

INDEPENDENT AUDITOR'S REPORT

To: Shareholders and Supervisory Board of Joint-stock company "Uzagrosugurta"

Qualified Opinion

We have audited the preliminary consolidated financial statements of JSC Uzagrosugurta ("the Company") and its subsidiaries ("the Group"), which comprise the preliminary consolidated statement of financial position as at 31 December 2018 and 1 January 2018, and the preliminary consolidated statement of profit or loss and other comprehensive income, preliminary consolidated statement of changes in equity and preliminary consolidated statement of cash flows for the year ended 31 December 2018, and notes to the preliminary consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying preliminary consolidated financial statements are prepared, in all material respects, in accordance with the basis of accounting set out in Note 3, which describes how International Financial Reporting Standards ("IFRS") have been applied in accordance with IFRS 1 "*First-time Adoption of International Financial Reporting Standards*", including the assumptions the management has made about the standards and interpretations expected to be effective, and the policies expected to be adopted, when the management prepares its first complete set of IFRS consolidated financial statements as at 31 December 2019.

Basis for Qualified Opinion

Property and equipment

According to Note 6, as a first time adopter of IFRS, the Group has elected to use the carrying value of property and equipment as at 1 January 2018 under the National Accounting Standards as deemed cost at the date of transition to IFRS as this amount is broadly comparable to depreciated cost in accordance with IFRSs adjusted to reflect the changes in general price index. We were unable to obtain sufficient appropriate audit evidence about the carrying value of the Group's property, equipment amounted to UZS 35,555,288 thousand as at 1 January 2018 and amounted to UZS 45,916,316 thousand as at 31 December 2018 because the Group did not retain the supporting documents confirming the historical cost of certain items of property and equipment on which the revaluation for general price index was applied.

Consequently, we were unable to determine whether any adjustments to the carrying values of '*Property, equipment and intangible assets*' and '*Accumulated deficit*' as at 1 January 2018 and 31 December 2018 and to the amount of depreciation and amortization expenses included in '*Administrative and operating expenses*' and as well as to the current and deferred income tax expenses and balances as at and for the year ended 31 December 2018 were necessary.

Reserves for claims and claims' adjustment expenses, net of reinsurance

According to Note 4 and 16, the balance of 'Reserves for claims and claims' adjustment expenses' (1 January 2018: UZS 35,165,950 thousand and 31 December 2018: UZS 56,186,207 thousand) comprises of reserves for claims reported but not settled (RBNS), reserves for claims incurred but not reported (IBNR) and reserves for not incurred claims for life and other annuity contracts (Life insurance reserves).

As detailed in Note 4, estimation of IBNR and life insurance reserves is based on actuarial methods of calculation applied on historical data retained on claims made and their respective indemnifications. During our audit of 'Reserves for claims and claims' adjustment expenses', we were unable to obtain sufficient appropriate audit evidence regarding the completeness and accuracy of historical data on claims (e.g. date of insured event, claims estimate, and item being claimed) used in reserves estimations due to the fact that certain discrepancies with the supporting evidence were noted. As a result, we were unable to determine whether any adjustments to the carrying values of 'Reserves for claims and claims' adjustment expenses', 'Reserves for claims and claims' adjustment expenses, reinsurer's share', 'Deferred tax liabilities' and 'Accumulated deficit' as at 31 December 2018 and 1 January 2018 and to the amounts of 'Change in reserves for claims and claims' adjustment expenses, gross', 'Change in reinsurers' share in reserves for claims and claims adjustment expenses' for the year ended 31 December 2018 were necessary.

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Preliminary Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (the "IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with 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 – Basis of Accounting and Restriction on Use

We draw your attention to the fact that the preliminary consolidated financial statements have been prepared in connection with the Group's conversion of the basis of preparation of its preliminary consolidated financial statements to IFRS. Note 3 explains why there is a possibility that these preliminary consolidated financial statements may require adjustments before constituting the final IFRS consolidated financial statements. Moreover, we draw attention to the fact that, under IFRS, only a complete set of consolidated financial statements comprising consolidated statements of financial position, comprehensive income, changes in equity and cash flows, together with comparative financial information and explanatory notes, can provide a fair presentation of the Group's financial position, results of operations and cash flows in accordance with IFRS. As a result, the preliminary consolidated financial statements may not be suitable for another purpose.

This report is intended solely for use by JSC Uzagrosugurta in connection with its conversion of the basis of preparation of its preliminary consolidated financial statements to IFRS. This report is not intended for the benefit of any other third parties and we accept no responsibility or liability to any party other than JSC Uzagrosugurta in respect of the report. Should any third party take decisions based on the contents of the report, the responsibility for such decisions shall remain with those third parties. Our opinion is not modified in respect of this matter.

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

Management is responsible for the preparation of the preliminary consolidated financial statements in accordance with the basis of accounting set out in Note 3, and for such internal control as management determines is necessary to enable the preparation of

preliminary consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Preliminary Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the preliminary 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 control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the preliminary consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the preliminary consolidated financial statements, including the disclosures, and whether the preliminary consolidated financial statements represent the underlying transactions and events in a manner that achieves presentation in accordance with IFRS 1.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the preliminary 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.

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We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

"Deloitte & Touche" Audit Organisation LLC
License authorizing audit of companies
registered by the Ministry of Finance of the
Republic of Uzbekistan under #00776
dated 5 April 2019

11 December 2019
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 Finance of the
Republic of Uzbekistan

Director
"Deloitte & Touche" Audit Organisation LLC