



“Uzbekhydroenergo” JSC and its subsidiaries

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

31 December 2022



Independent Auditor's Report

To the Shareholder and the Supervisory Board 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 (the "Company") and its subsidiaries (together - the "Group") as at 31 December 2022, and the Group's consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2022;
- the consolidated statement of profit or loss and other comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

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

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

Independence

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



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

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

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

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

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

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

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

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



- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Suhrab Azimov
General Director/Certified Auditor
Certificate of auditor No. 05338
dated 7 November 2015 issued by
the Ministry of Finance of Uzbekistan

Audit Organization "PricewaterhouseCoopers" LLC

Audit Organization "PricewaterhouseCoopers" LLC

Tashkent, Uzbekistan

5 May 2023

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

<i>In millions of Uzbek Soums</i>	Notes	31 December 2022	31 December 2021
ASSETS			
Non-current assets			
Property, plant and equipment	8	8,662,480	7,449,644
Investments in associates		312	460
Prepayments	9	346,533	460,563
Other non-current assets	13	19,592	20,450
Total non-current assets		9,028,917	7,931,117
Current assets			
Inventories	10	55,600	121,939
Prepayments	9	63,153	31,712
Trade and other receivables	11	782,946	245,459
Other taxes receivable	12	64,525	44,190
Other current assets	13	41,064	35,366
Restricted cash	14	-	1,597
Cash and cash equivalents	15	57,374	54,373
Total current assets		1,064,662	534,636
TOTAL ASSETS		10,093,579	8,465,753
EQUITY			
Share capital	16	731,107	731,107
Other reserves	16	195,213	195,213
Retained earnings		5,431,829	4,364,545
Equity attributable to the Group's owners		6,358,149	5,290,865
Non-controlling interest		1,025	623
TOTAL EQUITY		6,359,174	5,291,488
LIABILITIES			
Non-current liabilities			
Borrowings	17	2,683,776	2,366,174
Other non-current liabilities	20	2,637	1,941
Total non-current liabilities		2,686,413	2,368,115
Current liabilities			
Borrowings	17	358,609	386,241
Income tax payable	25	69,023	54,038
Other taxes payable	18	38,698	29,081
Trade and other payables	19	438,934	179,583
Other current liabilities	20	142,728	157,207
Total current liabilities		1,047,992	806,150
TOTAL LIABILITIES		3,734,405	3,174,265
TOTAL LIABILITIES AND EQUITY		10,093,579	8,465,753

Approved for issue and signed on 5 May 2023:

 Abdugani Sanginov Chairman of the Board	 Bakhtrom Olanazarov Chief Accountant	 Lazizkhujja Usmanov Head of IFRS Department
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The accompanying notes on pages 5 to 43 are an integral part of these consolidated financial statements.

“Uzbekhydroenergo” JSC and its subsidiaries
Consolidated Statement of Profit or Loss and Other Comprehensive Income

<i>In millions of Uzbek Soums</i>	Notes	2022	2021
Revenue from contracts with customers	21	2,438,271	1,492,192
Cost of sales	22	(707,639)	(586,658)
Gross profit		1,730,632	905,534
Other income		52,038	22,395
General and administrative expenses	23	(447,362)	(290,875)
Gains from disposal of subsidiaries		-	873
Net impairment losses on financial and contract assets		(39,325)	(10,358)
Operating profit		1,295,983	627,569
Finance income		2,157	2,642
Finance costs	24	(48,865)	(11,423)
Profit before income tax		1,249,275	618,788
Income tax expense	25	(180,426)	(15,033)
PROFIT FOR THE YEAR		1,068,849	603,735
Other comprehensive income for the year		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,068,849	603,735
Profit is attributable to:			
- Owners of the Group		1,068,447	602,963
- Non-controlling interest		402	772
Profit for the year		1,068,849	603,735
Total comprehensive income is attributable to:			
- Owners of the Company		1,068,447	602,963
- Non-controlling interest		402	772
Total comprehensive income for the year		1,068,849	603,735

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

“Uzbekhydroenergo” JSC and its subsidiaries
Consolidated Statement of Changes in Equity

<i>In millions of Uzbek Soums</i>	Note	Attributable to owners of the Company			Total	Non-controlling interest	Total equity
		Share capital	Other reserves	Retained earnings			
Balance at 1 January 2021		495,162	-	3,762,884	4,258,046	589	4,258,635
Profit for the year		-	-	602,963	602,963	772	603,735
Other comprehensive income for the year		-	-	-	-	-	-
Total comprehensive income for the year		-	-	602,963	602,963	772	603,735
Shares issued	16	235,945	195,213	-	431,158	-	431,158
Dividends declared	16	-	-	(1,302)	(1,302)	(738)	(2,040)
Balance at 31 December 2021		731,107	195,213	4,364,545	5,290,865	623	5,291,488
Profit for the year		-	-	1,068,447	1,068,447	402	1,068,849
Other comprehensive income for the year		-	-	-	-	-	-
Total comprehensive income for the year		-	-	1,068,447	1,068,447	402	1,068,849
Dividends declared	16	-	-	(1,163)	(1,163)	-	(1,163)
Balance at 31 December 2022		731,107	195,213	5,431,829	6,358,149	1,025	6,359,174

“Uzbekhydroenergo” JSC and its subsidiaries
Consolidated Statement of Cash Flows

<i>In millions of Uzbek Soums</i>	Notes	2022	2021
Cash flows from operating activities			
Profit before income tax		1,249,275	618,788
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment	8	196,910	177,652
Gains on disposal of subsidiaries		-	(873)
Net impairment losses on financial and contract assets		39,325	10,358
Finance income		(2,157)	(2,642)
Finance costs	24	48,865	11,423
Other non-cash operating costs		16,960	29,423
Operating cash flows before working capital changes		1,549,178	844,129
Change in trade and other receivables		(565,601)	(171,521)
Change in prepayments		(31,441)	(16,972)
Change in other taxes receivable		(20,335)	(3,240)
Change in inventories		66,339	(82,061)
Change in other assets		(22,026)	(12,054)
Change in trade and other payables		28,740	43,089
Change in other taxes payable		9,617	6,468
Change in other liabilities		(20,198)	84,234
Changes in working capital		(554,905)	(152,057)
Income tax paid		(165,441)	(9,619)
Interest paid	17	(74,113)	(57,682)
Net cash from operating activities		754,719	624,771
Cash flows from investing activities			
Purchases of property, plant and equipment	8, 9	(988,381)	(1,266,469)
Change in restricted cash	13	1,597	1,208
Other		2,157	929
Net cash used in investing activities		(984,627)	(1,264,332)
Cash flows from financing activities			
Proceeds from borrowings	17	445,453	775,389
Repayment of borrowings	17	(211,381)	(177,369)
Dividends paid to the Group's shareholders	16	(1,163)	(2,040)
Net cash from financing activities		232,909	595,980
Effect of exchange rate changes on cash and cash equivalents		-	-
Net increase/(decrease) in cash and cash equivalents		3,001	(43,581)
Cash and cash equivalents at the beginning of the year		54,373	97,954
Cash and cash equivalents at the end of the year		57,374	54,373
Non-cash investing activities			
- Disposal of subsidiaries		-	873

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