



**Financial statements of  
RSLC “QURILISHMASHLIZING” JSC  
prepared in accordance with IFRS as  
of December 31, 2020**

**(WITH POSITIV AUDITOR’S CONCLUSION)**

*TASHKENT 2021*

**Content**

**THE INDEPENDENT AUDITOR'S**

**THE STATEMENT OF FINANCIAL POSITION**

**THE STATEMENT OF COMPREHENSIVE INCOME**

**THE REPORT ON MOVEMENT OF FUNDS**

**STATEMENT OF CHANGES IN EQUITY**

**Note to the financial statements for 2020**

|     |  |    |
|-----|--|----|
| 1.  | Information about the Company                                | 10 |
| 2.  | The main aspects of accounting policies                      | 11 |
| 3.  | Significant accounting judgments, estimates and assumptions. | 14 |
| 4.  | New and revised standards And Interpretations                | 14 |
| 5.  | Fixed assets   | 19 |
| 6.  | Financial assets   | 19 |
| 7.  | Financial liabilities  | 19 |
| 8.  | Receivables  | 20 |
| 9.  | Cash and cash equivalents                                    | 20 |
| 10. | Equity   | 20 |
| 11. | Loans and borrowings   | 20 |
| 12. | Accounts payable   | 23 |
| 13. | Tax liabilities  | 23 |
| 14. | Interest income  | 23 |
| 15. | Interest expenses  | 23 |
| 16. | Administrative and other expenses                            | 23 |
| 17. | Other income   | 25 |
| 18. | Finance income and expenses                                  | 26 |
| 19. | Tax expense  | 26 |
| 20. | Earning per share  | 26 |
| 21. | Financial risk management                                    | 26 |
| 22. | Market value of financial instruments                        | 27 |

Республика Узбекистан, г. Ташкент,  
ул. М. Юсуф, д.46/2,  
тел. 71 260-49-50, ф. 71 207-62-07.  
Р/с 20208000204050179001, В ЧЗАКБ  
«DAVR-BANK» Мирзо-Улугбекский ф-л, Код  
банка 01072, ИНН 203248237  
E-mail: [marikonaudit@mail.ru](mailto:marikonaudit@mail.ru)



Republic of Uzbekistan, Tashkent City,  
46/2 M.Usuf str.,  
tel.: 71 208-49-50, f. 71 207-62-07  
Current A/c 20208000204050179001  
in Mirzo- Ulugbek branch of «DAVR-BANK»,  
BIN 01072 Tax ID 203248237  
E-mail: [marikonaudit@mail.ru](mailto:marikonaudit@mail.ru)



№139/MCA  
26 May 2021

## An independent auditor's report with a positive opinion

**To: The management of JSC RSLC "QURILISHMASHLIZING"**

### **Opinion**

We conducted an audit of the financial statements of RSLC "QUARILISHMASHLIZING" JSC prepared in accordance with IFRS as of December 31, 2020, consisting of:

Financial statement for the year ended 31 December 2020  
Statement of total income for the year ended December 31, 2020  
Statement of Changes in Equity, for the year ended 31.12.2020  
Statement of cash flow for the year ended December 31, 2020  
as well as notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the attached financial statements provide a true and reliable picture of the financial position of RSLC "QUARILISHMASHLIZING" JSC as of December 31, 2020, as well as financial results, cash flow and changes in equity for the year ended as of that date, in accordance with the International Financial Reporting Standards (IFRS).

### **Basis for Expression of Opinion**

We conducted an audit in accordance with the International Auditing Standards (ISA). Our liability under these standards is further disclosed in the Auditor's Responsibility for Auditing Financial Statements section of our opinion. We believe that the audit evidence we have obtained is sufficient and appropriate to serve as a basis for expressing our opinion.

### **Declaration of independence**

We are independent of RSLC "QUARILISHMASHLIZING" JSC in accordance with the ethical requirements established by the Code of Ethics of Professional Accountants of the Council for International Standards of Ethics for Accountants applicable to our audit of financial statements in the Republic of Uzbekistan, as well as in accordance with the requirements of the Law "On Audit Activity" regarding the observance of the principle of independence, and we have fulfilled our other ethical obligations in accordance with these requirements.

### **Our Approach to Audit**

The main type of business of JSC RSLC "QURILISHMASHLIZING" is the rental and leasing of construction machinery and equipment for the construction of civilian facilities.

We paid special attention to issues related to the specifics of the operating activities of JSC RSLC "QURILISHMASHLIZING" in the service sector.

When planning the audit, we determined materiality and assessed the risks of material distortion of the financial statements. As in all our audits, we considered the risk of internal controls being circumvented by management, including, but not limited to, the assessment of management bias, which creates a risk of significant misrepresentation due to bad faith.

Our work as a whole included audit procedures for the entire audited period according to the results and at the end of 2020. We discussed various issues with the management of RSLK "QUARILISHMASHLIZING" JSC during the audit.

We have ensured the inclusion in the audit team of a certified securities and corporate management specialist, as well as an economist to analyze the implementation of economic indicators established by the Business Plan for 2020.

### ***Materiality***

We have used our professional judgment to determine materiality at the level of financial statements of JSC RSLC "QURILISHMASHLIZING". We have determined the materiality level in the amount of 6 699 334 thousand UZS, as 2.88% of the assets of the Statement of Financial Position of JSC RSLC "QURILISHMASHLIZING". We considered and determined the indicator of the amount of assets as sufficiently representative, since most of the assets are the amounts of long-term assets in the form of fixed assets and receivables, including debts in foreign currency, and taking into account the fact that a reliable estimate of the amounts of receivables significantly affects the financial condition.

The reliability of financial statements in all material respects refers to the degree of accuracy of financial statements, in which a qualified user of these statements is able to draw correct conclusions and make correct decisions on its basis. The materiality of information is its property, which makes it able to influence the decisions of a reasonable user of such information.

Level of materiality refers to the limit value of distortion of financial statements, starting from which a qualified user of these statements will no longer be able to draw correct conclusions on its basis and make correct decisions.

The procedures chosen depend on the auditor's judgment, including an assessment of the risks of material misstatements in the financial statements caused by fraud or error.

The audit also includes an assessment of the acceptability of the accounting policy used and the validity of the estimated estimates made by the entity's management, as well as an assessment of the overall presentation of financial statements.

The audit includes the implementation of procedures to identify non-compliance with the requirements of regulatory legal acts by management and personnel of the business entity, which have a significant impact on the financial results of activities and have led to significant distortions in financial statements.

### ***Audit Scope***

We carried out the audit work in the office of RSLK "QUARILISHMASHLIZING" JSC located in Tashkent. This work consisted of a complete audit of all significant amounts of transactions, and a complete audit of individual checkpoints. As a result, having carried out the above described volume of work, we achieved the following coverage of financial statements: 99% of revenue, 98% of assets, 89% of profit before tax, and on average for all financial statements - 91%.

#### **Key Audit Issue**

##### ***Recognition and valuation of service revenues***

The recognition and valuation of revenues from the sale of services were one of the most significant issues of our audit in connection with certain specifics of market mechanisms, which leads to dumping competition from other suppliers regarding the volume and cost of sale.

#### **How the relevant key matter was addressed in our audit**

We reviewed the applied accounting policy regarding the recognition of revenue from the sale of services, examined the system of internal control over the reflection of this revenue, checked the determination of the corresponding amounts of revenue on the basis of concluded leasing agreements, on a sample basis received

The amount of revenue from the sale of services in the total revenue is significant for the financial statements of the Company.

Revenue is recognized when, the Company is confident in its receipt.

confirmations of receivables balances from counterparties, conducted an analysis of the results of litigation in respect of disputed amounts of overdue debts, and an assessment of the current procedures for confirming buyer debts.

#### **Impairment of assets, credit and financial risks**

Due to the presence of signs of impairment of non-current and current assets as of December 31, 2020, the Company performed an impairment test. The value in use of assets in the form of property, plant and equipment and current financial assets, which represent a significant portion of the Company's assets, as at 31 December 2020 was determined using the projected cash flow method.

The issue of testing fixed assets, and financial assets for impairment was one of the most significant for our audit, since the balance of fixed assets and current financial assets constitute a significant part of all assets of the Company at the reporting date, and because the management assessment process of the value of use is complex, largely subjective and based on assumptions, in particular on the forecast of sales revenue, interest income and dividends, and operating costs that depend on expected future market or economic conditions in the Republic of Uzbekistan.

In the framework of our audit procedures, we, among other things, evaluated the assumptions and methodologies used by the Company, in particular those that relate to projected revenues from the sale of services, tariff solutions, operating and capital costs, long-term price growth rates and discount rates.

We have tested the inputs to the model and tested the arithmetic accuracy of the model used to determine the recoverable amount in the impairment test for property, plant and equipment and right-of-use assets.

We engaged internal valuers to review the model used to determine the recoverable amount in the impairment test for property, plant and equipment.

We also analyzed the sensitivity of the model to changes in key valuation indicators and the information disclosed by the Company about the assumptions on which the impairment testing results most depend..

#### **Impact of the COVID-19 epidemic on the activities of the Company**

Society analyzed the negative impact of the COVID-19 epidemic on the activities of society.

We analyzed the objectivity of the evaluation of the Company's results of the impact of the covid epidemic on the Company's activities in 2020..

#### **Other information included in the annual report**

Other information includes information contained in the annual report, but does not include financial statements and our audit opinion about it.

Management is responsible for other information.

Our opinion on the financial statements does not apply to other information, and we will not provide a conclusion expressing confidence in any form regarding this information.

In connection with our audit of the financial statements, it is our responsibility to review the above-mentioned other information when it is provided to us and to consider whether there are significant inconsistencies between other information and financial statements or our knowledge obtained during the audit, and whether other information contains other material distortions.

#### **Responsibility of management and persons responsible for corporate governance and financial reporting**

Management is responsible for the preparation and accurate submission of these financial statements in accordance with IFRS and for the internal control system that management considers necessary for the preparation of financial statements that do not contain material distortions due to bad faith or errors.

In preparing financial statements, management is responsible for assessing the ability of RSLC "QUARILISHMASHLIZING" JSC to continue its activities continuously, for disclosing business continuity-related information, as appropriate, and reporting on the basis of the business continuity assumption, unless management intends to liquidate RSLC "QUARILISHMASHLIZING" JSC, to terminate its activities or when it lacks any other real alternative other than liquidation or termination.

Persons responsible for corporate governance are responsible for overseeing the preparation of financial statements of RSLC "QUARILISHMASHLIZING" JSC.

### **Auditor's responsibility for auditing financial statements**

Our objective is to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report containing our opinion. Reasonable assurance is a high degree of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect material misstatements, if any. 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 financial statements.

As part of the audit conducted in accordance with the ISA, we apply professional judgment and maintain professional skepticism throughout the audit.

In addition, we do the following:

- We identify and assess the risks of material distortion of financial statements as a result of unfair actions or errors; Develop and implement audit procedures in response to these risks; Obtain audit evidence that is sufficient and appropriate to justify our opinion; the risk of non-detection of material distortion as a result of bad faith actions is higher than the risk of non-detection as a result of an error, since unscrupulous actions may include conspiracy, forgery, intentional skipping, distorted presentation of information or actions bypassing the internal control system;
- We receive an understanding of the internal control system relevant to audit in order to develop audit procedures, but not to express an opinion on the effectiveness of the internal control system of RSLK "QUARILISHMASHLIZING" JSC;
- Assess the appropriateness of accounting policies applied and the validity of accounting estimates and related disclosures prepared by management;
- we conclude on the appropriateness of management's use of the going concern assumption, and based on the audit evidence obtained, we conclude whether there is a material uncertainty in connection with events or conditions that may result in significant doubts about the ability of JSC RSLC QURILISHMASHLIZING to continue as a going concern its activities. If we conclude that there is significant uncertainty, we must draw attention in our audit opinion to the relevant disclosures in the financial statements or, if such disclosures are improper, modify our opinion. Our findings are based on audit evidence received prior to the date of our audit opinion. However, future events or conditions may cause RSLC "QUARILISHMASHLIZING" JSC to lose its ability or ability to continue its activities continuously;
- Assess the presentation of financial statements in general, their structure and content, including disclosure, and whether financial statements present underlying transactions and events in a way that ensures their accurate presentation;
- obtain sufficient appropriate audit evidence relating to the financial information of third-party entities or activities within RSLC "QUARILISHMASHLIZING" JSC to express an opinion on financial reporting. We are responsible for the management, control and auditing of RSLK "QUARILISHMASHLIZING" JSC. We remain fully responsible for our audit opinion.

We communicate information with corporate governance officials, bringing to their attention, among other things, information about the planned scope and timing of the audit, as well as significant audit observations, including significant deficiencies in the internal control system that we identify during the audit process.

We also provide corporate governance officials with a statement that we have complied with all relevant ethical independence requirements and have informed them of all relationships and other matters that may reasonably be considered to affect auditor independence and, where appropriate, of appropriate precautions.

Of the matters that we have brought to the attention of those charged with governance, we identify those that were most significant in the audit of the financial statements of the current period and are therefore key audit matters. We describe these matters in our auditor's report because we can reasonably expect that the negative consequences of communicating such information will outweigh the socially significant benefits of communicating it.

**Information about the audited entity**

Audit report is provided by RSLK "QURILISHMASHLIZING" JSC. Legal address: Tashkent, Mirzo-Ulugbeksky district, prospect. Mustakillik 105, settlement account: 20210000200393443005 to Alokabank Mirabad branch, bank code 01091, TIN 303059682, OKED 77320, tel. (71) 268-10-10, 268-08-40.

**Information about the audit organization "MARIKON-AUDIT"**

Legal address: Republic of Uzbekistan, Tashkent, M. Yusufa St. 46/2, settlement account: 2020 8000 2040 5017 9001 in M. Ulugbeksky office of JSB DAVR-BANK, the code of bank 01072, OKED 69202. The responsibility insurance policy of audit organization No. 0105/1308/21/002-1 of 07.04.2021, from INSON Insurance company, INN 203248237, ph. 71 208-49-50, f.71 208-09-76. Director of the audit organization: G.G. Makhmudova, Auditor Qualification Certificate No. 04404 was issued by the Ministry of Finance of the Republic of Kazakhstan in 12.09.2012, a certified accountant of the CAP.

The head of the assignment, based on the results of which this auditor's report has been issued, is Makhmudova G.G. (Auditor's certificate No. 04404 dated 12.09.2012 issued by the Ministry of Finance of the Republic of Uzbekistan). The auditor / director of the auditing organization "MARIKON-AUDIT" conducted a mandatory audit of the reliability of the financial statements of the economic entity JSC RSLC "QURILISHMASHLIZING" from 01.01.2020 to 31.12.2020, as of 31.12.2020 on the basis of agreement No. AO-2310 dated 10/23/2020.

Director/Auditor  
LLC «MARIKON-AUDIT»



Makhmudova G.G.



Tashkent, Republic of Uzbekistan

STATEMENT OF FINANCIAL POSITION AS OF 31/12/2020

Thousand UZS

| Indicator name                                    | 31.12.2020         | 31.12.2019         |
|---|--------------------|--------------------|
| <b>ASSETS</b>                                     |                    |                    |
| <b>Long-term assets</b>                           |                    |                    |
| Fixed assets at residual value                    | 6 558 641          | 5 496 859          |
| Deferred tax assets                               | 996 487            | 640 603            |
| <b>Total long-term assets</b>                     | <b>7 555 127</b>   | <b>6 137 462</b>   |
| <b>Current assets</b>                             |                    |                    |
| Cash and cash equivalents                         | 6 184 325          | 13 738 158         |
| Restricted Cash                                   | 300 227            | 4 940 775          |
| Financial lease receivables                       | 174 047 472        | 195 701 742        |
| Property purchased for leasing                    | 4 944 279          | 10 937 620         |
| Prepayment for taxes and other mandatory payments | 9 983 588          | 3 324 107          |
| Other receivables                                 | 29 621 997         | 3 682 342          |
| <b>Total short-term assets</b>                    | <b>225 081 889</b> | <b>232 324 744</b> |
| <b>Total assets</b>                               | <b>232 637 016</b> | <b>238 462 206</b> |
| <b>LIABILITIES</b>                                |                    |                    |
| <b>Capital</b>                                    |                    |                    |
| Share capital                                     | 17 000 000         | 17 000 000         |
| Added and Reserve Capital                         | 2 807 486          | 1 390 982          |
| Retained earnings                                 | 3 681 712          | 4 937 345          |
| <b>Total capital</b>                              | <b>23 489 198</b>  | <b>23 328 327</b>  |
| Long-term loans and borrowings                    | 98 897 012         | 125 381 562        |
| <b>Total long-term liabilities</b>                | <b>98 897 012</b>  | <b>125 381 562</b> |
| Accounts payable to suppliers                     | 15 271 854         | 22 937 438         |
| Taxes and other mandatory payments                | 99 077             | 245 046            |
| Advances from buyers                              | 58 407 564         | 6 440 878          |
| Bank loans  | 25 648 980         | 59 084 632         |
| Other liabilities                                 | 10 823 332         | 1 044 323          |
| <b>Total current liabilities</b>                  | <b>110 250 806</b> | <b>89 752 317</b>  |
| <b>TOTAL LIABILITY</b>                            | <b>232 637 016</b> | <b>238 462 206</b> |

Signed on behalf of the JSC RSLK“QURILISHMASHLIZING”

  
General Director

  
Chief accountant





INCOME STATEMENT FOR 2020

Thousand UZS

| Indicator name                                       | 31.12.2020       | 31.12.2019        |
|--|------------------|-------------------|
| Interest income                                      | 35 665 260       | 31 862 606        |
| Interest expense                                     | -26 210 054      | -14 954 801       |
| <b>Net interest income (loss)</b>                    | <b>9 455 205</b> | <b>16 907 805</b> |
| Net profit (loss) from foreign exchange transactions | -4 359 830       | -5 506 303        |
| Other income   | 1 650 046        | 1 210 954         |
| <b>Operating profit (loss)</b>                       | <b>6 745 421</b> | <b>12 612 456</b> |
| Administrative expenses                              | -3 032 407       | -2 808 754        |
| Operating expenses                                   | -2 221 303       | -5 726 904        |
| <b>Profit/Loss before tax</b>                        | <b>1 491 711</b> | <b>4 076 798</b>  |
| Income tax   | -77 880          | -447 050          |
| <b>Net profit/loss for the year</b>                  | <b>1 413 831</b> | <b>3 629 748</b>  |
| Other total income for the year                      |                  | 0                 |
| <b>Total total income (loss) for the year</b>        | <b>1 413 831</b> | <b>3 629 748</b>  |

Signed on behalf of the JSC RSLK «QURILISHMASHLIZING»

  
General Director

  
Chief accountant


STATEMENT OF CASH FLOW

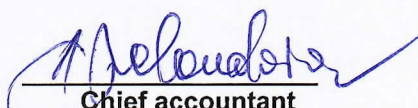
(indirect method)

Thousand UZS

| CASH FLOWS FROM OPERATING ACTIVITIES               | 31.12.2020         | 31.12.2019          |
|--|--------------------|---------------------|
| Net income before income tax                       | 1 491 711          | 4 076 798           |
| Amendments to:                                     |                    |                     |
| Depreciation of fixed assets                       | 313 113            | 558 217             |
| Other adjustments                                  | -18 745 350        | 24 430 516          |
| <b>Changes in working capital</b>                  |                    |                     |
| Increase (decrease) in accounts receivable         | -310 978           | -108 443 086        |
| Increase (decrease) in accounts payable            | 20 644 458         | -28 534 572         |
| Increase (decrease) in tax liabilities             | -145 969           | -3 750 404          |
| Operating income before changes in working capital |                    |                     |
| <b>Changes in working capital</b>                  | <b>3 246 986</b>   | <b>-111 662 531</b> |
| Interest payment                                   | -32 099            | -13 812 372         |
| Interest payment                                   | -340 305           | -529 444            |
| <b>Net cash flows from operating activities</b>    | <b>-372 404</b>    | <b>-14 341 816</b>  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>        |                    |                     |
| Acquisition of fixed assets (investments)          |                    | -10 637 746         |
| <b>Net cash used in investing activities</b>       | <b>0</b>           | <b>-10 637 746</b>  |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>        |                    |                     |
| Repurchase of own shares                           |                    |                     |
| Dividends paid and received                        | -2 762 830         | -1 437 350          |
| Obtaining / Repayment of loans                     | -7 665 584         | 120 361 833         |
| <b>Net cash flows from financing activities</b>    | <b>-10 428 415</b> | <b>118 924 483</b>  |
| <b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>     | <b>-7 553 833</b>  | <b>-17 717 610</b>  |
| Cash at beginning of year                          | 13 738 158         | 31 455 768          |
| Cash at end of year                                | <b>6 184 325</b>   | <b>13 738 158</b>   |

Signed on behalf of the JSC RSLK «QURILISHMASHLIZING»

  
 General Director

  
 Chief accountant



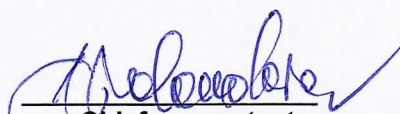
STATEMENT OF CHANGES IN EQUITY

Thousand UZS

|   | The authorized capital | Added and Reserve Capital | Retained earnings | Total capital |
|---|------------------------|---------------------------|-------------------|---------------|
| <b>Balance at 01 January 2019</b>       | 17 000 000             | 843 675                   | 3 367 323         | 21 210 998    |
| Issue of shares                         |                        |                           |                   | 0             |
| Payment of dividends                    |                        |                           | -1 512 419        | -1 512 419    |
| Transfers and other changes             |                        | 547 307                   | -547 307          | 0             |
| Net profit (loss) of the reporting year |                        |                           | 3 629 748         | 3 629 748     |
| <b>Balance at December 31, 2019</b>     | 17 000 000             | 1 390 982                 | 4 937 345         | 23 328 327    |
| <b>Opening Balance Adjustments</b>      |                        | 1 188 733                 | 500 765           | 1 689 497     |
| Issue of shares                         |                        |                           |                   | 0             |
| Payment of dividends                    |                        |                           | -2 762 830        | -2 762 830    |
| Transfers and other changes             |                        | 227 771                   | -407 398          | -179 627      |
| Net profit (loss) of the reporting year |                        |                           | 1 413 831         | 1 413 831     |
| <b>Balance at December 31, 2020</b>     | 17 000 000             | 2 807 486                 | 3 681 712         | 23 489 198    |

Signed on behalf of the JSC RSLK «QURILISHMASHLIZING»

  
General Director

  
Chief accountant



## NOTES TO THE FINANCIAL STATEMENTS

For December 31, 2020

### 1. Information about the Company

#### Organization and activities

JSC RSLC "QURILISHMASHLIZING" was created on the basis of the Resolution of the President of the Republic of Uzbekistan for number PP-2190 dated 06.06.2014. The Charter of JSC RSLK "QURILISHMASHLIZING" was registered by the Hokimiat of Shayhontakhursky District for No. 007814-09 of September 29, 2014. The authorized fund at the time of registration was 19,000,000.0 thousand sums. The company issued 19,000,000 ordinary shares with par values of 1,000 sum.

The last version of the charter, registered for 20.08.2020 years by the Center for State Services of the Mirzo-Ulugbek district of Tashkent, the authorized fund of the company amounted to 17 000 000,0 thousand sum.

The company issued 17,000,000 ordinary shares with a face value of 1 000 sum.

The founders of the company are:

- Agency for Management of State Assets of the Republic of Uzbekistan – 11 800 000,0 thousand sum – 69,41%;
- National Bank of Foreign Economic Activity RUZ – 1 500 000,0 thousand sum – 8,82%;
- National Holding Company "Uzbekneftegaz" – 1 500 000,0 thousand sum – 8,82%;
- Open Joint Stock Commercial Bank "Uzpromstroybank" – 1 106 367,0 thousand sum – 6,51%;
- State-owned joint-stock railway company "Uzbekistan Temir Yullari" – 700 000.0 thousand sum – 4,12%;
- LLC «UNIMPEX ALLIANC» - 393 633,0 thousand sum – 2,32%.

The main activity under OKED 77320 is:

- Renting and leasing of other machines, equipment and material resources.

The company received a certificate of state registration for the number 007814-09 of September 29, 2014, on the inclusion of an economic entity in the state register of enterprises and organizations with assignment of statistical reporting codes:

KOPF 1150 KFS 144 SOATO 1726277 OKPO 25284642 TIN 303059682.

VAT Payer Code 326020004018

For the audited period, the responsible managers for the financial and economic activities of JSC RSLC "QURILISHMASHLIZING" were:

with the right of first signature:

- Chairman of the Board - H. Abdurakhimov from September 17, 2014 to the present.
- Deputy Chairman of the Board – Turaev N.T. from 04/22/2019 to 10/12/2020.

with the right of second signature:

- Chief Accountant - Gaibullaev M.E. from 07/29/2019 to 11/13/2020.
- Kalandarov A.U. from 11/16/2020 to the present.

Conditions for carrying out economic activities in the Republic of Uzbekistan.

JSC RSLC "QURILISHMASHLIZING" operates in the Republic of Uzbekistan.

Business is influenced by the economy and financial markets of the Republic of Uzbekistan, which are characterized by the characteristics of the developing market. Legal, tax and regulatory systems continue to develop, but risk ambiguity in the interpretation of their requirements, which are also subject to frequent changes, which, together with other legal and fiscal barriers, create additional difficulties for enterprises doing business in the Republic of Uzbekistan.

The presented financial statements reflect the view of management on the impact of business conditions in the Republic of Uzbekistan on the activities and financial situation of the organization. The actual impact of future business conditions may differ from their management estimates.

Accounting and reporting is carried out in accordance with the legislation of the Republic of Uzbekistan.

#### Basis for preparation of financial statements

The company maintains accounting in Uzbek sums and draws up financial statements in accordance with local requirements and legislative acts.

#### Declaration of conformity.

These financial statements are prepared in accordance with the International Financial Reporting Standards (hereinafter IFRS). Below are the main points of the Company's accounting

policy applied in the preparation of financial statements. The financial statements submitted are prepared in accordance with those standards (IFRS) and their interpretations, which have been published and entered into force as of 31 December 2014 and 2015.

### Accounting principles

These financial statements are based on accrual cost.

## 2. THE MAIN ASPECTS OF ACCOUNTING POLICIES

### Foreign currency transactions

Transactions in foreign currency are transferred to the functional currency –the us dollar, at the exchange rate for 01 of the current month, established by the Central Bank of the Republic of Uzbekistan (Central Bank of Uzbekistan) for the month of introduction of accounting (registration of operations). Monetary assets and liabilities in foreign currency are transferred at the exchange rate set by the Central Bank of Uzbekistan at the end of the current month of financial reporting. Foreign exchange differences arising from foreign exchange transactions relate to the financial result as they arise.

### Fixed assets

Fixed asset objects are reported at actual cost less accumulated depreciation. The actual cost includes the purchase price, as well as any direct costs of purchasing and bringing fixed assets objects into working condition for use as intended. Subsequent costs associated with an asset are recognized as an asset only when they improve the condition of the object, increasing its performance in excess of the originally calculated standards. For example:

- Modification of the asset object, increasing its useful life, including increasing its capacity;
- Improvement of machine parts and assemblies to improve product quality;

All other expenses associated with maintaining the asset in working order relate to the financial result as they arise.

### Wear

Depreciation is calculated on a straight-line method based on the following useful lives of fixed assets: Depreciation is designed to write off assets over their useful life. Uniform method (straight line) depreciation is that depreciation is charged uniformly, in equal installments on the basis of amortized cost of fixed assets over the life of their use.

The annual amount of depreciation method under the uniform (straight line) depreciation is determined on the basis of initial (replacement) value of fixed assets minus liquidity value and useful life of the facility; Depreciation is calculated from month, following the month in which the assets are put into operation by using the following annual rates of wear:

|                                |     |
|--------------------------------|-----|
| Building and Construction      | 5%  |
| Furniture                      | 15% |
| Machinery and equipment        | 15% |
| Vehicles (cars)                | 20% |
| Computer hardware and software | 20% |
| Other fixed assets             | 10% |

### Impairment of non-financial assets

At each key date, the Enterprise determines whether there are signs of possible impairment of the asset. The company estimates the recoverable value of the asset. The recoverable value of an asset is the largest of the following values: the fair value of an asset or unit generating cash flows (GCF), minus the cost of sale and value from the use of the asset (GCF). If the book value of an asset exceeds its recoverable value, the asset is considered impaired and written off to the recoverable

value. In assessing the value of use, future cash flows are discounted at the pre-tax discount rate, which reflects the current market estimate of the temporary value of money and the risks inherent in the asset. When determining fair value less sales costs, the relevant valuation methodology is applied. Impairment losses are recognized in the Statement of Total Income in those expense categories that correspond to the impairment function of the asset except for previously revalued real estate objects when revaluation was recognized in the capital. In this case, the impairment loss is also recognized in the capital within the amount of the revaluation previously performed.

At each reporting date, the Enterprise determines whether there are signs that the previously recognized impairment losses of the asset, with the exception of goodwill, no longer exist or have decreased. If there is such a characteristic, the reimbursable amount is calculated. Previously recognized impairment losses are only recovered if there has been a change in the valuation used to determine the recoverable amount of the asset since the last recognition of the impairment loss. In this case, the carrying amount of the asset is raised to its reimbursable amount.

### **Inventory**

Inventory is valued at lower of two following values – at a cost or net realizable value. Net realizable value is estimated sale proceed less any costs of sale and any possible expenses of finishing production. Cost of inventory includes purchase price, and direct costs associated with bringing the inventory to its present location and condition. Valuation of inventory and recognition of its cost to production is implemented using first in first out (FIFO) method.

### **Financial assets**

Financial assets of the Company include cash resources and short term deposits, trade and other receivables, loans given and others.

### **Loans and receivables**

Loans and receivables are derivative financial assets with fixed and probable repayments which are quoted in the market. After initial valuation such financial assets are carried at amortized cost using effective interest rate excluding impairment.

### **Cash resources and equivalents**

Cash resources and equivalents include cash balances in the bank accounts and cash in hand, also, deposits made which are expected to recovered in less than three months. Cash and cash equivalents are carried at amortized cost calculated using effective interest rate.

### ***Impairment of financial assets***

At every reporting date the Company estimates the existence of signs of impairment of financial assets and groups of financial assets. Financial assets and groups of financial assets are considered as impaired only when there is objective evidence of impairment as a result of one or more events occurred after the initial recognition of the assets, which affects the reasonable valuation of expected future cash flows from financial assets or group of financial assets.

### **Financial Liabilities**

Financial liabilities of the Company include trade and other payables, loans and borrowings.

### **Loans and borrowings**

Loans and borrowings initially recognized at fair value. Afterwards loans are carried at amortized cost using effective interest rate. Any differences between actual value and the value determined using effective interest rate are recognized as a profit or loss in the statement of comprehensive income. Expenses of loans and borrowings (interest and other expenses) taken to finance construction are capitalized during the period of construction. Capitalization will stop after the construction object is

ready for exploitation. All other finance costs except for differences mentioned above, are considered expenses of that period.

#### ***Trade and other payables***

Trade payables exist when counterparties fulfil their contractual obligation. Initially, trade payables are carried at nominal cost. Afterwards, are carried at amortized cost using effective interest rate.

#### ***Remunerations of employees***

Remunerations of employees include payment like salary, annual holiday pays, sick payments, bonuses and others which is related to the services provided by the employees of the Company. The Company pays National Social Security payments for its employees. These payments are expenses as incurred.

#### ***Taxation***

##### ***Corporate Income tax***

Income tax is calculated in accordance with the provisions of the Republic of Uzbekistan on the basis of the results presented in the report on the results of financial and economic activities of the Company prepared in accordance with Uzbek accounting standards ("NSA"), after adjustments for tax purposes.

##### ***Value Added Tax (VAT)***

VAT in relation to services provided is payable to tax authorities when those services are actually provided. The tax legislation of Uzbekistan allows VAT offsetting. VAT payable shown in the statements of financial position is the difference between accrued and paid tax expenses. VAT offsetting is performed on the basis of supporting documents (invoice).

#### ***Reserves***

The reserves are made if the Company has a current liability as a result of past event and it is probable that this liability requires future cash outflow and the amount of liability can be reasonably estimated.

The expenses related to the reserves are shown in the statement of profit or loss excluding the amount of recovery.

#### ***Sales Revenue***

Sales revenue from services provided is recognized in the statement of profit or loss of the Company at the moment of actually providing the services. In case if there is significant doubt in relation to the payment for the services and related costs, sales revenue is not recognized.

#### ***Expenses***

##### ***Costs of services***

The cost of services includes accrued expenses. Actual production cost of services provided includes the cost of resources which are used for providing the services – inventory, depreciation, remuneration of production employees and other expenses that are directly related to providing these services.

##### ***Operating expenses***

Expenses not related to providing services are recognized in the "Operating expenses account as incurred.

## Finance costs

Finance costs include interests accrued on loans and other borrowings. Interest expenses and other financing expenses incurred as a result of financing are expensed as incurred except for the finance costs of loans received for the purpose of construction which are capitalized to the cost of construction.

### 3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

#### Estimated liabilities

Estimated liability should be recognized when the Company has a valid obligation (legal or imputed) as a result of events of previous periods, a retirement of resources is required to settle the obligations, the amount of the obligation can be reliably estimated.

#### Terms of economic activity in Uzbekistan

The financial condition of the Enterprise and the results of its operating activities depend on political and economic transformations in Uzbekistan, including changes in current legislation and tax regulations and having a significant impact on the country's economy. The management of the Enterprise believes that the existing difficulties of a developing economy related to the activities of the Enterprise are not significantly different from the difficulties faced by other enterprises operating in Uzbekistan. Enterprise management is unable to predict the degree and duration of economic difficulties, as well as determine the extent of their influence, if any, on these financial statements.

#### The principle of "Going concern principle"

These financial statements have been prepared on a going concern basis, which involves the sale of assets and the settlement of liabilities in the ordinary course of business. The recovery of the assets of the Company, as well as the future operations of the Company, may be significantly affected by the current and future economic environment. The accompanying financial statements do not include adjustments that would have to be made if the entity were not in a going concern basis.

#### Useful lives and residual value of fixed assets

Fixed assets are used during the entire period, until fixed assets will bring economic conclusions of the Enterprise. The liquidation value of fixed assets is zero, since The company expects to use fixed assets to its full depreciation. The useful lives and the liquidation value of fixed assets are considered at the end of each financial year.

### 4. NEW AND REVISED STANDARDS AND INTERPRETATIONS

#### New and revised Standards and Interpretations, mandatory for accounting periods ended in 2020 year.

Below, there are new and revised International Financial Reporting Standards and interpretations which are compulsory for compliance when preparing financial statements for accounting period from 1 January, 2014 If necessary, revised Standards and Interpretations taken into account in the preparation of the financial statements, but their adoption has not had any material effect on the financial statements, but may have an impact on the financial statements of future periods.:

- *IFRS 13 Fair Value Measurement*

The Company has applied IFRS 13 for the first time in the current year. IFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The scope of IFRS 13 is broad; the fair value measurement requirements of IFRS 13 apply to both financial instrument items and non-financial instrument items for which other IFRSs require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of IFRS 2 Share-based Payment, leasing transactions that are within the scope of IAS 17 Leases, and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).



IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under IFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, IFRS 13 includes extensive disclosure requirements.

IFRS 13 requires prospective application from 1 January 2013. Transitional provisions of IFRS 13 make it possible not to apply the standard to comparative information for periods prior to the application. Accordingly, the Panel did not make comparative disclosures for IFRS 13 for 2014 year. In addition to additional disclosures, adoption of IFRS 13 did not significantly impact on the amounts reported.

#### Amendments to IAS 1 Presentation of Items of Other Comprehensive Income

The Company has applied the amendments to IAS 1 Presentation of Items of Other Comprehensive Income for the first time in the current year. The amendments introduce new terminology, whose use is not mandatory, for the statement of comprehensive income and income statement. Under the amendments to IAS 1, the 'statement of comprehensive income' is renamed as the 'statement of profit or loss and other comprehensive income' [and the 'income statement' is renamed as the 'statement of profit or loss']. The amendments to IAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements.

However, the amendments to IAS 1 require items of other comprehensive income to be grouped into two categories in the other comprehensive income section: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Corporate Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to IAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income

- *Amendments to IFRS 1 Government Loans*

The amendments provide relief to first-time adopters of IFRSs by amending IFRS 1 to allow prospective application of IAS 39 or IFRS 9 and paragraph 10A of IAS 20 Accounting for Government Grants and Disclosure of Government Assistance to government loans outstanding at the date of transition to IFRSs.

- *Amendments to IFRS 7 Disclosures—Offsetting Financial Assets and Financial Liabilities*

IAS 32 Financial Instruments: Presentation requires offsetting of financial assets and financial liabilities when certain criteria are met.

The amendments to IFRS 7 require entities to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement.

The disclosures should be provided retrospectively for all comparative periods.

- *IAS 19 Employee Benefits (as revised in 2013)*

IAS 19 (as revised in 2013) changes the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit

obligations and in the fair value of plan assets when they occur, and hence eliminate the 'corridor approach' permitted under the previous version of IAS 19 and accelerate the recognition of past service costs. The amendments require all actuarial gains and losses to be recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the statement of financial position to reflect the full value of the plan deficit or surplus.

Another significant change to IAS 19 relates to the presentation of changes in defined benefit obligations and plan assets with changes being split into three components:

Service cost: recognised in profit or loss and includes current and past service cost as well as gains or losses on settlements.

Net interest: recognised in profit or loss and calculated by applying the discount rate at the beginning of each reporting period to the net defined benefit liability or asset at the beginning of that reporting period, taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.

Remeasurement: recognised in other comprehensive income and comprises actuarial gains and losses on the defined benefit obligation, the excess of the actual return on plan assets over the change in plan assets due to the passage of time, and the changes, if any, due to the impact of the asset ceiling.

As a result, the profit or loss will no longer include an expected return on plan assets; instead, imputed finance income is calculated on the plan assets and is recognised as part of the net interest cost in profit or loss. Any actual return above or below the imputed finance income on plan assets is recognised as part of remeasurement in other comprehensive income.

IAS 19 (as revised in 2013) requires retrospective application with certain exceptions.

New international standards come into force almost every year. At the same time, since 2015, no new IFRS is enacted (with the exception of those put into effect already in 2014), but the early application of several documents is allowed, the effective date of which relates to later periods. Consider the main IFRS and amendments to them that can be applied early from January 1, 2015.

#### *IFRS 15 "PROFIT ON CLIENT AGREEMENTS"*

In May 2014, one of the most significant events in the field of financial reporting occurred, namely, a common standard was adopted for IFRS and US GAAP IFRS 15 "Revenue from contracts with customers".

The key point of the standard determines the amount of revenue in the amount of the expected payment for the goods transferred or the service rendered. Previously, IAS 18 "Revenue" estimated revenue at the fair value of the consideration. According to him, for example, revenue from donated assets under a service contract (set-top box for a contract for access to digital television or a mobile phone for a contract for cellular communication) was not recognized at all, and the cost of the asset was recognized as connection costs. With the introduction of the standard, the revenue from the service contract will be divided into two components: the revenue from the sale of the asset (determined at fair value) and the actual revenue from the provision of services, which will be recognized at a rate less than that stipulated in the contract, just by the amount of the selected component.

The greatest impact of the new IFRS 15 will have on the reporting of companies whose activities are in the field of construction, telecommunications and IT.

The standard contains a five-step model that analyzes all contracts with customers:

1. identification of the contract (s) with the client;
2. identification of obligations under the contract;
3. determination of the transaction price;
4. the distribution of the transaction price between the obligations under the contract;
5. recognition of revenue in the performance of obligations (simultaneously or over time).

The standard significantly changes the requirements for the presentation and disclosure of information about revenue.

The standard significantly changes the requirements for the presentation and disclosure of information about revenue.

In addition, the standard defines the accounting for costs directly related to the receipt and performance of the contract, including the circumstances in which such costs should be capitalized. Accordingly, expenses that do not meet the criteria for capitalization should be recognized at the time of occurrence.

The standard clarifies such concepts as contract asset (contract asset) and contractual liability (contract liability), changes / additions to contracts (contract modifications), and also contains a long-awaited guide to multi-component transactions with clients (multiple-element arrangements).

IFRS 15 replaces IAS 18 "Revenue", IFRS (IAS) 11 "Construction Contracts" and Clarifications (IFRIC) 13 "Customer Loyalty Programs", IFRIC 15 "Agreements for the Construction of Real Estate Objects", IFRS (IFRIC) 18 "Transfer of assets from customers", CRP (SIC) 31 "Revenue - barter transactions, including advertising services."

The standard applies to all contracts with customers, except interest and dividend income, as well as those falling within the scope of IFRS (IAS) 17 "Leases", IFRS (IFRS) 9 "Financial Instruments", IFRS (IFRS) 10 "Consolidated Financial Statements", IFRS 11 Joint Activity, IAS 27 Separate Financial Statements and IAS 28 Investments in Associates and Joint Ventures, IFRS 4 Insurance Contracts. The recognition and valuation of the transfer of assets outside the ordinary course of business (the sale of fixed assets, investment property or intangible assets) must also meet certain requirements of the new model.

The standard is effective for reporting periods beginning on or after January 1, 2017. Early application permitted. Enterprises may apply the standard retrospectively or use modified transition rules.

#### *IFRS 9 "FINANCIAL INSTRUMENTS" IN THE FINAL EDITION*

IFRS 9 was formed and put into effect in stages. Back in 2009 2010, a new classification and valuation requirements for financial assets and liabilities were issued, in 2013, an improved model for accounting for hedging operations, and in 2014, a new model of financial instrument depreciation based on expected losses, which completed the final version of the standard.

IFRS 9 changes the classification and measurement of financial assets. The classification of financial assets is now dependent on the risk management business model used in the company and the cash flow characteristics stipulated in the contract. Valuation is possible at amortized cost, fair value, and the standard introduces a new category of valuation - fair value through other comprehensive income (SESSA). Accounting of the FIDC is allowed for existing financial assets within the business model, the objectives of which are achieved through both receipt of contractual cash flows and sale of financial assets.

The standard states that when selling financial assets for reasons unrelated to a deterioration in the quality of a loan, an assessment should be made of how well the cash flows received from the sale of the asset correspond to the cash flows originally expected from holding the asset.

Since the classification of financial assets depends, among other things, on the characteristics of the cash flows under the contract, the standard gives instructions on the classification of financial assets when modifying the time value of money, in particular, when the interest rate is updated monthly to an annual level. If the discounted cash flows are significantly different from the expected test for owning a debt asset in order to receive cash flows, it is considered not performed, and therefore, debt financial assets should be measured at fair value. The new edition of the standard changes the approach to estimating premature payment of a financial asset. Previously, prepay was considered indicative of noncompliance with the cash flow test. Now, an assessment is required of how much the prepayment amount corresponds to the unpaid amounts of principal and interest on the outstanding principal amount (which may include additional compensation for early termination of the contract), as well as an assessment of the events that will take place at the time the option is exercised. The new impairment model based on expected loan losses will be applied to debt instruments measured at amortized cost or FIDC, lease receivables, contractual assets and certain written loan commitments and financial guarantee contracts.

Provision for potential losses is created in respect of expected losses, either for 12 months or for the entire term of the debt financial instrument. For acquired or created financial assets on impaired loans (for example, bad debts), a different approach is used. The introduction of an impairment assessment on the expected loss model is accompanied by increased disclosure requirements in IFRS 7 Financial Instruments: Disclosure, primarily to provide the user with information about the effect of credit risk on the amount, duration and uncertainty of future cash flows.

IFRS 9 applies to annual periods beginning on or after January 1, 2018, with the possibility of early application, and should be applied retrospectively, with certain exceptions.

#### *AMENDMENTS TO IAS 16 AND IAS 38 FOR AMORTIZATION*

After amending IAS 16 "Fixed assets", the use of the depreciation method based on revenue on fixed assets is prohibited, as the method reflects the nature of the economic benefits generated by the asset, and not the consumption of future economic benefits from this asset.

Similar logic is appropriate for IAS 38 Intangible Assets, revenue cannot be a good basis for depreciating an intangible asset, except in two cases: when an intangible asset is expressed as a measure of revenue, and when revenue and consumption of economic benefits from the use of an intangible asset are closely interconnected. In both standards, amendments are made to the effect that the expected future decline in the sale price of a product derived from an asset may indicate a reduction in the future economic benefits associated with the asset. The amendments apply to annual periods starting no earlier than January 1, 2016, are applied prospectively and allow for early application.

#### *AMENDMENTS TO IFRS (IAS) 41 AND IFRS (IAS) 16 REGARDING BIOLOGICAL ASSETS*

From now on, biological assets that meet the definition of a fruiting plant should be recorded as property, plant and equipment in accordance with IAS 16 and evaluated at acquisition cost or at revalued cost (for details, see "Amendments to IAS 41 Agriculture": which biological assets will become major assets", No. 9, 2014). Fruiting plants are living, fruiting more than one period of plants used in the production or supply of agricultural products, the likelihood of the sale of which as agricultural products is small (except for sales as waste). In order to reduce costs when switching to new accounting rules, it is allowed to use fair value as a conditional initial cost for fruit-bearing plants. Agricultural products derived from fruit bearing plants are still accounted for in accordance with IAS 41, and government subsidies related to fruit bearing plants are accounted for in IAS 20 Accounting for Government Subsidies and Disclosure of State Assistance. The amendments apply to annual periods starting no earlier than January 1, 2016, are applied retrospectively and allow for early application.

#### *IFRS 14 "REGULATED POSTPONED ACCOUNTS"*

In February 2014, IFRS 14 Regulatory Deferral Accounts was issued - an interim standard applied until the long-term project "Regulated Tariff Activities" is implemented. This standard establishes the procedure for accounting for balances on deferred accounts of tariff regulation. The standard applies only to organizations that apply for the first time IFRS standards and previously recognized balances on deferred tariff regulation accounts in accordance with the National Accounting Standards.

IAS 14 allows these organizations applying IFRS for the first time to maintain their previously applied accounting policies in the NSBU related to regulated tariffs, with certain changes. The point is that it is necessary to separately reflect the balances on deferred tariff regulation accounts in the statement of financial position, as well as the movement on such accounts in the statement of profit and loss and other comprehensive income.

Part of the disclosure establishes a requirement for disclosure of information on the nature of tariff regulation, as a result of which deferred accounts were recognized, as well as on risks associated with tariff regulation. IAS 14 applies to the organization's first annual reporting in accordance with IFRS for periods beginning January 1, 2016 and later, with the possibility of early application.

## 5. Fixed assets

thousand UZS

| INDICATORS                           | Building, construction | Machinery and equipment | Furniture and office supplies | Computer equipment | Transport vehicles | Other fixed assets | Total   |
|--------------------------------------|------------------------|-------------------------|-------------------------------|--------------------|--------------------|--------------------|---------|
| Initial or revalued cost             |                        |                         |                               |                    |                    |                    |         |
| Balance at 01.01.2020                | 6350000                | 317758                  | 223895                        | 317443             | 678213             | 150251             | 8037560 |
| Additions                            |                        |                         |                               |                    |                    |                    | 0       |
| Disposals                            |                        |                         |                               |                    | 383149             |                    | 383149  |
| Balance at 31.12.2020                | 6350000                | 317758                  | 223895                        | 317443             | 295064             | 150251             | 7654411 |
| Accumulated wear                     |                        |                         |                               |                    |                    |                    |         |
| Balance at 01.01.2020                | 307975                 | 38660                   | 127099                        | 201292             | 129352             | 46825              | 851203  |
| Accrued depreciation for the year    | 127000                 | 19066                   | 33584                         | 46238              | 64688              | 22538              | 313113  |
| Disposals                            |                        |                         | 0                             | 0                  | 68546              | 0                  | 68546   |
| Balance at 31.12.2020                | 434975                 | 57725                   | 160684                        | 247530             | 125494             | 69362              | 1095770 |
| Residual value at 31 December 2020   | 5915025                | 260033                  | 63211                         | 69913              | 169570             | 80888              | 6558641 |
| Residual value as of January 1, 2020 | 6042025                | 279099                  | 96795                         | 116151             | 548861             | 103426             | 7186356 |

## Depreciation

Depreciation accrued during the service life or the reporting period is included in the expenses of the period.

## 6. Financial assets

thousand UZS

| INDICATORS                  | 31.12.2020       | 31.12.2020         | 31.12.2019        | 31.12.2019         |
|-----------------------------|------------------|--------------------|-------------------|--------------------|
|                             | Level 1          | Level 3            | Level 1           | Level 3            |
| Cash and cash equivalents   | 6 184 325        |                    | 13 738 158        |                    |
| Restricted Cash             | 300 227          |                    | 4 940 775         |                    |
| Financial lease receivables |                  | 174 047 472        |                   | 195 701 742        |
| <b>Total</b>                | <b>6 484 553</b> | <b>174 047 472</b> | <b>18 678 933</b> | <b>195 701 742</b> |

## 7. Financial liabilities

thousand UZS

| INDICATORS                       | 31.12.2020 | 31.12.2020         | 31.12.2019 | 31.12.2019         |
|----------------------------------|------------|--------------------|------------|--------------------|
|                                  | Level 1    | Level 3            | Level 1    | Level 3            |
| Trade and other accounts payable | -          | 124 545 992        | -          | 184 466 194        |
| Loans                            | -          | 26 194 263         | -          | 24 226 807         |
| <b>Total</b>                     | <b>-</b>   | <b>150 740 255</b> | <b>-</b>   | <b>208 693 001</b> |

## 8. Receivables

| INDICATORS  | thousand UZS          |                       |
|---|-----------------------|-----------------------|
|   | 31.12.2020            | 31.12.2019            |
| Financial lease receivables                       | 174 047 472,40        | 195 701 742,00        |
| Property acquired for leasing                     | 4 944 278,81          | 10 937 620,00         |
| Prepayment for taxes and other mandatory payments | 9 983 588,36          | 3 324 107,00          |
| Other receivables                                 | 29 621 996,84         | 3 682 342,00          |
| <b>Total</b>                                      | <b>218 597 336,41</b> | <b>213 645 811,00</b> |

## 9. Cash and cash equivalents

To conduct financial and economic activities of the company were opened settlement, currency and other accounts in the OAT "Aloka Bank" Mirabad filial, National Bank for foreign economic Affairs Rep. of UZB. Yashnabad filial, and a Deposit account in the OAIT "Ipoteka Bank" Chilanzar filial Tashkent.

| Name<br>bank accounts   | 31.12.2020r. | 31.12.2019r |
|---|--------------|-------------|
| Settlement account (Aloka Bank)   | -            | 726 143,5   |
| Secondary Account (Davr Bank)   | -            | -           |
| Main account ( National Bank for foreign economic Affairs Rep. of UZB ) | 170 527,5    | 6 908 714,8 |
| Currency Credit Account (Dollar)  | -            | 9 379,98    |
| thousand UZS  | -            | 89 180,7    |
| Currency account (Dollar)   | -            | 87,72       |
| thousand UZS  | -            | 834,0       |
| Currency account (EURO)   | 237,26       | 237,26      |
| thousand UZS  | 3 033,6      | 2 520,8     |
| Letter of credit (Dollar)   | -            | 519 667,99  |
| thousand UZS  | -            | 4 940 774,6 |
| VISA card (Dollar)  | 549,49       | 549,49      |
| thousand UZS  | 5 757,0      | 5 224,3     |
| Deposit account (Davr Bank)   | 267 286,3    | -           |
| Corpor. plastic. cards  | 23 334,9     | 5 540,3     |
| Amount reservations for conversion                                      | 14 613,3     | -           |

## 10. EQUITY

### Authorized capital

The last version of the charter, registered for 20.08.2020 years by the Center for State Services of the Mirzo-Ulugbek district of Tashkent, the authorized fund of the company amounted to 17 000 000,0 thousand sum.

The company issued 17,000,000 ordinary shares with a face value of 1 000 sum.

The founders of the company are:

- Agency for Management of State Assets of the Republic of Uzbekistan – 11 800 000,0 thousand sum – 69,41%;
- National Bank of Foreign Economic Activity RUz – 1 500 000,0 thousand sum – 8,82%;
- National Holding Company "Uzbekneftegaz" – 1 500 000,0 thousand sum – 8,82%;
- Open Joint Stock Commercial Bank "Uzpromstroybank" – 1 106 367,0 thousand sum – 6,51%;
- State-owned joint-stock railway company "Uzbekistan Temir Yullari " – 700 000.0 thousand sum – 4,12%;
- LLC «UNIMPEX ALLIANC» - 393 633,0 thousand sum – 2,32%.

For the period 2020 there were no changes to the Charter Fund of the enterprise.

## 11. Loans

For the period of 2020, the company had twenty loan agreements:

- Agreement No. 14 of 14.03.2017 with AK Aloka Bank Mirabadsky f-l in the amount of – 2 700 000,0 thousand sum, for a period of 36 months at 15% per annum. Credit is targeted for acquisition of leasing facilities. Accounts payable for 01.01.2020 year under this loan amounted to – 245 454,5

thousand sum. For the period 2020 year, the principal debt was repaid, according to the schedule, in the amount of – 245 454,5 thousand sum. The balance of debt on principal debt for 31.12.2020 year is - 0;

- Agreement No. 2 of 24.01.2018 with AK Aloka Bank Mirabadsy f-l in the amount of 2 800 000,0 thousand sum, for a period of 36 months at 20.5% per annum on the balance of debt. The loan is targeted for the acquisition of leasing facilities. Accounts payable for 01.01.2020 year under this loan amounted to – 1 213 333,3 thousand sum. For the period of 2020, the principal debt was repaid, according to the schedule, in the amount of 956 666.7 thousand sum. The balance of debt on the main debt for 31.12.2020 year is – 256 666, 6 thousand sum;

- Agreement No. 37 of 27.05.2019 of AK Aloka Bank Mirabadsy f-l in the amount of – 3 250 000,0 thousand sum at 24% per annum. The loan is targeted for the acquisition of leasing facilities. Accounts payable for 01.01.2020 year under this loan amounted to – 2 856 060,6 thousand sum. For the period 2020 year, the principal debt was repaid in the amount of – 679 545,5 thousand sum. The balance of debt on the main debt for 31.12.2020 year is – 2 176 515,1 thousand sum.

- Agreement No. 38 of 27.05.2019 with AK Aloka Bank Mirabadsy f-l in the amount of – 3 250 000,0 thousand sum, for a period of 36 months at 24% per annum. The loan is targeted for the acquisition of leasing facilities. Accounts payable for 01.01.2020 year under this loan amounted to – 2 856 060,6 thousand sum. For the period 2020 year, the principal debt was repaid in the amount of – 679 545,5 thousand sum. The balance of debt on the main debt for 31.12.2020 year is – 2 176 515,1 thousand sum.

- Agreement No. 42 of 12.05.2017 with AK Aloka Bank Mirabadsy f-l in the amount of 2 800 000.0 thousand sum, for a period of 36 months at 15% per annum. The loan is targeted for the acquisition of leasing facilities. Accounts payable for 01.01.2020 year under this loan amounted to – 424 242,4 thousand sum. For the period 2020 year, the principal debt was repaid in the amount of – 424 242,4 thousand sum. The balance of debt on the main debt for 31.12.2020 year is - 0.

- Agreement No. 75 of 26.07.2017 with AK Aloka Bank Mirabadsy f-l in the amount of 2 800 000,0 thousand sum, for a period of 36 months at 15% per annum. The loan is targeted for the acquisition of leasing facilities. Accounts payable for 01.01.2020 year under this loan amounted to – 593 939,4 thousand sum. For the period 2020 year, the principal debt was repaid in the amount of – 593 939,4 thousand sum. The balance of debt on the main debt for 31.12.2020 year is - 0.

- Agreement No. 75 of 26.07.2017 with AK Aloka Bank Mirabadsy f-l in the amount of 2 800 000.0 thousand sum, for a period of 36 months at 15% per annum. The loan is targeted for the acquisition of leasing facilities. Accounts payable for 01.01.2020 year under this loan amounted to - 593,939,4 thousand sum. For the period 2020 year, the principal debt was repaid in the amount of - 593,939,4 thousand sum. The balance of debt on the main debt for 31.12.2020 year is - 0.

- Agreement No. 48 of 28.06.2019 with AK Aloka Bank Mirabadsy f-l in the amount of – 3 250 000,0 thousand sum, for a period of 36 months at 24% per annum. The loan is targeted for the acquisition of leasing facilities. Accounts payable for 01.01.2020 year under this loan amounted to – 2 954 545,5 thousand sum. For the period 2020, the principal debt was repaid in the amount of 590 909.1 thousand sum. The balance of debt on the main debt for 31.12.2020 year is – 2 363 636,4 thousand sum.

- Agreement No. 62 of 07.08.2019 with AK Aloka Bank Mirabadsy f-l in the amount of – 3 100 000,0 thousand sum, for a period of 36 months at 24% per annum. The loan is targeted for the acquisition of leasing facilities. Accounts payable for 01.01.2020 year under this loan amounted to – 3 006 060,6 thousand sum. For the period of 2020, the principal debt was repaid in the amount of 555 467.7 thousand sum. The balance of debt on the main debt for 31.12.2020 year is – 2 450 592,9 thousand sum.

- Agreement No. 74 of 22.11.2019 with AK Aloka Bank Mirabadsy f-l in the amount of – 3 167 540,0 thousand sum, for a period of 36 months at 24% per annum. The loan is targeted for the acquisition of leasing facilities. Accounts payable for 01.01.2020 year under this loan amounted to – 3 167 540,0 thousand sum. For the period 2020 year, the principal debt was repaid in the amount of - 365,485,4 thousand sum. The balance of debt on the main debt for 31.12.2020 year is – 2 802 054,6 thousand sum.

- Agreement No. 49 of 28.06.2019 with AK Aloka Bank Mirabadsy f-l in the amount of – 3 175 000,0 thousand sum, for a period of 12 months at 24% per annum. The loan is earmarked to pay the rest of the cost of the building. Accounts payable for 01.01.2020 year under this loan amounted to – 1 587 500,0 thousand sum. For the period 2020 year, the principal debt was repaid in the amount of – 1 587 500,0 thousand sum. The balance of debt on the main debt for 31.12.2020 year is - 0.

- Agreement No. 10/2020/K dated 23.01.2020 year with the OPERA CHAKB "Davr Bank," in the amount of - 2 500 000,0 thousand sum, for a period of 36 months at 24% per annum. The loan is targeted for the acquisition of leasing facilities. For the period 2020, den were received. funds in the

amount of 2 500 000,0 thousand sum, principal debt was repaid in the amount of 75 757.6 thousand sum. The balance of debt on the main debt for 31.12.2020 year is – 2 424 242,4 thousand sum;

- Agreement No. 12/2020/K dated 24.01.2020 year with the OPERA CHAKB "Davr Bank," in the amount of - 2 500 000,0 thousand sum, for a period of 36 months at 24% per annum. The loan is targeted for the acquisition of leasing facilities. For the period 2020, den were received. funds in the amount of 2 500 000,0 thousand sum, principal debt was repaid in the amount of 75 757,6 thousand sum. The balance of debt on the main debt for 31.12.2020 year is – 2 424 242,4 thousand sum;
- Agreement No. 9/2020/K dated 22.01.2020 year with the OPERA CHAKB "Davr Bank," in the amount of - 2 500 000,0 thousand sum, for a period of 36 months at 24% per annum. The loan is targeted for the acquisition of leasing facilities. For the period 2020, den were received. funds in the amount of 2 500 000,0 thousand sum, principal debt was repaid in the amount of 75 757,6 thousand sum. The balance of debt on the main debt for 31.12.2020 year is – 2 424 242,4 thousand sum;
- Agreement No. 7/2020/K dated 17.01.2020 year with OPERA CHAKB "Davr Bank," in the amount of - 2 500 000,0 thousand sum, for a period of 36 months at 24% per annum. The loan is targeted for the acquisition of leasing facilities. For the period 2020, den were received. funds in the amount of 2 500 000,0 thousand sum, principal debt was repaid in the amount of 75 757.6 thousand sum. The balance of debt on the main debt for 31.12.2020 year is – 2 424 242,4 thousand sum;
- Agreement No. 2018 Y/2 dated 13.03.2018 year with NB VED RUz Yashnabadsky f-I in the amount of - 10 000 000,0 thousand sum, for a period of 36 months at 18% per annum. The loan is targeted for the acquisition of leasing facilities. Accounts payable for 01.01.2020 year under this loan amounted to – 4 100 088,0 thousand sum. For the period 2020 year, the principal debt was repaid in the amount of – 1 366 696,0 thousand sum. The balance of debt on the main debt for 31.12.2020 year is – 2 733 392,0 thousand sum.
- Agreement No. 2018 Y/25 dated 01.05.2018 year with NB VED RUz Yashnabadsky f-I in the amount of - 10 000 000,0 thousand sum, for a period of 36 months at 18% per annum. The loan is targeted for the acquisition of leasing facilities. Accounts payable for 01.01.2020 year under this loan amounted to – 4 692 971,6 thousand sum. For the period 2020, the principal debt was repaid in the amount of 926 554,1 thousand sum. The balance of debt on the main debt for 31.12.2020 year is – 3 766 417,5 thousand sum.
- Agreement No. 2018 Y/70 dated 10.07.2018 year with NB VED RUz Yashnabadsky f-I in the amount of - 10 000 000,0 thousand sum, for a period of 36 months at 18% per annum. The loan is targeted for the acquisition of leasing facilities. Accounts payable for 01.01.2020 year under this loan amounted to – 5 583 040,1 thousand sum. For the period 2020 year, the principal debt was repaid in the amount of – 1 351 683,4 thousand sum. The balance of debt on the main debt for 31.12.2020 year is – 4 231 356,7 thousand sum.
- Agreement No. 2018 Y/78 of 26.09.2018 year with NB VED RUz Yashnabadsky f-I in the amount of - 20,000,000.0 thousand sum, for a period of 36 months at 18% per annum. The loan is targeted for the acquisition of leasing facilities. Accounts payable for 01.01.2020 year under this loan amounted to – 13 125 173,6 thousand sum. For the period 2020 year, the principal debt was repaid in the amount of – 2 812 537,2 thousand sum. The balance of debt on the main debt for 31.12.2020 year is – 10 312 636,4 thousand sum.
- Agreement No. 2020-Y/19 of 12.06.2020 with NB VED RUz Yashnabadsky f-I in the amount of – 3 000 000,0 thousand sum, for a period of 36 months at 22% per annum. The loan is targeted for the acquisition of leasing facilities. For the period 2020, den were received. funds in the amount of – 3 000 000,0 thousand sum, there was no repayment of the principal debt, according to the schedule. The balance of debt on the main debt for 31.12.2020 year is – 3 000 000,0 thousand sum;
- Agreement No. 2020-Y/29 of 15.09.2020 with NB VED RUz Yashnabadsky f-I in the amount of – 3 535 000,0 thousand sum, for a period of 36 months at 21% per annum. The loan is targeted for the acquisition of leasing facilities. For the period 2020, den were received. funds in the amount of – 3 535 000,0 thousand sum, there was no repayment of the principal debt, according to the schedule. The balance of debt on the main debt for 31.12.2020 year is – 3 535 000,0 thousand sum;

For the period 2020, the company operated one foreign exchange loan agreement:

- Agreement No. 2019-Y/4 of 19.04.2019 with NB VED RUz Yashnabadsky f-I in the amount of - \$ 14 377 350,0, for a period of 5 years. With margin accrual - 2.2910% per annum. The loan is targeted for the repayment of import contracts for the acquisition of leasing facilities. Accounts payable for 01.01.2020 year under this loan were - \$ 14 377 350,0. For the period 2020 year, the principal debt was repaid in the amount of \$ 1 607 483,33. Principal debt balance for 31.12.2020 year is - US \$ 12 769 866,67.

The total balance of the account 78.11 for 31.12.2020 year is - 12,769,866,67 US dollars (133,788,871,5 thousand sum).



In total, for the period 2020 year,% was accrued (in the amounts of the account loan 69.90) - 10,803,665,78 thousand sum,% was paid under the loan agreement in the amount of - 605,383,51 US Dollars (5,779,412,4 thousand sum).

The credit balance on the account 69.90 "Accrued% on a loan in currency" for 31.12.2020 year is – 10 640 457,3 thousand sum.

## 12. Accounts payable

| INDICATORS                         | thousand UZS          |                      |
|------------------------------------|-----------------------|----------------------|
|                                    | 31.12.2020            | 31.12.2019           |
| Accounts payable to suppliers      | 15 271 853,73         | 22 937 438,00        |
| Taxes and other mandatory payments | 99 076,86             | 245 046,00           |
| Advances from buyers               | 58 407 563,53         | 6 440 878,00         |
| Bank loans and loans               | 25 648 979,93         | 59 084 632,00        |
| Other liabilities                  | 10 823 332,14         | 1 044 323,00         |
| <b>Total</b>                       | <b>110 250 806,18</b> | <b>89 752 317,00</b> |

## 13. TAX LIABILITY

The tax system in the Republic of Uzbekistan is characterized by numerous taxes and frequent changes of the legislation. Correctness of charge of the taxes paid by economic entities are regularly checked by a number of supervisory authorities which are authorized to impose penalties and penalty fee. These factors do tax risk in Uzbekistan to much more powerful, than in other countries with more developed tax system. The management believes that similar risks have been considered as tax obligations in these financial statements. However there is a risk of expression of various opinions concerning interpretation of problematic issues by the relevant departments which effect can be considerable

## 14. Interest income

| INDICATORS                             | thousand UZS      |
|--|-------------------|
|  | 31.12.2020r.      |
| Interest income from financial leases  | 35 633 161        |
| Interest income from deposit placement | 32 099            |
| <b>Total:</b>                          | <b>35 665 260</b> |

## 15. Interest expenses

| INDICATORS                                  | thousand UZS      |
|---|-------------------|
|   | 31.12.2020r.      |
| Interest expenses from attracted bank loans | 26 208 257        |
| Interest paid on financial leases           | 1 797             |
| <b>Total:</b>                               | <b>26 210 054</b> |

## 16. Administrative, operating expenses

| INDICATORS                         | thousand UZS |
|------------------------------------|--------------|
|                                    | 31.12.2020r. |
| Subscription fee for Internet      | 16 069,02    |
| Fixed asset depreciation           | 433 937,73   |
| Rent                               | 8 192,71     |
| Audit                              | 57 173,91    |
| Balancing and Breaking Convergence | 193,00       |
| Charity and sponsorship            | 106 800,00   |
| Virus Blocker                      | 600,00       |
| Brokerage remuneration             | 446,00       |
| Garbage collection                 | 207,31       |
| Gas (Surkhon)                      | 2 130,33     |

|   |              |
|---|--------------|
| State fee   | 367,92       |
| FUEL AND LUBRICANTS                               | 33 517,63    |
| Disinfection                                      | 388,92       |
| Child allowance up to 2 years                     | 1 302,00     |
| Single Social Payment                             | 240 132,12   |
| Replacement of antifreeze tanks                   | 465,00       |
| Replacement of engine oils and gearbox            | 4 800,76     |
| Wages   | 2 202 960,66 |
| Expenses for other materials                      | 30 331,19    |
| Internet in the region                            | 611,59       |
| Information support for the Norma program         | 4 490,37     |
| Inventory   | 280,14       |
| Electronic Digital Signature Keys                 | 22,30        |
| Commission services                               | 98 247,69    |
| Commission fee UZ Commodity Raw Material Exchange | 75,15        |
| Letter of Credit Fee                              | 43 350,02    |
| GPS navigation monitoring                         | 73 060,00    |
| Water tax   | 144,00       |
| Land tax  | 34 162,50    |
| Property tax                                      | 124 404,92   |
| VAT   | 77 558,69    |
| Notarial payments                                 | 9 525,45     |
| Notarial services                                 | 5 463,50     |
| Land improvement                                  | 545,00       |
| Newspaper announcement                            | 1 657,05     |
| Protection  | 5 920,43     |
| Corporate Management System Evaluation            | 2 000,00     |
| Evaluation services                               | 12 474,50    |
| Evaluation services                               | 500,00       |
| Tax Penalty                                       | 7 924,04     |
| Transfer of inventory                             | 525,69       |
| Subscription                                      | 9 684,96     |
| Subscription to newspapers and magazines          | 2 536,52     |
| Receipt of statement                              | 44,60        |
| postage expenses                                  | 124,88       |
| Postal services                                   | 406,64       |
| Hospitality expenses                              | 2 046,87     |
| Natural gas                                       | 10 148,70    |
| Conversion Costs                                  | 141 091,49   |
| Registration of mortgage agreement                | 836,25       |
| Registering Domain Name                           | 403,00       |
| Car repair  | 33 736,30    |
| repair and maintenance of solar water heaters     | 24 570,00    |
| Furniture repair                                  | 1 365,00     |
| Maintenance of the program 1C                     | 1 700,00     |

|   |                     |
|---|---------------------|
| Cellular communications                                 | 10 494,55           |
| Write-off of outstanding bad debts                      | 2 100,11            |
| Insurance   | 33 767,27           |
| Collateral insurance                                    | 4 320,00            |
| Security of property on bail                            | 1 544,16            |
| Non-repayment risk insurance                            | 6 208,33            |
| Legal costs   | 16 566,07           |
| Invoice reference                                       | 50,00               |
| Local phone number in the region                        | 2 791,87            |
| Phone Government  | 395,60              |
| maintenance of the car                                  | 3 355,60            |
| Maintenance of ventilation and air conditioners         | 450,00              |
| Technical inspection of vehicles                        | 17 581,60           |
| Room cleaning   | 3 193,70            |
| Losses from disposal of fixed assets and other property | 36 503,56           |
| Wagon return service                                    | 660,00              |
| New Year decoration service                             | 685,00              |
| Bank services   | 100 812,11          |
| Declarant Services                                      | 26 947,03           |
| Depositary services                                     | 1 683,65            |
| Services  | 3 411,20            |
| Storage Services  | 1 440,00            |
| Setting the counter                                     | 2 875,00            |
| Study   | 650,00              |
| Cargo storage   | 555,63              |
| Center for Public Services                              | 258,99              |
| Digital television                                      | 459,13              |
| Membership fee  | 11 150,00           |
| Fines, Penalties  | 39,83               |
| Electronic document management                          | 9,63                |
| Electricity   | 21 735,02           |
| Adjustments   | 1 042 653,24        |
| <b>Total expenses</b>                                   | <b>5 253 710,48</b> |

#### 17. OTHER INCOME

thousand UZS

| INDICATORS                                     | 31.12.2020r.       |
|--|--------------------|
| Profit on disposal of fixed assets             | 3 645,5            |
| Penalties, fines and penalties recovered       | 1 346 743,8        |
| Income from short-term leases                  | 290 541,2          |
| Income from write-off of accounts payable      | 429,6              |
| Other income (response-storage, damages, etc.) | 8 685,7            |
| <b>Total</b>                                   | <b>1 650 045,8</b> |

## 18. Finance income and expenses

| thousand UZS           |                      |
|------------------------|----------------------|
| <b>INDICATORS</b>      | <b>31.12.2020r.</b>  |
| Foreign exchange gains | 11 540 454,84        |
| <b>Total</b>           | <b>11 540 454,84</b> |

| thousand UZS          |                      |
|-----------------------|----------------------|
| <b>INDICATORS</b>     | <b>31.12.2020r.</b>  |
| Foreign exchange loss | 15 900 284,88        |
| <b>Total</b>          | <b>15 900 284,88</b> |

## 19. EXPENSES ON TAXES

The tax system of the Republic of Uzbekistan is characterized as a significant number of taxes and frequently changing regulations. The correctness of the assessed taxes paid by companies is regularly checked by bodies that could collect fines and penalties. These factors make the tax risks in Uzbekistan much higher than in other countries with more developed tax systems. The company is the payer of the single tax payment and has a benefit on this tax.

| thousand UZS   |           |              |
|--|-----------|--------------|
| INDICATORS   | Line code | Amount       |
| Total income   | 010       | 48 855 760,3 |
| Deductible expenses  | 020       | 45 964 003,7 |
| Taxable profit   | 030       | 2 891 756,7  |
| Benefits - total   | 040       | -            |
| Tax base, but not less than "0"  | 060       | 2 891 756,7  |
| Fixed income tax rate, percentage  | 070       | 15           |
| Adjusted tax rate for legal entities using the work of persons with disabilities | 071       | 15           |
| Income Tax Amount - Total  | 080       | 433 763,5    |
| Accrued advance payments for the reporting period                                | 100       | -            |
| Total income tax payable to the budget   | 110       | 433 763,5    |

## 20. Earning per share

Basic profit/(loss) per share is calculated by dividing the net profit or loss held by the shareholders by the weighted average number of ordinary shares outstanding during the year.

The company has common shares potentially diluting earnings per share. Thus, the diluted earnings per share is equal to the base earnings per share. Earnings per share are calculated as follows:

| INDICATORS  | 31.12.2020r. | 31.12.2019r. |
|---|--------------|--------------|
| Net profit/( loss) for the year (thousand sum)  | 1 413 831    | 3 629 748    |
| weighted average number of ordinary shares in circulation during the year (in pieces) | 17 000 000   | 17 000 000   |
| <b>Basic and diluted earnings per ordinary share (sum)</b>                            | <b>83</b>    | <b>214</b>   |

## 21. MANAGEMENT OF FINANCIAL RISKS

### Factors of financial risk

Risk management of the Enterprise it is carried out concerning the following financial risks: credit, currency, liquid. The main objective of function of risk management is determination of extreme value of risk and the further certificate that the susceptibility to risk remains within the established size. The main methods of management of risks of the Enterprise are insurance, charge of reserves, regulation of operations (development of the regulating documents), establishment of limits of operations and prevention.

### Credit risk

The susceptibility of the Enterprise to credit risk is a consequence of possible failure to follow by the contractor of the obligations for payment of debt. Financial assets on which the Enterprise has a potential credit risk are presented generally by the debt of customers, the remains on accounts in banks and other receivables.

Extreme values of susceptibility of the Enterprise to credit risk for classes of assets are given below:

| INDICATORS   |    | Thousand UZS          |
|--|----|-----------------------|
|  |    | 31.12.2020            |
| Cash and equivalents   | 11 | 6 184 325,00          |
| Accounts receivable from customers                           | 10 | 174 047 472,00        |
| <b>Total maximum amount of assets exposed to credit risk</b> |    | <b>180 231 797,00</b> |

### Currency risk

The enterprise is subject to currency risk on the following operations

- Owing to sale or purchase of currencies.
- Purchase of goods and services for foreign currency (in dollars and Euro);
- In cases service of the Loan granted in USD..

In view of backwardness of instruments of management of currency risks in the financial market of Uzbekistan, the Enterprise doesn't carry out insurance of currency risks The indicators of financial statements subject to currency risk, as of 31/12/2020 are given below::

Thousand UZS

|              | Receivables from customers | Receivables from customers | Arrears on loan     | Accounts payable    | Net value         |
|--------------|----------------------------|----------------------------|---------------------|---------------------|-------------------|
| Thousand UZS | 6 184 325                  | 174 047 472                | - 98 897 012        | - 15 271 854        | 66 062 932        |
| <b>Total</b> | <b>6 184 325</b>           | <b>174 047 472</b>         | <b>- 98 897 012</b> | <b>- 15 271 854</b> | <b>66 062 932</b> |

### Interest rate risk

The Company is subject to interest rate risk in relation to possible adverse change of floating interest rate of LIBOR on loans and borrowings.

### liquidity risk

The risk of liquidity is defined as risk that the Enterprises will meet difficulties with implementation of financial obligations. The enterprise is in process to development of domestic policy and procedures concerning instruments of planning of liquidity for loans now. Concerning accounts payable the Enterprise quarterly generalizes the data arriving from each department of the Enterprise about cash flows for the analysis and planning of cash flows from operating activities.

## 22. Market value of financial instruments

The market value of financial assets and obligations included in financial statements represents the sum for which the tool as a result of the current transaction between persons interested to make such transaction the parties can be exchanged other than the compelled sale or elimination, Estimated market prices of financial instruments are determined by the Enterprise with use of the market of available information and also by the corresponding technique of assessment, However for determination of market value of financial instruments it was necessary to apply a certain judgment to interpretation of the obtained information,

The Republic of Uzbekistan continues to show some features of the developing economy, and the existing economic conditions continue to limit activity in the financial market of the Republic, Information of the financial market can be outdated and therefore can't represent the market value of financial instruments, the Management used all available information of the financial market for market assessment of financial instruments,