

# **JSC “UZAUTO MOTORS”**

Condensed Interim Consolidated Financial Information for the six-month period ended 30 June 2024 (unaudited)

## **JSC "UZAUTO MOTORS"**

### **CONTENTS**

---

	<b>PAGE</b>
STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION	<b>1</b>
INDEPENDENT AUDITOR'S REVIEW REPORT	<b>2</b>
CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION	<b>3</b>
CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	<b>4</b>
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	<b>5</b>
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS	<b>6</b>
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION	<b>7-22</b>

## JSC "UZAUTO MOTORS"

### STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION FOR SIX MONTHS ENDED 30 JUNE 2024

Management of JSC "UZAUTO MOTORS" (the "Company") is responsible for the preparation and presentation of this condensed interim consolidated financial information for the six months period then ended, in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting*.

In preparing the condensed interim consolidated financial information, management is responsible for:

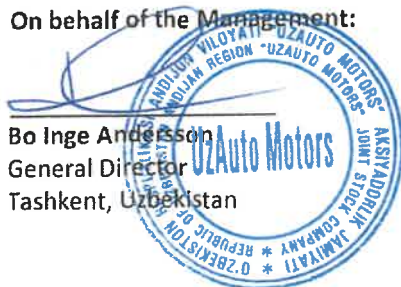
- Properly selecting and applying accounting policies;
- Presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Compliance with the requirements of IAS 34 and providing additional disclosures when compliance with the specific requirements of IAS 34 are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's financial position and financial performance; and
- Making an assessment of the Group's ability to continue as a going concern.

Management is also responsible for:

- Designing, implementing and maintaining an effective and sound system of internal controls, throughout the Group;
- Maintaining adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the condensed interim consolidated financial position of the Group, and which enable them to ensure that the condensed interim consolidated financial information of the Group comply with IAS 34;
- Maintaining statutory accounting records in compliance with legislation and accounting standards of the Republic of Uzbekistan;
- Taking such steps as are reasonably available to them to safeguard the assets of the Group; and
- Preventing and detecting fraud and other irregularities.

The condensed interim consolidated financial information of the Group for the six months period ended 30 June 2024 was approved by management on 28 October 2024.

On behalf of the Management:



Bo Inge Andersson  
General Director  
Tashkent, Uzbekistan

K.J. Umurzakov  
Chief Financial Officer  
Tashkent, Uzbekistan

I.I. Burhanov  
Chief Accountant  
Tashkent, Uzbekistan

## INDEPENDENT REVIEW REPORT

To Shareholders of Joint Stock Company "UzAuto Motors":

### Introduction

We have reviewed the accompanying condensed interim consolidated statement of financial position of JSC "UzAuto Motors" and its subsidiaries (the "Group") as of 30 June 2024 and the related condensed interim consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six months period then ended and selected explanatory notes. Management is responsible for the preparation and presentation of this condensed interim consolidated financial information in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting. Our responsibility is to express a conclusion on this condensed interim consolidated financial information based on our review.

### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of condensed interim consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial information is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting*.

"Deloitte & Touche" Audit Organisation LLC

"Deloitte & Touche" Audit Organisation LLC is included in the Register of auditing organizations of the Ministry of Economy and Finance of the Republic of Uzbekistan from 8 June 2021

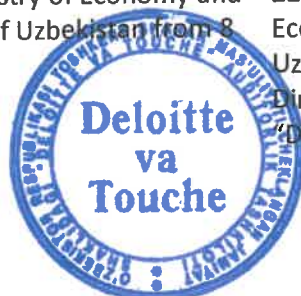
28 October 2024  
Tashkent, Uzbekistan

Erkin Ayupov  
Qualified Auditor

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

Director

"Deloitte & Touche" Audit Organisation LLC



JSC "UZAUTO MOTORS"

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2024

(in thousands of US Dollars)

	Notes	30 June 2024	31 December 2023 (audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	9	422,770	431,091
Intangible assets		8,263	1,409
Restricted deposits	11	103,431	349,361
Bank deposits	10	121,193	85,601
Long-term trade receivables from the sales of cars	14	9,964	-
Inventories	15	5,599	15,566
Loans issued		326	7,768
Other non-current assets		88,643	97,179
Investment in associate		9,647	14,322
<b>Total non-current assets</b>		<b>769,836</b>	<b>1,002,297</b>
<b>Current assets</b>			
Cash and cash equivalents	12	12,337	55,522
Restricted cash	13	12,040	10,561
Bank deposits	10	40,234	43,830
Restricted deposits	11	12,177	198,100
Loans issued		3,097	4,478
Trade and other receivables	14	148,115	170,107
Advances paid to suppliers		223,133	237,050
Income tax prepayments		333	464
Inventories	15	1,261,325	1,212,770
<b>Total current assets</b>		<b>1,712,791</b>	<b>1,932,882</b>
<b>TOTAL ASSETS</b>		<b>2,482,627</b>	<b>2,935,179</b>
<b>EQUITY</b>			
Share capital	16	358,144	358,144
Share premium	16	4,643	4,643
Additional paid in capital	16	131,731	131,731
Other reserves	16	96,604	96,604
Retained earnings		513,649	370,292
Cumulative translation differences		(188,650)	(175,220)
<b>Equity attributable to the Company's owners</b>		<b>916,121</b>	<b>786,194</b>
Non-controlling interest		596	519
<b>TOTAL EQUITY</b>		<b>916,717</b>	<b>786,713</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	17	437,118	401,032
Deferred income tax liability		19,695	21,501
Other non-current liabilities		5,344	6,385
<b>Total non-current liabilities</b>		<b>462,157</b>	<b>428,918</b>
<b>Current liabilities</b>			
Borrowings	17	19,567	58,962
Trade and other payables	18	542,848	781,288
Other taxes payables		3,740	4,087
Contract liabilities	19	467,241	815,424
Dividends and in-kind distributions		67,764	57,528
Other liabilities		2,593	2,259
<b>Total current liabilities</b>		<b>1,103,753</b>	<b>1,719,548</b>
<b>TOTAL LIABILITIES</b>		<b>1,565,910</b>	<b>2,148,466</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,482,627</b>	<b>2,935,179</b>

Approved for issue and signed on 28 October 2024.

Bo Inge Anderson  
General Director  
Tashkent, Uzbekistan

K.J. Umurzakov  
Chief Financial Officer  
Tashkent, Uzbekistan

I.I. Burhanov  
Chief Accountant  
Tashkent, Uzbekistan

The above condensed interim consolidated statement of financial position should be read  
in conjunction with the accompanying notes.

## JSC "UZAUTO MOTORS"

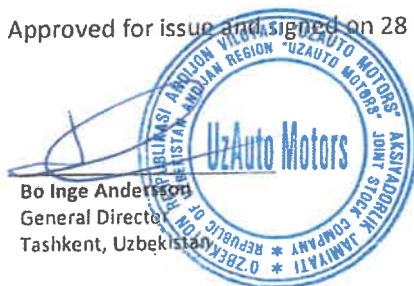
### CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR SIX MONTHS ENDED 30 JUNE 2024

(in thousands of US Dollars)

	Notes	30 June 2024	30 June 2023 (Restated)*
Revenue from contracts with customers	20	1,868,937	1,943,885
Cost of sales	21	(1,568,822)	(1,729,684)
<b>Gross profit</b>		<b>300,115</b>	<b>214,201</b>
General and administrative expenses		(31,962)	(48,755)
Selling expenses		(53,065)	(45,747)
Expected credit losses on trade receivables		(9,181)	(7,465)
Loss on decrease in share of associate		(4,268)	-
Share of results of associate		(156)	115
Other operating income, net		2,138	8,499
<b>Operating profit</b>		<b>203,621</b>	<b>120,848</b>
Finance income		29,671	23,747
Finance costs		(24,003)	(14,827)
Net foreign exchange loss		(4,634)	(9,630)
<b>Profit before income tax</b>		<b>204,655</b>	<b>120,138</b>
Income tax expense	22	(27,952)	(16,535)
<b>Profit for the year</b>		<b>176,703</b>	<b>103,603</b>
<b>Other comprehensive loss:</b>			
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translation to presentation currency		(13,430)	(14,575)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>163,273</b>	<b>89,028</b>
<b>Profit is attributable to:</b>			
- Owners of the Company		176,708	103,595
- Non-controlling interest		(5)	8
<b>Total comprehensive income is attributable to:</b>			
- Owners of the Company		163,278	89,020
- Non-controlling interest		(5)	8
<b>Profit for the year attributable to owners of the Company</b>		<b>163,273</b>	<b>89,028</b>

\*See Note 6 for details

Approved for issue and signed on 28 October 2024.



Bo Inge Andersen  
General Director  
Tashkent, Uzbekistan

K.J. Umurzakov  
Chief Financial Officer  
Tashkent, Uzbekistan

I.I. Burhanov  
Chief Accountant  
Tashkent, Uzbekistan

The above condensed interim consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

# JSC "UZAUTO MOTORS"

## CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2024

(In thousands of US Dollars)

Notes	Attributable to owners of the Company						Non-controlling interest	Total
	Share capital	Share premium	Additional paid in capital	Other reserves	Cumulative translation differences	Retained earnings		
Balance at 31 December 2022	357,790	-	131,611	96,604	(109,605)	163,896	513	640,809
Profit for the period as restated*	-	-	-	-	-	103,595	8	103,603
Other comprehensive loss for the period	-	-	-	-	(14,575)	-	-	(14,575)
Total comprehensive income for the period	-	-	-	-	(14,575)	103,595	8	89,028
Issued shares for sale	1,181	-	-	-	-	-	-	1,181
Premium arising on new share issuance	-	4,643	-	-	-	-	-	4,643
Distribution of non-cash assets to shareholders	-	-	-	-	-	(9,265)	-	(9,265)
Capital contribution from shareholders	-	-	120	-	-	-	-	120
Dividends declared	-	-	-	-	-	(83,995)	-	(83,995)
Charity and sponsorship in accordance with orders of state regulatory and supervisory authorities	-	-	-	-	-	(19,519)	-	(19,519)
Balance at 30 June 2023	358,971	4,643	131,731	96,604	(124,180)	154,712	521	623,002
Balance at 31 December 2023	358,144	4,643	131,731	96,604	(175,220)	370,292	519	786,713
Profit for the period	-	-	-	-	-	176,708	(5)	176,703
Other comprehensive loss for the period	-	-	-	-	(13,430)	-	-	(13,430)
Total comprehensive income for the period	-	-	-	-	(13,430)	176,708	(5)	163,273
Adjustment arising from change in non-controlling interest	-	-	-	-	-	(82)	82	-
Charity and sponsorship in accordance with orders of state regulatory and supervisory authorities	-	-	-	-	-	(33,269)	-	(33,269)
Balance at 30 June 2024	358,144	4,643	131,731	96,604	(188,650)	513,649	596	916,717

\*See Note 6 for details

Approved for issue and signed on 28 October 2024.



Bo Inge Andersson  
General Director  
Tashkent, Uzbekistan

K.J. Umurzakov  
Chief Financial Officer  
Tashkent, Uzbekistan

I.I. Burhanov  
Chief Accountant  
Tashkent, Uzbekistan

The above condensed interim consolidated statement of change in equity should be read in conjunction with the accompanying notes.

# JSC "UZAUTO MOTORS"

## CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2024 (in thousands of US Dollars)

	Notes	30 June 2024	30 June 2023 (Restated)*
<b>Cash flows from operating activities</b>			
Profit before income tax		204,655	120,138
Adjustments for:			
Share of results of associates		156	(115)
Depreciation of property, plant and equipment		30,292	30,186
Amortisation of intangible assets		332	288
Loss/(gain) on disposal of property, plant and equipment		162	(1,095)
Loss on decrease in share of associate		4,268	-
Expected credit losses on trade receivables		9,181	7,465
Net foreign exchange loss		4,634	9,630
Finance income		(29,671)	(23,747)
Finance costs		24,003	14,827
<b>Operating cash flows before working capital changes</b>		<b>248,012</b>	<b>157,577</b>
Net change in:			
Trade and other receivables		(882)	42,573
Advances paid to suppliers		9,822	15,121
Inventories		(69,391)	(180,039)
Restricted deposits		209,491	195,923
Restricted cash		(1,542)	56,593
Other non-current assets		16,542	(1,048)
Trade and other payables		(247,728)	169,603
Contract liabilities		(333,812)	(598,832)
Taxes and related charges payable		(591)	6,808
Other liabilities		(1,205)	(1,478)
<b>Operating cash inflows after working capital changes</b>		<b>(171,284)</b>	<b>(137,199)</b>
Interest paid on borrowings		(13,988)	(7,595)
Interest paid on trade payables		(9,390)	(5,909)
Interest received		29,225	229
Income tax paid		(29,264)	(20,384)
<b>Net cash used in operating activities</b>		<b>(194,701)</b>	<b>(170,858)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(29,791)	(51,875)
Proceeds from sale of property, plant and equipment		226	2,549
Cash outflow on disposal of subsidiary		-	(138)
Purchase of intangible assets		(7,203)	(73)
Repayment of loans issued		8,594	2,744
Bank deposits placements		(254,751)	(1,763,720)
Proceeds from matured bank deposits		438,761	1,926,543
<b>Net cash from investing activities</b>		<b>155,836</b>	<b>116,030</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		-	8,255
Repayment of borrowings		(3,337)	(582)
Gain on sale of new share issuance		-	4,643
Proceeds from additional issued share capital		-	1,181
Dividends paid to the Company's shareholders		(6,288)	(50,380)
Charity and sponsorship in accordance with orders of state regulatory and supervisory authorities		(6,439)	-
<b>Net cash from/(used in) financing activities</b>		<b>16,064</b>	<b>(36,883)</b>
Effect of exchange rate changes on cash and cash equivalents		21,644	(168)
The effect of translation to presentation currency		(9,900)	8,215
<b>Net decrease in cash and cash equivalents</b>		<b>(43,185)</b>	<b>(83,664)</b>
Cash and cash equivalents at the beginning of the year	12	55,522	96,560
Cash and cash equivalents at the end of the period	12	<b>12,337</b>	<b>12,896</b>

\*See Note 6 for details

Approved for Issue and signed on 28 October 2024.

Bo Inge Andersson  
General Director  
Tashkent, Uzbekistan

K.J. Umurzakov  
Chief Financial Officer  
Tashkent, Uzbekistan

I.I. Burhanov  
Chief Accountant  
Tashkent, Uzbekistan

The above condensed interim consolidated statement of cash flow should be read in conjunction with the accompanying notes.



## JSC “UZAUTO MOTORS”

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2024 (in thousands of US Dollars, unless otherwise stated)

---

#### 1. GENERAL INFORMATION

##### Organisation and operations

JSC “UzAuto Motors” (the “Company”) and its subsidiaries (together referred to as the “Group”) manufacture vehicles, and sell vehicles and spare parts, under the brand of Chevrolet to dealers and distributors mainly in Uzbekistan and Kazakhstan.

The Company was established as a joint venture company with Daewoo Motors Company in March 1993. In October 2005, the Company became wholly owned by JSC “Uzavtosanoat” (the “Ultimate Parent Company”). Based on the Decree of the President of the Republic of Uzbekistan # PP-800, the Company was recognised as a joint stock company “General Motors Uzbekistan” and is domiciled in Uzbekistan. The Company changed its name from JSC “General Motors Uzbekistan” to JSC “UzAuto Motors” effective from 1 July 2019.

In October 2017, the Ultimate Parent Company and General Motors Company, USA (“GM”) agreed to create the GM Alliance, which is a new cooperation platform that meets the needs of the Uzbekistan growing automotive industry. GM Alliance also provides an access to GM’s automotive technologies and know-how. Within the GM Alliance, the Ultimate Parent Company assumes full control over operating activity in the production of cars and car engines. On 25 August 2020, the Ultimate Parent Company agreed to establish an immediate Parent Company of the Group – “UzAuto Passenger Vehicles Management” LLC (the “Immediate Parent Company”). The Immediate Parent Company is the sole shareholder of the Company.

As at 30 June 2024 the ultimate controlling party is the Government of the Republic of Uzbekistan represented by the Ministry of Economy and Finance of the Republic of Uzbekistan.

The Company’s registered address is 81 Xumo Street, Asaka, Andijan region, Republic of Uzbekistan. The Group’s manufacturing facilities are primarily based in Asaka (Andijan Region), Pitnak city (Khorezm Region) and Tashkent, Uzbekistan. Eight automobile models under the Chevrolet brand were produced in these facilities during 2024 and 2023. The maximum production capacity of the Company is approximately 422 thousand vehicles annually.

As at the end of the reporting year, the Company owns the following subsidiaries and associate:

	<u>Nature of business</u>	<u>Percentage of voting rights</u>	<u>Percentage of ownership</u>	<u>Country of registration</u>
<b>Subsidiaries as of 30 June 2024</b>				
"Research and Development Center" LLC	Research and development	100.00%	100.00%	Uzbekistan
"Avtosanoat-Injiniroving" LLC	Construction	97.64%	97.64%	Uzbekistan
<b>Associates as of 30 June 2024</b>				
"Uzlogistic" LLC	Logistic services	32.24%	32.24%	Uzbekistan
<b>Subsidiaries as of 31 December 2023</b>				
"Research and Development Center" LLC	Research and development	100.0%	100.0%	Uzbekistan
"Avtosanoat-Injiniroving" LLC	Construction	98.01%	98.01%	Uzbekistan
<b>Associates as of 31 December 2023</b>				
"Uzlogistic" LLC	Logistic services	47.30%	47.30%	Uzbekistan

## **JSC "UZAUTO MOTORS"**

### **NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2024 (in thousands of US Dollars, unless otherwise stated)**

---

At the beginning of 2024, the major shareholder of "UzLogistic" LLC, Centrum Aviation FZCO, made additional investments in the charter capital of "UzLogistic" LLC. As a result, share of share capital held by the Group decreased from 47.30% to 32.24%.

In May 2024, the shareholder of "Avtosanoat-Injiniring" LLC, Avtosanoat Invest LLC made additional investment in the charter capital of "Avtosanoat-Injiniring" LLC. As a result, share of share capital held by the Group decreased from 98.01% to 97.64%.

According to the order from JSC "Uzautosanoat" dated on 27 March of 2024 No. 19-040, the sale of finished products on instalment terms has commenced. In the first half of 2024, 3,616 units of finished products were sold on instalment terms, totalling US Dollars 55,860 thousand excluding VAT.

As at 30 June 2024 and 31 December 2023, the Group had in total 15,854 and 16,511 employees, respectively.

## **2. BASIS OF PREPARATION**

This condensed interim consolidated financial information for the six months ended 30 June 2024 has been prepared in accordance with International Accounting Standard 34 ("IAS 34") Interim Financial Reporting issued by the International Accounting Standards Board ("IASB").

This condensed interim consolidated financial information was authorised for issue by the management on 28 October 2024.

### **Going concern**

This condensed interim consolidated financial information has been prepared on the going concern basis as the Group's management has at the date of approval of this condensed interim consolidated financial information, a reasonable expectation that the Group has adequate resources to continue in operational existence for at least the next 12 months from the date of the condensed interim consolidated financial information.

In assessing its going concern status, management of the Group has taken into account its financial position, expected future trading performance, its borrowings and other available credit facilities, its forecast compliance with covenants on those borrowings and its capital expenditure commitments and future expansion plans.

## **3. SIGNIFICANT ACCOUNTING POLICIES**

This condensed interim consolidated financial information is to be read in conjunction with the Group's annual financial statements for the year ended 31 December 2023. This condensed interim consolidated financial information does not include all the information and disclosures required in the annual financial statements. The Group omitted disclosures, which would substantially duplicate the information contained in its audited annual financial statement for 2023 prepared in accordance with International Financial Reporting Standards (IFRS Accounting Standards), such as accounting policies and details of accounts, which have not changed significantly in amount or composition.

## JSC "UZAUTO MOTORS"

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2024 (in thousands of US Dollars, unless otherwise stated)

#### 4. CRITICAL ACCOUNTING ESTIMATES, AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

No changes to the estimates and judgements were made as compared to those made in the annual consolidated financial statements for the year ended 31 December 2023. The area of the most significant management judgment remains the determination of the ongoing legal proceedings, outcomes, and probability of related outflow of resources embodying economic benefits. For more details refer to Note 23.

#### 5. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

At the date of approval of these condensed interim consolidated financial information, the Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

<i><u>New or revised standard or interpretation</u></i>	<i><u>Applicable to annual reporting periods beginning on or after</u></i>
Amendments to IAS 1 – Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to IFRS 7 – Supplier finance arrangements	1 January 2024
Amendments to IAS 1 – Non-current Liabilities with Covenants	1 January 2024
Amendments to IAS 7 – Supplier finance arrangements	1 January 2024

At the date of approval of this condensed interim consolidated financial information, the Group has not yet applied the following new and revised IFRS standards that have been issued but are not yet effective:

<i><u>New or revised standard or interpretation</u></i>	<i><u>Applicable to annual reporting periods beginning on or after</u></i>
Amendments to IFRS 7 – "Classification and measurement of financial instruments"	1 January 2026
Amendments to IFRS 18 – "Presentation and disclosure of information in financial statements"	1 January 2027
Amendments to IFRS 19 – "Non-public subsidiaries: disclosure of information"	1 January 2027
Amendments to IFRS 10 and IAS 28 – "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	Date not determined

The Group does not currently expect these standards, amendments and interpretations to have a material impact on the Group's financial statements except for IFRS 18 where the effects are being analysed by management. The application of the standard will result in changes to the structure of the statement of profit and loss. It will also change the starting value for the statement of cash flows and require additional disclosures.

#### 6. RESTATEMENT

Subsequent to the issuance of the Group's 2022 consolidated financial statements, the Group's management identified an error in the application of IFRS 15 - Revenue from Contracts with Customers in "Avtosanoat-Injiniring" LLC. Revenue and related costs of sale were not being appropriately recognised over time in the consolidated statement of profit and loss and comprehensive income for certain construction contracts that represent this subsidiary major activity, and related contract assets and liabilities were recognised on the consolidated statement of financial position.

## JSC “UZAUTO MOTORS”

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2024

*(in thousands of US Dollars, unless otherwise stated)*

Management have now accounted for this contract revenue, and the related cost of sales appropriately over time, and have retrospectively corrected the condensed interim consolidated statement of profit and loss and comprehensive income for the six months ended 30 June 2023 and condensed interim consolidated statement of cash flow for the six months ended 30 June 2023 as below.

The effect of restatement on the condensed interim consolidated statement of profit or loss and other comprehensive Income for the six months ended 30 June 2023 is as follows:

	<u>As previously reported</u>	<u>Adjustment</u>	<u>As restated</u>
Revenue	1,933,403	10,482	1,943,885
Cost of sales	(1,719,507)	(10,177)	(1,729,684)
Income tax expense	(16,490)	(45)	(16,535)
Exchange differences on translation to presentation currency	(14,567)	(8)	(14,575)
<b>Total comprehensive income for the year</b>	<b>88,776</b>	<b>252</b>	<b>89,028</b>

The effect of restatement on the condensed interim consolidated statement of cash flow for the six months ended 30 June 2023 is as follows:

	<u>As previously reported</u>	<u>Adjustment</u>	<u>As restated</u>
Profit before income tax	119,833	305	120,138
Net (increase)/decrease in:			
- Trade and other receivables	44,233	(1,660)	42,573
- Advances paid to suppliers	(16,260)	31,381	15,121
- Inventories	(153,727)	(26,312)	(180,039)
Net decrease in:			
- Contract liabilities	(595,097)	(3,735)	(598,832)
<b>Operating cash flows after working capital changes</b>	<b>(137,178)</b>	<b>(21)</b>	<b>(137,199)</b>
<b>Net cash from operating activities</b>	<b>(170,837)</b>	<b>(21)</b>	<b>(170,858)</b>
The effect of translation to presentation currency	8,194	21	8,215

## 7. SEGMENT INFORMATION

The Group’s Executive Board (the Chief Operating Decision Maker (CODM)) examines the Group’s performance from a product perspective and has identified three reportable segments of its business:

- Complete Knock Down (CKD) – manufacturing of automobiles in Asaka and Pitnak regions and selling them in Uzbekistan and Kazakhstan. The models include Chevrolet Gentra (EOP), Nexia (EOP), Spark (EOP), Damas, Cobalt, Onix and Tracker;
- Single Unit Pack (SUP basis) – selling imported automobiles on a local market. The models include Chevrolet Tahoe, Traverse, Equinox, Trailblazer and Malibu which are imported from Thailand, China, Republic of Korea and USA.

## JSC “UZAUTO MOTORS”

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2024 (in thousands of US Dollars, unless otherwise stated)

The CODM does not review the segments by assets. All other segments – manufacturing and sale of spare parts in Uzbekistan and Kazakhstan and other activities, which are not reportable operating segments, as they are not separately reviewed by the Executive Board to make decisions about resources to be allocated and assess its performance. The group does not have material operations outside of the Republic of Uzbekistan

All other segments – manufacturing and sale of spare parts in Uzbekistan and Kazakhstan and other activities, which are not reportable operating segments, as they are not separately reviewed by the Executive Board in order to make decisions about resources to be allocated and assess its performance.

The CODM review the Group’s internal reporting in order to assess performance and allocate resources. Internal reporting is based on measures that are different from measures used in this condensed interim consolidated financial information.

Segment information for the reportable segment profit and loss for the six months ended 30 June 2024 is set out below:

	CKD Asaka	CKD Pitnak	SUP	Total
Revenue from contracts with customers	1,385,142	379,585	99,219	1,863,946
Cost of sales	(1,160,164)	(267,891)	(82,086)	(1,510,141)
Selling, general and administrative expenses	(166,379)	(20,693)	(3,156)	(190,228)
Other operating income	3,439	165	154	3,757
Finance income	28,867	-	-	28,868
Finance cost	(21,343)	(2,302)	(209)	(23,853)
Net foreign exchange gain	19,733	(672)	(9,796)	9,265
<b>Segment profit before income tax</b>	<b>89,295</b>	<b>88,192</b>	<b>4,126</b>	<b>181,614</b>

Segment information for the reportable segment profit and loss for the six months ended 30 June 2023 is set out below:

	CKD Asaka	CKD Pitnak	SUP	Total
Revenue from contracts with customers	1,465,720	298,738	168,993	1,933,450
Cost of sales	(1,325,768)	(228,521)	(129,951)	(1,684,239)
Selling, general and administrative expenses	(144,024)	(13,059)	(4,008)	(161,091)
Other operating income	20,872	1,531	332	22,735
Finance income	27,511	-	1	27,511
Finance cost	(12,755)	(1,342)	-	(14,097)
Net foreign exchange loss	1,268	(1,596)	(3,122)	(3,450)
<b>Segment profit before income tax</b>	<b>32,823</b>	<b>55,751</b>	<b>32,244</b>	<b>120,818</b>

Segment profit before income tax reconciles to IFRS profit before income tax as follows:

	30 June 2024	30 June 2023 (Restated)*
Profit before income tax	181,614	120,818
Depreciation	(3,134)	(8,992)
Net impairment losses on financial assets	(9,181)	(7,465)
Reclassification of in-kind distribution	33,269	19,519
Other gains/(losses)	2,087	(3,742)
<b>Profit before income tax</b>	<b>204,655</b>	<b>120,138</b>

\*See Note 6 for details

## JSC "UZAUTO MOTORS"

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2024 (in thousands of US Dollars, unless otherwise stated)

#### 8. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

Parties are generally considered to be related if the parties are under common control or if one party has the ability to control the other party or can exercise significant influence or joint control over the other party in making financial and operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

Related parties may enter into transactions, which unrelated parties might not, and transactions between related parties may not be affected on the same terms, conditions and amounts as transactions between unrelated parties.

As at 30 June 2024, the outstanding balances with related parties specified below were as follows:

	Parent Company	Companies under common control and significant influence of the	Total
		Parent Company	
Loans issued	-	1,966	1,966
Trade and other receivables	66	38,524	38,590
Advances paid to suppliers	4	81,578	81,582
Borrowings	5,975	277	6,252
Trade and other payables	1	48,040	48,041
Dividends payable	67,700	-	67,700

The transactions with related parties for the period ended 30 June 2024 were as follows:

	Parent Company	Companies under common control and significant influence of the Parent Company	Total
		Parent Company	
Sales of goods	-	20,674	20,674
Other income	-	178	178
Purchases from suppliers	-	773,844	773,844
Dealer's commission	-	7,846	7,846
Finance income	-	24	24

As at 30 June 2023, the outstanding balances with related parties were as follows:

	Parent Company	Companies under common control and significant influence of the Parent	Total
		Company	
Loans issued	-	4,332	4,332
Trade and other receivables	-	11,492	11,492
Advances paid to suppliers	-	263,636	263,636
Borrowings	7,751	350	8,101
Trade and other payables	902	120,767	121,669
Dividends payable	78,061	-	78,061

## JSC "UZAUTO MOTORS"

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2024 (in thousands of US Dollars, unless otherwise stated)

The transactions with related parties for the period ended 30 June 2023 were as follows:

	Parent Company	Companies under common control and significant influence of the Parent Company	Total
Sales of goods	-	21,482	21,482
Other income	-	2,906	2,906
Purchases from suppliers	445	1,135,268	1,135,713
Dealer's commission	-	8,739	8,739

The Group is a government related entity, as it is ultimately controlled by the Government of the Republic of Uzbekistan. Therefore, in respect of other related parties' transactions except for those disclose above, the Group chose to apply the exemption in IAS 24 Related Party Disclosures in relation to its government related transactions and outstanding balances, including commitments. The table below summarises individually significant government related balances:

	30 June 2024	31 December 2023 (audited)
Cash and cash equivalents	7,302	52,707
Restricted cash	12,029	10,537
Bank deposits	61,857	217,463
<b>Total individually significant government related balances</b>	<b>81,188</b>	<b>280,717</b>

Other government related balances and transactions that are collectively, but not individually, significant are represented by tax, customs, utility and similar charges.

#### *Key management compensation*

Key management includes General Director, twenty-one other members of the Executive Board and the Chief Accountant.

Key management compensation is presented below:

	30 June 2024	30 June 2023
Short-term benefits:		
Salaries	1,362	1,528
Short-term bonuses	163	166
State pension and social security costs	183	204
<b>Total key management compensation</b>	<b>1,708</b>	<b>1,898</b>

## 9. PROPERTY, PLANT AND EQUIPMENT

The Group continues to expand and increase capacity of current production and other capital projects. Total capital expenditures for the purchase of equipment, leasehold improvements and capacity expansion works for the six-month period ended 30 June 2024, and 2023, amounted to US Dollars 29,802 thousand and US Dollars 59,627 thousand.

Disposals of property for the six-month period ended 30 June 2024, and 2023, were US Dollars 388 thousand and US Dollars 1,575 thousand, respectively.

## JSC “UZAUTO MOTORS”

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2024 (in thousands of US Dollars, unless otherwise stated)

As at 30 June 2024, machinery and equipment includes assets, such as production accessories tools leased out in the amount of US Dollars 48,662 thousand (31 December 2023: US Dollars 45,551 thousand).

As at 30 June 2024, part of the advances, construction in progress and equipment for installation additions during the period includes advances paid in respect of development of new SUV-B and B-segment models under the GEM platform totaling US Dollars 33,597 thousand (31 December 2023: US Dollars 66,375 thousand).

As at the reporting date, advances, construction in progress, and equipment for installation includes construction expenditure incurred in relation to welding workshop for new segment models under the GEM platform.

As at 30 June 2024, the gross carrying amount of fully depreciated property, plant and equipment still in use is US Dollars 414,069 thousand (31 December 2023: US Dollars 411,843 thousand).

#### 10. BANK DEPOSITS

Bank deposits balances are mainly saving deposits with local banks. The credit quality of bank deposits balances at period end is summarised based on Moody’s and Fitch ratings as follows:

	30 June 2024	31 December 2023 (audited)
- Ba3 rating (Moody's)	61,916	294,508
- B+ rating (S&P)	62,016	-
- B1 rating (Moody's)	31,281	12,425
- B rating (S&P)	-	56,220
- BB- rating (Fitch)	2,312	4,000
- B2 rating (Moody's)	3,902	25,228
- B- rating (Fitch)	-	810
<b>Total bank deposits</b>	<b>161,427</b>	<b>393,191</b>
Less short-term portion	40,234	43,830
<b>Total long-term bank deposits</b>	<b>121,193</b>	<b>349,361</b>

#### 11. RESTRICTED DEPOSITS

Restricted deposits consist mainly of term and saving deposits with JSCB “Kapitalbank” (B+ S&P) (2023: B S&P) at the Central Bank of the Republic of Uzbekistan (“CBU”) rate plus 2-3% per annum and JSCB “Asaka” (Ba3 Moody’s) at a rates from 14 to 18%, which are held in order to accumulate cash to secure obligations under letter of credit.

#### 12. CASH AND CASH EQUIVALENTS

	30 June 2024	31 December 2023 (audited)
Cash and cash equivalents in UZS	6,948	17,158
Cash and cash equivalents in foreign currencies	5,389	38,364
<b>Total cash and cash equivalents</b>	<b>12,337</b>	<b>55,522</b>



## JSC "UZAUTO MOTORS"

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2024 (in thousands of US Dollars, unless otherwise stated)

The credit quality of cash and cash equivalents balances at year end is summarised based on Moody's and S&P's ratings as follows:

	30 June 2024	31 December 2023 (audited)
- Ba3 rating (Moody's)	7,300	3
- B+ rating (S&P)	2,967	-
- B1 rating (Moody's)	2,060	53,670
- B2 rating (Moody's)	-	1,045
- B rating (S&P)	-	791
- BB-/B rating (S&P)	10	13
<b>Total cash and cash equivalents</b>	<b>12,337</b>	<b>55,522</b>

#### 13. RESTRICTED CASH

Restricted cash mainly includes cash resources in the amount of US Dollars 12,040 thousand (2023: US Dollars 10,561 thousand) in JSCB "Asaka" (Ba3 - Moody's), which are subject to restrictions stipulated by the regulations of the letter of credit transaction with JSCB "Asaka". Therefore, they are not available for immediate or general business use by the Group until the full execution of contracts with suppliers.

#### 14. TRADE AND OTHER RECEIVABLES

	30 June 2024	31 December 2023 (audited)
Trade receivables from legal entities	102,056	81,968
Trade receivables from individuals	25,268	2,566
Other financial receivables	44,494	42,862
Less expected credit loss allowance	(29,910)	(21,083)
<b>Total financial assets within trade and other receivables</b>	<b>141,908</b>	<b>106,313</b>
Prepayments	16,171	63,794
<b>Total trade and other receivables</b>	<b>158,079</b>	<b>170,107</b>
Less long-term portion	9,964	-
<b>Total short-term trade and other receivables</b>	<b>148,115</b>	<b>170,107</b>

For non-installment sales of goods the credit period is 30-180 days. No interest is charged on outstanding trade receivables.

Sales to domestic customers are mainly carried out under the terms of full and partial payment in advance that reduces exposure to credit risk. Sales to foreign customers are carried out under the terms of partial payment in advance and credit payment. Other financial receivables consist of receivables derived from activities other than the core business of the Group.

In the first half of the year the Group introduced vehicle sales on an installment basis for Onix, Tracker, and SUP models. The installment terms for customers were as follows:

- A down payment of 50% to 70% of the vehicle's price, with the remaining amount paid straight-line over 18 - 36 months;
- Insurance of financial risks of late payments on accounts receivables;
- Registration of pledge agreement of vehicle in favor of company until full repayment of accounts receivables.

## JSC "UZAUTO MOTORS"

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2024 (in thousands of US Dollars, unless otherwise stated)

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery e.g., when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier.

Movement in the allowance for expected credit losses on trade and other accounts receivables are as follows:

	2024	2023
<b>At 1 January</b>	<b>21,083</b>	<b>23,925</b>
Accrual of allowance	9,181	7,465
Effect of translation to presentation currency	(354)	(612)
<b>At 30 June</b>	<b>29,910</b>	<b>30,778</b>

The analysis of trade and other financial receivables is as follows:

	30 June 2024	31 December 2023 (audited)
Trade receivables secured by insurance against financial risks	25,268	2,566
Trade and other financial receivables not past due	114,435	101,388
<i>Trade and other receivables past due and collectively assessed</i>		
- less than 180 days overdue	2,614	3,201
- over 180 days overdue	24,475	17,222
Total trade and other financial receivables past due and collectively assessed, gross	27,089	20,423
Trade and other financial receivables individually determined to be impaired, gross	5,026	3,019
<i>Expected credit loss allowance</i>		
Allowance for expected credit losses assessed on portfolio basis	(18,368)	(16,643)
Allowance for expected credit losses assessed on an individual basis	(11,542)	(4,440)
Total expected credit loss allowance	(29,910)	(21,083)
<b>Total financial assets within trade and other receivables</b>	<b>141,908</b>	<b>106,313</b>

## 15. INVENTORIES

	30 June 2024	31 December 2023 (audited)
Goods in transit	88,117	172,434
Raw materials and spare parts	467,890	470,411
Finished goods	646,646	513,609
Work in progress	64,271	71,882
<b>Total inventories</b>	<b>1,266,924</b>	<b>1,228,336</b>
Less long-term portion	5,599	15,566
<b>Total short-term inventories</b>	<b>1,261,325</b>	<b>1,212,770</b>

## 16. SHARE CAPITAL AND OTHER RESERVES

### *Share capital*

The nominal registered amount of the Company's issued share capital as at 30 June 2024 was US Dollars 358,144 thousand (2023: US Dollars 358,144 thousand). The Immediate Parent Company is the sole shareholder of the Company.

## JSC "UZAUTO MOTORS"

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2024

*(in thousands of US Dollars, unless otherwise stated)*

The total authorised number of ordinary shares at 30 June 2024 was 270,785 thousand shares (2023: 270,785 thousand shares) with a par value of Uzbekistan Sum 5,000 per share (2023: Uzbekistan Sum 5,000 per share). All authorised ordinary shares have been issued and fully paid and each ordinary share carries one vote. They entitle the holder to participate in dividends, and to share in the proceeds of winding up the Company in proportion to the number of and amounts paid on the shares held.

Additional paid in capital mainly comprises the Trademark License Agreement contributed by General Motors, gains on borrowings at discounted interest rates from the Parent Company and other financing obtained from shareholders in the total amount of US Dollars 131,731 thousand (2023: US Dollars 131,731 thousand).

Other reserves include additional reserve funds formed on net profit of prior years in accordance with local legislation for US Dollars 96,604 thousand (2023: US Dollars 96,604 thousand).

#### 17. BORROWINGS

	Carrying amounts	
	30 June 2024	31 December 2023 (audited)
Eurobonds due in 2026	303,000	302,905
Borrowings from banks	153,408	156,757
Other borrowings	277	332
<b>Total borrowings</b>	<b>456,685</b>	<b>459,994</b>
Less short-term portion	19,567	58,962
<b>Total long-term borrowings</b>	<b>437,118</b>	<b>401,032</b>

##### *Eurobonds due in 2026*

The Group's Debt securities issued are US Dollars denominated quasi-sovereign unsecured corporate bonds in the amount of US Dollars 300,000 thousand, issued on 27 April 2021 on the London Stock Exchange under the Rule 144A and Reg S with coupon rate 4.85% and transaction cost of US Dollars 1,400 thousand. The maturity date of bonds is May 2026.

In accordance with the bond issuance agreement, there are a number of financial covenants, principally to have a consolidated net leverage ratio of less than 3.75, to not distributing more than 50% of accumulated net profit from the date of the agreement and non-financial covenants. As at 30 June 2024 and 31 December 2023, the Group was in compliance with the covenants.

##### *US Dollar-denominated ECA facility made by UBS AG*

The Group's ECA facility is a US Dollar-denominated facility agreement signed between the Group with UBS AG (after the merger of Credit Suisse by UBS AG) and Raiffeisen Bank International AG in the amount of US Dollars 48,000 thousand on 27 September 2022 for the purchase of property, plant and equipment. As at the 30 June 2024, US Dollars 43,305 thousand have been drawn under this agreement. The maturity date is no later than December 2031.

## JSC “UZAUTO MOTORS”

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2024 (in thousands of US Dollars, unless otherwise stated)

In accordance with the agreement, there are a number of financial covenants, principally to have consolidated net leverage ratio of less than 3.75, gearing ratio less than 2.25, to not distributing more than 50% of accumulated net profit from the date of the agreement and non-financial covenants. As at 30 June 2024 the Group was in compliance with the covenants.

*Senior unsecured syndicated term loan made by Deutsche Bank AG*

On 24 August 2023, the senior unsecured syndicated facility agreement signed between the Group with Deutsche Bank AG as initial mandated Lead Arranger and JSC Halyk Bank of Kazakhstan as mandated Lead Arranger in the amount of US Dollars 100,000 thousand to facilitate funding of capacity increasing projects and the construction of new press shop facility. On 21 September 2023, US Dollars 100,000 thousand has been drawn under this agreement. The maturity date is September 2026.

In accordance with the agreement, there are a number of financial covenants, principally to have a consolidated net leverage ratio of less than 3.75 and an interest coverage ratio higher than 5.00. As at 30 June 2024 and 31 December 2023, the Group was in compliance with the covenants.

#### 18. TRADE AND OTHER PAYABLES

	<u>30 June 2024</u>	<u>31 December 2023</u> (audited)
Trade payables	529,696	746,881
Other payables	13,152	34,407
<b>Total trade and other payables</b>	<b><u>542,848</u></b>	<b><u>781,288</u></b>

Trade payables principally comprise amounts outstanding for short-term trade purchases and ongoing cost from the Group’s main foreign supplier – GM Korea Company and other local suppliers of auto components purchased for the assembly of passenger vehicles. The credit period taken for purchases from suppliers is from 60 days to 120 days.

Other payables consist of payables derived from activities other than the core business of the Group. The management consider that the carrying amount of trade and other payables approximates to their fair value.

#### 19. CONTRACT LIABILITIES

As at 30 June 2024 the majority of contract liabilities are advances received for sale of cars in the amount US Dollars 453,821 thousand (31 December 2023: 791,037). This decrease is due to the fulfillment of the company’s obligations under previously concluded contracts.

## JSC "UZAUTO MOTORS"

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2024 (in thousands of US Dollars, unless otherwise stated)

#### 20. REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group derives revenue from the transfer of goods at a point in time in the following major product lines and geographical regions:

	30 June 2024	30 June 2023 (Restated)*
<i>Domestic sales</i>		
Cars	1,662,280	1,643,798
Spare parts	17,250	20,712
Other	23,701	23,412
<b>Total domestic sales</b>	<b>1,703,231</b>	<b>1,687,922</b>
<i>Export sales</i>		
Cars	150,822	252,169
Spare parts	13,768	3,794
Other	1,116	-
<b>Total export sales</b>	<b>165,706</b>	<b>255,963</b>
<b>Total revenue from contracts with customers</b>	<b>1,868,937</b>	<b>1,943,885</b>

\*See Note 6 for details

The Group sells all vehicles under the Chevrolet brand. Sales prices are approved by Supervisory Board for both domestic and export markets. Domestic and export sales are carried out principally through domestic and foreign dealers respectively.

In April 2024, The Group has introduced discounts on models such as Onix, Tracker, Malibu, Equinox, Traverse, and Tahoe. The discounts applied when customers paid the total amount. During six months ended 30 June 2024, the total amount of the discounts provided was US Dollars 12,541 thousand, (during six months ended 30 June 2023: USD nil).

#### 21. COST OF SALES

Different factors contribute to the change in the cost of sales. These include the prices of raw materials, maintenance costs, transportation costs, and the others.

In the current period, the group has observed factors that influence the reduction of the cost of goods sold for finished products.

1. Localization of components for new models of vehicle (Onix and Tracker) and reduction of logistics expenses;
2. The volume of sold vehicles has decreased in the current period more than comparing period, although during six months ended 30 June 2024, the Group sold more profitable cars compare to six months ended 30 June 2023.

#### 22. INCOME TAXES

Details of current income tax expense for the years ended 30 June 2024 and 2023:

	30 June 2024	30 June 2023 (Restated)*
Current tax expense	29,387	19,067
Origination and reversal of temporary differences	(1,435)	(2,532)
<b>Total income tax expense</b>	<b>27,952</b>	<b>16,535</b>

\*See Note 6 for details

## JSC “UZAUTO MOTORS”

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2024 *(in thousands of US Dollars, unless otherwise stated)*

---

#### 23. CONTINGENCIES AND COMMITMENTS

##### *Legal proceedings*

Prior to 2018, the Group guaranteed the debts of certain related parties (dealers) operating in Russian Federation under loan agreements with Russian banks. During the course of the bankruptcy cases of these dealers, some creditors filed a lawsuit demanding to hold the Group and some other parties liable for the obligations of these entities.

##### **CJSC PII “UzDaewoo-Voronezh”**

On 8 October 2020, a lawsuit was filed against the Group demanding to hold the Group liable as guarantor for obligations of CJSC PII “UzDaewoo-Voronezh”. The court hearings of first instance concerning CJSC PII “UzDaewoo-Voronezh” case has been held on 24 May 2022. The Voronezh Arbitration Court ruling dated 23 December 2022 found there were grounds for holding the Company responsible for the obligations of CJSC PII “UzDaewoo-Voronezh” and made a decision to hold liable the Group under the subsidiary liability. The Group has submitted relevant appeal on 13 of February 2023 to Voronezh Nineteenth Arbitration Court of Appeal, which was rejected on 14 April 2023. On 15 May 2023, the Group submitted cassation appeals to the Voronezh Central District Arbitration Court against the Ruling of Voronezh Arbitration Court dated 31 January 2023, and against the Resolution of the Nineteenth Arbitration Court of Appeal dated 14 April 2023. On 14 April 2023, by the Ruling of 19 Appeal Arbitration court the decision of the first instance court (Arbitration court of Voronezh oblast) was sustained.

Cassation appeals were filed by the Group and JSC “Uzautosanoat” and other claimants on 15 May 2023. On 28 August 2023 the Arbitration court of central district, cassation instance, issued a Ruling by which the ruling of first and appeal instance courts were cancelled and the case was directed for new consideration to the court of first instance. Currently the case proceedings are scheduled for 11 November 2024.

The amount of the claims attributable to the Company might range up to Russian Ruble 10,337 million (equivalent of US Dollars 144,242 thousand) per Russian regulations.

As of the date of this condensed interim consolidated financial information, it is assessed that the risk of an unfavorable outcome for the Group while possible is not determined probable due to the following: (i) the bankruptcy of the relevant companies occurred during a major crisis in the automotive market in Russia, with many international suppliers ceasing to deliver cars to Russia and (ii) the statute of limitations for holding liable under certain lawsuits has expired, and therefore the Company did not accrue any provision in this condensed interim consolidated financial information.

##### *Capital expenditure commitments*

As at 30 June 2024, the Group had contractual capital expenditure commitments in respect of property, plant and equipment and intangible assets totaling US Dollars 38,654 thousand (31 December 2023: US Dollars 10,833 thousand). The Group has already allocated the necessary resources in respect of these commitments. The Group believes that future net income and funding will be sufficient to cover these and any similar commitments.

## JSC “UZAUTO MOTORS”

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2024 (in thousands of US Dollars, unless otherwise stated)

---

#### **Guarantees**

Guarantees are irrevocable assurances that the Group will make payments in the event that another party cannot meet its obligations. At 30 June 2024, the Group has guaranteed obligations of debts of JSC Uzauto Motors Powertrain under loan agreements with Credit Suisse totalling US Dollars 66,958 thousand (signed with the amount of US Dollars 105,000 thousand) and debts of local suppliers under loan agreements with JSCB “Kapitalbank” totalling US Dollars 28,000 thousand (31 December 2023: US Dollars 28,000 thousand). The Group estimates that overall impact of those guarantees would not be material to the financial statements, thus fair value of guarantees have not been calculated.

The Group estimates the costs that may be incurred under its assurance warranty obligations and records a liability in the amount of such costs when a product is sold and revenue is recognised. Factors that affect the Group’s warranty liability include the number of sold units, historical and anticipated rates of warranty claims of each model. Historically, there were no significant claims for warranty obligations.

#### **24. MANAGEMENT OF CAPITAL**

The primary objective of managing the Group’s capital is to ensure that there is sufficient capital available to support the funding requirements of the Group, including capital expenditure, in a way that optimizes the cost of capital, maximizes shareholders’ returns and ensures that the Group remains in a sound financial position.

The Group manages and adjusts the capital structure as opportunities arise in the marketplace, as when borrowing mature, or as and when funding is required. This may take the form of raising equity, market or bank debt or hybrids thereof. This strategy remains unchanged from prior years.

#### **25. FAIR VALUE DISCLOSURES**

The principal financial instruments comprise cash and cash equivalents, bank deposits, restricted deposits, restricted cash, trade and other receivables, borrowings and trade and other payables. The carrying amounts of financial assets and liabilities recorded at amortized cost in this condensed interim consolidated financial information approximate their fair value, except for borrowings.

The fair value of borrowings was measured based on the present value of discounted cash flows at the market interest rate at the end of each reporting periods presented.

	<u>Carrying value</u>	<u>Fair value</u>
Borrowings at 30 June 2024	456,685	444,730
Borrowings at 31 December 2023	459,994	423,067

Whilst accounted for at amortized cost, the fair value measurement of borrowings is within level 1 for Eurobonds and level 2 for borrowings from banks of the fair value hierarchy in accordance with IFRS 13 Fair value measurement.

## **JSC "UZAUTO MOTORS"**

### **NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2024 (in thousands of US Dollars, unless otherwise stated)**

---

#### **26. EVENTS AFTER THE BALANCE SHEET DATE**

On July 1, the Company declared dividends in the amount of US Dollar 42,922 thousand, these were fully paid during the period July to September 2024.

During the period July to October 2024, the Company made repayments of borrowings, in the amount US Dollar 20,000 thousand.

On October 4, the Company declared dividends in the amount of US Dollar 13,042 thousand. Management anticipates paying these dividends prior to 31 December 2024.

On October 16, according to the decision of the Company's supervisory board, the Company will transfer 34.24% of the share of the authorized capital of LLC "Uzlogistic" to the Agency for Strategic Reforms of the Republic of Uzbekistan for sales under market conditions.