



**NAVOIURANIUM**  
STATE COMPANY

# **Financial Statements and Independent Auditor's Report**

*For the years ended  
31 December 2023 and 2022*



# **State-owned Enterprise “Navoiuranium”**

Financial Statements and Independent Auditor’s Report  
For the Years Ended 31 December 2023 and 2022

# STATE-OWNED ENTERPRISE “NAVOIURANIUM”



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**STATEMENT OF MANAGEMENT’S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2023 AND 2022**

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Management of State-owned Enterprise “Navoiuranium” (the “Company”) is responsible for the preparation of these financial statements that fairly present in all material respects the financial position of the Company as at 31 December 2023 and 31 December 2022, and the results of its operations, cash flows and changes in equity for the years then ended, in accordance with International Financial Reporting Standards issued by the International Accounting Standard Board (“IFRSs”).

In preparing the financial statements, management is responsible for:

- Properly selecting and applying accounting policies;
- Presenting information, including accounting policies, in manner that provides relevant, reliable, comparable and understandable information;
- Compliance with the requirement of IFRS and providing additional disclosures when compliance with the specific requirements of IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the company’s financial position and financial performance; and
- Making an assessment of the company’s ability to continue as a going concern.

Management is also responsible for:

- designing, implementing and maintaining an effective and sound system of internal controls, throughout the Company;
- maintaining adequate accounting records that are sufficient to show and explain the Company’s transactions and disclosure with reasonable accuracy at any time the financial position of the Company, and which enable them to ensure that these financial statements of the Company comply with IFRSs;
- maintaining statutory accounting records in compliance with legislation and accounting standards of the Republic of Uzbekistan;
- taking such steps as are reasonably available to them to safeguard the assets of the Company; and
- detecting and preventing fraud and other irregularities.

The financial statements of the Company for the years ended 31 December 2023 and 2022 were approved by management on 24 July 2024.

  <p><b>Haydarov H.T.</b> Deputy General Director for Transformation and Digitalisation – Head of Project Office</p>	 <p><b>Abdullakhodzaev A.H.</b> Head of IFRS Department</p>
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## INDEPENDENT AUDITOR'S REPORT

To the Shareholders and the Supervisory Board of State-owned Enterprise "Navoiuranium"

### Opinion

We have audited the financial statements of State-owned Enterprise "Navoiuranium" (the "Company"), which comprise the statement of financial position as at 31 December 2023 and 31 December 2022, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2023 and 31 December 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards issued by the International Accounting Standard Board ("IFRSs").

### 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 Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the "IESBA Code") together with the ethical requirements that are relevant to our audit of the financial statements in the Republic of Uzbekistan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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



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Erkin Ayupov, Qualified Auditor/Engagement Partner

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 Company'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 Company'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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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Erkin Ayupov, Qualified Auditor/Engagement Partner

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.



“Deloitte & Touche” Audit Organisation LLC is included in the register of audit organisations of the Ministry of Economy and Finance of the Republic of Uzbekistan dated 08 June 2021

Erkin Ayupov  
Qualified Auditor/Engagement Partner  
Auditor qualification certificate authorising audit of companies, #04830 dated 22 May 2010 issued by the Ministry of Economy and Finance of the Republic of Uzbekistan

24 July 2024  
Tashkent, Uzbekistan



Director,  
“Deloitte & Touche” Audit Organisation LLC

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2023 AND 2022**

<i>In billions of Uzbek Soums</i>	Notes	31 December 2023	31 December 2022	1 January 2022
<b>ASSETS</b>				
<b>Non-current assets</b>				
Mine development assets	8	2,707	2,430	2,444
Property, plant and equipment	9	2,562	2,116	2,022
Exploration and evaluation assets	10	426	131	3
Prepayments	11	297	48	49
Restricted cash	14	258	209	56
<b>Total non-current assets</b>		<b>6,250</b>	<b>4,934</b>	<b>4,574</b>
<b>Current assets</b>				
Inventories	12	1,652	1,214	795
Cash and cash equivalents	13	1,089	595	1,065
Other tax receivables	16	218	129	51
Restricted cash	14	163	102	79
Prepayments	11	95	51	31
Current income tax prepayments		24	18	14
Trade and other receivables		9	40	7
Other current assets	15	335	1,014	56
<b>Total current assets</b>		<b>3,585</b>	<b>3,163</b>	<b>2,098</b>
<b>TOTAL ASSETS</b>		<b>9,835</b>	<b>8,097</b>	<b>6,672</b>
<b>EQUITY</b>				
Share capital	17	1,071	980	980
Retained earnings		6,806	5,904	4,485
Other reserves		22	113	-
<b>TOTAL EQUITY</b>		<b>7,899</b>	<b>6,997</b>	<b>5,465</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Deferred tax liabilities	29	525	560	559
Provision for asset retirement obligation	18	406	241	370
Provision for employee benefits		239	162	127
<b>Total non-current liabilities</b>		<b>1,170</b>	<b>963</b>	<b>1,056</b>
<b>Current liabilities</b>				
Provision for charity and sponsorship	19	494	-	-
Trade and other payables	20	270	118	99
Other taxes payable		2	19	52
<b>Total current liabilities</b>		<b>766</b>	<b>137</b>	<b>151</b>
<b>TOTAL LIABILITIES</b>		<b>1,936</b>	<b>1,100</b>	<b>1,207</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>9,835</b>	<b>8,097</b>	<b>6,672</b>

The above statement of financial position should be read in conjunction with the accompanying notes.

Approved for issue and signed on behalf of Management on 24 July 2024.

Haydarov H.T

Deputy General Director for Transformation  
and Digitalisation – Head of Project Office



Abdullakhodzaev A.H

Head of IFRS Department



**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEARS ENDED 31 DECEMBER 2023 AND 2022**

<i>In billions of Uzbek Soums</i>	Notes	<b>2023</b>	<b>2022</b>
Revenue	22	6,269	4,650
Cost of sales	23	(2,524)	(1,977)
<b>Gross profit</b>		<b>3,745</b>	<b>2,673</b>
General and administrative expenses	24	(333)	(173)
Distribution expenses	25	(139)	(116)
Foreign exchange gain, net	26	97	95
Net charge for expected credit losses on financial assets		(15)	-
<b>Operating profit</b>		<b>3,355</b>	<b>2,479</b>
Finance income	27	117	49
Finance cost	28	(68)	(118)
Other income, net		8	5
<b>Profit before income tax</b>		<b>3,412</b>	<b>2,415</b>
Income tax expense	29	(532)	(387)
<b>PROFIT FOR THE YEAR</b>		<b>2,880</b>	<b>2,028</b>
<b>Other comprehensive loss:</b>			
<i>Items that will not be reclassified to profit or loss:</i>			
Remeasurements of provision for employee benefits		(18)	(6)
Income tax recorded directly in other comprehensive income		(3)	(1)
<b>Other comprehensive loss for the year</b>		<b>(21)</b>	<b>(7)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>2,859</b>	<b>2,021</b>

The above statement of profit or loss should be read in conjunction with the accompanying notes.

Approved for issue and signed on behalf of Management on 24 July 2024.

Haydarov H.T

Deputy General Director for Transformation  
and Digitalisation – Head of Project Office



Abdullakhodzaev A.H

Head of IFRS Department

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEARS ENDED 31 DECEMBER 2023 AND 2022**

<i>In billions of Uzbek Soums</i>	Notes	Share capital	Retained earnings	Other reserves	Total equity
<b>At 1 January 2022</b>		<b>980</b>	<b>4,485</b>	-	<b>5,465</b>
Profit for the year		-	2,028	-	<b>2,028</b>
Other comprehensive loss for the year		-	(7)	-	<b>(7)</b>
<b>Total comprehensive income for the year</b>		-	<b>2,021</b>	-	<b>2,021</b>
Transfers by Presidential Decree #PP-319		-	-	113	<b>113</b>
Dividends declared	17	-	(600)	-	<b>(600)</b>
Accrued charity and sponsorship by orders of the Government and related authorities	19	-	(2)	-	<b>(2)</b>
<b>Balance at 31 December 2022</b>		<b>980</b>	<b>5,904</b>	<b>113</b>	<b>6,997</b>
Profit for the year		-	2,880	-	<b>2,880</b>
Other comprehensive loss for the year		-	(21)	-	<b>(21)</b>
<b>Total comprehensive income for the year</b>		-	<b>2,859</b>	-	<b>2,859</b>
Increase the share capital	17	91	-	(91)	-
Dividends declared	17	-	(1,516)	-	<b>(1,516)</b>
Accrued charity and sponsorship by orders of the Government and related authorities, net of tax effects	19	-	(441)	-	<b>(441)</b>
<b>Balance at 31 December 2023</b>		<b>1,071</b>	<b>6,806</b>	<b>22</b>	<b>7,899</b>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Approved for issue and signed on behalf of Management on 24 July 2024.

**Haydarov H.T.**

Deputy General Director for Transformation  
and Digitalisation – Head of Project Office



**Abdullakhodzaev A.H.**

Head of IFRS Department

**STATEMENT OF CASH FLOW**  
**FOR THE YEARS ENDED 31 DECEMBER 2023 AND 2022**

<i>In billions of Uzbek Soums</i>	Notes	<u>2023</u>	<u>2022</u>
<b>Cash flows from operating activities</b>			
Profit before income tax		3,412	2,415
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment	9	177	162
Depreciation of mine development assets	8	479	411
Net charge for expected credit losses on financial assets	15	15	-
Finance income	27	(117)	(49)
Finance cost	28	68	118
Foreign exchange gain, net	26	(97)	(95)
Other non-cash income and expenses		19	(2)
<b>Operating cash flows before working capital changes</b>		<u>3,956</u>	<u>2,960</u>
<i>Movements in working capital:</i>			
Trade and other receivables		64	(16)
Trade and other payables		79	(14)
Inventories		(342)	(273)
Other tax receivables		(88)	(77)
Restricted cash	14	(61)	(23)
Prepayments		(44)	(18)
Other taxes payable		(17)	(32)
Other current assets		1	1
<b>Changes in working capital</b>		<u>(408)</u>	<u>(452)</u>
Income taxes paid		(499)	(394)
Interest income received	27	33	19
Interest paid	21	(7)	-
<b>Net cash from used in operating activities</b>		<u>3,075</u>	<u>2,133</u>
<b>Cash flows from investing activities</b>			
Decrease/(increase) in term deposits	15	846	(1,023)
Purchases of property, plant and equipment		(846)	(298)
Expenditure on mine development assets	8	(614)	(438)
Expenditure on exploration and evaluation assets	10	(344)	(201)
Loans issued to related parties	15	(100)	-
Increase in restricted cash	14	(49)	(153)
Loan repayments received from related parties	15	-	36
<b>Net cash from used in investing activities</b>		<u>(1,107)</u>	<u>(2,077)</u>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings	21	765	-
Dividends paid	17	(1,516)	(600)
Repayment of borrowings	21	(765)	-
Cash paid as charity and sponsorship by orders of the Government and related authorities	19	(22)	(2)
<b>Net cash from used in financing activities</b>		<u>(1,538)</u>	<u>(602)</u>
Effect of exchange rate changes on cash and cash equivalents		64	76
<b>Net increase/(decrease) in cash</b>		<u>494</u>	<u>(470)</u>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>13</b>	<b>595</b>	<b>1,065</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>13</b>	<u><b>1,089</b></u>	<u><b>595</b></u>
<b>Non-cash investing activities (Presidential Decree #PP-319):</b>			
- Transfer of “Uranredmetgeologiya” JSC		-	113

The above statement of cash flow should be read in conjunction with the accompanying notes.

Approved for issue and signed on behalf of Management on 24 July 2024.

Haydarov H.T

Deputy General Director for Transformation  
and Digitalisation – Head of Project Office



Abdullakhodzaev A.H

Head of IFRS Department