

JSC “Navoi Mining and Metallurgical Company”

Condensed interim financial information
for the six months ended 30 June 2024 (unaudited)

JSC “NAVOI MINING AND METALLURGICAL COMPANY”

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JSC “NAVOI MINING AND METALLURGICAL COMPANY”

STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF CONDENSED INTERIM FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2024

Management of Joint Stock Company “Navoi Mining and Metallurgical Company” (the “Company”) is responsible for the preparation and presentation of this condensed interim financial information for the six months ended 30 June 2024 in accordance with International Accounting Standard 34 (“IAS 34”) *Interim Financial Reporting*.

In preparing the condensed interim financial information, management is responsible for:

- properly selecting and applying accounting policies;
- presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- compliance with the requirements of IAS 34 and providing additional disclosures when compliance with the specific requirements of IAS 34 are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company’s financial position and financial performance; and
- making an assessment of the Company’s ability to continue as a going concern.

Management is also responsible for:

- designing, implementing and maintaining an effective and sound system of internal controls throughout the Company;
- maintaining adequate accounting records that are sufficient to show and explain the Company’s transactions and disclose with reasonable accuracy at any time the financial position of the Company, and which enable them to ensure that this condensed interim financial information of the Company comply with IAS 34;
- maintaining statutory accounting records in compliance with legislation and accounting standards of the Republic of Uzbekistan;
- taking such steps as are reasonably available to them to safeguard the assets of the Company; and
- detecting and preventing fraud and other irregularities.

The condensed interim financial information of the Company for the six months ended 30 June 2024 was approved by management on 16 September 2024.

On behalf of management:



Khasanov J.T.
Deputy General Director for Economy
and Finance


Novikova J.V.
Chief Accountant

INDEPENDENT REVIEW REPORT

To the Shareholders and the Supervisory Board of JSC “Navoi Mining and Metallurgical Company”

Introduction

We have reviewed the accompanying condensed interim statement of financial position of JSC “Navoi Mining and Metallurgical Company” (the “Company”) as of 30 June 2024 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows for the six months then ended, and selected explanatory notes to the condensed interim financial information. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Accounting Standard (“IAS”) 34, *Interim Financial Reporting*. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting*.

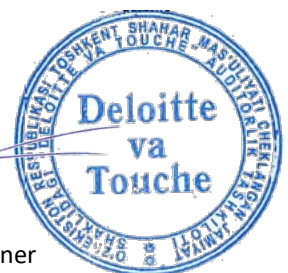
Audit Organisation “Deloitte & Touche” LLC
is included in the Register of audit organisations of
the Ministry of Economy and Finance of
the Republic of Uzbekistan dated 08 June 2021

16 September 2024
Tashkent, Uzbekistan

Erkin Ayupov

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

Director,
Audit Organisation “Deloitte & Touche” LLC



JSC "NAVOI MINING AND METALLURGICAL COMPANY"

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS FOR THE SIX MONTHS ENDED 30 JUNE 2024 (in millions of US Dollars, unless otherwise stated)

	Notes	Six months ended 30 June (unaudited)	
		2024	2023
Revenue		3,346	2,758
Cost of sales	4	(1,525)	(1,222)
Gross profit		1,821	1,536
Administrative and selling expenses		(61)	(59)
Other expenses		(7)	(13)
Operating profit		1,753	1,464
Finance income		-	1
Finance cost		(120)	(95)
Foreign exchange loss		(35)	(49)
Profit before income tax		1,598	1,321
Income tax expense	5	(716)	(547)
Profit for the period		882	774

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


Khasanov J.T.
Deputy General Director for Economic
and Finance




Novikova J.V.
Chief Accountant

JSC "NAVOI MINING AND METALLURGICAL COMPANY"

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2024 (in millions of US Dollars, unless otherwise stated)

	Six months ended 30 June (unaudited)	
	2024	2023
Profit for the period	882	774
<i>Items that will not be reclassified through profit or loss:</i>		
Remeasurement of defined benefit liability, net of tax	(5)	8
<i>Items that may be reclassified through profit or loss:</i>		
Effect of translation to presentation currency, net of tax	(83)	(117)
Other comprehensive loss for the period, net of tax	(88)	(109)
Total comprehensive income for the period	794	665

The above condensed interim statement of comprehensive income should be read in conjunction with the accompanying notes.


Khasanov J.T.
Deputy General Director for Economy
and Finance




Novikova J.V.
Chief Accountant

JSC “NAVOI MINING AND METALLURGICAL COMPANY”

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2024

(in millions of US Dollars, unless otherwise stated)

	Notes	30 June 2024 (unaudited)	31 December 2023
Assets			
Non-current assets			
Property, plant and equipment	6	7,576	7,648
Inventories	7	103	118
Other non-current assets		3	3
Total non-current assets		7,682	7,769
Current assets			
Inventories	7	565	480
Advances paid		103	110
Income tax receivable		-	70
Other taxes receivable		22	27
Trade and other receivables		15	12
Cash and cash equivalents	8	522	102
Total current assets		1,227	801
Total assets		8,909	8,570
Equity			
Share capital	9	1,418	1,418
Translation reserve		(1,438)	(1,355)
Other reserves		(30)	(25)
Retained earnings		4,763	4,678
Total equity		4,713	4,716
Non-current liabilities			
Borrowings	10	1,820	1,904
Employee benefits		102	89
Environmental obligations		128	89
Deferred tax liabilities		868	1,034
Total non-current liabilities		2,918	3,116
Current liabilities			
Borrowings	10	425	429
Trade and other payables	9	503	241
Income tax payable	5	247	-
Other taxes payable		94	60
Other current liabilities		9	8
Total current liabilities		1,278	738
Total liabilities		4,196	3,854
Total equity and liabilities		8,909	8,570

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


Khasanov J.T.
 Deputy General Director for Economy
 and Finance




Novikova J.V.
 Chief Accountant

JSC “NAVOI MINING AND METALLURGICAL COMPANY”

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2024 (in millions of US Dollars, unless otherwise stated)

	Share capital	Translation reserve	Other reserves	Retained earnings	Total
Balance as at 31 December 2022	1,418	(886)	(21)	4,454	4,965
Profit for the period	-	-	-	774	774
Other comprehensive loss for the period, net of tax	-	(117)	8	-	(109)
Total comprehensive income	-	(117)	8	774	665
Dividends declared	-	-	-	(324)	(324)
Charity and sponsorship in accordance with the orders of state regulatory and supervisory authorities	-	-	-	(37)	(37)
Related current tax	-	-	-	3	3
Balance as at 30 June 2023 (unaudited)	1,418	(1,003)	(13)	4,870	5,272
Balance as at 31 December 2023	1,418	(1,355)	(25)	4,678	4,716
Profit for the period	-	-	-	882	882
Other comprehensive loss for the period, net of tax	-	(83)	(5)	-	(88)
Total comprehensive income	-	(83)	(5)	882	794
Dividends declared and other distribution to the shareholder	-	-	-	(772)	(772)
Charity and sponsorship in accordance with the orders of state regulatory and supervisory authorities	-	-	-	(46)	(46)
Related current tax	-	-	-	21	21
Balance as at 30 June 2024 (unaudited)	1,418	(1,438)	(30)	4,763	4,713

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


Khasanov J.T.
 Deputy General Director for Economy
 and Finance




Novikova J.V.
 Chief Accountant

JSC “NAVOI MINING AND METALLURGICAL COMPANY”

**CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2024
(in millions of US Dollars, unless otherwise stated)**

	Six months ended 30 June (unaudited)	
	2024	2023
Operating activities		
Profit before income tax	1,598	1,321
<i>Adjustments for:</i>		
Depreciation and amortisation	262	185
Loss on disposal of property, plant and equipment	5	1
Finance income	-	(1)
Finance costs	120	95
Foreign exchange loss	35	49
Change in employee benefits	3	1
Other adjustments	1	4
Net cash generated from operating activities before changes in working capital	2,024	1,655
<i>Movements in working capital:</i>		
Inventories	(63)	(31)
Advances paid	(5)	(37)
Trade and other receivables	(36)	3
Other taxes receivable	4	48
Trade and other payables	17	19
Other liabilities	1	8
Other taxes payable	35	(12)
Cash generated by operations	1,977	1,653
Income tax paid	(528)	(559)
Net cash generated from operating activities	1,449	1,094
Investing activities		
Purchase of property, plant and equipment	(298)	(324)
Net cash used in investing activities	(298)	(324)
Financing activities		
Dividends paid	(484)	(326)
Cash paid as charity and sponsorship in accordance with the orders of state regulatory and supervisory authorities	(46)	(36)
Proceeds from borrowings	170	347
Repayments of borrowings	(261)	(373)
Interest paid	(110)	(78)
Commission on borrowings paid	(1)	(4)
Net cash used in financing activities	(732)	(470)
Net increase in cash and cash equivalents	419	300
Cash and cash equivalents at the beginning of the period	102	105
Effect of foreign exchange changes on cash and cash equivalents	1	(4)
Cash and cash equivalents at the end of the period	522	401

The above condensed interim statement of cash flows should be read in conjunction with the accompanying notes.


Khasanov J.T.
Deputy General Director for Economy
and Finance




Novikova J.V.
Chief Accountant

JSC “NAVOI MINING AND METALLURGICAL COMPANY”

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2024 *(in millions of US Dollars, unless otherwise stated)*

1. GENERAL INFORMATION

1.1. Organisation and operations

JSC “Navoi Mining and Metallurgical Company” (“NMMC” or the “Company”) was incorporated in Navoi, Republic of Uzbekistan, on 23 April 2021 on the basis of the Decree of the President of the Republic of Uzbekistan No. PP-4629 dated 6 March 2020 "On measures to reform the State Enterprise “Navoi Mining and Metallurgical Combinat”. The Company is 100% owned by the Republic of Uzbekistan and is controlled via the Ministry of Economy and Finance of the Republic of Uzbekistan (98% ownership). The remaining 2% is owned by the State Assets Management Agency of the Republic of Uzbekistan. NMMC’s registered address is the Republic of Uzbekistan, Navoi, Navoi Street 27.

The principal activities of the Company are the extraction, refining and sale of precious metals, primarily fine gold. Its mining facilities are located in the cities of Zarafshan, Uchkuduk, Marjanbulak, Zarmitan and Navoi in the Republic of Uzbekistan.

The information on audit and non-audit fees is accessible in the Company’s website.

The condensed interim financial information of the Company for the six months ended 30 June 2024 was approved by management on 16 September 2024.

1.2. Business environment

On 24 February 2022, the Russian Federation started military operation in Ukraine which resulted in implication of economic sanctions on the Russian Federation. The ongoing military actions continue to have a significant impact on the global economy, including the CIS region. As at 30 June 2024, it has not had a significant adverse impact on the Company’s operations; however, the management of the company continues to assess the potential impact.

2. BASIS OF PREPARATION

This condensed interim financial information for the six months ended 30 June 2024 has been prepared in accordance with International Accounting Standard 34 (“IAS 34”) *Interim Financial Reporting* issued by the International Accounting Standards Board (“IASB”).

This condensed interim financial information is to be read in conjunction with the Company’s annual financial statements for the year ended 31 December 2023. This interim condensed financial information does not include all the information and disclosures required in the annual financial statements. The Company omitted disclosures, which would substantially duplicate the information contained in its audited annual financial statement for 2023 prepared in accordance with International Financial Reporting Standards (IFRS Accounting Standards), such as accounting policies and details of accounts, which have not changed significantly in amount or composition.

In 2024, as part of the Company’s annual review process of its accounting estimates, the Company has engaged an independent and qualified appraiser to evaluate the ore reserves in accordance with the 2012 edition of the Australasian Code for Reporting of Exploration Results. The evaluation

JSC “NAVOI MINING AND METALLURGICAL COMPANY”

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2024 *(in millions of US Dollars, unless otherwise stated)*

of ore reserves is currently in progress and as of the date of the condensed interim financial statements, the impact is not yet determined. If the ore reserves are estimated to be lower than as of 31 December 2023, there will be an impact in the carrying values of property, plant and equipment and environmental obligations.

New and amended standards adopted by the Company

The accounting policies adopted in the preparation of the condensed interim financial information are consistent with those followed in the preparation of the Company’s annual financial statements for the year ended 31 December 2023, except for the adoption of amendments to standards effective as of 1 January 2024. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Below is the list of standards, amendments and interpretations that are applicable for annual reporting periods commencing on 1 January 2024:

- Amendments to IAS 1 – Classification of Liabilities as Current and Non-current;
- Amendments to IAS 1 – Non-current Liabilities with Covenants;
- Amendments to IFRS 16 – Lease Liability in Sale and Leaseback; and
- Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangements.

These standards, amendments and interpretations had no impact on the condensed interim financial information as there were no related transactions, assets and liabilities in the reporting period except for Amendments to IAS 1 – Non-current Liabilities with Covenants. For details see note 10.

The following standards, amendments and interpretations had been issued but were not mandatory for annual reporting periods commencing on 1 January 2024:

- Amendments to IAS 21 – Lack of Exchangeability;
- IFRS 18 – Presentation and Disclosures in Financial Statements;
- IFRS 19 – Subsidiaries without Public Accountability: Disclosure;
- Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments; and
- Annual improvements for IFRS in 2024.

The Company does not currently expect these standards, amendments and interpretations to have a material impact on the Company’s financial statements except for IFRS 18 where the effects are being analysed by management. The application of the standard will result in changes to the structure of the statement of profit and loss. It will also change the starting value for the statement of cash flows and require additional disclosures.

JSC “NAVOI MINING AND METALLURGICAL COMPANY”

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2024 (in millions of US Dollars, unless otherwise stated)

Going concern

This condensed interim financial information has been prepared on the going concern basis as the Company’s management has, at the date of approval of this condensed interim financial information, a reasonable expectation that the Company has adequate resources to continue in operational existence for at least the next 12 months from the date of the condensed interim financial information.

In assessing its going concern status, management of the Company has taken into account its financial position, expected future trading performance, its borrowings and other available credit facilities, its forecast compliance with covenants on those borrowings and its capital expenditure commitments and future expansion plans.

3. SEGMENT INFORMATION

The Company’s operations are a single reportable segment. The principal activities of the Company are the extraction, refining and sale of precious metals, primarily fine gold in the Republic of Uzbekistan. The Company identifies the segment in accordance with the criteria set in IFRS 8, *Operating Segments*, and based on the way of operations of the Company are regularly reviewed by the chief operating decision-maker to analyse performance and allocate resources among business units of the Company.

The chief operating decision-maker (“CODM”) has been determined as the Company’s Chairman of the Management Board. The CODM reviews the Company’s internal reporting in order to assess performance and allocate resources. The Management has determined a single operating segment being sale of precious metals based on these internal reports.

The Company’s operations and assets are located in the Republic of Uzbekistan.

4. COST OF SALES

	Six months ended 30 June (unaudited)	
	2024	2023
Consumables and spares	359	334
Royalty (Mineral extraction tax)	344	277
Depreciation and amortisation	277	186
Labour	246	198
Utilities	164	143
Fuel	138	95
Other	27	38
Total cost of production	1,555	1,271
Change in work in progress and finished goods	(30)	(49)
Total	1,525	1,222

5. INCOME TAX EXPENSE

Income tax expense is recognised based on management’s estimate of the average effective annual income tax rate expected for the full financial year. The estimated average effective annual tax rate used for the six months period to 30 June 2024 is 45% (six months ended 30 June 2023: 41%).

The outstanding income tax payable balance increased due to a special payment pattern stipulated by the government resolutions and will be paid in full at year-end following the final recalculation.

JSC “NAVOI MINING AND METALLURGICAL COMPANY”

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2024 (in millions of US Dollars, unless otherwise stated)

6. PROPERTY, PLANT AND EQUIPMENT

	Stripping assets	Mine under development	Capital construction in progress	Mining assets	Non- mining assets	Total
Cost	848	730	657	3,920	3,168	9,323
Accumulated depreciation and impairment	(70)	-	-	(328)	(860)	(1,258)
Carrying value as at 31 December 2022	778	730	657	3,592	2,308	8,065
Additions	116	65	184	-	6	371
Change in environmental obligations	-	-	-	33	-	33
Transfers	-	(143)	(166)	145	164	-
Disposals	-	-	-	-	(1)	(1)
Depreciation charge	(14)	-	-	(58)	(158)	(230)
Translation	(18)	(16)	(15)	(83)	(53)	(185)
Cost	944	636	660	4,002	3,261	9,503
Accumulated depreciation and impairment	(82)	-	-	(373)	(995)	(1,450)
Carrying value as at 30 June 2023 (unaudited)	862	636	660	3,629	2,266	8,053
Cost	916	614	634	3,813	3,228	9,205
Accumulated depreciation and impairment	(85)	-	-	(422)	(1,050)	(1,557)
Carrying value as at 31 December 2023	831	614	634	3,391	2,178	7,648
Additions	21	55	242	-	7	325
Change in environmental obligations	-	-	-	35	-	35
Transfers	-	(113)	(112)	113	112	-
Disposals	-	-	-	(2)	(3)	(5)
Depreciation charge	(20)	-	-	(124)	(150)	(294)
Translation	(15)	(10)	(11)	(58)	(39)	(133)
Cost	922	546	753	3,893	3,283	9,397
Accumulated depreciation and impairment	(105)	-	-	(538)	(1,178)	(1,821)
Carrying value as at 30 June 2024 (unaudited)	817	546	753	3,355	2,105	7,576

The following amounts associated with the acquisition of property, plant and equipment are included in the outstanding balance of construction in progress:

	30 June 2024 (unaudited)	31 December 2023
Advances paid	235	181
Amounts deposited with banks as cover under irrevocable letters of credit	3	7
Total	238	188

Mineral rights

The carrying values of mineral rights included in mining assets and mine under development are presented as follows:

	30 June 2024 (unaudited)	31 December 2023
Mining assets	3,033	3,112
Mine under development	318	417
Total	3,351	3,529

JSC “NAVOI MINING AND METALLURGICAL COMPANY”

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2024 (in millions of US Dollars, unless otherwise stated)

7. INVENTORIES

	30 June 2024 (unaudited)	31 December 2023
Materials and consumables	299	256
Stockpiles	193	184
Work in progress	176	158
Total	668	598
Less non-current portion of stockpiles	(103)	(118)
Total current inventories	565	480

8. CASH AND CASH EQUIVALENTS

	30 June 2024 (unaudited)	31 December 2023
Cash in the Treasury of the Republic of Uzbekistan, related party:		
UZS-denominated	519	-
USD-denominated	-	100
Current bank accounts, related parties:		
UZS-denominated	2	1
USD-denominated	1	-
Deposits	-	1
Total	522	102

The cash and cash equivalents disclosed above and in the statement of cash flows include cash in the Treasury of the Republic of Uzbekistan which have government restrictions on use but are accessible by the Company and available for general use once restrictions on use conditions are satisfied.

9. SHARE CAPITAL

Share capital of the Company was formed according to the Decree of the Cabinet of Ministers of the Republic of Uzbekistan No. PKM-170 dated 30 March 2021 in the form approved by the Supervisory Board of the Company on 22 November 2021.

On 15 March 2024 the share capital of the Company has been decreased by 167,881 ordinary shares and comprised 14,999,832,119 authorised ordinary shares with a par value of UZS 1,000 carrying one vote per share and a right to dividends.

The dividend liability as at 30 June 2024, amounting to USD 246 million, has been recognised in accounts payable (30 June 2023: nil)

JSC “NAVOI MINING AND METALLURGICAL COMPANY”

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2024 (in millions of US Dollars, unless otherwise stated)

10. BORROWINGS

	<u>Maturity</u>	<u>30 June 2024 (unaudited)</u>	<u>31 December 2023</u>
<i>denominated in USD</i>			
Bank loans, related parties	2024-2029	346	549
Bank loans, other	2025-2027	1,675	1,673
Loans from the Ministry of Economy and Finance, related party	2029	49	49
Total		2,070	2,271
<i>denominated in EUR</i>			
Bank loans, related parties	2024-2025	169	56
Bank loans, other	2027-2028	6	6
Total		175	62
Less current portion		(425)	(429)
Total non-current borrowings		1,820	1,904
Weighted average effective interest rate, % per annum		10.43%	9.48%

Borrowings are carried at fixed and variable interest rates.

During six months ended 30 June 2024, the Company signed loan agreements with local banks with maturities up to 18 months for the amounts up to EUR 150 million (USD 162 million at exchange rates prevailing on the dates of tranches’ issuance) and USD 8 million. By 30 June 2024, the Company received EUR 150 million and 8 USD million under loan agreements signed during six months ended 30 June 2024. The purpose of the loan agreements is capital expenditures.

As at 30 June 2024, bank loans include USD 489 million associated with non-SDN Russian banks (31 December 2023: USD 489 million). Management is regularly monitoring these bank portfolios for risks related to secondary sanction.

Pledge

Certain bank loans are secured by cash proceeds from the Company’s gold sales. Loans from the Ministry of Economy and Finance are unsecured. As at 30 June 2024 and 31 December 2023, there were no loans secured by the government guarantee.

Unused credit facilities

As at 30 June 2024 and 31 December 2023, there were no available credit facilities.

Covenants

There are a number of financial and non-financial covenants under several bank loan agreements. Following such covenants, the Company is limited to:

- maintenance of certain production and financial ratios (such as gold production, positive net assets, leverage etc.);
- maintenance of certain non-IFRS measures (EBITDA and similar measures, debt burden, etc.);

JSC “NAVOI MINING AND METALLURGICAL COMPANY”

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2024 *(in millions of US Dollars, unless otherwise stated)*

- provision of year-end audited and interim unaudited financial statements/information prepared in accordance with National Accounting Standards of the Republic of Uzbekistan (“NAS”) and IFRS Accounting Standards accounting frameworks;
- other restrictions and commitments.

The Company has tested financial covenants based on this condensed interim financial information and NAS measures. As at 30 June 2024, the Company was in compliance with related covenants (unaudited).

As at 30 June 2024, the carrying amount of non-current borrowings that are subject to the covenants which an entity is required to comply with within twelve months of the reporting date was USD 1,820 million (31 December 2023: USD 1,895 million).

11. COMMITMENTS

Capital commitments

The Company’s contracted capital expenditure commitments are presented as follows:

	30 June 2024 <u>(unaudited)</u>	31 December 2023 <u>2023</u>
Contractual capital commitments	201	282

12. RELATED PARTIES

The Company has applied for the exemption as allowed by IAS 24 *Related party disclosures* not to disclose all government related transactions, as it is ultimately controlled by the Government of the Republic of Uzbekistan. In the course of its ordinary business the Company enters into transactions with government-related entities. Transactions with the State also include taxes.

The main customer of the Company is the Central Bank of the Republic of Uzbekistan, which is a related party, sales for 6 months 2024 comprised USD 3,308 million (6 months 2023: USD 2,758 million). The Company also received loans from the National Bank for Foreign Economic Affairs of the Republic of Uzbekistan, the Ministry of Economy and Finance and other government owned banks which are also related parties (note 10). All the Company’s cash is placed on the current accounts in government owned banks (note 8). Utilities consumed by the Company are fully supplied by government owned entities (note 4). Certain government owned entities supply the Company with essential consumables such as grinding balls, metal rolling, chemicals, etc. In six months ended 30 June 2024, the Company’s purchases from JSC Uzmetkombinat and JSC Navoiyazot, government owned entities, comprised USD 84 million and USD 81 million, respectively (six months ended 30 June 2023: USD 84 million and USD 66 million). Also, the Company purchased fuel from LLC Bukhara Oil Refinery and LLC Uzbekistan GTL, government owned entities, in the amount of USD 11 million (six months ended 30 June 2023: USD 24 million). There were no other individually significant government related transactions.

In six months ended 30 June 2024 and 2023, key management personnel compensation included only short-term employee benefits and was equal to USD 0.4 million.

JSC “NAVOI MINING AND METALLURGICAL COMPANY”

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2024 *(in millions of US Dollars, unless otherwise stated)*

13. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The principal financial instruments comprise cash and cash equivalents, trade and other receivables, borrowings and trade and other payables. The carrying amounts of financial assets and liabilities recorded at amortised cost in this condensed interim financial information approximate their fair value, except for borrowings.

The fair value of borrowings was measured based on the present value of discounted cash flows at the market interest rate at the end of each reporting periods presented.

	<u>Currency</u>	<u>Carrying value</u>	<u>Fair value</u>
Borrowings at 31 December 2023	USD/EUR	2,333	2,247
Borrowings at 30 June 2024 (unaudited)	USD/EUR	2,245	2,287

Whilst accounted for at amortised cost, the fair value measurement of borrowings is within Level 3 of the fair value hierarchy in accordance with IFRS 13 *Fair value measurement*.

14. EVENTS AFTER THE REPORTING PERIOD

Dividends

In July – August 2024, the Company declared dividends totaling USD 191 million (at exchange rates on the dates of approval). Up to the date of authorisation of this condensed interim financial information for issuance, all dividends were paid in full.

Credit facilities

Up to the date of authorisation of this condensed interim financial information, the Company received USD 180 million loan facilities with variable interest rate and maturity in 2025 and 2027. Proceeds were used for investing activities. USD 47 million and EUR 6 million (USD 7 million at exchange rates prevailing on the dates of repayments) of loan facilities have been repaid.

Change in shareholders

In September 2024, the State Assets Management Agency of the Republic of Uzbekistan has transferred all its shares (2% ownership) to the Ministry of Economy and Finance of the Republic of Uzbekistan.