

## **Analytical note on the results of the work of “Almalyk MMC” JSC for the year 2020**

Chairman of the Board of Almalyk Mining and Metallurgical Joint-Stock Company – Khursanov Abdulla Khalmuradovich.

Fulfilling the most important priorities of the social and economic development program, the staff of “Almalyk MMC” JSC in 2020 ensured the production of marketable products:

- in current prices - by 123.8 %,
- in comparable prices - by 101.8 %.

The growth rate of commodity output in comparable prices to the corresponding period of 2019 was 103.8 %.

The cathode copper output was 100.3 %, including 107.6 % of own raw materials, 76.0 % of metal zinc, including 101.1 % of own raw materials, 101.4 % of sulphuric acid, 103.2 % of refined gold and 123.4% of refined silver, and 87.6% of Portland cement, 114.4% of molybdenum trioxide, 87.6% of tungsten trioxide.

In 2020, 101.4 % of products were sold for export.

Pursuant to the Decree of the President of the Republic of Uzbekistan dated 09.01.2020 No. IIII-4563 “On measures to implement the Investment Programme of the Republic of Uzbekistan for 2020-2022” for “Almalyk MMC” JSC in 2020 investment projects are implemented, aimed at increasing of mining and processing capacities with capital investments of 249,4 million USD, including:

- at the expense of own funds - 232.0 mln. USD;
- Fund for Reconstruction and Development funds - 0 mln.USD;
- loans from commercial banks - 1.4 mln.USD.

Investments worth 289.6 mln.USD (116.1 %) were actually disbursed in 2020:

- at the expense of own funds - -269.4 mln.USD;
- Fund for Reconstruction and Development funds - 6 mln.USD;
- loans from commercial banks - 3.6 mln.USD.

In accordance with the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan dated 10.03.2020 No. 136 “About Program on localization of production of goods in demand on internal and external markets in 2020-2021 years” “Almalyk MMC” JSC in 2020 envisages the implementation of 49 projects for total amount of 120.0 billion UZS.

In 2020, the company produced localized products under 68 projects worth 157.1 billion UZSCor 119.1 % of the forecast.

According to the Decree of the President of the Republic of Uzbekistan No. ПП-2692 dated December 22, 2016 “On additional measures for accelerated renovation of physically worn-out and obsolete equipment, as well as reduction of production costs of industrial enterprises”, 189 units of technological equipment worth 13,824.0 thousand US dollars are subject to replacement and modernization in 2020.

In 2020, 171 items of equipment were replaced and modernized for 5381.0 thousand USD.

A set of organizational and technical measures has been developed to reduce production costs for 2020, providing for a reduction in the cost of production by 338.9 billion UZS or 3.2%.

The expected result of implementing the complex of measures to reduce production costs in 2020 will make up 915.7 billion UZS or 8.6 %, including production cost - 912.4 billion UZS or 8.6 %.

The Company took measures to improve its management, strengthen its financial and economic position and monitor the reduction of accounts receivable and payable.

As of 1/1/2021, expected accounts receivable will make up 1655.3 billion UZS, including overdue debts of 96.7 billion UZS and accounts payable of 2292.4 billion UZS.

There are no arrears to the budget or salaries.

Under the technical training programme, 6282 workers were trained to improve their skills, 2216 were retrained and learned a second profession, and 1927 managers and specialists were upgraded and retrained, including 347 by separation from production.

In accordance with Order No. 4002 of 02.10.2020, video courses were prepared in collaboration with the Training Center, Information Service, HSE Department and the Almalyk GTI in order to provide training and professional development for managers and specialists of the plant on occupational health and safety issues. The total number of trainees is 254.

In accordance with the order No.4071 dated 19.10.2020, video courses for training and advanced training of BELAZ-75307 drivers were prepared in cooperation between the TC, Information Service and Utility Vehicles Department. The total number of trainees is 50 persons.

“Almalyk MMC” JSC cooperates with ten universities in the Republic of Uzbekistan and the Russian Federation to train specialists on a contract basis, the total number of trainees is 352 persons, including in the Republic of Uzbekistan:

- Almalyk branch of Tashkent State Technical University - 248 persons;
- Almalyk branch of NITU MISiS - 9 persons;
- Navoi State Mining Institute - 20 persons;
- Tashkent State Technical University - 6 persons;
- Tashkent University of Information Technologies - 2 persons;
- Tashkent Institute for the design, construction and operation of roads - 2 persons;

- Tashkent Institute of Chemical Technology - 1 person;
- Tashkent State University of Economics - 1 person;
- National University of Uzbekistan - 1 person;
- at the Higher School of Business and Management under the National Academy of State Administration under the President of the Republic of Uzbekistan - 1 person.

in the Russian Federation:

National Research Technological University “MISiS” - 81 persons.

In 2020, 102 persons graduated from the university and the academy at the expense of the plant, thereof:

- NITU “MISiS”- 39 persons;
- Almalyk branch of Tashkent State Technical University - 43 persons;
- Navoi State Mining Institute - 20 persons;

Academy of State Administration under the President of the Republic of Uzbekistan - 4 persons;

Banking and Finance Academy - 2 persons.

In 2020, 662 students of professional colleges underwent practical training at the Company’s structural units.

They held seminars on occupational and industrial safety for foremen of production training at vocational colleges - managers of practice. Foremen of production training at vocational colleges have been tested - 96 persons.

In the structural units of the plant organized training for masters of industrial training and teachers of special disciplines in the number of 47 persons.

Seminars on occupational health and safety were held for vocational college students starting their practical training.

Excursions for vocational college students in the structural subdivisions of the company have been organized.

According to Presidential Decree No. 5812 dated September 6, 2019, Almalyk Mining and Metallurgical College is assigned to Almalyk MMC JSC. College shall be financed at the plant’s expense.

For the academic year 2020-2021, 335 students were admitted to the Almalyk Mining and Metallurgical College based on test results.

During the reporting period, a total of 2,297 persons were employed at the plant, including 1,462 college and 394 university graduates and 441 persons without education.

For the purpose of timely execution of orders of higher authorities, improvement of the system of control over execution discipline, a service for control over execution of orders of higher organizations (Order No. 322 dated April 26, 2017) was established within the Executive Office of “Almalyk MMC” JSC and the procedure for systematic and critical analysis of the execution discipline was established.

Throughout the period, work was carried out to introduce a system of reporting and monitoring of the implementation of documents within the established time frame, and to study the progress of laws, acts of the President and Government decisions implemented in the field. According to the plan of work of the company, protocols with the preparation of analytical reports are being prepared.

Systematic work is being carried out to critically analyse the implementation of own decisions, identify shortcomings and develop specific measures to address them.

In 2020 “Almalyk MMC” JSC ” registered a total of 760 acts, including 137 acts and instructions of the President of the Republic of Uzbekistan (5 decrees, 20 orders, 2 instructions, 12 protocol orders, 99 orders of the Presidential Administration), 623 acts and instructions of the Cabinet of Ministers (60 orders, 13 resolutions, 82 protocols, 253 instructions of the Prime Minister, their deputies and advisers, and 215 instructions of the Cabinet of Ministers Secretariats).

In December 2020, Almalyk MMC JSC registered a total of 67 acts, including:

- acts and instructions of the President of the Republic of Uzbekistan - 14 (resolutions - 3, instructions of the Presidential Administration of the Republic of Uzbekistan - 11);
- acts and instructions of the Cabinet of Ministers - 53 (resolutions - 3, protocols - 7, instructions of the Prime Minister, their deputies and advisers - 26, instructions of secretariats of the Cabinet of Ministers - 17).

To ensure an open dialogue with citizens, thorough consideration and resolution of appeals, the Service for Control and Coordination of Work with Applications of Individuals and Legal Entities has been established at the company. A daily reception is organized.

For year 2020 2752 appeals were received. Based on the results of the review, action was taken on 2,676 applications, 21 applications were rejected as required by law, and 66 applications are under review.

The nature of the applications is the provision of material assistance, employment, treatment, utilities, reinstatement, transfer to other subdivisions of the mill, as well as transportation problems and others.