

**JSC “UZAUTO MOTORS” (formerly known as  
JSC “ GENERAL MOTORS UZBEKISTAN”)**

**International Financial Reporting Standards  
Consolidated Financial Statements and  
Independent Auditor’s Report**

**31 December 2020**



## Independent Auditor's Report

To the Shareholders and Supervisory Board of Joint Stock Company "UzAuto Motors":

### Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Joint Stock Company "UzAuto Motors" and its subsidiaries (together – the "Group") as at 31 December 2020 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

### What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2020;
- the consolidated statement of profit or loss and other comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) together with the ethical requirements of the Code of Professional Ethics for Auditors of Uzbekistan and auditor's independence requirements that are relevant to our audit of the consolidated financial statements in the Republic of Uzbekistan. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the ethical requirements of the Code of Professional Ethics for Auditors of Uzbekistan.

### 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 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.

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### **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.

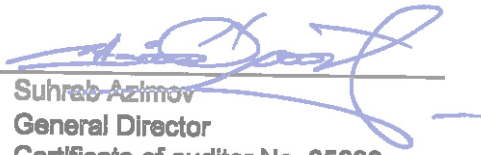
As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- 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 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 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.



Suhreb Azimov  
General Director  
Certificate of auditor No. 05338  
dated 7 November 2015


Audit Organization "PricewaterhouseCoopers" LLC


Audit Organization "PricewaterhouseCoopers" LLC  
Tashkent, Uzbekistan  
15 April 2021


**JSC "UZAUTO MOTORS"**  
**Consolidated Statement of Financial Position**

<i>In thousands of US Dollars</i>	Notes	31 December 2020	31 December 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	9	325,757	306,979
Intangible assets	10	60,774	71,462
Restricted deposits	12	7,742	31,419
Bank deposits	11	86,566	5,154
Loans issued		4,162	-
Other non-current assets		1,556	3,762
<b>Total non-current assets</b>		<b>486,557</b>	<b>418,776</b>
<b>Current assets</b>			
Cash and cash equivalents	16	28,965	45,724
Restricted cash	17	88,244	111,331
Bank deposits	11	4,136	45,208
Restricted deposits	12	23,597	-
Loans issued		4,553	4,593
Trade and other receivables	14	271,172	196,186
Advances paid to suppliers	15	113,020	52,635
Inventories	13	335,905	489,637
<b>Total current assets</b>		<b>869,592</b>	<b>945,314</b>
<b>TOTAL ASSETS</b>		<b>1,356,149</b>	<b>1,364,090</b>
<b>EQUITY</b>			
Share capital	18	266,667	266,667
Additional paid in capital	18	131,611	131,611
Other reserves	18	88,443	88,443
Retained earnings / (Accumulated deficit)		50,040	(92,102)
Cumulative translation differences		(77,143)	(38,689)
<b>Equity attributable to the Company's owners</b>		<b>459,618</b>	<b>355,930</b>
Non-controlling interest		536	-
<b>TOTAL EQUITY</b>		<b>460,154</b>	<b>355,930</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	19	5,825	-
Deferred income tax liability	29	29,205	32,034
<b>Total non-current liabilities</b>		<b>35,030</b>	<b>32,034</b>
<b>Current liabilities</b>			
Borrowings	19	238,966	11,681
Trade and other payables	20	366,245	445,540
Income tax payable		6,708	-
Other taxes payables		1,252	17,169
Contract liabilities	21	234,255	500,411
Dividends payable		11,820	-
Other liabilities		1,719	1,325
<b>Total current liabilities</b>		<b>860,965</b>	<b>976,126</b>
<b>TOTAL LIABILITIES</b>		<b>895,995</b>	<b>1,008,160</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,356,149</b>	<b>1,364,090</b>

Approved for issue and signed on 15 April 2021.

  
 R. B. Rajabov  
 Acting General Director  
 Tashkent, Uzbekistan

  
 K. J. Umurzakov  
 Chief Financial Officer  
 Tashkent, Uzbekistan

  
 A. V. Yakubov  
 Chief Accountant  
 Tashkent, Uzbekistan

**JSC “UZAUTO MOTORS”**  
**Consolidated Statement of Profit or Loss and Other Comprehensive Income**

<i>In thousands of US Dollars</i>	<b>Notes</b>	<b>2020</b>	<b>2019</b>
Revenue from contracts with customers	22	2,623,554	2,798,926
Cost of sales	23	(2,255,577)	(2,291,686)
<b>Gross profit</b>		<b>367,977</b>	<b>507,240</b>
General and administrative expenses	24	(86,116)	(94,526)
Selling expenses	25	(56,612)	(62,275)
Net impairment losses on financial assets		(7,279)	(7,799)
Other operating income		7,361	4,609
<b>Operating profit</b>		<b>225,331</b>	<b>347,249</b>
Finance income	26	29,039	8,832
Finance costs	27	(18,296)	(14,466)
Net foreign exchange loss	28	(41,477)	(49,820)
<b>Profit before income tax</b>		<b>194,597</b>	<b>291,795</b>
Income tax expense	29	(39,920)	(35,222)
<b>Profit for the year</b>		<b>154,677</b>	<b>256,573</b>
<b>Other comprehensive loss:</b>			
<i>Items that will not be reclassified to profit or loss:</i>			
Exchange differences on translation to presentation currency		(38,454)	(34,486)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>116,223</b>	<b>222,087</b>
<b>Profit is attributable to:</b>			
- Owners of the Company		154,141	256,573
- Non-controlling interest		536	-
<b>Profit for the year</b>		<b>154,677</b>	<b>256,573</b>
<b>Total comprehensive income is attributable to:</b>			
- Owners of the Company		115,687	222,087
- Non-controlling interest		536	-
<b>Total comprehensive income for the year</b>		<b>116,223</b>	<b>222,087</b>

The accompanying notes on pages 5 to 43 are an integral part of these financial statements

**JSC "UZAUTO MOTORS"**  
**Consolidated Statement of Changes in Equity**

	Attributable to owners of the Company					Non-con- trolling interest	Total
	Share capital	Additional paid in capital	Other reserves	Cumulative translation differences	Retained earnings / (Accumulated deficit)		
<i>In thousands of US Dollars</i>							
<b>Balance at 1 January 2019</b>	<b>266,667</b>	<b>131,611</b>	<b>88,443</b>	<b>(4,203)</b>	<b>(348,675)</b>	-	<b>133,843</b>
Profit for the year	-	-	-	-	256,573	-	256,573
Other comprehensive loss for the year	-	-	-	(34,486)	-	-	(34,486)
Total comprehensive income for the year	-	-	-	<b>(34,486)</b>	<b>256,573</b>	-	<b>222,087</b>
<b>Balance at 31 December 2019</b>	<b>266,667</b>	<b>131,611</b>	<b>88,443</b>	<b>(38,689)</b>	<b>(92,102)</b>	-	<b>355,930</b>
Profit for the year	-	-	-	-	154,141	536	154,677
Other comprehensive loss for the year	-	-	-	(38,454)	-	-	(38,454)
Total comprehensive income for the year	-	-	-	<b>(38,454)</b>	<b>154,141</b>	<b>536</b>	<b>116,223</b>
Dividends declared	-	-	-	-	(11,999)	-	(11,999)
<b>Balance at 31 December 2020</b>	<b>266,667</b>	<b>131,611</b>	<b>88,443</b>	<b>(77,143)</b>	<b>50,040</b>	<b>536</b>	<b>460,154</b>

**JSC "UZAUTO MOTORS"**  
**Consolidated Statement of Cash Flows**

<i>In thousands of US Dollars</i>	<b>Notes</b>	<b>2020</b>	<b>2019</b>
<b>Cash flows from operating activities</b>			
Profit before income tax		194,597	291,795
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment	9	37,363	48,618
Amortisation of intangible assets	10	5,641	6,118
Losses from disposal of property, plant and equipment and intangibles		430	11,855
Allowances for bad and doubtful accounts		7,279	7,862
Net foreign exchange loss	28	41,477	49,820
Finance income	26	(29,039)	(8,832)
Finance costs	27	18,296	14,466
Other non-cash operating income		(775)	(485)
Other non-cash operating costs		140	2,376
<b>Operating cash flows before working capital changes</b>		<b>275,409</b>	<b>423,593</b>
Net (increase)/decrease in:			
- Trade and other receivables		(77,127)	(182,114)
- Advances paid to suppliers		(60,385)	(29,343)
- Inventories		154,367	(58,595)
- Restricted deposits		126	(13,202)
- Restricted cash		30,373	(45,177)
- Other non-current assets		2,206	(1,985)
Net increase/(decrease) in:			
- Trade and other payables		(132,519)	(66,186)
- Contract liabilities		(266,156)	280,780
- Taxes and related charges payable		(15,917)	10,106
- Other liabilities		(302)	815
<b>Operating cash flows after working capital changes</b>		<b>(89,925)</b>	<b>318,692</b>
Interest paid on borrowings	19	(5,786)	(10,816)
Interest paid on trade payables		(9,398)	(3,192)
Interest received		14,037	3,359
Income tax paid		(33,071)	(49,133)
<b>Net cash (used in)/from operating activities</b>		<b>(124,143)</b>	<b>258,910</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(88,189)	(18,717)
Proceeds from sale of property, plant and equipment		1,486	1,748
Purchase of intangible assets		(1,394)	-
Loans issued		(4,489)	-
Repayment of loans issued		-	1,894
Bank deposits placements		(90,034)	(32,703)
Proceeds from bank deposits matures		65,895	20,490
<b>Net cash used in investing activities</b>		<b>(116,725)</b>	<b>(27,288)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings	19	345,057	-
Repayment of borrowings	19	(112,405)	(212,282)
<b>Net cash from/ (used) in financing activities</b>		<b>232,652</b>	<b>(212,282)</b>
Effect of exchange rate changes on cash and cash equivalents	28	5,537	(1,085)
The effect of translation to presentation currency		(14,080)	1,307
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(16,759)</b>	<b>19,562</b>
Cash and cash equivalents at the beginning of the year		45,724	26,162
<b>Cash and cash equivalents at the end of the year</b>		<b>28,965</b>	<b>45,724</b>

The accompanying notes on pages 5 to 43 are an integral part of these financial statements