

**THE GOLD SEGMENT OF STATE COMPANY
“NAVOI MINING AND METALLURGICAL COMBINAT”**

**INTERIM IFRS-LIKE PRO-FORMA FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

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**Interim IFRS-like pro-forma Statement of Profit or Loss and Other Comprehensive Income
for the nine months ended 30 September 2020**

In millions of US Dollars

	Notes	Nine months ended 30 September 2020	Nine months ended 30 September 2019
Revenue from gold sales	7	3,288.7	2,464.8
<i>Revenue from other sales</i>		21.8	26.3
<i>Cost of gold sales, excluding royalty</i>	8	(946.7)	(708.5)
<i>Royalty</i>	9	(664.3)	(624.0)
<i>Cost of other sales, excluding royalty</i>		(17.7)	(22.9)
Gross Profit		1,681.8	1,135.7
<i>Administrative expenses</i>	11	(50.6)	(43.2)
<i>Other operating expenses, net</i>	13	(51.4)	(50.3)
Operating profit		1,579.8	1,042.2
<i>Finance (costs)/income, net</i>	14	(121.7)	(56.0)
Profit before tax		1,458.1	986.2
<i>Income tax on earnings within the established percentage</i>	15	(71.3)	(16.1)
<i>Income tax on earnings in excess of the established percentage</i>	15	(790.8)	(807.0)
Net profit for the period		596.0	163.1

General director, Sanakulov K.S.

First deputy general director, Ponkratova O.I.

**Interim IFRS-like pro-forma Statement of Financial Position
at 30 September 2020**

In millions of US Dollars

	Notes	<u>30 September 2020</u>	<u>31 December 2019</u>
Assets			
Non-current assets			
Property, plant and equipment	16	7,829.9	8,223.0
Other non-current assets		1.8	3.0
Total non-current assets		<u>7,831.7</u>	<u>8,226.0</u>
Current assets			
Inventories	17	353.3	285.0
Advances paid to suppliers and prepaid expenses		99.9	113.0
Trade and other receivables		10.7	13.0
Taxes receivable		38.8	37.0
Cash and cash equivalents	18	85.5	42.0
Total current assets		<u>588.2</u>	<u>490.0</u>
Total assets		<u>8,419.9</u>	<u>8,716.0</u>
Equity			
Retained earnings		5,532.6	5,837.0
Total equity		<u>5,532.6</u>	<u>5,837.0</u>
Non-current liabilities			
Borrowings	19	728.0	739.0
Employee benefits		50.6	55.0
Environmental obligation		135.5	147.0
Deferred tax liabilities	20	1,378.1	1,576.0
Total non-current liabilities		<u>2,292.2</u>	<u>2,517.0</u>
Current liabilities			
Borrowings	19	281.6	31.0
Trade and other payables	21	161.5	191.0
Provisions		9.1	9.0
Income tax payable		53.0	46.0
Other taxes payable		89.9	85.0
Total current liabilities		<u>595.1</u>	<u>362.0</u>
Total liabilities		<u>2,887.3</u>	<u>2,879.0</u>
Total equity and liabilities		<u>8,419.9</u>	<u>8,716.0</u>

Interim IFRS-like pro-forma Statement of Cash Flows
For the nine months ended 30 September 2020

	Nine months ended 30 September 2020	Nine months ended 30 September 2019
Operating activities		
Profit before tax for the period	1,458.1	986.2
<i>Adjustments for:</i>		
Amortization and depreciation	271.8	84.7
Impairment	2.7	(1.1)
Finance expense /(income), net	40.4	(11.2)
Loss / (gain) on sale of property, plant and equipment and other assets	3.5	(1.6)
Foreign exchange loss, net	81.3	67.2
Other adjustments	7.3	3.0
Net cash generated from operating activities before changes in working capital	1,865.1	1,131.5
<i>Changes in working capital</i>		
Inventories	(68.3)	(73.0)
Trade and other receivables	2.3	3.6
Advances paid to suppliers and prepaid expenses	(37.9)	(45.6)
Trade and other payables	(29.5)	36.9
Taxes receivable	(1.8)	(28.9)
Taxes payable	11.9	12.9
Cash flows from operations	1,741.6	1,037.4
Income tax paid	(893.0)	(823.1)
Net cash generated from operating activities	848.6	214.3
Investing activities		
Acquisition of property, plant and equipment and intangible assets	(499.1)	(482.1)
Acquisition of investments	(1.7)	-
Net cash utilized in investing activities	(500.8)	(482.1)
Financing activities		
Interest paid	(29.5)	(4.3)
Dividends paid	(498.8)	(110.3)
Proceeds from loans and borrowings	377.0	500.5
Repayment of loans and borrowings	(153.2)	(9.3)
Net cash (utilized in) / generated from financing activities	(304.5)	380.9
Net increase in cash and cash equivalents	43.3	113.1
Cash and cash equivalents at the beginning of reporting period	42.0	1.0
Cash and cash equivalents at the end of the reporting period	85.5	114.1

1. General Information

Organisation and operations

“Navoi Mining and Metallurgical Combinat” (“NMMC” or the “Company”) is a state-owned unitary enterprise which activities include the extraction and processing of fine gold, uranium oxide, silver, and other mineral resources. NMMC is 100% owned by the Republic of Uzbekistan and is controlled via the Cabinet of Ministers of the Republic of Uzbekistan.

NMMC registered address is the Republic of Uzbekistan, Navoi, Navoi Street 27.

In 2019, based on the Decree of the President of the Republic of Uzbekistan №PP-4124 dated 17 January 2019 NMMC underwent business transformation including spin-off of NMMC gold business (the “Gold Segment”) into a separate legal entity. The segregation has not been completed until the date of approval of these financial statements.

The principal activities of the Gold Segment are the extraction, refining and sale of precious metals, primarily fine gold. Its mining facilities are located in the cities of Zarafshan, Uchkuduk, Nurabad, and Navoi in the Republic of Uzbekistan including 7 main hydrometallurgical complexes, 2 heap leaching facilities and 13 main mines.

Business environment

The operations of the Gold Segment are located in the Republic of Uzbekistan. Consequently, the Gold Segment is exposed to the economic and financial risks of the Republic of Uzbekistan, which have emerging market characteristics. The legal, tax, and regulatory frameworks continue to be developed. Economic stability in Uzbekistan is largely dependent upon the effectiveness of economic measures undertaken by the Government, together with other legal, regulatory and political developments, all of which are beyond control by entities operating in the Republic of Uzbekistan.

During 2019-2020, the Republic of Uzbekistan continued reforms initiated by the President under the program Action on five priority directions of development of the Republic of Uzbekistan in 2017-2021. In recent years the major currency conversion restrictions have been repealed, mandatory sale of foreign currency generated by export sales has been abolished, settlement period for export transactions has increased, one-stop-shop of government services has been introduced and other changes have been implemented.

Starting from early 2020 a new coronavirus disease (“COVID-19”) has begun rapidly spreading all over the world resulting in announcement of the pandemic status by the World Health Organisation in March 2020. Responses put in place by many countries to contain the spread of COVID-19 are resulting in significant operational disruption for many companies and have significant impact on global financial markets. As the situation is rapidly evolving it may have a significant effect on business of many companies across a wide range of sectors, including, but not limited to such impacts as disruption of business operations as a result of interruption of production or closure of facilities, supply chain disruptions, quarantines of personnel, reduced demand and difficulties in raising financing. The Gold Segment was not impacted negatively by these developments as it secured the supplies and the demand for the produced precious metals remained strong.

Going Concern

In assessing the appropriateness of the going concern assumption, the Management have taken into account the Company’s Gold business financial position, expected future trading performance, its borrowings, available credit facilities and its capital expenditure commitments, expectations of the future gold price, currency exchange rates and other risks facing the Company. The Company’s management considers that the Company has adequate resources to continue in operational existence for at least the next 12 months from the date of signing these financial statements.

2. Basis for preparation of pro-forma financial statements

IFRS-like pro-forma Statement of Financial Position	Method of separation of Gold and other segments
Assets	
Property, plant and equipment Trade and other receivables Inventory Taxes receivable Other non-current assets Advances paid to suppliers and prepaid expenses	Directly attributable to segment
Cash and cash equivalents	Fully to Gold Business
Liabilities	
Borrowings Employee benefits Environmental obligation Deferred tax liabilities Income tax payable	Fully to Gold Business
Other taxes payable Trade and other payables	Directly attributable to segment

IFRS-like pro-forma Statement of Profit or Loss and Other Comprehensive Income for the nine months ended 30 September 2020	Method of separation of Gold and other segments
Revenue from gold Cost of goods sold, excluding royalty Royalty	Directly attributable to segment, based on management accounts
Income tax on earnings within the established percentage Finance income/(costs) Administrative expenses: - <i>taxes other than royalty and income taxes</i> - <i>transportation costs</i>	
- <i>other</i>	Proportionately, based on management accounts
Other operating income/(expenses): - <i>social infrastructure costs</i> - <i>payments to the state committee of Geology and Mineral Resources of Uzbekistan</i> - <i>other operating income</i>	Directly attributable to segment, based on management accounts
- <i>Other operating expenses, net</i>	Proportionately, based on management accounts
Income tax on earnings in excess of the established percentage	Fully to Gold

Resulting pro-forma statements by key segments

For the nine months ended 30 September 2020	Gold Business	Other segments	NMMC Total
<i>Total revenue</i>	3,310.5	203.6	3,514.1
<i>Cost of goods sold, excluding royalty</i>	(946.7)	(98.6)	(1,052.4)
<i>Royalty</i>	(664.3)	(20.4)	(684.7)
<i>Cost of other sales, including royalty</i>	(17.7)	-	(17.7)
Gross Profit	1,681.8	84.6	1,766.4
<i>Administrative expenses</i>	(50.6)	(15.3)	(65.9)
<i>Other operating expenses, net</i>	(51.4)	(19.4)	(70.8)
Operating profit	1,579.8	49.9	1,629.7
<i>Finance (costs)/income, net</i>	(121.7)	5.2	(116.5)
Profit before tax	1,458.1	55.1	1,513.2
Income tax on earnings within the established percentage	(71.3)	(8.3)	(79.6)
Income tax on earnings in excess of the established percentage	(790.8)	-	(790.8)
Net profit for the period	596.0	46.8	642.8

For the nine months ended 30 September 2019	Gold Business	Other segments	NMMC Total
<i>Total revenue</i>	2,491.1	155.9	2,647.0
<i>Cost of goods sold, excluding royalty</i>	(708.5)	(71.7)	(780.2)
<i>Royalty</i>	(624.0)	(17.3)	(641.3)
<i>Cost of other sales, including royalty</i>	(22.9)	-	(22.9)
Gross Profit	1,135.7	66.9	1,202.6
<i>Administrative expenses</i>	(43.2)	(19.7)	(62.9)
<i>Other operating expenses, net</i>	(50.3)	(24.5)	(74.8)
Operating profit	1,042.2	22.7	1,064.9
<i>Finance (costs)/income, net</i>	(56.0)	3.8	(52.2)
Profit before tax	986.2	26.5	1,012.7
Income tax on earnings within the established percentage	(16.1)	(1.8)	(17.9)
Income tax on earnings in excess of the established percentage	(807.0)	-	(807.0)
Net profit for the period	163.1	24.7	187.8

3. Accounting principles and limitations on application of IFRS principles

The Company maintains its accounting records in accordance with the laws, accounting and reporting regulations of the Republic of Uzbekistan. Its accounting principles and financial reporting procedures in this jurisdiction may differ from generally accepted under International Financial Reporting Standards. Accordingly, such financial information has been selectively adjusted with selective application of the IFRS principles. The adjustments made are described below:

Adjustments	Reclassifications
<ul style="list-style-type: none"> • Write-off of investments classified at fair value through other comprehensive income; • write off of slow-moving inventory; • provisions for legal claims received from the contractors; • accrual of allowance for doubtful debt; • adjustment of currency exchange rate changes related to advances paid and letter of credits; • adjustment to recognize financial liabilities (including borrowings) at fair value and amortized cost; • adjustment to recognize fair value of fixed assets and intangible assets based on appraiser's report; • accrual of additional depreciation based on fair value of fixed assets; • recognition of employee benefits in accordance with the terms of the Collective Agreement and other documents; • recognition of deferred tax liabilities; • recognition of obligation of unused annual leave of employees; • accrual of environmental obligations; • offset of balances and transactions between divisions of the Company; • offset of tax prepaid and tax payable. 	<ul style="list-style-type: none"> • Advances paid from receivables to advances paid for the purchase of non-current assets; • letters of credit from cash to non-current assets and advances paid to suppliers and prepaid expenses; • short-term commodity loans into other receivables; • stripping costs into property, plant and equipment, which have met the criteria of capitalization; • construction inventory from current assets to non-current assets; • received commodity loans into other payables.

The restrictions for preparation of these pro-forma financial statements are set in the table below:

Section	Description of the Company's approach and the assumptions used in the preparation of IFRS-like statements	Description of IFRS requirements and potential impact on the pro-forma IFRS – like financial statements	Link to IFRS, IAS
Loans and borrowings received	The Company made lists of loans and borrowings, based on the information collected during the preparation of the Forms: - the loans that have been	Qualifying assets is an asset, the preparation of which for intended use or sale requires significant time (over 12 months). Borrowing costs that are directly attributable to the acquisition,	

Section	Description of the Company's approach and the assumptions used in the preparation of IFRS-like statements	Description of IFRS requirements and potential impact on the pro-forma IFRS – like financial statements	Link to IFRS, IAS
	<p>reclassified as commodity loans within other payables. When classifying commodity loans as part of short-term other payables, the Company used the assumption that these loans can be claimed by counterparties upon a demand at any time;</p> <ul style="list-style-type: none"> - interest on existing long-term bank loans was capitalized; - the short-term portion of long-term loans was reclassified to short-term loans. 	<p>construction or production of a qualifying asset are capitalized by including it in the cost of the asset.</p> <p>The Company will perform a full analysis of loan agreements, including the identification of additional costs for loans. Additionally, the Company will analyze which objects should have borrowing costs capitalized and will organize the accounting of investment programs and construction in progress, the acquisition of which is financed by a loan/borrowing, for the correct capitalization of borrowing costs.</p> <p>Liabilities are presented in the relevant sections according to the classification between the long-term and short-term parts in the statement of financial position.</p> <p>The potential impact to the financial statements may be material.</p>	<p>IAS 23.8</p> <p>IAS 23.17</p> <p>IAS 1.66</p>
Statement of profit or loss and other comprehensive income	<p>The Company prepared Statement of profit or loss and other comprehensive income for the nine months ended 30 September 2020 taking into account the specifics of its business and operating environment:</p> <ul style="list-style-type: none"> - the main source of revenue was reported, - cost of sales was broken down by the cost elements, - operating expenses were classified by function. <p>Part of the income and expenses was reflected in the items of retained earnings in NAS, without their reflection in the income statement. These income and expenses have been transferred to the corresponding income and expense items of Statement of profit or loss and other comprehensive income in these pro-forma financial</p>	<p>IAS 1 prescribes mandatory line items for presentation in Statement of profit or loss and other comprehensive income, as well as the structure of the report.</p> <p>According to IAS 1, an organization classifying expenses by function should disclose additional information about the nature of expenses, including expenses related to depreciation of fixed assets and intangible assets and expenses related to employee benefits. Accrual accounting depicts the effects of transactions and other events and circumstances on a reporting entity's economic resources and claims in the periods in which those effects occur on the basis of their economic substance, and not the actual date of the supporting documents for those transactions and events.</p>	<p>IAS 1.82</p> <p>IAS 1.103, 104</p> <p>Frame work para OB17</p>

Section	Description of the Company's approach and the assumptions used in the preparation of IFRS-like statements	Description of IFRS requirements and potential impact on the pro-forma IFRS – like financial statements	Link to IFRS, IAS
	statements. Other adjustments that also relate to Statement of profit or loss and other comprehensive income are described in the sections above.		

4. Functional currency

The functional currency of the Company is the Uzbek sum (UZS).

5. Presentation currency

NMMC presents these pro-forma financial statements in US Dollar (“USD”), as management believes it is a more convenient presentation currency for international users of the pro-forma financial statements of the Company and is a common presentation currency in the mining industry. The translation of the financial statements from the functional currency to the presentation currency was performed as follows:

- All assets, liabilities, both monetary and non-monetary, are translated at closing exchange rates at each reporting date;
- All other income (except revenue which was translated at the date of transaction) and expenses are translated at the nine-month average exchange rates.
- Dividends paid are translated at actual transaction exchange rates.

Exchange rates used in the preparation of the financial statements were as follows:

UZS/US Dollar	30 September 2020	31 December 2019	30 September 2019
Exchange rate	10,321.21	9,507.56	-
Average rate	9,953.98	-	8,629.32

6. Limitation to the audit

The Company currently combines Gold operations with other business segments. Gold operations have not been yet separated into distinct legal entity, hence, cannot be subject to full audit.

7. Revenue from gold sales

Starting from March 2020, the sale of gold is calculated based on prices, provided by Central Bank of Uzbekistan (LBMA monthly average price).

For the nine months ended 30 September 2020

Month	Volume in k oz	Price, USD per oz	Revenue, USD'm
January	200.317	1,580.9	316.7
February	185.850	1,626.4	302.3
March	198.766	1,591.7	316.4
April	205.063	1,678.1	344.1
May	215.691	1,715.7	370.1
June	212.866	1,732.3	368.7
July	221.659	1,822.9	404.1
August	225.365	1,971.2	444.2
September	219.248	1,925.4	422.1
Total	1,884.825		3,288.7

For the nine months ended 30 September 2019

Month	Volume in k oz	Price, USD per oz	Revenue, USD'm
January	200.022	1,322.5	264.5
February	180.907	1,325.5	239.8
March	200.480	1,291.2	258.9
April	199.432	1,285.2	256.3
May	204.665	1,296.0	265.2
June	198.266	1,413.2	280.2
July	204.884	1,430.6	293.1
August	204.856	1,526.6	312.7
September	197.709	1,487.6	294.1
Total	1,791.221		2,464.8

8. Cost of gold sales, excluding royalty

	For the nine months ended 30 September 2020	For the nine months ended 30 September 2019
Depreciation	271.4	84.4
Materials and spare parts	259.6	244.1
Fuel, energy, gas and water supplies	227.2	190.1
Salary and related taxes	166.0	161.0
Other	22.5	28.9
Total	946.7	708.5

At 01.01.2020, NMMC has engaged an independent appraiser and revalued all Property Plant and Equipment (including mineral rights). Starting from 2020, depreciation is charged based on fair value of PPE.

9. Royalty

	For the nine months ended 30 September 2020	For the nine months ended 30 September 2019
Revenue	3,310.5	2,491.1
- revenue from gold sales	3,288.7	2,464.8
- revenue from other sales	21.8	26.3
Royalty	664.3	624.0
Rate	20%	25%
- royalty in relation to gold sales	657.7	616.2
- royalty in relation to other sales	6.6	7.8

10. Total cash costs (TCC) and All-in sustaining costs (AISC)

As presented in Note 15, currently NMMC is subject to high royalty rates 20% (25% in 2019) compared to the world benchmarks (around 7% on average). To improve investment attractiveness and business environment, Ministry of Finance of the Republic of Uzbekistan lowered the royalty rate. Starting from 2020 rate is reduced to 20% and, accordingly, as of 2022 it will be reduced to 10%.

Below presented a summary of NMMC Total cash costs and All-in sustaining costs based on the two scenarios: i) costs with the actual high royalty rate, ii) costs adjusted to target rate of 10% royalty.

In millions of US Dollars

	For the nine months ended 30 September 2020		For the nine months ended 30 September 2019	
	<i>Actual, reported</i>	<i>Adjusted, 10% Royalty</i>	<i>Actual, reported</i>	<i>Adjusted, 10% Royalty</i>
<i>Cost of goods sold, excluding royalty</i>	946.7	946.7	708.5	708.5
<i>Royalty (gold)¹</i>	657.7	328.9	616.2	246.5
Total cost of goods sold	1,604.4	1,282.7	1,324.7	955.0
<i>Depreciation</i>	(271.4)	(271.4)	(84.4)	(84.4)
Total cash costs (TCC)	1,333.0	1,004.2	1,240.3	870.6
<i>Administrative expenses (gold)²</i>	49.5	49.5	42.8	42.8
<i>Depreciation (admin. exp.)</i>	(0.4)	(0.4)	(0.3)	(0.3)
<i>Sustaining capital expenditure</i>	118.6	118.6	53.3	53.3
All-in sustaining costs (AISC)	1,500.7	1,171.9	1,336.1	966.4
<i>Gold sold (k oz)</i>	1,884.8	1,884.8	1,791.2	1,791.2
TCC per oz (\$)	707.2	532.8	692.4	486.0
AISC per oz (\$)	796.2	621.8	745.9	539.5

11. Administrative expenses

	For the nine months ended 30 September 2020	For the nine months ended 30 September 2019
Salary and related taxes	25.5	19.8
Professional services	9.9	9.0
Taxes other than royalty and income taxes	8.7	7.9
Transportation costs	3.4	3.3
Depreciation	0.4	0.3
Materials	0.4	0.2
Other general and administrative expenses	2.3	2.7
Total	50.6	43.2

¹ Includes only royalty related to the gold production, does not include royalty on by-products (e.g. palladium, limestone, sand, etc.).

² Includes only administrative expenses related to the gold production, does not include expenses on by-products (e.g. palladium, limestone, sand, etc.).

12. Adjusted EBITDA

	<u>For the nine months ended 30 September 2020</u>	<u>For the nine months ended 30 September 2019</u>
Profit for the year	596.0	163.1
Income tax on earnings in excess of the established percentage	790.8	807.0
Income tax on earnings within the established percentage	71.3	16.1
Depreciation and amortization	271.8	84.7
Income from using a below-market interest rate of loans received	-	(21.7)
Finance expense	39.4	11.0
Reported EBITDA	1,769.3	1,060.2
Foreign exchange loss, net	81.3	67.2
Other financial income	-	(0.5)
Other financial expense	1.0	-
Allowance for doubtful debt	1.6	0.3
Reversal of impairment of investments	-	(0.8)
Impairment/(Reversal of impairment) of inventory	1.1	(0.6)
Gain on sale of inventory and other assets	-	(0.6)
Loss/(Gain) on sale of property, plant and equipment	3.5	(1.0)
Adjusted EBITDA	1,857.8	1,124.2

13. Other operating expenses, net

	<u>For the nine months ended 30 September 2020</u>	<u>For the nine months ended 30 September 2019</u>
Social infrastructure cost	(26.9)	(37.0)
Sponsorships	(12.9)	(3.5)
(Loss)/Gain on sale of property, plant and equipment	(3.5)	1.0
Allowance for doubtful debts	(1.6)	(0.3)
Gain on sale of inventory and other assets	-	0.6
Payments to the state committee of Geology and Mineral Resources of Uzbekistan	-	(7.4)
Reversal of impairment of investments	-	0.8
(Impairment)/Reversal of impairment of inventory	(1.1)	0.6
Other operating income	5.3	1.2
Other operating expenses	(10.7)	(6.3)
Total	(51.4)	(50.3)

NMMC is a town-forming company and bears social responsibility in the regions where its operations are carried out. *Social infrastructure costs* are incurred in relation to funding of social, medical, infrastructure and residential facilities.

14. Finance costs, net

	For the nine months ended 30 September 2020	For the nine months ended 30 September 2019
Interest expense	(39.4)	(11.0)
Income from using a below-market interest rate	-	21.7
Foreign exchange loss, net	(81.3)	(67.2)
Other financial expense	(1.0)	-
Other financial income	-	0.5
Total	(121.7)	(56.0)

During nine months 2020 NMMC drawn down additional loans in amount of 377.0 million US dollars. During the reporting period, Uzbek sum slowly depreciated against USD. 4% immediate depreciation occurred in April 2020. This led to a notable foreign exchange loss during nine months ended 2020.

15. Income tax on earnings within the established percentage and Income tax on earnings in excess of the established percentage

The table below shows the rates for the main regular taxes affecting operations of the Gold Segment:

Regular taxes	2019	2020
Social tax	25%	12%
Personal income tax	12%	12%
Value-added tax ("VAT")	20% (from 1 Oct 2019 - 15%)	15%
Corporate profit tax	12%	15%
Dividends tax (non-residents)	5%	5%
Property tax	2%	2%

In addition to regular taxes, the Gold Segment is subject to specific taxes. The table below shows the rates for the Gold business specific taxes:

	Rates				
	2019	2020	2021	2022	2023 and after
Mineral extraction tax	25%	20%	15%	10%	10%
Excess profit tax	90%	75%	75%	50%	25%

- Starting from 1 January 2019 the Ministry of Finance introduced income tax on earnings in excess of 5% margin, calculated as 90% of the tax base.
- Rates for 2020 and 2021 were set in the Decrees of the President of the Republic of Uzbekistan №PP-4555 dated 30 December 2019 and №PP-4839 dated 30 December 2020, respectively. In particular, a profit tax was established for profitability in excess of 15%, calculated at 75% of the tax base;
- Commencing 1 January 2022, rates are based on a letter of the Ministry of Finance of the Republic of Uzbekistan.

16. Property, plant and equipment

	<u>30 September 2020</u>	<u>31 December 2019</u>
Mine under development	715.7	777.0
Capital construction in progress	728.9	483.0
Mining assets	4,139.7	4,588.0
Non-mining assets	2,245.6	2,375.0
Total	7,829.9	8,223.0

Advances issued for the acquisition of property, plant and equipment are included in capital construction in progress for the period ended 30 September 2020 in the amount of USD 94,6 million (31 December 2019: USD 47 million).

Amounts deposited with banks as cover under irrevocable letters of credit for payment of future deliveries of property, plant and equipment are included in capital construction in progress for the period ended 30 September 2020 in the amount of USD 123.5 million (31 December 2019: USD 93 million).

Net book value of property, plant and equipment is decreased because of significant decrease of exchange rate (Note 5).

17. Inventory

	<u>30 September 2020</u>	<u>31 December 2019</u>
Materials and consumables	209.5	188.0
Work in progress	129.6	87.0
Stockpiles	11.9	9.0
Other stock	2.3	1.0
Total	353.3	285.0

18. Cash and cash equivalents

	<u>30 September 2020</u>	<u>31 December 2019</u>
Current bank account in UZS	62.4	22.0
Current bank account in USD	22.9	20.0
Current bank account in EUR	0.1	-
Other cash equivalents	0.1	-
Total	85.5	42.0

19. Borrowings

	Maturity	Nominal value 30 September 2020	Carrying value 30 September 2020	Nominal value 31 Dec 2019	Carrying value 31 Dec 2019
Bank loans	2020-2029	991.0	921.9	764.0	685.0
Loans from the Ministry of Finance	2024-2029	89.9	87.7	89.9	85.0
Total		1,080.9	1,009.6	853.9	770.0
Less current portion		(281.6)	(281.6)	(31.0)	(31.0)
Total non-current borrowings		799.3	728.0	822.9	739.0

20. Deferred tax liabilities

	<u>30 September 2020</u>	<u>31 December 2019</u>
Property, plant and equipment	1,400.8	1,594.0
Borrowings	25.5	36.0
Inventories	3.6	3.0
Trade and other receivables	(0.9)	(1.0)
Provisions	(2.0)	(5.0)
Employee benefits	(8.2)	(9.0)
Trade and other payables	(11.7)	(10.0)
Environmental obligation	(29.0)	(32.0)
Total	<u>1,378.1</u>	<u>1,576.0</u>

The Company is subject to two types of profit taxes:

- corporate profit tax applied to taxable profit less than 15 per cent of revenue (2019: 5%) and
- excess profit tax applied to taxable profit higher than 15 per cent of revenue (2019: 5%).

The profit tax rates are presented in Note 15.

21. Trade and other payables

	<u>30 September 2020</u>	<u>31 December 2019</u>
Trade payables	120.0	155.0
Wages and salaries payable	16.5	14.0
Accrued annual leave	17.2	14.0
Other accounts payable and accrued expenses	7.8	8.0
Total	<u>161.5</u>	<u>191.0</u>

22. Events after reporting period

NMMC paid USD 330.0 million dividends to the government.

In November 2020, NMMC signed loan agreement with Sovcombank JSC for total limit of USD 200 million and received this amount in full.

NMMC received a loan in the amount of USD 37 million under a loan agreement with the National Bank for Foreign Economic Affairs of the Republic of Uzbekistan, signed in September 2020.

In March 2021, NMMC signed loan agreement with Sovcombank JSC for total limit of USD 200 million and received this amount in full.

At the date of authorization of interim IFRS-like pro-forma financial statements, short-term loans in the amount of USD 150.1 million were repaid.