/(increase) in prepayments for current assets		990	(1,375)
Decrease/(increase) in inventories		3,633	(6,866)
Increase in trade and other payables and contract liabilities		1,194	3,528
Cash flows from/(used in) operations before income tax and interest paid		9,084	(2,889)
Income tax paid		(3,099)	(502)
Net cash from/(used in) operating activities		5,985	(3,391)
Cash flows from investing activities			
Purchase of property, plant and equipment		(3,374)	(5,177)
Dividends received from associate	15	1,900	2,194
Net cash used in investing activities		(1,474)	(2,983)
Cash flows from financing activities			
Proceeds from borrowings	22	-	1,338
Repayment of borrowings	22	(2,742)	(1,780)
Distribution to non-controlling interests	20	(1,298)	(499)
Net cash used in financing activities		(4,040)	(941)
Effect of exchange rates changes on cash and cash equivalents		-	-
Net increase/(decrease) in cash and cash equivalents		471	(7,315)
Cash and cash equivalents at the beginning of the year	19	1,119	8,434
Cash and cash equivalents at the end of the year		1,590	1,119

United Cement Group Plc and subsidiaries
Consolidated Statement of Changes in Equity for the year ended 31 December 2019

	Attributable to owners of the Company							
	Note	Share capital	Additional paid-in capital	Currency translation reserve	Retained earnings	Total	Non-controlling interest	Total equity
<i>In thousands of US Dollars</i>								
Balance at 1 January 2018		400	24,308	(88,678)	15,568	(48,402)	4,459	(43,943)
Total comprehensive income/(loss) for the year		-	-	-	(8,799)	(8,799)	1,259	(7,540)
(Loss)/profit for the year		-	-	(1,349)	-	(1,349)	(97)	(1,446)
Foreign currency translation differences		-	-	-	-	-	-	-
Total comprehensive (loss)/income for the year		-	-	(1,349)	(8,799)	(10,148)	1,162	(8,986)
Dividends declared	20	-	-	-	-	-	(499)	(499)
Total transactions with owners		-	-	-	-	-	(499)	(499)
Balance at 31 December 2018		400	24,308	(90,027)	6,769	(58,550)	5,122	(53,428)
<i>In thousands of US Dollars</i>								
Balance at 1 January 2019		400	24,308	(90,027)	6,769	(58,550)	5,122	(53,428)
Total comprehensive income/(loss) for the year		-	-	-	(12,733)	(12,733)	2,246	(10,487)
(Loss)/profit for the year		-	-	-	(12,733)	(12,733)	(371)	(13,104)
Foreign currency translation differences		-	-	(1,002)	-	(1,002)	-	(1,002)
Total comprehensive (loss)/income for the year		-	-	(1,002)	(12,733)	(13,735)	1,875	(11,860)
Dividends declared	20	-	-	-	-	-	(1,298)	(1,298)
Total transactions with owners		-	-	-	-	-	(1,298)	(1,298)
Balance at 31 December 2019		400	24,308	(91,029)	(5,964)	(72,285)	5,699	(66,586)

The accompanying notes on pages 5 to 45 are an integral part of these consolidated financial statements