Direct Investment Fund of the Republic of Uzbekistan LLC

Financial statements
for the year ended 31 December 2024
with an independent auditor's report

CONTENT

Notes to the financial statements

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INDEPENDENT AUDITOR'S REPORT

To the Participants and Management of Direct Investment Fund of the Republic of Uzbekistan LLC

Opinion

We have audited the financial statements of Direct Investment Fund of the Republic of Uzbekistan LLC (the "Company"), which comprise the statement of financial position as of December 31, 2024, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's responsibility for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (including International Independence Standards) ("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 opinion.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibility for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 internal 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 Company'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 Company'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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements.

We communicate with those charged with governance, 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.

The partner in charge of the audit resulting in this independent auditor's report is Boisov E.S.

TGS-MAGNIT FINANCE

Boisov E.S.
Director / Auditor

Auditor Qualification Certificate No.
05388 dated June 11, 2016

April 21, 2025

Direct Investment Fund of the Republic of Uzbekistan LLC

STATEMENT OF FINANCIAL POSITION

As of December 31, 2024

In thousands of soums	**Note.**	**December 31 2024**	December 31 2023
Assets			
Non–current assets			
Property, plant and equipment	6	**277,703**	402,032
Intangible assets		**20,125**	31,625
Financial assets at fair value through profit or loss	7	**3,093,708**	9,690,782
Long term deposits	9	**47,931,780**	38,881,165
Deferred tax assets		**62,806**	59,089
Total non–current assets		**51,386,122**	49,064,693
Current assets			
Advances paid		**14,803**	30,470
VAT receivable		**382,502**	382,502
Income tax prepayment		**142,317**	1,612
Cash and cash equivalents	10	**251,020**	331,072
Other financial assets	8	**295,694**	381,616
Other short–term assets		**75,000**	1,106
Total short–term assets		**1,161,336**	1,128,378
Total assets		**52,547,459**	50,193,072
Equity			
Authorized capital	11	**52,363,350**	52,363,350
Retained earnings		**127,050**	(2,507,839)
Total capital		**52,490,400**	49,855,511
Short term liabilities			
Trade and other payables	12	**14,803**	41,923
Other tax payables		**–**	23,507
Payables to employees		**42,256**	272,131
Total liabilities		**57,059**	337,561
Total equity and liabilities		**52,547,459**	50,193,072

General Director

Kalonkhujaev R.R.

Chief Accountant

Mamatov D.A.

The accounting policies and notes on pages 5–19 are an integral part of these financial statements.

Direct Investment Fund of the Republic of Uzbekistan LLC
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2024

In thousands of soums	Note.	2024	2023
Revenue		–	61,845
Interest income	13	**10,101,947**	9,882,277
Loss on financial assets at fair value through profit or loss	7	**(79,978)**	(61,013)
Administrative expenses	14	**(1,040,959)**	(2,003,874)
Personal expenses	15	**(6,742,400)**	(7,505,798)
Expected credit loss expense	9,10	**134,901**	167,662
Other operating expenses		**344,101**	8,278
Profit before taxation		**2,717,612**	549,377
Income tax	16	**(82,723)**	(25,321)
Net profit / (loss) for the year		**2,634,889**	524,055
Other comprehensive income after tax		–	–
Total comprehensive profit / (loss) for the year		**2,634,889**	524,055

General Director

Kalonkhujaev R.R.

Chief Accountant

Mamatov D.A.

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Direct Investment Fund of the Republic of Uzbekistan LLC

STATEMENT OF CASH FLOW

For the year ended 31 December 2024

In thousands of soums	Note .	2024	2023
Cash flows from operating activities			
Loss before tax		**2,717,612**	549,377
Adjustments for:			
Depreciation of property, plant and equipment, intangible assets	6	**165,160**	163,199
Loss on financial assets at fair value through profit or loss		**79,978**	61,013
Profit on expected credit loss	9,10	**(134,901)**	(63,013)
Interest income	13	**(10,101,947)**	(9,882,277)
Cash flows from operating activities before changes in operating assets and liabilities		**(7,274,098)**	(9,276,349)
Changes in working capital:			
Change in advances paid		**(58,227)**	52,873
Change in tax prepayments		**(140,705)**	(23,614)
Change in trade and other payables		**(252,709)**	(127,276)
Change in liabilities for other taxes		**(23,507)**	23,507
Cash flows from operating activities			
Income tax paid	16	**(86,440)**	(29,000)
Interest received		**10,116,920**	9,838,551
Net cash flows from operating activities		**2,352,183**	424,058
Cash flows from investing activities			
Purchase of property, plant and equipment		**(29,331)**	(7,678)
Purchase of intangible assets	7	**6,517,096**	(6,517,096)
Placement of deposits	9	**(8,920,000)**	6,120,000
Net cash flows used in investing activities		**(2,432,235)**	(404,774)
Cash flows from financing activities			
Contribution to the authorized capital	11	**–**	–
Net cash flows used in financing activities		**–**	–
Net change in cash		**(80,052)**	19,283
Cash and cash equivalents at the beginning of the year		**331,072**	311,789
Cash and cash equivalents at the end of the year		**251,020**	331,072

General Director

Kalonkhujaev R.R.

Chief Accountant

Mamatov D.A.

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Direct Investment Fund of the Republic of Uzbekistan LLC

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

In thousands of soums	Note.	Authorized capital	Reserve capital	Retained earnings	Total
As of January 1, 2023		52,363,350	–	(2,885,779)	49,477,571
Net profit for the year		–	–	524,055	524,055
Total comprehensive income		–	–	524,055	524,055
As of December 31, 2023		**52,363,350**	–	**(2,507,839)**	**49,855,511**
Net profit for the year			–	**2,634,889**	**2,634,889**
As of December 31, 2024		**52,363,350**	–	**127,050**	**52,490,400**

General Director

Kalonkhujaev R.R.

Chief Accountant

Mamatov D.A.

The accounting policies and notes on pages 5–19 are an integral part of these financial statements.

1. GENERAL INFORMATION

Joint-Stock Company "Management Company Direct Investment Fund of the Republic of Uzbekistan" (hereinafter referred to as the "Company") was established in accordance with the Decree of the President of the Republic of Uzbekistan from 17 January 2019 NUP-5635 "About the State program on strategy implementation of actions in five priority directions of development of the Republic of Uzbekistan in 2017- 2021 in a "Year of active investments and social development". The company was registered at the Public Services Center in Yunusabad district, in Tashkent city on July 27, 2019.The sole shareholder of the company is The Fund for Reconstruction and Development of the Republic of Uzbekistan with 100% of ownership.

In 2022, in accordance with the decision of the sole shareholder, the Company was transformed into Direct Investment Fund of the Republic of Uzbekistan LLC.

Main objectives of the Company include, but not limited, to the following:

- To make profitable investments in the sectors of the economy of the Republic of Uzbekistan jointly with domestic and foreign investors, and financial institutions;
- To attract foreign direct investment, innovative ideas and technologies to expand the production capacity and further development of the competitiveness of the national economy;
- To promote and develop the investment activities in the Republic of Uzbekistan by establishing long-term and mutually beneficial partnerships with domestic and foreign investors;
- To assess investment proposals, develop and implement of investment projects.

These financial statements for the year ended 31 December 2024 were approved and authorized for issue by the sole shareholder of the Company pursuant to the resolution №5 dated 31 January 2025.

2. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

The accompanying financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS"), including all International Financial Reporting Standards and interpretations of the International Financial Reporting Standards Board adopted and in force during the reporting period, and are fully consistent with them.

These financial statements of the Company have been prepared in accordance with the historical cost principle, except for the transactions disclosed in the accounting policies and notes to these financial statements.

The financial statements are presented in Uzbek soums ("soums"). All amounts in these financial statements have been rounded to the nearest thousand, unless otherwise indicated.

Business continuity principle

The Company has prepared its financial statements on a going concern basis.

Functional currency and currency representation

The financial statements are presented in soums, which is the Company's functional currency.

Foreign currency transactions are translated to the functional currency using the exchange rates at the date of the transaction. Foreign exchange gains and losses arising from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the exchange rates at the reporting date are recognized in the statement of comprehensive income.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (continued)

Functional currency and currency representation (continued)

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated at the rates ruling at the dates of the original transactions. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates ruling at the date the fair value was determined.

Exchange rates

The official exchange rates in the Republic of Uzbekistan are set by the Central Bank of Uzbekistan ("CBU"). The exchange rate of the CBU as of December 31, 2024 was 12,920.48 soums per 1 USD (December 31, 2023: 12,338.77 soums). This rate was used to translate monetary assets and liabilities denominated in US dollars as of December 31, 2024.

3. SIGNIFICANT ACCOUNTING POLICIES

Classification of assets and liabilities into current and non-current

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within 12 (twelve) months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 (twelve) months after the reporting period.

All other assets are classified as non-current. A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within 12 (twelve) months after the reporting period; or

There is no unconditional right to defer the settlement of the liability for at least 12 (twelve) months after the reporting period.

The Company classifies all other liabilities as non-current.

Financial assets

Initial recognition and valuation

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.

With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cashflows that are 'solely payments of principal and interest (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets (continued)

Initial recognition and valuation (continued)

Financial assets with cash flows that are not classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how ti manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cashflows, selling the financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in the following categories:

- Financial assets at amortized cost (debt instruments);
- Financial assets at fair value through profit or loss;
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments):
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments).

Financial assets at amortized cost

The Company measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Company's financial assets at amortized cost mainly include bank deposits.

Financial assets at fair value through profit or loss.

Financial assets at fair value through profit or loss include purchased bonds, which cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model.

Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition fi doing so eliminates, or significantly reduces, an accounting mismatch. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets (continued)

Derecognition

A financial asset is primarily derecognized (removed from the statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, ti evaluates if, and to what extent, it has retained the risks and rewards of ownership. When ti has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company recognizes an allowance for expected credit losses (ECL) for all debt instruments not held at fair value through profit or loss. ECL are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans borrowings and payables, or as derivatives financial instruments.

All financial liabilities are recognized initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

The Company's financial liabilities mainly include trade and other payables.

Subsequent measurement

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate.

Derecognition of financial liabilities

A financial liability is derecognized in the Company's accounting records fi the respective liability is discharged, canceled or expires.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment

Property, plant and equipment in the Company are carried at historical cost less accumulated depreciation and impairment losses. If the Company decided to apply the revaluation model for a group of property, plant and equipment, then fixed assets are initially recognized at cost and subsequently measured at fair value less subsequently accumulated depreciation and impairment losses.

The Company must recognize in the carrying value of an asset the costs of partially replacing parts of such an asset at the time these costs are incurred, subject to the principles of asset recognition in accounting.

An asset is derecognized on the Company's balance sheet when it is disposed of, or when a decision is made to terminate the use of the asset, and no further economic benefits are expected from its disposal (for example, no cash is expected to flow from the sale of the asset).

The financial result from the disposal or retirement of fixed assets is determined as the difference between the net proceeds from disposal and the book value (cost) of the fixed asset and is reflected in the profit / loss on disposal of fixed assets in the statement of comprehensive income.

Construction in progress is included in property, plant and equipment and is subject to an annual impairment review.

Depreciation on these assets is not accrued until they are ready for use and put into operation. However. in cases of delays in signing the commissioning certificates, each situation should be considered individually, and professional judgment used to decide whether to start depreciating these assets. All expenses directly attributable to the construction of objects under construction are capitalized in their cost.

Depreciation of fixed assets

Depreciation for all fixed assets in the Company is carried out on a straight-line basis (straight-line method), based on their useful life. Depreciation methods, useful lives and residual values of property, plant and equipment are reviewed at the end of each reporting period and adjusted if necessary.

Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less.

For all financial instruments measured at amortized cost and debt financial assets, interest income is recognized using the effective interest rate method. Interest income is included in interest income in the statement of comprehensive income.

Long term deposits

Long term deposits in the statement of financial position comprise deposits in banks that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, with original maturities of more than 12 months.

Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. The right of set-off must not be contingent on a future event and must be legally enforceable in all the following circumstances:

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Offsetting of financial instruments (continued)

- The normal course of business;
- The event of default; and
- The event of insolvency or bankruptcy of the entity and all the counterparties.

These conditions are not generally met in master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

Current and Deferred income tax

Income tax includes all taxes levied on taxable income (i.e., profits or losses for the period determined in accordance with the rules of the tax authorities on which income taxes are paid or refunded). Income tax also includes tax on the Company's net income.

Income tax expense (income tax savings) is the aggregate amount included in profit or loss for the period in respect of current tax and deferred tax.

Current tax is the amount of income tax payable on taxable income for a period. Deferred tax liabilities are the amounts of income taxes payable in future periods in respect of taxable temporary differences.

Current income tax

The amount of current income tax for the reporting and previous periods is recognized as a liability equal to the unpaid amount and accrued in the same tax period in which the corresponding taxable income and deductible expenses of the Company arise. If the amount of income tax paid exceeds the amount payable for the tax period, then the amount of the excess is recognized as an asset.

The valuation of assets and liabilities in accordance with IFS, as a rule, differs from the valuation according to the tax records maintained in accordance with the requirements of the tax legislation, resulting in liabilities and assets for deferred tax.

Deferred tax

Deferred tax liabilities are amounts of income taxes payable in future periods in respect of taxable temporary differences (differences between the carrying amount of an asset or liability on the statement of financial position and its tax base that will give rise to taxable amounts in the calculation of deferred taxable income when the carrying amount of the asset or liability Is recovered or settled).

The Company evaluates whether unreported deferred tax assets can be used at each reporting date. If it becomes probable that a profit will be made in future periods, the deferred tax asset is recognized. Also, the carrying amount of such a deferred tax asset must be reviewed at each reporting date, and fi it is not highly probable that the Company will have taxable profit in future periods, then the amount of the deferred tax asset should be reduced.

Deferred tax assets and liabilities must be measured at tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and tax laws that are in effect or substantially enacted at the reporting date.

If different tax rates apply to different types of taxable income, deferred tax assets and liabilities are measured at the balance sheet date using the average rates that are expected to apply to taxable profit (tax loss) of those periods in which the temporary difference is expected to reverse. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current income tax or deferred income tax relating to items recognized is directly recognized in equity and not in the statement of comprehensive income.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Equity

Equity consists of share capital of the company as well as retain earnings/ accumulated deficit. Increase or decrease of the share capital can only be made based on participants decision after introducing respective changes to the foundation charter documents of the Company. Retained earnings or accumulated deficit is formed on an accrual basis from the beginning of the Company's activities.

Expense recognition

Expenses are recognized as incurred and are reported in the financial statements in the period to which they relate on an accrual basis.

Fair Value measurements

The Company measures its investments in financial instruments, such as debt instruments and other interest-bearing investments at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Under IRFS 13, the Company follows a fair value hierarchy that divides the inputs to the valuation method used to determine fair value into three levels:

- Level 1 inputs are quoted (unadjusted) prices in active markets for identical assets or liabilities that an entity can access at the measurement date.
- Level 2 inputs are inputs that are not quoted prices included in Level 1 and that are directly or indirectly observable for the asset or liability.
- A Level 3 input is an unobservable input to an asset or liability.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

New and Amended Standards and Interpretations

During the reporting period, the Company applied all new standards, interpretations, and amendments to existing standards and interpretations issued by the International Accounting Standards Board (IASB) that were mandatory for application to annual periods beginning on 1 January 2024.

Amendments to IAS 12 «Income Taxes» — Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction. The amendments clarify the rules for recognizing deferred tax liabilities and assets for transactions in which an asset and a liability are recognized simultaneously (for example, leases). The adoption of these amendments did not have a significant impact on the Company's financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

New and Amended Standards and Interpretations (continued)

Amendments to IAS 1 «Presentation of Financial Statements» — Disclosure of Accounting Policies. The amendments replace the requirement to disclose “significant” accounting policies with the requirement to disclose «material» accounting policies. The Company has revised its disclosure of accounting policies in accordance with the updated requirements.

Amendments to IAS 8 «Accounting Policies, Changes in Accounting Estimates and Errors» — Definition of Accounting Estimates

The amendments clarify the criteria for distinguishing between changes in accounting policies and changes in accounting estimates. The adoption of these amendments did not have a significant impact on the Company’s financial statements.

4. STANDARDS ISSUED BUT NOT YET EFFECTIVE

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company’s financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

IFRS 18 “Presentation and Disclosure in Financial Statements”: Summary of the Standard

A new standard replacing IAS 1 “Presentation of Financial Statements.” IFRS 18 enhances requirements for the presentation of key categories of income and expenses, introduces mandatory disclosure of management performance measures (MPMs), and requires additional aggregated information. The standard is effective for annual reporting periods beginning on or after 1 January 2027. There is no impact on the current financial statements.

Amendments to IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Venture. These amendments address an inconsistency between the requirements for recognizing gains or losses on the sale of assets between an investor and its associate or joint venture. The effective date has been deferred indefinitely. These changes are not expected to have a significant impact on the Company’s financial statements.

Amendments to IAS 1 “Presentation of Financial Statements” — Classification of Liabilities as Current or Non-current. These amendments clarify the requirements for classifying liabilities as current or non-current based on the entity’s rights to defer settlement at the end of the reporting period. The amendments are effective for annual reporting periods beginning on or after 1 January 2025. The Company is assessing the potential impact of these changes on its financial statements.

Amendments to IAS 7 “Statement of Cash Flows” and IFRS 7 “Financial Instruments: Disclosures” — Disclosure of Financial Risks and Their Management. New requirements have been introduced for more detailed disclosure of liquidity risks and short-term cash flow risks. The amendments are effective from 1 January 2026. The Company plans to implement the disclosures in accordance with the requirements when they become effective.

Amendments to IFRS 16 “Leases” — Lease Liability in a Sale and Leaseback. These amendments clarify the accounting for lease liabilities arising from leases with variable lease payments. The amendments are effective for annual reporting periods beginning on or after 1 January 2025. There is no impact on the current financial statements.

5. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in accordance with IFRS requires management to use estimates and assumptions that affect the reported assets, liabilities and disclosures of contingent assets and liabilities at the date of preparation of the financial statements, as well as the reported assets, liabilities, income, expenses and disclosures. contingent assets and liabilities for the reporting period.

The most significant accounting estimates are discussed below:

Useful life of property, plant and equipment

The Company evaluates the remaining useful life of property, plant and equipment at least once a year at the end of the financial year. If expectations differ from previous estimates, the changes are accounted for prospectively as changes in accounting estimates in accordance with IAS 8 Accounting *Policies, Changes in Accounting Estimates and Errors*.

Fair value of financial instruments

Where the fair value of financial instruments and financial liabilities recognized in the statement of financial position cannot be determined from active markets, it is determined using valuation techniques, including the discounted cash flow model. Observable markets are used as input to these models whenever possible, but where this is not practicable, a certain amount of judgment is required to establish fair value. Judgments include taking into account such inputs as liquidity risk, credit risk and volatility. Changes in assumptions about these factors may affect the fair value of financial instruments as reported in the financial statements.

Taxation

When assessing tax risks, management considers as possible liabilities known areas of non-compliance with tax laws that the Company is unable to contest or does not believe it will be able to successfully challenge if additional taxes are assessed by the tax authorities. Such a determination requires significant judgment and is subject to change as a result of changes in tax laws and regulations, amendments to taxation conditions, the determination of expected outcomes in pending tax proceedings, and the current outcome of tax compliance reviews by the tax authorities.

Deferred Tax Assets

Deferred tax assets are recognized to the extent that it is probable that taxable temporary differences and the commercial nature of such expenses will be justified. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized in the financial statements, based on the likely timing and extent of future taxable profits and future tax planning strategies.

Allowances for Expected Credit Losses

At every reporting date, the Company updates and analyses historical observed default rates and changes in the forward- looking estimates.

ECL are based on the external ratings for cash and cash equivalents and deposits at banks. Rating agencies publish external credit risk ratings of the banks, which are used to assess the 'probability of default' and 'loss given default'. Credit risk parameters based on default and collection statistics published by the respective rating agencies such as Standard and Poor's and Moody's. The information about the ECLs on the Company's cash and cash equivalents and deposits at banks is disclosed in Notes 9 and 10.

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. PROPERTY, PLANT AND EQUIPMENT

In thousands of soums	Machinery and equipment	Furniture and equipments	Office equipment	Transportation	Other	Total
Initial cost:						
As of January 1, 2023	950	11,620	341,857	369,000	49,937	773,364
Additions	–		7,678	–	–	7,678
As of December 31, 2023	**950**	**11,620**	**349,535**	**369,000**	**49,937**	**781,042**
Additions		**29,331**				**29,331**
As of December 31, 2024	**950**	**40,951**	**349,535**	**369,000**	**49,937**	**810,373**
Accumulated depreciation						
As of January 1, 2023	(301)	(2,437)	(96,692)	(116,850)	(11,031)	(227,311)
Depreciation charge	(190)	(1,743)	(68,405)	(73,800)	(7,561)	(151,699)
As of December 31, 2023	(491)	(4,180)	(165,097)	(190,650)	(18,592)	(379,010)
Depreciation charge	**(190)**	**(3,489)**	**(68,620)**	**(73,800)**	**(7,561)**	**(153,660)**
As of December 31, 2024	**(681)**	**(7,669)**	**(233,717)**	**(264,450)**	**(26,153)**	**(532,670)**
Net book value:						
As of December 31, 2023	459	7,440	184,438	178,350	31,345	402,032
As of December 31, 2024	**269**	**33,282**	**115,818**	**104,550**	**23,784**	**277,703**

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

On December 7, 2021, the Company purchased bonds issued by UzReport IA LLC for a total amount of UZS 3,000,000 thousand, with an interest rate of 22%. The maturity date of the bonds is 3 December 2025. At initial recognition these investments were classified as financial assets at FVPL.

On December 22, 2023, the Company purchases bonds issued by SAIPRO GROUP LLC for a total amount of 6,517,096 thousand soums, with the refinancing interest rate of the Central Bank of the Republic of Uzbekistan plus 10 (ten) percent. In 2024, these bonds were sold.

In thousands of soums	**December 31, 2024**	December 31, 2023
January 1st	**9,690,782**	3,234,699
Acquisition	**–**	6,517,096
Sale	**(6,517,096)**	
Adjustment to fair value through profit or loss	**(79,978)**	(61,013)
	3,093,708	9,690,782

8. OTHER FINANCIAL ASSETS

In thousands of soums	**December 31, 2024**	December 31, 2023
Interest receivable	**166,356**	217,644
Other accounts receivable	**129,338**	163,972
	295,694	381,616

9. LONG–TERM DEPOSITS

In thousands of soums	**December 31, 2024**	December 31, 2023
Long–term deposits in banks	**48,900,000**	39,980,000
Less: allowance for expected credit losses	**(968,220)**	(1,098,835)
Total long–term deposits	**47,931,780**	38,881,165

10. CASH AND CASH EQUIVALENTS

In thousands of soums	**December 31, 2024**	**December 31, 2023**
Cash in the bank on current accounts	256,091	329,043
Cash in the bank on special accounts	–	11,386
Less: allowance for expected credit losses	(5,071)	(9,357)
Total cash and cash equivalents	251,020	331,237

No interest is accrued on cash balances.

11. CAPITAL

Authorized capital

As of December 31, 2023, the registered authorized capital of the Company was UZS 52,363,350. It consists of 52,363,350 ordinary shares of the Company with a par value of 1 UZS each. The authorized capital is fully paid in cash.

12. TRADE AND OTHER PAYABLES

Trade payables are non–interest bearing and primarily include accrued payables for rent and other administrative expenses.

13. INTEREST INCOME

In thousands of soums	**2024**	2023
Interest income received from deposits	**8,576,796**	9,160,630
Interest income received from financial assets under FVPL	**1,525,151**	721,647
Total interest income	**10,101,947**	9,882,277

14. ADMINISTRATIVE EXPENSES

In thousands of soums	**2024**	2023
Rent Expenses	**(498,529)**	(552,250)
Travel expenses	**(65,581)**	(734,534)
Consulting and audit services	**(144,688)**	(82,259)
Communication services	**(71,952)**	(67,667)
Office supplies	**(7,891)**	(29,673)
Depreciation	**(165,160)**	(163,199)
Maintenance expenses	**(8,407)**	(56,488)
Transportation costs	**(27,042)**	(124,790)
Other	**(51,709)**	(193,014)
Total administrative expenses	**(1,040,959)**	(2,003,874)

15. PERSONNEL EXPENSES

In thousands of soums	2024	2023
Salary	**(6,116,209)**	(6,870,122)
Social security	**(730,676)**	(791,375)
Unused vacation reserve	**104,485**	155,699
Total personnel expenses	**(6,742,400)**	(7,505,798)

16. INCOME TAX

For 2024 income tax expenses included:

In thousands of soums	**2024**	2023
Income tax	**(86,440)**	(29,000)
Deferred income tax	**3,717**	3,679
Income tax	**(82,723)**	(25,321)

A reconciliation of income tax expense calculated from accounting profit before tax at the statutory income tax rate of 15% to income tax expense is as follows:

In thousands of soums	**2024**	2023
Profit before tax	**2,717,612**	549,377
Tax rate	**15%**	15%
Theoretical income tax benefit at statutory tax rate	**(407,642)**	(82,406)
Adjustments Related to Tax Benefits	**203,821**	41,203
Constant Differences	**121,098**	15,882
Income tax expense	**(82,723)**	(25,321)

16. INCOME TAX (continued)

In accordance with the Presidential Decree of the Republic of Uzbekistan No. DP-215 dated 7 September 2022, the company was granted the right to apply a reduced fixed corporate income tax rate of 7.5% (a 50% reduction from the standard rate of 15%) for a period of three years. This tax incentive was taken into account in the calculation of the income tax expense for the year 2024.

Deferred income tax assets and liabilities are as follows:

In thousands of soums	1st of January 2023	Charged to profit and loss	December 31, 2023	**Charged to profit and loss**	**December 31, 2024**
Cash and cash equivalents	661	41	702	**(321)**	**380**
Payable to employees	(22,676)	11,677	(10,999)	**7,836**	**(3,163)**
Bank deposits	95,028	(12,615)	82,413	**(9,796)**	**72,617**
Financial assets at fair value through profit or loss	(17,602)	4,576	(13,026)	**5,998**	**(7,028)**
Total	55,410	3,679	59,089	**3,717**	**62,806**

17. RELATED PARTY DISCLOSURES

In accordance with IAS 24 Related Party Disclosures, parties are considered to be related if one party has the ability to control or exercise significant influence over the other party in making financial and operating decisions. When deciding whether the parties are related, the content of the relationship between the parties, and not just their legal form, is taken into account.

As at 31 December 2024 and 2023, the Company did not have significant transactions with related parties other than equity contributions from the parent company.

18. FINANCIAL RISK MANAGEMENT

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. As at 31 December 2024, there are no positions materially affected by market risk.

Credit risk

The Company controls its own exposure to credit risk. Credit risk is the risk that a counterparty will fail to meet its obligations under a financial instrument or contract with a customer, resulting in a financial loss. The Company is exposed to credit risk in connection with its financial activities, including deposits and cash and cash equivalents held with banks and investments in financial instruments.

The credit risk associated with the Company's investment activities is managed in accordance with the Company's policy. The company invests free funds only through verified counterparties.

Cash is placed with financial institutions that are considered to have minimal risk of default at the time of placement. The maximum exposure to credit risk at the reporting date is equal to the carrying amounts of each class of financial assets disclosed in the statement of financial position. Management believes that the Company does not have a significant risk of loss other than the allowance already taken into account.

18. FINANCIAL RISK MANAGEMENT (continued)

Cash and deposits of the Company were placed in commercial banks of Uzbekistan with a credit rating of B2 (stable).

Liquidity risk

The Company monitors the risk of shortage of funds using the current liquidity planning tool.

The Company monitors the risk of shortage of funds using the liquidity management tool. This tool analyzes the timing of payments associated with financial assets, as well as projected cash flows from operating activities. As of December 31, 2024 and 2023, the Company's financial liabilities are payable within up to 3 months.

Management believes that the Company has access to sufficient financing resources in local banks to meet the obligations of the Company in accordance with the established deadlines.

Fair value of financial instruments

In thousands of soums	Carrying value		Fair value	
	31th of December 2024	31th of December 2023	**31th of December 2024**	31th of December 2023
Financial assets:				
Financial assets at FVPL	**3,093,708**	3,093,708	**9,690,782**	9,690,782
Long--term deposits	**47,931,780**	47,931,780	**38,881,165**	38,881,165
Cash and cash equivalents	**251,020**	251,020	**331,072**	331,072
Other financial assets	**295,694**	295,694	**381,616**	381,616
Total financial assets:	**51,572,202**	51,572,202	**49,284,636**	49,284,636
Financial liabilities:				
Trade and other payables	**14,803**	14,803	**41,923**	41,923
Total financial liabilities :	**14,803**	14,803	**41,923**	41,923

Long-term deposits and cash and cash equivalents are presented in Level 2. FVPL financial assets, other financial assets and payables are included in Level 4.

There were no changes in the classification of financial instruments during 2023 and 2024.

Capital Management

The Company manages capital to maintain business continuity while maximizing returns for stakeholders by optimizing the balance of debt and equity.

19. COMMITMENTS, CONTINGENCIES AND OPERATING RISKS

Operating Environment

Uzbekistan continues to implement economic reforms and to develop its legal, tax, and administrative infrastructure to meet the requirements of a market economy. The stability of Uzbekistan's economy will largely depend on the progress of these reforms and the effectiveness of the measures undertaken by the Government in the areas of economic, financial, and monetary policy.

In particular, the President of the Republic of Uzbekistan issued Decree No. UP-60 dated 28 January 2022, approving the Strategy for Action on Seven Priority Areas for the Development of the New Uzbekistan for 2022–2026. The Government is implementing extensive political, legal, and socio-economic reforms, as well as national and regional programs, in accordance with the Strategy for Action for 2022–2026.

19. COMMITMENTS, CONTINGENCIES AND OPERATING RISKS (continued)

Operating Environment (continued)

The Company believes that the ongoing reforms and modernization of the operating environment create new opportunities for growth and further business development in the Republic of Uzbekistan.

Legal Issues

The Company may be subject to legal proceedings and judgments. Management believes that the resolution of all possible business issues will not have a material impact on the Company's financial position or results of operations.

Taxation

Uzbekistan currently has a number of laws governing various taxes imposed by republican and local governments. Often, executive orders for the application of normative acts are not clear or do not exist at all. There are frequent cases of different opinions regarding the interpretation of legislative acts, both between different departments and within one department (that is, the State Tax Committee and its various inspectorates), which creates uncertainty and grounds for various disputes. Tax declarations, as well as other areas of legal regulation (for example, customs and currency control issues), are under the control of several departments, which, by law, have the right to impose very significant fines, penalties and accrue interest. This situation creates a greater degree of probability of tax risks in Uzbekistan than, for example, in other countries with more developed systems of tax legislation. Management believes that the Company generally complies with all provisions of the tax legislation that affect its activities. However, the risk remains that the relevant authorities may take a different stance on contentious issues.

Management believes that, as at 31 December 2024, its interpretation of applicable tax, currency and customs legislation, as well as its interpretation of tax and customs benefits under the Investment Agreement, is appropriate and it is probable that the Company's position on these matters will be confirmed.

20. EVENTS AFTER THE REPORTING DATE

There have been no significant events since the reporting date that could affect these financial statements and require disclosure.