

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

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

31 December 2019 and 31 December 2018



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 2019 and 31 December 2018, and its consolidated financial performance and its consolidated cash flows for the years 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 2019 and 31 December 2018;
- the consolidated statement of profit or loss and other comprehensive income for the years then ended;
- the consolidated statement of changes in equity for the years then ended;
- the consolidated statement of cash flows for the years 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 Ethics Standards Board for Accountants' Code of Ethics for Professional 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.



Other matter – reissuance of the consolidated financial statements

The accompanying consolidated financial statements replace the Group's previous consolidated financial statements originally issued on 23 September 2020. The Group reissued its consolidated financial statements for reasons stated in Note 1 of the consolidated financial statements. Our opinion is not qualified in respect of this matter.

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.

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.


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


Izzatjon Otakuziyev
Auditor
Certificate of auditor No. 05680
dated 8 July 2020

Audit Organization "PricewaterhouseCoopers" LLC

Audit Organization "PricewaterhouseCoopers" LLC
Tashkent, Uzbekistan
12 January 2021

JSC "UZAUTO MOTORS"
Consolidated Statement of Financial Position

<i>In thousands of US Dollars</i>	Notes	31 December 2019	31 December 2018
ASSETS			
Non-current assets			
Property, plant and equipment	9	306,979	385,892
Intangible assets	10	71,462	87,965
Restricted deposits	12	31,419	12,669
Bank deposits	11	5,154	38,149
Loans issued		-	1,345
Other non-current assets		3,762	1,777
Total non-current assets		418,776	527,797
Current assets			
Cash and cash equivalents	16	45,724	26,162
Restricted cash	17	111,331	72,132
Bank deposits	11	45,208	-
Restricted deposits	12	-	290
Loans issued		4,593	6,260
Trade and other receivables	14	196,186	18,618
Advances paid to suppliers	15	52,635	23,292
Inventories	13	489,637	447,299
Total current assets		945,314	594,053
TOTAL ASSETS		1,364,090	1,121,850
EQUITY			
Share capital	18	266,667	266,667
Additional paid in capital	18	131,611	131,611
Other reserves	18	88,443	88,443
Accumulated deficit		(92,102)	(348,675)
Cumulative translation differences		(38,689)	(4,203)
TOTAL EQUITY		355,930	133,843
LIABILITIES			
Non-current liabilities			
Borrowings	19	-	18,345
Deferred income tax liability	27	32,034	51,264
Deferred income		-	4,694
Total non-current liabilities		32,034	74,303
Current liabilities			
Borrowings	19	11,681	218,897
Trade and other payables	20	445,540	467,596
Other taxes payables		17,169	7,063
Contract liabilities	21	500,411	219,631
Other liabilities		1,325	517
Total current liabilities		976,126	913,704
TOTAL LIABILITIES		1,008,160	988,007
TOTAL EQUITY AND LIABILITIES		1,364,090	1,121,850

Approved for issue and signed on 12 January 2021.

R.B. Rajabov
Acting General Director
Tashkent, Uzbekistan

K.J. Umurzakov
Chief Financial Officer
Tashkent, Uzbekistan

A.J. Yakubov
Chief Accountant
Tashkent, Uzbekistan

The accompanying notes on pages 5 to 42 are an integral part of these consolidated financial statements.

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

<i>In thousands of US Dollars</i>	Notes	2019	2018
Revenue from contracts with customers	22	2,798,926	2,155,530
Cost of sales	23	(2,291,686)	(1,872,674)
Gross profit		507,240	282,856
Administrative expenses	24	(94,526)	(103,160)
Selling expenses	25	(62,275)	(64,429)
Net impairment losses on financial assets		(7,799)	(4,136)
Other operating income		4,609	4,657
Operating profit		347,249	115,788
Finance income		8,832	5,172
Finance costs	26	(14,466)	(34,958)
Net foreign exchange loss		(49,820)	(6,559)
Profit before income tax		291,795	79,443
Income tax (expense) / credit	27	(35,222)	13,587
Profit for the year		256,573	93,030
Other comprehensive loss:			
Items that will not be reclassified to profit or loss:			
Exchange differences on translation to presentation currency		(34,486)	(4,203)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		222,087	88,827

The accompanying notes on pages 5 to 42 are an integral part of these consolidated financial statements.

JSC "UZAUTO MOTORS"
Consolidated Statement of Changes in Equity

	Share capital	Additional paid in capital	Other reserves	Cumulative translation differences	Accumulated deficit	Total
<i>In thousands of US Dollars</i>						
Balance at 1 January 2018	266,667	131,611	88,443	-	(441,705)	45,016
Profit for the year	-	-	-	-	93,030	93,030
Other comprehensive loss for the year	-	-	-	(4,203)	-	(4,203)
Balance at 31 December 2018	266,667	131,611	88,443	(4,203)	(348,675)	133,843
Profit for the year	-	-	-	-	256,573	256,573
Other comprehensive loss for the year	-	-	-	(34,486)	-	(34,486)
Balance at 31 December 2019	266,667	131,611	88,443	(38,689)	(92,102)	355,930

The accompanying notes on pages 5 to 42 are an integral part of these consolidated financial statements.

JSC "UZAUTO MOTORS"
Consolidated Statement of Cash Flows

<i>In thousands of US Dollars</i>	Notes	2019	2018
Cash flows from operating activities			
Profit before income tax		291,795	79,443
Adjustments for:			
Depreciation of property, plant and equipment	9	48,618	80,021
Amortisation of intangible assets	10	6,118	6,673
Losses from disposal of property, plant and equipment and intangibles		11,855	1,899
Allowances for bad and doubtful accounts		7,862	6,411
Recovery of allowances on doubtful accounts		(63)	(2,275)
Net foreign exchange loss		49,820	6,559
Finance income		(8,832)	(5,172)
Finance costs	26	14,466	34,958
Other non-cash operating income		(422)	(2,517)
Other non-cash operating costs		2,376	3,286
Operating cash flows before working capital changes		423,593	209,286
(Increase) / decrease in trade and other receivables		(182,114)	9,696
(Increase) / decrease in advances paid to suppliers		(29,343)	3,101
Increase in inventories		(58,595)	(173,320)
Investment in restricted deposits		(13,202)	(3,967)
Net movement in restricted cash		(45,177)	19,305
Increase in other non-current assets		(1,985)	(558)
(Decrease) / increase in trade and other payables		(66,186)	76,095
Increase in contract liabilities		280,780	56,763
Increase in taxes and related charges payable		10,106	3,428
Increase / (decrease) in other liabilities		815	(30,428)
Changes in working capital		318,692	169,401
Interest paid		(14,008)	(34,648)
Interest received		3,359	3,041
Income tax paid		(49,133)	-
Net cash from operating activities		258,910	137,794
Cash flows from investing activities			
Purchase of property, plant and equipment		(18,717)	(26,072)
Proceeds from sale of property, plant and equipment		1,748	3,619
Purchase of intangible assets		-	(1,032)
Loans issued		-	(4,337)
Repayment of loans issued		1,894	20,878
Bank deposits placements		(32,703)	(38,149)
Proceeds from bank deposits matures		20,490	-
Net cash used in investing activities		(27,288)	(45,093)
Cash flows from financing activities			
Proceeds from borrowings	19	-	1,576
Repayment of borrowings	19	(212,282)	(97,149)
Net cash used in financing activities		(212,282)	(95,573)
Effect of exchange rates on cash and cash equivalents		(1,085)	(2,935)
The effect of translation to presentation currency		1,307	2,453
Cash and cash equivalents at the beginning of the year		26,162	29,516
Cash and cash equivalents at the end of the year		45,724	26,162

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