



“Uzbekhydroenergo” JSC and its subsidiaries

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

31 December 2019



Independent Auditor's Report

To the shareholder and management of "Uzbekhydroenergo" JSC

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of "Uzbekhydroenergo" JSC and its subsidiaries (together – the "Group") as at 31 December 2019, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2019;
- the consolidated statement of profit or loss and other comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

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

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

Independence

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

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

"Uzbekhydroenergo" JSC and its subsidiaries
Consolidated Statement of Financial Position

<i>In millions of Uzbek Soums</i>	Notes	31 December 2019	31 December 2018	1 January 2018
ASSETS				
Non-current assets				
Property, plant and equipment	8	4,639,890	2,887,754	2,217,343
Investments in associates		534	403	418
Prepayments	9	143,751	327,698	18,678
Other non-current assets	15	8,050	10,672	3,081
Total non-current assets		4,792,225	3,226,527	2,239,520
Current assets				
Inventories	10	33,840	38,934	30,298
Prepayments	9	33,311	17,617	11,162
Trade and other receivables	11	303,125	349,516	428,385
Other taxes receivable	12	130,070	6,676	2,085
Restricted cash	13	31,104	49,880	3,576
Cash and cash equivalents	14	131,087	22,364	94,305
Other current assets	15	41,846	10,243	4,261
Total current assets		704,383	495,230	574,072
TOTAL ASSETS		5,496,608	3,721,757	2,813,592

Approved for issue and signed on 8 October 2020.



Abdugan Sanginov
 Chairman of the Board

Bakhrom O'lianzarov
 Chief Accountant

Lazizkhon Usmanov
 Head of IFRS Department

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<i>In millions of Uzbek Soums</i>	Notes	31 December 2019	31 December 2018	1 January 2018
EQUITY				
Share capital	16	495,162	495,162	495,162
Retained earnings		3,135,231	2,302,553	1,931,294
Equity attributable to the Company's owners		3,630,393	2,797,715	2,426,456
Non-controlling interest		307	(42)	311
TOTAL EQUITY		3,630,700	2,797,673	2,426,767
LIABILITIES				
Non-current liabilities				
Borrowings	17	1,240,201	470,652	51,841
Deferred income tax liabilities	26	116,405	90,171	93,083
Other non-current liabilities	20	2,882	3,627	4,021
Total non-current liabilities		1,359,488	564,450	148,945
Current liabilities				
Borrowings	17	122,587	79,284	18,935
Income tax payable	26	48,604	42,595	36,586
Other taxes payable	18	52,208	84,556	88,357
Trade and other payables	19	222,674	101,420	71,981
Other current liabilities	20	60,347	51,779	22,021
Total current liabilities		506,420	359,634	237,880
TOTAL LIABILITIES		1,865,908	924,084	386,825
TOTAL LIABILITIES AND EQUITY		5,496,608	3,721,757	2,813,592

Approved for issue and signed on 8 October 2020.



[Signature]
 Abdugani Sanginov
 Chairman of the Board

[Signature]
 Bakhrom Oilanazarov
 Chief Accountant

[Signature]
 Lazizkhujab Usmanov
 Head of IFRS Department