Invest Uzbekistan

Investment Proposal:
Construction of the Karangitugay Hydropower Station in the Bostanlyk District, Based on the PPP

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Industry

Energy industry

Why it's worth investing in the project

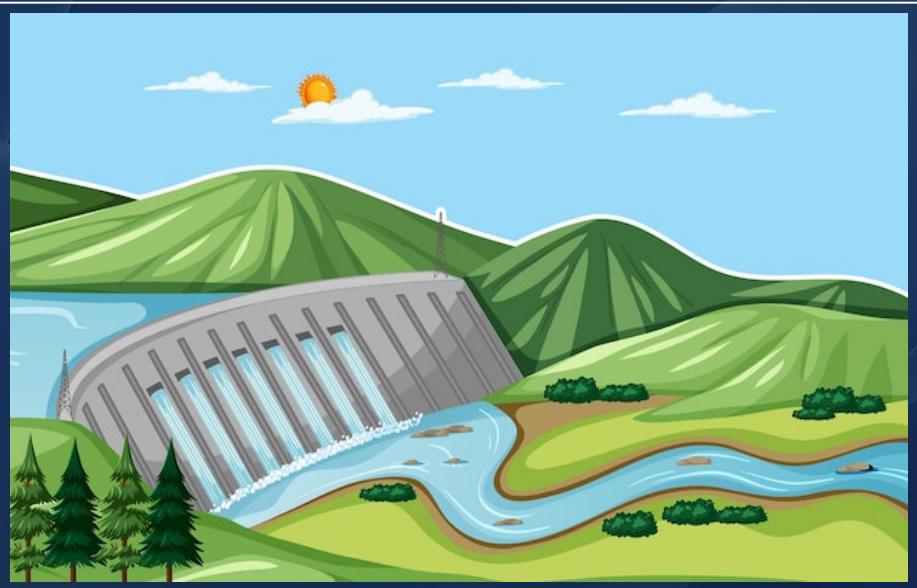
- ✓ ***Long service life and low operating costs.*** Most hydroelectric power plants have been in operation for decades, with some having served for over a century, while undergoing minimal technical upgrades.
- ✓ ***A stable and reliable energy source.*** Hydropower plants can generate electricity 24/7, regardless of time of day or weather conditions.
- ✓ ***Fuel economy.*** The use of local renewable energy sources helps conserve traditional fuel that would otherwise need to be transported to the region. Uzbekistan's 2020-2030 electricity supply plan proposes diversifying the country's energy sector, with the share of thermal power generation to be reduced from 92% to 59%.

Market

According to the Eurasian Development Bank (EDB), electricity consumption in Central Asian countries is projected to increase by at least 34% by 2030.

This trend is linked to population growth in the region and large-scale programs being implemented across the country.

According to the International Energy Agency (IEA), electricity demand in Eurasian markets excluding Kazakhstan and Russia is projected to grow at an average annual rate of 3.7% between 2025 and 2027.



Project objective

The project involves constructing the Karangitugai Hydropower Station on the Pskem River in the Bostanlyk District of Tashkent Region, based on a Public-Private Partnership (PPP) model.

Project capacity

The annual electricity output will exceed 876.0 GW.

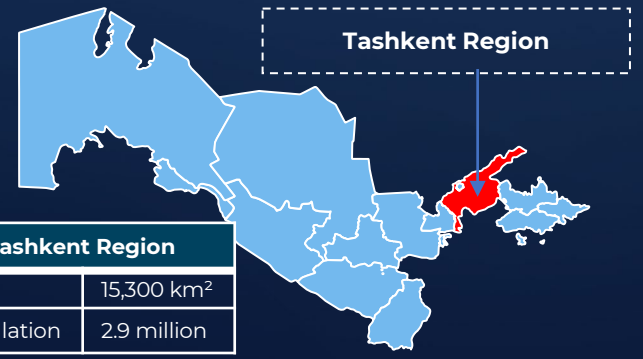
We invite companies to become potential investors under the Public-Private Partnership (PPP) framework.

The foreign partner and the authorized local partner of the project will sign an investment agreement for partial financing of the project. Additionally, a contract for purchasing electricity from the hydropower station may be signed with Uzenergosotish.
All agreements are for a term of 25 years.

Economic indicators:

- **Cost: $774,5 million.**
- **Revenue: $74,7 million per year**
- **NPV: $45,4 million.**
- **IRR: ~ 6,3%**
- **DPP: 26,2 year**

Project placement



Tashkent Region	
Area	15,300 km²
Population	2.9 million

Project initiator

Title: JSC “UzbekHydroEnergo”
Created: 2017
Constitutional Fund: 731.1 billion som.
Address: 22 Navoi Street, Tashkent

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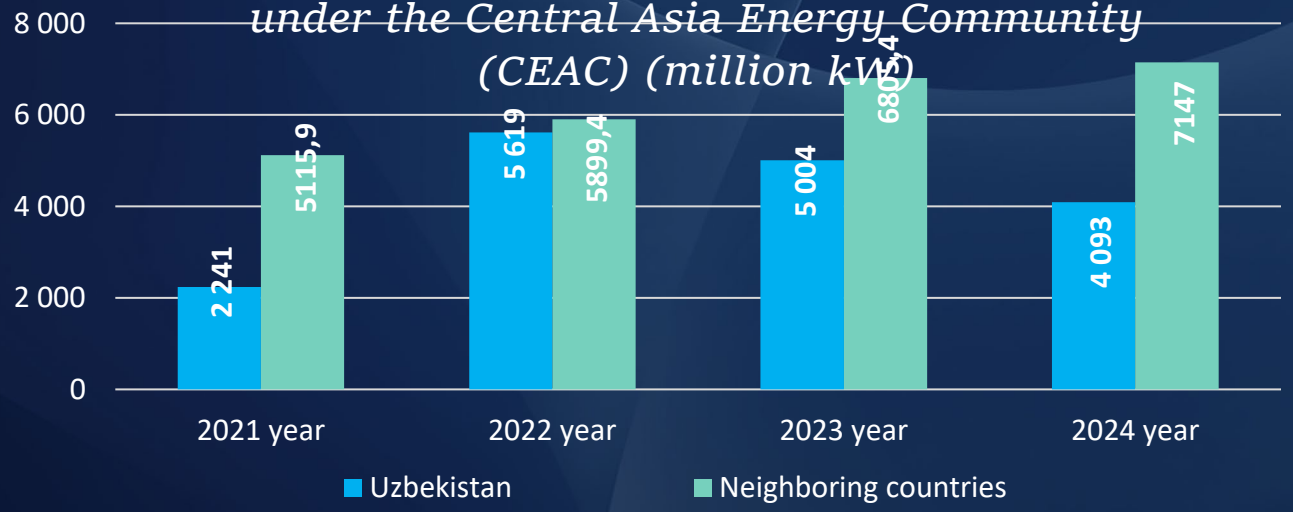
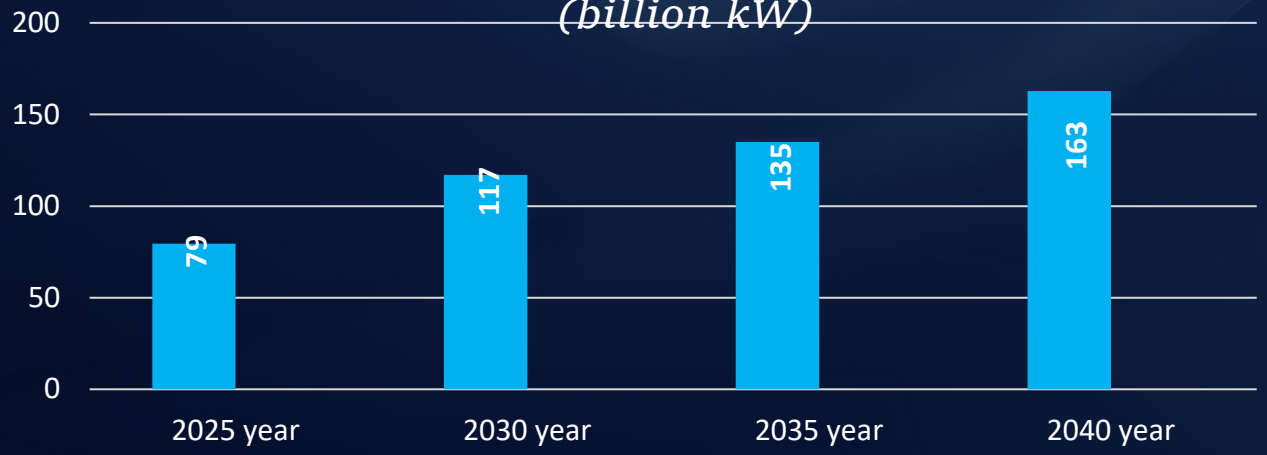
Electricity imports by Central Asian countries under the Central Asia Energy Community (CEAC) (million kW)



Electricity Demand Forecast for Uzbekistan (billion kW)



According to the Ministry of Energy of the Republic of Uzbekistan, the country will require 117 billion kilowatt-hours of electricity in 2030 and 135 billion kilowatt-hours in 2035 – a 1.7-fold increase from current levels. This growth trend is driven by population expansion and economic development.

Currently, over 40% of energy losses in the country are caused by outdated equipment in industrial facilities. Meanwhile, some regions still experience power outages and gas supply disruptions.

To tackle these challenges, a major industrial modernization initiative is set to be launched. The replacement of 35,000 obsolete units in Samarkand, Syrdarya, and Dzhizak regions will save 385 million kWh of electricity and 50 million cubic meters of gas annually.

The use of local renewable energy sources helps conserve traditional fuel that would otherwise need to be transported to the region. Uzbekistan's 2020-2030 electricity supply plan proposes diversifying the country's energy sector, with the share of thermal power generation to be reduced from 92% to 59%.

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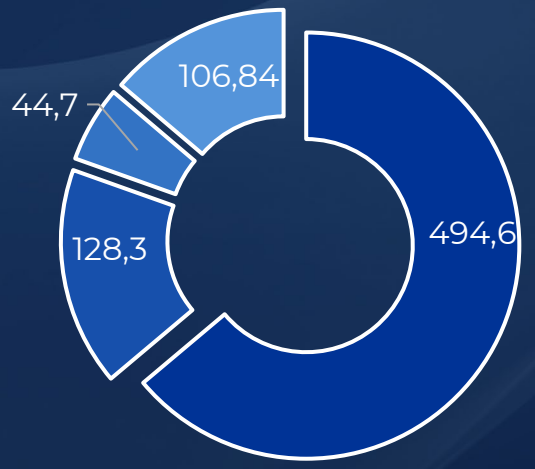
The total project cost includes hydroelectric power plant equipment, buildings and structures, as well as financing costs for securing and servicing the borrowed funds.

The project's direct investment and credit financing will be secured over a 6-year period.

The project's return on investment is projected to be.

($74,7 mln / $774,5 млн.) = **0,1**

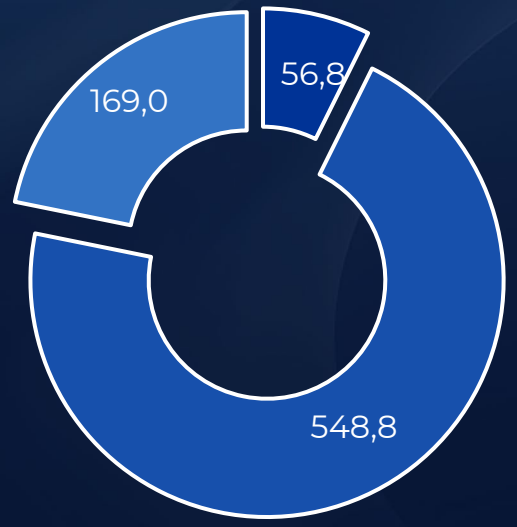
Project cost *(millions dollars)*



- Buildings and infrastructure
- Equipment and machinery
- Other fixed assets
- Working capital

Total CAPEX: $ 774,5 mln.

Financing Plan *(millions dollars)*



- Own capital
- Loan
- Direct investment

Total FINPLAN: $ 774,5 mln.

To implement the project, direct investment or loans must be secured based on their terms.

The financing scheme presented in this presentation is preliminary.

The project's funding structure will be finalized after discussions with the investor.

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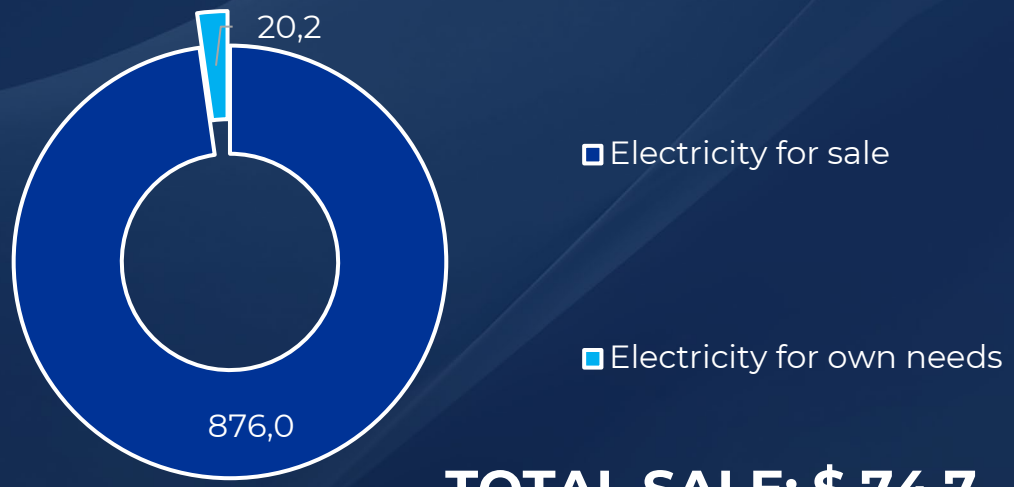
The hydropower station has an installed capacity of 320 MW. The equipment is projected to operate 1,914 hours annually. The annual power generation will exceed 896 GWh, with 20.2 GWh allocated for the station's own operational needs.

Annual total revenue at full capacity is expected to reach approximately $74.7 million.

Revenue *(millions dollars)*



TOTAL SALE: $ 74.7

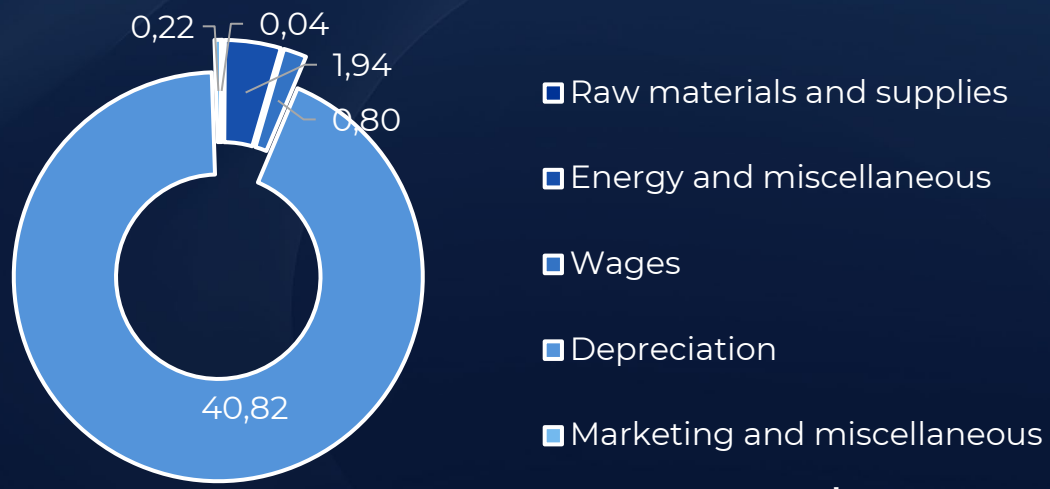
The main components of the project's operating costs are depreciation, labor costs, and other production expenses.

The total annual cost of the project's financial and operational activities at full capacity will be $43.8 million.

Project operating profitability

($74,7 million – $43,8 million) / $43,8 million = 70.5%

Cost *(millions dollars)*



TOTAL OPEX: $ 43,8 млн.

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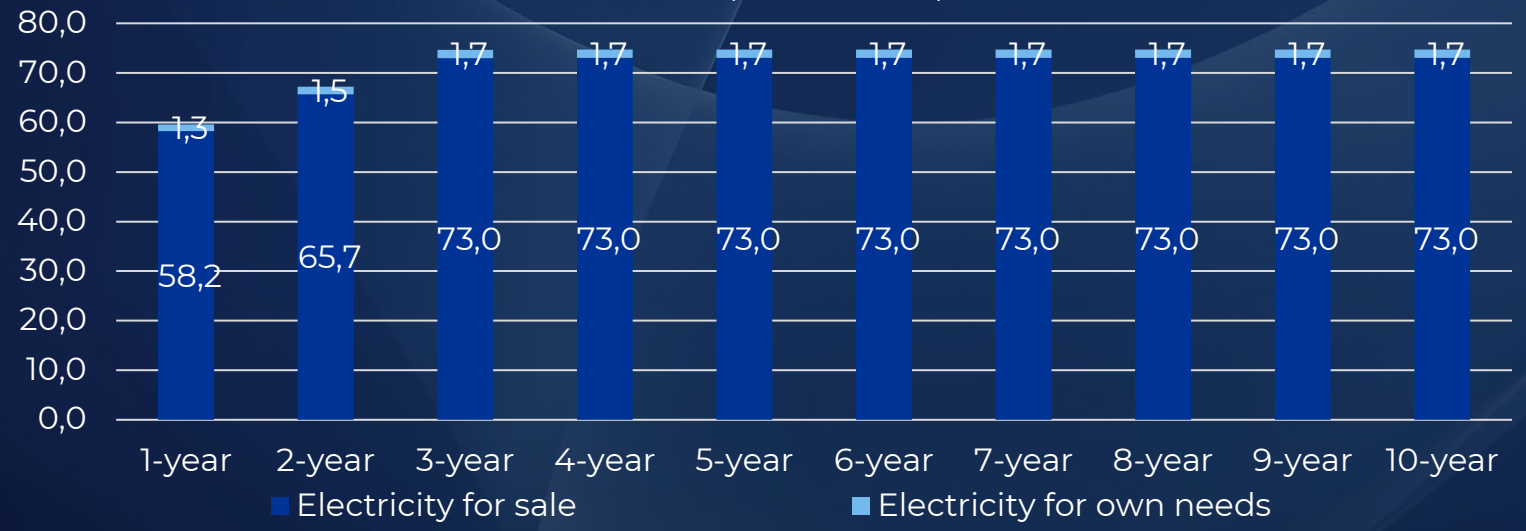
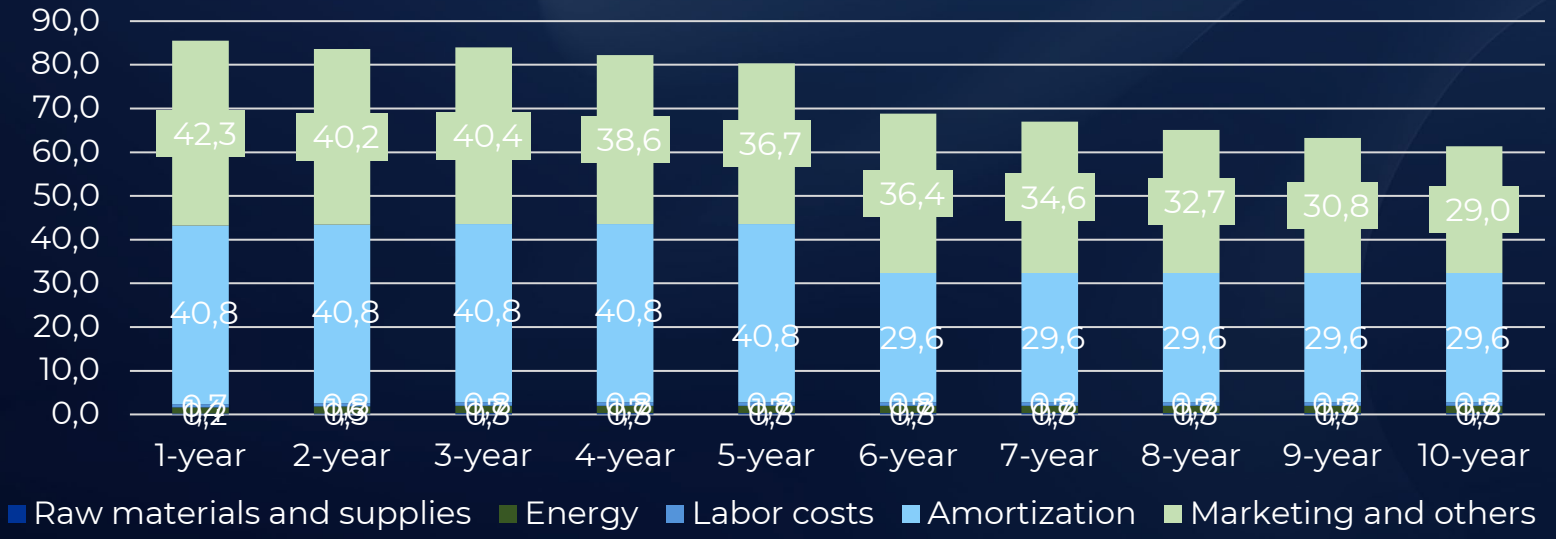
Revenue (millions dollars)



Operating expenses (millions dollars)



The annual output will exceed 896 GW, with 20.2 GW allocated to the hydropower plant's own needs.

Annual total revenue at full capacity is projected to reach $74.7 million.

The project's capacity is conservatively estimated at its operational level by the third year of operation.

The main components of the project's operating costs are depreciation, labor costs, and other production expenses.

All operational expenses will be determined through competitive market analysis, with the resulting savings being allocated to investors and used for employee incentives and outsourcing company bonuses.

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Project Financial Statements *(30-Year Period)*

Cost: $774.5 million.

Revenue: $74.7 millionper year

NPV: $45.4 million

IRR: ~ 6,3%

DPP: 26,2 year

The project demonstrates strong profitability and market demand, positioning it as an attractive investment opportunity.

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Prospective Development Plan for Central Asia's Power Grids by 2030