Maxam-Chirchiq Joint Stock Company

Consolidated Financial Statements
for the year
ended 31 December 2021

Contents

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Independent Auditors' Report

To the Shareholders and Management of Maxam-Chirchiq Joint Stock Company

Qualified Opinion

We have audited the consolidated financial statements of Maxam-Chirchiq Joint Stock Company (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2021, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Qualified Opinion

We did not observe the counting of inventories stated at UZS 456 005 million as at 31 December 2021, because we were appointed as auditors of the Group only after that date. We were unable to satisfy ourselves as to those inventory quantities by alternative means. As a result, we were unable to determine whether adjustments might have been necessary in respect of inventories as at 31 December 2021, and the related elements making up the consolidated statements of financial position, profit or loss and other comprehensive income, changes in equity and cash flows as at and for the year then ended.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (*IESBA Code*) together with the ethical requirements that are relevant to our audit of the consolidated 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 qualified opinion.

Emphasis of Matter

We draw attention to Note 8 to the consolidated financial statements which indicates that the comparative information presented as at 31 December 2020 and for the year then ended has been restated. Our opinion is not modified in respect of this matter.

Other Matter Relating to Comparative Information

The consolidated financial statements of the Group as at 31 December 2020 and 31 December 2019 and for the years then ended (from which the consolidated statement of financial position as at 1 January 2020 has been derived), excluding the adjustments described in Note 8 to the consolidated financial statements were audited by other auditors who expressed a modified opinion, as the Group was unable to confirm in the consolidated statement of financial position the original cost of some items of property, plant and equipment, which have been revalued using the general price index, and an unmodified opinion on those financial statements on 30 April 2021 and 14 April 2020, respectively.

As part of our audit of the consolidated financial statements as at and for the year ended 31 December 2021, we audited the adjustments described in Note 8, that were applied to restate the comparative information presented as at and for the year ended 31 December 2020 and the consolidated statement of financial position as at 1 January 2020. We were not engaged to audit, review, or apply any procedures to the consolidated financial statements of the Group for the years ended 31 December 2020 and 31 December 2019, other than with respect to the adjustments described in Note 8 to the consolidated financial statements. Accordingly, we do not express an opinion or any other form of assurance on those respective financial statements taken as a whole. However, in our opinion, these adjustments are appropriate and have been properly applied.

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.

Auditors' 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 auditors' 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 auditors' 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 auditors' 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.

The engagement partner on the audit resulting in this independent auditors' report is:

Andrey Kouznetsov
Engagement Partner

O'ZBEKISTON RESPUBLIKASI TOSHKENT SHAHAR MAS'ULIYATI CHEKLANGAN JAMIYATI SHAKLIDAGI AUDITORLIK TASHKILOTI
KPMG AUDIT

Sanjarbek Saidov
General Director

JSC "KPMG Audit" LLC

Tashkent, Uzbekistan

9 November 2022

UZS mln	Note	2021	2020 (restated*)
Revenue	9	2,196,035	1,817,938
Cost of sales	10	(1,359,326)	(1,216,172)
Gross profit		**836,709**	**601,766**
Selling expenses	11	(78,295)	(63,897)
Administrative and other operating expenses	12	(235,494)	(199,233)
Other income	13	31,630	12,342
Results from operating activities		**554,550**	**350,978**
Finance income		1,369	1,079
Finance costs	14	(13,680)	(7,286)
Reversal/(charge) of allowance for accounts receivable	19	408	(33,077)
Foreign exchange gain		3,616	9,204
Profit before income tax		**546,263**	**320,898**
Income tax expense	16	(107,275)	(59,006)
Profit for the year		**438,988**	**261,892**
Other comprehensive (loss)/ income			
Items that will never be reclassified to profit or loss:			
Remeasurement of pension liabilities		(7,973)	608
Other comprehensive (loss)/income for the reporting year, net of income tax		**(7,973)**	**608**
Total comprehensive income for the year		**431,015**	**262,500**
Profit attributable to:			
Owners of the Company		439,034	261,923
Non-controlling interests		(46)	(31)
		438,988	**261,892**
Total comprehensive income attributable to:			
Owners of the Company		431,061	262,531
Non-controlling interests		(46)	(31)
		431,015	**262,500**

* Refer to Note 8 to the consolidated financial statements.

These consolidated financial statements were approved by management of the Group on 9 November 2022 and were signed on its behalf by:

Kh.A. Saidakhmedov
Chairman of the Board

U.G. Tashmukhamedov
Chief Accountant

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 11 to 54.

UZS mln	Note	31 December 2021	31 December 2020 (restated*)	1 January 2020 (restated*)
ASSETS				
Non-current assets				
Property, plant and equipment	17	327,539	251,815	204,193
Intangible assets		84	28	32
Investments		1,516	15,537	1,071
Long-term loans issued		3,981	12,385	13,390
Deferred tax assets	16	25,326	14,214	9,521
Total non-current assets		**358,446**	**293,979**	**228,207**
Current assets				
Inventories	18	456,005	365,167	311,623
Trade and other receivables	19	17,827	51,274	39,082
Advances paid to suppliers	20	115,284	77,148	54,747
Short-term loans issued		355	27	594
Cash and cash equivalents	21	192,643	23,221	38,802
Total current assets		**782,114**	**516,837**	**444,848**
Total assets		**1,140,560**	**810,816**	**673,055**
EQUITY				
Share capital	22	24,996	24,996	24,996
Reserve capital		20,221	18,306	(4,177)
Special-purpose receipts		20,773	20,773	20,771
Reserve from remeasurement of pension liabilities		(7,365)	608	-
Retained earnings		864,846	444,812	303,605
Equity attributable to owners of the Company		**923,471**	**509,495**	**345,195**
Non-controlling interests		665	626	-
Total equity		**924,136**	**510,121**	**345,195**
LIABILITIES				
Non-current liabilities				
Defined benefit pension plan	26	18,595	9,565	24,422
Non-current liabilities		-	187	43,613
Total non-current liabilities		**18,595**	**9,752**	**68,035**
Current liabilities				
Trade and other payables	23	83,345	166,643	152,725
Payables to the budget	24	51,753	6,826	16,489
Advances received	25	3,561	3,106	
Defined benefit pension plan	26	1,032	788	1,904
Short-term loans received	27	58,138	113,580	86,207
Total current liabilities		**197,829**	**290,943**	**259,825**
Total liabilities and equity		**1,140,560**	**810,816**	**673,055**

* Refer to Note 8 to the consolidated financial statements.

The consolidated statement of financial position is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 11 to 54.

		Equity attributable to owners of the Company							
UZS mln	**Note**	**Share capital**	**Reserve capital**	**Reserve from remeasurement of pension liabilities**	**Special-purpose receipts**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total equity**
Balance at 1 January 2020		**24,996**	**34,532**	**-**	**20,771**	**33,571**	**113,870**	**-**	**113,870**
Effect of retrospective adjustments		-	(38,709)	-	-	270,034	231,325	-	231,325
Balance at 1 January 2020 (restated*)		**24,996**	**(4,177)**	**-**	**20,771**	**303,605**	**345,195**	**-**	**345,195**
Total comprehensive income									
Profit for the year		-	-	-	-	261,923	261,923	(31)	261,892
Other comprehensive income									
Change in pension liabilities		-	-	608	-	-	608	-	608
Total other comprehensive income		**-**	**-**	**608**	**-**	-	**608**	-	**608**
Total comprehensive income for the year		**-**	**-**	**608**	**-**	**261,923**	**262,531**	**(31)**	**262,500**
Transactions with owners of the Company									
Dividends	22 (б)	-	-	-	-	(98,233)	(98,233)	-	(98,233)
Effect of retrospective adjustments		-	-	-	-	-	-	657	657
Total transactions with owners of the Company		-	**-**	**-**	-	**(98,233)**	**(98,233)**	**657**	**(97,576)**
Other changes		-	22,483	-	2	(22,483)	2	-	2
Balance at 31 December 2020 (restated*)		**24,996**	**18,306**	**608**	**20,773**	**444,812**	**509,495**	**626**	**510,121**

* Refer to Note 8 to the consolidated financial statements.

The consolidated statement of changes in equity is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 11 to 54.

UZS mln	Note	Equity attributable to owners of the Company							
		Share capital	Reserve capital	Reserve from remeasurement of pension liabilities	Special-purpose receipts	Retained earnings	Total	Non-controlling interests	Total equity
Total comprehensive income									
Profit for the year		-	-	-	-	439,034	439,034	(46)	438,988
Other comprehensive loss									
Change in pension liabilities		-	-	(7,973)	-	-	(7,973)	-	(7,973)
Total other comprehensive loss		**-**	**-**	**(7,973)**	**-**	-	**(7,973)**	**-**	**(7,973)**
Total comprehensive income for the year		**-**	**-**	**(7,973)**	**-**	**439,034**	**431,061**	**(46)**	**431,015**
Transactions with owners of the Company									
Total transactions with owners	22 (c)	-	-	-	-	(19,000)	(19,000)	-	(19,000)
Adjustment resulting from change in non-controlling interests in subsidiaries		-	-	-	-	-	-	85	85
Total transactions with owners of the Company		-	-	-	-	**(19,000)**	**(19,000)**	**85**	**(18,915)**
Other changes		-	1,915	-	-	-	1,915	-	1,915
Balance at 31 December 2021		**24,996**	**20,221**	**(7,365)**	**20,773**	**864,846**	**923,471**	**665**	**924,136**

The consolidated statement of changes in equity is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 11 to 54.

UZS mln	**Note**	**2021**	**2020 (restated*)**
Cash flows from operating activities			
Profit before income tax		**546,263**	**320,898**
Adjustments for:			
Depreciation of property, plant and equipment	10, 12	57,587	45,094
(Reversal)/charge of allowance for accounts receivable	19	(408)	33,077
Provision for advances paid	12	21,595	-
Unused vacation reserve		24,829	15,298
Provision for obsolete materials	12	6,846	-
Expenses/(income) on pension plans		2,839	(13,990)
Foreign exchange gain		(3,616)	(9,204)
Finance costs		13,492	7,286
Cash flows from operations before changes in working capital		**669,427**	**398,459**
Decrease/(increase) in trade and other receivables		36,290	(39,031)
Increase in advances paid		(59,570)	(22,343)
Increase in advances received		300	523
Increase in inventories		(97,684)	(53,544)
Decrease in trade and other payables		(11,993)	(33,179)
Decrease in other liabilities		(187)	(43,426)
Interest paid on borrowings	27	(5,948)	(7,162)
Outstanding pension liabilities payments		(1,539)	(1,375)
Increase/(decrease) in taxes payable		4,032	(9,663)
Changes in working capital		**(136,299)**	**(209,200)**
Income tax paid		(77,492)	(63,699)
Net cash from operating activities		**455,636**	**125,560**
Cash flows from investing activities			
Acquisition of property, plant and equipment		(131,453)	(92,713)
Other cash flows from investing activities		(3,610)	(13,387)
Net cash used in investing activities		**(135,063)**	**(106,100)**
Cash flows from financing activities			
Proceeds from loans and borrowings	27	84,621	147,443
Repayment of loans and borrowings	27	(140,200)	(119,328)
Dividends paid to the Company's shareholders	22	(97,371)	(68,895)
(Increase)/decrease in short-term loans issued		(328)	567
Decrease in long-term loans issued		998	1,005
Increase in special-purpose receipts		-	2
Other cash flows from financing activities		153	(209)
Net cash used in financing activities		**(152,127)**	**(39,415)**
Net increase /(decrease) in cash and cash equivalents		**168,446**	**(19,955)**
Cash and cash equivalents at 1 January	21	23,221	38,802
Effect of movements in exchange rates on cash and cash equivalents		976	4,374
Cash and cash equivalents at 31 December	21	**192,643**	**23,221**

* Refer to Note 8 to the consolidated financial statements.

The consolidated statement of cash flows is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 11 to 54.

1 Reporting entity

(a) Uzbekistan business environment

The Group's operations are primarily located in the Republic of Uzbekistan. Consequently, the Group is exposed to the economic and financial markets of the Republic of Uzbekistan which display characteristics of an emerging market. The legal, tax and regulatory frameworks continue development, but are subject to varying interpretations and frequent changes which together with other legal and fiscal impediments contribute to the challenges faced by entities operating the Republic of Uzbekistan. The COVID-19 coronavirus pandemic has further increased uncertainty in the business environment.

Uzbekistan continued carrying out reforms initiated by the President as part of implementation of the strategy, the Action on Five Priority Directions of Development of the Republic of Uzbekistan in 2017-2021. In recent years, major restrictions on currency conversion, and mandatory sale of foreign currency generated by export sales, have been abolished; the settlement period for export transactions has increased; one-stop-shop government service delivery has been introduced and other positive changes have been implemented.

The consolidated financial statements reflect management's assessment of the impact of the Uzbekistan business environment on the operations and financial position of the Group. The future business environment may differ from management's assessment.

(b) Organisation and operations

Maxam-Chirchiq Joint Stock Company was established on the base of one of the first nitrogen plants of the country. For over 80 years, the Company has been the largest producer of mineral fertilizers and other chemical products in Uzbekistan. Nowadays, the Company manufactures more than 40 product items: carbamide, ammonium nitrate, ammonium sulphate, potassium sulphate, granulated nitrogen-sulphur fertilizer, carbomide-ammonium mixture, liquid ammonia, aqueous ammonia, concentrated nitric acid, not concentrated nitric acid, carbon dioxide in liquid and gaseous states, and others. These products are widely used in many industries: chemical, electronic, metallurgical, textile, food industry and agriculture.

A catalyst producing plant, the only plant of such kind in Uzbekistan, is part of operations of Maxam-Chirchiq JSC.

The quality of products is confirmed by quality certificates. IMS (Integrated Management System) has been implemented and operated in Maxam-Chirchiq JSC in accordance with the requirements of ISO 9001 *Quality Management System*, ISO 14001 *Environmental Management System*, ISO 50001 *Energy Management System* and ISO 45001 *Occupational Health and Safety Management System*. The Quality Management System has been designed to coordinate all activities, including the development of new products to meet the requirements and wishes of consumers.

The Company has been certified by CERT INTERNATIONAL.

In 1932, a decision was adopted to build Chirchiq Nitrogen Fertilizer Plant. At the time when the entity was put into operation, the Company's name was Chirchiq Elektrohimkombinat. It was the first enterprise producing nitrogen fertilizer in the Central Asia. Commissioned in 1940, the plant became the pioneer of the chemical industry in Uzbekistan and served as the basis for construction of the city of Chirchiq.

In 1975, the plant was renamed Industrial Association Electrokhimprom.

On 25 January 2002, in accordance with the State Programme on Deepening the Process of Denationalization and Privatization, Industrial Association Electrokhimprom was transformed into Elektrkimyosanoat Open Joint Stock Company.

In 2007, the company MAXAMCORP SAU (Spain) acquired a 49% stake in the Company. Therefore, the Company was renamed MAXAM-CHIRCHIQ JSC.

Currently, MAXAM-CHIRCHIQ JSC is a joint stock company, jointly owned by Uzkimyosanoat JSC and MAXAMCORP S.A.U., with neither party to be a controlling party.

As at 31 December 2021, the Group's share capital is UZS 24,996 mln (twenty four billion nine hundred ninety-six million one hundred eighty thousand soums), and is divided into 4,999,236 ordinary registered shares of nominal value of UZS 5,000.

Unified State Register of Legal Entities: The Company was registered by Tashkent Oblast Department of Justice of the Ministry of Justice of the Republic of Uzbekistan on 27 October 2014, under the number 107.

The legal address of Maxam-Chirchiq JSC is: 2 Tashkentskaya Street, Chirchiq, Tashkent Oblast, Republic of Uzbekistan.

The Group's consolidated financial statements include the following operation companies, which are directly or indirectly controlled by the Company:

No.	Name of subsidiary	Principal activity	Country of incorporation	2021	2020
1	Chirchiq Agrofood LLC	Manufacturing enterprise	Uzbekistan	100%	100%
2	Eks Sintez LLC	Manufacturing enterprise	Uzbekistan	100%	100%
3	Unitary Enterprise "Palace of Culture"	Social facility	Uzbekistan	100%	100%
4	Ok-tosh kimyogarlar Oromgohi LLC	Social facility	Uzbekistan	90%	90%

Chirchiq Agrofood LLC. The financial statements of this subsidiary has not been included in the Group's consolidated financial statements due to insignificant performance results, assets and liabilities as at 31 December 2020 and 31 December 2021.

2 Basis of accounting

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs").

The preparation of the financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires the management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4. Actual results could differ from those estimates.

3 Functional and presentation currency

The national currency of the Republic of Uzbekistan is the Uzbek Soum ("UZS), which is the functional currency of the Company and its subsidiaries and the currency in which these consolidated financial statements are presented. All financial information presented in UZS has been rounded to the nearest million, unless otherwise stated.

4 Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the Note 29(c) with regard to contractual investment commitments.

Fair value measurement

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When it is necessary to perform complex calculations for the purposes of fair value measuring, the Group engages independent valuation specialists.

Key assumptions used in measurement are agreed on with the Group management.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following note:

Note 28 – fair value and risks management.

5 Basis of measurement

The consolidated financial statements are prepared on the historical cost basis except that financial instruments are stated at fair value through profit or loss. Significant accounting policies are set out below, in Note 6.

6 Significant accounting policies

The accounting policies set out below have been applied consistently during the period presented in these consolidated financial statements, and have been applied consistently by Group entities.

Set out below is an index of the significant accounting policies, the details of which are available on the pages that follow:

(a) Basis of consolidation

(i) Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group (see Note 6(a)(ii)). In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

The Group measures goodwill at the acquisition date as:

- The fair value of the consideration transferred; plus
- The recognised amount of any non-controlling interests in the acquiree; plus
- If the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquire; less
- The net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

(ii) Non-controlling interest

Non-controlling interest is measured as a proportional part of the net identifiable assets of the acquiree as of the acquisition date.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(iii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(iv) Acquisitions from entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are revised. T The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group's controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group equity except that any share capital of the acquired entities is recognised as part of additional paid-in capital. Any cash paid for the acquisition is recognised directly in equity.

(v) Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as a financial asset at fair value through profit or loss depending on the level of influence retained.

(vi) Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates and a joint venture.

Associates are those entities in which the Group has significant influence over the financial and operating policies. over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method and are recognised initially at cost. The cost of the investment includes transaction costs.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest including any long-term investments, is reduced to zero, and the recognition of further losses is discontinued, except to the extent that the Group has an obligation or has made payments on behalf of the investee.

(vii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Revenue

(i) Sale of goods

The Group earns revenues mostly from sales of mineral fertilizers, chemical agents and products of low-tonnage chemistry. Other revenue includes revenue earned from provision of services, sales of other finished goods (Note 9).

The Group usually recognises revenue when persuasive evidence exists, usually in the form of an executed sales agreement, that control over the goods has been transferred to the customer. The timing of the transfer of control varies depending on the specific terms and conditions of the sales agreement and individual characteristics of the customer. As a rule, settlements under a particular contract with a customer take place within a year, therefore the Group applies the practical expedient and does not calculate a significant financing component of such contracts.

The Group does not provide discounts, premiums or bonuses to its customers.

The Group provides standard warranty conditions for the quality of its products. There is no separate obligation to provide product warranties under contracts with customers.

(c) Finance income and costs

Finance income and costs comprise:

— interest income; and

— interest expense.

— dividend income;

— net foreign currency gain or loss from revaluation of financial assets and liabilities denominated in foreign currencies.

Interest income or expense is recognised using the effective interest method. Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

— the gross carrying amount of the financial asset; or

— the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(d) Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured based on a historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are recognised in profit or loss.

Gain on foreign currency differences arising on retranslation are recognised in other comprehensive income:

— investment in equity securities classified at the entity's discretion as measured at fair value through other comprehensive income (unless they are impaired, in which case foreign exchange differences recognised in other comprehensive income are reclassified to profit or loss).

(e) Employee benefits

(i) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

To the extent that the Group’s contributions to social programs benefit the community at large and are not restricted to the Group’s employees, they are recognised in profit or loss as incurred.

(ii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

Obligations for contributions to defined contribution pension plans, including State Pension Fund, are recognised as an employee benefit expense in the statement of profit or loss in the periods during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that are due more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

(iii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Group. An economic benefit is available to the Group if it is realisable during the life of the plan, or on settlement of the plan liabilities.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(f) Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from dividends.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

— temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

— temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

— taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

In accordance with the tax legislation of the Republic of Uzbekistan, tax losses and current tax assets of a company in the Group may not be set off against taxable profits and current tax liabilities of other Group companies. In addition, the tax base is determined separately for each of the Group's main activities and, therefore, tax losses and taxable profits related to different activities cannot be offset.

In determining the amount of current and deferred tax the Group takes into account the impact of uncertain tax positions and whether additional taxes, penalties and late-payment interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law of the Republic of Uzbekistan and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact the tax expense in the period that such a determination is made.

(g) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average cost method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(h) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and is recognised net within other income/other expenses in profit or loss.

(ii) Subsequent costs

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Items of property, plant and equipment are depreciated from the date that they are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use. Depreciation is based on the cost of an asset less its estimated residual value.

Depreciation is generally recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Land is not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

- buildings and constructions 7-50 years;
- machinery and equipment 7-30 years;
- other 7-20 years.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(i) Financial instruments

(i) Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

— it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

— its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

— it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

— its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest (SPPI criterion), the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. In addition, a prepayment feature is treated as consistent with this criterion if a financial asset is acquired or originated at a premium or discount to its contractual par amount, the prepayment amount substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination), and the fair value of the prepayment feature is insignificant on initial recognition.

Financial assets – Subsequent measurement and gains and losses

Financial assets at fair value through profit or loss	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Investments in debt instruments measured at fair value through other comprehensive income	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Investments in equity instruments measured at fair value through other comprehensive income	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(iii) Modification of financial assets and financial liabilities

Financial assets

If the terms of a financial asset are modified, the Group evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different (referred to as 'substantial modification'), then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value.

The Group performs a quantitative and qualitative evaluation of whether the modification is substantial, i.e. whether the cash flows of the original financial asset and the modified or replaced financial asset are substantially different. The Group assesses whether the modification is substantial based on quantitative and qualitative factors in the following order: qualitative factors, quantitative factors, combined effect of qualitative and quantitative factors. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset deemed to have expired. In making this evaluation the Group analogizes to the guidance on the derecognition of financial liabilities.

The Group concludes that the modification is substantial as a result of the following qualitative factors:

— change the currency of the financial asset;

— change in collateral or other credit enhancement;

— change of terms of financial asset that lead to non-compliance with SPPI criterion (e.g. inclusion of conversion feature).

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Group recalculates the gross carrying amount of the financial asset and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss. The gross carrying amount of the financial asset is recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate. Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

Financial liabilities

The Group derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. in which case a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

If a modification (or exchange) does not result in the derecognition of the financial liability the Group applies accounting policy consistent with the requirements for adjusting the gross carrying amount of a financial asset when a modification does not result in the derecognition of the financial asset, i.e. the Group recognises any adjustment to the amortised cost of the financial liability arising from such a modification (or exchange) in profit or loss at the date of the modification (or exchange).

Changes in cash flows on existing financial liabilities are not considered as modification, if they result from existing contractual terms, e.g. changes in fixed interest rates initiated by banks due to changes in the key rate of the Central Bank of the Republic of Uzbekistan, if the loan contract entitles banks to do so and the Group has an option to either accept the revised rate or redeem the loan at par without penalty. The Group treats the modification of an interest rate to a current market rate using the guidance on floating-rate financial instruments. This means that the effective interest rate is adjusted prospectively.

The Group assesses whether the modification is substantial based on quantitative and qualitative factors in the following order: qualitative factors, quantitative factors, combined effect of qualitative and quantitative factors. The Group concludes that the modification is substantial as a result of the following qualitative factors:

- change the currency of the financial liability;
- change in collateral or other credit enhancement;
- inclusion of conversion option;
- change in the subordination of the financial liability.

For the quantitative assessment the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

(iv) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its consolidated statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(v) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(j) Charter capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

Repurchase, disposal and reissue of share capital (treasury shares)

When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the treasury share reserve. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented in additional paid-in capital.

(k) Impairment

(i) Non-derivative financial assets

Financial instruments and contract assets

The Group recognises loss allowances for expected credit losses (ECLs) on:

— financial assets measured at amortised cost;

— debt investments measured at FVOCI; and

— contract assets.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

— debt securities that are determined to have low credit risk at the reporting date; and

— other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

— the debtor is unlikely to pay its obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or

— the financial asset is more than 90 days past due.

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Group considers this to be Baa3 or higher per Rating Agency Moody's.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the consolidated statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

Write-offs

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is 180 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Equity-accounted investees

An impairment loss in respect of an equity-accounted investee is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss is recognised in profit or loss, and is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Impairment losses are recognised in the cases, when the carrying amount of an asset or CGU, to which this asset relates to, exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(l) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

7 New standards and interpretations not yet adopted

A number of new standards are effective for annual periods beginning after 1 January 2021 and earlier application is permitted. However, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements.

The following amended standards and interpretations are not expected to have a significant impact on the Group's consolidated financial statements.

- _Onerous contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)_
- _Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12);_
- _COVID-19-Related Rent Concessions beyond 30 June 2021 – Amendment to IFRS 16;_
- _Annual Improvements to IFRS Standards 2018–2020 Cycle – various standards;_
- _Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16 Property, Plant and Equipment)._
- _Reference to Conceptual Framework (Amendments to IFRS 3);_
- _Classification of Liabilities as Current or Non-current (Amendments to IAS 1)._
- _IFRS 17 Insurance Contracts;_
- _Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)._
- _Definition of Accounting Estimates (Amendments to IAS 8)._

8 Correction of errors

In the process of preparation of these consolidated financial statements the Group's management identified certain errors in the previously issued consolidated financial statements for the year ended 31 December 2020. In accordance with IAS 8 _Accounting Policies, Changes in Accounting Estimates and Errors_, these consolidated financial statements have been restated to correct the errors:

(a) Consolidated statement of financial position

The effect of the adjustments made to the consolidated statement of financial position as at 31 December 2020 and 1 January 2020 is as follows:

Consolidated statement of financial position as at 1 January 2020

UZS mln		**Effect of correction of errors**		
1 January 2020	**Note**	**As previously reported**	**Adjustments/ reclassifications**	**Restated**
Property, plant and equipment	(ii), (iii)	90,197	113,996	204,193
Intangible assets		-	32	32
Deferred tax assets	(vi)	2,762	6,759	9,521
Inventories	(ii)	334,703	(23,080)	311,623
Trade and other receivables	(iv)	60,664	(21,582)	39,082
Advances paid to suppliers	(iv)	33,165	21,582	54,747
Total assets		**575,348**	**97,707**	**673,055**
Deferred tax liabilities	(vi)	2,762	(2,762)	-
Trade and other payables	(i), (x)	309,907	(157,182)	152,725
Defined benefit pension plan	(viii)	-	26,326	26,326
Total liabilities		**461,478**	**(133,618)**	**327,860**
Reserve capital	(i), (viii)	34,532	(38,709)	(4,177)
Retained earnings	(i), (iii), (viii), (vi), (x)	33,571	270,034	303,605
Total equity		**113,870**	**231,325**	**345,195**

Consolidated statement of financial position as at 31 December 2020

UZS mln		**Effect of correction of errors**		
31 December 2020	**Note**	**As previously reported**	**Adjustments/ reclassifications**	**Restated**
Property, plant and equipment	(ii), (iii)	99,187	152,628	251,815
Intangible assets		-	28	28
Investments		14,880	657	15,537
Deferred tax assets	(vi)	23,991	(9,777)	14,214
Inventories	(ii)	409,253	(44,086)	365,167
Trade and other receivables	iv.	91,494	(40,220)	51,274
Advances paid to suppliers	(iv)	36,928	40,220	77,148
Total assets		**711,366**	**99,450**	**810,816**
Deferred tax liabilities	(vi)	23,991	(23,991)	-
Trade and other payables	(i)	147,963	18,680	166,643
Defined benefit pension plan	(viii)	-	10,353	10,353
Total liabilities		**295,653**	**5,042**	**300,695**
Reserve capital	(i), (viii)	64,035	(45,729)	18,306
Retained earnings	(iii), (viii), (vi)	305,909	138,903	444,812
Non-controlling interest		-	626	626
Total equity		**415,713**	**94,408**	**510,121**

(b) Consolidated statement of profit or loss and other comprehensive income

UZS mln		Effect of correction of errors		
For the year ended 31 December 2020	**Note**	**As previously reported**	**Adjustments/ reclassifications**	**Restated**
Cost	(iii), (viii), (i), (v)	(1,237,175)	21,003	(1,216,172)
Selling expenses	(i), (v)	(73,940)	10,043	(63,897)
Administrative and other operating expenses	(i), (v)	(196,406)	(2,827)	(199,233)
Charge of provision for account receivables	(v)	(49,863)	16,786	(33,077)
Unused vacations reserve	(i), (v)	(29,578)	29,578	-
Other income	(v)	52,455	(40,113)	12,342
Finance income	(vii)	17,059	(15,980)	1,079
Foreign exchange (loss)/gain	(vii)	(6,776)	15,980	9,204
Income tax expense	(vi)	(63,699)	4,693	(59,006)
Other comprehensive income				
Items that will not be reclassified to profit or loss:				
Revaluation of pension liabilities	(viii)	-	608	608
Profit attributable to non-controlling interests		-	(31)	(31)
Profit attributable to owners of the Company		222,729	39,802	262,531
Profit for the year		**222,729**	**39,771**	**262,500**

(c) Consolidated statement of cash flows

UZS mln		**Effect of correction of errors**		
For the year ended 31 December 2020	**Note**	**As previously reported**	**Adjustments/ reclassifications**	**Restated**
Profit before income tax		286,428	34,470	320,898
Adjusted for:				
Depreciation of property, plant and equipment	(iii)	51,680	(6,586)	45,094
Net impairment loss on trade receivables	(v)	-	33,077	33,077
Unused vacations reserve	(i)	-	15,298	15,298
Income on pension plans	(viii)	-	(13,990)	(13,990)
Foreign exchange gain	(vii)	(17,060)	7,856	(9,204)
Cash flows from operating activities before changes in working capital		**328,334**	**70,125**	**398,459**
Increase in trade and other receivables	(iv)	(30,831)	(8,200)	(39,031)
Increase in advances paid	(iv)	(3,763)	(18,580)	(22,343)
Increase in advances received		-	523	523
Increase in inventories		(74,550)	21,006	(53,544)
Decrease in trade and other payables		(161,944)	128,765	(33,179)
Increase in other assets		(21,229)	21,229	-
Increase/(decrease) in other liabilities		606	(44,032)	(43,426)
Payment of outstanding pension liabilities		-	(1,375)	(1,375)
Repayment of interest on loans		-	(7,162)	(7,162)
Changes in working capital		**(301,374)**	**92,174**	**(209,200)**
Income tax paid		(63,645)	(54)	(63,699)
Net cash flows (used in)/from operating activities		**(36,684)**	**162,244**	**125,560**
Acquisition of property, plant and equipment		73,520	(166,233)	(92,713)
Other cash flows from investing activities		(13,809)	422	(13,387)
Net cash from/(used) in investing activities		**59,711**	**(165,811)**	**(106,100)**
Proceeds from loans and borrowings		27,373	120,070	147,443
Repayment of loans and borrowings		(43,425)	(75,903)	(119,328)
Dividends paid to the Company's shareholders		(98,223)	29,328	(68,895)
Decrease on long-term loans issued		-	1,005	1,005
Other cash flows from financing activities		(35,728)	35,519	(209)
Increase in retained earnings due to revaluation of assets		147,117	(147,117)	-
Increase in reserve capital of entities in accordance with the decision of respective authorities		(29,503)	29,503	-
Net cash used in financing activities		**(31,820)**	**(7,595)**	**(39,415)**
Effect of movements in exchange rates on cash and cash equivalents		(6,776)	11,150	4,374

(i) When preparing the consolidated financial statements for 2021, the Group found an error related to classification of the vacation reserve balances, which were incorrectly reflected in the reserve capital instead of being reflected in trade and other payables. The Group has adjusted comparative information of UZS 22,259 mln as at 1 January 2020 and of UZS 29,578 mln as at 31 December 2020.

The Group also found an error related to calculation of unused vacation reserve as at 1 January 2020 and 31 December 2020. The Group has adjusted the reserve of UZS 9,415 mln as at 1 January 2020 through previous years' retained earnings and of UZS 1,483 mln as at 31 December 2020 through expenses for the period. The Group additionally recognised deferred tax assets as at 1 January 2020 and 31 December 2021 in the amounts of UZS 1,927 mln and UZS 2,802 mln, respectively.

Corresponding adjustments were made to presentation of line items in the consolidated statement of cash flows.

(ii) When preparing the consolidated financial statements for 2021, the Group found an error related to classification of catalyst agents, which were incorrectly recorded as inventory instead of being recorded in property, plant and equipment. The Group has adjusted comparative information of UZS 23,080 mln as at 1 January 2020 and of UZS 44,086 mln as at 31 December 2020.

Corresponding adjustments were made to presentation of line items in the consolidated statement of cash flows.

(iii) When preparing the consolidated financial statements for 2021, the Group found an error related to correct presentation of the carrying amount of property, plant and equipment. The Group has corrected the error and recognised an increase in property, plant and equipment of UZS 90,948 mln through previous years' retained earnings as at 1 January 2020. Corresponding adjustments were recorded as at 31 December 2020. The Group has corrected the error related to depreciation charged to cost of sales in 2020 of UZS 17,622 mln.

Corresponding adjustments were made to presentation of line items in the consolidated statement of cash flows.

(iv) When preparing the consolidated financial statements for 2021, the Group reclassified advances paid from accounts receivable. The Group has adjusted comparative information of UZS 21,582 mln as at 1 January 2020 and of UZS 40,220 mln as at 31 December 2020.

Corresponding adjustments were made to presentation of line items in the consolidated statement of cash flows.

(v) When preparing the consolidated financial statements for 2021, the Group corrected presentation of the amount of unused vacation reserve within the cost of sales, and selling expenses and administrative and other operating expenses (that were previously presented as a separate line item - Unused vacations reserve). The Group has adjusted comparative information for 2020, in the amount of UZS 11,984 mln - in the cost of sales, UZS 486 - in selling expenses and UZS 17,108 - in administrative and other operating expenses. The Group also found an error related to the fact that provision for trade and other receivables, unused vacation reserve and reimbursement of transportation expenses were not recognised on a net basis. Therefore, the Group reclassified from other income the reversal/(charge) of provision for trade and other receivables of UZS 16,785 mln, reversal of unused vacation reserve of UZS 12,798 mln - to cost of sales, administrative and other operating expenses, and selling expenses, reimbursement of transportation expenses of UZS 10,529 mln - to selling expenses for 2020.

Corresponding adjustments were made to presentation of line items in the consolidated statement of cash flows.

(vi) When preparing the consolidated financial statements for 2021, the Group found an error related to calculation of deferred taxes in terms of determination of permanent and temporary differences. The Group has adjusted comparative information related to the carrying amount of deferred tax assets as at 1 January 2020 in the amount of UZS 9,521 mln through retained earnings, and as at 31 December 2020 in the amount of UZS 4,693 through decrease in income tax expense.

(vii) When preparing the consolidated financial statements for 2021, the Group reclassified foreign exchange gain from finance income to foreign exchange gain in the consolidated statement of profit or loss and other comprehensive income. The Group adjusted comparative information for 2020 in the amount of UZS 15,980 mln.

Corresponding reclassifications were made to presentation of line items in the consolidated statement of cash flows

(viii) When preparing the consolidated financial statements for 2021, the Group recalculated the outstanding pension liabilities and as a result recognised liabilities of UZS 26,326 mln and UZS 10,353 mln as at 1 January 2020 and 31 December 2020, respectively. The Group did not perform calculation prior to that. As at 1 January 2020, the Group recognised liabilities of UZS 10,175 mln and reserve capital of UZS 16,151 mln through previous years' retained earnings. As at 31 December 2020, the Group recognised liabilities of UZS 15,365 mln through profit or loss and other comprehensive income of UZS 608 mln.

Corresponding adjustments were made to presentation of line items in the consolidated statement of cash flows.

(ix) When preparing the consolidated financial statements for 2021, the Group found an error related to calculation of cash flows on the following items: acquisition of property, plant and equipment due to incorrect calculation of the amount; dividends paid to shareholders of the Group due to the fact that the Group recognise accrual instead of payment.

All identified errors in the notes above have affected the adjustment with regard to Other cash flows from financing activities.

(x) In preparing the consolidated financial statements for 2021, the Group found an error in the accrual of trade payables in 2019. The Group corrected the error and recorded decrease in trade payables in the amount of UZS 170,325 mln through retained earnings as at 1 January 2020.

9 Revenue

The Group earns revenues mostly from sales of mineral fertilizers, chemical and related products.

UZS mln	2021	2020
Sale of finished goods	2,194,967	1,817,653
Works performed and services provided	1,068	285
	2,196,035	**1,817,938**

Almost entire revenue relates to the contracts with customers.

In 2021, about 31% of revenue was export-related (2020: 16%).

In 2021, revenue from one customer of the Group (2020: one customer),whose share exceeds 10% of the total revenue, is UZS 524,653 mln (2020: UZS 215,117 mln).

10 Cost of sales

UZS mln	Note	2021	2020
Procurement of services, including gas, electricity and heat		935,537	904,279
Employee benefit expenses	15	260,353	193,446
Raw materials and supplies		102,719	91,841
Depreciation	17	53,666	44,019
Other		1,537	1,164
Movement in balances of finished products and work in progress	18	5,514	(18,577)
		1,359,326	**1,216,172**

11 Selling expenses

UZS mln	2021	2020
Railroad services	37,301	31,654
Packaging expenses	15,701	14,617
Export commission fee	9,124	3,741
Car equipment (materials)	4,886	2,620
Tender organisation services	3,694	5,548
Other	7,589	5,717
	78,295	**63,897**

12 Administrative and other operating expenses

UZS mln	Note	2021	2020
Employee benefit expenses	15	79,784	53,060
Taxes other than income tax		40,947	68,599
Fines and penalties*		33,612	1,456
Services, including services for maintenance of Workers’ Supply Department, passenger cars, repairs, and professional services		28,187	39,193
Provisions for advances paid	20	21,595	-
Provision for slow-moving inventories	18	6,846	-
Depreciation	17	3,922	1,076
Charity and donations		3,744	11,521
Business trips		2,927	2,774
Unused vacations reserve		2,854	2,827
Allowances for investments**		2,065	-
Materials		1,734	-
Personnel training and re-training		1,014	2,116
Prior period expenses		-	11,646
Other		6,263	4,965
		235,494	**199,233**

* In 2021, the Company recognised expenses on fines of UZS 33,323 mln as a result of a tax audit for the period of 2017–2020. The matter is pending before the relevant authorities and its outcome cannot be determined with certainty at the date of issue of the consolidated financial statements.

**In 2021, the Group established an allowance for investments in its subsidiary Chirchiq Agrofood LLC in the amount of UZS 2,065 mln.

13 Other income

UZS mln	2021	2020
Fines and penalties	8,556	2,452
Initial recognition of materials	4,641	1,744
Gain on disposal of assets	3,962	4,713
Income from payables write-down	2,909	269
Operating lease income	2,838	2,227
Other	8,724	937
	31,630	**12,342**

14 Finance costs

UZS mln	Note	2021	2020
Interest expense on loans	27	6,274	7,286
Recognition of discount on long-term loans issued to employees		7,406	-
		13,680	**7,286**

15 Employee benefit expenses

UZS mln	Note	2021	2020
Wages and salaries		306,892	220,389
Social contributions		36,099	28,944
	10, 12	**342,991**	**249,333**

16 Income tax

(a) Amounts recognised in profit or loss

The Group's applicable tax rate as at 31 December 2021 is the income tax rate of 15% for companies in the Republic of Uzbekistan (31 December 2020: 15%).

UZS mln	2021	2020
Current income tax		
Current year	118,387	63,699
	118,387	**63,699**
Deferred income tax		
Origination and reversal of temporary differences	(11,112)	(4,693)
	(11,112)	**(4,693)**
Total income tax expense	**107,275**	**59,006**

(b) Reconciliation of effective tax rate

Below is a reconciliation of income tax at the rate of 15% for the years ended 31 December 2021 and 31 December 2020, respectively, with actual income tax expense recognised in the Group's consolidated statement of profit or loss and other comprehensive income:

	2021		2020	
	UZS mln	%	UZS mln	%
Profit before income tax	**546,263**	**100**	**320,898**	**100**
Income tax expense at applicable tax rate	81,939	15	48,135	15
Non-deductible expenses	25,336	5	10,871	3
	107,275	**20**	**59,006**	**18**

(d) Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

UZS mln	1 January 2021	Recognised in profit or loss	31 December 2021
Property, plant and equipment	5,124	(893)	4,231
Long-term loans issued	-	1,111	1,111
Inventories	-	1,027	1,027
Cash and cash equivalents	9	(9)	-
Advances paid to suppliers	-	3,239	3,239
Trade and other payables	-	1,103	1,103
Trade and other receivables	4,727	827	5,554
Unused vacations reserve	2,802	3,314	6,116
Defined benefit pension plan	1,552	1,393	2,945
Net tax assets	**14,214**	**11,112**	**25,326**

UZS mln	1 January 2020	Recognised in profit or loss	31 December 2020
Property, plant and equipment	3,653	1,471	5,124
Cash and cash equivalents	(8)	17	9
Trade and other receivables	-	4,727	4,727
Unused vacations reserve	1,927	875	2,802
Defined benefit pension plan	3,949	(2,397)	1,552
Net tax assets	**9,521**	**4,693**	**14,214**

17 Property, plant and equipment

UZS mln	Note	Buildings and land	Machinery and equipment	Equipment for installation	Capital investment	Other	Total
Cost							
Balance at 1 January 2020 (as previously reported)		**84,883**	**283,315**	**98**	**33,993**	**23,861**	**426,150**
Effect of retrospective adjustments		(34,545)	132,464	-	-	(48)	97,871
Balance at 1 January 2020 (restated)*		**50,338**	**415,779**	**98**	**33,993**	**23,813**	**524,021**
Additions		3,906	59,763	7	-	-	63,676
Disposals		(139)	(2,222)	-	-	(550)	(2,911)
Transfers		9,844	-	-	(13,258)	3,414	-
Balance at 31 December 2020 (restated*)		**63,949**	**473,320**	**105**	**20,735**	**26,677**	**584,786**
Effect of retrospective adjustments		(2,077)	22,242	-		278	20,443
Balance at 31 December 2020 (restated*)		**61,872**	**495,562**	**105**	**20,735**	**26,955**	**605,229**
Additions		1,798	60,919	368	54,384	-	117,469
Disposals		(1,357)	(5,545)	-	-	(1,039)	(7,941)
Transfers		7,409	-	697	(16,380)	8,274	-
Transfers from inventories		-	11,130	-	5,884	-	17,014
Balance at 31 December 2021		**69,722**	**562,066**	**1,170**	**64,623**	**34,190**	**731,771**
Accumulated depreciation							
Balance at 1 January 2020 (as previously reported)		**(52,629)**	**(267,514)**	**-**	**-**	**(15,842)**	**(335,985)**
Effect of retrospective adjustments		21,047	(6,749)	-	-	1,859	16,157
Balance at 1 January 2020 (restated)*		**(31,582)**	**(274,263)**	**-**	**-**	**(13,983)**	**(319,828)**
Depreciation for the year	10,12	(3,332)	(39,631)	-	-	(2,131)	(45,094)
Disposal of depreciation		139	2,168	-	-	545	2,852
Balance at 31 December 2020 (restated*)		**(34,775)**	**(311,726)**	**-**	**-**	**(15,569)**	**(362,070)**
Effect of retrospective adjustments		-	8,656	-	-	-	8,656
Balance at 31 December 2020 (restated*)		**(34,775)**	**(303,070)**	**-**	**-**	**(15,569)**	**(353,414)**
Depreciation for the year	10,12	(1,987)	(52,694)	-	-	(2,906)	(57,587)
Disposal of depreciation		807	5,085	-	-	877	6,769
Balance at 31 December 2021		**(35,955)**	**(350,679)**	**-**	**-**	**(17,598)**	**(404,232)**
Carrying amount							
At 1 January 2020		**18,756**	**141,516**	**98**	**33,993**	**9,830**	**204,193**
At 31 December 2020		**27,097**	**192,492**	**105**	**20,735**	**11,386**	**251,815**
At 31 December 2021		**33,767**	**211,387**	**1,170**	**64,623**	**16,592**	**327,539**

Depreciation expense of UZS 53,666 mln (2020: UZS 44,019 mln) has been charged to cost of goods sold, UZS 3,922 mln to administrative expenses and other operating expenses (2020: UZS 1,076 mln).

18 Inventories

UZS mln	31 December 2021	31 December 2020
Raw materials and supplies	305,113	201,915
Finished goods	147,921	153,728
Work-in-progress	9,817	9,524
	462,851	**365,167**
Provision for obsolete and slow-moving inventories	(6,846)	-
	456,005	**365,167**

The movement in the allowance for slow-moving items during the reporting year was as follows:

UZS mln	Note	2021	2020
Balance at 1 January		**-**	**-**
Charge for the year	12	(6,846)	-
Balance at 31 December		**(6,846)**	**-**

19 Trade and other receivables

UZS mln	31 December 2021	31 December 2020
Trade receivables	50,248	80,113
Other receivables	12,957	21,024
	63,205	**101,137**
Less: allowance for expected credit losses	(45,378)	(49,863)
	17,827	**51,274**

The movement in the impairment allowance for trade and other receivables during the year was as follows:

UZS mln	2021	2020
Balance at 1 January	**(49,863)**	**(39,996)**
Write off against allowance	4,077	23,210
Recovered/(charged) for the year	408	(33,077)
Balance at 31 December	**(45,378)**	**(49,863)**

The Company's exposure to credit risk and impairment losses related to trade and other receivables is disclosed in Note 28.

20 Advances paid to suppliers

UZS mln	31 December 2021	31 December 2020
Advances paid to suppliers and contractors	98,557	62,620
Tax advances	37,816	14,214
Wages and salaries advances	506	314
	136,879	**77,148**
Less: impairment allowance for advances paid	(21,595)	-
	115,284	**77,148**

Movement in the impairment allowance for advances paid during the year was as follows:

UZS mln	Note	2021	2020
Balance at 1 January		**-**	**-**
Charge for the year	12	(21,595)	-
Balance at 31 December		**(21,595)**	**-**

21 Cash and cash equivalents

UZS mln	31 December 2021	31 December 2020
Accounts in foreign currency	134,477	21,829
Accounts in e-wallet at commodity exchange	51,093	-
Accounts in UZS	7,062	1,422
Cash on hand	14	30
	192,646	**23,281**
Less: impairment allowance for cash and cash equivalents	(3)	(60)
	192,643	**23,221**

The Company's exposure to interest rate risk and sensitivity analysis for financial assets and liabilities are disclosed in Note 28.

22 Equity

(a) Charter capital

In accordance with the Decree of the President of the Republic of Uzbekistan No.PP-407 dated 10 July 2006, the State Commission for Conducting Tenders on the Sale of the State Property to Foreign Investors announced a tender for the sale of a 49% block of shares through tenders. According to the Minutes of the State Commission No.02-8-1 dated 2 January 2007, MAXAMCORP S.A.U. (Spain) became the buyer of the block of shares.

Therefore, the founders of Maxam-Chirchiq JSC are: Uzkimyosanoat JSC that owns a 51% interest and MAXAMCORP S.A.U. (Spain) that owns a 49% interest. The Company issued totally 4,999,236 shares with a par value of UZS 5,000 per share.

	31 December 2021		31 December 2020	
	Contribution paid UZS mln	Interest %	Contribution paid UZS mln	Interest %
Uzkimyosanoat JSC	12,748	51%	12,748	51
MAXAMCORP S.A.U. (Spain)	12,248	49%	12,248	49%
	24,996	**100%**	**24,996**	**100%**

(b) Dividends

The holders of shares are entitled to receive dividends as declared from time to time.

UZS mln	2021	2020
Dividends declared during the year	-	98,233
Dividends paid during the year	97,371	68,895

(c) Other transactions with the owners

In 2021, Uzkimyosanoat JSC made decision to transfer, on a gratuitous basis, the investments made by the Company in the branch of D.I. Mendeleev University of Chemical Technology of Russia in Tashkent, in the amount of UZS 19,000 mln in favour of Uzkimyosanoat JSC.

23 Trade and other payables

UZS mln	31 December 2021	31 December 2020
Unused vacations reserve	40,772	18,680
Payables to employees	30,863	16,498
Trade payables	5,780	7,949
Liabilities on property, plant and equipment purchased	5,930	26,213
Dividends payable	-	97,303
	83,345	**166,643**

The Company's exposure to currency and liquidity risks related to trade and other payables is disclosed in Note 28.

24 Arrears to the budget

UZS mln	31 December 2021	31 December 2020
Income tax payables	40,895	-
Taxes other than income tax	10,858	6,826
	51,753	**6,826**

25 Advances received

UZS mln	31 December 2021	31 December 2020
Advances received from customers	3,292	2,579
Other advances received	269	527
	3,561	**3,106**

26 Defined benefit pension plan

The post-employment and retirement benefits program for the Group's employees provides for additional payments to pensions and additional material aid to retired employees; additional material aid is provided for the disabled persons. The amount of pension payments depends on the length of service in the Group of the program participants. The amount of one-time retirement payments depends on the amount of a monthly wage and the length of service of the employee at the time of retirement.

The most recent independent actuarial valuation of pension payments and other post-employment and retirement employee benefits as at 31 December 2021 was carried out in August 2022 to prepare the IFRS consolidated financial statements. For the purposes of the valuation, at the request of the Group, the census data for the Group's employees was prepared as at the valuation date.

(a) Movements in net liabilities under the defined benefit plans

The following table shows a reconciliation from the opening balances to the closing balances for the net liability of the defined benefit plan and its components.

	Defined benefit liabilities	
UZS mln	**2021**	**2020 (restated)**
Balance at 1 January	10,353	26,326
Charged to profit or loss		
Current period service cost	1,660	880
Prior period service cost due to changes in the terms of the plan	-	(18,049)
Interest expense	1,179	3,179
	2,839	**(13,990)**
Charged to other comprehensive income		
Actuarial losses/(gain)	7,973	(608)
	7,973	**(608)**
Other		
Payments made	(1,538)	(1,375)
	(1,538)	**(1,375)**
Balance at 31 December	**19,627**	**10,353**

Including a current portion: UZS 1,032 mln (2020: UZS 788 mln); non-current portion: UZS 18,595 mln (2020: UZS 9,565 mln).

(b) Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date:

	2021	2020
Discount rate	10%	12%
Inflation rate	7%	8%
Minimum wage in UZS	822,000	747,300
Future minimum wage growth	(Note 9)	10%

(c) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

31 December 2021	Defined benefit obligation	
UZS mln	**Increase**	**Decrease**
Discount rate (0.5% movement)	(1,236)	1,381
Wages and salaries (0.5% movement)	1,388	(1,254)

27 Short-term loans received

UZS mln	31 December 2021	31 December 2020
Bank loans	58,138	113,580
	58,138	**113,580**

Bank loans from Uzpromstroybank OJSB for working capital replenishment Annual interest rate under the contract is 21%.

Reconciliation of movements of liabilities to cash flows arising from financing activities

UZS mln	Loans and borrowings
Balance at 1 January 2020	**86,207**
Proceeds from borrowings	147,443
Repayment of borrowings	(119,328)
Interest expense	7,286
Interest paid	(7,162)
Other	(866)
Balance at 31 December 2020	**113,580**
Proceeds from borrowings	84,621
Repayment of borrowings	(140,200)
Interest expense	6,085
Interest paid	(5,948)
Balance at 31 December 2021	**58,138**

More detailed information about the Company's exposure to interest rate, currency risk and liquidity risk is disclosed in Note 28.

28 Fair values and risk management

(a) Accounting classifications and fair values

The Group has no financial assets and liabilities measured at fair value, except for investments in equity instruments measured at fair value through profit or loss. These investments are categorised into Level 1. Their fair value is determined based on quoted market prices.

As at 31 December 2021 and 31 December 2020, the carrying amounts of the Group's other financial assets and liabilities are a reasonable approximation of their fair values.

(b) Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- credit risk (Note 28(b)(ii));
- liquidity risk (Note 28(b)(iii));
- market risk (Note 28(b)(iv)).

(i) Risk management framework

The Supervisory Board has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Supervisory Board makes key risk management decisions.

(ii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

The carrying amount of financial assets represents the Group's maximum credit risk exposure. The maximum exposure to credit risk at the reporting date was as follows:

	Carrying amount	
UZS mln	**31 December 2021**	**31 December 2020**
Cash and cash equivalents (Note 21)	192,629	23,191
Trade and other receivables (Note 19)	17,827	51,274
Long-term loans issued	3,981	12,385
Short-term loans issued	355	27
	214,792	**86,877**

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer/client. However, management also considers the factors that may influence the credit risk of the Group's customer base, including the default risk of the industry and country, in which customers operate.

A summary of the Company's exposure to credit risk for trade and other receivables with no external credit rating assigned is as follows:

	31 December 2021	
UZS mln	**Gross**	**Provision**
Not past due	8,059	-
Past due less than 1 month	2,912	(2,066)
1-3 months past due	12,184	(4,335)
3-6 months past due	2,168	(2,168)
6-12 months past due	3,995	(3,995)
Past due more than 1 year	33,887	(32,814)
	63,205	**(45,378)**

	31 December 2020	
UZS mln	**Gross**	**Provision**
Not overdue	45,930	-
6-12 months past due	5,147	(4,061)
Past due more than 1 year	50,060	(45,802)
	101,137	**(49,863)**

Cash and cash equivalents

As at 31 December 2021, the Company holds cash and cash equivalents in the banks for a total amount of UZS 192,629 mln (31 December 2020: for a total amount of UZS 23,191 mln), which represents the Company's maximum credit exposure on these assets.

Cash and cash equivalents are held with the following financial institutions and state institutions:

UZS mln	Rating (Fitch)	31 December 2021	31 December 2020
JSCB Uzpromstroybank	BB-	141,539	23,251
State Enterprise Center for Digital Transformation under the Ministry of Investments and Foreign Trade of the Republic of Uzbekistan	BB-	29,958	-
UZBEK REPUBLICAN COMMODITY EXCHANGE JSC	BB-	21,121	-
JV XT XARID TEXNOLOGIYALARI LLC	BB-	13	-
Elektron Onlayn-Auksionlarni Tashkil Etish Markazi	BB-	1	-
		192,632	**23,251**
Allowance for expected credit losses		(3)	(60)
		192,629	**23,191**

Long-term loans issued

The Group has provided long-term loans to its employees for the purchase of real estate. In accordance with the agreement, if payment is past due for more than two months, the property is passed under possession of the Group.

As at 31 December 2021 and 31 December 2020, long-term loans issued are neither past due nor credit-impaired.

	31 December 2021	
UZS mln	**Gross carrying amount**	**Impairment allowance**
Current (not past due, stage 1)	3,981	-
	3,981	-

	31 December 2020	
UZS mln	**Gross carrying amount**	**Impairment allowance**
Current (not past due, stage 1)	12,385	-
	12,385	-

(iii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Exposure to liquidity risk

The following are the contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include estimated interest payments and exclude the impact of netting agreements.

31 December 2021 **UZS mln**	**Carrying amount**	**Contractual cash flows**	**0-6 months**
Non-derivative financial liabilities			
Trade and other payables	11,710	11,710	11,710
Short-term loans received	58,138	60,878	60,878
	69,848	**72,588**	**72,588**

31 December 2020 **UZS mln**	**Carrying amount**	**Contractual cash flows**	**0-6 months**
Non-derivative financial liabilities			
Trade and other payables	34,162	34,162	34,162
Short-term loans received	113,580	117,090	117,090
	147,742	**151,252**	**151,252**

(iv) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of the Group companies. The functional currency of all companies of the Group is Uzbek Soum. The currencies in which these transactions primarily are denominated are US Dollars, Euro and Russian roubles.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

Exposure to currency risk

The Group's exposure to currency risk was as follows based on notional amounts:

UZS mln	**USD-denominated 2021**	**EUR-denominated 2021**
Cash and cash equivalents	132,433	2,044
Trade and other receivables	2,077	-
Trade and other payables	(583)	-
Advances received	(198)	-
Exposure of statement of financial position to currency risk, net	**133,729**	**2,044**

	USD-denominated	EUR-denominated
UZS mln	**2020**	**2020**
Cash and cash equivalents	21,829	-
Trade and other receivables	16,483	-
Trade and other payables	(238)	-
Advances received	(2)	-
The Exposure of statement of financial position to currency risk, net	**38,072**	**-**

in UZS	**Average exchange rate**		**Reporting date spot rate**	
	2021	**2020**	**31 December 2021**	**31 December 2020**
1 USD	10,623	10,054	10,838	10,477
1 EUR	12,535	11,469	12,225	12,786
1 RUB	144	140	147	141
1 GBP	14,627	12,899	14,537	14,194

Sensitivity analysis

A reasonably possible strengthening (weakening) of the UZS, as indicated below, against all other currencies at 31 December would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit or (loss)	
UZS mln	**Strengthening**	**Weakening**
31 December 2021		
USD (20% movement)	(22,734)	22,734
EUR (20% movement)	(347)	347
31 December 2020		
USD (20% movement)	(6,472)	6,472

Interest rate risk

Interest rate risk arises from changes in interest rates that may affect the Group's financial performance or equity. Changes in interest rates may result in changes in interest income and expense.

The Group manages interest rate risk to ensure the sustainability of the net financial result on interest-bearing items.

The Group does not hedge interest rate risk.

Exposure to interest rate risk

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was as follows:

	Carrying amount	
UZS mln	**31 December 2021**	**31 December 2020**
Fixed rate instruments		
Short-term loans received	(58,138)	(113,580)
Long-term loans issued	3,981	12,385
Short-term loans issued	355	27
	(53,802)	**(101,168)**

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial instruments as fair value through profit or loss or as financial instruments measured at fair value through other comprehensive income. Therefore, a change in interest rates at the reporting date would not have an effect in profit or loss or in equity.

29 Contingencies

(a) Insurance

The insurance industry in the Republic of Uzbekistan is in a developing state and many forms of insurance protection common in other parts of the world are not yet generally available. The Group does not have full coverage for its premises and equipment, business interruption, or third party liability in respect of property or environmental damage arising from accidents on Group property or relating to the Group's operations. Until the Group obtains adequate insurance coverage, there is a risk that the loss or destruction of certain assets could have a material adverse effect on the Group's operations and financial position.

(b) Taxation contingencies

The taxation system in the Republic of Uzbekistan continues to evolve and is characterised by frequent changes in legislation, official pronouncements and court decisions, which are sometimes contradictory and subject to varying interpretation by different tax authorities.

Taxes are subject to review and investigation by various levels of authorities, which have the authority to impose severe fines, penalties, and interest charges. A tax year generally remains open for review by the tax authorities during the five subsequent years.

All these circumstances may create tax risks in the Republic of Uzbekistan that are more significant than in other countries. Management believes that it has provided adequately for tax liabilities based on its interpretations of applicable Uzbekistan tax legislation, official pronouncements and court decisions. However, the interpretations of the relevant authorities could differ and the effect on these consolidated financial statements, if the authorities were successful in enforcing their interpretations, could be significant.

(c) Investment commitments under the contracts

In accordance with the Decree of the President No.PP-407 date 10 July 2006 and decision of the State Tender Commission No. 02-8-1 dated 2 January 2007, State Property Committee and the Maxamcorp S.A.U. (Spain) concluded a contract for the sale and purchase of a 49% state-owned stake in OJSC Elektrkimyosanoat (renamed into Maxam-Chirchiq OJSC) No. 2448 dated 2 February 2007 in the amount of USD 22,365 mln under the condition of fulfilling investment commitments in the amount of USD 53 mln during 5 years. Corporation «Maxamcorp S.A.U.» (Spain) made the redemption payment of 49% of the shares in the amount of USD 22,365 mln on time and in full amount.

Due dates of fulfilment of investment commitments (in US dollars):

UZS mln	Amount
1st year	10,000,000
2nd year	632,000
3rd year	3,800,000
4-5th years	38,568,000
	53,000,000

Fulfilment of investment commitments is approved by the commission that is specially established by the State Property Committee. Based on the results of its work, the commission makes a decision to recognise investment commitments as fulfilled or not fulfilled.

Investment commitments approved by the State Property Committee (in US dollars):

Item	Date	Fulfilment of investment commitments: Payment	Fulfilment of investment commitments: Property contribution	Total amount of investment commitments fulfilled
Minutes IM/162 dated 11 February 2009	17.12.2008	10,000,000	-	10,000,000
Minutes dated 4 April 2020	2009	-	632,000	632,000
Minutes IM/210 dated 21 July 2011	2010	-	3,822,038	3,822,038
	23.12.2010	1,250,000	-	1,250,000
Minutes IM/241 dated 21	23.06.2011	2,299,990	-	2,299,990
January 2013	20.12.2012	11,707,345	-	11,707,345
Minutes IM/242 dated 1 March 2013	18.02.2013	3,242,665	-	3,242,665
		-	3,221,196	3,221,196
			417,491	417,491
Minutes IM/03-11-11MA			11,050	11,050
dated 26 October 2013	2013		3,398	3,398
Foreign exchange difference		-	(119)	(119)
Total		**28,500,000**	**8,107,054**	**36,607,054**

Under the addendum No.5 dated 16 November 2016, it was agreed to extend the deadline for fulfilment of investment commitments by the corporation according to the following schedule:

UZS mln	Amount
26.12.2007-26.12.2008	10,000,000
26.12.2008-26.12.2009	632,000
26.12.2009-26.12.2010	3,822,038
26.12.2010-26.12.2011	3,549,990
26.12.2011-26.12.2013	20,613,806
26.12.2014-26.12.2016	14,382,166
	53,000,000

However, to date, the amount of outstanding investment commitments is USD 36,607,054.

The amount of unaccepted investment commitments for development of the technical part of the project is USD 2,010,780.

USD-denominated

Total amount of investments	Investment commitments fulfilled	Amount of investment commitments to be confirmed	Balance of outstanding investment commitments
53,000,000	36,607,054	2,010,780	14,382,166

The Group did not recognise the assets and liabilities as at 31 December 2021.

30 Related parties

(a) Parent company and ultimate controlling party

The Company is jointly controlled by Uzkimyosanoat JSC and MAXAMCORP S.A.U. (Spain).

(b) Transactions with key management personnel

Key management received the following remuneration during the year, which is included in personnel expenses:

UZS mln	2021	2020
Wages and salaries, bonuses and contributions to the State Pension Fund	1,386	1,273
	1,386	**1,273**

(c) Other related party transactions

The related party transactions are disclosed below:

	Transaction value for the year ended 31 December	
UZS mln	**2021**	**2020**
Revenue		
Other state-controlled companies	524,653	215,117
Companies under control of Uzkimyosanoat JSC	213,266	167,500
Cost of sales		
Other state-controlled companies	113,909	58,316
Companies under control of Uzkimyosanoat JSC	6,286	6,896
Other related parties	977	2,443
Finance income		
Other state-controlled companies	1,368	1,075
Finance costs		
Other state-controlled companies	6,086	6,918

	Outstanding balance as at 31 December	
UZS mln	**2021**	**2020**
Accounts receivable		
Other state-controlled companies	13,687	14,415
Companies under control of Uzkimyosanoat JSC	1,452	38,103
Other related parties	92	
Advances paid		
Other state-controlled companies	58,654	40,221
Accounts payable		
Other state-controlled companies	2,070	2,512
Companies under control of Uzkimyosanoat JSC	891	1,023
Other related parties	56	109
Advances received		
Companies under control of Uzkimyosanoat JSC	2	198
Other related parties	7	-
Short-term loans received		
State-controlled banks (Note 27)	58,138	113,580

All outstanding balances with related parties are to be settled in cash within twelve months of the reporting date. None of the balances are secured. The Group did not issue guarantees to the related parties.

31 Subsequent events

According to the Minutes of the meeting of shareholders No.31 dated 27 January 2022, the Company declared dividends for 2020 of UZS 97,019 mln for Uzkimyosanoat JSC and UZS 93,214 mln to MAXAMCORP S.A.U. (Spain), of which total dividends were paid in the amount of UZS 175,495 mln.

On 4 October 2022, an explosion occurred in the territory of the Group's plant. As a result of the explosion, the ammonia synthesis unit 12 failed, its initial cost is UZS 4 mln. This event does not have material impact on the operations and financial performance of the Group.