

JSC Uzkimyosanoat

**Consolidated Financial Statements
for 2022
and Independent Auditors' Report**

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Independent Auditors' Report

To the Shareholder of JSC Uzkimyosanoat

Qualified Opinion

We have audited the consolidated financial statements of JSC Uzkimyosanoat and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2022, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

Basis for Qualified Opinion

We did not observe the counting of inventories stated at UZS 1,094,540 million and UZS 942,144 million as at 31 December 2021 and 1 January 2021, respectively, because we were appointed as auditors of the Group only after those dates. We were unable to satisfy ourselves as to those inventory quantities as at 31 December 2021 and 1 January 2021 by alternative means. As a result, we were unable to determine whether adjustments might have been necessary in respect of inventories as at 31 December 2021, and the related elements making up the consolidated statements of financial position as at that date as well as the elements making up the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended 31 December 2021.

Our opinion on the consolidated financial statements as at and for the year ended 31 December 2021 dated 12 December 2022 was modified accordingly.

Since opening inventories enter into the determination of the consolidated financial performance and consolidated cash flows, we were unable to determine whether adjustments might have been necessary in respect of the profit for the year reported in the consolidated statement 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 year ended 31 December 2022.



We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' 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 the Republic of Uzbekistan, 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.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management 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, management 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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' 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 auditors' 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 scepticism 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 management.
- Conclude on the appropriateness of management's 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 auditors' 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 auditors' 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 fair presentation.
- Obtain sufficient 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 those charged with governance 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.

The engagement partner on the audit resulting in this independent auditors' report is:

Sanjarbek Saidov
General Director
AO "KPMG Audit" LLC
Tashkent, Uzbekistan



Nodirbek Vakhidov
Engagement Partner

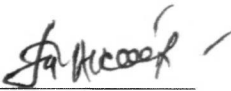
21 March 2024

JSC Uzkimyosanoat
Consolidated Statement of Profit or Loss and Other Comprehensive Income for 2022

UZS mln	Note	2022	2021
Revenue	5	9,627,761	7,918,413
Cost of sales	6	(5,172,881)	(4,925,029)
Gross profit		4,454,880	2,993,384
Other income	6	214,412	196,365
Distribution expenses	6	(85,664)	(242,034)
Administrative expenses	6	(485,659)	(333,076)
Loss from impairment of property, plant and equipment	11	(31,116)	(32,159)
Other expenses	6	(266,613)	(191,436)
Profit from operating activities		3,800,240	2,391,044
Finance income	7	174,736	15,952
Finance costs	7	(1,019,133)	(1,139,270)
Net finance costs		(844,397)	(1,123,318)
Share in income of equity accounted investees	12	616,797	292,617
Profit before income tax		3,572,640	1,560,343
Income tax expense	9	(529,283)	(395,213)
Profit for the year		3,043,357	1,165,130
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss:</i>			
Equity investments at FVOCI – net change in fair value		(7,762)	(5,050)
Changes in pension liabilities		84,648	(30,704)
Related income tax		1,648	757
Other comprehensive income for the year, net of income tax		78,534	(34,997)
Total comprehensive income for the year		3,121,891	1,130,133
Profit attributable to:			
Shareholder of the Company		1,979,840	615,282
Non-controlling interests		1,063,517	549,848
		3,043,357	1,165,130
Total comprehensive income attributable to:			
Shareholder of the Company		2,037,523	595,685
Non-controlling interests		1,084,368	534,448
		3,121,891	1,130,133


These consolidated financial statements were approved by management on 21 March 2024 and were signed on its behalf by:

Deputy of Management Board Chairman


Tukhtaev A.K.



Chief Accountant


Babayev B.B.

JSC Uzkimyosanoat
Consolidated Statement of Financial Position as at 31 December 2022

UZS mln	Note	31 December 2022	31 December 2021
ASSETS			
Property, plant and equipment	11	9,437,404	10,577,329
Intangible assets		8,504	9,566
Equity-accounted investments	12	1,428,169	804,201
Other investments		13,610	55,989
Non-current trade and other receivables	14	148,657	10,459
Deferred tax assets	9	1,158,575	1,305,053
Non-current assets		12,194,919	12,762,597
Inventories	13	1,548,101	1,094,540
Trade and other receivables	14	858,971	748,347
Other investments	26	3,651	393,885
Current income tax assets		86,143	13,484
Cash and cash equivalents	15	1,276,776	672,186
Assets held for sale	23	1,481,534	-
Current assets		5,255,176	2,922,442
Total assets		17,450,095	15,685,039
Equity	16		
Share capital		904,344	904,344
Reserves		20,656	(37,027)
Accumulated loss		(2,940,889)	(4,891,428)
Total equity attributable to the shareholder of the Company		(2,015,889)	(4,024,111)
Non-controlling interests	22	(2,277,083)	(2,727,604)
Total equity		(4,292,972)	(6,751,715)
Liabilities			
Loans and borrowings	18	12,181,623	14,500,957
Non-current trade and other payables	19	66,559	304,770
Other long-term liabilities		62,876	136,139
Deferred tax liabilities	9	4	27,205
Non-current liabilities		12,311,062	14,969,071
Loans and borrowings	18	4,745,747	5,320,673
Trade and other payables	19	2,259,125	1,305,130
Other taxes payable		749,346	771,648
Current income tax liabilities		11,127	70,232
Liabilities directly related to assets classified as held for sale	23	1,666,660	-
Current liabilities		9,432,005	7,467,683
Total liabilities		21,743,067	22,436,754
Total equity and liabilities		17,450,095	15,685,039

	Equity attributable to shareholder of the Company			
	Share capital	Reserves	Accumulated loss	Non-controlling interests
	913,074	(17,430)	(5,667,021)	(3,258,006)
Balance at 1 January 2021		(4,771,377)	(4,771,377)	(8,029,383)
Total comprehensive income				
Profit for the year	-	-	615,282	549,848
Other comprehensive loss				
Equity investments at FVOCI – net change in fair value	-	(2,555)	-	(2,495)
Changes in pension liabilities	-	(17,425)	-	(13,279)
Related income tax	-	383	-	374
Total other comprehensive loss		(19,597)	-	(15,400)
Total comprehensive income for the year		(19,597)	615,282	534,448
Transactions with the shareholder of the Company				
Dividends	-	-	(30,487)	(72,719)
Decrease in share capital	(8,730)	-	-	-
Change in ownership without loss of control	-	-	62,387	(62,387)
Obtaining controlling interest by decision of the shareholder	-	-	(31,080)	(27,728)
Other transactions with the shareholder	-	-	159,491	158,788
Total transactions with the shareholder of the Company	(8,730)	-	160,311	(4,046)
Balance at 31 December 2021	904,344	(37,027)	(4,891,428)	(2,727,604)
			(4,024,111)	(6,751,715)

UZS mln	Equity attributable to shareholder of the Company			
	Share capital	Reserves	Accumulated loss	Non-controlling interests
Balance at 1 January 2022	904,344	(37,027)	(4,891,428)	(2,727,604)
Total comprehensive income	-	-	1,979,840	1,063,517
Profit for the year	-	-	-	-
Other comprehensive income	-	(3,879)	-	(3,883)
Equity investments at FVOCI – net change in fair value	-	60,738	-	23,910
Changes in pension liabilities	-	824	-	824
Related income tax	-	-	-	-
Total other comprehensive income	-	57,683	-	20,851
Total comprehensive income for the year	-	57,683	1,979,840	1,084,368
Transactions with the shareholder of the Company	-	-	-	-
Dividends	-	-	(26,679)	(415,589)
Change in ownership without loss of control	-	-	(10,746)	10,746
Other transactions with the shareholder	-	-	8,124	(229,004)
Total transactions with the shareholder of the Company	-	-	(29,301)	(633,847)
Balance at 31 December 2022	904,344	20,656	(2,940,889)	(2,277,083)
			1,979,840	3,043,357
			(3,879)	(7,762)
			60,738	84,648
			824	1,648
			57,683	78,534
			1,979,840	3,121,891
			(26,679)	(442,268)
			(10,746)	-
			8,124	(220,880)
			(29,301)	(663,148)
			(2,940,889)	(4,292,972)

JSC Uzkiyosanoat
Consolidated Statement of Cash Flows for 2022

UZS mln	2022	2021
Cash flows from operating activities		
Profit for the year	3,043,357	1,165,130
<i>Adjustments:</i>		
Depreciation	749,430	790,039
Loss from impairment of property, plant and equipment	31,116	32,159
Gain on disposal of property, plant and equipment	(62,915)	(2,492)
Provision for inventories impairment	51,253	75,774
Changes in allowance for impairment and previously written-off financial assets	(3,290)	9,370
Net finance costs	844,397	1,123,318
Share in income of equity accounted investees	(616,797)	(292,617)
Income tax expense	529,283	395,213
Accrual of penalties and tax liabilities	125,798	482,776
Other	(90,826)	(2,937)
	4,600,806	3,775,733
Changes in:		
Inventories	(255,344)	(148,921)
Trade and other receivables	(175,378)	(215,689)
Trade and other payables	227,193	9,308
Other tax liabilities	(20,834)	67,875
Cash flows from operations before income tax and interest paid	4,376,443	3,488,306
Income tax paid	(449,774)	(225,942)
Interest paid	(535,790)	(646,973)
Net cash flows from operating activities	3,390,879	2,615,391
Cash flows from investing activities		
Proceeds from sale of investments and withdrawal of bank deposits	424,851	1,458
Acquisition of property, plant and equipment	(1,068,186)	(320,951)
Proceeds from sale of property, plant and equipment	138,789	38,290
Dividends from equity accounted investees	101,075	12,950
Cash of the disposal group held for sale	(1,928)	-
Acquisition of other investments	(133,941)	(485,021)
Net cash used in investing activities	(539,340)	(753,274)
Cash flows from financing activities		
Proceeds from loans and borrowings	436,137	965,878
Dividends paid	(442,268)	(133,769)
Repayment of loans and borrowings	(2,240,818)	(2,168,996)
Net cash used in financing activities	(2,246,949)	(1,336,887)
Net increase in cash and cash equivalents	604,590	525,230
Cash and cash equivalents at 1 January	672,186	146,956
Cash and cash equivalents as at 31 December	1,276,776	672,186