

# **Uzavtosanoat Group**

**International Financial Reporting Standards  
Consolidated Financial Statements**

**31 December 2021**

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders and the Supervisory Board of JSC "Uzavtosanoat"

### Qualified Opinion

We have audited the financial statements of JSC "Uzavtosanoat" (the "Company") and its subsidiaries (together "the Group"), which comprise the consolidated statement of financial position as at 31 December 2021, and 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 then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects on the corresponding figures of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2021, and its consolidated financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

### Basis for Qualified Opinion

Because we were appointed auditors of the Group during 2021, we were not able to observe the counting of the physical inventories at the beginning of that period or satisfy ourselves concerning those inventory quantities by alternative means. Since opening inventories affect the determination of the results of operations, we were unable to determine whether adjustments to the results of operations for 2021, opening retained earnings as well as to the respective notes to the financial statements might be necessary. Our audit opinion on the financial statements for the year ended 31 December 2020 was modified accordingly. Our opinion on the current period's financial statements is also modified because of the possible effect of this matter on the comparability of the current period's figures and the corresponding figures.

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 Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (the "IESBA Code") together with the ethical requirements that are relevant to our audit of the financial statements in 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 audit 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 financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

  
Erkin Ayupov, Qualified Auditor/Engagement Partner

## 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 Company'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 Company 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Erkin Ayupov, Qualified Auditor/Engagement Partner

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period, and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

"Deloitte & Touche" Audit Organisation LLC is included in the Register of auditing organizations of the Ministry of Finance of the republic of Uzbekistan

28 April 2023  
Tashkent, Uzbekistan

  
Erkin Ayupov  
Qualified Auditor/Engagement Partner



Auditor qualification certificate authorizing audit of companies, #04830 dated 22 May 2010 issued by the Ministry of Finance of the Republic of Uzbekistan

Director  
"Deloitte & Touche" Audit Organisation LLC

**Uzavtosanoat Group**  
**Consolidated Statement of Financial Position**

<i>In millions of Uzbek Soums</i>	Note	31 December 2021	31 December 2020 (Restated)*	1 January 2020 (Restated)*
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	8	7,945,375	5,576,159	5,217,551
Intangible assets	9	97,350	74,533	41,818
Investments in associates and joint ventures	10	934,153	929,313	913,175
Investments in equity securities		9,703	6,558	6,375
Deferred income tax assets	33	71,951	36,953	49,743
Finance lease receivables	11	102,645	209,712	243,294
Restricted deposits	12	22,814	214,564	350,016
Bank deposits	13	2,175,482	908,941	50,000
Loans issued	14	207,990	193,735	62,937
Inventories	15	109,435	91,198	77,880
Other non-current assets		101,503	23,244	20,558
<b>Total non-current assets</b>		<b>11,778,401</b>	<b>8,264,910</b>	<b>7,033,347</b>
<b>Current assets</b>				
Inventories	15	10,130,454	4,936,006	5,959,140
Other tax prepayments	16	521,677	372,351	90,326
Advances paid to suppliers	17	1,888,758	1,263,440	327,281
Finance lease receivables	11	166,931	143,062	101,588
Trade and other receivables	18	2,028,124	2,738,540	2,127,074
Loans issued	14	104,317	61,647	246,320
Restricted deposits	12	189,733	282,586	147,197
Bank deposits	13	1,364,009	55,329	434,632
Restricted cash	19	1,142,885	1,024,394	1,196,689
Cash and cash equivalents	20	2,075,927	818,866	1,149,032
Other current assets		170,089	124,774	25,881
<b>Total current assets</b>		<b>19,782,904</b>	<b>11,820,995</b>	<b>11,805,160</b>
<b>TOTAL ASSETS</b>		<b>31,561,305</b>	<b>20,085,905</b>	<b>18,838,507</b>

\*See Note 6 for details

Approved for issue and signed on behalf of Management Board on 28 April 2023.

 Rozukulov U.U. Chairman	 Shukurov A.K. First Deputy Chairman	 Atabaev O.X. Chief Accountant
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**Uzavtosanoat Group**  
**Consolidated Statement of Financial Position (continued)**

<i>In millions of Uzbek Soums</i>		31 December 2021	31 December 2020 (Restated)*	1 January 2020 (Restated)*
<b>EQUITY</b>				
Share capital	21	1,848,348	1,520,048	1,552,602
Additional paid-in capital	21	1,647,628	1,950,296	1,948,864
Currency translation reserve		90,145	12,870	(52,289)
Other reserves	21	1,065,582	958,824	876,101
Retained earnings		6,021,803	4,742,918	3,101,667
<b>Equity attributable to the Company's owners</b>		<b>10,673,506</b>	<b>9,184,956</b>	<b>7,426,945</b>
<b>Non-controlling interest</b>		<b>(12,191)</b>	<b>(5,684)</b>	<b>182</b>
<b>TOTAL EQUITY</b>		<b>10,661,315</b>	<b>9,179,272</b>	<b>7,427,127</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Borrowings	22	317,923	320,590	325,107
Deferred income tax liabilities	33	755,041	761,006	619,823
Other non-current liabilities		38,491	14,185	11,200
<b>Total non-current liabilities</b>		<b>1,111,455</b>	<b>1,095,781</b>	<b>956,130</b>
<b>Current liabilities</b>				
Borrowings	22	3,827,785	2,737,902	478,740
Trade and other payables	23	6,097,554	4,510,362	4,948,035
Contract liabilities	24	9,669,813	2,376,279	4,803,830
Current income tax payable		55,583	79,340	10,064
Other taxes payable		61,410	77,844	193,181
Other current liabilities		76,390	29,125	21,400
<b>Total current liabilities</b>		<b>19,788,535</b>	<b>9,810,852</b>	<b>10,455,250</b>
<b>TOTAL LIABILITIES</b>		<b>20,899,990</b>	<b>10,906,633</b>	<b>11,411,380</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>31,561,305</b>	<b>20,085,905</b>	<b>18,838,507</b>

\*See Note 6 for details

Approved for issue and signed on behalf of Management Board on 28 April 2023.

 _____ Rozukulov U.U. Chairman	 _____ Shukurov A.K. First Deputy Chairman	 _____ Atabaev O.X. Chief Accountant
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The accompanying notes on pages 11 to 62 are an integral part of these consolidated financial statements.

**Uzavtosanoat Group**  
**Consolidated Statement of Profit or Loss and Other Comprehensive Income**

<i>In millions of Uzbek Soums</i>	Note	2021	2020 (Restated)*
<b>Continuing operations</b>			
Revenue from contracts with customers	25	25,865,608	27,547,557
Cost of sales	26	(21,980,890)	(23,177,103)
<b>Gross profit</b>		<b>3,884,718</b>	<b>4,370,454</b>
Distribution costs	27	(693,063)	(662,534)
General and administrative expenses	28	(589,688)	(478,473)
Other operating income	29	415,410	96,324
Other operating expenses	30	(907,437)	(557,081)
Net charge for expected credit losses on financial and contract assets		(265,749)	(79,632)
<b>Operating profit</b>		<b>1,844,191</b>	<b>2,689,058</b>
Finance income	31	344,642	483,660
Finance costs	32	(222,823)	(339,142)
Net foreign exchange loss		(61,302)	(448,214)
Share of results of associates and joint ventures	11	24,831	37,524
<b>Profit before income tax</b>		<b>1,929,539</b>	<b>2,422,886</b>
Income tax expense	33	(398,774)	(624,503)
<b>Profit for the year from continuing operations</b>		<b>1,530,765</b>	<b>1,798,383</b>
<b>Discontinued operations</b>			
(Loss)/Gain for the year from discontinued operations	37	(57,580)	54,307
<b>PROFIT FOR THE YEAR</b>		<b>1,473,185</b>	<b>1,852,690</b>
<b>Profit is attributable to:</b>			
- Owners of the Company		1,472,386	1,853,016
- Non-controlling interest		799	(326)
<b>Profit for the year</b>		<b>1,473,185</b>	<b>1,852,690</b>
<b>Other comprehensive income:</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Translation of financial information of foreign operations to presentation currency		77,275	65,159
<b>Other comprehensive income for the year</b>		<b>77,275</b>	<b>65,159</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>1,550,460</b>	<b>1,917,849</b>
<b>Total comprehensive income is attributable to:</b>			
- Owners of the Company		1,549,661	1,918,175
- Non-controlling interest		799	(326)
<b>Total comprehensive income for the year</b>		<b>1,550,460</b>	<b>1,917,849</b>

\*See Note 6 for details

Approved for issue and signed on behalf of Management Board on 28 April 2023

Rozukulov U.U.  
Chairman

Shukurov A.K.  
First Deputy Chairman

Atabaev O.X.  
Chief Accountant

The accompanying notes on pages 11 to 62 are an integral part of these consolidated financial statements.

**UzAuto Group**  
**Consolidated Statement of Changes in Equity**

In millions of Uzbek Soums	Attributable to owners of the Company							Total equity
	Note	Share capital	Additional paid-in capital	Other reserves	Currency translation reserve	Retained earnings/ (Accumulated loss)	Total	
Balance at 1 January 2020 - As previously issued	1,552,602	1,948,864	876,101	(52,289)	2,190,259	6,515,537	182	6,515,719
Correction of error	6	-	-	-	911,408	911,408	-	911,408
Balance at 1 January 2020 - As restated*	1,552,602	1,948,864	876,101	(52,289)	3,101,667	7,426,945	182	7,427,127
Profit for the year	-	-	-	-	1,853,016	1,853,016	(326)	1,852,690
Other comprehensive income for the year	-	-	-	65,159	-	65,159	-	65,159
<b>Total comprehensive income for the year</b>	-	-	-	<b>65,159</b>	<b>1,853,016</b>	<b>1,918,175</b>	<b>(326)</b>	<b>1,917,849</b>
Share capital reduction	21	(32,554)	-	-	-	(32,554)	-	(32,554)
Dividends declared	21	-	-	-	(129,361)	(129,361)	-	(129,361)
Reclassification from retained earnings	21	-	-	82,723	(86,240)	(3,517)	-	(3,517)
Acquisition of non-controlling interest in subsidiaries	21	-	78	-	3,836	3,914	(5,540)	(1,626)
Other contributions and distributions	-	-	1,354	-	-	1,354	-	1,354
Balance at 31 December 2020 - As restated*	1,520,048	1,950,296	958,824	12,870	4,742,918	9,184,956	(5,684)	9,179,272
Profit for the year	-	-	-	-	1,472,386	1,472,386	799	1,473,185
Other comprehensive income for the year	-	-	-	77,275	-	77,275	-	77,275
<b>Total comprehensive income for the year</b>	-	-	-	<b>77,275</b>	<b>1,472,386</b>	<b>1,549,661</b>	<b>799</b>	<b>1,550,460</b>
Share capital addition	21	328,300	(328,300)	-	-	-	-	-
Dividends declared	21	-	-	-	(80,153)	(80,153)	(765)	(80,918)
Reclassification from retained earnings	21	-	-	113,349	(118,879)	(5,530)	-	(5,530)
Acquisition of non-controlling interest in subsidiaries	36	-	-	-	5,530	5,530	(5,530)	-
Other contributions and distributions	-	-	25,632	(6,590)	-	19,042	(1,011)	18,031
Balance at 31 December 2021	1,848,348	1,647,628	1,065,583	90,145	6,021,802	10,673,506	(12,191)	10,661,315

\*See Note 6 for details

Approved for issue and signed on behalf of Management Board on 28 April 2023

Rozukulov U.U  
Chairman

Shukurov A.K.  
First Deputy Chairman

Atabaev O.X.  
Chief Accountant

The accompanying notes on pages 11 to 62 are an integral part of these consolidated financial statements.

**Uzavtosanoat Group**  
**Consolidated Statement of Cash Flows**

<i>In millions of Uzbek Soums</i>	Note	2021	2020 (Restated)*
<b>Cash flows from operating activities</b>			
Profit for the year		1,473,185	1,852,690
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment	8	557,616	562,327
Foreign exchange translation differences		61,302	448,214
Finance costs	32	222,823	339,142
Income tax expense	33	398,774	624,503
Net charge for expected credit losses on financial and contract assets		265,750	79,632
Amortisation of intangible assets	9	9,555	9,572
(Gains)Losses on disposals of intangible assets	9	-	885
Finance income	31	(344,642)	(483,659)
(Gains)/losses on disposals of property, plant and equipment	29	46,272	(3,690)
Share of results of associates and joint ventures	10	(24,831)	(37,524)
Dividend income	29	(257)	(592)
Other non-cash operating (income)/costs		19,919	(4,322)
Loss from disposal of subsidiaries	37	57,580	-
<b>Operating cash flows before working capital changes</b>		<b>2,743,047</b>	<b>3,387,177</b>
Net change in trade and other receivables		568,226	(332,566)
Net change in other tax prepayments		(152,795)	(282,025)
Net change in other assets		(56,735)	(101,579)
Net change in advances paid to suppliers		(662,818)	(936,159)
Net change in inventories		(5,386,328)	800,616
Net change in restricted deposits		284,603	63
Net change in bank deposits		(2,486,190)	(338,765)
Net change in restricted cash		(67,797)	419,007
Net change in trade and other payables		1,626,715	(1,896,934)
Net change in contract liabilities		7,315,170	(2,427,551)
Net change in other taxes payable		(15,583)	(115,337)
Net change in other liabilities		-	(12,115)
<b>Operating cash flows after working capital changes</b>		<b>3,709,515</b>	<b>(1,836,168)</b>
Income taxes paid		(474,879)	(401,254)
Interest income received	31	344,642	483,660
Interest paid	22	(104,206)	(137,483)
<b>Net cash from/ (used in) operating activities</b>		<b>3,475,073</b>	<b>(1,891,245)</b>

\*See Note 6 for details

Approved for issue and signed on behalf of Management Board on 28 April 2023

 Rozukulov U.U. Chairman	 Shukurov A.K. First Deputy Chairman	 Atabaev O.X. Chief Accountant
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**Uzavtosanoat Group**  
**Notes to the Consolidated Financial Statements – 31 December 2021**

<i>In millions of Uzbek Soums</i>	Note	2021	2020 (Restated)*
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment	8	(3,051,458)	(876,307)
Proceeds from the sale of property, plant and equipment		67,712	31,483
Acquisition of associates	10	(793)	(1,479)
Acquisition of equity securities		-	(32,737)
Acquisition of intangible assets	9	(32,266)	(42,015)
Receipts from finance lease receivables	11	168,216	185,197
Loans granted to related parties		(199,204)	(229,321)
Loan repayments received from related parties		44,216	222,060
Proceeds from disposal of equity securities at fair value		1,982	-
Dividends received from associates and joint ventures	10	18,802	16,411
Capitalised interest paid		(74,524)	-
Purchase of long-term investments		(3,145)	-
<b>Net cash used in investing activities</b>		<b>(3,060,462)</b>	<b>(726,708)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings	22	3,830,223	3,822,543
Repayment of borrowings	22	(2,793,327)	(1,680,533)
Dividends paid to the Company's sole shareholder	21	(208,597)	(918)
<b>Net cash from/(used in) financing activities</b>		<b>828,299</b>	<b>2,141,092</b>
<b>Net change in cash and cash equivalents</b>		<b>1,242,910</b>	<b>(476,860)</b>
Effect of foreign exchange rate changes		14,151	146,694
<b>Cash and cash equivalents at the beginning of the year</b>	<b>20</b>	<b>818,866</b>	<b>1,149,032</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>20</b>	<b>2,075,927</b>	<b>818,866</b>

\*See Note 6 for details

Approved for issue and signed on behalf of Management Board on 28 April 2023

 Rozukulov U.U. Chairman	 Shukurov A.K. First Deputy Chairman	 Atabaev O.X. Chief Accountant
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